

FINANCE COMMITTEE AGENDA

Tuesday, August 9, 2016
11:30 a.m. – City Manager’s Large Conference Room**

GENERAL BUSINESS

11:30 a.m.

1. Approval of the Draft Finance Committee Meeting Notes from July 12, 2016

Contact: Donna Witt, Director of Financial Services 455-3968

11:35 a.m.

2. Report on the General Fund Reserve for Contingencies

Contact: Donna Witt, Director of Financial Services 455-3968

11:40 a.m.

3. Consider a request to adopt a resolution to amend the FY 2017 City/Federal/State Aid Fund budget to appropriate \$133,078 with resources from the FY 2017 Victim Witness Grant Program to meet the direct victim assistance service needs of the community.

Contact: Michael R. Doucette, Commonwealth Attorney 455-3762

11:45 a.m.

4. Consider a request to adopt a resolution to amend the FY 2017 General Fund budget and appropriate \$52,545 with resources from the General Fund Reserve for Contingencies to support the purchase of a new prosecution case management system.

Contact: Michael R. Doucette, Commonwealth Attorney 455-3762

11:50 a.m.

5. Direct staff to amend the attached Performance Agreement with Golden Mile, LLC based on the attached key elements and bring to City Council for consideration at its Work Session on September 13, 2016.

Contact: Bonnie Svrcek, City Manager 455-3990

11:55 p.m.

6. Review collections received from five of the City’s largest revenue sources.

Contact: Donna Witt, Director of Financial Services 455-3968

12:00 p.m.

7. Roll Call

The next Finance Committee meeting is Tuesday, September 27, 2016, at 11:30 a.m.

****Please note the Finance Committee will now meet monthly in the City Manager’s Large Conference Room, 3rd Floor, City Hall.**

FINANCE COMMITTEE NOTES-- DRAFT
Tuesday, July 12, 2016

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: Councilmember Jeff S. Helgeson, Chairman; Councilmember Randy Nelson; Councilmember Mary Jane Dolan, Mayor Joan Foster, Ex-Officio

Others: Bonnie Svrcek, City Manager; Margaret Schmitt, Interim Deputy City Manager; Donna Witt, Director of Financial Services, Starlette Early, Budget Analyst

Chairman Helgeson welcomed Councilmember Mary Jane Dolan to the Finance Committee.

1. Approval of the Draft Finance Committee Meeting Notes from May 24, 2016

The Finance Committee meeting notes for May 24, 2016 were unanimously approved as submitted.

2. Report on the General Fund Reserve for Contingencies

Donna Witt reported there were no new items for the FY 2016 General Fund Reserve for Contingencies, ending the year with a balance of \$342,426. The FY 2017 General Fund Reserve for Contingencies was introduced, with no items and a balance of \$1.2 million.

3. Consider a request to adopt a resolution to amend the FY 2016 City/Federal/State Aid Fund budget and appropriate \$24,490 with resources from a grant from the Library of Virginia to preserve eighty-four (84) Deed books numbered 298 through 381 with records dated July 1955 through November 1963 at the Lynchburg Circuit Court Clerk's Office.

The Committee unanimously approved this item.

4. Consider a request to adopt a resolution to amend the FY 2016 City/Federal/State Aid Fund budget and appropriate \$50,000 with resources from a marketing leverage grant from the Virginia Tourism Corporation. The funds will be used for the Website Development Program for the Lynchburg Regional Convention & Visitors Bureau.

The Committee asked for additional information regarding cost of Website Development Program and will move this item to full Council for consideration with no recommendation.

5. Finance Committee Guidelines Review

Donna Witt reviewed staff's recommendations and noted this item will go on Council's consent agenda at the August meeting. The Committee unanimously approved the recommended updates for the Finance Committee Guidelines.

6. Investment Summary

Donna Witt presented the quarterly Investment Summary

7. Review collections received from five of the City's largest revenue sources

Donna Witt presented the latest revenues through the month of April. She noted the April 2015 Sales and Use Tax reflected a one-time event that skewed the comparison with April 2016 performance. Consumer Utility Tax is down due to mild weather and Lodging Tax numbers are a function of timing of payments. Overall, collections are good.

8. Roll Call

There were no items for roll call.

Meeting adjourned at 12:06 p.m.

The next Finance Committee meeting is Tuesday, August 9, 2016, at 11:30 a.m.

FY 2017 GENERAL FUND RESERVE FOR CONTINGENCIES

	<u>Reserve for Contingencies</u>	<u>City Manager's Discretionary Funding</u>
BEGINNING BALANCE, JULY 1, 2016	\$1,150,000	\$50,000
Carryforward to FY 2017 Reserve for Contingencies - 05/24/16 Council Meeting	0	
BALANCE	\$1,150,000	\$50,000
APPROPRIATIONS (Second Reading)		
TOTAL APPROPRIATIONS	\$0	\$0
REMAINING BALANCE	\$1,150,000	\$50,000
ITEMS INTRODUCED		
Case Management Software System- Office of Commonwealth's Attorney - 08/09/16 Council Meeting	\$52,545	
TOTAL INTRODUCED ITEMS	\$52,545	\$0
REMAINING BALANCE	\$1,097,455	\$50,000
PENDING ITEMS		
TOTAL PENDING ITEMS	\$0	\$0
PROJECTED BALANCE	\$1,097,455	\$50,000

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 9, 2016**

AGENDA ITEM #: **3**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: FY2017 Victim Witness Grant Program Award

Strategic Pillar(s) Impacted:

<input type="checkbox"/> Arts & Culture	<input type="checkbox"/> Citizen Engagement & Social Capital	<input type="checkbox"/> Economic Development	<input type="checkbox"/> Healthy & Active Living
<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Land Use	<input type="checkbox"/> Lifelong Learning	<input type="checkbox"/> Natural Resources
<input type="checkbox"/> Neighborhoods	<input checked="" type="checkbox"/> Safe Community	<input type="checkbox"/> Social Equity	<input type="checkbox"/> Transportation
			<input type="checkbox"/> Administrative

RECOMMENDATION: Adopt a resolution to amend the FY 2017 City/Federal/State Aid Fund budget to appropriate \$133,078 with resources from the FY 2017 Victim Witness Grant Program to meet the direct victim assistance service needs of the community.

SUMMARY: The FY2017 Victim Witness Program budget is currently appropriated at \$232,667. The Commonwealth's Attorney's Office, Victim Witness Grant Program was awarded an additional \$133,078 in FY2017 VOCA/Victim Witness Program funds for a total of \$365,745 (\$274,309 Federal and \$91,436 in State Special Funds). The Office of the Commonwealth's Attorney is requesting approval to appropriate \$133,078 towards the following direct victim services:

- \$81,500 to hire two new staff members, 1 FTE Victim Witness Program Assistant and 1 hourly .62 Community Advocate
- \$7,878 to purchase office furniture and computer equipment for the to-be-hired Community Advocate to be housed at the Juvenile and Domestic Relations District Court
- \$33,000 towards the purchase of an office-wide case management system
- \$7,200 for training for new and seasoned staff members
- \$3,500 for printing program brochures and other services.

According to the Grants Administration, through the Virginia Department of Criminal Justice Services, VOCA/Victim Witness monies will remain at the current funding levels for approximately five to six years. In addition to the \$133,078 (57.2%) increase in the Lynchburg Victim Witness Program funds received in FY2016 and FY2017, the Victim Witness Grant program funding is expected to increase another 2% in FY2018. Staff hired within FY2017 will be informed that the renewal of the position will be based on the amount of grant monies available.

PRIOR ACTION(S): Finance Committee, August 9, 2016

FISCAL IMPACT: \$133,078 increase in Victim Witness Grant Funds

CONTACT(S):

Donna Nash, Office/Grants Administer, Office of the Commonwealth's Attorney, 455-3770
Michael Doucette, Commonwealth's Attorney, 455-3762

ATTACHMENT(S): Resolution;
Copy of the FY2017 Victim Witness Program Award

REVIEWED BY:

RESOLUTION:

BE IT RESOLVED that the FY 2017 City/Federal/State Aid Fund budget is amended and \$133,078 is appropriated with resources from the FY 2017 Victim Witness Grant Program to meet the direct victim assistance service needs of the community.

Introduced:

Adopted:

Certified:

Clerk of Council



COMMONWEALTH of VIRGINIA

Department of Criminal Justice Services

Francine C. Ecker
Director

1100 Bank Street
Richmond, Virginia 23219
(804) 786-4000
TDD (804) 786-8732

July 19, 2016

Ms. Bonnie Svrcek
City Manager
City of Lynchburg
900 Church Street
Lynchburg, VA 24504-1620

Title: Victim Witness Program

Dear Ms. Svrcek:

I am pleased to advise you that grant number **17-U9267VW15** for the above-referenced grant program has been approved for a total of \$274,309.00 in Federal Funds and \$91,436.00 in State Special Funds for a total award of \$365,745.00.

Enclosed you will find a Statement of Grant Award and a Statement of Grant Award Special Conditions. To indicate your acceptance of the award and conditions, please sign the award acceptance and return it to Janice Waddy, Grants Administrator, at the Department of Criminal Justice Services (DCJS). Please review the conditions carefully; as some require action on your part before we will disburse grant funds.

Also, enclosed are the Post Award Instructions and Reporting Requirements. Please refer to and read this information carefully as it contains details on processing financial and progress reports, as well as requesting awarded funds. ***Remember all financial and progress reports, budget amendment requests and request for funds must be processed through our online Grants Management Information System (GMIS).***

We appreciate your interest in this grant program and will be happy to assist you in any way we can to assure your project's success. If you have any questions, please contact Amia Barrows at (804) 225-4060 or by email at Amia.Barrows@dcjs.virginia.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Francine C. Ecker".

