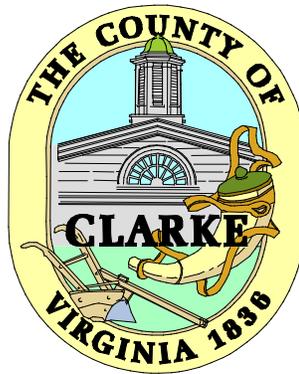


Industrial Development Authority of the Clarke County Virginia Board of Directors



Quarterly Meeting Packet

October 25, 2018



Industrial Development Authority of the County of Clarke Virginia

Agenda

Thursday, October 25, 2018, 1:00 pm

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:
 - April 26, 2018, Quarterly Meeting
 - Certificate of Closed Session from July 26 Meeting - Director Waite Roll-Call Vote
 - July 26, 2018, Quarterly Meeting
4. Boutique Hotel Feasibility Study Funding Request by Allen Kitselman
5. Economic Development Director Quarterly Update
6. Secretary / Treasurer Quarterly Reports:
 - FY2019 YTD Check Log. Action: Treasurer recommends acceptance.
 - Investments YTD Summary, YTD Budget, Bonds Log. Action: Information only.
7. Old Business:
 - Lord Fairfax Small Business Development Center \$6,000 Cash Grant FY2019 Acceptance
 - Business Park Lot 18 Encroachment on Property Update
8. New Business:
 - Economic Development Strategic Plan Review and Identification of Key Components for Development - Industrial Development Authority Recommendation to the Clarke County Planning Commission
 - Review Electronic Meetings Policy
9. Adjourn

Distributed in Packet

- Building Department YTD New Single Family Dwellings
- IDA Follow-up Items
- Economic Development Advisory Committee Minutes July 18, 2018 and September 19, 2018
- Cost of Community Services Study by Terence J. Rephann September 2018 University of Virginia Weldon Cooper Center for Public Service

101 Chalmers Court, Suite B
Berryville, VA 22611

Telephone: [540] 955-5100
Fax: [540] 955-5180

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.]

Industrial Development Authority of the Clarke County Virginia Board of Directors

Approval of Minutes

➤ April 26, 2018, Quarterly Meeting

Proposed Motion for full Board of Directors: I move to approve the minutes of April 26, 2018, as [presented] or [as amended citing specific amendment].

➤ Certificate of Closed Session from July 26 Meeting - Director Waite Roll-Call Vote

Director Waite left the July 26 meeting at 2:25 pm during the Closed Session. To complete Certification of Closed Session, Director Waite must cast his roll-call vote for that portion .

At 2:25 pm, Director Waite left the meeting.

At 2:34 pm, Director Koontz, seconded by Director Ferrell, moved to return to Open Session. The motion carried as follows:

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

Chairman Cochran called for a roll call vote that only matters pertaining to the subject the Authority convened into Closed Session were discussed and that no action was taken while in Closed Session.

Certification of Closed Session

WHEREAS, the Board of Directors of the Industrial Development Authority of Clarke County, Virginia convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, § 2.1-344.1 of the Code of Virginia requires a certification by this Authority that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Industrial Development Authority of Clarke County, Virginia hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Directors.

The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Open

➤ **July 26, 2018, Quarterly Meeting**

Proposed Motion for full Board of Directors: I move to approve the minutes of July 26, 2018, as [presented] or [as amended citing specific amendment].

Industrial Development Authority of the Clarke County Virginia
Board of Directors
April 26, 2018 Minutes

A meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, April 26, 2018, at 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, Paul Jones, David Juday, English Koontz, William Waite

Directors Absent: Paul Jones, Rodney Pierce

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Lora Walburn

Others Present: Rob Goldsmith

1. Call to Order

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

2. Adoption of Agenda

David Juday, seconded by English Koontz, moved to adopt the agenda as presented. The motion carried by the following vote:

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

3. Presentation by People Inc.

Highlights of presentation by Rob Goldsmith, Executive Director, People, Inc., and Board discussion include:

- People Inc. is a nonprofit corporation, 501c3, educational, charitable organization.
- Started in 1963 as a community improvement group in a small, rural community.
- Known as a community action agency requiring:

- Anti-poverty mission.
- A particular structure for the Board of Directors:
 - A third representing persons served.
 - A third representing the community at large.
 - A third representing the localities having designated People Inc. as its community action agency.
 - Colleen Hillerson is Clarke County's representative on the Board of Directors.
- Main office located in Abingdon, Virginia. Shenandoah Valley Region served out of the Woodstock office.
- Offer the following services in Clarke County:
 - Volunteer income tax preparation – free service.
 - Earned income tax credit outreach program.
 - Offer loans as an alternative to pay-day lenders.
 - Provide budget and financial counseling to persons with financial challenges.
 - Key is to make loans at a much more moderate interest rate, consumer loans are prime plus 5%, to meet immediate needs and aid persons to get back on track.
 - Provide financial / housing counseling to persons wanting to become first-time home buyers.
 - Persons seeking counseling generally have credit issues.
 - Assist persons to formulate a plan to deal with credit issues to improve credit score so that they might qualify for a mortgage.
 - Do not provide permanent financing for home ownership.
 - Assist in preparing loan applications.
 - Work with Virginia Housing Authority and USDA Rural Development.
 - Provide down-payment assistance to persons provided counseling, typically running at about \$10,000 per household. Financial assistance provided as a forgivable loan; and if the buyer lives in the home over five years, the loan will be forgiven 20% for each year lived in the home.
 - Small business and micro enterprise lending services.
 - English Koontz worked with People Inc. on a community development block grant [CDBG] project.
 - No active CDBG in Clarke County at this time; however, there are grants currently available in Culpeper, Fauquier, Rappahannock, and Warren Counties.
 - Have not made any loans to persons in Clarke.
 - Currently, working with a couple of entrepreneurs in Clarke.

- Provide loans to persons unable to get a bank loan.
- Loans are prime plus 3%.
- Typically amortized over 10 years.
- Purpose of loans is to create jobs for low- to moderate-income persons and to help low- to moderate-income entrepreneurs to create wealth and equity in their businesses.
- Depending on the amount of money on hand, loans can be made up to a couple hundred thousand dollars.
- Currently, focusing on smaller loans.
- \$50,000 cap on microenterprise loans.
- Make approximately forty to fifty loans per year.
- Rules for loan include the applicant cannot get a bankable application and business cannot be engaged in anything illegal.
- Business type is entirely up to the entrepreneur.
- Majority of entrepreneur loans are for service businesses.
- Some retail but retail takes more money to have a viable storefront operation than People Inc. lends.
- On occasion, do participate in bank loans if above what People Inc. can loan.
- Cameron Gill is the contact persons on staff for business lending activities.
- Mr. Gill has been working in Clarke County with persons interested in business startups in conjunction with Len Capelli, Economic Development Director.
- Bank referrals are a source of a significant number of good loan applicants.
- Funding Sources:
 - Small Business Administration is the largest funding source.
 - Community development block grant programs.
 - Commercial banks.
- New markets tax credits. Only a tiny portion of Clarke residents are eligible under federal rules.
- Lord Fairfax Community College Small Business Development Center.
 - People Inc. works closely with LFCCSBDC.
 - Provide referrals to each other.
 - LFCCSBDC provides training and technical assistance to people but it does not have a source of lending.
- Not currently involved in any community revitalization projects, which are important and very rewarding.

Chairman Cochran expressed the Authority's appreciation for the presentation.

In conclusion, Mr. Goldsmith thanked the Authority for its time. He asked the Directors to help the organization find entrepreneurs and communities to work in. He noted that the communities in which it has been most effective are those communities where it had the strongest relationships with local government.

David Weiss informed the Authority that People Inc. would be addressing the Board of Supervisors at its May 15 meeting to provide its annual report. He commented that People Inc. was a good organization and has done very good work rehabbing old school buildings, including two in Shenandoah County.

English Koontz remarked that she periodically refers clients to People Inc. She opined that it was a wonderful program and the block grant program was phenomenal.

Treasurer Bill Waite, noting potential investment opportunities for People Inc., put forward that the Authority currently had \$150,000 that could be used to assist persons interested in growing and creating opportunities that would generate revenue and jobs.

4. Approval of Minutes

Bill Waite, seconded by David Juday, moved to approve the January 25, 2018, minutes as corrected changing David Weiss from Absent to Present. The motion carried as follows:

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

Bill Waite, seconded by David Juday, moved to approve the April 11, 2018, minutes of the Finance Subcommittee as presented. The motion carried as follows:

Mark Cochran	-	Aye
David Juday	-	Aye
William Waite	-	Aye

5. Treasurer's Report

FY2018 YTD Check Log:

Action: The Treasurer recommends acceptance.

FY	Status	Check No.	Date	Description	Category	Credit	Debit	Balance	Additional Information
2018	Y	537	7/28/2017	Mark Cochran	Director Fees	\$ -	\$ 150.00	\$ 64,578.93	Meeting 02/20, 04/27, 7/27
2018	Y	538	7/28/2017	David Juday	Director Fees	\$ -	\$ 150.00	\$ 64,428.93	Meeting 02/20, 04/27, 7/27
2018	Y	539	7/28/2017	English Koontz	Director Fees	\$ -	\$ 100.00	\$ 64,328.93	Meeting 04/27, 7/27
2018	Y	540	7/28/2017	Rodney Pierce	Director Fees	\$ -	\$ 100.00	\$ 64,228.93	Meeting 02/20, 04/27
2018	Y	541	7/28/2017	Brian Ferrell	Director Fees	\$ -	\$ 100.00	\$ 64,128.93	Meeting 02/20, 07/27
2018	Y	542	7/28/2017	Allan Frederickson	Director Fees	\$ -	\$ 50.00	\$ 64,078.93	Meeting 07/27
2018	Y	543	8/14/2017	LFSBDC	Civic Contributions	\$ -	\$ 6,000.00	\$ 58,078.93	
2018	Y	Dep	9/13/2017	Grafton School	Bond Fees	\$ 18,322.50	\$ -	\$ 76,401.43	
2018	Y	Dep	9/18/2017	LFCC	Bond Fees	\$ 16,147.00	\$ -	\$ 92,548.43	
2018	Y	544	11/16/2017	Mark Cochran	Director Fees	\$ -	\$ 50.00	\$ 92,498.43	Meeting 10/26/2017
2018	Y	N/A	10/31/2017	Bank of Clarke County	Bank Fees	\$ -	\$ 18.00	\$ 92,480.43	Duplicate Bank Statements
2018	Y	545	11/16/2017	Robinson Farmer Cox	Audit	\$ -	\$ 1,635.00	\$ 90,845.43	FY16 Audit
2018	Y	546	11/16/2017	Brian Ferrell	Director Fees	\$ -	\$ 50.00	\$ 90,795.43	Meeting 10/26/2017
2018	Y	547	11/16/2017	Paul Jones	Director Fees	\$ -	\$ 50.00	\$ 90,745.43	Meeting 10/26/2017
2018	Y	548	11/16/2017	David Juday	Director Fees	\$ -	\$ 50.00	\$ 90,695.43	Meeting 10/26/2017
2018	Y	549	11/16/2017	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 90,645.43	Meeting 10/26/2017
2018	Y	550	11/16/2017	Rodney Pierce	Director Fees	\$ -	\$ 50.00	\$ 90,595.43	Meeting 10/26/2017
2018	Y	Transfer	11/16/2017	Checking to Infinex Investments	Transfer	\$ -	\$ 50,000.00	\$ 40,595.43	
2018	Y	Dep	12/5/2017	Shenandoah University	Bond Fees	\$ 19,537.50	\$ -	\$ 60,132.93	Outstanding
2018	Y	Dep	12/29/2017	Shenandoah University	Bond Fees	\$ 3,907.50	\$ -	\$ 64,040.43	2017 Fees
2018	Y	551	1/25/2018	Robinson Farmer Cox	Audit	\$ -	\$ 1,675.00	\$ 62,365.43	FY17 Audit
2018	Y	Dep	2/8/2018	Lord Fairfax Community College	Bond Fees	\$ 3,563.49	\$ -	\$ 65,928.92	2017 Fees
2018	Y	Transfer	3/15/2018	MMDA Account Closure	Transfer	\$ 1,532.45	\$ -	\$ 67,461.37	Close account

Treasurer Bill Waite stated that for transparency the check log would be included in the quarterly meeting packets so that Directors and the public could see checking account activity.

English Koontz, seconded by Brian Ferrell, moved to accept the Treasurer’s report. The motion carried as follows:

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

Investments:

Action: The Finance Subcommittee recommends acceptance of the following:

- Transfer \$15,000 from checking to investments increasing investment balance to \$100,000.
- Continue to maximize dividends / interest to cover operating costs.
- Divide funds equality across portfolio.
- Review portfolio on an annual basis with Board of Directors.

Bill Waite briefly summarized the discussion from the April 11 Finance Subcommittee meeting specific to the Authority’s investments. He informed the Directors that he would meet with Janice Kuhn at least twice per year.

David Juday, seconded by English Koontz, moved to adopt the recommended investment strategy. The motion carried as follows:

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

FY2019 Budget:

Action: The Finance Subcommittee recommends approval.

Industrial Development Authority of the Clarke County, Virginia
Proposed FY2019 Budget

<u>Expenditures Category</u>	<u>Amount</u>	
Advertising	\$ 400	Public Hearings
Audit	\$ 1,675	RFC
Civic Contributions	\$ 6,000	SBDC LFCC
Director Fees	\$ 1,400	Meeting Attendance
Insurance	\$ 1,300	VACorp
Postage	\$ 25	
Professional Services	\$ 1,250	Legal
Total Expenditures:	\$ 12,050	

<u>Revenues</u>	<u>Estimated Amount</u>	<u>Bond Balance as of 12/2017</u>
Bonds:		
Grafton School, Inc. Bond	\$ 1,100	\$ 3,035,000
LFCC Bond	\$ 3,400	\$ 7,714,039
Shenandoah University Bond	\$ 3,800	\$ 7,815,000
	\$ 8,300	
Interest Income:	\$ 3,000	
Total Revenue:	\$ 11,300	

Bill Waite reviewed the proposed budget noting that revenue and expenditure projections were subject to change.

English Koontz, seconded by Brian Ferrell, moved to approve the FY2019 Budget as recommended by the Finance Subcommittee. The motion carried as follows:

- Mark Cochran - Aye

Brian Ferrell - Aye
 Paul Jones - Absent
 David Juday - Aye
 English Koontz - Aye
 Rodney Pierce - Absent
 William Waite - Aye

Bonds Update:

Action: Information only.

Industrial Development Authority of the Clarke County, Virginia
Outstanding Bonds

Borrower	Bond Type	Date Issued / Resolution	Original Amount \$MM	2017 Fees \$K	Outstanding Balance 2017 \$MM	Date OB
BCCGC County of Clarke	Lease Revenue Bond	5/16/2007	\$4,822,000	N/A		6/30/2016
BCCGC Town of Berryville	Lease Revenue Bond	5/16/2007	\$2,327,000	N/A		6/30/2016
Grafton School, Inc.	Tax exempt Educational Facilities Revenue Refunding Bonds Series 2010	Loan 5/1/2010; Issued 5/28/2010	\$9,225,000	\$1,517.50	\$3,035,000	12/3/2010
Lord Fairfax Community College Educational Foundation, Inc.	Educational Facilities Revenue Bond Series 2012A [Tax exempt] \$8,400,000	11/14/2012; 12/28/2012	\$ 8,400,000	\$ 3,563.49	\$ 7,714,039.14	12/28/2016
Shenandoah University Project	Educational Facilities Revenue Bonds, Series 2011	12/08/2011; 12/15/2011; 12/27/2011; Issue Date 5/31/2012	\$7,815,000	\$3,907.50	\$7,815,000	12/27/2017
				\$8,988.49		

Treasurer Bill Waite stated that the Board was back on track with all bond fees current.

Bank of Clarke County Accounts – Signature Authority.

Action: Bank of Clarke County no longer requires countersignature. The Treasurer recommends amending Industrial Development Authority of the Clarke County, Virginia Bylaws Section 405: Remove “All check or money transfers exceeding \$499 shall be countersigned by the Treasurer and Chair.”

Treasurer Bill Waite, authorized signatory, explained that the Bank of Clarke County can no longer accept a dual signatory for checks of \$500 or greater. He put forth that since the check log would be reported quarterly it was transparent and he recommended that the requirement be removed from the Bylaws.

Mark Cochran, Chair, will complete the requisite paperwork to become an authorized signatory on the account.

David Juday, seconded by English Koontz, moved to approve the change to the Bylaws eliminating the secondary signature and continuing the practice with two authorizes signatures. The motion carried as follows:

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

6. Old Business

Waterloo Area Water and Sewer Availability Fee Subsidy Program.

Action: The Finance Subcommittee recommends approval of program document and application form.

Highlights of review:

- Added a checkbox on the application form for new or existing business.
- Amended the application fee amounts.
- Mike Legge, Clerk to the Clarke County Sanitary Authority, reviewed the proposed program and application and supports approval of the documents.
- When approved, the documents will be added to the Authority's webpage on the County website.
- One Waterloo-area business has expressed interest in making application.

English Koontz, seconded by Bill Waite, moved to approve the program document and application form as presented. The motion carried as follows:

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

Waterloo Area Water and Sewer - Availability Fee Subsidy Program

The Industrial Development Authority of the Clarke County, Virginia [IDA], in conjunction with the Clarke County Sanitary Authority [CCSA] and at the direction of the Clarke County Board of Supervisors, have developed this program to assist businesses in locating to the Waterloo Area. Interested owners shall make application to the IDA following the process below.

Application: shall include:

- A. The amount of the subsidy requested.
- B. A financial statement of the Owner. *In the case of a closely held corporation, partnership, or limited liability company, financial statements shall be filed for each owner of the entity holding an ownership interest of 10% or more.*
- C. Itemized listing of the local tax revenues that the Owner expects to generate during the contractual period to offset the subsidy amount. *The business owner shall provide detailed documentation to support the tax revenue projections.*
- D. A description/business plan of the business to be operated.
- E. Projected timetable for construction and for commencement of business operations.
- F. An Application Fee of \$250 or one percent (1%) of the total subsidy requested, whichever is greater. *Note: Applicant shall be responsible for legal fees, recording costs, and other incidental costs if incurred.*

Prior to Application Review: An Owner shall participate in a pre-application meeting with County staff and/or representatives from the IDA and CCSA to receive initial feedback on the application and to develop a draft payment schedule.

Application Review: The IDA shall review and act upon the application.

- The IDA may deny the application if it finds, in its sole discretion, that the Owner does not have sufficient financial strength to meet its financial commitments under the program or that the local tax revenue projections of the Owner are not reasonably realistic.
- The IDA may approve a subsidy for an amount less than requested by the Owner.
- Upon approval of an application, the IDA shall enter into an agreement with the Owner. *The IDA and CCSA may require a letter of credit or other form of surety for the Owner's obligations under the agreement, if deemed warranted by the IDA based upon its review of the financial information submitted by Owner.*

Waterloo Area Water and Sewer Availability Fee Subsidy Application

Application Date: _____ New Business Existing Business

Business Name of Applicant: _____

Owner Name: _____

Name of Business Contact: _____

If different from owner

Mailing Address: _____

E-mail Address: _____

Telephone Number: _____

Business Name for which
subsidy being sought: _____

If different from business name of applicant.

Physical Address for which
subsidy being sought: _____

If different from business address above

Water subsidy requested: _____

Sewer subsidy requested: _____

Total subsidy requested: _____

Application Fee: _____

*\$250 or 1% of total subsidy requested whichever is
greater**

Attach the following:

- ✓ A financial statement of Owner. *In the case of a closely held corporation, partnership, or limited liability company, financial statements shall be filed for each owner of the entity holding an ownership interest of 10% or more.*
- ✓ Itemized listing of the local tax revenues that the Owner expects to generate during the contractual period to offset the subsidy amount. *The business owner shall provide detailed documentation to support the tax revenue projections.*
- ✓ A description/business plan of the business to be operated.
- ✓ Projected timetable for construction and for commencement of business operations.

*Note: The Authority has relied on the representations of the Applicant and has not independently verified the information contained in this application, including the financial records. The Authority makes no representation as to the accuracy of the information supplied by the Applicant or the creditworthiness of the Applicant. A valid application must be submitted signed by a representative of the Applicant having the authority to bind the Applicant. *Further, to induce the Industrial Development Authority of Clarke County, Virginia to consider this application, the Applicant agrees to pay all legal fees, recording fees, and other incidental costs of the Authority if applicable.*

Applicant Signature: _____

7. New Business

Director of Public Information

David Weiss told the Directors that the County had hired Cathy Kuehner as its first Director of Public Information, a new full-time position with the County. He remarked that the Supervisors felt that citizens and the County both believed that a centralized way to get out information to

citizens was a needed, necessary step. He indicated that duties were still to be defined; but, in the long-term, it would be good to have all areas utilize this position as a central source.

Mr. Weiss informed the Directors that Ms. Kuehner had held a similar position with a local university for approximately twenty years. He opined that she wrote well referring to her work covering Clarke County for the Winchester Star newspaper.

Mr. Weiss further noted that Ms. Kuehner would meet with the Authority in the future to help determine needs.

David Juday suggested that the Authority discuss at that time what information to provide to businesses interested in locating in Clarke.

Mr. Weiss commented that the Board of Supervisors included \$25,000 in the FY2019 Budget to revamp the County's website.

Hotel Study - Town of Berryville

Highlights of comments include:

- Due to time constraints, Christy Dunkle was unable to prepare a presentation for the Authority's April meeting.
- Questioned bringing in another consultant to perform a marketing study or review demographic information when it seems clear in the last study and clear in all the work that has been done by both the Town and County.
- Questioned updating the study without taking some action on the information already available.
- The Authority hopes to hear that there is an investment group interested in moving forward, and, then, to determine what it can do to assist in moving the project forward.
- The Authority needs to facilitate action.

Next Meeting

Chairman Cochran reminded the Board that the next meeting was scheduled for Thursday, July 26, 2018, at 1:00 pm.

8. Adjournment

At 1:53 pm, **English Koontz, seconded by Bill Waite, moved to adjourn. The motion carried by the following vote:**

Mark Cochran - Aye

Draft for Approval 07/26/2018

Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

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

Industrial Development Authority of the Clarke County Virginia
Board of Directors
July 26, 2018 Minutes

A meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, July 26, 2018, scheduled for 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, English Koontz, William Waite

Directors Absent: Paul Jones, David Juday, Rodney Pierce

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Len Capelli, Cathy Kuehner, Brianna R. Taylor, Lora B. Walburn

Others Present: Dale Maza, Christy Dunkle

Press Present: Mickey Powell, Winchester Star

1. Determination of Quorum

At 1:06 pm, Chairman Mark Cochran noted the lack of a quorum. By consensus, the Directors decided to hear informally scheduled presentations.

2. Presentation Lord Fairfax Community College Small Business Development Center

Highlights of presentation by Dale Maza, marketing counselor, LFCC Small Business Development Center, include:

- The Virginia SBDC Network is a partnership between the United States Small Business Administration, George Mason University, and institutions throughout Virginia
- The Small Business Development Center provides the following services:
 - o One-on-one counseling
 - o Mentoring
 - o Training workshops
 - o Conferences
 - o Information resources
 - o Web-based assistance
 - o Contacts and connections
- SBDC clients grow faster and are more profitable.

- Areas of assistance include:
 - Business planning
 - Access to capital
 - Marketing
 - Social media / websites
 - Retail program
 - Commercial assistance
 - International trade
 - Veterans
 - Government contracting
- The Clarke County IDA's \$6,000 FY2018 contribution was 5% of total contributions.
 - Fifteen [15] Clarke clients, which is 5% of SBDC's total clients.
 - Clarke SBDC businesses by category:
 - Agriculture, Forestry, Fishing and Hunting - 2
 - Manufacturing - 1
 - Retail Trade - 3
 - Professional, Scientific, Technical Services - 3
 - Administrative and Support – 2
 - Arts, Entertainment, and Recreation - 1
 - Other Services (*except Public Administration*) - 3
 - Clarke clients created 10 new jobs, retained 77 jobs, and put \$166,600 back into the community.
- Federal guidelines define a small business as \$50 million or less with a maximum 200 employees.

English Koontz remarked that in her professional capacity she has referred many clients to the Small Business Development Center, which she described as a wonderful resource.

Mr. Maza added that if Clarke can maintain funding levels the SBDC might consider conducting office hours one Friday morning per month at a to-be-determined location.

Chairman Cochran expressed the Authority's appreciation for the presentation.

3. Virginia Economic Development Association Meeting Recap

Highlights of presentation by Len Capelli, Economic Development Director, include:

Industrial Development Authority of the Clarke County Virginia Board of Directors: July 26, 2018

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- Consideration of new investments has changed significantly over the last several years. Factors include:
 - o Highway accessibility – *Clarke is well positioned.*
 - o Labor costs – *Clarke remains relatively low.*
 - o Availability of skilled labor – *This is a problem throughout the region.*
 - o Quality of Life – *Clarke is as good as or better than most jurisdictions in the Commonwealth.*
 - o Tax exemptions – *Clarke is competitive.*
 - o Occupancy/Construction Costs – *Clarke is competitive.*
 - o Proximity to major markets - *Clarke is competitive.*
 - o Corporate Tax Rate - *Clarke is competitive.*
 - o State & local incentives - *Clarke is competitive.*
 - o Available land – *Clarke has availability issues.*
 - o Expedited or “fast-track” permitting – *Clarke does not relax standards.*
 - o Proximity to suppliers - *Clarke is competitive.*
 - o Accessibility to a major airport - *Clarke is competitive.*
- Suggest focusing on development of a more flexible, variable, and adaptable work force.
- Clarke is seeking small businesses and agribusinesses.
- Clarke is working closely with the Commonwealth.

4. Business Park Lot 18 Encroachment on Property

Lora Walburn, Industrial Development Authority Clerk, distributed photographs of Business Park Lot 18 from the week of June 18 and photographs from the week of July 24. Highlights of update include:

- Became aware of encroachment on Monday, June 18, when informed by contracted lawn service that do not mow signs were on the property.
- Signs stated, “Do Not Mow Property of Berry Apiary and Urban Farm ANY persons MOWING will be considered TRESPASSING”.
- County Maintenance notified County Administration and requested direction.
- After confirming ownership, County Maintenance removed the signs the week of June 25 and placed on the appropriate property, where they have remained.
- Contractors resumed mowing of Lot 18 mindful of the planted areas and the beehives.
- The morning of July 26 observed a person tending one of the garden areas on Lot 18.
- At the direction of Chairman Cochran and David Ash, County Administrator, attorney Robert Mitchell made contact with the encroaching party and asked them to provide a date for harvest and beehive removal after the current bee season.

