

CLARKE COUNTY BOARD OF SUPERVISORS
May 18, 2009 Adjourned Meeting 5:00 p.m.
Main Meeting Room

At an adjourned meeting of the Board of Supervisors of Clarke County, Virginia in the Main Meeting in the Joint Government Center, 101 Chalmers Court, Berryville, Virginia on Monday, May 18, 2009.

Board Members Present

Barbara J. Byrd; J. Michael Hobert; John R. Staelin; David S. Weiss

Board Members Absent

A.R. "Pete" Dunning, Jr.

Staff Present

David Ash, Chuck Johnston, Lora Walburn

Also Present

Jim Barb, Chris Bates, Christy Dunkle, Reid Everly, David Juday, Jay Hillerson, Eric Myer, Val Van Meter and other citizens and members of the press.

Call To Order

Chairman John Staelin called the meeting to order at 5:04 p.m.

Tax Base Expansion Report Review

John Staelin introduced Michael Siegel, Public and Environmental Finance Associates. He advised that approximately 90 minutes had been scheduled for the meeting. He asked each person at the table to introduce themselves and the organization they were representing, as well as any areas or topics upon which they especially desired discussion.

- Farm Bureau and Equine Alliance: Chris Bates; wireless expansion
- Town of Boyce: Reid Everly; discussion on fair market assessment of farmland.
- Town of Berryville: Christy Dunkle; impact of the summits being run by the Town.

- Industrial Development Authority: David Juday
- Economic Development Advisory Committee: Jim Barb
- Board of Supervisors Berryville: J. Michael Hobert; outline of next steps.

At 5:17 pm, Supervisor David Weiss joined the meeting.

Michael Siegel provided the following highlights of the Tax Base Enhancement report he researched and prepared:

- Clarke County is one of the more fiscally sound counties in Virginia placing in the top five to ten.
- Ratio of jobs to housing is rising.
- Large number of self-employed.
- Ratio of enrollment in public schools as a percentage of the population changed in 2005/2006 indicating that there are fewer students as a percentage of the population.
- Per capita taxable sales increased between 2000 and 2006 with a real increase of 12%.
- Approximately two thirds of the land is in agriculture and forestal, much of which is in easement and actively farmed.
- Land use policies have contributed to the Counties fiscal soundness by constraining the supply of land for potential development.
- Reasonable amount of population growth of two to three percent.
- Concentrates housing in Berryville, the commercial center.
- County has not escaped the turmoil in the job markets but the moderate growth rate will protect the County.
- Foreclosure Statistics: Clarke County 1:521 homes; Frederick County 1:290 homes; Loudoun 1:269 homes. Almost all surrounding jurisdictions have a foreclosure rate nearly two times greater than Clarke County.
- Opportunities to expand the tax base will be incremental. "No pot of gold; no silver bullet."
- Classic economic development strategies are off the table for at least the next ten years.
- Not unreasonable to expect 8 to 10 years for recovery. Provided historic example from the economic downturn in the late 1980's when locality valuation was not recovered for 8 years.
- Not an opportune time to hire an economic development director.
- Not advisable at this time to invest in relocation efforts for another "Berryville Graphics".

David Juday opined that it was a good time to recruit to a smaller, stronger audience. Mr. Siegel responded that, while there were a few growth areas, the majority of businesses were not growing. Business sectors doing well include fast food and the health industry; but few business sectors are in an expansion mode being particularly

impacted by constraints in the credit market. In general business expands based on opportunity not low cost.

Jim Barb opined that some larger businesses in the metro area would create growth opportunities in the surrounding regions in the short term. Mr. Siegel noted it could take from three to five years to see that growth.

- Caution should be placed on government expansion.
- As in the residential downturn, starting to see a lag effect in commercial, which could create a larger window for recovery than anticipated.

Suggested Opportunities

Expand yield from current tax base

- Alternate valuation for agricultural land.
- Implement a targeted gross receipts tax.
- Increase transient occupancy tax.
- Redevelopment incentives for the Berryville area.
- Pursue conservation easements, which also positively impacts state aid to schools.

Expand total tax base

- Enhance tourism opportunities.
- Enhance highway-oriented retail opportunities throughout the county [gas and gos, food stores, etc.].

Chairman Staelin advised that currently the County has one new and one upgraded and expanded convenience store under construction. Mr. Siegel positively responded to this progress but did caution against developing more than could be sustained by the market base.

- Increase overnight accommodations particularly should the County opt to enhance tourism. While a hotel or motel would be advantageous, it is not a reasonable expectation within the next few years.
- The County may not qualify for state economic development but local incentives that mimic the state program could be developed for targeted areas such as: antiques, specialty women's and children's clothing, toys, locally produced food or agricultural products.

Agriculture

- Contributes a modest surplus to the county but not as significant as expected due to the low SLEAC [State Land Evaluation Advisory Council] values given to the

land. Mr. Siegel provided a synopsis of his research into this valuation method noting that not even Virginia Tech has conducted research to validate SLEAC values.

Chairman Staelin added that the Commissioner of the Revenue did have a problem with SLEAC values and was working to broaden the measure by including pasture, hay, etc. Further, Clarke County has joined with six other counties and will likely use a valuation model developed by Rappahannock County.