Francine C. Ecker
Director

Enclosures

cc: Ms. Donna A. Nash, Office & Grants Admin.
Ms. Toni Butler, Grants Accountant
Ms. Amia Barrows, DCJS Monitor

Department of Criminal Justice Services

1100 Bank Street, 12th Floor, Richmond, VA 23219

Statement of Grant Award/Acceptance

Subgrantee: Lynchburg City

Date: July 19, 2016

Grant Period:

Grant Number:

From: 07/01/2016

Through: 06/30/2017

17-U9267VW15

Project Director	Project Administrator	Finance Officer
Ms. Donna A. Nash Office & Grants Administrator City of Lynchburg 901 Church Street, 3rd Fl. Lynchburg, VA 24504 Phone: (434) 455-3770 Email: dnash@ocalynchburg.com	Ms. Bonnie Svrcek City Manager City of Lynchburg 900 Church Street Lynchburg, VA 24504-1620 Phone: (434) 455-3990 Email: bsvrcek@lynchburgva.gov	Ms. Toni Butler Grants Accountant City of Lynchburg 900 Church Street Lynchburg, VA 24504-1620 Phone: (434) 455-3968 Email: Toni.Butler@lynchburgva.gov

Grant Award Budget

Budget Categories	DCJS Funds			Local	TOTALS
	Federal	General	Special		
Travel	\$3,698	\$0	\$1,233	\$0	\$4,931
Supplies/Other	\$8,043	\$0	\$2,681	\$0	\$10,724
Personnel	\$233,599	\$0	\$77,866	\$0	\$311,465
Indirect Cost	\$0	\$0	\$0	\$0	\$0
Equipment	\$28,969	\$0	\$9,656	\$0	\$38,625
Consultant	\$0	\$0	\$0	\$0	\$0
Totals	\$274,309	\$0	\$91,436	\$0	\$365,745

This grant is subject to all rules, regulations, and criteria included in the grant guidelines and the special conditions attached thereto.



Francine C. Ecker, Director

The undersigned, having received the Statement of Grant Award/Acceptance and the Conditions attached thereto, does hereby accept this grant and agree to the conditions pertaining thereto, this _____ day of _____, 20_____.

Signature: _____

Title: _____

STATEMENT OF GRANT AWARD SPECIAL CONDITIONS

Department of Criminal Justice Services
1100 Bank Street, 12th Floor
Richmond, Virginia 23219

For the Victim Witness Assistance Grant Program – Localities

Subgrantee: Lynchburg City

Grant Number: 17-U9267VW15

Federal Catalog Number: 16.575

Title: Victim Witness Program

Date: July 19, 2016

The following conditions are attached to and made a part of this grant award:

1. By signing the Statement of Grant Award/Acceptance, the grant recipient agrees:
 - to use the grant funds to carry out the activities described in the grant application, as modified by the terms and conditions attached to this award or by subsequent amendments approved by DCJS;
 - to adhere to the approved budget contained in this award and amendments made to it in accord with these terms and conditions;
 - to comply with all terms, conditions and assurances either attached to this award or submitted with the grant application;
 - to comply with the “Victim/Witness Grant Program Fiscal Year 2017 and 2018 Program Guidelines and Application Procedures,” dated February 8, 2016 and its Attachments. This includes compliance with Attachment 6 - “Final Program Guidelines, Victims of Crime Act, FFY 1997, Victim Assistance Program,” and includes a requirement that subgrantees maintain daily time and attendance records. (See Section B,8).
2. The subgrantee agrees to submit, on or before scheduled due dates, such reports as requested by DCJS on required forms. This includes filing required reports using the Client Information Management System (CIMS) and the online Grants Management Information System (GMIS).
3. The subgrantee agrees that it and all its contractors will comply with the following federal civil rights laws as applicable:
 - Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in the delivery of services (42 U.S.C. § 2000d) and the DOJ implementing regulations at 28 C.F.R. Part 42, Subpart C;
 - The Omnibus Crime Control and Safe Streets Act of 1968, which prohibits discrimination on the basis of race, color, national origin, religion, or sex in the delivery of services and employment practices (42 U.S.C. § 3789d(c)(1)), and the DOJ implementing regulations at 28 C.F.R. Part 42, Subpart D;
 - Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in the delivery of services and employment practices (29 U.S.C. § 794), and the DOJ implementing regulations at 28 C.F.R. Part 42, Subpart G;
 - Title II of the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disability in the delivery of services and employment practices (42 U.S.C. § 12132), and the DOJ implementing regulations at 28 C.F.R. Part 35;
 - Title IX of the Education Amendments of 1972, which prohibits discrimination on the basis of sex in education programs and activities (20 U.S.C. § 1681), and the DOJ implementing regulations at 28 C.F.R. Part 54;
 - The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in the delivery of services (42 U.S.C. § 6102), and the DOJ implementing regulations at 28 C.F.R. Part 42, Subpart I; and
 - The DOJ regulations on the Equal Treatment for Faith-Based Organizations, which prohibit discrimination on the basis of religion in the delivery of services and prohibit organizations from using DOJ funding for inherently religious activities (28 C.F.R. Part 38).
 - The Juvenile Justice and Delinquency Prevention Act of 1974, as amended, which prohibits discrimination in both employment and the delivery of services or benefits based on race, color, national origin, religion, and sex in JJDP-funded programs or activities (42 U.S.C. § 5672(b)).
 - Section 1407 of the Victims of Crime Act (VOCA), as amended, which prohibits discrimination in both employment and the delivery of services or benefits on the basis of race, color, national origin, religion, sex, and disability in VOCA-funded programs or activities. (42 U.S.C. § 10604).

Statement of Grant Award Special Conditions (Continued)

Grant No: 17-U9267VW15

4. The Subgrantee agrees that none of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.
5. The Subgrantee agrees that notwithstanding any other provisions of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat 1267; 5 U.S.C. App) and section 3145 of title 40, United States Code.
6. The Subgrantee will promptly refer to DOJ's Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, subgrantee, subcontractor, or other person has either (1) submitted a false claim for grant funds under the False Claims Act; or (2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds.
7. The Subgrantee cannot use any federal funds, either directly or indirectly, in support of any contact or subaward to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express prior written approval of OJP. In addition, the grantee will provide OVC with a draft copy of the letter of special condition for approval within 15 days.
8. The subgrantee agrees that in the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, sex, or disability against a recipient of funds, the recipient will forward a copy of the finding to the Office of Civil Rights, Office of Justice Programs.
9. Grant funds, including state and local match, may be expended and/or obligated during the grant period. All legal obligations must be liquidated no later than 90 days after the end of the grant period. The grant recipient agrees to supply a final grant financial report and return all received and unexpended grant funds (exclusive of local match) to DCJS within 90 days after the end of the grant liquidation period.
10. By accepting this grant, the recipient assures that funds made available through it will not be used to replace state or local funds that would, in the absence of this grant, be made available for the same purposes.
11. Subgrantee may follow their own established travel rates if they have an established travel policy. If subgrantee does not have an established policy, then they must adhere to state travel policy. The state allows reimbursement for actual reasonable expenses. Please refer to the following IRS website for the most current mileage rate: <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>: Transportation costs for air and rail must be at coach rates.
12. Within 60 days of the starting date of the grant, the subgrantee must initiate the project funded. If not, the subgrantee must report to the DCJS, by letter, the steps taken to initiate the project, the reasons for the delay, and the expected starting date. If the project is not operational within 90 days of the start date, the subgrantee must obtain approval in writing from the DCJS for a new implementation date or the DCJS may cancel and terminate the project and redistribute the funds.
13. **No amendment to the approved budget may be made without the prior approval of DCJS. No more than two (2) budget amendments will be permitted during the grant period. Budget amendments must be requested using the online Grants Management Information System, (GMIS), accompanied with a narrative. No budget amendments will be allowed after April 30, 2017.**
14. The subgrantee agrees to forward a copy to the DCJS of the scheduled audit of this grant award.
15. All purchases for goods and services must comply with the Virginia Public Procurement Act. Procurement transactions, whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner so as to provide maximum open and free competition. An exemption to this regulation requires the prior approval of the DCJS and is only given in unusual circumstances. Any request for exemption must be submitted in writing to the DCJS. Permission to make sole source procurements must be obtained from DCJS in advance.

Statement of Grant Award Special Conditions (Continued)

Grant No: 17-U9267VW15

16. Acceptance of this grant award by the local government applicant constitutes its agreement that it assumes full responsibility for the management of all aspects of the grant and the activities funded by the grant, including assuring proper fiscal management of and accounting for grant funds; assuring that personnel paid with grant funds are hired, supervised and evaluated in accord with the local government's established employment and personnel policies; and assuring that all terms, conditions and assurances—those submitted with the grant application, and those issued with this award—are complied with.
17. Any delegation of responsibility for carrying out grant-funded activities to an office or department not a part of the local government must be pursuant to a written memorandum of understanding by which the implementing office or department agrees to comply with all applicable grant terms, conditions and assurances. Any such delegation notwithstanding, the applicant acknowledges by its acceptance of the award its ultimate responsibility for compliance with all terms, conditions and assurances of the grant award.
18. **PROJECT INCOME:** Any funds generated as a direct result of DCJS grant funded projects are deemed project income. Project income must be reported on forms provided by DCJS. The following are examples of project income: Service fees; Client fees; Usage or Rental fees; sales of materials; income received from sale of seized and forfeited assets (cash, personal or real property included).
19. The recipient is required to certify and ensure that all aspects of personnel management and employment practices will be conducted in accordance with their local unit of government or state agency procedures, promoting equal employment opportunity. For example, the recipient must advertise for positions, interview candidates, hire, supervise, discipline, and separate program personnel in accordance with their local unit of government or state agency procedures promoting equal employment opportunity. Additionally, grantees must promptly notify DCJS whenever grant funded positions are vacated and must notify DCJS when such positions are filled.
20. All new Computer Processing Units (CPU's) purchased with grant funds must be protected by anti-virus software, which must be updated, as necessary. Before purchasing new computer equipment, the recipient is strongly encouraged to consult DCJS' IT Contact Specialists at (804) 786-4576 or (804) 225-4868, regarding any questions about basic CIMS installation requirements and compatibility.
21. In accordance with VOCA guidelines, grant funds may support membership in no more than three appropriate organizations.
22. No more than 5% of grant funded staff hours may be devoted to the provision services to witnesses.
23. Costs, including staff time, associated with the preparation of subpoenas cannot be supported with grant funds.
24. Email and internet access funded through the grant must be for official program use only.
25. **Any non-federal cash awarded in excess of 20% of the total grant award shall not be considered match. These non-federal funds are the only DCJS grant funds which may support appropriate service coordination or other appropriate activities advancing the delivery of direct services which may not be supported with federal funds.**
Coordination activities may include serving on state or local task forces, commissions, working groups, coalitions, and/or multi-disciplinary teams. Coordination efforts also include developing written agreements that contribute to better and more comprehensive services to crime victims.
26. When there is any personnel change in the program, the recipient agrees to submit the DCJS Program Change/ Update form available on the DCJS website at: <http://www.dcjs.virginia.gov/forms/sectionForms.cfm?code=9&program=victims>.
27. Subgrantee agrees that DCJS, the Office for Victims of Crime (OVC) and/or the Office of the Chief Financial Officer (OCFC) and its representatives shall be granted access to and the right to examine all records, books, paper or documents related to the VOCA grant.