- Mr. Mitchell requests direction from the Authority.

David Weiss, Chair – Clarke County Board of Supervisors, stated that from the Supervisors' perspective, while it wants to retain ownership of the land, it does not object to the garden remaining in place until after the harvest.

Christy Dunkle, Planner - Town of Berryville, indicated that she was not aware of any complaints about the property's condition.

Chairman Cochran stated that he had received correspondence from the party indicating that she would be in the area later in August when he anticipated that all would come to an orderly resolution.

Directors Koontz and Waite expressed support of the Chair's continued handling of the matter.

5. Economic Development Strategic Plan Matrix Review and Identification of Key Components for Development – Industrial Development Authority Recommendation to the Clarke County Planning Commission

Highlights of review include:

- The Economic Development Strategic Plan is a component piece of the Comprehensive Plan.
- David Weiss stated that the County adopted the current plan in 2014; and, with review required every five years, the Planning Commission will begin its work in 2019.
- The Planning Commission reviews the Strategic Plan and its recommendation is forwarded to the Board of Supervisors for final review and adoption.
- In advance of the 2019 review, the Economic Development Advisory Committee and the Industrial Development Authority are asked to review and provide suggested actions, priorities for Planning Commission consideration.
- Individual members of these appointed bodies are asked to select their top five to ten priorities / actions and forward that information to Lora Walburn for compilation.
- Director Waite requested a copy of the Economic Development Strategic Plan.

6. Boutique Hotel Feasibility Study Funding Request

Highlights of discussion include:

- Director Waite:
 - o Building costs and returns have changed over the past several years.
 - o Seeking up to \$10,000 to update the 2014 feasibility study.
 - A complete update could cost up to \$10,000. However, a local group is developing a list of specific questions to narrow the study reducing the cost.

- Would like to “front” the money for the study then roll back into project debt / financing.
- The 2014 study cost \$10,000 offset by a \$9,500 USDA Rural Business grant. This grant source is not available for the proposed update.
- Study associates with the vision to establish a boutique hotel consistent with the historical image of Berryville and located downtown to support local businesses, retail and restaurants.
- General benefits to Town and County:
 - Supports local businesses
 - Creates a destination point
 - Provides job opportunities
 - Provides tax revenues through occupancy tax
- Funding the study fits within the criteria of the Authority and its function.
- Update is to evaluate supply and demand factors for the area to determine:
 - Whether the area can support.
 - Provide the economics over a ten-year basis.
- Suggest following up with a bank appraisal prior to seeking an investment group.
- Group is waiting on answers from the updated feasibility study.

At 1:45 pm, Director Ferrell texted David Weiss advising that he had been delayed at the airport but was now in route to the meeting.

At 1:46 pm, Chairman Cochran recessed the meeting until the arrival of Brian Ferrell.

7. Call to Order

At 1:55 pm, with a quorum now present, Chairman Cochran called the meeting to order.

8. Adoption of Agenda

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

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent

William Waite - Aye

Boutique Hotel Feasibility Study Funding Request Continued with Quorum Present

- Director Bill Waite:
 - o Study objective is to evaluate the supply and demand factors affecting transient accommodations in the local market area and determine the market feasibility of the proposed hotel, estimate the occupancy, average rate, and operating income available for debt service for the first ten years.
 - o The updated study hopes to avoid redundancy and answer the question whether the area can support a hotel.
 - o Local group is in contact with the group that conducted the 2014 study. The group has three other prospective entities to contact that conduct these types of studies.
 - o If project goes forward, the intention would be to roll the study cost into the project financing.
 - o Allen Kitselman, a member of the local group, is seeking IDA funding.
 - o Project will require private investment and debt service.
 - o The motion proposed, "Approve the request by Allen Kitselman for funding up to \$10,000 to conduct an update of the hotel feasibility study to be located in the Town of Berryville."

- David Weiss, Board of Supervisors Liaison:
 - o If the IDA conducts the study, it must follow procurement law.
 - o The IDA can be used as a funding source to help private enterprise move forward.
 - o The Board of Supervisors was supportive of the previous study and continues to be supportive of efforts to locate a hotel in the area.
 - o The County has received consistent information over the years indicating that a hotel would help the local economy.
 - o Clarke has tried to entice a private investor to move forward and act but it has not worked. This is a different approach, which may foster some activity.

- Chairman Cochran:
 - o A shared commitment would be a fair way to show the County's commitment.
 - o Believes there is value in covering at least some portion of the funding request.

- Director Brian Ferrell:
 - o For an entity exploring hotel construction, \$10,000 would be a very small investment.
 - o At one time, locating a hotel near Route 340 and Route 7 was under consideration.

- o Director Waite advised that the group was seeking funding for a study to locate a hotel in downtown Berryville only.

- Director English Koontz:
 - o Fundamentally disagrees with government doing the front piece of these types of studies.
 - o While it is important to support business, it is opening the IDA up to a potential \$10,000 loss should the study indicate that a hotel is not feasible.

Director Waite informed those present that due to a prior engagement he must leave the meeting by 2:15 pm. He put forth that, if necessary, he would bring the matter back to the Authority at its October. Chairman Cochran expressed support for revisiting the matter at the next meeting.

9. Approval of Minutes

No action. Forwarded to the October 25, 2018, quarterly meeting.

10. Treasurer's Report

FY2018 YTD Check Log:

No action. Forwarded to the October 25, 2018, quarterly meeting.

FY2018 Fiscal-Year End Summary

No action.

Bonds Update:

No Action.

11. Closed Session

Director Koontz, seconded by Director Waite, moved that the Clarke County Industrial Development Authority convene in closed session pursuant to Section 2.2-3711-A3 discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. The motion carried as follows:

Mark Cochran - Aye

Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

At 2:25 pm, Director Waite left the meeting.

At 2:34 pm, Director Koontz, seconded by Director Ferrell, moved to return to Open Session. The motion carried as follows:

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

Chairman Cochran called for a roll call vote that only matters pertaining to the subject the Authority convened into Closed Session were discussed and that no action was taken while in Closed Session.

Certification of Closed Session

WHEREAS, the Board of Directors of the Industrial Development Authority of Clarke County, Virginia convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, § 2.1-344.1 of the Code of Virginia requires a certification by this Authority that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Industrial Development Authority of Clarke County, Virginia hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Directors.

The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent

Draft for Approval 10/25/2018

David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Absent

Next Meeting

Scheduled for Thursday, October 25, 2018, at 1:00 pm.

12. Adjournment

In the absence of a quorum following the departure of Director Waite, at 2:36 pm, Chairman Cochran adjourned the meeting.

Minutes recorded and transcribed by: Lora B. Walburn, Clerk Industrial Development Authority of Clarke County, Virginia

Boutique Hotel Feasibility Study Funding Request by Allen Kitselman

Economic Development Director Quarterly Update By Len Capelli

Secretary / Treasurer Quarterly Reports

FY2019 YTD Check Log:

Action: The Treasurer recommends acceptance.

Investments FY2019 YTD Summary, YTD Budget, Bonds Log:

Action: Information only.

FY2019 Industrial Development Authority YTD Check Log

FY	Status	Check No.	Date	Description	Category	Credit	Debit	Balance	Additional Information
2019	Void	566	6/11/2018	VACorp	Insurance	\$1,338.00	\$1,338.00	\$53,550.37	Voided, Reissued 07/05/2018 #562
2019	C	562	7/5/2018	VACorp	Insurance	\$-	\$1,338.00	\$52,212.37	07/01/2018 thru 06/30/2019
2019	C	563	8/1/2018	Mark Cochran	Director Fees	\$-	\$50.00	\$52,162.37	Meeting 07/26/2018
2019	C	564	8/1/2018	English Koontz	Director Fees	\$-	\$50.00	\$52,112.37	Meeting 07/26/2018
2019		565	8/1/2018	Brian Ferrell	Director Fees	\$-	\$50.00	\$52,062.37	Meeting 07/26/2018
2019	C	567	8/1/2018	Bill Waite	Director Fees	\$-	\$50.00	\$52,012.37	Meeting 07/26/2018

FY2019 Industrial Development Authority YTD Investment Summary

Asset Summary	Jul '18	Aug '18	Sep '18	FY2019YTD
Beginning Balance	\$101,143.09	\$103,037.93	\$103,607.30	
Cash, Money Funds, & Bank Deposits	\$0.02	\$0.02	\$0.02	\$0.06
Mutual Funds	\$1,894.82	\$569.35	\$244.12	\$2,708.29
Ending Balance	\$103,037.93	\$103,607.30	\$103,851.44	\$2,708.35

Combined Fund Balance Quarter 1 FY2019: \$155,863.81

FY2019 Industrial Development Authority YTD Budget Report

Expenditures Category	Amount	Jul-18	Aug-18	Sep-18	Expended YTD	Remaining Balance
Advertising	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 400
Audit	\$ 1,675	\$ -	\$ -	\$ -	\$ -	\$ 1,675
Civic Contributions	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Director Fees	\$ 1,400	\$ -	\$ 200.00	\$ -	\$ 200.00	\$ 1,200
Insurance	\$ 1,300	\$ 1,338.00	\$ -	\$ -	\$ 1,338.00	\$ (38)
Postage	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ 25
Professional Services	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 1,250
Total Expenditures:	\$ 12,050	\$ 1,338.00	\$ 200.00	\$ -	\$ 1,538.00	\$ 10,512

Industrial Development Authority of the Clarke County, Virginia
Outstanding Bonds

<i>Borrower</i>	<i>Bond Type</i>	<i>Date Issued / Resolution</i>	<i>Purchaser / Trustee</i>	<i>Original Amount \$MM</i>	<i>Fees Paid Past Due 2017 \$K</i>	<i>Outstanding Bal 2016 \$MM</i>	<i>2017 Fees \$K</i>
BCCGC County of Clarke	Lease Revenue Bond	5/16/2007	RDA	\$4,822,000	N/A	\$4,167,233	N/A
BCCGC Town of Berryville	Lease Revenue Bond	5/16/2007	RDA	\$2,327,000	N/A	\$2,117,968	N/A
Grafton School, Inc.	Tax-exempt Educational Facilities Revenue Refunding Bonds Series 2010	Loan 5/1/2010; Issued 5/28/2010	Wells Fargo Bank, National Association	\$9,225,000	\$18,322.50	\$3,515,000	\$1,517.50
Lord Fairfax Community College Educational Foundation, Inc.	Educational Facilities Revenue Bond Series 2012A [Tax-exempt] \$8,400,000	11/14/2012; 12/28/2012	United Bank	\$ 8,400,000	\$16,147.00	\$ 7,714,039.14	\$ 3,563.49
Shenandoah University Project	Educational Facilities Revenue Bonds, Series 2011	12/08/2011; 12/15/2011; 12/27/2011; Issue Date 5/31/2012	BB&T	\$7,815,000	\$19,538	\$7,815,000	\$3,907.50
					\$54,007.00	\$8,988.49	

Lord Fairfax Community College
Small Business Development
Center \$6,000 Cash Grant FY2019



Lord Fairfax Community College
 173 Skirmisher Lane
 Middletown, Virginia 22645-1745 USA

Invoice

Invoice # OW00167
 Date 07/30/2018
 Terms Net 30
 Due Date 08/29/2018
 P.O. #

Bill to
 Clarke County IDA
 101 Chalmers Court, Suite B
 Berryville, VA 22611 United States

Description	Quantity	U/M	Price	Amount
Annual Contribution to LFSBDC	1	Unit(s)	6000.00	6,000.00
THANK YOU FOR YOUR SUPPORT!				

Comments

Remit Payments to:
 Lord Fairfax Community College
 Attention: Business Office
 173 Skirmisher Lane
 Middletown, VA 22645-1745
 Please reference invoice # on remittance.
 To pay by credit card, contact the Business Office at 540-868-7118

Sub-total	6,000.00
Taxes (0.00%)	0.00
Total	6,000.00

Clarke County IDA Cash Grant Request

Agency Name: **Lord Fairfax Small Business Development Center**
Contact Name: **Christine Kriz**
173 Skirmisher Lane
Middletown, VA 22645
p: 540-868-7094
e: ckriz@lfcc.edu

This Figure Represents a 12-Month Total (Jul 2018-June 2019)

Cash Grant: Amount Requested for FY 18/19 **\$6,000**

Through the course of the 2014 Fiscal Year, the Lord Fairfax SBDC had the opportunity to work one-on-one with **330** clients through our centers within our geographical footprint. This area stretches from the top of Virginia to the end of Shenandoah County to both Warrenton and Culpeper, Virginia. For this report, we will work directly with clients who have visited the center with a contact information based in the Clarke County area.

Within this FY 2017 we saw **15** direct clients from the Clarke County area. This represents **5%** from our total amount. These numbers represent **clients that we met with individually** in 2017/18. We were also able to help many with a single phone call or email. In addition to the phone calls and one-on-one counseling, we offer a variety of seminars throughout the course of the year that bring small business owners face-to-face with instructors and new ideas. Your continued GRANT funding would help maintain that figure as well as continue to provide great FREE one-on-one counseling as well as a core group of seminars.

Our justification for the \$6,000 Grant goes into both services that we provide, plus direct assistance in the Clarke County area.

- We are developing a schedule of “working workshops” which helps to address needs as identified by the Clarke County small business community.
- We will continue to offer our “Mystery Shopping” services to Clarke County as a resource as needed.
- We can provide a retail expert, Marc Willson, to counsel downtown and local merchants on ways to improve sales and strengthen community shopping.
- We can provide direct access to a financial consultant for one-on-one consulting.
- We provide direct access to social media and e-commerce experts for one-on-one consulting.
- Dale Maza and Christine Kriz can continue to meet with clients at the library as well as provide marketing counseling to Clarke County (Berryville) merchants.
- Other seminars available by request.

Our total budget is \$236,388. To support this budget, we receive a federal grant of \$123, 788, which needs to be matched by local jurisdictional support.

Business Park Lot 18 Encroachment on Property

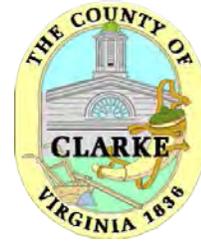
Economic Development Strategic Plan Review and Identification of Key Components for Development IDA Recommendation to the Clarke County Planning Commission

Note: The draft document provides those items identified by the Economic Development Advisory Committee using brief descriptions of actions identified in the Economic Development Strategic Plan adopted October 2014. The Plan is still under review by the Economic Development Advisory Committee.

IDA Directors are asked to review these priorities and select three to five action items that seem to be most valuable to pursue over the next five years.

Economic Development Strategic Plan Clarke County, Virginia

An Implementing Component of the Comprehensive Plan



2018 Selected Priorities from:

Economic Development Advisory Committee [EDAC]:

Jim Barb
Bryan Conrad
Christy Dunkle
Christina Kraybill, Vice Chair
Bev McKay, member EDAC and BoS representative
John Milleson, Chair
Eric Myer
Betsy Pritchard

Industrial Development Authority [IDA]:

Mark Cochran, Chair
Brian Ferrell, Vice Chair
Paul Jones
David Juday
English Koontz
Rodney Pierce
William Waite, Secretary / Treasurer
David Weiss, BoS liaison

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Introduction

These priorities were culled from the 2014 Economic Development Strategic Plan and are currently under review by the EDAC and the IDA to further narrow / expand. Next review:

EDAC: September 19, 2018

IDA: October 25, 2018

Our goal is to submit the final document to the Planning Commission in time for its five-year review in 2019.

Priorities Selected from Plan

Goal A: Increase Collaboration and Capacity for Supporting Compatible Economic Development

- 1. Decide how and whether to clarify that the County is pro-economic development

Decide how and whether to clarify that the County is pro-economic development, but only for the types of activities it wants. Like most places, the County has a "brand", even if it is somewhat informal.

In its promotional efforts, the County can shape this brand to reinforce its planning goals, include promoting the county as a great place for those who want a rural lifestyle oriented toward small town quality of life and outdoor activities, which will help to attract creative young people, and high-income seniors.

- 2. Evaluate the zoning and subdivision ordinances

Evaluate the zoning and subdivision ordinances to identify any regulatory and procedural provisions that have the potential to unduly restrict or encumber compatible economic development activities, 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.

- If any potential problems are identified, create and evaluate potential alternative provisions that would strike a better balance of County goals, and refine these alternatives so that they can be adopted as amendments to the current regulations.
- Work closely with the Town of Berryville to ensure that the County and Town regulations are coordinated to achieve mutually desired policy outcomes, e.g. development in and around the Town in the annexation area and revitalization of the downtown.

- 3. Inventory existing businesses

Inventory all existing businesses in County and Towns; categorize by type, location, revenue; include names and contact data.

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- | | |
|---|---|
| 4. Coordinate with the Town of Berryville | <p>Continue formal economic development program in coordination with the Town of Berryville</p> <ul style="list-style-type: none">- Berryville Area Development Authority (BADA) serves as the planning commission for the annexation area surrounding the Town. It includes an equal number of representatives from both the Town and County.- Economic Development Advisory Committee (EDAC) advises the Board of Supervisors and staff concerning economic development. Four members are appointed by the Board, and one representative of the Town also serves on the Committee.- Industrial Development Authority (IDA) is a County entity that issues bonds, buys and sells property and other activities as set forth in the Code of Virginia for such authorities.- Continued collaboration between County and Town staffs for planning and economic development work. |
| <hr/> | |
| 5. Attract new and assist existing businesses | <p>Actively seek to attract new businesses and assist existing businesses with expansion efforts and other growth activities.</p> |
| <hr/> | |
| 6. On-going community communications | <p>Maintain on-going communications with the local community regarding economic development issues and activities, and serving as a key liaison to local government agencies for the business community.</p> |
| <hr/> | |
| 7. Evaluate resources | <p>Evaluate existing economic development resources including infrastructure, site availability and readiness, market demand, etc.</p> |
| <hr/> | |
| 8. Create marketing plan | <p>Create marketing plan – branding strategy, marketing system with logo, style guide, etc. for County economic development that would help strengthen the association of Clarke County's key brand features in the minds of target audiences.</p> |
| <hr/> | |
| 9. Promote Suitable Housing Development | <p>Ensure that Comprehensive Plans and Zoning and Subdivision Ordinances of County and Towns allow and encourage diverse, walkable, connected, accessible, human-scale development patterns.</p> <p>Appropriate housing development can enhance the County's overall economic vitality (and in some cases the tax base as well), if the new</p> |
-

housing supports a balance of demographic sectors, and is located in conformance with the Comprehensive Plan. The Comprehensive Plans of the County and Town should provide clear policy guidance for achieving a well-planned and balanced mix of housing types in and around the Town of Berryville. The zoning regulations of both the County and Town should be updated as needed to allow and encourage these forms of development.

Goal B. Retain, Attract, and Develop Compatible and Innovative Industry

1. Maintain and enhance the working relationships	Maintain and enhance the working relationships between the County and Town governments, business enterprises, business groups and organizations, real estate professionals, developers, and other stakeholders who are engaged in local and regional economic development, through the future economic development staff and the other collaboration actions identified in this plan.
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2. Establish a formal visitation or survey program	Establish a formal visitation or survey program that allows the County and Towns to collect, organize and assess input from key businesses in each economic sector, in order to monitor the local economic development climate.
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3. Establish a "strike team"	Establish a "strike team" of key County and Town officials and staff to respond to prospect visits, incentive requests, and retention issues. The strike team should develop and stay current on protocols for handling such matters with little or no notice.
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4. Establish a list of types of desired businesses	Establish a list of types of businesses desired in the County and which are feasible to attract or develop, and contact appropriate businesses to determine interest.
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5. Coordinate with the Town of Boyce	Continue to work in close collaboration with the Town to ensure that planning policies and regulations for the Town and surrounding area continue to reflect the goals and policies of the Town's and County's Comprehensive Plans.
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The Town of Boyce has potential for additional residential development, and to a lesser degree, new commercial development.

Although it also has relatively good regional access via Routes 50 and

340, it may have some potential for incremental commercial growth to serve commuting traffic on Route 340. Substantial commercial or industrial expansion opportunities will likely be limited due to the proximity to the Waterloo Business Growth Area.

6. Public water and sewer to the Double Toll Gate Area

Pursue partnerships to provide public water and sewer to the Double Toll Gate Area.

This area is situated on Route 340/522, an important highway connecting the Berryville, Front Royal and Winchester areas.

There is landowner interest for commercial development in this area, but the County would have to partner with landowners – and possibly other government agencies – to provide public water and sewer to the area.

An advantage to Clarke County for development in the Double Toll Gate area is its location at the western edge of the County where any increases in land use intensity and traffic generation from economic development will have a relatively small impact on most Clarke County residents.

To increase the likelihood of economic development in this area, the County needs to take a leadership role.

7. Promote rural economic innovation

Given its resources and location, the County has excellent potential to expand its rural economy in the long-term. An important method for such expansion is through innovation, which 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. Home-based and farm-based locations offer special opportunities for Clarke County due to the quality of life in its rural area. Aspects of these have been included in some of the preceding strategies for specific economic sectors.

Over the course of time, a variety of new businesses and economic sectors will likely emerge within Clarke County, as demographic, technological, and economic change continues in and around the region.

Examples of potential prospects could include:

- *“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. Thus, the County should monitor changes in local broadband service to determine the existing and
-

future need, and if there are policies, actions, or investments the County could take to meet that need.

- *“Ecosystem services”* such as habitat and watershed protection, in part through collaboration with environmental groups and agricultural and recreational businesses that see the value of working landscapes as a way to conserve and enhance the natural environmental resources.
- *Regional food systems* where larger stores are buying local products. The growing interest in local fresh food supports this strategy, as well as the County's proximity to a large and relatively high-income metropolitan population.
- *Sustainable agricultural systems* based on substituting internal inputs, including labor and management, for externally purchased ones.
- *Alternative energy* through wind farms, solar farms, and other alternative energy generators (subject to mitigation or avoidance of any environmental issues that would conflict with tourism and other planning goals).

A broad, long-term approach to innovation depends on seven key strategies:

1. *Provide critical information* needed by businesses. Information on economic and demographic trends are especially valuable for the County to promulgate, as well as information on connections and linkages, as described in #3 below.
 2. *Maintain and continually improve the high quality of life*, and a local culture that embraces creativity, growth and change in the local business sectors. This includes promoting “place-based” development that capitalizes on the County's and Town's special characteristics, including the traditional, historic downtown, other historic buildings and sites, scenic rural landscapes, and the “small-town” rural social and cultural environment of the County. This can be done through appropriate planning, zoning, and urban design policies and regulations as cited herein, as well as through prudent investments in utilities and communications infrastructure, information, and marketing.
 3. *Enhance connections* between businesses and the people and organizations that can help them prosper through sharing information with business associations, universities, service providers, etc.
 4. *Cultivate talent and creativity* by fostering an environment that supports individuals and firms who use art or design in their products and services, as well as fostering a community spirit and culture that
-

values innovation and creativity within the business community and local economy.

5. *Use local resources* as the basis for innovation and growth. Local products and processes, local talent, and the local quality of life can all provide the identity and “brand” that will further distinguish Clarke County from other areas.
 6. *Promote the enhancement of broadband access.* High speed internet service is widespread in Berryville (including some public Wi-Fi), and a fiber line runs along Rt. 7, but most of the rural areas rely on wireless service; identify how the County might be able to promote the enhancement of broadband access and quality countywide (study similar to hotel and equine). Constantly changing technologies and business models presents a challenge for the County to address this issue. However, good broadband service will be increasingly important in all sectors of the future economy.
 7. *Foster the further development of home-based and farm-based businesses* by evaluating and modifying the zoning regulations as needed to ensure a proper balance between land use compatibility and efficient review and approval processing. For example, by expanding the number of defined types of home-based businesses, the standards and permit processes can be properly tailored to the level of intensity of the business, thereby creating the most efficient and effective level of regulation.
-

Goal C. Increase the Vitality of Agriculture and Tourism

- | | |
|---|--|
| 1. Foster growth and vitality of the agricultural industry | The County currently provides some assistance and information to the local farm community as well as relying on state organizations such as the Virginia Cooperative Extension, the Virginia Department of Agriculture and Consumer Services, and the Virginia Farm Bureau. |
| 2. Promote information and understanding of the local agricultural industry | In conjunction with enhancement of the County's website for all economic development components.

As the County expands and broadens its programmatic support for the local farm industry, the website can reflect and reinforce those efforts by providing data and information, links to other resources, and other networking tools, etc. Specific content will depend on how the website emerges in relation to expansion of agricultural development efforts. |
-

3. Promote Equine Development

Conduct a detailed study of the equine industry. This would include identifying the barriers and opportunities for expanding, and steps to pursue (similar to the Town's recent hotel market study). The purpose is to identify to identify the short- and long-term potential for the industry and the most practical steps and priorities for achieving the potential.

New Priorities for Consideration

- 1) Conduct an agricultural survey to evaluate and compare all rural enterprise activities.
 - 2) Create a marketing plan not necessarily a tourism organization.
 - 3) Examine cost/benefit of establishing a meals tax.
 - 4) Address unlicensed home businesses, such as Air BnBs and uncollected transient occupancy tax.
-

End of document.

Goals and Strategies

Goal A: Increase Collaboration and Capacity for Supporting Compatible Economic Development

Strategy 1: Expand Overall Planning and Economic Development Efforts

Action A.1. Clarify the Role of Economic Development in the County's General Growth Management Strategy

Description. The County wishes to maintain its long-standing and venerable growth management strategy aimed at *preserving rural and environmental resources* and focusing *growth in well-defined, planned areas*, particularly the Berryville area. This is a sound approach, and the County's economic development strategy must be implemented within this larger planning framework.

However, the County also needs to effectively generate desirable economic development and to put forth that message among existing and potential businesses that support the County planning goals. No fundamental changes to the underlying planning philosophy are needed, yet the strategies of this plan will help clarify how the County will pursue economic growth, and the kinds of economic growth it will pursue.

Action Steps: Maintain a clear and consistent posture toward development and preservation, in accord with the goals and strategies of the updated Comprehensive Plan and the new Economic Development Strategic Plan. Ensure that all provisions support and do not undermine the broader County growth management strategy while also generating adequate growth in the County's tax base.

Schedule: FY 2015.

Responsibility: Board of Supervisors and County Staff

Estimated Cost: (within current budget for staff work plans)

Action A.2. Remove Real and Perceived Barriers to Desirable Economic Development

Strong land conservation policies can sometimes be mistaken or misunderstood as being non-supportive of business development. Since Clarke County has been effective in its land conservation efforts, it is especially important for it to avoid substantive or perceived barriers to compatible economic development activities and investments.

