

NORFOLK, VIRGINIA

MEETING OF COUNCIL

TUESDAY, FEBRUARY 5, 2019

Mayor Alexander called the meeting to order at 4:00 p.m. with the following members present: Mrs. Courtney R. Doyle, Mrs. Angelia Williams Graves, Mrs. Mamie B. Johnson, Mrs. Andria P. McClellan, Mr. Paul R. Riddick Mr. Tommy Smigiel and Mr. Martin A. Thomas Jr.

He then called on the City Manager to proceed with the agenda.

A. ANNUAL AUDIT PLAN

Tammie Dantzler, Interim City Auditor, stated the purpose of the Annual Work Plan is to establish the framework for audits to be conducted; guide audit activities and workflow of the City Auditor's office; and outlines area of audit focus for a 12-month period. An organizational chart was presented.

SOURCES USED TO DEVELOP THE PLAN:

- Audit Leads - Prior Audits, Inquiries/Investigations, Complaints, City Financial Audit
- Internal - City Auditor Staff, Risk Assessment
- External - Citizens, Current Events, Trends, Other Localities, State and Federal
- Hotline Complaints - Complaints
- City Council - Council Priorities, Specific Requests
- Management Concerns - City Administration, City Departments, City Agencies

FY 18 CARRY FORWARD AUDITS IN PROGRESS:

- Fleet Maintenance Contract - Final Report Phase
- Norfolk Public Library - Draft Report Phase
- City-wide Maintenance - Fieldwork Phase
- Community Block Development Grant - Planning Phase

2019 PROPOSED AUDITS AREAS:

- Temporary Employment Services
- Retirement
- Stormwater Operations
- Fire/Rescue Collections Processes
- Follow-up Reviews of Audits/Investigations Recommendations

Other Projects For 2019:

- Inquiries-Investigations (Fraud, Waste and Abuse Hotline)
- Administration of External Audit Contract
- Administration of Health Care Claims Contingency Audit
- City-wide Internal Control Assessment
- Missing, Lost, Stolen Property Database
- Review of Disbursements/Credit Card Transactions
- Management or Council Requests
- Cash Counts
- Other City Agencies Requests

B. PLANNING UPDATES

George Homewood, Director of Planning, gave a brief update on Planning information and asked Council to provide feedback on how information is provided. The agendas for City Planning Commission, Architectural Review Board, Board of Zoning Appeals and Wetlands Board are posted online within 48 hours of the filing deadline. Pending Land Use Reports and approved site plans are presented to Council in their packets (dropbox) and posted online.

Mr. Homewood stated that a new online management system could affect online posting, but presently, changes in agendas and other information is posted online for citizens who signed up for email notifications. The City Manager sends Council a weekly update that includes a pending list of City Planning Commission items that are coming to Council on a future draft agenda. Generally, those are

things that may be a little further along in the process than what is provided on the Pending Land Use Report.

The Planning Department supports four different Boards and Commissions, as well as providing support to the City Council. The Boards and Commissions are: City Planning Commission, Architectural Review Board, Wetlands Board, and Board of Zoning Appeals. Conditional Use Permits come to City Council 58 days from the original filing.

Councilman Smigiel expressed concerns about complaints from developers and builders about the administrative process. They feel frustrated by conflicting information which causes lengthy delays for their projects. Mr. Homewood explained the legislative and Site Plan Review processes. He added that sometimes delays happen with Site Plan Review. He noted that Planning is the only department with staff dedicated to running the Site Plan Review process.

Councilman Smigiel suggested doing case studies of the processes where they have received complaints. He cited two projects: Rally's on Little Creek Road and the project by the old Surfrider Restaurant in Ocean View.

Councilwoman Doyle asked if Planning had done an audit to see how long applications remain in the queue and why. Mr. Homewood noted that projects that move through the queue quickly are projects that come to City Council and there are deadlines to be met. The other projects are the ones that go through the Site Plan Review process, and they are currently doing that audit. He added what they have found in previous audits is that the greatest amount of time in the process is after a city review and a project is back in the hands of the architect, engineer, landowner and developer to make changes and resubmit, not on the city side. Councilwoman Doyle stated that the audit should reflect that. In addition, Councilwoman Graves suggested an independent audit be conducted outside of the Planning Department.

Councilwoman McClellan asked if information regarding short-term rentals can be posted on the website informing citizens who to contact until the web-based system is in place.