Statement of Grant Award Special Conditions (Continued)

Grant No: 17-U9267VW15

28. Unless otherwise stated, Special conditions listed in item 29 must be met by September 30, 2016. If they remain unmet after this date, then the subgrantee must report to the DCJS, by letter, the steps taken to achieve compliance, the reasons for non-compliance, and the expected date of compliance. DCJS may terminate grant funding based upon unexplained or unreasonable failure to substantially comply with special conditions within reasonable specified timeframes.
29. Prior to DCJS disbursing funds, the Subgrantee must comply with the following special conditions:
 - a) All new computers purchased with grant funds must be protected by an anti-virus software, which must be updated as necessary. Before purchasing new computer equipment, the recipient is strongly encouraged to review information presented here: <http://dcjs.virginia.gov/victims/cims/> regarding basic CIMS installation requirements and compatibility.
 - b) FY2018 - Given adequate available funding and satisfactory program performance, DCJS currently projects a 2% annual increase in the award.



COMMONWEALTH of VIRGINIA

Department of Criminal Justice Services

Francine C. Ecker
Director

1100 Bank Street
Richmond, Virginia 23219
(804) 786-4000
TDD (804) 386-8732

NOTICE

To: Grants Project Administrator

From: Janice Waddy, DCJS Grants Administrator

Re: Post Award Instructions and Reporting Requirements
PLEASE READ VERY CAREFULLY

GRANT AWARD AND SPECIAL CONDITIONS:

Please review your Award and Special Conditions very carefully. *Pay attention to the last Special Condition listed. This Special Condition may require additional documentation from you before grant funds can be released.* Sign and date the grant award acceptance and submit any Special Condition documentation to:

Office of Grants Management
Attn: Janice Waddy, Manager
Department of Criminal Justice Services
1100 Bank Street, 12th Floor
Richmond, Virginia 23219

REPORTING REQUIREMENTS

By accepting the accompanying grant award, you are agreeing to submit online quarterly progress and financial reports for this grant throughout the grant period, as well as final reports to close the grant. **No eligible current recipient of funding will be considered for continuation funding if, as of the continuation application due date, any of the required Financial and Progress reports for the current grant are more than thirty (30) days overdue.** For good cause, submitted in writing by the grant recipient, DCJS may waive this provision.

Financial reports and *progress reports** are due no later than the close of business on the 12th working day after the end of the quarter (**except PAPIS Pre- and Post- Incarceration Services reports, which are due by the last working day of the end of the following month*). Also, *V-STOP progress reports are submitted on semi-annual basis 12th working day after 6/30 and 12/31 quarters.* Reports are required even if no expenditures have occurred during the quarter. **Requests for Funds will not be honored from grant recipients who do not fulfill this reporting obligation.** A schedule of due dates is also attached for your reference.

❑ **PROGRESS REPORTS**

Refer to our website: <http://www.dcjs.virginia.gov/> for submitting progress reports through the online Grants Management Information System (GMIS). In order to use this web-based system, if you have not previously done so, you must obtain a user name and password set up by your Finance Officer, whose name and contact information is listed on the attached Grant Statement of Award/Acceptance. You are required to use the online system to submit your progress reports.

Paper copies of Progress Reports are no longer accepted.

❑ **FINANCIAL REPORTS**

Refer to our website for submitting financial reports through our online Grants Management Information System (GMIS). In order to use this web-based system, if you have not previously done so, you must obtain a user name and password set up by your Finance Officer, whose name and contact information is listed on the attached Grant Statement of Award/Acceptance. The address is <http://www.dcjs.virginia.gov/grantsAdministration/gmis/index.cfm?menuLevel=4>.

Paper copies of the financial reports are no longer accepted. You are required to use the online system in reporting your expenditures.

❑ **REQUESTING GRANT FUNDS**

Refer to our website for requesting funds through our online Grants Management Information System (GMIS). In order to use this web-based system, if you have not previously done so, you must obtain a user name and password set up by your Finance Officer, whose name and contact information is listed on the attached Grant Statement of Award/Acceptance. *Please note you can access this system using the same password assigned for the online financial reporting system.

The address is <http://www.dcjs.virginia.gov/grantsAdministration/gmis/index.cfm?menuLevel=4>.

You are required to use the online system for requesting funds.

❑ **BUDGET AMENDMENTS**

Budgets can be amended in most DCJS grant programs with prior approval. Please review your special conditions carefully to determine the requirements and procedures for amending budgets. Refer to our website for the online Grants Management Information System.

*Please note again that you can access this system using the same password assigned for the online financial reporting system.

The address is <http://www.dcjs.virginia.gov/grantsAdministration/gmis/index.cfm?menuLevel=4>.

Paper copies of the Budget Amendments are no longer be accepted! You are required to use the online system for submitting budget amendments.

If you have any questions, please contact Beverly Johnson at (804) 786-9055 or by e-mail at beverly.johnson@dcjs.virginia.gov.

**PROJECTED DUE DATES
FINANCIAL & PROGRESS REPORTS**

Reports are due by the 12th working day following the close of the period covered in the report.

- Financial reports are required quarterly, even if no expenditures have occurred.
- Progress reports are required as follows:
Victim/Witness, SAGP and VSDVVF: quarterly (period ending 9/30, 12/31, 3/31, and 6/30).
V-STOP: – semi-annual (period ending 6/30 and 12/31) **and CY annual** (due 1/31).
SASP – CY annual (period ending 12/31).

<i>QUARTER ENDING</i>	<i>DUE DATE</i>
9/30/2016	10/19/2016
12/31/2016	1/20/2017
3/31/2017	4/18/2017
6/30/2017	7/19/2017
9/30/2017	10/18/2017
12/31/2017	1/19/2018

Please contact the appropriate DCJS staff person if you need assistance with the following:

- Financial Reports and Requests for Funds - DCJS Fiscal Services Manager, Bill Dodd, at 804-371-0638 or bill.dodd@dcjs.virginia.gov
- GMIS – Complete and send an email to grantsweb@dcjs.virginia.gov citing the error message received, to request assistance from the GMIS Program Coordinator, DeAndrea Williams
- CIMS or VSDVVF Reporting Software – DCJS IT Contact Specialists at 804-786-4576 or 804-225-4868.
- Progress Reports and Other Requests – your assigned DCJS Grant Program Monitor.

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 9, 2016**

AGENDA ITEM #: **4**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Case Management Software for the Commonwealth's Attorney's Office

Strategic Pillar(s) Impacted:

<input type="checkbox"/> Arts & Culture	<input type="checkbox"/> Citizen Engagement & Social Capital	<input type="checkbox"/> Economic Development	<input type="checkbox"/> Healthy & Active Living
<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Land Use	<input type="checkbox"/> Lifelong Learning	<input type="checkbox"/> Natural Resources
<input type="checkbox"/> Neighborhoods	<input checked="" type="checkbox"/> Safe Community	<input type="checkbox"/> Social Equity	<input type="checkbox"/> Transportation
			<input type="checkbox"/> Administrative

RECOMMENDATION: Adopt a resolution to amend the FY 2017 General Fund budget and appropriate \$52,545 with resources from the General Fund Reserve for Contingencies to support the purchase of a new prosecution case management system.

SUMMARY: The total cost to purchase a new case management system is \$118,545. The Commonwealth's Attorney's Office will use \$33,000 of State Asset and Forfeiture Funds and \$33,000 in Victim Witness Grant funds towards this purchase. The Office of the Commonwealth's Attorney is in dire need of a new case management system. The existing system is over 18 years old and is on a software platform - Lotus Notes - that presently is 13 years old. This system, VCAIS (Virginia Commonwealth Attorneys Information System) was developed by two prosecutors in the late 1990's. While the system is currently managed by Mr. Dick Whetstone, an employee/programmer with the Commonwealth's Attorneys Services Council in Williamsburg, VA, he will be retiring on September 30, 2016. There are no other programmers that are familiar with this system and can resolve software related breakdowns and issues. In addition, Mr. Whetstone has been the only one in the Commonwealth with experience converting VCAIS data so that it is compatible with new case management systems. While there is a possibility of hiring Mr. Whetstone on an hourly basis after his retirement, the cost would be extremely high. Knowing that VCAIS was nearing extinction, the Office of the Commonwealth's Attorney contacted and met with several software vendors specializing in prosecution case management systems. After attending a number of on and off site presentations, a Request for Proposal will be completed to select a vendor that can provide the best product to meet the demands of the office.

PRIOR ACTION(S): Finance Committee, August 9, 2016

FISCAL IMPACT: \$118,545 for the purchase of case management software with \$33,000 from State Asset and Forfeiture Funds, \$33,000 from the FY 2017 Victim Witness Grant and \$52,545 from the General Fund Reserve for Contingencies.

CONTACT(S):

Michael R. Doucette, Commonwealth Attorney, 455-3762
Donna Nash, Grant Manager, 455-3770

ATTACHMENT(S): Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2017 General Fund budget is amended and \$52,545 is appropriated with resources from the General Fund Reserve for Contingencies to support the purchase of a new prosecution case management system.