Consistent with this Strategy #1 above, the County should ensure that it has a receptive and supportive policy climate for compatible economic development projects that are consistent with its Comprehensive Planning goals, but also sufficient to improve its tax base. While the County needs to be prudent in its invitation to development, it also needs to be seen as being "business-friendly" or "open for business" (two common ways of expressing this idea) for projects that are consistent with its planning goals. This issue

involves both substance and perception. This also calls for close coordination and shared effort between the County and Town of Berryville so that they positively reinforce each other's efforts (*see Action A.3, following*).

For example, to make clear that the County welcomes appropriate business development, the County can increase its promotion of compatible and sustainable business growth through enhanced marketing efforts, business support functions, and financial partnerships with businesses to improve site readiness.

In no way should such efforts undermine the County's long-term conservation ethic – in fact, being known for welcoming compatible economic development should ultimately enhance the County's reputation as a prudent steward of its land resources, and thus have a positive long-term economic effect.

Action Steps:

- (1) Formally announce and promote the new and refined strategies and actions that are contained in the Economic Development Strategic Plan.

Sub-steps:

- (a) Issue a press release upon adoption of the new economic development strategic plan.
- (b) Put the announcement of the new plan on the Board of Supervisors and Planning Commission meeting agendas for recognition.
- (c) Have County officials attend meetings with local civic groups and business organizations to present and promote the Strategic Plan during the months following adoption.

Schedule: FY 2015.

Responsibility: Board of Supervisors and County Staff

Estimated Cost (within current budget for staff work plans)

- (2) Promote ongoing awareness and understanding of the new economic development strategies among all County personnel and through all County communications, including the web site, public meetings, etc.

This is an ongoing assignment for all County officials and personnel, who should be knowledgeable about the plan and how it affects their mission, and their roles and responsibilities in implementing it.

Schedule: FY 2015.

Responsibility: Board of Supervisors and County Staff

Estimated Cost: (within current budget for staff work plans)

- (3) Decide how and whether to clarify that the County is pro-economic development, but only for the types of activities it wants.

Like most places, the County has a “brand”, even if it is somewhat informal. In its promotional efforts, the County can shape this brand to reinforce its planning goals, include promoting the county as a great place for those who want a rural lifestyle oriented toward small town quality of life and outdoor activities, which will help to attract creative young people, and high income seniors.

Sub-steps:

- (a) *See Actions A.3 and A.4:* Enhance the County’s website to serve as a strong marketing tool for economic development. Retain an expert e-marketing firm to rebuild the economic development portion of the website or create a separate linked site. Consider retaining such firm to run the website and/or to train County staff to do so.
- (b) *See Actions A.3 and C.3:* Explore the potential of sharing costs with neighboring jurisdictions and regional organizations, and possible tie-ins to the tourism marketing efforts.

Schedule: FY 2015.
Responsibility: Board of Supervisors and County Staff
Estimated Cost: (within current budget for staff work plans)

- (4) Use the new economic development strategies as guidelines for all interactions between the County and businesses.

Schedule: FY 2015.
Responsibility: Board of Supervisors and County Staff
Estimated Cost: (within current budget for staff work plans)

Priority subject to funding decisions:

- (5) Revise/streamline zoning and permitting regulations as needed. Review regulations that could affect business attraction and retention; review event-permitting processes (county with town)

It is important that the regulatory climate - as well as the specific ordinance requirements - are effective at conserving the rural land resources while also supporting desirable economic development. This is a difficult but necessary balance to strike due to the inherent conflicts between effective regulation, and promotion of new development. Close coordination between the County and the Town of Berryville on such matters is essential.

Sub-steps:

- (a) Evaluate the zoning and subdivision ordinances to identify any regulatory and procedural provisions that have the potential to unduly restrict or encumber

compatible economic development activities, 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.

- (b) If any potential problems are identified, create and evaluate potential alternative provisions that would strike a better balance of County goals, and refine these alternatives so that they can be adopted as amendments to the current regulations.
- (c) Work closely with the Town of Berryville to ensure that the County and Town regulations are coordinated to achieve mutually desired policy outcomes, e.g. development in and around the Town in the annexation area and revitalization of the downtown.

Schedule: FY 2015.
Responsibility: Planning Director
Estimated Cost: Within current budget, depending on existing priority assignments; approximately \$20,000 value.

- (6) Inventory all existing businesses in County and Towns; categorize by type, location, revenue; include names and contact data. [to be conducted after the economic development capacity is expanded through Action A.3 below]

Schedule: FY 2015.
Responsibility: Board of Supervisors and County and Town Staff, in conjunction with Berryville Main Street
Estimated Cost: \$5,000 to initiate; ongoing updates part of expanded economic development staff budget.



photo by Herd Planning & Design

Action A.3. Establish a formal economic development program in coordination with the Town of Berryville

The County is doing a good job in light of the relatively limited resources it has available to support economic development initiatives. Its current economic development staff is essentially one person whose duties are divided between zoning administration and economic development. Devoting a full-time equivalent position (“F. T. E.”) to the economic development functions would allow the County to better support the policies and programs currently underway as well as the new ones identified in this plan. An increase in staff resources is particularly important in light of the competitive environment among rural localities in the region, and at the state and national levels.

Businesses look to local governments for leadership in promoting economic development, including providing information, coordinating activities, maintaining a sound regulatory environment, and making investments in public services and infrastructure. Having a more robust local staff capacity would help the County (and its Towns) fulfill these expectations and compete more effectively with other localities.

An important element of both the substance and perception of positive economic development efforts is collaboration with the County’s many partners. The County has a long history of successful partnerships, particularly with the Towns of Berryville and Boyce, for example. Yet such collaboration can still be enhanced and broadened, all to the good. Strengthening and formalizing ties to neighboring communities, as well as to the local business sectors, will help the County promote good will, creativity, and efficient use of resources.

While the County and Town have a long and successful history of working together on planning initiatives, the level of collaboration could be further strengthened in order to gain additional economies of scale. The benefits of coordination and cooperation between these two local governments cannot be underestimated. Coordinated efforts allow the two small jurisdictions to gain economies of scale in pursuing shared goals, thereby making the most efficient use of public funds, and reducing redundancy and conflict. Close cooperation also sends a positive signal to the business community that the two jurisdictions are working together in harmony and reinforcing each other’s capabilities. This strengthens the confidence that businesses have in local government policy and management.

Currently, the two jurisdictions collaborate extensively at both the policy-making level (elected and appointed officials), and at the staff level (professional employees):

- The Berryville Area Development Authority (BADA) serves as the planning commission for the annexation area surrounding the Town. It includes an equal number of representatives from both the Town and County. The Economic Development Advisory Committee (EDAC) advises the Board of Supervisors and staff concerning economic development. Four members are appointed by the Board, and one representative of the Town also serves on the Committee.
- The County Industrial Development Authority (IDA) is a County entity that issues bonds, buys and sells property and other activities as set forth in the Code of Virginia for such authorities.

- The County and Town staffs for planning and economic development work very closely together.

Further collaborative and cost sharing efforts could include sharing staff duties in designing and maintaining the economic development website, working together to share staff capacity for new and expanded economic development functions, and sharing duties and responsibilities for industrial development programs, among others.

Together, the County and Town can also strengthen their mutual collaboration with regional agencies such as the Northern Shenandoah Valley Regional Commission (NSVRC) and the Small Business Development Center (SBDC), in economic development activities through work with regional agency representatives and neighboring jurisdictions, including Virginia counties such as Warren, Fauquier, Frederick, and Loudoun, as well as Jefferson County, West Virginia. Coordination on tourism promotion is an obvious possibility, as well as joint promotion of commercial and industrial sites. Following initial communications, a more formal, ongoing effort could be established to ensure continued collaboration.

Action Steps:

- (1) Form a joint County-Town committee that would explore partnering and cost-sharing strategies for tourism and economic development.
 - Inventory and assess economic development activities currently done collaboratively by County and Town staffs. Identify opportunities for reducing redundancy.
 - Explore a more formal integration of economic development functions so as to make the “boundary” between County and Town functions as “seamless” as possible. A Memorandum of Understanding (MOU) would memorialize such agreements.
- (2) Identify the professional capacity needed to fulfill the enhancements to the economic development program. Most of the duties and activities are either currently underway, are identified in this plan, or are standard practice in local economic development offices. Duties typically include:
 - Working with property owners to determine issues and opportunities for their sites and how to upgrade site suitability
 - Actively seeking to attract new businesses and assisting existing businesses with expansion efforts and other growth activities.
 - Maintaining on-going communications with the local community regarding economic development issues and activities, and serving as a key liaison to local government agencies for the business community.
 - Collecting, analyzing, and disseminating data about local economic development markets, resources, etc.
 - Evaluating existing economic development resources including infrastructure, site availability and readiness, market demand, etc.
 - Conducting marketing and promotional efforts for the local economic initiatives.
 - Serving as point of contact and liaison to public and private sector partners and sister agencies; and

- Providing staff support to the Industrial Development Authority, Economic Development Advisory Committee and Clarke County Tourism Alliance (if it is resurrected in fulfillment of Action C.4).

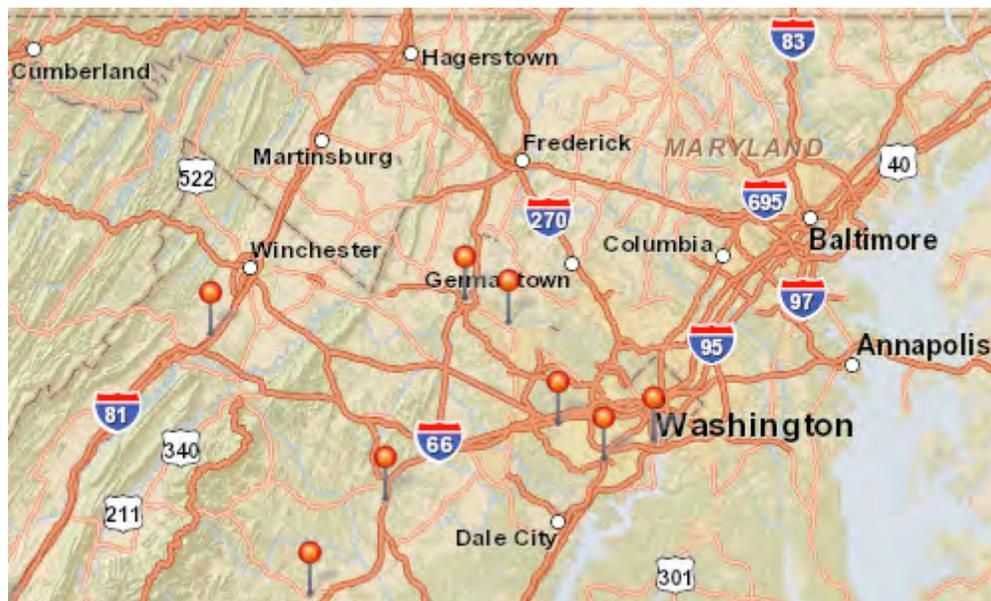
Identify what roles County staff should fulfill and what roles, if any, consultants or contractors should fulfill, particularly in the early set-up stages.

- (3) Identify how the additional capacity fits into the current organizational structure, including the relationship between County and Town economic development activities, and how the County and Town might be able to share the costs and benefits of enhanced economic development functions.
- (4) Create (or update) job and/or program descriptions and retain the appropriate professional assistance. Choose the priority for allocating resources between business retention and development and tourism coordination.

Schedule: Calendar 2014.

Responsibility: Board of Supervisors, Town Council, with County Administrator and Town Manager

Estimated Cost: Current Budget



Small Business Development Centers *source: Virginia Economic Development Partnership*

Priority subject to funding decisions:

- (5) Allocate funding and retain appropriate professional staff.

Schedule: FY 2015.

Responsibility: Board of Supervisors, Town Council, with County Administrator and Town Manager

Estimated Cost: Annually \$100,000 to \$200,000 total for a full-time position plus administrative support. Part-time at \$65,000 to \$100,000. Dependent on the level of salary and program support. Consider phasing in over a two to three year period.

Action A.4. Upgrade web-based marketing, branding, and promotion, partly in coordination with neighboring jurisdictions (including West Virginia), and including greater use of social media technology.

Marketing Objectives include:

- Strengthen the “brand” identity for Clarke County and Town of Berryville Economic Development (*the County and Town are mentioned together here because of the close interaction between them, particularly with regard to industrial development opportunities. The two jurisdictions would maintain the distinction of their different key attributes – rural vs. urban – but can benefit from a shared or “paired” identity as a great place to live and work within the larger region.*)
- Establish a marketing system that reflects and supports the short-term and long-term County planning vision and goals.
- Increase awareness of Clarke County’s benefits and assets.
- Promote the idea that the County is an outstanding place to do business, live and visit, particularly for the target population and business sectors.
- Highlight the new Comprehensive Plan and the Economic Development Strategic Plan with a particular emphasis on the goals of compatible economic development.

Marketable benefits of Clarke County and the Town of Berryville include:

- *Affordable* – industrial, agricultural, and residential property
- *Lifestyle* – a rural and small town lifestyle in the midst of a vibrant, populous region
- *Conservation* – a strong conservation ethic for natural and historic resources as the basis of the economic and social fabric of the community
- *Proximity* – located between Dulles Airport and I-81 (within the “hole of the donut” of a huge regional population), and within Foreign Trade Zone #137, and Port of Virginia Development Zone.

These benefits add up to “*affordable proximity*” for those seeking to locate or expand business enterprises in the County.



Foreign Trade Zones

source: Virginia Economic Development Partnership



Port of Virginia Development Zone

source: Virginia Economic Development Partnership

Action Steps:

- (1) Develop and implement a new marketing system to promote the County's (and Town's) economic development message, including new or enhanced website.

Sub-steps:

- (a) Create marketing plan – branding strategy, marketing system with logo, style guide, etc. for County economic development that would help strengthen the association of Clarke County's key brand features in the minds of target audiences.

Schedule: FY 2015.
Responsibility: Economic Development Director.
Estimated Cost: \$5,000 to \$10,000

- (b) Work with web designer to create an Economic Development website design and preliminary cost estimate – minimal upgrade

Schedule: Calendar 2014.
Responsibility: County and Town staff (in conjunction with any new economic development or tourism entities)
Estimated Cost: \$4,000 to \$8,000 for design and \$150/month for hosting and maintenance

- c) Retain expert assistance to design, implement and maintain a more robust website, including optimize search engine visibility, enhance social media marketing thru Facebook, Twitter, and blogs, coordinate joint efforts with all regional partners, create a media kit for distribution.

Evaluate whether this should be a separate site linked to the County's existing website, or a page within the existing site. Logical integration or linkage with the Town would be helpful. Additional components such as video elements (such as news segments, interviews, case studies, or testimonials), social media tools, maps of resources and key sites, etc., could be incorporated. This could include creating and maintaining a Resource Profile of key information about the County as well as contacts that existing and prospective businesses need.

Efforts could include a new hard-copy promotional/informational product for print media – a color brochure and presentation folder to give to prospects; Optimize search engine visibility; Enhance social media marketing through Facebook, Twitter, and blogs; Coordinate joint efforts with all regional partners.

Schedule: FY 2015 and ongoing.
Responsibility: Economic Development Director
Estimated Cost: \$20,000+ and \$150 to \$250 per month for hosting and maintenance.

(2) Attend selected, occasional conferences and trade shows. This is a mid-term priority action and would focus limited resources on events with best prospect for beneficial return.

Schedule: FY 2016 and ongoing.
Responsibility: Economic Development Director
Estimated Cost: \$2,000 to \$5,000+ each for attending; \$5,000 to \$10,000+ each for exhibiting

Strategy 2. Increase Direct Revenues to Fund Economic Development

Action A.5. Examine cost/benefit of increasing Transient Occupancy Tax (TOT) and establishing Business & Professional Occupational Licensing (BPOL)

The TOT increase would require General Assembly approval. Funds from these sources would be earmarked for economic development.

Schedule: FY 2015.
Responsibility: Board of Supervisors, Town Council, with County Administrator and Town Manager
Estimated Cost: Current Budget

Longer-Term Priority (Post 2016)

Strategy 3. Promote Suitable Housing Development

Action A.6 Ensure that Comprehensive Plans and Zoning and Subdivision Ordinances of County and Towns allow and encourage diverse, walkable, connected, accessible, human-scale development patterns.

Appropriate housing development can enhance the County's overall economic vitality (and in some cases the tax base as well), if the new housing supports a balance of demographic sectors, and is located in conformance with the Comprehensive Plan. The Comprehensive Plans of the County and Town should provide clear policy guidance for achieving a well-planned and balanced mix of housing types in and around the Town of Berryville. The zoning regulations of both the County and Town should be updated as needed to allow and encourage these forms of development.

Schedule: FY 2016-17.
Responsibility: County and Town Planning Directors
Estimated Cost: Current Budget – \$20,000 +/- value.

Goal B: Retain, Attract, and Develop Compatible and Innovative Industry

Strategy 1. Promote Compatible Industrial Development

Action B.1. Implement Business Retention Strategies

A foundational component of every sound economic development program is to retain existing businesses, especially those that are compatible with the long-term vision of the local economy.

Schedule: FY 2015-16.

Responsibility: Economic Development Director

Estimated Cost (for each step shown below): Current Budget (subsumed in future Economic Development budget plus approximately \$3,000 annual value from other county departments for their involvement.) Each step shown would be roughly a \$3,000 equivalent value annually.

Action Steps:

- (1) Maintain and enhance the working relationships between the County and Town governments, business enterprises, business groups and organizations, real estate professionals, developers, and other stakeholders who are engaged in local and regional economic development, through the future economic development staff and the other collaboration actions identified in this plan.
- (2) Establish a formal visitation or survey program that allows the County and Towns to collect, organize and assess input from key businesses in each economic sector, in order to monitor the local economic development climate.
- (3) Assist local businesses (and prospects) on an as-needed basis by providing information and contacts with government (local, state, federal) and private sources of business assistance.
- (4) Establish a “strike team” of key County and Town officials and staff to respond to prospect visits, incentive requests, and retention issues. The strike team should develop and stay current on protocols for handling such matters with little or no notice.



Photos S. Patz & Assoc.



Clarke County Business Park

Action B.2. Partner with industrial landowners, users, and developers and the Town of Berryville to develop currently or potentially available industrial land

The County can work together with the Town to identify additional incentives that can be offered to potential industrial developers and users.

The County can work with property owners (and the Town where applicable) to:

- Encourage restoration of neglected buildings (remove if needed), improve the readiness of available land.
- Encourage adaptive use of existing structures (within County and Town).
- Plan for future sites and facilitate the necessary permit approvals as appropriate.
- Provide incentives – funding assistance with facility relocation and utility fees, worker recruitment/training, micro loans, building demolition and/or rehab, etc.

Schedule: FY 2015/16 (Step #6 below can begin in 2014)

Responsibility: Economic Development Director with Town

Estimated Cost: Generally within Economic Development Budget or \$3-5,000 equivalent value (except Step #4 below which involves investment related to infrastructure and site readiness upgrades).

Action Steps:

- (1) Organize, consolidate and update information about available and potential sites; maintain this database; make it easily available through the web. Work with property owners, the Town and Main Street to establish list of potential commercial, business and industrial properties for lease or sale. Place list on economic development website, and advise realtors.

- (2) Evaluate and rank all existing and potential sites in terms of current level of readiness for development.
- (3) Identify specific actions needed to upgrade the level of readiness for each site.
- (4) Identify what incentives the County and Town might provide, including funding, loans, infrastructure assistance, permits, etc. Such incentives would be in conjunction with actions by the owners to provide the maximum amount of leverage of local government assistance, and could involve increased funding for the County's Industrial Development Authority.
- (5) Establish a list of types of businesses desired in the County and which are feasible to attract or develop, and contact appropriate businesses to determine interest.
- (6) Report on success of above actions to Board of Supervisors, Town Council, and Planning Commissions.

Calendar 2014/15 and ongoing.

Action B.3. Pursue Tax Increment Financing (TIF) (*Longer Term Priority*)

TIF districts are permitted under § 58.1-3245.2 of the Code of Virginia. The legislation essentially permits the County to adopt an ordinance that designates a development project area in which physical improvements are made to increase the value of the real estate. The real estate tax revenues attributable to the increase in value from the original assessed value are paid into a special fund to pay the debt on bonds issued to finance the cost of the physical improvements within the project area.

Action Steps:

- (1) Evaluate the feasibility and suitability for a TIF if new public infrastructure will benefit a site
 - (a) Identify the area or areas for the TIF district designation (Note – this may involve collaborating with the Town of Berryville. It may also involve determining whether a joint, inter-jurisdictional TIF is possible. This may also involve determining whether special consulting assistance is necessary for this strategy).
 - (b) Allocate funding to support the actions necessary to establish a TIF.
 - (c) Conduct feasibility studies to determine whether development or redevelopment could take place within an acceptable timeframe without the assistance that would be provided by the TIF district.
 - (d) Prepare a forecast of the costs and revenues for the project.
 - (e) Analyze the long-term economic benefit to the local economy for the term of the TIF district, including the total impact of TIF districts on the tax base.

- (f) Prepare a maintenance plan for the TIF district's projects, including ongoing and future capital costs, revenue sources, and any risk sharing between the County and any third party of private sector partners, including backup for project revenue, ongoing maintenance, project reporting and monitoring, etc.
- (2) If the evaluation affirms feasibility, implement the TIF.
- (a) Prepare a development or redevelopment plan that includes detailed performance measures, steps for monitoring and evaluating the plan, and outlining future benefits and burdens under alternative economic scenarios.
 - (b) Affirm viability of any third-party or private sector partners.
 - (c) Obtain input from all parties involved, including the public.
 - (d) Periodically evaluate the performance of the TIF district.

Schedule: FY 2016-17

Responsibility: Economic Development Director with Board of Supervisors (and Town as appropriate)

Estimated Cost: TBD

Strategy 2. Initiate Long-Term Development Opportunities

Action B.4. Continue to collaborate with the Town of Boyce.

The Town of Boyce has potential for additional residential development, and to a lesser degree, new commercial development. Although it also has relatively good regional access via Routes 50 and 340, it may have some potential for incremental commercial growth to serve commuting traffic on Route 340. Substantial commercial or industrial expansion opportunities will likely be limited due to the proximity to the Waterloo Business Growth Area.

Continue to work in close collaboration with the Town to ensure that planning policies and regulations for the Town and surrounding area continue to reflect the goals and policies of the Town's and County's Comprehensive Plans.

Schedule: Ongoing.

Responsibility: Board of Supervisors, Planning Director.

Estimated Cost: Current Budget.

Action B.5. Support Efforts to Expand Retail and Office Space.

Notwithstanding the longer term potential for commercial development in the Double Tollgate and Waterloo areas, the best prospect for both short and long-term expansion that is also consistent and supportive of broad County goals is to intensify the Berryville Area, including downtown Berryville, in a manner consistent with the Town's plans, the Berryville Area Plan, and the historic character of the Town.

A master plan for land use, urban design, and streetscape improvements would provide a framework for improving the competitive posture of the Berryville Area - especially

downtown - in attracting retail and office development and redevelopment, as well as appropriate housing to reinforce the retail and office uses.

Action Steps:

- (1) Urban Design: Support the efforts of the Town of Berryville in promoting the long-term physical improvement of the downtown area. The level of support would be dependent on the specific provisions contained in any agreement between the County and Town for coordinated economic development efforts.
- (2) Information: Support the efforts of the Town of Berryville to establish or upgrade the process for collecting, updating and disseminating physical and market data for the downtown area. Such efforts might include studying and monitoring available space, occupancy rates, parking supply and access, etc. The initial information piece might be an evaluation of downtown parking supply and accessibility, including wayfinding needs.

<i>Schedule:</i>	Calendar 2014 and ongoing
<i>Responsibility:</i>	Planning Directors of County and Town
<i>Estimated Cost:</i>	Step 1 would be within the Current Budget plus up to \$75,000 for a streetscape plan (assume to be allocated in out-years); Step 2 would be within the Current Budget and/or subsumed within the future Economic Development budget.

Action B.6. Pursue Partnerships to Provide Public Water and Sewer to the Double Toll Gate Area. (*Longer Term Priority*)

Note: Step #7 below “Review and revise the Area Plan...” could be a nearer term priority in conjunction with ongoing County planning staff work program.

This area is situated on Route 340/522, an important highway connecting the Berryville, Front Royal and Winchester areas. There is landowner interest for commercial development in this area, but the County would have to partner with landowners – and possibly other government agencies – to provide public water and sewer to the area. An advantage to Clarke County for development in the Double Toll Gate area is its location at the western edge of the County where any increases in land use intensity and traffic generation from economic development will have a relatively small impact on most Clarke County residents. To increase the likelihood of economic development in this area, the County needs to take a leadership role.



photo by Herd Planning & Design

Action Steps:

- (1) Update and affirm the prospects and feasibility of the various options available for providing utilities to the area, including options for the source, design, ownership, financing, and timing for utilities.
- (2) Continually monitor, on a regular, ongoing basis, the status of these options and be prepared to help facilitate public and/or private sector initiatives for providing utility service to this area, including the potential for public investment. Monitoring should include the market environment, including growth triggers from Warren and Frederick counties, and any expansions or changes in water and sewer plans or policies in those counties.
- (3) Review and revise the Area Plan to ensure that it reflects the current goals and policies of the new Comprehensive Plan.
- (4) Review the Zoning Ordinance and Zoning Map, and the Subdivision Ordinance to ensure that the regulations reflect and support the County’s policies for this area.

Schedule: FY 2017+
Responsibility: Board of Supervisors; Planning Director
Estimated Cost: TBD

Action B.7. Continue to promote well-designed commercial development in the Waterloo Area. (Longer Term Priority)

Note: Step #1 below “Review and revise the Area Plan...” could be a nearer term priority in conjunction with ongoing County planning staff work program.

The Waterloo area has some potential for additional highway commercial development, although it is not as competitive for light industrial as areas in and around Berryville. However, given the area’s good regional access via Rt. 50, the County can and should continue to promote well-designed and well-accessed commercial development here. There is currently no clear need to expand the planned size or capacity of the area.

Action Steps:

- (1) Review and revise the Waterloo Area Plan to ensure that it reflects the current goals and policies of the new Comprehensive Plan.
- (2) Review the Zoning Ordinance and Zoning Map, and the Subdivision Ordinance to ensure that the regulations reflect and support the County’s policies for this area, with particular attention to signage, interparcel access, and pedestrian circulation.

Schedule: FY 2017+
Responsibility: Board of Supervisors; Planning Director
Estimated Cost: TBD



photo by Herd Planning & Design

Action B.8. Promote Rural Economic Innovation (including compatible home-based businesses) (*Longer Term Priority*)

Given its resources and location, the County has excellent potential to expand its rural economy in the long-term. An important method for such expansion is through innovation, which 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. Home-based and farm-based locations offer special opportunities for Clarke County due to the quality of life in its rural area. Aspects of these have been included in some of the preceding strategies for specific economic sectors.

