

2007 Legislative Priorities for the City of Norfolk

- 1) **Real Estate Tax:** The City recommends legislation that gives localities the discretion to implement limited homestead exemptions which requires an amendment to the Virginia Constitution. The City also recommends a separation between commercial and residential classifications, as an additional tool to address rising assessments. In each case, the City strongly opposes any legislation that would limit local discretion in establishing real estate strategies.
- 2) **Virginia Housing Trust Fund:** The City requests the Commonwealth to establish a State Housing Trust Fund. This fund will provide matching funds to localities that already have, or will establish, housing trust funds that help finance affordable housing and permanent supportive housing for the homeless, mentally ill and disabled. Localities will be required to provide local revenue or corporate sources as matching funds.

State assistance is needed within this area, given that less than 30% receive federal housing subsidies and that an increasing burden falls to localities as deinstitutionalization continues. These individuals constitute a substantial portion of the homeless population, attain incomes averaging only \$600/month and there is a lack of available housing to meet their means. On any given day in Norfolk, over 200 persons sleep on the street, while an additional 400 can be found in shelters or homeless housing programs.

Additionally, it is incumbent on Norfolk as an urban community to provide assisted living/group home facilities to those individuals discharged from state facilities - approximately 60 city residents targeted to return to the community lack housing options without state funds. This is further exacerbated by those (about 1,000) who might need extended care but who do not given the lack of beds in smaller state facilities nor receive any or adequate residential assistance.

- 3) **VA Small Business Financing Authority:** The 2003 General Assembly amended the definition of “eligible business” in the Virginia Small Business Financing Act, Va. Code Sec. 2.2-2279, to allow the VSBFA to issue bonds not only for small businesses, but also for public charities or 501(c)(3) organizations, of any size. This represented a major expansion of the VSBFA’s jurisdiction, as previously “eligible businesses” were limited to for-profit entities meeting various gross income, employment or net worth limits (which essentially defined a “small business”), yet no corresponding limit was imposed on the size of 501(c)(3) organization that could obtain bonds from the VSBFA.

Localities’ Industrial Development Authorities (“IDAs”; sometimes called economic development authorities, or EDAs, as in Norfolk) have traditionally charged borrowers obtaining tax-exempt bonds an administrative fee (typically 1/8 of 1% per annum on the

outstanding principal balance of the bonds), which the IDAs used to support local economic development efforts. If larger 501(c)(3) organizations turn to the VSBFA instead of their local IDA for their bonds, there will be significant fiscal impacts on localities. The City of Norfolk proposes amendments to the VSBFA Act to restrict bond issuance to non-profits using the same criteria used for small businesses.

- 4) **City Charter Changes for Norfolk Airport Authority:** The Norfolk Airport Authority has requested several amendments to the sections of the Norfolk City Charter that govern the Norfolk Airport Authority. Most of the proposed amendments are minor technical changes. The most substantive amendment relates to the authority of the Airport Police force to grant policing powers outside of the airport proper in order to patrol outlying parcels on Burton Station Road and Robin Hood Road.
- 5) **DMV Access Fees:** The 2006 General Assembly enacted legislation that allows DMV fees to be charged to local governments for accessing their records. After much objection by municipalities, DMV decided to not to implement these fees this year; however, authority still exists under state code. If implemented, costs could be significant for Norfolk. Consider legislation to amend VA code 46.2-214 to specifically exempt local governments vice local law enforcement only. Currently the code exempts federal, state, or local law enforcement officer, attorney for the Commonwealth, official of any federal or state court, or the authorized agent of any of the forgoing provided that the request is for official use. DMV indicated to us that they do not consider parking enforcement a local law enforcement operation and would be subject to the charges.

2007 Funding Requests

1) Norfolk Electric Transit Bus Replacement: \$6,200,000

Since 1997, the Norfolk Electric Transit (NET) shuttle system circulator, operated by Hampton Roads Transit (HRT), has provided over 30,000 rides per month connecting strategic locations in downtown Norfolk. The City and HRT request \$3.1 million in General Funds and authorization for a \$3.1 million match from the state transit capital program through the Department of Rail and Public Transportation for the replacement of the NET Bus fleet the NET fleet which has exceeded its useful lifespan and is in dire need of replacement.