Introduced:

Adopted:

Certified:

Clerk of Council

LYNCHBURG CITY COUNCIL

Finance Committee

Agenda Item Summary

MEETING DATE: August 9, 2016		AGENDA ITEM #: 5	
CONSENT: ACTION: X	REGULAR: X INFORMATION:	WORK SESSION:	CLOSED SESSION: (Confidential)
ITEM TITLE: Rosedale Development Proposal Presentation			
Strategic Pillar(s) Impacted:			
<input type="checkbox"/> Arts & Culture	<input type="checkbox"/> Citizen Engagement & Social Capital	<input checked="" type="checkbox"/> Economic Development	<input type="checkbox"/> Healthy & Active Living
<input checked="" type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Land Use	<input type="checkbox"/> Lifelong Learning	<input type="checkbox"/> Natural Resources
<input type="checkbox"/> Neighborhoods	<input type="checkbox"/> Safe Community	<input type="checkbox"/> Social Equity	<input checked="" type="checkbox"/> Transportation
			<input type="checkbox"/> Administrative

RECOMMENDATION: Direct staff to amend the attached Performance Agreement with Golden Mile, LLC based on the attached key elements and bring to City Council for consideration at its Work Session on September 13, 2016.

SUMMARY: On June 13, 2016, City staff met with representatives of Golden Mile, LLC to discuss the economic impact analysis prepared by a third party and engaged by Golden Mile, LLC. Following discussion about the economic impact analysis, the then City Manager asked the Golden Mile, LLC representatives if they wanted to come to City Council on June 28, 2016 to make a presentation and Golden Mile, LLC replied that they would like to present to City Council. Due to scheduling challenges, Golden Mile, LLC was not able to appear before Council until a later date. Because of the financial nature of the proposal and its impact on local taxes, the current City Manager recommended that the proposal be reviewed and discussed during the Finance Committee as schedules allowed.

Background: The City has received a proposal from principals (Golden Mile, LLC) of the proposed Rosedale development on Graves Mill Road. Attached is a Historical Timeline of the City's involvement in this project, an Executive Summary and redlined Performance Agreement from Golden Mile, LLC, a Market and Fiscal Impacts Analyses prepared by S. Patz and Associates for the developer, and a report from Retail Strategies, Inc., a firm engaged by the City's Office of Economic Development and Economic Development Authority, that provides insight into retail possibilities in the City.

When Council considered any participation in the development of Rosedale on September 29, 2014, Council identified three conditions for any further consideration of funding the requested road improvements: 1) a time limit on the return period of 10 years; 2) connectivity to Breezewood Drive; and, 3) participation by the City of no more than 50% of the cost of road improvements.

The attached Executive Summary and proposed Performance Agreement are not compliant with any of Council's former criteria; however, the developer's proposal has changed since then. Major highlights of the Golden Mile, LLC proposal include: 1) reimbursement by the City of all costs associated with construction of a spine road in the development over 20 years; 2) no connectivity to Breezewood Drive; and, 3) 100% reimbursement for the cost of road improvements.

The developer's new proposal requests that the City dedicate 80% of new real estate; business professional and other licenses; machinery and tools; business personal property; meals; City share of sales; and lodging taxes from commercial development only for the first 1/2 of the total reimbursement for all costs of the spine road construction and 60% of the same tax revenue for the second half of reimbursement of the road construction up to 100% of reimbursement or over twenty years, whichever comes first. The City would keep 20% of the first one-half of reimbursement and 40% for the second half of reimbursement to Golden Mile LLC until all road costs are reimbursed, or 20 years, whichever comes first.

The developer is also expecting City staff to pursue funding under the SmartScale (formerly HB2) transportation funding proposal. The City has identified the 221/501 one-way pair project as their top priority for funding in the next SmartScale funding round. Staff is not prepared to submit a SmartScale project for the road as proposed by the developers as it is not consistent with the City's transportation plan due to its lack of connectivity to Breezewood Drive and would conflict with the City's top priority at 221/501. The estimated cost of the spine road improvements by the developer is \$5.0 - \$6.0 million.

The developer's conceptual proposal includes no risk to the City and will slowly grow the City's tax base.

PRIOR ACTION(S): See attached historical timeline.

FISCAL IMPACT: To be determined.

CONTACT(S): Bonnie Svrcek, City Manager 455-3990

ATTACHMENT(S): Key Elements for Revised Performance Agreement
Rosedale Project Historical Timeline
Executive Summary and redlined Performance Agreement prepared by Golden Mile, LLC
Market and Fiscal Impact Analyses prepared by S. Patz and Associates, Inc.
Review of Rosedale Development for the City of Lynchburg, prepared by Retail Strategies, Inc.

REVIEWED BY: bms

Key Elements for Amending the Proposed Performance Agreement Among the City of Lynchburg, Golden Mile, LLC and Bella Rose Plantation, LLC

1. The City will only reimburse Golden Mile LLC for related capital construction costs as follows for the spine road within the Rosedale development: Physical construction activities, including but not limited to, clearing, grubbing, grading, erosion control, drainage, curb and gutter, stone base, asphalt pavement, milling, seeding and landscaping, traffic control measures, traffic signal, signage, pavement markings, water and sewer mains, construction administration and inspections and a portion of the regional stormwater detention facility within existing and/or proposed right of ways and easements.
2. The City is not going to request funds from the Virginia Department of Transportation (VDOT) for the proposed road. The proposed road is not consistent with the City's transportation plan due to its lack of connectivity with Breezewood Drive. The City has identified the 221/501 one-way pair project as the top priority for funding in the next SmartScale (HB2) funding round. VDOT staff has advised that the City should submit only one application due to the limited funding stream for the second round of the program. The Rosedale spine road project is not included in the Central Virginia Long Range Transportation Plan 2015.
3. The City will reserve the tax revenues as noted in the Performance Agreement and will only pay Golden Mile LLC for the physical construction of the spine road beginning at Graves Mill Road and terminating at the stub indicated on the site plan.
4. New tax revenues as stated in the Performance Agreement will begin to be reserved January 1, 2017 and the first payment will be executed upon the inspection of work by the City and receipt of an invoice for such work.
5. At no time will the reimbursement to Golden Mile, LLC exceed the amount of new tax revenue received from the sources noted and allocated as noted in the Performance Agreement.
6. The Economic Development Authority (EDA) will need to be a party to the Performance Agreement as the City has no authority to make payments to a private entity.
7. Tax revenues as stated in the Performance Agreement will be transferred to the Economic Development Authority for reimbursement to Golden Mile LLC. The City will appropriate and pay the reserved funds as noted in the proposed Performance Agreement to the Economic Development Authority and the EDA will make payments to the developer as expenditures for the road are incurred. Golden Mile LLC will submit an invoice for capital expenditures as defined above for the spine road to the EDA for reimbursement on a monthly basis. The EDA will make payments/reimbursements to Golden Mile LLC within thirty (30) days of receipt of each invoice.

August 4, 2016

PERFORMANCE AGREEMENT

This Performance Agreement (the "Agreement") is dated as of _____, 2016, by, between and among the **CITY OF LYNCHBURG, VIRGINIA** (the "City"), **GOLDEN MILE, LLC** (the "Owner"), and **BELLA ROSE PLANTATION, LLC** ("Bella Rose") (all of which together constitute the "parties" and each a "party").

RECITALS

R1. The Owner has proposed the improvement and development of the property known as Rosedale located on Graves Mill Road in Lynchburg, Virginia, for a mixed use development with related amenities, site improvements, and public infrastructure (the "Project"). In order to develop the Project it is necessary that Owner build within the Project a main corridor road serving the Project and accessing adjacent developable land as shown on the attached Schedule ~~C-A~~ (the "Road").

R2. The Owner has acquired the Rosedale property ~~described on Schedule A identified as City of Lynchburg Tax Map Number 239-04-004~~ (the "Property"), as part of the development of the Project.

R3. Bella Rose is the owner of property adjacent to the Project to be developed in conjunction therewith, which Bella Rose intends to be included as a part of and subject to this Agreement, which property is ~~described on Schedule B identified as City of Lynchburg Tax Map Numbers 239-04-001 and 239-04-005~~.

R4. The City recognizes that the development of the Project will require significant costs for ~~road and infrastructure construction, site improvements, utility upgrades, landscape improvements, and other infrastructure~~ improvements, which improvements include the Road.

R5. Owner is willing to advance the costs for the construction of the Road with the understanding and agreement of the City that ~~these the~~ costs of construction of the road will be reimbursed to Owner under the terms of this Agreement

R6. The City wishes the Project to proceed and has determined that the Project will promote economic development in the City and the region. The Project will provide additional tax revenues, additional employment opportunities and new amenities and will contribute to the continued vitality of Lynchburg.

R7. The City recognizes that the Property is strategically located for development of currently underutilized land in the Graves Mill Road, Lakeside Drive, and Route 221 areas and that the Road will allow access to adjacent developable land to spur even further growth. The parties recognize that tax incentive financing arrangements are essential to finance the Road.

R8. The City, based on the undertakings of the Owner, has determined to make annual ~~economic development grants reimbursements~~ (the "~~GrantsReimbursements~~") to the Owner in accordance with the terms of this Agreement up to the actual Capital Costs of the construction of the Road.

R9. The City, based on the undertakings of the Owner, has determined to appropriate funds from the ~~New~~ Tax Revenues generated from the Property for the purpose of the ~~GrantsReimbursements~~, in accordance with the terms of this Agreement.

R10. The parties wish to reduce their understanding to writing.

NOW, THEREFORE, the parties, in consideration of the promises and obligations contained herein, mutually agree as follows:

ARTICLE I

INCORPORATION OF RECITALS

1.1 The recitals stated above shall be part of this Agreement.

ARTICLE II

DEFINITIONS

The terms defined in this Article II shall for all purposes of this Agreement have the meanings specified unless the context expressly or by necessary implication otherwise requires:

2.1 **“Agreement”** means this Performance Agreement between the City, the Owner, and Bella Rose, as the same may be amended, supplemented, or modified from time to time, and all amendments.

2.2 **“Appropriation”** means the appropriation by the City each Fiscal Year pursuant to this Agreement in the amount Owner Portion of the New Tax Revenues necessary to meet its obligations hereunder.

2.3 **“Capital Costs”** means expenditures by the Owner to construct the Road including, but not limited to, costs of improvements, construction, labor, materials, machinery, equipment, financing charges, interest, plans, surveys, professional services including engineering, legal, consulting, and other professional services, administrative services, and any and all other expenses necessary or incident to the construction or financing of the Road.