Over the course of time, a variety of new businesses and economic sectors will likely emerge within Clarke County, as demographic, technological, and economic change continues in and around the region.

Examples of potential prospects could include:

- “*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. Thus, the County should monitor changes in local broadband service to determine the existing and future need, and if there are policies, actions, or investments the County could take to meet that need.

- “*Ecosystem services*” such as habitat and watershed protection, in part through collaboration with environmental groups and agricultural and recreational businesses that see the value of working landscapes as a way to conserve and enhance the natural environmental resources.
- *Regional food systems* where larger stores are buying local products. The growing interest in local fresh food supports this strategy, as well as the County’s proximity to a large and relatively high-income metropolitan population.
- *Sustainable agricultural systems* based on substituting internal inputs, including labor and management, for externally purchased ones.
- *Alternative energy* through wind farms, solar farms, and other alternative energy generators (subject to mitigation or avoidance of any environmental issues that would conflict with tourism and other planning goals).

A broad, long-term approach to innovation depends on seven key strategies:

1. *Provide critical information* needed by businesses.
Information on economic and demographic trends are especially valuable for the County to promulgate, as well as information on connections and linkages, as described in #3 below.
2. *Maintain and continually improve the high quality of life*, and a local culture that embraces creativity, growth and change in the local business sectors. This includes promoting “place-based” development that capitalizes on the County’s and Town’s special characteristics, including the traditional, historic downtown, other historic buildings and sites, scenic rural landscapes, and the “small-town” rural social and cultural environment of the County. This can be done through appropriate planning, zoning, and urban design policies and regulations as cited herein, as well as through prudent investments in utilities and communications infrastructure, information, and marketing.
3. *Enhance connections* between businesses and the people and organizations that can help them prosper through sharing information with business associations, universities, service providers, etc.
4. *Cultivate talent and creativity* by fostering an environment that supports individuals and firms who use art or design in their products and services, as well as fostering a community spirit and culture that values innovation and creativity within the business community and local economy.

5. *Use local resources* as the basis for innovation and growth. Local products and processes, local talent, and the local quality of life can all provide the identity and “brand” that will further distinguish Clarke County from other areas.
6. *Promote the enhancement of broadband access.* High speed internet service is widespread in Berryville (including some public Wi-Fi), and a fiber line runs along Rt. 7, but most of the rural areas rely on wireless service; identify how the County might be able to promote the enhancement of broadband access and quality countywide (study similar to hotel and equine). Constantly changing technologies and business models presents a challenge for the County to address this issue. However, good broadband service will be increasingly important in all sectors of the future economy.
7. *Foster the further development of home-based and farm-based businesses* by evaluating and modifying the zoning regulations as needed to ensure a proper balance between land use compatibility and efficient review and approval processing. For example, by expanding the number of defined types of home-based businesses, the standards and permit processes can be properly tailored to the level of intensity of the business, thereby creating the most efficient and effective level of regulation.

Schedule: FY 2017+
Responsibility: Economic Development Director; Planning Director
Estimated Cost: TBD

Goal C. Increase the Vitality of Agriculture and Tourism

[Note: Draft Berryville Clarke County Tourism Plan Objective 7 – “Foster growth and development of new tourism sectors including agribusiness, tourism, promotion of local artists and musicians” is embedded in this Goal C, which includes these other sectors.]

Strategy 1. Foster Growth and Vitality of the Agricultural Industry

The County currently provides some assistance and information to the local farm community as well as relying on state organizations such as the Virginia Cooperative Extension, the Virginia Department of Agriculture and Consumer Services, and the Virginia Farm Bureau.

While the County could enhance its involvement and support for local agricultural businesses through the establishment of a County office of Agricultural Development, as some other neighboring counties have done, such a separate local government office is probably premature for Clarke County at this time in terms of assigning a full-time staff member. Yet some of the work done by these offices could be included in the work plan for an enhanced County Economic Development program. Any such efforts should be done in coordination with future updates to the Agricultural Land Plan.

Each of the strategies below is something that the County staff is currently doing but with very limited capacity. If professional capacity is expanded, these activities could be part of that.



Clarke County Farmer's Market

Action C.1. Promote information and understanding of the local agricultural industry.

In conjunction with enhancement of the County’s website for all economic development components. As the County expands and broadens its programmatic support for the local farm industry, the website can reflect and reinforce those efforts by providing data and information, links to other resources, and other networking tools, etc. Specific content will depend on how the website emerges in relation to expansion of agricultural development efforts.

Schedule: FY 2015 and ongoing.
Responsibility: Economic Development Director.
Estimated Cost: (Subsumed in future Economic Development Budget)

Action C.2. Promote activities that support local agriculture, including farm tours, “buy local” initiatives, “pick-your-own” enterprises, Farmers Markets, Community Supported Agriculture (CSAs), etc., in conjunction with enhancement of the County’s website for all economic development components. The website is an ideal tool for informing and promoting the full range of activities, both within the County, as well as among its regional and state partners.

Schedule: FY 2015 and ongoing.
Responsibility: Economic Development Director.
Estimated Cost: (Subsumed in future Economic Development Budget)



photo by Herd Planning & Design



photo by Herd Planning & Design

Strategy 2 Promote Tourism Development *[coordinate with Tourism Strategic Plan]*

Action C.3. Improve regional cooperation and coordination in marketing and promotion.

[Matches up with draft BVCC Tourism Plan:

- *Objective 1 – Increase local awareness of tourism assets in Berryville and Clarke County*
- *Objective 2 – Increase collaboration of all organizations, businesses, and local government and*
- *Objective 3 – Enhance Tourism Marketing and Promotional Efforts].*

This action would include intensive local coordination among tourist businesses and improvement of web-marketing and website/social media. The enhancement of the County's web presence is a major, essential project for economic development, and is broader than just tourism (as referenced in Strategy A.1.d - Upgrade web-based marketing, branding, and promotion).

However, the tourism sector could be a focal point of early web-based initiatives because it is consumer-oriented sector and the County has natural partners within Clarke County and throughout the region and state with which to share costs and benefits.

Action Steps:

- (1) Create a Tourism Organization and Marketing Plan. The plan would be a joint effort of the County and the Town of Berryville and would incorporate many of the initiatives contained in the Tourism Strategic Plan.
- (2) Identify all current and potential tourism partners and stakeholders internally and externally to the County (both public and private sector).
- (3) Determine how staff support is provided – separate tourism office, or County's economic development office.
- (4) Secure an economic development/tourism coordinator to oversee implementation, marketing and development. Share cost: County, Town & Alliance (or equivalent entity) [Target 2.2 from BV CC Tourism Plan]

Schedule: Calendar 2014 and ongoing (except step #4 below which is expected to be FY 2015).

Responsibility: Steps 1 and 2 above - Economic Development Director with the Town; Steps 3 and 4 above – Board of Supervisors and Town Council.

Estimated Cost: (Subsumed in future Economic Development Budget)



photo by Brandon Stidham

Action C.4. Establish/Revive “Tourism Advisory Committee” *[and/or resurrect Clarke County Tourism Alliance (CCTA)] [coordinate with Tourism Strategic Plan [Objective 5 from BVCC Tourism Plan] and Increase local awareness of tourism assets in Berryville and Clarke County [BVCC Objective 1]*

[Note: All tourism strategies should be coordinated with the Town of Berryville, especially regarding the effort to recruit new, independent lodging, restaurants, and unique shopping opportunities.]

Other key objectives from draft BVCC Tourism Plan:

- *Objective 4* – Develop a viable workforce for tourism-based businesses through education program for tourism services.
- *Objective 6* – Improve Community infrastructure to compliment tourism development efforts.

Schedule: Calendar 2014-15

Responsibility: Board of Supervisors, County Administrator, Town Council

Estimated Cost: (Subsumed in future Economic Development Budget)



va.water.usgs.gov



photo by Herd Planning & Design

Action C.5. Promote Development of Increased Accommodation Capacity

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.

Schedule: Calendar 2014-15
Responsibility: Board of Supervisors, County Administrator, Town Council
Estimated Cost: (Subsumed in future Economic Development Budget)

Strategy 3. Promote Equine Development (*Longer Term Priority*)

Action C.6 Conduct a detailed study of the equine industry

This would include identifying the barriers and opportunities for expanding, and steps to pursue (similar to the Town's recent hotel market study). The purpose is to identify to identify the short and long term potential for the industry and the most practical steps and priorities for achieving the potential.

Action Steps:

- (1) Identify the scope of the study and funding resources.
- (2) Issue an RFP for the work.
- (3) Retain the firm to conduct the study.
- (4) Assess, promulgate, and implement the findings.

Schedule: FY 2017+
Responsibility: Economic Development Director
Estimated Cost: TBD

Action C.7 Strengthen businesses in the local equestrian industry

Develop a county or regional website devoted to the industry, offering up to date information on hay pricing, horse shows, and other business trends. (This could be in conjunction with the overall effort to upgrade the County’s website for economic development marketing and tourism). Any such efforts should build on the success of the existing Equine Alliance and be an outgrowth or enhancement of that group. Businesses in the industry include stables and breeders, but also support businesses such as farriers, saddle-makers/marketers, and specialty construction companies.

Schedule: FY 2017+
Responsibility: Economic Development Director
Estimated Cost: TBD



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Review Electronic Meetings Policy

Action:

- Disallow Participation Via Electronic Means; **or**,
- Allow and Adopt Policy and Process Set Forth in PD-121101-09 Clarke County Board of Supervisors Rules of Procedure Section 1-12 Meetings held through electronic communication means" as set forth in § 2.2-3708.2. Sections §2.2-3708 Code of Virginia. §2.2-3708.1 repealed by Acts 2018

Rules of Procedure

Section 1-12.
Meetings held through
electronic
communication means
policy and approval
process

Policy:

It is the policy of Clarke County Board of Supervisors that its individual members may participate in meetings of the Board of Supervisors by electronic means as permitted by Virginia Code § 2.2-3708.2. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

Whenever an individual member wishes to participate from a remote location, the law requires a quorum of Board of Supervisors to be physically assembled at the primary or central meeting location, and there must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.

When such individual participation is due to an emergency or personal matter, **such participation is limited by law to two meetings of the public body per member each calendar year, whichever is fewer.**

Note: Nothing in this section shall be construed to prohibit the use of interactive audio or video means to expand public participation.

Approval Process:

Automatic Approval with Vote if Challenged.

Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act.

If a member's participation from a remote location is challenged, then the Board of Supervisors shall vote whether to allow such participation.

If Board of Supervisors votes to disapprove of the member's participation because such participation would violate this policy, such disapproval shall be recorded in the minutes with specificity.

Disability or Medical Condition or Personal Matter Prevents Physical Attendance (Applies to all public bodies):

- 1) Physically assembled quorum is required;
-

Rules of Procedure

- 2) Remote member's voice must be heard by all;
- 3) Member must notify chair of inability to attend due to temporary or permanent disability or other medical condition that prevents physical attendance on or before the day of the meeting;
- 4) Fact of disability or medical condition must be recorded in the minutes;
- 5) Remote location must be recorded in the minutes; and,
- 6) Member's remote participation must be in accord with the policy on electronic participation adopted by the public body. While the fact that a disability or medical condition prevents the members' physical attendance must be recorded in the minutes, it is not required to identify the specific disability or medical condition.
- 7) Member participating through electronic communications means under this section may make motions, vote, join in closed meetings, and otherwise participate fully as if he or she was physically present.

Examples:

- Temporary hospitalization or confined to home;
- Contagious illness; or
- Any permanent physical disability that prevents travel to the meeting location.

If the procedural requirements are not met, however, then the member may only monitor the meeting (i.e., listen or watch, depending on the technology used) and cannot otherwise participate.

The remote location where the member using electronic communications is does not have to be open to the public under these provisions.

Personal Matter Prevents Attendance:

- 1) Physically assembled quorum is required;
 - 2) Remote member's voice must be heard by all;
 - 3) Remote member must notify chair of the public body on or before the day of the meeting;
-

Rules of Procedure

- 4) Nature of the emergency or personal matter must be identified;
- 5) Nature of the personal matter must be recorded in the minutes;
- 6) Remote location must be recorded in the minutes; and
- 7) Participation because of a personal matter that prevents attendance is limited to two (2) meetings per calendar year.

If a member's participation is disapproved because it would violate the public body's policy on participation, that fact must be recorded in the minutes with specificity. However, the member may continue to monitor the meeting from the remote location, but may not participate in the proceeding and may not be counted as present at the meeting.

Examples:

- Flat tire on the way to the meeting, call in from cell phone at side of the road;
- Traffic congestion or stoppage;
- Personal, family, or business emergency; or
- Blizzard, flood, or other sudden severe weather conditions that prevent travel to the meeting location.
- Business trip;
- Family trip; or
- Scheduling conflicts.

Monitoring a meeting:

As stated above, if a member of a public body cannot meet the procedural requirements to participate in a meeting by electronic communication means, the member may still monitor the meeting by listening or watching by electronic communication means. However, the member cannot be counted as present and cannot participate.

In such a situation, as a matter of best practices, it is suggested that the chair of the public body make a statement to inform the public and the other members, such as "Please observe that [member name] could not attend today's meeting, but is [listening/watching] the meeting [by speakerphone, videoconference, or whatever electronic communication means is being utilized]. However, [member name] is only monitoring the meeting. [He/she] is not counted as present, and cannot make motions, vote, or otherwise part

Rules of Procedure

State of Emergency Declared by the Governor (Applies to all public bodies)

Any public body may meet by electronic communication means without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with § 44-146.17, subject to the follow procedures and conditions:

- a. The catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location; and
- b. The purpose of the meeting is to address the emergency.

In addition, the public body must:

- a. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided members of the local public body conducting the meeting;
 - b. Make arrangements for public access to such meeting;
 - c. Otherwise comply with the provisions of § 2.2-3708.2.
 - d. State in the minutes the nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held.
-

§ 2.2-3708.2. Meetings held through electronic communication means

A. The following provisions apply to all public bodies:

1. Subject to the requirements of subsection C, all public bodies may conduct any meeting wherein the public business is discussed or transacted through electronic communication means if, on or before the day of a meeting, a member of the public body holding the meeting notifies the chair of the public body that:

a. Such member is unable to attend the meeting due to a temporary or permanent disability or other medical condition that prevents the member's physical attendance; or

b. Such member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter. Participation by a member pursuant to this subdivision is limited each calendar year to two meetings.

2. If participation by a member through electronic communication means is approved pursuant to subdivision 1, the public body holding the meeting shall record in its minutes the remote location from which the member participated; however, the remote location need not be open to the public. If participation is approved pursuant to subdivision 1 a, the public body shall also include in its minutes the fact that the member participated through electronic communication means due to a temporary or permanent disability or other medical condition that prevented the member's physical attendance. If participation is approved pursuant to subdivision 1 b, the public body shall also include in its minutes the specific nature of the personal matter cited by the member.

If a member's participation from a remote location pursuant to subdivision 1 b is disapproved because such participation would violate the policy adopted pursuant to subsection C, such disapproval shall be recorded in the minutes with specificity.

3. Any public body may meet by electronic communication means without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with § 44-146.17, provided that (i) the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and (ii) the purpose of the meeting is to address the emergency. The public body convening a meeting in accordance with this subdivision shall:

a. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the public body conducting the meeting;

b. Make arrangements for public access to such meeting; and

c. Otherwise comply with the provisions of this section.

The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be

stated in the minutes.

B. The following provisions apply to regional public bodies:

1. Subject to the requirements in subsection C, regional public bodies may also conduct any meeting wherein the public business is discussed or transacted through electronic communication means if, on the day of a meeting, a member of a regional public body notifies the chair of the public body that such member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting.
2. If participation by a member through electronic communication means is approved pursuant to this subsection, the public body holding the meeting shall record in its minutes the remote location from which the member participated; however, the remote location need not be open to the public.

If a member's participation from a remote location is disapproved because such participation would violate the policy adopted pursuant to subsection C, such disapproval shall be recorded in the minutes with specificity.

C. Participation by a member of a public body in a meeting through electronic communication means pursuant to subsections A and B shall be authorized only if the following conditions are met:

1. The public body has adopted a written policy allowing for and governing participation of its members by electronic communication means, including an approval process for such participation, subject to the express limitations imposed by this section. Once adopted, the policy shall be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting;
2. A quorum of the public body is physically assembled at one primary or central meeting location; and
3. The public body makes arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.

D. The following provisions apply to state public bodies:

1. Except as provided in subsection D of § [2.2-3707.01](#), state public bodies may also conduct any meeting wherein the public business is discussed or transacted through electronic communication means, provided that (i) a quorum of the public body is physically assembled at one primary or central meeting location, (ii) notice of the meeting has been given in accordance with subdivision 2, and (iii) members of the public are provided a substantially equivalent electronic communication means through which to witness the meeting. For the purposes of this subsection, "witness" means observe or listen.

If a state public body holds a meeting through electronic communication means pursuant to this subsection, it shall also hold at least one meeting annually where members in attendance at the meeting are physically assembled at one location and where no members participate by electronic communication means.

2. Notice of any regular meeting held pursuant to this subsection shall be provided at least three

working days in advance of the date scheduled for the meeting. Notice, reasonable under the circumstance, of special, emergency, or continued meetings held pursuant to this section shall be given contemporaneously with the notice provided to members of the public body conducting the meeting. For the purposes of this subsection, "continued meeting" means a meeting that is continued to address an emergency or to conclude the agenda of a meeting for which proper notice was given.

The notice shall include the date, time, place, and purpose for the meeting; shall identify the primary or central meeting location and any remote locations that are open to the public pursuant to subdivision 4; shall include notice as to the electronic communication means by which members of the public may witness the meeting; and shall include a telephone number that may be used to notify the primary or central meeting location of any interruption in the telephonic or video broadcast of the meeting. Any interruption in the telephonic or video broadcast of the meeting shall result in the suspension of action at the meeting until repairs are made and public access is restored.

3. A copy of the proposed agenda and agenda packets and, unless exempt, all materials that will be distributed to members of a public body for a meeting shall be made available for public inspection at the same time such documents are furnished to the members of the public body conducting the meeting.

4. Public access to the remote locations from which additional members of the public body participate through electronic communication means shall be encouraged but not required. However, if three or more members are gathered at the same remote location, then such remote location shall be open to the public.

5. If access to remote locations is afforded, (i) all persons attending the meeting at any of the remote locations shall be afforded the same opportunity to address the public body as persons attending at the primary or central location and (ii) a copy of the proposed agenda and agenda packets and, unless exempt, all materials that will be distributed to members of the public body for the meeting shall be made available for inspection by members of the public attending the meeting at any of the remote locations at the time of the meeting.

6. The public body shall make available to the public at any meeting conducted in accordance with this subsection a public comment form prepared by the Virginia Freedom of Information Advisory Council in accordance with § 30-179.

7. Minutes of all meetings held by electronic communication means shall be recorded as required by § 2.2-3707. Votes taken during any meeting conducted through electronic communication means shall be recorded by name in roll-call fashion and included in the minutes. For emergency meetings held by electronic communication means, the nature of the emergency shall be stated in the minutes.

8. Any authorized state public body that meets by electronic communication means pursuant to this subsection shall make a written report of the following to the Virginia Freedom of Information Advisory Council by December 15 of each year:

a. The total number of meetings held that year in which there was participation through electronic communication means;

b. The dates and purposes of each such meeting;

- c. A copy of the agenda for each such meeting;
 - d. The primary or central meeting location of each such meeting;
 - e. The types of electronic communication means by which each meeting was held;
 - f. If possible, the number of members of the public who witnessed each meeting through electronic communication means;
 - g. The identity of the members of the public body recorded as present at each meeting, and whether each member was present at the primary or central meeting location or participated through electronic communication means;
 - h. The identity of any members of the public body who were recorded as absent at each meeting and any members who were recorded as absent at a meeting but who monitored the meeting through electronic communication means;
 - i. If members of the public were granted access to a remote location from which a member participated in a meeting through electronic communication means, the number of members of the public at each such remote location;
 - j. A summary of any public comment received about the process of conducting a meeting through electronic communication means; and
 - k. A written summary of the public body's experience conducting meetings through electronic communication means, including its logistical and technical experience.
- E. Nothing in this section shall be construed to prohibit the use of interactive audio or video means to expand public participation.

2018, cc. [55](#), [56](#).

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Industrial Development Authority of the Clarke County Virginia
Board of Directors

Adjourn

Supporting Material:

- ✓ Building Department YTD New Single Family Dwellings
- ✓ IDA Follow-up Items
- ✓ Economic Development Advisory Committee Minutes July 18, 2018 and September 19, 2018
- ✓ Cost of Community Services Study by Terence J. Rephann September 2018 University of Virginia Weldon Cooper Center for Public Service

Building Department - Clarke County
New Single Family Dwellings 2018

	Battletown	Berryville	Boyce	Chapel	Greenway	Longmarsh	TOTAL	COMMENTS
January	2						2	
February			2	1			3	
March	1	1	1	1	1	1	6	
April				2	1		3	
May	1					1	2	
June				3	1		4	
July	1					2	3	
August	1			2	1		4	
September	1	1	1				3	
October								
November								
December								
TOTAL	7	2	4	9	4	4	30	

IDA Board of Directors
Follow Up Items Status Report

<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Follow Up</i>	<i>Status</i>	<i>Date Complete</i>
7/26/2018	43	Provide Director Waite with a copy of the Economic Development Strategic Plan	Lora B. Walburn	Complete	7/27/2018
7/26/2018	44	Follow up on hotel feasibility study funding request at the October meeting.	Bill Waite	Complete	10/10/2018
7/26/2018	45	Add to 10/25 agenda Bill Waite roll-call vote for certification of closed session at the 7/26/2018 meeting.	Lora B. Walburn	Complete	9/27/2018
7/26/2018	46	Move approval of April 26, 2018, minutes to the October 25 agenda.	Lora B. Walburn	Complete	9/27/2018

Clarke County Economic Development Advisory Committee
September 19, 2018 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, September 19, 2018, at 1:00 PM.

Board: Jim Barb, Christy Dunkle, Christina Kraybill, Bev McKay, John Milleson

Absent: Bryan Conrad, Eric Myer, Elizabeth "Betsy" Pritchard

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

Press: Mickey Powell – The Winchester Star

1. Call to Order

At 1:02 pm, Chairman Milleson called the meeting to order.

2. Adoption of Agenda

Christina Kraybill, seconded by Christy Dunkle, moved to adopt the agenda as presented. The motion carried by the following vote:

Jim Barb	-	Aye
Bryan Conrad	-	Absent
Christy Dunkle	-	Aye
Christina Kraybill	-	Aye
Beverly B. McKay	-	Aye
John Milleson	-	Aye
Eric Myer	-	Absent
Elizabeth "Betsy" Pritchard	-	Absent

3. Approval of Minutes

Christy Dunkle, seconded by Christina Kraybill, moved to approve the May 16, 2018, minutes. The motion carried as follows:

Jim Barb	-	Aye
Bryan Conrad	-	Absent

Christy Dunkle	-	Aye
Christina Kraybill	-	Aye
Beverly B. McKay	-	Aye
John Milleson	-	Aye
Eric Myer	-	Absent
Elizabeth "Betsy" Pritchard	-	Absent

4. New Business

Review Electronic Meetings Policy

- o Disallow Participation Via Electronic Means; **or**,
- o Allow and Adopt Policy and Process Set Forth in PD-121101-09 Clarke County Board of Supervisors Rules of Procedure Section 1-12 Meetings held through electronic communication means" as set forth in § 2.2-3708.2. Sections §2.2-3708 Code of Virginia. §2.2-3708.1 repealed by Acts 2018

During discussion, Vice Chair Kraybill asked for clarification on physical quorum requirement set forth in § 2.2-3708.2.

Bev McKay, seconded by Jim Barb, moved to allow electronic participation in meeting and to accept electronic meetings procedure in the Board of Supervisors Rules of Procedure subsequent clarification of verification of physical quorum requirement by FOIA Council. The motion carried by the following vote:

Jim Barb	-	Aye
Bryan Conrad	-	Absent
Christy Dunkle	-	Aye
Christina Kraybill	-	Aye
Beverly B. McKay	-	Aye
John Milleson	-	Aye
Eric Myer	-	Absent
Elizabeth "Betsy" Pritchard	-	Absent

Section 1-12. Meetings held through electronic communication means policy and approval process

Policy:

It is the policy of Clarke County Board of Supervisors that its individual members may participate in meetings of the Board of Supervisors by electronic means as permitted by Virginia Code § 2.2-3708.2 This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

Whenever an individual member wishes to participate from a remote location, the law requires a quorum of Board of Supervisors to be physically assembled at the primary or central meeting location, and there must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.

When such individual participation is due to an emergency or personal matter, **such participation is limited by law to two meetings of the public body per member each calendar year, whichever is fewer.**

Note: Nothing in this section shall be construed to prohibit the use of interactive audio or video means to expand public participation.

Approval Process:

Automatic Approval with Vote if Challenged.

Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act.

If a member's participation from a remote location is challenged, then the Board of Supervisors shall vote whether to allow such participation.

If Board of Supervisors votes to disapprove of the member's participation because such participation would violate this policy, such disapproval shall be recorded in the minutes with specificity.

Disability or Medical Condition or Personal Matter Prevents Physical Attendance (Applies to all public bodies):

- 1) Physically assembled quorum is required;
- 2) Remote member's voice must be heard by all;
- 3) Member must notify chair of inability to attend due to temporary or permanent disability or other medical condition that prevents physical attendance on or before the day of the meeting;
- 4) Fact of disability or medical condition must be recorded in the minutes;

-
- 5) Remote location must be recorded in the minutes; and,
 - 6) Member's remote participation must be in accord with the policy on electronic participation adopted by the public body. While the fact that a disability or medical condition prevents the members' physical attendance must be recorded in the minutes, it is not required to identify the specific disability or medical condition.
 - 7) Member participating through electronic communications means under this section may make motions, vote, join in closed meetings, and otherwise participate fully as if he or she was physically present.

Examples:

- Temporary hospitalization or confined to home;
- Contagious illness; or
- Any permanent physical disability that prevents travel to the meeting location.

If the procedural requirements are not met, however, then the member may only monitor the meeting (i.e., listen or watch, depending on the technology used) and cannot otherwise participate.

The remote location where the member using electronic communications is does not have to be open to the public under these provisions.