2) Port Service Fees: \$6,662,580

The City requests the Commonwealth to fully fund the port service charge payment in lieu of taxes for port host cities. The 2000 General Assembly recognized that Virginia's port communities are entitled to increased service charges from the state due to the tax exempt property in those localities and the impact of hosting the port facilities. No appropriations under the new formula have been made to date. The total appropriation should be \$6,662,580 from the General Fund. Norfolk's share of the funding will be \$4,185,038.

Non-state Agency Funding

3) Virginia Zoo: \$2,000,000

The Virginia Zoo is preparing to build the first phase of a new master plan, which includes an animal hospital, a playground with a carousel and exhibits for tapirs, lemurs and gibbons, at a cost of \$18 million. Exhibits will be rolled out over several years starting in 2008. State funding would be combined with a \$7 million grant from Frank Batten Sr., \$6.2 million from the city and an additional \$1 million in private donations.

4) USS Wisconsin: \$2,000,000

More than 2.5 million visitors have walked the decks of the Battleship USS Wisconsin in the past 5 ½ years. The U.S. Navy made the Wisconsin available for donation in March of this year. The Norfolk City Council passed a resolution in May 2006 and submitted a letter of intent signifying the City's interest in accepting stewardship of the battleship. The City's donation application is moving through the Navy's process.

Early estimates are that the Wisconsin will need in excess of \$10 million for full infrastructure requirements (life safety items, fire detection & suppression, heating/cooling, ADA accessibility requirements, water/sewer improvements, exhibits, etc.) The Board for The National Maritime Center has agreed in principle to conduct as capital campaign in 2008 that will fulfill a portion of this need. However, local and state funds are needed to keep the Battleship Wisconsin, a true icon of US Naval power, in the homeport of naval history – Hampton Roads, Virginia.

Support for Community Partners

5) Hampton Roads Military & Federal Facilities Alliance: \$750,000

The purpose of the HRMFFA is to promote and protect the common good and welfare of the 1.6 million residents of the thirteen participating jurisdictions of the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Isle of Wight, James City, and York. The mission is to sustain and grow the federal presence and capabilities in the Hampton Roads region and leverage federal capabilities to encourage private investment.

The Alliance acts by influencing legislation or other actions of the Federal government regarding facilities/capabilities controlled or funded by the Federal government. The objectives of such action are to retain and attract to the Hampton Roads region facilities, institutions, and organizations or investments owned, operated, or funded by the Federal government.

Issues to Monitor, Support or Oppose

- 1) **Amendment for East Ocean View Redevelopment Plan:** Amendments are needed to allow for the adoption of a new East Ocean View Redevelopment Plan. The intent of the proposed amendment is to bring East Ocean View under the same law as the rest of the Commonwealth and eliminate a restriction that was well intended but no longer appropriate.
- 2) **Hampton Roads Sanitation District:** The City supports amendments to the governing powers of HRSD, granted through the Code of Virginia, to more equitably provide for fair representation of localities and their citizens. The changes in governance will allow for better planning and service of wastewater needs by the member localities in Hampton Roads.
- 3) **Eminent Domain Authority:** The City supports retention of current eminent domain authority for localities and housing authorities and opposes any restriction thereof.
- 4) **Payday Lending:** The City supports additional limitations on the operations of pay day lending facilities to include capping of interest rates and creation of a statewide database to prevent multiple loans to any one consumer.
- 5) **HB 599 Funding:** The Secretaries of Finance and Public Safety have reviewed the current methodology for the distribution of state aid to localities with police departments (HB 599 of 1979) to determine whether or not the enabling legislation and funding formula warrant modification and a report to the General Assembly is due this month. The City will monitor the development of a position by the Administration on this issue.