2.4 **“City”** means the City of Lynchburg, Virginia.

2.5 **“Fiscal Year”** means the financial reporting period from July 1 through June 30 of each year.

~~2.6 **“Grant”** shall mean the annual cash grant payment by the City to the Owner in accordance with the terms of this Agreement.—~~

2.67 **“New Tax Revenues”** means all new tax revenues and new tax benefits the City receives from the Property or the Project, and any new taxes generated by the Project, the Property or any business located on the Property, including revenues from commercial real estate taxes, the City’s portion of general sales tax, business, professional, and occupational license tax, taxes on tangible business personal property, machinery and tools tax, meals and beverage tax, and lodging tax, ~~and all other non-residential tax revenues or benefits realized by the City from the Property or the Project,~~ to the extent that such tax revenues and benefits exceed \$_____ [here insert the actual combined base tax number for the properties on Schedules A and B] in a Fiscal Year (or prorated for any period shorter than a Fiscal Year).

2.78 **“Owner”** means Golden Mile, LLC.

2.89 **“Owner Portion”** means that portion of the New Tax Revenues the City is to reimburse to Owner in the form of Grants Reimbursements in accordance with the Terms of this Agreement. Such portions are as follows:

a) Until such time as the City has reimbursed to Owner one-half (1/2) of the total Capital Costs necessary to complete the Road, such Owner Portion shall be eighty percent (80%) of the New Tax Revenues.

b) Subsequent to the date on which the City has reimbursed to Owner one-half (1/2) of the total Capital Costs necessary to complete the Road, such Owner Portion shall be sixty percent (60%) of the New Tax Revenues.

~~2.910~~ **“Project”** means the improvement and development of the Property for a mixed use development with related amenities, site improvements and public infrastructure improvements.

~~2.1011~~ **“Property”** means the land, buildings, structures, and improvements set forth on Schedules A and B attached hereto.

~~2.11~~ **“Reimbursement” shall mean the annual cash reimbursement payment by the City to the Owner in accordance with the terms of this Agreement.**

ARTICLE III

~~GRANTS~~REIMBURSEMENTS

3.1 **Amount.** The City shall make ~~a Grant~~ the Reimbursement each Fiscal Year to the Owner in an amount equal to the Appropriation for that Fiscal Year.

3.2 **Commencement of ~~Grants~~Reimbursements.** The City shall make the first annual ~~Grant~~ Reimbursement on or before July 31, 2017 for the 2017- 2018 Fiscal Year. The first annual ~~Grant~~ Reimbursement shall be equal to the Owner Portion of New Tax Revenues actually received by the City in Fiscal Year 2016 – 2017. Actual payments of the Reimbursement to Owner will not begin until the Road is bonded in accordance with state and local law. At such time as the Road is so bonded, the City will release any Reimbursements withheld to that date.

3.3 **Date of ~~Grants~~Reimbursements.** The Authority shall make annual ~~Grants~~ Reimbursements to the Owner on or before July 31 of each year.

3.4 **Final Annual ~~Grant~~Reimbursement.** The final annual ~~Grant~~ Reimbursement shall include the Owner Portion of the New Tax Revenues for the time period July 1 through December 31, 2036 and shall be made no later than July 31, 2037.

3.5 **Term.** The City shall make ~~Grants-Reimbursements~~ based on the actual New Tax Revenues for the period beginning January 1, 2016 and continuing through December 31, 2036.

3.6 **Early Termination of ~~GrantsReimbursements~~.** Notwithstanding the provisions of Sections 3.1 through 3.5, no ~~Grants-Reimbursements~~ will be paid once the Capital Costs of constructing the Road have been fully reimbursed to Owner. No ~~grants-Reimbursements~~ will be paid after July 31, 2037.

3.7 **Itemization of ~~GrantsReimbursements~~.** The City shall provide to Owner with each ~~Grant Reimbursement~~ a ~~detailed-itemization~~ calculation of the basis for ~~calculating~~ the amount of the Grant Reimbursement showing the type and amount of each tax collected that together constitute the New Tax Revenues.

ARTICLE IV

CITY APPROPRIATIONS

4.1 **Budget.** The City shall budget each Fiscal Year for the appropriation of funds to allow it to make the ~~Grants-Reimbursements~~ to the Owner in accordance with this Agreement. The first Appropriation shall include all amounts to be ~~granted-reimbursed~~ to Owner pursuant to Section 3.2 of this Agreement. Each subsequent year, the City shall budget for the Appropriation in the amount of the Owner Portion of the New Tax Revenues the City actually received in the prior Fiscal Year.

4.2 **Appropriation.** The City shall make the Appropriation each Fiscal Year to allow it to make the ~~GrantsReimbursements~~.

4.3 **Nature of the Obligation of the City.** The City and the Owner recognize that the City may not have the power to make a legally enforceable obligation to make the Appropriations beyond the current Fiscal Year. It is the intention of the Council of the City to make sufficient annual appropriations during the term of this Agreement to satisfy the City's obligations under this Agreement.

4.3.1 The City Council will direct the City Manager (or other officer charged with responsibility for preparing the City's budget) to include in the budget for each Fiscal Year of the City during the term of this Agreement a request that the Council appropriate the amount of the Owner Portion of the New Tax Revenues in order to satisfy the City's obligations pursuant to this Agreement. If the Council fails to appropriate the amount of the actual New Tax Revenues to the Authority before July 31 in each year, the City Manager (or other officer charged with the responsibility of preparing the City's budget) shall:

4.3.1.1 Submit to the Council at its next scheduled meeting, or as promptly as possible, but in any event within 45 days, a request for a supplemental appropriation sufficient to satisfy the City's obligation pursuant to this Agreement; and

4.3.1.2 Give the Owner and the Authority-City written notice of the Council's failure to appropriate the amount of the actual New Tax Revenues prior to July 31 in the year in question and give notice to the Owner and the Authority of the request for the supplemental appropriation pursuant to this Section.

4.4 **Appropriation of Funds.** All obligations for funding undertaken by the City in connection with the Road or this Agreement are subject to the appropriation of such funds by City Council as may be necessary for such funding.

4.5 **Term.** The City shall make Appropriations for the period beginning January 1, 2017 through December 31, 2037.

4.6 **Failure to Appropriate.** If the City fails to make an Appropriation in accordance with this Agreement in a Fiscal Year, then the City shall make an Appropriation of the amount provided for in accordance with this Agreement in the following fiscal years to reconcile the underpayment.

ARTICLE V

ADDITIONAL OBLIGATIONS OF THE CITY

5.1 **Additional GrantsSources for Reimbursement.** The City shall apply for and use its best efforts to obtain VDOT and other grant funding ("Third Party Funds") available to offset the Capital Cost of the Road to the Owner at the next application cycle of each such grant following the date of this Agreement. Should the City receive any such grants, the same shall be paid to the Owner to the extent that any amounts paid under this Agreement have not offset Owner's Capital Cost expenditures for the road. Any payments to Owner of Third Party Funds shall not reduce the amount of each annual grantReimbursement, but shall only serve to reduce the total balance of the Capital Costs to be reimbursed to Owner.

ARTICLE VI

OWNER'S OBLIGATIONS

6.1 **Development of the Project.** The Owner shall prosecute diligently and continuously the construction of the Road, or so much thereof as it deems necessary for the development of the Project.

6.2 **Conditions Precedent.** The obligations of the Owner to construct the Road shall be subject to the timely availability of construction financing and permanent financing for construction of the improvements contemplated by this Agreement at reasonable rates and terms then prevalent in the institutional commercial loan marketplace.

6.4 **Use of ~~Grant Reimbursement~~ Proceeds.** The Owner shall use the ~~Grants Reimbursements~~ solely to pay for the Capital Costs or to reimburse itself for such Capital Costs already expended.

6.5 **Pledge of ~~Grants Reimbursements~~.** The Owner may pledge the ~~Grants Reimbursements~~ to secure the payment of third party financing for the Road.

6.6 **Use of Local Contractors.** Owner understands and agrees that in calculating the City's return on investment, the use of local contractors from the City of Lynchburg, Virginia shall be considered by Owner for construction of the Road. Owner shall use commercially reasonable efforts to use such local contractors if Owner's general contractor determines in its sole discretion that such local contractors are the most qualified to provide services for the Project and at a competitive cost.

ARTICLE VII

EVENTS OF DEFAULT

7.1 **Events of Defaults.** The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

7.1.1 The Owner shall breach or fail to perform any other term, covenant, warranty or agreement herein and such default shall continue for thirty (30) days after written notice thereof has been given to the Owner by the City.

7.1.3 The Owner shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency or

similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for it or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due, or (vii) with respect to the Owner, take partnership action for the purpose of effecting any of the foregoing.

7.1.4 An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Owner or of a substantial part of its property, under Title 11 of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Owner or for a substantial part of its property or (iii) the winding-up or liquidation of the Owner and such proceeding or petition shall continue un-dismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days.

7.2 **Remedies.** Upon the occurrence of an Event of Default the City may, without notice to the Owner, take either or both of the following actions, at the same or different times: (i) terminate this Agreement and with it all future obligations of the parties hereunder; or (ii) exercise any other rights or remedies available to the City under the applicable law.

ARTICLE VII

ADDITIONAL PROVISIONS

8.1 **Reports to the City.** During the term of this Agreement, the Owner agrees to report to and provide the City on a semi-annual basis, on or before June 30 and December 31 of each year, sufficient information related to the Owner's compliance with the conditions of this Agreement and to provide appropriate documentation to support such compliance. In addition, the Owner will provide documentation to the City of all Capital Costs associated with constructing the road to justify the Appropriations and ~~Grants~~ Reimbursements, including an estimation of the percentage of completion of the Road. The Owner also agrees to allow the City and/or its representatives to inspect, audit, copy, or examine any of the Owner's books, documents, or other relevant material in connection therewith, to the extent necessary to administer this Agreement, upon written request by the City. All such documents, information (including electronic data), or access shall be provided or made available within thirty (30) days of a written request from the City at no cost to the City. Any information provided to the City pursuant to this agreement shall be deemed to be proprietary and confidential information and will be held in confidence by the City to extent allowed by Section 2.2-3705.6 of the Code of Virginia.