Personal Matter Prevents Attendance:

- 1) Physically assembled quorum is required;
- 2) Remote member's voice must be heard by all;
- 3) Remote member must notify chair of the public body on or before the day of the meeting;
- 4) Nature of the emergency or personal matter must be identified;
- 5) Nature of the personal matter must be recorded in the minutes;
- 6) Remote location must be recorded in the minutes; and

-
- 7) Participation because of a personal matter that prevents attendance is limited to two (2) meetings per calendar year.

If a member's participation is disapproved because it would violate the public body's policy on participation, that fact must be recorded in the minutes with specificity. However, the member may continue to monitor the meeting from the remote location, but may not participate in the proceeding and may not be counted as present at the meeting.

Examples:

- Flat tire on the way to the meeting, call in from cell phone at side of the road;
- Traffic congestion or stoppage;
- Personal, family, or business emergency; or
- Blizzard, flood, or other sudden severe weather conditions that prevent travel to the meeting location.
- Business trip;
- Family trip; or
- Scheduling conflicts.

Monitoring a meeting:

As stated above, if a member of a public body cannot meet the procedural requirements to participate in a meeting by electronic communication means, the member may still monitor the meeting by listening or watching by electronic communication means. However, the member cannot be counted as present and cannot participate.

In such a situation, as a matter of best practices, it is suggested that the chair of the public body make a statement to inform the public and the other members, such as "Please observe that [member name] could not attend today's meeting, but is [listening/watching] the meeting [by speakerphone, videoconference, or whatever electronic communication means is being utilized]. However, [member name] is only monitoring the meeting. [He/she] is not counted as present, and cannot make motions, vote, or otherwise part

State of Emergency Declared by the Governor (Applies to all public bodies)

Any public body may meet by electronic communication means without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with § 44-146.17, subject to the follow procedures and conditions:

- a. The catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location; and
- b. The purpose of the meeting is to address the emergency.

In addition, the public body must:

- a. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided members of the local public body conducting the meeting;
 - b. Make arrangements for public access to such meeting;
 - c. Otherwise comply with the provisions of § 2.2-3708.2.
 - d. State in the minutes the nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held.
-

5. Old Business

Economic Development Strategic Plan Review and Development of Economic Development Advisory Committee Recommendation to the Clarke County Planning Commission

Highlights of discussion include:

- To be effective, the Plan must be a working document with actions items identified, individual assigned responsibilities, and regular updates.
- Changes to Economic Development Strategic Plan:
 - Page 4 of 10: remove human-scale and replace with realistic development patterns.
 - Page 8 of 9: add fourth strategy to Goal C, insert promote increased accommodation capacity with an hotel at beginning of section.
 - Air B and B' help fill the gap but do not meet all the needs.

Draft for approval November 14, 2018

- Air B and B's are unregulated so no data is available.
 - The Industrial Development Authority is considering funding an update to the earlier plan.
 - Efforts are underway to identify an interested group of investors
 - Mr. Capelli continues to work with the owner of the Battletown Inn.
- Tourism Strategic Plan: Christy Dunkle will provide staff with the Tourism Strategic Plan she is developing for the Town of Berryville.

Christmas Tour

- Tour set for Wednesday, December 19.
- Add Christmas Tour discussion to November 14 meeting.
- Chairman Milleson instructed Len Capelli to begin business selection for the annual tour.

6. Next Meeting

The next meeting is scheduled for Wednesday, November 14 2018.

7. Adjournment

At 1:47 pm, being no further business, Chairman Milleson adjourned the meeting.

Minutes recorded and transcribed by Lora B. Walburn

Acknowledged September 19, 2018

Clarke County Economic Development Advisory Committee
July 18, 2018 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, July 18, 2018, at 1:00 PM.

Present: Jim Barb, Christy Dunkle, John Milleson, Elizabeth "Betsy" Pritchard

Absent: Bryan Conrad, Christina Kraybill, Bev McKay, Eric Myer

Staff: Len Capelli, Cathy Kuehner, Brianna Taylor

Press: Mickey Powell

Others Present: None

1. Call to Order

At 1:05 pm, Chairman Milleson determined that a quorum was not present and the meeting could not proceed.

At the request of Board members in attendance, Len Capelli provided a recap of the Virginia Economic Development Association meeting he attended in June.

Board members also discussed the Strategic Plan matrix. Brianna Taylor, Administrative Assistant – County Administration, and Cathy Kuehner, Director of Public Information, answered Board member questions pertaining to the business directory list, which they are developing. Chairman Milleson instructed staff to carry the matter forward to the September agenda.

2. Next Meeting

The next meeting is scheduled for Wednesday, September 19, 2018.

3. Adjournment

Not applicable.

Conduct of meeting recorded by Brianna Taylor, Administrative Assistant – County Administration;
Transcribed by Lora B. Walburn, Economic Development Advisory Committee Clerk / Executive Assistant – County Administration

Clarke County, Virginia Cost of Community Services Study



Terance J. Rephann
September 2018

Clarke County, Virginia Cost of Community Services Study

Terance J. Rephann,
Center for Economic and Policy Studies

September 2018



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Tom Judge	Director of Joint Administrative Services
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Brian Lichty	Fire and EMS
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Alison Teetor	Natural Resource Planner
Debbie Bean	Planning Department

Gordon Russell	Information Technology
Helen Butts	Clerk of Court
George Ohrstrom	Conservation Easement Authority
Michelle Jones	Conservation Easement Authority

Special thanks go to Alison Teetor, who arranged for the project funding with financial support provided by Clarke County and a matching planning grant from the Virginia Department of Agriculture and Consumer Services Governor's Agriculture and Forestry Industries Development (AFID) Fund. Steve Kulp and Dave Borszich of the Weldon Cooper Center for Public service assisted with document design and formatting. Any errors or omissions are the responsibility of the author.

EXECUTIVE SUMMARY

This study examines the cost of community services for land-use categories in Clarke County, Virginia for Fiscal Year 2017. Clarke County is a predominantly rural county on the western edge of the rapidly growing Washington–Arlington–Alexandria, DC–VA–MD–WV metropolitan statistical area, which saw its population grow 14.7 percent from 2000 to 2017 and is projected to grow an additional 10.0 percent by 2040. Continued residential growth concerns some current residents because of the potential loss of prime farmland and open space to development and possible negative fiscal impact of new residential development. The incremental taxable value of residential properties is often less than the public services demanded. As urbanization proceeds, communities often also require or demand higher levels of public services such as faster public safety responses, more parks and recreation services, and other urban amenities.

The Cost of Community Services (COCS) methodology was pioneered by the American Farmland Trust in the mid-1980s. It is loosely based on fiscal impact methodology, which attempts to gauge the net fiscal effects (revenues generated minus service expenditures created) of different types of new development on a community.

COCS studies require systematically assigning revenue and expenditures to particular land uses. They then compute the ratio of total expenditures required by land use to total revenues generated by land use. If the ratio is greater than one, then the land use generates less revenue than it requires in expenditures and creates a local fiscal deficit. If the ratio is less than one, then the land use requires less in the value of services than the revenue it generates a fiscal surplus.

COCS studies usually find that commercial/industrial and agriculture/open spaces ratios are much less than one, and residential ratios are higher than one. A recent comprehensive inventory of 125 COCS studies nationwide finds that the average ratio for residential is 1.18, commercial/industrial is 0.44, and agriculture is 0.50. An examination of seven

studies conducted in Virginia over the last 25 years indicates an average of 1.18, 0.38, and .33 respectively. COCS study outcomes can be expected to vary based on the particular service mix offered by the local government and certain methodological choices of the study. Cost of Community Services studies are descriptive rather than prescriptive: they provide a snapshot of current land use net fiscal contributions, and the ratios cannot necessarily be extrapolated to future development patterns. Moreover, fiscal benefits are only one of several available metrics of community impact or welfare available. Other metrics include economic output and social benefits.

In conducting the study for Clarke County, an effort was made to adhere closely to the methodology used by the American Farmland Trust (AFT). This meant that the land-use definitions used by the AFT in other studies were adopted here, including residential (property used for dwellings, including single-family homes, farmhouses, mobile homes and rental units, and associated yards), commercial and industrial (property used for business purposes other than agricultural or forestry, including mining, manufacturing, utilities, retail and wholesale trade, and services), and agriculture and open space (agricultural and forestry properties, in particular those parcels greater than 20 acres).

Data collection and analysis involved four stages. First, final budget revenue and expenditure information from budgets and/or financial reports was collected. Second, information on revenue generation and service use by land use was solicited from county departments. Third, county expenditures and revenues by line item were assigned to each land use. In doing so, a variety of methods were used to assign land uses, including payment and service usage records, staffing information by service area, information about the purpose and beneficiaries of federal and state government grants, departmental directors and staff estimates, and fallback ratios (a default option for budget land-use allocation purposes based on real property tax revenues used when other information is not available).

Results from the Cost of Community Services analysis show that residential land uses generated an estimated \$34.2 million in county revenues while consuming approximately \$42.3 million in county services in FY 2017 for a deficit of \$8.1 million. Commercial/industrial and agriculture/open space generated estimated surpluses of \$3.7 million and \$1.5 million respectively, resulting in a total FY 2017 budget deficit of \$2.9 million. The FY 2017 budget COCS ratio is computed by divided the total county budget expenditure by county revenue for each land use category. This calculation results in COCS ratios of 1.237 for residential land use, 0.234 for commercial/industrial land use, and 0.495 for agriculture/open space land use.

Since there was a negative fund balance generated in FY 2017, an additional calculation (termed a balanced-budget COCS ratio) was provided, assuming

that the fund balance is financed in the same proportion as existing FY 2017 expenditures by land use. These COCS ratios are computed by dividing the percentages of total expenditure by land use by the percentage of total revenue by land use. These calculations result in slightly lower COCS ratios of 1.157, 0.219, and 0.463 respectively.

These residential and industrial/commercial balanced budget COCS ratios are similar to those found in recent national and state studies. Residential and commercial/industrial are slightly lower than the Clarke County result while agriculture/open space is slightly higher. Additional analysis indicates that one reason for the higher agriculture/open space ratio is that Clarke County spends more on agriculture and open-space protection than other communities.

INTRODUCTION

This study examines the cost of community services for land-use categories in Clarke County. Cost of Community Services (COCS) studies allocate local government expenditures and revenues to different land-use categories, usually residential, commercial/ industrial, and agricultural/open space, based on public service demand and tax revenue origin. Ratios are used to gauge the relative average demand placed on local government services in comparison to the tax revenue generated by the particular land use. Budget information for the 2017 fiscal year and service data from the same period is used. In addition to presenting land use expenditure-to-revenue ratios for the FY 2017 county budget, the study explores how varying some allocation rules and budget parameters affects

the overall results. The information provided by the study will show how existing land uses affect the county budget and can be used for county planning.

The study is divided into several sections. The first section examines Clarke County land use and budgetary characteristics and trends. The second section reviews the Cost of Community Services methodology, summarizes results from other studies, outlines limitations of the approach, and describes how researchers can allocate budget spending and revenue to particular land uses. The third section describes the methodology and data used for Clarke County in this report. The final section presents Clarke County Cost of Community Services results and some additional sensitivity analyses.

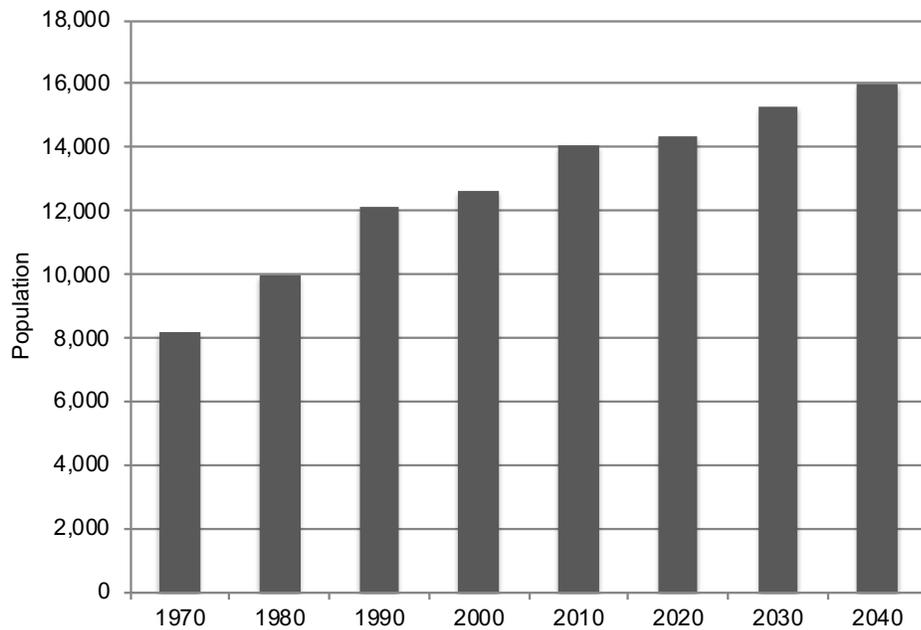
SECTION 1 CLARKE COUNTY LAND USES AND BUDGET

Clarke County, Virginia is a rural county on the western edge of the rapidly growing Washington–Arlington–Alexandria, DC–VA–MD–WV metropolitan statistical area. The county’s population was an estimated 14,508 in 2017, which is up 14.7 percent from a level of 12,652 in 2000. It is projected to grow an additional 10.0 percent by 2040 (see **Figure 1.1**).

However, little farmland loss has occurred since the late 1980s and early 1990s due to local land-use policies.¹ Approximately 20 percent of Clarke County

¹ Clarke County supports land conservation and more compact urban settlement patterns in a variety of ways. The county comprehensive plan and zoning regulations define distinct agricultural/open space zones and encourage more compact residential development. The county uses sliding-scale zoning and maximum lot size requirements in

Figure 1.1 Clarke County Population, Actual and Projected, 1970-2040

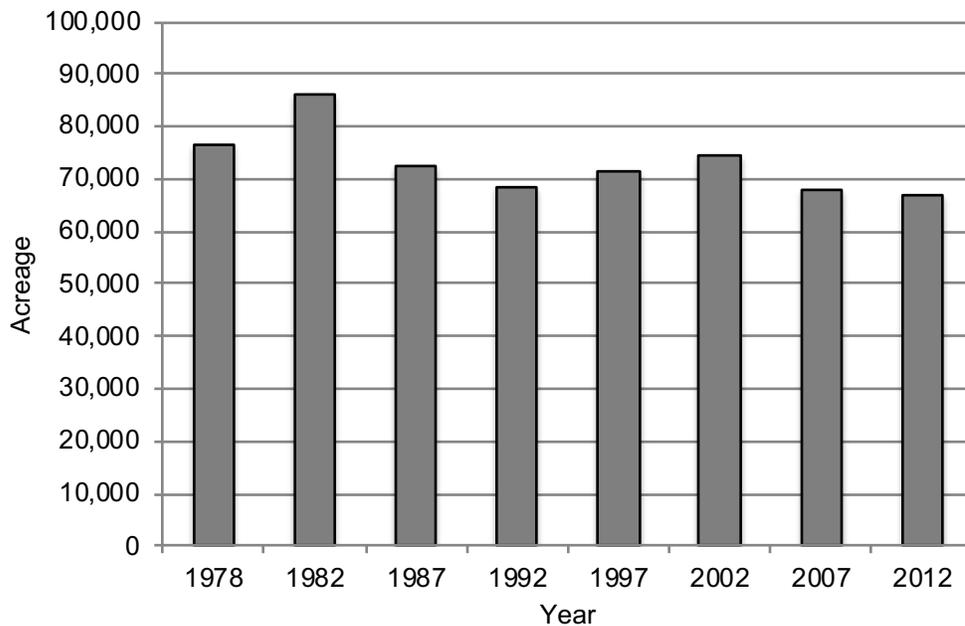


Source: U.S. Census Bureau and Weldon Cooper Center for Public Service

The county’s location between areas of rapid population growth has focused attention to the potential for urban spillover and consequent loss of prime farmland and open space to development. Increases in residential development could have negative fiscal impacts that result in excessive demand for existing public services and infrastructure or increased tax rates. The county has experienced some attrition in farmland over the last three decades (see **Figure 1.2**).

order to preserve agricultural and open space land. It also has established designated growth areas. The county has a use value tax assessment program and agricultural/forestry district, which assess eligible private agricultural, forestry, horticultural, and open space properties at their agricultural production values. The county has operated a conservation easement program since 2002, which combines state, non-profit organization, and local government funds for the purpose of purchasing developmental rights. It uses a Land Evaluation and Site Assessment (LESA) system in assessing the natural resources value of county land parcels. Lastly, the county employs a natural resource planner to support the county’s land preservation programming.

Figure 1.2. Clarke County Farm Acreage, 1978-2012



Source: National Agricultural Statistics Service, Census of Agriculture, Various Years; Note: 1992 and earlier years are not adjusted for survey nonresponse error and farm definition was expanded in later censuses.

is under permanent conservation easement (Clarke County 2014). Most of the county's conservation easements are located in the southwestern portion of the county (see **Figure 1.3**). Approximately 59 percent of county land area is farmland. Residential pressures eased in the aftermath of the recent recession (see **Figure 1.4**), but have been inching up to pre-recessionary levels in recent years.

Changes in Clarke County land-use patterns may affect the growth and composition of its budget. The incremental taxable value of residential taxable value of residential properties is often less than the public services demanded. As urbanization proceeds, communities also often require or demand higher levels of public services such as faster public safety responses, more parks and recreation services, and other urban amenities.

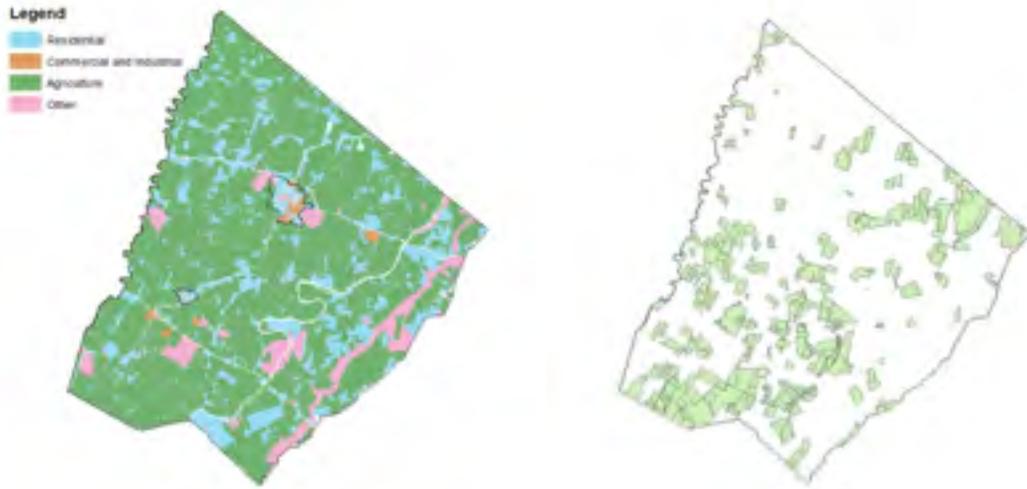
According to the *Comparative Report of Local Government Revenues and Expenditures* from the Virginia Auditor of Public Accounts, Clarke County raised \$42.6 million in revenue in FY 2017 compared to \$23.1 million in FY 2000. On a real per-

capita basis, locally derived revenues have been on an upward track since 2004, increasing from \$1,531 to \$1,936 in FY 2017 (see **Figure 1.5**). The county did not experience the marked decrease in revenues over the 2009-2013 period seen by other Virginia localities due to the drop in real property assessment resulting from the housing market crisis and receding state revenue contributions. The county appears to have been faster in raising nominal tax rates when property tax assessments began to drop.

Clarke County residents have slightly higher household incomes (\$71,980) and lower poverty rates than the state at large (\$66,149 over 2012-2016 and 11.0% respectively), and the county receives a smaller relative infusion of state K-12 educational funding because of its higher revenue capacity, which is used to distribute state aid.² Still, 59 per-

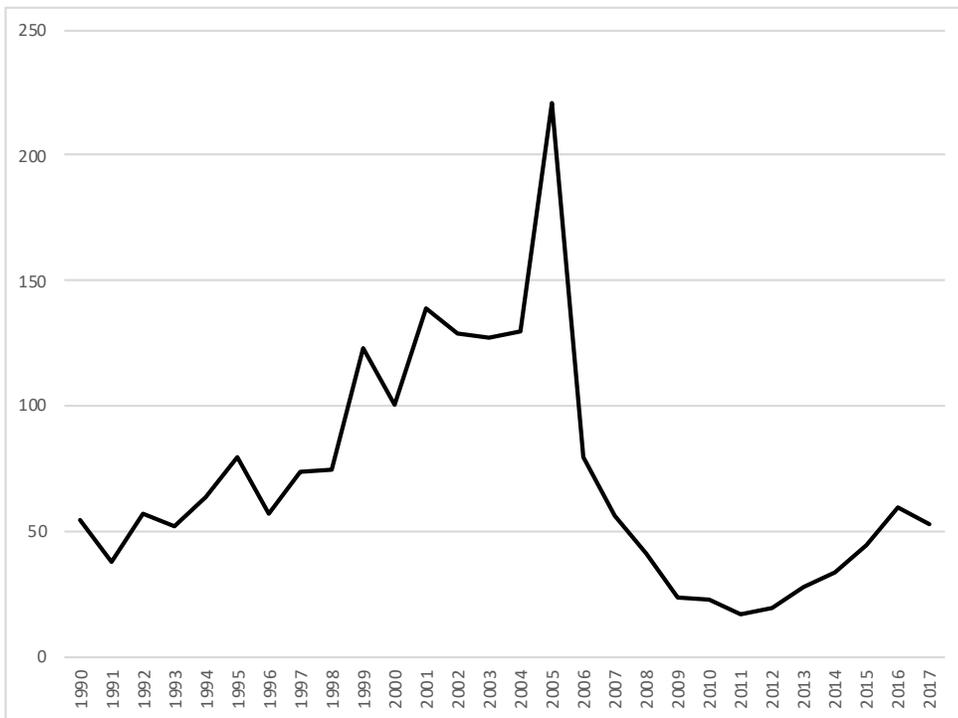
² The Virginia Department of Education 2018-2020 Commission on Local Government Composite Index of Local Ability to Pay of Virginia's local school divisions indicates that Clarke County ranked 20th highest among 135 localities with a composite index value of .55. This means that for many Standards of Quality funded educational programs, the state provides approximately 45 percent (1-.55X100 percent)

Figure 1.3. Clarke County Land Use and Easement Maps



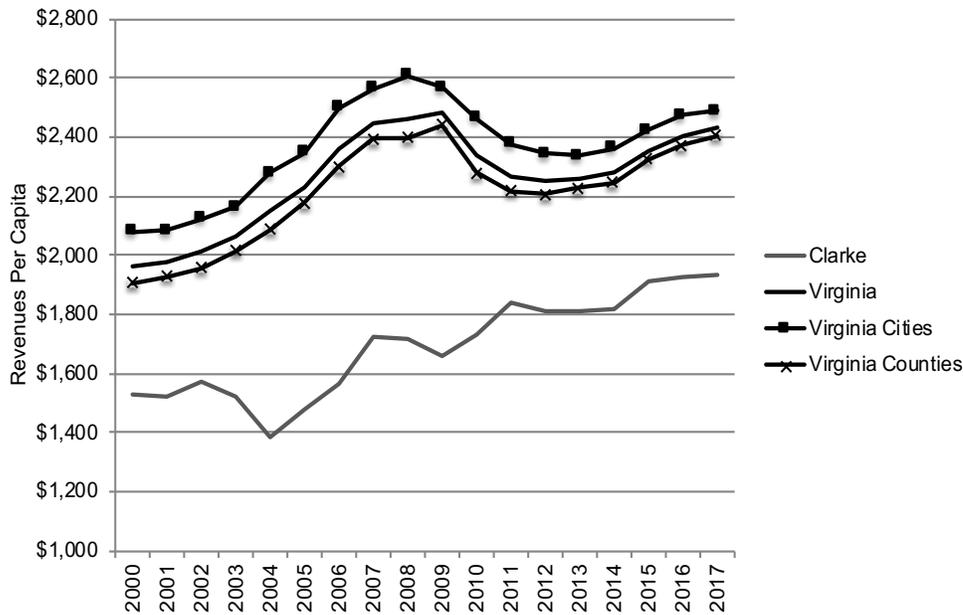
Source: Clarke County Information Technology Department

Figure 1.4. Clarke County Residential Building Permits, 1990-2017



Source: U.S. Census Bureau

Figure 1.5. Real Revenues (2017 dollars) Per Capita, Clarke County and Virginia, 2000-2017



Source: Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures*

cent of local revenue is locally derived (see **Figure 1.6**) compared to 64 percent for all Virginia counties. In addition, Clarke County is more reliant on real property taxes than other counties. Fifty-eight percent of local revenue is derived from real property taxes compared to 55 percent for all Virginia counties.