Discussion Items:

- Annette Stone CUPs
- Cogan's parking rezoning
- James Flanigan new multifamily rezoning/CUP/street closure

- EDC townhomes rezoning
- Reaver Beach Brewing CUP
- Bold Mariner Brewing CUP
- Merrimac Market CUP
- East Beach Living Cup
- Bluestone Avenue realignment
- Coca Cola/Monument Street closures
- Retreat at Harbor Pointe land disturbance permit
- Wetlands Board Policy Manual Update
- Wetlands Board Water Quality Component

Highlighted Items and Activities:

- Colonial Place/Riverview NRO - February 4/March 4
- Riverforrest Shores/Wayside Manor/Easton Place Board Discussion of TOD - March 4
- Greenies Site Community Discussion - March 11
- Commercial Pattern Book Industry Discussion - march (date TBD)
- Program for Public Information (PPI) regarding Flooding Outreach - March/April presentation to City Council

Downtown - St. Paul's District:

- Zoning Text Amendment to create a new zoning district, D-SP (Downtown - Saint Paul's) district
 - To enable development in accordance with the Saint Paul's Area Transformation Plan
- A rezoning application will be needed to apply this new district to any particular property in the St. Paul's area
- The Downtown - Saint Paul's District will be similar to the existing Downtown - Mixed Use District
- Designed to encourage higher density, mixed use to the west of a realigned Church Street and more residential focus to the east
- Specific regulations cover:
 - Use of ground floor
 - Fenestration (transparency)

- Build-to line
 - Building height
 - Parking (none required)
 - Development Certificate (ARB required)
- City Planning Commission recommended approval at January 24 Public Hearing
- Scheduled for City Council February 26 Public Hearing

Councilman Riddick asked to ensure that minorities and other small business owners be encouraged and allowed to be a part of the St. Paul's quadrant projects.

C. CENSUS 2020 PREPARATIONS

Janice Hurley, Planner II, stated the Census 2020 is a census of population and housing with a goal to count everyone once and in the right location. It is decennial and required by the Constitution, and there are ten questions on this census. This is the first census to go beyond mail-out-and-mail-back. People will have the opportunity to respond over the internet and telephone, as well.

The census information is used to determine how many congressional districts the states have. It's also used for redistricting at the federal, state, and local level. It's used to distribute funding from the federal government, \$675 billion in fiscal year 2015. It funds programs such as Medicaid, Medicare Part B, Highway Planning, School Lunch Programs, et cetera. It's also used to provide statistical support for grant applications and it helps us prepare for future needs.

City's role in Census 2020:

- Establish partnership between Census Bureau and City
- Technical Review of Census mailing addresses (LUCA)
- Create city internal work group to develop outreach plan and leverage city resources and talent
 - Libraries
 - Civic Leagues
 - Public Schools
- Create "Complete Count Committee" of local stakeholders such as Norfolk Public Schools, NRHA, businesses, religious groups, and

other organizations to help increase public awareness and participation

What Our Challenges Are:

- College students (on and off-campus)
- Public housing residents
- Military personnel and families
- Homeless population
- Mail back response from the Census 2010 was 69 percent.

Census 2020 Public Awareness Campaign:

Complete Count Committee will be created to utilize local knowledge, expertise, and influence of local stakeholders to design and implement a census awareness campaign targeted to the Norfolk community. The goal is to increase the census response rate for Norfolk residents returning their questionnaire through a focused, neighbor-to-neighbor program. In addition, subcommittees will be formed to assist in these efforts.

Governor Northam issued an Executive Order on December 19, 2018 to establish the Virginia Complete Count Committee for the 2020 Census. Richmond has created RVA Counts 2020 and Complete Count Committee and established a website.

Next Steps:

- City council Ordinance on February 27 to establish Complete Count Committee
- Schedule kick-off event for Spring 2019
- Set up website, Facebook page, and other social media
- Develop strategic plan for Census 2020 outreach
- Continue advertising Census jobs for Norfolk residents

Councilwoman Graves suggested reaching out to Pan-Hellenic Council chapters for representatives to serve on subcommittees and

assist with census efforts. She also suggested partnering with Realtor and landlord associations.

D. ECONOMIC DEVELOPMENT UPDATES

- Update on Ikea and Outlet Mall
- Access to Capital Program Changes
- Technology Zone Incentives

Presenters: Jared Chalk, Interim Director of Development
Sean Washington, Business Development Manager

Mr. Chalk gave an update on IKEA and the Outlet Mall.

IKEA Norfolk

- Opening April 10th
- Destination retailer that is very selective with areas of expansion
- \$75 million investment
- 310,000 SF building with structured parking
 - LEED certified green building (solar panels, etc.)
- 250 permanent jobs and 160 seasonal jobs
- Estimated - \$3.3 million per year in direct local taxes

Construction Progress

- Project remains on schedule
 - Interior build out continues
 - Parking garage completed
 - Interstate signage coordination with VDOT
 - Three electric charging stations

- Solar Array
 - 1.26 megawatt system with 3,654 panels
 - Designed by REC Solar
 - Largest rooftop solar array in the region

Hiring Events

- IKEA partnered with Norfolk Works to host two hiring events
- 160 seasonal job openings, on top of their planned 250 permanent positions
- January 31st - Norfolk Workforce Development Center, 529 interviews
- February 7th - second hiring event, TCC Norfolk Student Center

Norfolk Premium Outlets

- New Tenants
 - Forever 21, currently under construction, one of the anchor tenants for the east side
 - Pizza Studio is also under construction
- In Q4 of 2018 opened: Bath and Body Works, White Barn, Kate Spade, and Plaza Azteca
- Talking with IKEA to discuss possible partnership opportunities
- Linear park grand opening this Spring

Mr. Chalk presented a conceptual site plan for the Northampton and Premium Outlets Boulevard corridor, noting pending tenants: Tru by Hilton, Chick-fil-A, Mission BBQ, Verizon, Duck Donuts, Which Wich, and Moe's.