8.2 Compliance with the Laws. The Owner agrees to comply with all applicable federal, state, and local laws, rules, and regulations.

8.3 Cooperation. Each party agrees to cooperate with the other in a reasonable manner to carry out the intent and purpose of this Agreement.

8.4 Severability. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect, unless such term is essential to effectuating the purposes of this Agreement.

8.5 Authority to Sign. The persons who have executed this Agreement on behalf of the parties represent and warrant they are duly authorized to execute this Agreement on behalf of their respective entity.

8.6 Counterpart Copies. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

8.7 Successors. The terms, conditions, provisions and undertakings of this Agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns.

8.8 Assignment. Owner may assign this agreement to any third party contractually obligated to fulfill its obligations to construct the Road and that can meet the bonding requirements necessary for bonding the completion of the Road. No such assignment shall relieve Owner from any of its obligations under this Agreement. Owner shall further be allowed to assign or transfer some or all of its rights under this Agreement for the purpose of furthering the development of the Project for financing purposes or for the development of specific portions of the Project.

8.9 Responsibility of the Parties. To the extent permitted by applicable law, each party to this Agreement will be responsible for the actions, inactions, or violations of its officers, employees, and agents in connection with the Project or the Property, and the activities provided for in this Agreement, but nothing contained herein shall be construed as a waiver of the City's sovereign immunity.

8.10 Forum Selection And Choice Law/Disputes.

8.10.1 By virtue of entering into this Agreement, Owner and the City agree to submit themselves to the jurisdiction of the Circuit Court of the City of Lynchburg, Virginia, and further agrees this Agreement is controlled by the laws of the Commonwealth of Virginia, with the exception of Virginia's choice of law provisions which shall not apply; and all claims, disputes, and other matters shall be decided only by such court according to the laws of the Commonwealth of Virginia as aforesaid. Nothing in this paragraph shall be construed as a waiver of the City's sovereign immunity.

8.10.2 Prior to the initiation of any litigation, the parties agree to seek to resolve any and all claims, disputes, and other matters utilizing mediation in accordance with the dispute provisions provided in this Section.

8.10.2.1 If a dispute arises out of or relates to this Agreement, or a claimed breach of this Agreement, the parties first to try in good faith to resolve the dispute through negotiation among the parties and by nonbinding mediation. In the event of any such dispute, a party may give the other parties a written description of the dispute and the relief requested. The parties shall promptly attempt to resolve the dispute by negotiation involving senior managers. If the dispute is not promptly resolved by negotiation, any party may demand in writing that all of the parties involved in the dispute participate in a formal mediation presided over by a third-party neutral mediator. If the parties cannot agree on a mediator, then McCammon Mediation Group, 6641 West Broad Street, Richmond, Virginia 23230, or its successor, shall have the power to select the mediator. The parties shall share in the cost of the mediation proceedings equally.

8.10.2.2 If mediation is unsuccessful, the parties shall be free to initiate litigation or take other appropriate action as they deem appropriate. However, no party shall initiate any litigation or action against any other party to this Agreement with respect to the performance or enforcement of this Agreement without first complying with the dispute resolution provisions of this section except for the sole and limited purpose of tolling a statute of limitations or similar laws that would otherwise impair a party's legal rights, or for enforcing this Dispute Section.

8.11 Non-waiver. Each party agrees that any party's waiver or failure to enforce or require performance of any term or condition of this Agreement or any party's waiver of any particular breach of this Agreement by any other party extends to that instance only. Such waiver or failure is not and shall not be a waiver of any of the terms or conditions of this Agreement or a waiver of any other breaches of the Agreement by any party and does not bar the non-defaulting party from requiring the defaulting party to comply with all the terms and conditions of this Agreement and does not bar the non-defaulting party from asserting any and all rights and/or remedies it has or might have against the defaulting party under this Agreement by law.

8.12 **Captions and Headings.** The section captions and headings are for convenience and reference purposes and shall not affect in any way the meaning or interpretation of this Agreement.

8.13 **Easements.** Owner promises and agrees to grant and dedicate to the City all reasonably necessary easements on ~~the-its~~ Property ~~described in Schedule A subject to this Agreement~~ for the construction of infrastructure improvements needed for or benefiting the Project or surrounding areas, including, but not limited to, storm drainage, sanitary sewers, and/or water, all without compensation to Owner from the City.

8.14 **Performance.** If Owner fails to comply with any of the obligations of this Agreement, Owner shall not be entitled to be eligible for and/or receive and/or continue to be eligible for and/or receive any such **Grants Reimbursements** as referred to above or in this Agreement. In the event the City or the Authority believe that Owner has failed to comply with any of the obligations of this Agreement, except as noted below, the City or the Authority shall give Owner written notice identifying how Owner is not in compliance, with reasonable specificity. Owner shall then have a 30 day period to reasonably cure the identified noncompliance issue. If the identified noncompliance issue cannot reasonably be cured within the 30 day period, Owner shall have an additional reasonable time to cure, not exceeding an additional 60 days, provided Owner acts diligently to accomplish the cure.

8.15 **Notices.** All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested, or by a nationally recognized overnight courier, addressed as follows (or any other address the party to be notified may have designated to the sender by like notice):

If to City, to:

City of Lynchburg, Virginia

Attn Bonnie ~~M.~~ Svrcek, City Manager

900 Church Street, 3rd Floor

Lynchburg, VA 24504

(434) 455-3990

~~Fax: (434) 847-1536~~

With a copy to:

City of Lynchburg, Virginia

Attn: Walter C. Erwin, III, City Attorney

900 Church Street, 3rd Floor

Lynchburg, VA 24504

(434) 455-3973

Fax: (434) 847-2067

If to Owner, to:

Golden Mile, LLC

1621 Link Road

Lynchburg, Virginia 24503

Attn: Edward S. Graves, II, Manager

With a copy to:

James R. Richards, Esq.

Petty, Livingston, Dawson & Richards

P. O. Box 1080

Lynchburg, VA 24505

Fax No. (434) 847-0141

Notice shall be deemed delivered upon the date of personal service, two days after deposit in the United States mail, or the day after delivery to a nationally recognized overnight courier.

8.16 Force Majeure. A delay in or failure of performance by any party shall not constitute a default, nor shall Owner or the City be held liable for loss or damage, or be in breach of this Agreement, if and to the extent that such delay, failure, loss or damage is caused by an occurrence beyond the reasonable control of such party and its agents, employees, contractors, subcontractors and consultants, which results from Acts of God or the public enemy, compliance with any order of or request of any governmental authority or person authorized to act therefore, acts of declared or undeclared war, public disorders, rebellion, sabotage, revolution, earthquake, floods, riots, strikes, labor or employment difficulties, delays in transportation, inability of party to obtain necessary materials or equipment or permits due to existing or future laws, rules, or regulations of governmental authorities or any other causes, whether direct or indirect, and which by the exercise of reasonable diligence said party is unable to prevent. For purposes of this Agreement any one delay caused by any such occurrence shall not be deemed to last longer than 6 months and all delays caused by any and all such occurrences under any circumstances shall not be deemed to last longer than a total of 9 months. Any party claiming a force majeure occurrence shall give the other parties written notice of the same within 30 days after the date such claiming party learns of or reasonably should have known of such occurrence, or any such claim of force majeure shall be deemed waived. Notwithstanding anything else set forth above, after a total of 9 months of delay or failure of performance of any type has been claimed by a party as being subject to force majeure, no further delays or claims of any type shall be claimed by such party as being subject to force majeure and/or being an excusable delay.

8.17 Entire Agreement. This Agreement, together with any exhibits, attachments, and referenced items, constitutes the entire agreement of the parties and supersedes all prior agreements between the parties. No amendment to this Agreement shall be valid unless made in writing and signed by the appropriate parties.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives.

CITY OF LYNCHBURG, VIRGINIA

By: _____

_____, Bonnie Svrcek, City Manager

GOLDEN MILE, LLC

By: _____

Its: Manager

BELLA ROSE PLANTATION, LLC

By: _____

Its: Manager

EXECUTIVE SUMMARY OF
PERFORMANCE AGREEMENT AMONG
CITY OF LYNCHBURG, GOLDEN MILE, LLC, AND
BELLA ROSE PLANTATION, LLC

- No funds reimbursed by the City until and as new tax revenues realized from Rosedale and Bella Rose developments.
- No tax revenues from residential uses are to be utilized in the reimbursement.
- Taxes to be used in the reimbursement include commercial real estate taxes, the City's portion of general sales tax, BPOL tax, tangible business personal property tax, machinery and tools tax, meal and beverage tax, and lodging tax, to the extent the same are new tax revenues.
- City participates in tax revenues in the amount of 20% of new tax revenues until one-half (1/2) of the road improvement costs are reimbursed and 40% thereafter, until the road costs are fully reimbursed, or for 20 years, whichever is sooner.
- City's reimbursement obligation terminates on the earlier of (i) 100% reimbursement of road improvement costs or (ii) 20 years.
- First tax year for calculation of new tax revenues is fiscal 2016-2017 based on prior year's collections. For example, if Bella Rose generates \$100,000.00 in new tax revenue in the first year, the Rosedale owner will receive \$80,000.00 and the City will receive \$20,000.00.
- Actual payments to the Rosedale owner will not commence until the road is bonded. Until that time the owner share of new tax revenues will be held in escrow by the City. All reimbursements must be used toward the road costs.
- Includes revenues from Rosedale (Graves) and Bella Rose (Runk & Pratt) projects.

Additional information:

- Projected road improvement cost is \$5 – 6 million.
- Supported by S. Patz and Associates, Inc. Market & Fiscal Impacts Analysis.
- Owner is actively participating in efforts to promote connectivity for road through adjacent parcels, though funding for such connectivity is not yet available.