On the expenditure side, the vast majority of expenditures (61 percent) are on education with the next highest percentage spent on public safety (12 percent) (see **Figure 1.7**). In comparison, all Virginia counties dedicated 58 percent of their expenditures to education and 15 percent on public safety

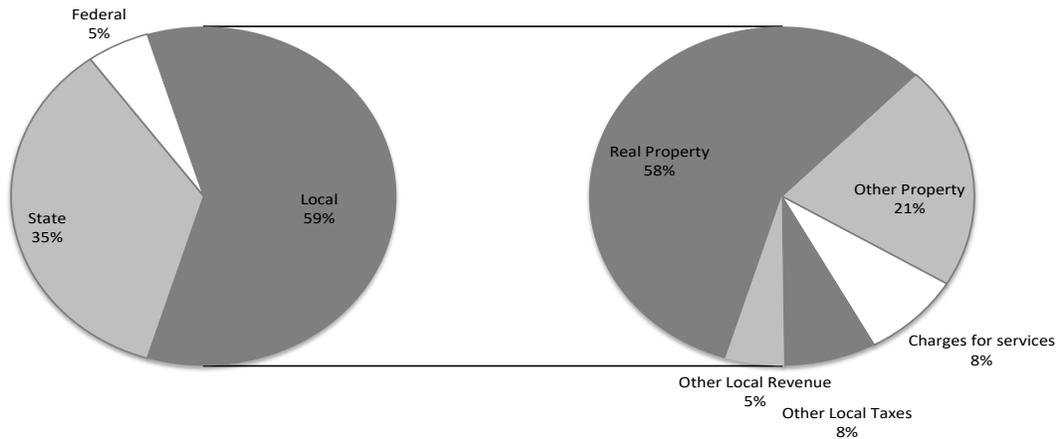
Like other communities in the state, Clarke County was negatively affected by the recent housing market turmoil and 2007-2009 recession. Residential property tax assessments as a percentage of total real property taxable assessments decreased in 2008

of eligible expenses. The average school division composite index is 0.39, while the average population-weighted school division composite index is 0.44.

from 73.8 percent to 69.5 percent in 2016 while the relative tax burden of commercial/industrial properties increased from 5.7 percent to 7.6 percent and agriculture properties increased from 20.6 percent to 22.9 percent (see **Figure 1.8**). Agriculturally zoned land value is largely determined by its use value as determined by the Commissioner of Revenue and has been constant over the period (see **Table 1.1**).³ Even with land-use assessment, Clarke County agricultural relative real property contribu-

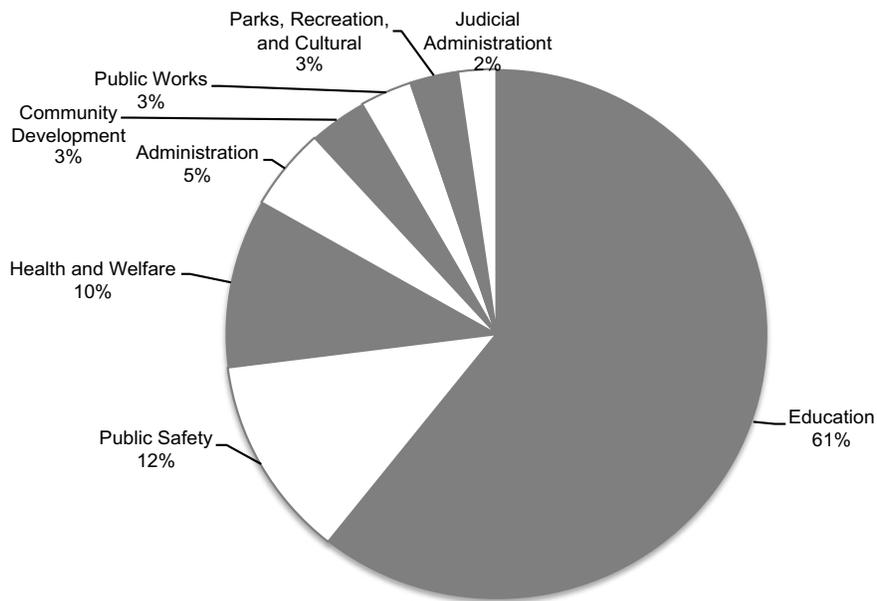
³ The table shows Clarke County use values compared to State Land Evaluation and Advisory Council (SLEAC) computed values for agricultural class one (i.e., prime soil with low risk of flooding) crop acreage. The table shows values using both the income approach and rental approach. Virginia Cooperative Extension in cooperation with SLEAC (a committee established in 1973 to estimate the use value of agricultural, horticultural, forest, or open space land at its use value as compared to the market value) computes agricultural land uses based on the expected farm income per acre that farmers could expect based on market prices and average farm composition for the county. Beginning in 2011, it published cash agricultural land rental rates based on USDA National Agricultural Statistical Service survey data. Clarke County use values have been closer to the SLEAC rental rate than the amount using the income approach until 2017.

Figure 1.6. Clarke County Revenue by Source, FY 2017



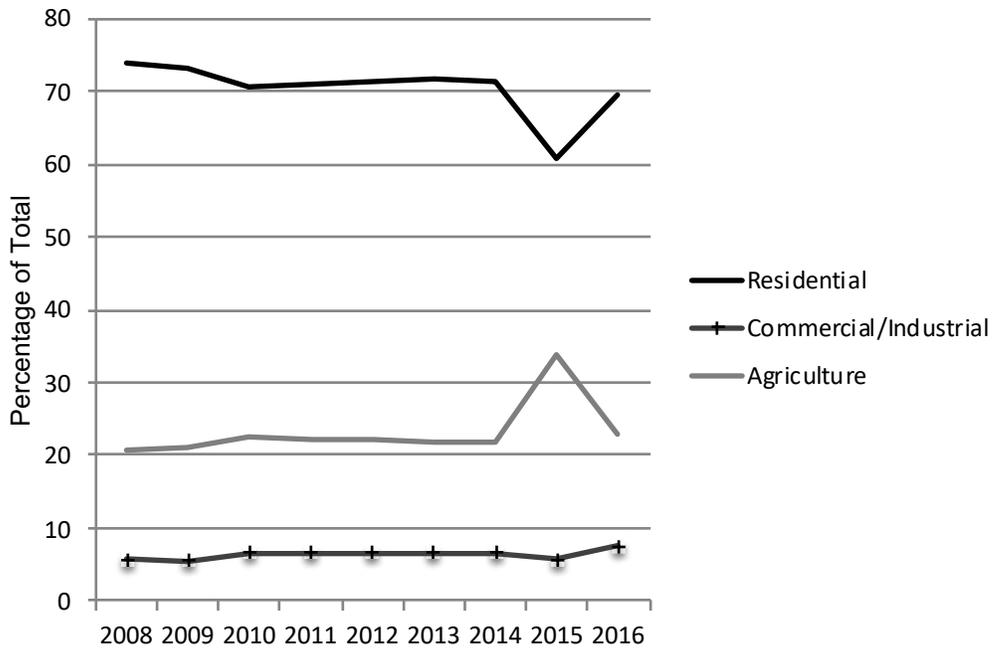
Source: Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures*

Figure 1.7. Clarke County Maintenance and Operations Expenditures by Function, FY 2017



Source: Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures*

Figure 1.8. Percentage of Assessed Value of Real Property by Land Use, 2008-2017



Source: Weldon Cooper Center for Public Service, *Virginia Local Tax Rates*

tions are significantly higher than the state at large. The average statewide residential, commercial/industrial, and agricultural real property shares for counties are 75.2, 17.3, and 7.4 percent respectively.

Clarke County has higher use values because farmland rental value appears to be greater than its production value (see **Table 1.1**).

Table 1.1 Clarke County Use Values and SLEAC Values by Fiscal Year

Year	Use Value	Class I	
		SLEAC-Income	SLEAC-Rent
2010	400	180	NA
2011	400	140	NA
2012	400	150	330
2013	400	180	290
2014	400	240	400
2015	400	270	420
2016	400	280	470
2017	400	290	555

Source: Weldon Cooper Center for Public Service, *Virginia Local Tax Rates* and Virginia Cooperative Extension

SECTION 2 COST OF COMMUNITY SERVICES METHODOLOGY

The section provides a general overview of the Cost of Community Services methodology and summarizes the findings of other national and Virginia community studies. It also discusses some limitations of such studies. The section ends with a description of alternative methods for allocating expenditures and revenues to land use categories.

Cost of Community Services Studies

The Cost of Community Services (COCS) methodology was pioneered by the American Farmland Trust in the mid-1980s (Schmidt, Moore, and Alber 2014). It is loosely based on fiscal impact methodology, which attempts to gauge the net fiscal effects (revenues generated minus service expenditures created) of different types of new development on a community. The methodology grew out of a concern that new development in rural localities placed increasing demands on public services while sometimes generating insufficient tax revenues to cover the additional costs of the services provided. COCS studies provide a picture of which land uses (usually residential, industrial and commercial, and agriculture and open space) provide a net fiscal surplus or deficit at one point in time.

COCS studies require systematically assigning revenue and expenditures to particular land uses. They then compute the ratio of total expenditures required by land use to total revenues generated by land use.

If the ratio is greater than one, then the land use generates less revenue than it requires in expenditures and provides a local fiscal deficit. If the ratio is less than one, then the land use requires less in the value of services than the revenue it generates creating a fiscal surplus.

COCS study findings are remarkably robust across different jurisdictions. Most studies find that commercial/industrial and agriculture/open spaces ratios are much less than one, and residential ratios are higher than one. Kotchen and Schulte (2009) compiled information on 125 COCS studies conducted in the U.S. They found that the average ratio for residential is 1.18, commercial/industrial is 0.44, and agriculture is 0.50. The American Farmland Trust (2010) computed median ratios of 1.16, 0.35, and 0.29 respectively for 152 community studies. An examination of seven studies conducted in Virginia over the last 25 years (see **Table 2.1**) indicates average ratios of 1.18, 0.38, and .33 respectively.

COCS study outcomes can be expected to vary to some degree based on the particular service mix offered by the local government. For example, residential ratios tend to increase when school budgets represent a larger proportion of the local budget because these services are provided to residents while the revenues that support educational expenditures come from all land uses (DeBoer 2010; Kotchen and Schulte 2009). For the same reason,

Table 2.1 Summary of Recent Virginia COCS Studies

Locality	Year	Ratios			Source
		Residential	Comm./Ind.	Ag./Open Space	
Augusta County	1997	1:1.22	1:0.20	1:0.80	Valley Conservation Council
Bedford County	2005	1:1.07	1:0.40	1:0.25	American Farmland Trust
Clarke County	1994	1:1.26	1:0.21	1:0.15	Piedmont Environmental Council
Culpeper County	2003	1:1.22	1:0.41	1:0.32	American Farmland Trust
Fauquier County	2015	1:1.17	1:0.26	1:0.22	Weldon Cooper Center
Frederick County	2003	1:1.19	1:0.23	1:0.33	American Farmland Trust
Northampton County	1999	1:1.13	1:0.97	1:0.23	American Farmland Trust

Source: American Farmland Trust, Rephann (2015)

communities that offer services or financial assistance to the agriculture sector such as farmland easement purchases, cooperative extension services, and dedicated departments of agriculture, can be expected to have higher agricultural ratios, holding all else the same.

As discussed further below, COCS study results are also sensitive to certain methodological decisions adopted by the researcher. For this reason, Kotchen and Schulte (2009) recommend that researchers make their assumptions explicit and consider performing sensitivity analyses to instill greater confidence in the results.

Limitations of Cost of Community Services Studies

Cost of Community Services studies describe the current land use revenue contributions and service loads. This information is sometimes used to support rural preservation efforts and to discourage residential development. Yet, COCS studies also have certain conceptual, methodological and interpretative limitations (Clapp et al. 2018; Kotchen and Schulte 2009; Deller 1999, Kelsey 1996), which are briefly described here:

Sensitivity to methodological choices. COCS study results can vary based on methodological decisions. First, differences can occur as a result of how jurisdictional boundaries are defined. For example, the exclusion of component units or special taxing districts that fund primary and secondary education can have a profound effect on the results. COCS studies conducted for communities such as incorporated towns that do not fund or operate school systems tend to show lower residential land use COCS ratios than jurisdictions that provide these services. Second, land-use definitions can also be important. For example, allocating farm housing (and the corresponding residential service load) to agriculture/open space land uses has been found to increase the agriculture/open source COCS ratio (Kotchen and Schulte 2009; Edwards and Jackson-Smith 2001). Third, studies vary in the precision with which they identify and allocate expenditures and revenues to land uses. The gold standard is actual records that

show which land-use categories pay taxes, fees, and fines and use services. However, this kind of information is often not available, and most studies use default options called “fallback ratios,” which are explained further below.

Average versus marginal analysis. COCS studies allocate costs and expenditures based on community wide averages by land use at one point in time. However, the resulting COCS ratios may not reflect the incremental fiscal impact of changes in land uses over time. First, communities that have underutilized capacity or that can exploit economies of scale in service delivery may experience lower marginal expenditure burdens than communities without these characteristics. Second, properties are also very heterogeneous within land-use categories. For instance, within the residential land-use category, individual multi-family residential units often generate lower revenues than single-family homes. The spatial configuration of properties also matters. More compact developments place lower demand on infrastructure and community services than decentralized development patterns. For these reasons, COCS studies are descriptive of current conditions and not predictive of changes in land uses at the margin.

Market failures and tax incidence. COCS studies allocate expenditures to those land uses based on service loads and payment source. However, the expenditure benefits and tax incidence may be more diffuse. Many locally provided services are public goods, which means that the consumers cannot be excluded from benefiting from them, and their consumption does not deplete the availability of the service. For example, police and fire protection benefits everyone, including those who are not directly affected by police and fire response by reducing hazard insurance rates, deterring misconduct, or preventing wider outbreaks of mischief, disease, and conflagration. Public services such as education, although they directly benefit residents, may improve productivity and earnings for businesses and farms. Furthermore, public improvements and services provided by spending may be capitalized into local land prices. Tax incidence may also differ from the source of tax collections. The entity that

pays the tax is not always the one that ultimately bears the tax because of tax shifting and tax exporting. Evidence suggests that the bulk of some taxes (e.g., hotel/motel taxes) is exported outside the community and therefore is not borne by any local land use. Other taxes, such as Business, Professional and Occupational License (BPOL) taxes, which are paid by businesses, may be at least partly shifted to the consumers of these services in the form of higher prices and to employees in the form of lower wages and benefits.

Metrics of community welfare. COCS studies only look at the fiscal benefits and costs of land-use configurations. Alternative metrics of wellbeing include economic impact (e.g., employment, output) and social costs and benefits (e.g., the market value of clean water and air). The land use impacts or benefits from these calculations are potentially quite different from COCS results. For instance, farms often have lower “economic multipliers” than commercial and industrial operations because of the absence of local supply chains. On the other hand, agricultural land and open space often provide significant environmental benefits that are not captured by economic or fiscal impact metrics.

Methods for Assigning Revenues and Expenditures to Land Uses

The quality of a COCS study rests in large part on how accurately it can assign revenues and expenditures to particular land uses. Typically, revenue assignments are relatively more straightforward than expenditure assignments since records are often available showing which individuals or enterprises incurred a particular tax or fee.⁴ In contrast, many government services are public goods, or accurate service user records are not maintained, making it more difficult to associate users with particular land uses.

⁴ For some revenue sources, like the local option sales tax, no permanent record is made that identifies the taxpayer. In other instances, like property taxes, permits, and fees it is possible via address geocoding to associate an address on a record with an individual land parcel, and, thus with a particular land use.

A variety of different methods are available to assign revenues and expenditures to land uses. They include information drawn from: (a) payment and service usage records, (b) personnel records by service area, (c) imputation using secondary data sources, (d) land-use allocations derived from other COCS studies for comparable communities, (e) intergovernmental aid rules, (f) departmental directors and staff estimates, and (g) fallback ratios.

Payment and Service Use Records

Many local government departments keep records on the source of tax and fee payments or the utilization of services. The most obvious example is real property tax records, which report taxes paid by property parcels that are easily identifiable with particular land uses. In other instances, this information can be inferred using address records. For example, police and fire/EMS incident reporting systems contain information such as service call addresses or coordinates that allows one to geocode the service data and associate it with tax parcels.⁵ In some instances, this information can be misleading or inaccurate. For instance, incident reports may mislabel an address or provide only a partial description (e.g., corner of 2nd and South streets), or incidents that occur in public right-of-ways will be attributed to nearby addresses.

There are some potential “grey areas” in making assignments. First, some property has dual business and commercial use. A business property may also include residential apartments. In addition, many individuals have home-based occupations or work as contractors out of the home. The property in question may have a commercial use but be located in a residentially zoned area. Second, nontaxable parcels (e.g., government and non-profit buildings and public right-of-ways) also generate service loads, which raise the issue of how to identify the

⁵ Federal public safety reporting systems such as the National Fire Incident Reporting System (NFIRS), National EMS Information System (NEMSIS), and National Incident-Based Reporting System (NIBRS) have fields that identify the type of location (e.g., wildland/woods, processing/manufacturing area) and description of the area where the incident occurred that might be used to associate the incident with a land use.

users of the services at these non-taxable property parcel locations.

Another issue is using counts as a measure of service resource load. In certain circumstances, there may be other features of the service call that better represent the amount of resources used. For example, the cost of making a fire call may differ depending on the time responding and being on the scene, the number of personnel responding, the pieces of equipment used, etc.

Personnel Hours by Service Area

In some instances, service call or collection information may not be available. However, it may be possible to identify particular personnel who deal with specific types of customers. For instance, the FTE or compensation weighted FTE of employees serving households would be assigned to residential land use, while those exclusively serving business or agricultural customers could be assigned to those land uses. These totals could then be aggregated department-wide to provide a department land-use allocation.

Imputation Methods

In the absence of actual service use or personnel assignment, it may be possible to impute service usage by land use using other external data sources. One example of this method is provided by DeBoer (2010) who estimates average daily service population by land use using federal statistical agency population, employment and commuting data. This population headcount then becomes the basis for measuring public safety service load. Several studies use imputation methods to estimate road usage and wear by land use (for assigning the source of road construction and maintenance expenditures) with the aid of state and national data on vehicular registrations, number of trips, miles travelled, and vehicular loads (DeBoer 2010; Thorvaldson and Seidl 2009; Edwards and Jackson-Smith 2001).⁶

⁶ Road maintenance and construction is generally handled by the Commonwealth through the Virginia Department of Transportation (VDOT). Thus, it will not be considered

Information from Other Studies

Many COCS studies evaluate the same types of local revenues and expenditures. The land-use allocations made for these items may be transferable for similar types of communities. For instance, cooperative extension is offered in many counties with the county picking up a portion of the expenditures. Information from these studies could be used to inform the selection of land use allocations.

Intergovernmental Aid Criteria

Some governmental grant programs specify rules or formulas for assigning expenditures by jurisdiction. For example, a formula that heavily weighs resident population for awarding funds could be considered an award on the basis of residential land uses. The description of the purpose of a particular federal or state award may provide valuable clues about the land use targeted.

Hybrid Methods

It may be possible to combine different methods to obtain more accurate estimates of service use by land-use category. For instance, DeBoer (2010) uses a hybrid method that relies on property value information and average daily population by land use to assess public safety services usage. Another example of this method would be to combine personnel staffing information with service call information. If it is known that certain staff exclusively deal with particular land uses but other staff deal with multiple land uses, service calls could be used to as a weighting factor for the other staff members.

Director and Staff Estimation

Many times, precise records may not be kept, but departmental directors or staff may be able to offer an estimated breakdown of the amount of effort spent serving different constituencies such as households, businesses, or farmers. In the absence of

in this study. However, in communities where local road maintenance is the responsibility of local governments, evidence has been offered that businesses and farmers make proportionally more use of local roads because of the additional wear and tear that heavy farm and business vehicles inflict on roads (DeBoer 2010).

any hard data or information such as that described above, these estimates may be useful in allocating expenditures and revenues to land uses.

Fall-back Ratios

Almost all COCS studies use a “fall-back” ratio as a default option for budget land-use allocation purposes when other information is not available. This ratio is usually computed on the basis of real property tax revenue by land use. The rationale for the method is that property taxation provides a rough

estimate of user benefits.⁷ Fall-back ratios are often used for allocating general administrative services expenditures to land uses since these services benefit everyone in the community. One issue in COCS analysis is whether to calculate real property tax revenue by taxable real property (which takes into consideration use value taxation) or assessed real property values when making the land use allocations. Most COCS studies (including AFT) rely on taxable real property values as a better indicator of the benefits received by different land uses.

⁷ The use value assessment method of using capitalized production values in lieu of comparable sales values provides a rough approximation of property values in locations except urban fringe areas where development pressures are high (Anderson 2012). Even in urban fringe areas, it is difficult to argue that these speculative values create additional costs for local government. DeBoer (2010) notes, however, that the choice of how to value farmland (i.e., use value or development value) can make a sizeable difference in agriculture land use COCS results.

SECTION 3 CLARKE COUNTY STUDY DATA AND METHODOLOGY

At the start of this study, county officials, key departmental staff, and Conservation Easement Authority members were invited to a project meeting on May 11, 2018, to discuss the purpose, timeline, methodology, and data collection tasks for the study. This forum was used to solicit feedback on research design issues and definitions, discuss data collection options, and plan follow-up interviews to collect more detailed departmental level information. Resources distributed to staff included an FAQ (see Appendix A) that described the purpose and methodology of the study.

In conducting the study, an effort was made to closely adhere to the methodology used by the American Farmland Trust (AFT). This meant that the land use definitions used by the AFT in other studies was adopted and that farm household service demand and farm residential improvements were assigned to residential land use. It also meant that other COCS studies, including both AFT studies performed for Virginia counties and a previous study conducted by the Weldon Cooper Center for Public Service for Fauquier County, Virginia, were used to help guide land use allocation decisions when Clarke County information was not available.

The study proceeded in five stages. First, land-use categories were defined. Second, final budget revenue and expenditure information from budgets and/or financial reports was collected. Third, information on revenue generation and service use by land use was solicited from county departments. Fourth, county expenditures and revenues by line item were assigned to each land use. Lastly, the land-use allocations were summed up and expenditure to revenue ratios were computed by land use.

Each of the first four steps are described in more detail below while the last step is presented in the next section.

(1) Definition of land use categories

Three land-use categories were defined: residential, commercial and industrial, and agricultural and open space:

Residential: Property used for dwellings, including single-family homes, farmhouses, mobile homes and rental units, and associated yards.

Commercial and Industrial: Property used for business purposes other than agricultural or forestry, including mining, manufacturing, utilities, retail and wholesale trade, and services.

Agriculture and Open Space: All agricultural and forestry properties, in particular those parcels greater than 20 acres.

(2) Collection of Final Budget Revenue and Expenditure Information

FY 2017 budget information was utilized. Information on actual revenues and expenditures for FY 2017 was obtained from the 2017 CAFR (*Clarke County Financial Report for Year Ended June 30, 2017*) using Schedule 1 (Schedule of Revenues) and Schedule 2 (Schedule of Expenditures). When needed to form a more complete picture, more detailed breakdown of individual budget items was obtained from the Director of Joint Administrative Services.

(3) Collection of Information on revenue generation and service use by land use was collected from county departments.

From May through July, e-mail and phone contacts were made with department directors to solicit information for use in making land use allocations. Follow-up phone conversations with other key staff were arranged when suggested by directors.

(4) Fourth, these assignments are allocated to budget expenditures and revenues by line item.

The information collected from the third task was used to make land-use allocations for expenditure and revenue items. In a number of instances, individual departments were not able to furnish usable data because (a) tax, customer service, or caseload records were not stored in electronic formats or were not stored in formats that they could be easily associated with particular land uses or (b) the department contact was unable to provide estimates of the land use distribution of their customer or service base.

Appendix B. contains a more detailed description of the various assignment methods used for key budget categories. Some of the assignments depended on actual service usage and payment records. Some assignments are based on departmental estimates of service usage and payments based on their experiences providing the services or receiving the payments. Other assignments are based on analyst assignments of budget items based on descriptions of the purpose and usage of the budget item or AFT and Weldon Cooper Center for Public Service assignments used in other Virginia COCS studies.

SECTION 4 RESULTS

This section presents the result of the land use allocations and computed cost of community services expenditures-to-revenues ratios by land use category. In addition to presenting the ratios for the FY 2017 county budget, several additional scenarios are designed to test the sensitivity of the results to different assumptions made in the analysis.

Table 4.1 presents a summary of revenue and expenditure land-use category allocations by major budget item. A more detailed breakdown of the budget and description of allocation method used by item are provided in **Appendix C**. **Table 4.1** shows that residential land uses generated an estimated \$34.2 million in county revenues while consuming approximately \$42.3 million in county services, maintenance, and infrastructure in FY 2017 for a gap of \$8.1 million. Commercial/industrial and agriculture/open space generated estimated surpluses of \$3.7 million and \$1.5 million respectively, resulting in a total FY 2017 budget deficit of \$2.9 million. The FY 2017 budget COCS ratio is computed by dividing the total county budget expenditure by county revenue for each land use category. This calculation results in COCS ratios of 1.237 for residential land use, 0.234 for commercial/industrial land use, and 0.495 for agriculture/open space land use.

Since there was a negative fund balance generated in FY 2017, Weldon Cooper creates an additional scenario (termed a balanced-budget COCS ratio) where this fund balance is financed in the same proportion as existing FY 2017 revenues by land use.⁸ These COCS ratios are computed by dividing the percentages of total expenditure by land use by the percentage of total revenue by land use. These calculations result in slightly lower COCS ratios of 1.157, 0.219, and 0.463 respectively.

⁸ This “normalizing” adjustment is routinely reported in COCS studies (DeBoer 2010; Thorvaldson and Seidl 2009; Edwards and Jackson-Smith 2001).

These residential and industrial/commercial balanced budget COCS ratios are similar to those found in recent national studies. Kotchen and Schulte (2009) showed that the national average COCS ratios for 125 studies was 1.18 for residential, 0.44 for commercial/industrial, and 0.50 for agriculture/open space. Residential and commercial/industrial averages are slightly higher than the Clarke County results while agriculture/open space is about the same. On the other hand, the commercial/industrial ratio is more similar to Virginia COCS studies reported earlier in Table 2.1 (Residential 1.18, Commercial/Industrial 0.38 and Agriculture/Open Space 0.33).

One factor that contributes to a higher agriculture/open source COCS ratio for Clarke County than other Virginia localities is its relatively large Purchase of Development Rights program that results in the creation of conservation easements on undeveloped agricultural, forestal, and other open-space land. When expenditures and revenues associated with the county’s Conservation Easement Fund are removed from the FY 2017 budget, the COCS ratio for Agriculture/Open Space drops to 0.314 (see **Table 4.2**).⁹ Two methodological changes would also decrease the agriculture/open space COCS ratio. Assigning farm residence assessed value to agriculture/open space land use instead of residential land use decreases the ratio to 0.386 from the 0.495 baseline. Similarly, removing the use value assessment taxation program and taxing agriculture/conservation land at full assessment would decrease the COCS ratio to 0.397. These changes increase the relative revenue contribution of agriculture/conservation land uses.

⁹ Removal of the conservation easement program might be expected to have other fiscal impacts not considered here, including the loss of some state funding through the Standards of Quality program. This issue is addressed in Appendix D.