David Weiss said that he did not approve of the Olympic factor for crop valuation; however this was the preferred method of most farmers. Further, while SLEAC might not fit with the farming situation in the county, he cautioned against over taxation of farmland.

Chris Bates interjected that Warren Arthur had assured that the program would be made available this year.

Barbara Byrd suggested encouraging younger farmers to buy or lease land to which Chris Bates responded that the Farm Bureau had a program, farm link, for that purpose.

Senior housing

- Does generate a moderate fiscal surplus for the County.
- Target independent, non-income restricted, Westminster Canterbury-type senior housing.
- Assisted, intermediate or advanced senior care facilities do not typically generate a surplus due to higher levels of care, lower wages and impact on emergency services that can be devastatingly high

Internet

- Centralized cable and fiber optic available in some areas.
- The majority of the County is wireless or satellite.
- Topography in the County is problematic.
- With some antennae adjustments, it is possible to pass along internet to other areas of the county from an existing location on the mountain.
- In Virginia, one jurisdiction has set up internet services as a public utility. If there is interest, Mr. Siegel suggested inviting a representative from Bristol, Virginia to give a presentation.
- Community survey could be conducted to determine the current or prospective users, current cost and potential cost limits.
- Expansion could bolster local self-employed and benefit local farming for direct marketing.

- Explore adding computer stations in the local library.
- Explore establishment of an internet service center.

Specialty Crops

- Explore interest in developing specialty crops for niche markets within the agricultural community.
- Explore development of direct agricultural marketing. Clarke County's direct sales doubled in the last five years. With surrounding jurisdictions increasing at even higher rates, there is room to take advantage of this market.
- Continue conversation and exchange of information started at the agricultural summit.
- Capitalize on specialty markets already in operation.

Town of Berryville

Christy Dunkle provided the following:

- Tourism is important for the Town.
- Barns of Rose Hill is moving forward with the conversion project.
- Berryville Main Street office renovation for the relocation is in progress.
- The museum is renovating their location.
- A coffee shop on Main Street reopened last week and is carrying local produce.
- Annual Rich Rau Bicycle Tour did well over the past weekend.
- There are only a limited number of volunteers that can support these functions.
- Suggest placing an ad in the local paper listing upcoming events.

Zoning Additional Land for Business Park Development

- Brent Mercke owns 40 unused business park acres.
- Without detailed market numbers, there seems to be a reasonable supply of business park zoned land available at this time.
- Considerations for business park zoning: consistency of potential development with County goals, accessibility to market, accessibility to water, utilities and roads, purchasability and sellability.

Next Steps / Focus Areas

Chairman Staelin, stating that the Supervisors have struggled with determining areas of focus, called for discussion on focus areas and next steps.

Chris Bates suggested a greater effort to "sell" the county noting that there are some good things already in place that need community support. He further expressed his support for internet expansion.

Jim Barb expressed support for internet expansion, as well as the tourism noting that increasing the number of events and better promotion could prompt businesses to relocate.

Christy Dunkle suggested using economic development funds to assist local businesses.

David Juday advised the Supervisors of action taken by the Industrial Development Authority during their May 6 meeting to authorize the liaison representative of the Board of Supervisors to approach the Supervisors with the proposal that the Industrial Development Authority is willing to offer up to \$25,000 in matching funds per year for up to three years to hire a part or full time business and industrial Economic Development Director. He suggested setting up a subset of the group to meet and discuss the offer.

Supervisor Weiss responded that there were many conflicting priorities in the budget, as well as a hiring freeze in place. He explained that funding for the Office of Economic Development for FY10 was restored only by vigorous argument. Further, he advised that the Easement Authority had not received funding for FY10; and as Mr. Seigel had pointed out, it was of considerable benefit to the County.

At 6:45 pm Michael Hobert left the meeting.

Chairman Staelin said that he would be glad to set up a subcommittee group including persons from the town to focus on two or three things that the county could work on to expand the tax base. He asked those present to jot down specific tasks for future review and discussion.

Mr. Staelin recapped primary items of interest that have been mentioned by the group:

- Agri-business
- Internet expansion
- Redevelopment of Berryville
- Re-valuation of agricultural land
- Senior housing
- Tourism

Chuck Johnston suggested expansion of water and sewer to the Waterloo commercial area to allow for additional development.

Chairman Staelin stated that the County would not find a single expert possessing the skills necessary to develop all the potential areas listed; but, once the focus was defined and tasks identified, a better approximation of staffing could be determined.

Supervisor Byrd said that she understood the concerns and suggested moving on those things that could be done now.

Following discussion on formal reporting from the Economic Development Advisory Committee, Supervisor Byrd requested a presentation to the Board of Supervisors given by Christy Dunkle, current Committee Chair.

Supervisor Byrd added that it was important for groups to bring current discussions to the Supervisors for consideration and comment.

Adjournment

Chairman Staelin adjourned the meeting at 6:56 pm.

Next Meeting Date

The next regularly scheduled meeting for the Clarke County Board of Supervisors is set for 1:00 pm, Tuesday, May 19, 2009 in the Main Meeting Room at 101 Chalmers Court, Berryville, Virginia.

ATTEST: May 18, 2009

John Staelin, Chair
Clarke County Board of Supervisors

David L. Ash, County Administrator

Minutes Recorded and Transcribed by:
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Deputy Clerk, Board of Supervisors