Market & Fiscal Impacts Analyses
Rosedale Farm Mixed-Use Development
Lynchburg, Virginia

Prepared for:

Mr. Ron Cox
Rosedale Farm, LLC Development

January, 2016

S. Patz and Associates, Inc.
46175 Westlake Drive, Suite 400
Potomac Falls, Virginia 20165



■ S. PATZ & ASSOCIATES, INC ■
 ■ REAL ESTATE CONSULTANTS ■

March 8, 2016

Mr. Ron Cox
 Hopkins Brothers
 P.O. Box 753
 Lynchburg, Virginia 24505

Dear Mr. Cox:

This will set forth our market study and Fiscal Impacts Analysis of the proposed Rosedale and Bella Rose developments. The market study documents site development potential. The Fiscal Impacts Analysis calculates the net economic benefits to the City of Lynchburg from site development.

The study shows the net economic benefits to the City in two five-year increments for the first phases of Rosedale, as full site development will likely require 10± years. Net benefits will occur, however, after the first four years.

The Fiscal Impacts Analysis from Bella Rose is part of the total site development. The Fiscal Impacts Analysis for Bella Rose is shown separately, as Bella Rose could be at near build out prior to the start of site development at Rosedale, or prior to building delivery. We also separated the final site area of Rosedale as a separate analysis, as this 100,000+ square foot development area is likely to be started 10+ years in the future.

The chart to follow summarizes the annual net benefits from build out at Rosedale/Bella Rose. Over the next 10 years, at initial build out, Rosedale/Bella Rose will generate over \$3.6 million in total annual revenue to the City. Appendix C shows that by year 2 of site development, Rosedale and Bella Rose would generate \$1.7± million in net benefits and that total would reach approximately \$3.0 million annually by year 5.

<u>Summary of Net Annual Economic Benefits</u>	
<u>Rosedale & Bella Rose</u>	
(at build out)	
	<u>Annual Net Revenue</u>
Rosedale (10-year build out)	\$3,505,880
Bella Rose	<u>104,680</u>
(Subtotal)	(\$3,610,560)
Rosedale (last phase)	\$2,526,500
Total	\$6,140,560

Mr. Ron Cox
March 8, 2016

After the initial phase of development at Rosedale, additional land exists for over 100,000 square feet of commercial space. At full build out, this additional development will generate over \$2.5 million annually, again, at build out.

The purpose of the Fiscal Impacts Analysis is to document the economic benefits to the City in support of a request for a \$5.5 million reimbursement for infrastructure development of Rosedale. The Fiscal Impacts Analysis shows that by the end of year 4, net annual revenue at Rosedale will exceed that amount.

The detailed market and economic data used to support our analysis are included in the attached report. Please call if additional data or clarification are needed. We remain available to assist you with the successful of development of Rosedale.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart M. Patz". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Stuart M. Patz
President

SMP/mes

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Introduction

Following is a detailed market analysis of the proposed mixed-use development, Rosedale Farm (Rosedale), and the resulting Fiscal Impacts Analysis, for the City of Lynchburg, Virginia, based on the net tax revenues that will be generated from the various land uses to be built. Rosedale is a 62±-acre, vacant property located on the north side of Graves Mill Road, just west of the interchange of Graves Mill Road (CR 126) and U.S. Route 501. It is adjacent to another developing property, Bella Rose, which will also be studied for net fiscal benefits to the City of Lynchburg, and the fiscal impact results of Bella Rose will be added to the calculations for Rosedale.

Bella Rose is currently under development and will likely be completed prior to the completion of the phase one development at Rosedale. It has one land use, an event center, which is an expansion of one of the sponsor's existing companies. Thus, market research was not undertaken for this property, as the type of development, as described below, has been established as a viable use.

Rosedale will include a wide range of commercial uses, plus some multifamily residential uses. The master plan, as described below, has City approval. In terms of development feasibility, the master plan may require some changes, which will be described below, in order to attract quality users. The market study, and resulting Fiscal Impacts Analysis, are based on the magnitude of development approved by the City for the site, and the expectations that the modest recommended changes can be implemented.

The purpose of the study is two-fold. First, and primarily, the study is to (conservatively) document the net tax revenues that will be generated annually, at full build-out of Rosedale and Bella Rose, so that the City will approve a \$5.5 million reimbursement to the developers over time, reported in constant 2015 dollar values. The City reimbursement will be for the development of site infrastructure. The primary road in Rosedale will be built in phases. During and after completion of Phase Two, the Spine Road may be extended on the north to the Hutchison/Brewster property which

could then connect to Breezewood Drive. This would allow for expanded development in the immediate north area. The \$5.5 million City reimbursement will facilitate on-site road construction and the off-site road connection and will be paid for by net new tax revenues at or before build-out.

- **Concept Plan for Rosedale.** Rosedale is currently a partially wooded former farm with historic structures dating back to the 1760's. The plan is to develop the site as an attractive Business and Technology Center, with new net job growth within a mixed-use setting. Rosedale is planned for retail/commercial uses along Graves Mill Road and business/tech development along the new central access road.

Recreation and open space will be built within the Creekside nature area on the northeast portion of the site.

For the Technology Center, Rosedale is designed to attract these types of modern companies/businesses to Lynchburg.

- Rosedale will include 135± residential units, with a mix of townhomes and condominiums, and possibly, apartments.

Initial site clearing is underway. With City approval of the fiscal impacts analysis and infrastructure approval for reimbursement, site development could start by Spring, 2017 and initial project development could be delivered by 2018. Full development of Rosedale could require 10± years, although much of the master plan should be generating net tax revenue within five years of the start date. The fiscal impacts analysis is studied for two five-year phases.

The concept plan for Rosedale is shown next. A more detailed land use description will be described below. The plan shows commercial uses along Graves Mill Road, with the technology and business center to be located in the center of the property. The area noted with "B" is Bella Rose Plantation with the historic Graves Mill and Rosedale Mansion. Johnson Cottage on the site dates back to 1760. The Creekside natural area will be to the north of Bella Rose and within the natural area created by Tomahawk Creek. The residential uses will be located on the northwest corner of the property.

Also shown is the central road in the development that could be extended to adjoining properties on the north (Note E).

The study to follow analyzes the detail market support for the Phase I developments of Rosedale, as described below. This is a 10± year development plan. Phase II is presented next in summary format, as it will be built after Phase I is complete and likely 10+ years in the future.



Conceptual Master Plan-Rosedale and Bella Rose

Report Methodology. The following report is presented in two sections, plus the Introduction and four Appendices. The Introduction is a description of the site and land use plan. It also is a detailed explanation of the site setting along Graves Mill Road and near the U.S. Route 221 commercial corridor. Section I is the market analysis for the various land uses proposed for Rosedale. Each land use is studied separately. Data are presented on recent development trends and projections for site development. The

conclusions will show the level of demand that exists for each land use and the share of the market that can be attracted to Rosedale.

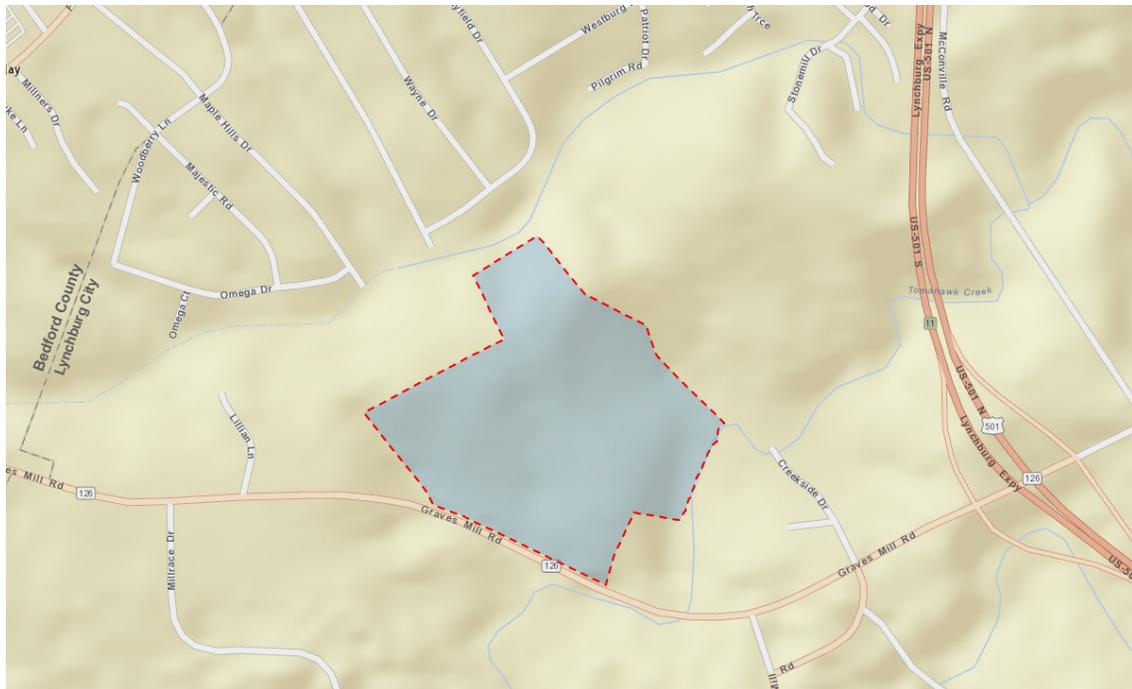
Section II is the Fiscal Impacts Analysis that documents gross revenue for each land use, both on-site and off-site, and the costs to the City associated with new development of the type proposed. The report results are the calculation of total net revenues that development of Rosedale will generate over a likely 10-year period. The Fiscal Impacts Analysis is broken down by two five-year development phases.

Appendix A is the Fiscal Impacts Analysis for Bella Rose which is added to the Rosedale analysis for total area net economic benefits. Appendix B presents summary tables of the Fiscal Impacts Analysis. Appendix C is the Fiscal Impacts Analysis phasing. Appendix D is the Fiscal Impacts Analysis for the last phase.

Site Description

The Rosedale site consists of an irregularly shaped parcel that covers 62.3 acres and fronts Graves Mill Road, roughly midway between the Lynchburg Expressway (Route 501) and the Lynchburg City-Bedford County border. The property was annexed into the City in 1976 and is one of a few remaining vacant large tracts of land within the City.