Table 4.1 Clarke County Budget Allocations by Land Use

Revenues			
	Residential	Commercial/ Industrial	Agriculture/ Open Space
General Property Taxes	\$15,148,766	\$2,822,031	\$1,940,641
Other Local Taxes	\$557,058	\$1,367,267	\$44,782
Permits, Fees, and Licenses	\$303,799	\$52,472	\$37,622
Fines and Forfeitures	\$349,242	\$3,037	\$0
Revenue from Use of Money and Property	\$111,223	\$4,611	\$8,090
Charges for Services	\$978,084	\$20,787	\$2,732
Recovered Costs	\$33,824	\$49,333	\$769
Miscellaneous Revenue	\$19,032	\$46,747	\$3,066
Total Revenue from Local Sources	\$17,501,028	\$4,366,286	\$2,037,702
State Government	\$4,051,129	\$199,278	\$123,185
Federal Government	\$116,940	\$9,872	\$1,609
Other Government Funds	\$1,740,125	\$226,869	\$727,353
School Board Funds	\$10,792,343	\$60,915	\$0
Total Revenue	\$34,201,565	\$4,863,219	\$2,889,849
(a) Revenues Percentage by Land Use	81.52	11.59	6.89
Expenditures			
	Residential	Commercial/ Industrial	Agriculture/ Open Space
General Government	\$1,516,863	\$175,697	\$211,042
Judicial	\$652,245	\$21,863	\$24,185
Public Safety	\$3,624,936	\$501,372	\$68,645
Public Works	\$990,843	\$74,744	\$103,531
Health and Welfare	\$656,708	\$0	\$0
Education--Community Colleges	\$16,441	\$0	\$0
Parks, Recreation, and Cultural	\$973,326	\$0	\$0
Community Development	\$401,067	\$86,683	\$89,850
Nondepartmental Operations	\$4,106	\$377	\$661
Total General Fund	\$8,836,534	\$860,736	\$497,915
Capital Projects	\$583,580	\$258,108	\$204,048
Debt Service	\$4,016,006	\$18,445	\$32,360
Other Governmental Funds	\$2,306,293	\$0	\$695,891
Public Schools	\$26,570,245	\$0	\$0
Total Expenditures	\$42,312,657	\$1,137,289	\$1,430,214
(b) Expenditures Percentage by Land Use	94.28	2.53	3.19
Gap (Expenditures-Revenues)	-\$8,111,092	\$3,725,930	\$1,459,636
COCS Ratio (Expenditures/Revenues)	1.237	0.234	0.495
Balanced Budget COCS Ratio ((b)/(a))	1.157	0.219	0.463

Table 4.2 Clarke County Cost of Community Services Additional Budget Scenarios

Scenario	Residential	Commercial/ Industrial	Agriculture/ Open Space
Remove Conservation Easement Program	1.241	0.234	0.314
Include Farm Residence in Agriculture/Open Space	1.297	0.234	0.386
Remove Use Value Assessment	1.283	0.234	0.397

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APPENDIX A. DEPARTMENT MEMORANDUM

COST OF COMMUNITY SERVICES STUDY FAQ

What is a Cost of Community Services study?

A Cost of community service (CCS) study allocates local government expenditures and revenues to different land use categories, usually residential, commercial/industrial, and agricultural/open space, based on assessments of municipal public service demands and the amount of revenues generated by land use. This information shows how existing land uses affect the county budget and can be used for county land use planning.

How are the land use categories defined?

Residential: Property used for dwellings, including single-family homes, farmhouses, mobile homes and rental units, and associated yards.

Commercial and Industrial: Property used for business purposes other than agricultural or forestry, including mining, manufacturing, utilities, retail and wholesale trade, and services.

Agriculture and Open Space: All agricultural and forestry properties, including those qualifying for use value taxation and vacant residential parcels greater than 20 acres.

What is the time period for the analysis?

Fiscal Year 2017

How should I assign departmental expenditures and revenues to various land uses?

I have several suggestions listed below.

For expenditures:

- (1) Administrative records on service use based on incident reports, case reports, etc.
- (2) Administrative records on hours of department staff time spent working with different types of customers (i.e., households, businesses, farmers and forest landowners).
- (3) Other method(s) based on departmental procedures (please describe)
- (4) Professional guestimates
- (5) If land use distributions cannot be estimated using (1)-(4), please state that that the distribution of department expenditures by land use are “unknown.”

For revenues:

- (1) Administrative records on addresses for charges for services, fees, fines, etc.

(2) Information on the purpose of a grant for categorical state or federal grant programs (for instance, if the grant is to be used to benefit businesses, attribute the revenue source to “commercial/industrial”).

(3) Other method(s) based on departmental procedures (please describe)

(4) Professional guestimates

(5) If land use distributions cannot be estimated using (1)-(4), please state that that the distribution of department revenues by land use are “unknown.”

How detailed should my departmental allocations be by budget category?

A spreadsheet is being provided that contains a list of department expenditures and revenues by budget category. The first column contains a brief description of the expenditure or revenue category. The second column contains the FY 2017 Comprehensive Annual Financial Report (CAFR) budget figure for the expenditure or revenue budget category. The third through fifth columns provide spaces for you to estimate percentages of expenditure or revenue attributable to the three land uses. The sixth column provides a space for you to describe your method for estimating the land use breakdown for the expenditure or revenue category. The final column (“comments”) allows you to offer any other comments on the item. For instance, if your department is not responsible for collecting information related to the fee or charge, please indicate who is responsible and provide contact information.

What if I have additional questions?

Please contact Terry Rephann at e-mail trephann@virginia.edu or telephone (434) 982-4501. He would also be happy to call you or meet with you to discuss any methodological issues or concerns. He will follow up with you within two weeks to discuss any difficulties you might be encountering in completing this request.

APPENDIX B. CLARKE COUNTY LAND USE ALLOCATION METHODS

This appendix describes how many of the major expenditure and revenue budget items were allocated to each land-use category.

Real property taxes were assigned using data from a real property tax file provided by the Commissioner of Revenue. Land Use allocations are based on taxable property values (which takes into consideration use value deferrals) by zoning category (Residential Single Family Urban, Residential Single Family Suburban, Residential Multiple Family, Commercial and Industrial, Agricultural (20-100 acres), Agricultural (>100 acres)). The first three residential categories were assigned to residential land use, Commercial and Industrial to commercial/industrial land use, and Agricultural (20-100 and >100 acres) to agricultural/open space land use. In calculating agricultural/open space tax values, home improvement values were not included but the value of other improvements (e.g., other farm-related structures such as barns and silos) were. **Table B.1** below shows the assessed and taxable values assigned to each land-use category.

Table B.1. Allocation of Real Property Taxes by Land Use

Property Class	Assessment	Taxable Value	Residential	Commercial/ Industrial	Agriculture/ Open Space
Residential Single Family Urban	\$433,389,600	\$432,965,018	\$432,965,018		
Residential Single Family Suburban	\$1,020,243,200	\$990,799,812	\$990,799,812		
Residential Multiple Family	\$9,405,600	\$9,327,668	\$9,327,668		
Commercial and Industrial	\$158,387,100	\$154,977,812		\$154,977,812	
Agricultural (20-100 acres)	\$476,889,900				
Agricultural (>100 acres)	\$340,690,500				
Total Agricultural	\$817,580,400				
less land use adjustment	-\$290,830,462				
equals adjusted ag value	\$526,749,938				
farmhouses	\$254,853,470	\$254,853,470	\$254,853,470		
Final ag land value	\$271,896,468	\$271,896,468			\$271,896,468
Total		\$2,114,820,248	\$1,687,945,968	\$154,977,812	\$271,896,468
Land Use Percentage			79.82%	7.33%	12.86%

Another major category of tax revenue, personal property taxes, was assigned to land uses using data from the personal property file tabulated by the Commissioner of Revenue. Personal property items were assigned to land use categories based on taxes paid.

Table B.2. Allocation of Personal Property Taxes by Land Use

Personal Property Category	Tax	Residential	Commercial/ Industrial	Agriculture/ Open Space
Automobiles	\$5,695,355	\$4,883,475	\$811,880	\$0
Mobile Homes	\$1,315	\$1,201	\$114	\$0
Machinery, Tools, Utility, and Industrial	\$704,298	\$0	\$666,238	\$38,060
Camper, Trailers, Motorcycles & Boats	\$299,512	\$299,512	\$0	0
Fire & Rescue	\$15,741	\$0	\$15,741	\$0
Other	\$171,806	\$0	\$135,663	\$36,143
Total	\$6,888,027	\$5,184,189	\$1,629,635	\$74,203
Land Use Percentage	100.00%	75.26%	23.66%	1.08%

The real property breakdown (79.825% residential, 7.33% commercial/industrial, 12.86% agricultural/open space) served as a fallback ratio for many budget items when other information was not available. Within the land use allocation calculation tables reported in Appendix C, these items are identified as “Fallback Real Property.” In the case of two departments (Commissioner of Revenue and Treasurer), different fallback percentages were used: the former based on all property tax revenues and the latter based on all local revenues (including taxes, fees, and fines).

Many budget items were exclusively allocated to an individual land use. In these cases, the allocation method is described as “Residential” (all residential), “Commercial/Industrial” (all commercial/industrial), or “Agriculture/Open Space” (all agriculture/open space). These assignments were based on information obtained from department directors and staff about the purpose of particular expenditures or descriptions of the purposes of specific federal and state grants. In some instances, a department director directly made the assessment/assignment. Examples of expenditures categorized “Residential” include the Board of Elections, Regional Jail, and Parks and Recreation. Exclusively agriculture/open space expenditures include the Conservation Easement Fund and Sprout Run improvements (a watershed improvement project).

Local option sales taxes were assigned to commercial/industrial land use. Local option sales tax revenues are distributed to localities on a point-of-sale basis and generally would not be collected without the presence of local commercial enterprises. This assignment method is the same as Renkow (2008) used in North Carolina study but differs from standard AFT methodology that identifies some retail purchases as business purchases (i.e., “machinery, equipment and supplies, professional equipment, service establishment equipment and hotels, motels, and tourist camps) and the remainder as residential (American Farmland Trust 1999, 2003a, 2003b, 2005).

Many public safety items (sheriff, fire and rescue, and emergency medical services) were assigned on the basis of public safety (fire and rescue, EMS, sheriff) incident reporting system data. The incident reports identified the street grid location of the incident, which were then assigned to parcels using geographical information system geocoding. Fire expenditures and related revenues were allocated to land uses using fire and rescue report land use allocations while EMS and Sheriff expenditures and revenues were allocated using their respective land use allocations. The analysis assigned incident reports for public right-of-ways locations to residential land use.

Monthly reports issued by the Planning Department and Building Department were used to assign building permits and inspection and zoning permit revenues and related expenditures. Planning Commission land

uses were calculated using the same land-use ratios as zoning permit revenues. Economic development was assigned to commercial/industrial while soil and water conservation district allocations were assigned to agriculture/open space. Fee revenues were assigned to land use based on applicant description. Cooperative Extension Program allocations were estimated using staff FTE.

Judicial areas (i.e., Circuit Court, District Court, Commonwealth Attorney), County Attorney, and Clerk of Court budgets items were allocated to land uses using information drawn from Circuit and District Court Caseload statistics for FY 2017 in combination with sampled records from the District Court and Circuit Court Online Case Information Civil and Criminal Justice Case Reports.¹⁰ In order to more easily characterize the types of plaintiffs and defendants involved in criminal complaints and litigation, samples of weekly records were drawn for the weeks of July 11-15, 2016; September 12-16, 2016, January 23-27, 2017, and April 24-28, 2017. Court plaintiffs and defendants were identified as individuals, businesses, or farms based on information in the case records. For Circuit court activities, Circuit Court cases were used to make the land use allocations. For District Court activities, District Court cases were used. Cases which involved the Commonwealth Attorney were used to estimate effort expended on land use categories for the Commonwealth Attorney's Office.

For estimating Clerk of Court services by land use, a hybrid method was used. The Clerk of Court staffs three service areas (Land Record Division, Public Service Division, and Court Division). Land Record Division activities were assumed to be proportional to real property taxable value allocations. Public Service activity (largely marriages and wills) was assigned to residential land use. Court Division related activities assumed the same land use allocations as Circuit Court. These land use allocations were then weighted by their respective staff effort by service area as estimated by the Clerk of Court (75 percent Land Records, 15 percent Public Service, and 10 percent Court) to obtain the overall Clerk of Court distribution of land use effort (83.5 percent residential, 6.7 percent industrial/commercial, and 9.8 percent agricultural/open space).

¹⁰ This information can be found at the Virginia Judicial System website (<http://www.courts.state.va.us/caseinfo/>) under "Case Status and Information" and "Court Administration."

**APPENDIX C. LAND USE ALLOCATION OF CLARKE COUNTY REVENUES
AND EXPENDITURE BY ITEM FOR FISCAL YEAR 2017**

Table C-1 Revenue Allocation Factors and Allocation Method

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
LOCAL SOURCES					
General property taxes:					
Real property taxes	\$14,495,536	0.798	0.073	0.129	Real Property
Real and personal public service corporation taxes	\$487,565	0.000	1.000	0.000	Commercial/Industrial
Personal property taxes	\$4,453,059	0.753	0.237	0.011	Personal Property
Mobile home taxes	\$1,075	1.000	0.000	0.000	Residential
Machinery and tools taxes	\$176,461	0.000	1.000	0.000	Commercial/Industrial
Penalties	\$177,343	0.761	0.142	0.097	General Property Taxes
Interest	\$120,399	0.761	0.142	0.097	General Property Taxes
Total General Property Taxes	\$19,911,438				
Other Local Taxes					
Local sales and use taxes	\$898,361	0.000	1.000	0.000	Commercial/Industrial
Consumers' utility taxes	\$346,094	0.000	1.000	0.000	Commercial/Industrial
Consumption taxes	\$32,433	0.798	0.073	0.129	Fallback Real Property
Motor vehicle licenses	\$325,439	0.857	0.143	0.000	Automotive Personal Property
Taxes on recordation and wills	\$315,886	0.798	0.073	0.129	Fallback Real Property
Transient occupancy taxes	\$28,005	0.000	1.000	0.000	Commercial/Industrial
Business license taxes	\$22,890	0.000	1.000	0.000	Commercial/Industrial
Total Other Local Taxes	\$1,969,108				
Permits, Privilege Fees, and Regulatory Licenses					
Animal licenses	\$6,736	1.000	0.000	0.000	Residential
Land use application fees	\$33,150	0.000	0.000	1.000	Agriculture/Open Space
Animal shelter fees	\$8,068	1.000	0.000	0.000	Residential
Building and related permits	\$242,160	0.830	0.152	0.018	Building permit and inspection reports
Zoning and subdivision	\$88,924	0.824	0.176	0.000	Zoning fee reports
Transfer fees	\$545	0.771	0.133	0.096	Joint Administrative Services Director
Signs permits and inspection fees	\$3,493	1.000	0.000	0.000	Joint Administrative Services Director
Weapons permits	\$5,605	1.000	0.000	0.000	Residential
Other permits and fees	\$5,210	1.000	0.000	0.000	Residential
Total Permits, Privilege Fees, and Regulatory Licenses	\$393,891				

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Fines and Forfeitures					
Court fines and forfeitures	\$352,279	0.991	0.009	0.000	Commonwealth Attorney Court Case Statistics
Total Fines and Forfeitures	\$352,279				
Revenue from Use of Money and Property					
Revenue from use of money	\$62,924	0.798	0.073	0.129	Fallback Real Property
Revenue from use of property	\$61,000	1.000	0.000	0.000	County Administrator
Total Revenue from Use of Money and Property	\$123,924				
Charges for Services					
Charges for emergency medical services	\$42,798	1.000	0.000	0.000	Residential
Charges for ambulance and rescue	\$409,373	1.000	0.000	0.000	Residential
Charges for courthouse security	\$52,890	0.952	0.046	0.002	District and Circuit Court Civil Case Statistics
Charges for jail processing	\$1,287	1.000	0.000	0.000	Residential
Court appointed attorney	\$93	1.000	0.000	0.000	Residential
Charges for other localities	\$52,000	0.726	0.259	0.015	Joint Administrative Services Director
Charges for Commonwealth's Attorney	\$1,742	0.991	0.009	0.000	Commonwealth Attorney Court Case Statistics
Charges for parks and recreation	\$398,319	1.000	0.000	0.000	Residential
Charges for engineer's fees/biosolids applications	\$1,085	0.000	0.000	1.000	Agriculture/Open Space
E-tickets	\$26,639	0.866	0.116	0.018	Sheriff incident reports
Other charges for services	\$15,377	0.866	0.116	0.018	Joint Administrative Services Director
Total Charges for Services	\$1,001,603				
Miscellaneous					
	\$68,845	0.276	0.679	0.045	Joint Administrative Services Director
Recovered Costs					
Rebates and refunds	\$4,957	1.000	0.000	0.000	Joint Administrative Services Director
Insurance recovery	\$5,982	0.798	0.073	0.129	Fallback Real Property
Gifts and donations in lieu of taxes	\$45,400	0.000	1.000	0.000	County Administrator
Sale of salvage	\$2,781	1.000	0.000	0.000	Joint Administrative Services Director

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Loan repayment	\$3,495	0.000	1.000	0.000	Joint Administrative Services Director
Recycling and other rebates and refunds	\$21,311	1.000	0.000	0.000	Frederick County Landfill
Total Recovered Costs	\$83,926				
Total revenue from local sources	\$23,905,014				
STATE GOVERNMENT					
Noncategorical Aid					
Motor vehicle carriers' tax	\$22,640	0.000	1.000	0.000	Commercial/Industrial
Mobile home titling tax	\$1,207	1.000	0.000	0.000	Residential
Taxes on deeds	\$73,671	0.798	0.073	0.129	Fallback Real Property
Quarterly rental tax	\$2,404	0.000	1.000	0.000	Commercial/Industrial
Communications tax	\$405,302	0.798	0.073	0.129	Fallback Real Property
Personal property tax relief funds	\$2,483,842	1.000	0.000	0.000	Residential
Total Noncategorical Aid	\$2,989,066				
Shared Expenses (Categorical)					
Commonwealth's attorney	\$189,964	0.991	0.009	0.000	Commonwealth Attorney Case Statistics
Sheriff	\$752,055	0.866	0.116	0.018	Sheriff Incident Reports
Commissioner of revenue	\$76,730	0.761	0.142	0.097	Property Tax Revenues
Treasurer	\$93,184	0.730	0.185	0.085	Local Revenues
Registrar/electoral board	\$37,029	1.000	0.000	0.000	Residential
Clerk of the Circuit Court	\$164,497	0.745	0.067	0.188	Clerk of Court Hybrid Method
Total Shared Expenses (Categorical)	\$1,313,459				
Other Categorical Aid					
Fire programs fund	\$45,236	0.842	0.123	0.035	Fire Incident Reports
Litter control grant	\$4,055	1.000	0.000	0.000	Residential
Virginia Commission for the Arts	\$5,000	0.000	1.000	0.000	Commercial/Industrial
Other categorical aid	\$16,776	0.955	0.039	0.006	Joint Administrative Services Director
Total Other Categorical Aid	\$71,067				
Total State Revenue	\$4,373,592				

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
FEDERAL GOVERNMENT					
Payments in Lieu of Taxes	\$6,135	0.000	1.000	0.000	Commercial/Industrial
Categorical Aid					
Crime victim assistance	\$53,042	1.000	0.000	0.000	Residential
SCAAP grant	\$605	1.000	0.000	0.000	Residential
DMV 402 grant	\$13,228	0.866	0.116	0.018	Sheriff Incident Reports
SAFER grant	\$7,721	0.786	0.195	0.019	Fire/EMS Incident Reports
DHR grant	\$9,500	0.798	0.073	0.129	Fallback Real Property
Local law enforcement block grant	\$10,561	1.000	0.000	0.000	Residential
Violence against women formula grants	\$27,629	1.000	0.000	0.000	Residential
Total categorical aid	\$122,286				
Total revenue from the federal government	\$128,421				
Total General Fund	\$28,407,027				
Special Revenue Funds					
Virginia Public Assistance Fund					
Payments from other jurisdictions	\$44,128	1.000	0.000	0.000	Residential
Expenditure refunds	\$5,876	1.000	0.000	0.000	Residential
Revenue from the Commonwealth	\$277,301	1.000	0.000	0.000	Residential
Revenue from the federal government:	\$712,855	1.000	0.000	0.000	Residential
Total Virginia Public Assistance Fund	\$1,040,160				
Comprehensive Services Act Fund					
Revenue from the Commonwealth	\$285,079	1.000	0.000	0.000	Residential
Revenue from the federal government	\$14,036	1.000	0.000	0.000	Residential
Total Comprehensive Services Fund	\$299,115				

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Drug Enforcement Fund					
Revenue from the use of money	\$478	0.781	0.219	0.000	Residual Drug Enforcement Fund main revenue average
Gifts and donations	\$46,754	0.750	0.250	0.000	Sheriff's Office
Total revenue from the Commonwealth (Asset forfeiture)	\$6,652	1.000	0.000	0.000	Residential
Total Drug Enforcement Fund	\$53,884				
Animal Care Fund					
Revenue from the use of money	\$3	1.000	0.000	0.000	Residential
Gifts and donations	\$225	1.000	0.000	0.000	Residential
Total Animal Care Fund	\$228				
Conservation Easement Fund					
Real property taxes	\$70,077	0.798	0.073	0.129	Fallback Real Property
Revenue from use of money	\$459	0.155	0.008	0.838	Residual Conservation Easement Fund Average
Miscellaneous	\$45,277	1.000	0.000	0.000	Natural Resource Officer
Revenue from the Commonwealth (Conservation easement grants)	\$305,963	0.000	0.000	1.000	Agriculture/Open Space
Revenue from the federal government (Conservation easement grants)	\$233,625	0.000	0.000	1.000	Agriculture/Open Space
Total Conservation Easement Fund	\$655,401				
School Debt Service Fund					
Expenditure refunds	\$58,075	1.000	0.000	0.000	Residential
Revenue from the federal government (BAB interest subsidy)	\$123,526	1.000	0.000	0.000	Residential
Total School Debt Service Fund	\$181,601				

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Capital Projects Fund:					
General Government Capital Projects Fund					
Gifts and donations	\$38,218	0.740	0.260	0.000	Joint Administrative Services Director
Revenue from the Commonwealth	\$200,000	0.000	1.000	0.000	Joint Administrative Services Director
Revenue from the federal government	\$224,938	0.207	0.000	0.793	Joint Administrative Services Director
Total General Government Capital Projects Fund	\$463,156				
Parks Construction Fund					
Revenue from the use of money	\$225	1.000	0.000	0.000	Joint Administrative Services Director
Gifts and donations	\$577	1.000	0.000	0.000	Joint Administrative Services Director
Total Parks Construction Fund	\$802				
Total Primary Government	\$31,101,374				
SCHOOL BOARD FUNDS					
School Operating Fund					
Revenue from the use of property	\$60,915	0.000	1.000	0.000	Joint Administrative Services Director
Tuition	\$211,136	1.000	0.000	0.000	Residential
Town of Berryville Crossing	\$2,500	1.000	0.000	0.000	Joint Administrative Services Director
Facility use fees	\$3,162	1.000	0.000	0.000	Residential
Other miscellaneous	\$64,320	1.000	0.000	0.000	Residential
Private gifts and donations	\$12,590	1.000	0.000	0.000	Residential
Rebates and refunds	\$11,705	1.000	0.000	0.000	Residential
Insurance recoveries	\$1,590	1.000	0.000	0.000	Residential
Sale of equipment	\$14,223	1.000	0.000	0.000	Residential
Total revenue from the Commonwealth	\$8,699,714	1.000	0.000	0.000	Residential
Total revenue from the federal government	\$773,249	1.000	0.000	0.000	Residential
Total School Operating Fund	\$9,855,104				

Table C.1 Revenue Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
School Food Service Fund:					
Revenue from the use of money	\$143	1.000	0.000	0.000	Residential
Cafeteria sales	\$437,997	1.000	0.000	0.000	Residential
Expenditure refunds and rebates	\$25,021	1.000	0.000	0.000	Residential
Revenue from the Commonwealth (School food program grant)	\$9,801	1.000	0.000	0.000	Residential
Revenue from the federal government (School food program grant)	\$296,987	1.000	0.000	0.000	Residential
Total School Food Service Fund	\$769,949				
Capital Projects Funds					
Donations	\$25,589	1.000	0.000	0.000	Joint Administrative Services Director
Other miscellaneous	\$829	1.000	0.000	0.000	Joint Administrative Services Director
Revenue from the Commonwealth (Technology grant)	\$201,787	1.000	0.000	0.000	Residential
Total School Capital Projects Fund	\$228,205				
School Board	\$10,853,258				
Total Revenue	\$41,954,632				

Table C.2 Expenditure Allocation Factors and Allocation Method

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
General Fund					
General Government					
Board of supervisors	\$56,051	0.798	0.073	0.129	Fallback Real Property
County administrator	\$308,924	0.798	0.073	0.129	Fallback Real Property
Independent auditor	\$33,565	0.798	0.073	0.129	Fallback Real Property
Legal services	\$44,860	0.798	0.073	0.129	Fallback Real Property
Commissioner of revenue	\$203,428	0.761	0.142	0.097	Property Tax Revenues
Assessor	\$3,500	0.798	0.073	0.129	Fallback Real Property
Equalization board	\$3,800	1.000	0.000	0.000	Residential
Data processing	\$303,755	0.798	0.073	0.129	Fallback Real Property
Finance and purchasing	\$553,653	0.798	0.073	0.129	Fallback Real Property
Treasurer	\$277,071	0.730	0.185	0.085	Local Revenues
Board of elections	\$114,995	1.000	0.000	0.000	Residential
Subtotal General Government	\$1,903,602				
Judicial					
Circuit court	\$18,231	0.868	0.120	0.012	Circuit Court Case Statistics
General district court	\$4,549	0.970	0.030	0.000	District Court Case Statistics
Magistrate	\$17	1.000	0.000	0.000	Residential
Juvenile and domestic relations court	\$2,041	1.000	0.000	0.000	Residential
Clerk of the circuit court	\$245,478	0.835	0.067	0.098	Clerk of Court Hybrid Method
Victim Witness Program	\$64,420	1.000	0.000	0.000	Residential
Regional court services	\$4,494	1.000	0.000	0.000	Joint Administrative Services Director
Blue Ridge legal services	\$1,500	1.000	0.000	0.000	Residential
Commonwealth's attorney	\$357,564	0.991	0.009	0.000	Commonwealth Attorney Court Case Statistics
Subtotal Judicial	\$698,294				
Public Safety					
Sheriff	\$2,266,384	0.866	0.116	0.018	Sheriff Incident Reports
Criminal justice training	\$21,157	0.866	0.116	0.018	Sheriff Incident Reports
Drug task force	\$10,608	1.000	0.000	0.000	Residential
Emergency medical services	\$783,586	0.768	0.217	0.014	EMS Incident Reports

Table C.2 Expenditure Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Fire and rescue departments	\$296,241	0.842	0.123	0.035	Fire Incident Reports
Lord Fairfax Emergency Medical Services	\$5,422	0.768	0.217	0.014	EMS Incident Reports
Forestry services	\$2,712	0.160	0.008	0.832	Distribution of Acreage by Land Use
Regional jail	\$489,071	1.000	0.000	0.000	Residential
Juvenile detention home	\$22,098	1.000	0.000	0.000	Residential
Probation office	\$47	1.000	0.000	0.000	Residential
Building inspections	\$183,254	0.830	0.152	0.018	Building Permit and Inspection Reports
Animal control	\$114,212	1.000	0.000	0.000	Residential
Medical examiner	\$160	1.000	0.000	0.000	Residential
Subtotal Public Safety	\$4,194,952				
Public Works					
Refuse collection and disposal	\$142,851	1.000	0.000	0.000	Frederick County Landfill
Sanitation	\$238,398	0.916	0.073	0.011	Units using Public Sewer in Boyce and Millwood
Litter control program	\$3,835	1.000	0.000	0.000	Residential
General properties	\$784,033	0.798	0.073	0.129	Fallback Real Property
Total public works	\$1,169,117				
Health and Welfare	\$656,708	1.000	0.000	0.000	Residential
Education					
Lord Fairfax Community College	\$16,441	1.000	0.000	0.000	County Administrator
Subtotal Education	\$16,441				
Parks, recreation, and cultural					
Parks and recreation	\$749,813	1.000	0.000	0.000	Residential
Cultural enrichment	\$17,000	1.000	0.000	0.000	Residential
Contribution to Handley library	\$206,513	1.000	0.000	0.000	Residential
Subtotal parks, recreation, and cultural	\$973,326				