Councilman Smigiel asked to start clean-up efforts prior to IKEA's grand opening noting there is construction debris, trash, and overgrown brush. He asked to look at lighting, mulching, better signage, and adding Norfolk banners.

Mr. Washington reported on the Capital Access Program (CAP)

The Economic Development Department is establishing a Capital Access Program (CAP) with the goal of filling a financing gap in the market place for entrepreneurs to either start or expand their business. Our goal is to ensure that the products we have reach all our population. Most of these programs come from HUD.

How will CAP be different? The program allows assistance to broader business community with high barriers to capital access. It's replicating a proven model and has a consistent and predicible timeline.

Five Capital Access Products:

- Micro Grant
- Economic Development Authority Small Business Grant
- Reimbursable Grant
- **Façade Grant**
- Norfolk Revolving Loan fund

The Process:

In each year, the businesses will have an opportunity to apply for financial assistance on a quarterly basis.

- First month of each quarter - Marketing and application intake
- Second month of each quarter - Application processing and review
- Third month of each quarter - Contract execution and grant funding

“CAP” Grant Scoring Matrix:

- Vision and Plan
- Experience and Capacity
- Community and Capacity
- Community Impact
- Innovative and Scalability
- Financial Status & Leverage

Councilman Smigiel asked for detailed documentation showing a breakdown of each product. Councilwoman Johnson echoed his request.

Mr. Chalk reported on Technology Zone Incentives.

The Technology Zone began in 2017 was a program to foster development and location of new technology businesses to increase capital investment and create jobs. The Ordinance provides for review of Zone criteria and incentives annually to assure alignment with city priorities and economic development strategy and to make recommendations if criteria or incentives should be modified.

Current Requirement:

- Create at least five (5) new full-time jobs or
- Make a capital investment of at least \$200,000 in either (i) tangible personal property or machinery and tools or (ii) real estate improvements used exclusively in such business, or any combination thereof

Current Benefit:

- Years 1 & 2: 100 percent reduction in BPOL
- Years 3, 4 & 5: 50 percent reduction in BPOL
- Does not apply to existing businesses

Recommended Changes:

- Include existing companies that expand in the zone
 - Companies fewer than 20 employees: grow >5 employees
 - Companies with more than 20 employees: grow >25 percent
 - Benefit: 50 percent off BPOL in year of growth
- Allow independent spinoffs of Norfolk firms to qualify as new businesses

- Limit maximum benefit to \$100k/year
- Modify Zone Borders

Recommendation:

- Council approval of an Ordinance to modify the current Technology Zone Incentives based on the recommended changes as proposed

The proposed amenities include: club/meeting room, tot lot and play area, Tidewater Drive park and trail, fitness room with equipment, dog park, and patio area with grills.

E. COUNCIL PRIORITIES

Councilman Smigiel asked City Council to oppose Virginia Legislative Bill HJ615 concerning redistricting.

Councilman Smigiel distributed a letter regarding bike lanes. He asked City Council reconsider issues and particularly regarding lane closures. He suggested further discussion is needed with the community and the military, and that further study is needed on how bike lanes are being used and their impacts on traffic.

Councilwoman Doyle asked the City Manager for an inventory of city-owned properties and to provide the list at the retreat. She stressed the importance of putting properties back on the city's tax rolls and generating revenue for the city.

Councilman Riddick stated that strict code enforcement is needed in all neighborhoods. Councilwoman Johnson suggested implementing a master plan with a roll-out campaign to educate citizens on expectations and consequences. Councilwoman Graves asked if we need to hire more code officials. Councilman Riddick suggested attaching fines to HRBS invoices. He added that code-compliance inspections are needed for rental properties when they change occupancy.

Councilwoman McClellan invited Council to the 3rd Annual Engage Norfolk Event on Sunday, February 10, 2019 at Norview High School (Council Members-1:30 to 2 p.m.).

F. CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clause 3** of subsection (A) of Section 2.2-3711 of the Virginia Freedom of Information Act, as amended:

- (3) Discussion of acquisition of real property for a public purpose in the Greater Wards Corner, Ocean View and St. Paul's areas, where discussion in an open meeting would adversely affect the bargaining position of the public body.

Yes: Doyle, Graves, Johnson, McClellan, Smigiel, Riddick, Thomas, and Alexander.

No: None.