Table C.2 Expenditure Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Community Development					
Planning administration	\$403,207	0.798	0.073	0.129	Fallback Real Property
Office of Economic Development	\$49,599	0.000	1.000	0.000	Commercial/Industrial
Berryville Development Authority	\$475	0.000	1.000	0.000	Commercial/Industrial
Small business development center	\$1,500	0.000	1.000	0.000	Commercial/Industrial
Blandy Experimental Farm	\$3,000	1.000	0.000	0.000	Residential
Planning commission	\$11,735	0.824	0.176	0.000	Zoning fee reports
Board of septic appeals	\$749	1.000	0.000	0.000	Residential
Historic preservation	\$11,448	0.900	0.050	0.050	Natural Resource Planner
Northern Shenandoah Valley Regional Commission	\$7,383	0.798	0.073	0.129	Fallback Real Property
Regional airport	\$2,500	0.798	0.073	0.129	Fallback Real Property
Friends of the Shenandoah	\$3,000	0.000	0.000	1.000	Agriculture/Open Space
Water quality monitoring	\$30,000	0.798	0.073	0.129	Fallback Real Property
Lord Fairfax Soil and Water Conservation	\$5,000	0.000	0.000	1.000	Agriculture/Open Space
Biosolids Application	\$618	0.000	0.000	1.000	Agriculture/Open Space
Cooperative extension service	\$45,086	0.500	0.000	0.500	Cooperative Extension Staff Assignments
Northern Virginia 4-H Center	\$2,300	1.000	0.000	0.000	Residential
Community Development Subtotal	\$577,600				
Nondepartmental					
Miscellaneous	\$4,230	0.798	0.073	0.129	Fallback Real Property
Unemployment compensation	\$914	0.798	0.073	0.129	Fallback Real Property
Subtotal Nondepartmental	\$5,144				
Total General Fund	\$25,886,287				
Special Revenue Funds					
Virginia Public Assistance Fund	\$1,478,944	1.000	0.000	0.000	Residential
Comprehensive Services Act Fund:	\$756,714	1.000	0.000	0.000	Residential
Total Drug Enforcement Fund	\$65,875	1.000	0.000	0.000	Residential
Total Shenandoah Farms Sanitary District	\$4,760	1.000	0.000	0.000	County Administrator
Total Conservation Easement Fund	\$695,891	0.000	0.000	1.000	Agriculture/Open Space
Subtotal Special Revenue Funds	\$3,002,184				

Table C.2 Expenditure Allocation Factors and Allocation Method (continued)

	FY17 Actual	Residential	Commercial/ Industrial	Agriculture/ Open Space	Allocation Method
Debt Service					
Total School Debt Service Fund	\$3,815,111	1.000	0.000	0.000	Residential
Total Primary Government Debt Service	\$251,700	0.798	0.073	0.129	Fallback Real Property
Subtotal Debt Service	\$4,066,811				
Capital Projects					
Communications equipment	\$75,525	0.846	0.136	0.018	Sheriff, Fire, and EMS Incident Reports
Vehicles	\$26,938	0.798	0.073	0.129	Fallback Real Property
Baseball field lighting	\$10,663	1.000	0.000	0.000	Residential
Technology and equipment improvements	\$6,513	0.798	0.073	0.129	Fallback Real Property
Sheriff vehicles	\$80,078	0.866	0.116	0.018	Sheriff Incident Reports
Spout run improvements	\$177,523	0.000	0.000	1.000	Agriculture/Open Space
Greenway court preservation	\$57,033	1.000	0.000	0.000	Residential
Tourism signs	\$19,911	0.000	1.000	0.000	Commercial/Industrial
HVAC	\$23,984	0.798	0.073	0.129	Fallback Real Property
Systems integration	\$86,772	0.798	0.073	0.129	Fallback Real Property
Sheriff equipment	\$48,207	0.866	0.116	0.018	Sheriff Incident Reports
Parks - Shelter	\$49,150	1.000	0.000	0.000	Residential
Swimming pool	\$84,022	1.000	0.000	0.000	Residential
Painting and flooring	\$20,807	0.798	0.073	0.129	Fallback Real Property
Paving	\$5,927	0.798	0.073	0.129	Fallback Real Property
Buildings	\$6,600	0.798	0.073	0.129	Fallback Real Property
Egg plant grant	\$200,000	0.000	1.000	0.000	Commercial/Industrial
Citizens convenience center	\$66,082	1.000	0.000	0.000	Residential
Subtotal Capital Projects	\$1,045,735				
Total Primary Government	\$18,309,914				
School Board					
Instruction	\$16,874,326	1.000	0.000	0.000	Residential
Administration, attendance and health	\$1,426,458	1.000	0.000	0.000	Residential
Pupil transportation services	\$1,007,468	1.000	0.000	0.000	Residential
Operation and maintenance services	\$2,158,622	1.000	0.000	0.000	Residential
Administration of school food program	\$816,246	1.000	0.000	0.000	Residential
Total School Capital Projects Fund	\$4,287,125	1.000	0.000	0.000	Residential
Subtotal School Board	\$26,570,245				
Total Expenditures	\$44,880,159				

Table C.3 Revenue Allocations by Land Use Category

	Residential	Commercial/ Industrial	Agriculture/ Open Space
LOCAL SOURCES			
General property taxes:			
Real property taxes	\$11,569,627	\$1,062,259	\$1,863,650
Real and personal public service corporation taxes	\$0	\$487,565	\$0
Personal property taxes	\$3,351,540	\$1,053,547	\$47,972
Mobile home taxes	\$1,075	\$0	\$0
Machinery and tools taxes	\$0	\$176,461	\$0
Penalties	\$134,924	\$25,135	\$17,284
Interest	\$91,600	\$17,064	\$11,735
Total General Property Taxes	\$15,148,766	\$2,822,031	\$1,940,641
Other Local Taxes			
Local sales and use taxes	\$0	\$898,361	\$0
Consumers' utility taxes	\$0	\$346,094	\$0
Consumption taxes	\$25,886	\$2,377	\$4,170
Motor vehicle licenses	\$279,047	\$46,392	\$0
Taxes on recordation and wills	\$252,125	\$23,149	\$40,613
Transient occupancy taxes	\$0	\$28,005	\$0
Business license taxes	\$0	\$22,890	\$0
Total Other Local Taxes	\$557,058	\$1,367,267	\$44,782
Permits, Privilege Fees, and Regulatory Licenses			
Animal licenses	\$6,736	\$0	\$0
Land use application fees	\$0	\$0	\$33,150
Animal shelter fees	\$8,068	\$0	\$0
Building and related permits	\$200,999	\$36,741	\$4,420
Zoning and subdivision	\$73,267	\$15,658	\$0
Transfer fees	\$420	\$73	\$52
Signs permits and inspection fees	\$3,493	\$0	\$0
Weapons permits	\$5,605	\$0	\$0
Other permits and fees	\$5,210	\$0	\$0
Total Permits, Privilege Fees, and Regulatory Licenses	\$303,799	\$52,472	\$37,622
Fines and Forfeitures			
Court fines and forfeitures	\$349,242	\$3,037	\$0
Total Fines and Forfeitures	\$349,242	\$3,037	\$0

Table C.3 Revenue Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
Revenue from Use of Money and Property			
Revenue from use of money	\$50,223	\$4,611	\$8,090
Revenue from use of property	\$61,000	\$0	\$0
Total Revenue from Use of Money and Property	\$111,223	\$4,611	\$8,090
Charges for Services			
Charges for emergency medical services	\$42,798	\$0	\$0
Charges for ambulance and rescue	\$409,373	\$0	\$0
Charges for courthouse security	\$50,372	\$2,410	\$107
Charges for jail processing	\$1,287	\$0	\$0
Court appointed attorney	\$93	\$0	\$0
Charges for other localities	\$37,737	\$13,480	\$782
Charges for Commonwealth's Attorney	\$1,727	\$15	\$0
Charges for parks and recreation	\$398,319	\$0	\$0
Charges for engineer's fees/biosolids applications	\$0	\$0	\$1,085
E-tickets	\$23,064	\$3,095	\$480
Other charges for services	\$13,313	\$1,787	\$277
Total Charges for Services	\$978,084	\$20,787	\$2,732
Miscellaneous	\$19,032	\$46,747	\$3,066
Recovered Costs			
Rebates and refunds	\$4,957	\$0	\$0
Insurance recovery	\$4,775	\$438	\$769
Gifts and donations in lieu of taxes	\$0	\$45,400	\$0
Sale of salvage	\$2,781	\$0	\$0
Loan repayment	\$0	\$3,495	\$0
Recycling and other rebates and refunds	\$21,311	\$0	\$0
Total Recovered Costs	\$33,824	\$49,333	\$769
Total revenue from local sources	\$17,501,028	\$4,366,286	\$2,037,702

Table C.3 Revenue Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
STATE GOVERNMENT			
Noncategorical Aid			
Motor vehicle carriers' tax	\$0	\$22,640	\$0
Mobile home titling tax	\$1,207	\$0	\$0
Taxes on deeds	\$58,801	\$5,399	\$9,472
Quarterly rental tax	\$0	\$2,404	\$0
Communications tax	\$323,492	\$29,701	\$52,109
Personal property tax relief funds	\$2,483,842	\$0	\$0
Total Noncategorical Aid	\$2,867,342	\$60,144	\$61,580
Shared Expenses (Categorical)			
Commonwealth's attorney	\$188,326	\$1,638	\$0
Sheriff	\$651,124	\$87,379	\$13,551
Commissioner of revenue	\$58,377	\$10,875	\$7,478
Treasurer	\$68,221	\$17,020	\$7,943
Registrar/electoral board	\$37,029	\$0	\$0
Clerk of the Circuit Court	\$122,539	\$11,020	\$30,937
Total Shared Expenses (Categorical)	\$1,125,616	\$127,933	\$59,910
Other Categorical Aid			
Fire programs fund	\$38,091	\$5,551	\$1,594
Litter control grant	\$4,055	\$0	\$0
Virginia Commission for the Arts	\$0	\$5,000	\$0
Other categorical aid	\$16,026	\$650	\$101
Total Other Categorical Aid	\$58,171	\$11,201	\$1,695
Total State Revenue	\$4,051,129	\$199,278	\$123,185

Table C.3 Revenue Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
FEDERAL GOVERNMENT			
Payments in Lieu of Taxes	\$0	\$6,135	\$0
Categorical Aid			
Crime victim assistance	\$53,042	\$0	\$0
SCAAP grant	\$605	\$0	\$0
DMV 402 grant	\$11,453	\$1,537	\$238
SAFER grant	\$6,068	\$1,504	\$150
DHR grant	\$7,582	\$696	\$1,221
Local law enforcement block grant	\$10,561	\$0	\$0
Violence against women formula grants	\$27,629	\$0	\$0
Total categorical aid	\$116,940	\$3,737	\$1,609
Total revenue from the federal government	\$116,940	\$9,872	\$1,609
Total General Fund	\$21,669,097	\$4,575,435	\$2,162,496
Special Revenue Funds			
Virginia Public Assistance Fund			
Payments from other jurisdictions	\$44,128	\$0	\$0
Expenditure refunds	\$5,876	\$0	\$0
Revenue from the Commonwealth	\$277,301	\$0	\$0
Revenue from the federal government:	\$712,855	\$0	\$0
Total Virginia Public Assistance Fund	\$1,040,160	\$0	\$0
Comprehensive Services Act Fund			
Revenue from the Commonwealth	\$285,079	\$0	\$0
Revenue from the federal government	\$14,036	\$0	\$0
Total Comprehensive Services Fund	\$299,115	\$0	\$0
Drug Enforcement Fund			
Revenue from the use of money	\$373	\$105	\$0
Gifts and donations	\$35,066	\$11,689	\$0
Total revenue from the Commonwealth (Asset forfeiture)	\$6,652	\$0	\$0
Total Drug Enforcement Fund	\$42,091	\$11,793	\$0

Table C.3 Revenue Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
Animal Care Fund			
Revenue from the use of money	\$3	\$0	\$0
Gifts and donations	\$225	\$0	\$0
Total Animal Care Fund	\$228	\$0	\$0
Conservation Easement Fund			
Real property taxes	\$55,932	\$5,135	\$9,010
Revenue from use of money	\$71	\$4	\$384
Miscellaneous	\$45,277	\$0	\$0
Revenue from the Commonwealth (Conservation easement grants)	\$0	\$0	\$305,963
Revenue from the federal government (Conservation easement grants)	\$0	\$0	\$233,625
Total Conservation Easement Fund	\$101,280	\$5,139	\$548,982
School Debt Service Fund			
Expenditure refunds	\$58,075	\$0	\$0
Revenue from the federal government (BAB interest subsidy)	\$123,526	\$0	\$0
Total School Debt Service Fund	\$181,601	\$0	\$0
Capital Projects Fund:			
General Government Capital Projects Fund			
Gifts and donations	\$28,281	\$9,937	\$0
Revenue from the Commonwealth	\$0	\$200,000	\$0
Revenue from the federal government	\$46,567	\$0	\$178,371
Total General Government Capital Projects Fund	\$74,848	\$209,937	\$178,371
Parks Construction Fund			
Revenue from the use of money	\$225	\$0	\$0
Gifts and donations	\$577	\$0	\$0
Total Parks Construction Fund	\$802	\$0	\$0
Total Primary Government	\$23,409,222	\$4,802,304	\$2,889,849

Table C.3 Revenue Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
SCHOOL BOARD FUNDS			
School Operating Fund			
Revenue from the use of property	\$0	\$60,915	\$0
Tuition	\$211,136	\$0	\$0
Town of Berryville Crossing	\$2,500	\$0	\$0
Facility use fees	\$3,162	\$0	\$0
Other miscellaneous	\$64,320	\$0	\$0
Private gifts and donations	\$12,590	\$0	\$0
Rebates and refunds	\$11,705	\$0	\$0
Insurance recoveries	\$1,590	\$0	\$0
Sale of equipment	\$14,223	\$0	\$0
Total revenue from the Commonwealth	\$8,699,714	\$0	\$0
Total revenue from the federal government	\$773,249	\$0	\$0
Total School Operating Fund	\$9,794,189	\$60,915	\$0
School Food Service Fund:			
Revenue from the use of money	\$143	\$0	\$0
Cafeteria sales	\$437,997	\$0	\$0
Expenditure refunds and rebates	\$25,021	\$0	\$0
Revenue from the Commonwealth (School food program grant)	\$9,801	\$0	\$0
Revenue from the federal government (School food program grant)	\$296,987	\$0	\$0
Total School Food Service Fund	\$769,949	\$0	\$0
Capital Projects Funds			
Donations	\$25,589	\$0	\$0
Other miscellaneous	\$829	\$0	\$0
Revenue from the Commonwealth (Technology grant)	\$201,787	\$0	\$0
Total School Capital Projects Fund	\$228,205	\$0	\$0
School Board	\$10,792,343	\$60,915	\$0
Total Revenue	\$34,201,565	\$4,863,219	\$2,889,849
Percentage Land Use	81.52%	11.59%	6.89%

Table C.4 Expenditure Allocations by Land Use Category

	Residential	Commercial/ Industrial	Agriculture/ Open Space
General Fund:			
General Government			
Board of supervisors	\$44,737	\$4,108	\$7,206
County administrator	\$246,568	\$22,639	\$39,717
Independent auditor	\$26,790	\$2,460	\$4,315
Legal services	\$35,805	\$3,287	\$5,768
Commissioner of revenue	\$154,769	\$28,832	\$19,827
Assessor	\$2,794	\$256	\$450
Equalization board	\$3,800	\$0	\$0
Data processing	\$242,442	\$22,260	\$39,053
Finance and purchasing	\$441,899	\$40,573	\$71,182
Treasurer	\$202,263	\$51,283	\$23,524
Board of elections	\$114,995	\$0	\$0
Subtotal General Government	\$1,516,863	\$175,697	\$211,042
Judicial			
Circuit court	\$15,817	\$2,195	\$219
General district court	\$4,411	\$138	\$0
Magistrate	\$17	\$0	\$0
Juvenile and domestic relations court	\$2,041	\$0	\$0
Clerk of the circuit court	\$205,065	\$16,447	\$23,966
Victim Witness Program	\$64,420	\$0	\$0
Regional court services	\$4,494	\$0	\$0
Blue Ridge legal services	\$1,500	\$0	\$0
Commonwealth's attorney	\$354,481	\$3,083	\$0
Subtotal Judicial	\$652,245	\$21,863	\$24,185
Public Safety			
Sheriff	\$1,962,221	\$263,325	\$40,838
Criminal justice training	\$18,318	\$2,458	\$381
Drug task force	\$10,608	\$0	\$0
Emergency medical services	\$602,049	\$170,228	\$11,309
Fire and rescue departments	\$249,447	\$36,355	\$10,439
Lord Fairfax Emergency Medical Services	\$4,166	\$1,178	\$78
Forestry services	\$434	\$23	\$2,256
Regional jail	\$489,071	\$0	\$0
Juvenile detention home	\$22,098	\$0	\$0
Probation office	\$47	\$0	\$0

Table C.4 Expenditure Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
Building inspections	\$152,106	\$27,804	\$3,345
Animal control	\$114,212	\$0	\$0
Medical examiner	\$160	\$0	\$0
Subtotal Public Safety	\$3,624,936	\$501,372	\$68,645
Public Works			
Refuse collection and disposal	\$142,851	\$0	\$0
Sanitation	\$218,380	\$17,288	\$2,730
Litter control program	\$3,835	\$0	\$0
General properties	\$625,777	\$57,455	\$100,801
Total public works	\$990,843	\$74,744	\$103,531
Health and Welfare	\$656,708	\$0	\$0
Education			
Lord Fairfax Community College	\$16,441	\$0	\$0
Subtotal Education	\$16,441	\$0	\$0
Parks, recreation, and cultural			
Parks and recreation	\$749,813	\$0	\$0
Cultural enrichment	\$17,000	\$0	\$0
Contribution to Handley library	\$206,513	\$0	\$0
Subtotal parks, recreation, and cultural	\$973,326	\$0	\$0
Community Development			
Planning administration	\$321,820	\$29,548	\$51,839
Office of Economic Development	\$0	\$49,599	\$0
Berryville Development Authority	\$0	\$475	\$0
Small business development center	\$0	\$1,500	\$0
Blandy Experimental Farm	\$3,000	\$0	\$0
Planning commission	\$9,669	\$2,066	\$0
Board of septic appeals	\$749	\$0	\$0
Historic preservation	\$10,303	\$572	\$572
Northern Shenandoah Valley Regional Commission	\$5,893	\$541	\$949
Regional airport	\$1,995	\$183	\$321
Friends of the Shenandoah	\$0	\$0	\$3,000
Water quality monitoring	\$23,945	\$2,198	\$3,857
Lord Fairfax Soil and Water Conservation	\$0	\$0	\$5,000

Table C.4 Expenditure Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
Biosolids Application	\$0	\$0	\$618
Cooperative extension service	\$22,543	\$0	\$22,543
Northern Virginia 4-H Center	\$1,150	\$0	\$1,150
Community Development Subtotal	\$401,067	\$86,683	\$89,850
Nondepartmental			
Miscellaneous	\$3,376	\$310	\$544
Unemployment compensation	\$730	\$67	\$118
Subtotal Nondepartmental	\$4,106	\$377	\$661
Total General Fund	\$8,836,534	\$860,736	\$497,915
Special Revenue Funds			
Virginia Public Assistance Fund	\$1,478,944	\$0	\$0
Comprehensive Services Act Fund:	\$756,714	\$0	\$0
Total Drug Enforcement Fund	\$65,875	\$0	\$0
Total Shenandoah Farms Sanitary District	\$4,760	\$0	\$0
Total Conservation Easement Fund	\$0	\$0	\$695,891
Subtotal Special Revenue Funds	\$2,306,293	\$0	\$695,891
Debt Service			
Total School Debt Service Fund	\$3,815,111	\$0	\$0
Total Primary Government Debt Service	\$200,895	\$18,445	\$32,360
Subtotal Debt Service	\$4,016,006	\$18,445	\$32,360
Capital Projects			
Communications equipment	\$63,857	\$10,281	\$1,387
Vehicles	\$21,501	\$1,974	\$3,463
Baseball field lighting	\$10,663	\$0	\$0
Technology and equipment improvements	\$5,198	\$477	\$837
Sheriff vehicles	\$69,331	\$9,304	\$1,443
Spout run improvements	\$0	\$0	\$177,523
Greenway court preservation	\$57,033	\$0	\$0
Tourism signs	\$0	\$19,911	\$0
HVAC	\$19,143	\$1,758	\$3,084
Systems integration	\$69,257	\$6,359	\$11,156
Sheriff equipment	\$41,737	\$5,601	\$869

Table C.4 Expenditure Allocations by Land Use Category (continued)

	Residential	Commercial/ Industrial	Agriculture/ Open Space
Parks - Shelter	\$49,150	\$0	\$0
Swimming pool	\$84,022	\$0	\$0
Painting and flooring	\$16,607	\$1,525	\$2,675
Paving	\$4,731	\$434	\$762
Buildings	\$5,268	\$484	\$849
Egg plant grant	\$0	\$200,000	\$0
Citizens convenience center	\$66,082	\$0	\$0
Subtotal Capital Projects	\$583,580	\$258,108	\$204,048
Total Primary Government	\$15,742,412	\$1,137,289	\$1,430,214
School Board			
Instruction	\$16,874,326	\$0	\$0
Administration, attendance and health	\$1,426,458	\$0	\$0
Pupil transportation services	\$1,007,468	\$0	\$0
Operation and maintenance services	\$2,158,622	\$0	\$0
Administration of school food program	\$816,246	\$0	\$0
Total School Capital Projects Fund	\$4,287,125	\$0	\$0
Subtotal School Board	\$26,570,245	\$0	\$0
Total Expenditures	\$42,312,657	\$1,137,289	\$1,430,214
Percentage Land Use	94.28%	2.53%	3.19%

APPENDIX D. CONSERVATION EASEMENT IMPACT ON STATE TRANSFERS

Clarke County's Conservation Easement Program potentially affects county revenue collections through several different channels. Since conservation easements decrease property value appraisals, they can in theory decrease county real property tax collections. However, the vast majority of such properties would already likely participate in the county use value taxation program, which effectively limits the assessment of agriculture/open space properties to land value without development rights. Thus, the local revenue impact is likely negligible. Another revenue impact would occur through state formula-driven fiscal transfers. The county received \$4.4 million from the Commonwealth in FY 2017 for general fund activities, including payments to support Constitutional officers, categorical aid and non-categorical aid. More importantly, the county received \$8.7 million in revenue from the Commonwealth for the School Operating Fund, largely funding awarded through the state's Standards of Quality (SOQ) funding process. The latter program awards funds on the basis of local fiscal capacity; hence, localities demonstrating greater fiscal capacity, holding all else the same, receive smaller transfers. Fiscal capacity is measured by a Composite Index of Local Ability to Pay Formula measured by per capita weighting of property tax assessments, sales tax revenues, and resident adjusted gross income.¹¹

Table D.1 summarizes the impact of the county's Conservation Easement Program on property assessments. The county has 29,333 acres under permanent conservation easement with 434 acres aided with the assistance of county's Conservation Easement Authority funding in FY 2017 alone. The value of property rights removed per acre is estimated at \$2,800 to \$3,132. The lower-end estimate is based on a regression analysis of county tract land assessments with and without easements, controlling for total acreage and total easement acreage. The latter figure is based on easement appraisals submitted by property owners for development rights purchased over the period FY 2004 through FY 2017. Thus, county property assessment is likely \$82.1 million to \$91.9 million lower than would be the case otherwise. Adding this value back to the county property assessment rosters would raise county fiscal capacity as measured by total property tax assessments and would be reflected in a higher composite index of local ability-to-pay, which is inversely related to the state contribution towards eligible K-12 local school expenditures.

For Virginia counties, current benchmark composite values vary from a low of 0.1779 for Lee County in the Southwest coalfields to a maximum capped value of 0.8 for several Virginia localities, including four relatively wealthy localities in Northern Virginia. Clarke County's current value is 0.5506, ranking it 20th highest among Virginia localities. This value translates into a roughly 45 percent state contribution ((1-.5506)x100 percent) factor for eligible expenditures that are weighted by the composite index factor (e.g., basic instructional programs, vocational education, gifted education, special education, remedial services, textbooks, employer benefits, ESOL, and selected lottery financed programs), which is estimated to be approximately \$13.5 million in FY 2019.¹² If Clarke County conservation easements had not been created, the County would have an estimated \$82.1 million to \$91.9 million in additional property assessment, which would translate into higher composite indices of local ability-to-pay varying from a low of .5603 to a high of .5615. Thus, state contributions would decrease by approximately 1 percent translating into lost funding of approximately \$131,000 to \$147,000.

11 The Composite Index of Local-Ability-to-Pay formula is described in greater detail with supporting data at the Virginia Department of Education Budget and Grants Management website (http://www.doe.virginia.gov/school_finance/budget/compositeindex_local_abilitypay/).

12 Eligible expenditure estimates scaled by the composite factor are described at the Virginia Department of Education using the Direct Aid Calculation Templates Budget Calculation Tools for the 2018-2020 Biennium. http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml

Table D.1 Estimated Conservation Easement Impact on Clarke County State SOQ Funding

Acres under conservation easement	29,333
Acres added through county efforts in FY2017	434
Appraisal value (per acre) estimated	\$2,800
Appraisal value (per acre) recent history (FY 2004-FY2017)	\$3,132
Estimated value conservation easements (low)	\$82,122,133
Estimated value conservation easements (high)	\$91,870,956
Baseline SOQ value (FY18-FY20)	0.5506
Change to SOQ without conservation easements (low)	0.5603
Change to SOQ without conservation easements (high)	0.5615
Projected funding loss conservation without easements (FY19)--low	\$131,360
Projected funding loss without conservation easements (FY19)--high	\$146,953