The property is bounded on the north by low-density residential and undeveloped land. Further north is the Maple Hills single-family subdivision, which was largely developed in the 1960's. To the west of the site is Millside Centre, with several small office buildings and an assisted living facility. To the east of the site is the Rosedale Plantation (Bella Rose), currently under development as an upscale event facility. Both of these developments will be detailed further below. The southern boundary of the site is Graves Mill Road. To the south of this roadway, opposite the Rosedale site, is a densely wooded area containing a mature single-family home.

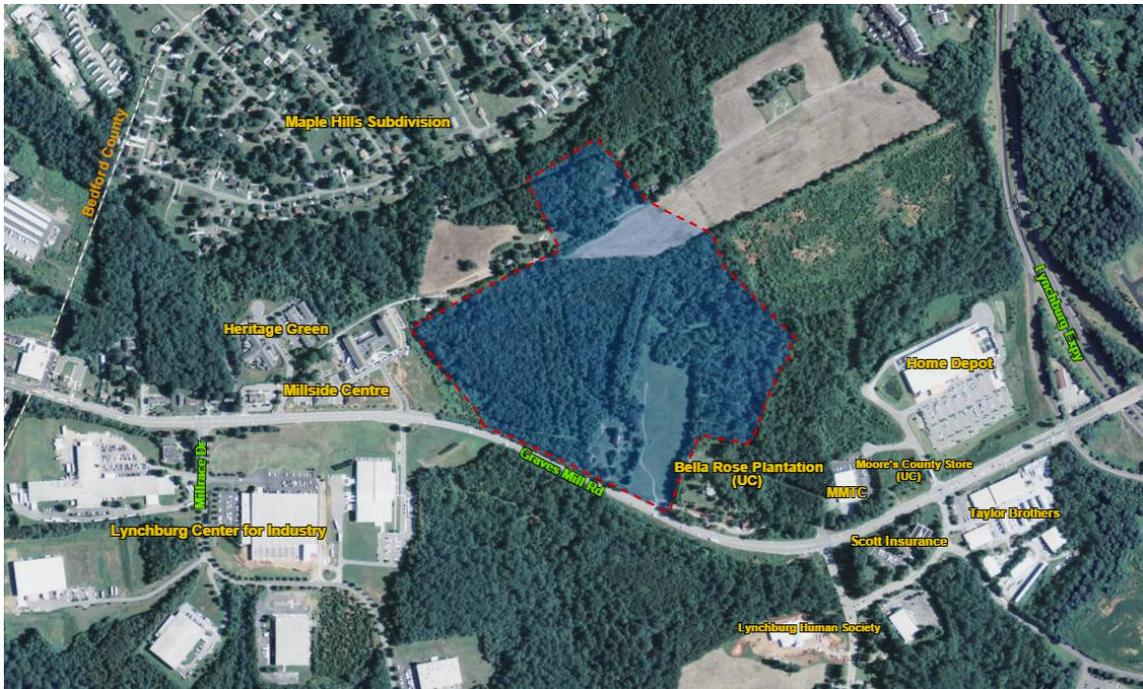


Map A - Site Location

The property is currently undeveloped and partially wooded. The site does have topography challenges, rising over 100 feet from the east side of the property where Tomahawk Creek is located at the western edge of the site. The site also rises up from the south along Graves Mill Road and follows the contours of the hillside, parallel to Tomahawk Creek.

The property is served by an existing City of Lynchburg Public water line via a 16" line along Graves Mill Road. The property is also served by an existing 24" sanitary sewer line along Tomahawk Creek. The water and sewer lines will both adequately serve the proposed development.

The following aerial shows a northern view of the Rosedale property and adjacent land uses. The Bella Rose site is shown. Considerable development exists along Graves Mill Road, but Rosedale and adjacent properties are vacant and largely wooded.



Northern Aerial

Following are photos of the Rosedale site. The top two photos and the middle photo on the left show the site with frontage along Graves Mill Road. The site fronts directly on the roadway. This part of Graves Mill Road is undeveloped, as shown in the above aerial. Of note is the rise in topography from south to north. The other photos to follow, including the right bottom photos are interior views of the site, looking north from Graves Mill Road.



(View West)



(View South)

Site Facing Graves Mill Road



View West



View North



View North



View North

The next group of photos show the Bella Rose site. These photos show the current entrance to the site from Graves Mill Road. In the rear of the photo is the first event building, which is now under construction. This building should be complete by mid-2016. Access roads, parking and other site required improvements are underway.



Bella Rose

The adjacent uses to the site identified in the above aerial are briefly detailed in the paragraphs below.

- **Millside Centre** on the west side of Rosedale consists of several recently built office buildings and an assisted living facility:
 - **Bentley Commons at Lynchburg** is a senior living facility with a capacity for 125 residents. The building opened in 2008. The facility offers both independent living and assisted living.
 - **Office Space**. Four office structures built between 2000 and 2012 are located in the Millside Centre. Combined, they account for 17,770± square feet of space, nearly evenly split between medical and general office space.

<u>Millside Centre Office Space</u>			
<u>Building</u>	<u>Year Built</u>	<u>Size (Sq. Ft.)</u>	<u>Type</u>
1646 Graves Mill Rd	2000	5,142	General
1604 Graves Mill Rd	2005	5,811	Medical
1612 Graves Mill Rd	2010	4,416	Medical
1620 Graves Mill Rd	2012	<u>2,400</u>	General
Total		17,769	

- **Heritage Green** is an assisted living and memory care facility located in two adjacent structures at 200 and 201 Lillian Lane, to the west of Millside Centre. This facility has a capacity for 124 individuals. The memory care building, called DayBreak at Heritage Green, is a single-story 20,270± square foot facility that opened in 1999. The assisted living portion opened in the same year.

- **Moore’s County Store.** Construction is ongoing on this country store (as of late-2015) at 1001-1005 Creekside Lane. This will be a two-story, 4,860± square foot convenience store with commercial rental space below it. The project will also include associated parking and fuel station for the convenience store operations.
- **Taylor Brothers.** This is a full-service building materials supplier. The site includes a light warehouse built in 2002, a commercial canopy built in 1984, a milling shop built in 1984 and a warehouse built in 1986.
- **Scott Insurance.** This is an insurance provider that fully occupies the building at 1301 Old Grave Mill Road. This two-story brick building opened in 1991 with 20,810± square feet of space.
- **Lynchburg Humane Society.** This pet center opened in February, 2015 with 25,520± square feet of space.
- **The Home Depot** is located at 7902 Graves Mill Road near the Rosedale site. It is a stand alone store that opened in 2005 with 102,500± square feet of space.
- **Miller-Motte Technical College (MMTC).** This is a small for-profit technical college that offers career-focused programs in criminal justice, healthcare technology, management, massage therapy and surgical technology. This location opened in 1988 in a 21,410± square foot building.
- **Lynchburg Center for Industry,** located along Millrace Drive, is the largest industrial park in the Lynchburg Region. The park covers 175 acres and contains only one undeveloped 13.2-acre site. Combined, the industrial park contains 765,870± square feet of light manufacturing and warehouse space. The first building opened in 1988 and the last building opened in 2004. The characteristics of the park are detailed in the table below.

<u>Lynchburg Center for Industry</u>				
<u>Address</u>	<u>Facility Type</u>	<u>Tenant</u>	<u>Year Built</u>	<u>Size</u>
1 Millrace Dr.	Light Warehouse	Norcroft Co.	1988	141,708
5 Millrace Dr.	Light Manufacturing	Southern Air Metal Fabrication	2004	60,000
6 Millrace Dr.	Light Manufacturing	Automated Conveyor Systems	1996	142,800
19 Millrace Dr.	Light Manufacturing	Stamptech	1990	64,125
20 Millrace Dr.	Vacant Site (13.2 Acres)	--	--	0
25 Millrace Dr.	Light Warehouse	J Crew	1993	71,576
28 Millrace Dr.	Light Manufacturing	AMTI	1995	40,478
30 Millrace Dr.	Light Manufacturing	Wegmann USA	1997	56,000
31 Millrace Dr.	Light Warehouse	EDM	1994	27,500
37 Millrace Dr.	Light Warehouse	BMS Direct	1995	80,000
1501 Graves Mill Rd	Light Warehouse	Bausch & Lomb	1993	<u>81,680</u>
Total				<u>765,867</u>

- **Bella Rose Plantation** is located to the southeast of the Rosedale site on 7.7 acres. Development on the site is ongoing and contains several components, which are detailed in the paragraphs below.
 - **Antebellum Building**. The estate, formerly known as Rosedale Mansion, will anchor the plantation and will be used as a 19th century backdrop for weddings and events. The house will include 5,000± square feet of office space. The building will also include spaces for catering, a florist, sales and marketing. The back of the house will be cleared and re-landscaped to create a large area for larger groups. This is part of the first phase of development.
 - **The Carriage House** will be kept and used as signage to create a Williamsburg-style feel for the venue.
 - **Building Two**. This will be part of the second phase, likely to be completed in 2017. This will be a three-story structure to house events space for between 350 and 400 guests. The main floor will contain a catering kitchen. The second floor will contain between ten and twelve hotel rooms, and the top floor will contain offices.
 - **Mill**. The property also contains this 18th century grist mill. It will likely contain a commercial kitchen and is being renovated.
 - **Johnson Cottage** is a historic building that is planned for an art/flower store.

The purpose of the above description of adjacent land uses is to show the type and magnitude of development that has occurred to date as a basis for our following market analysis. It also shows existing land uses that could be complimentary for Rosedale.

Site Setting

The Rosedale site is situated approximately a half mile west of the Lynchburg Expressway and a half mile east of the Bedford County-Lynchburg City border. Graves Mill Road is a four lane undivided roadway that runs approximately 5.2 miles in an east-west direction from a mature residential area along Lake Vista Drive in Bedford County in the west to McConville Road just east of Lynchburg Expressway. Adjacent

developments along this roadway were described above. Recent traffic counts show 19,400 daily trips along Graves Mill Road.

Route 221 (Forest Road) is situated approximately one mile west of the Rosedale site, as shown on the aerial below. The 89,200± square foot Graves Mill Shopping Center is located within this area, near that southeastern corner of Forest Road and Graves Mill Road. This shopping center, which was built in 1989, is anchored by a Food Lion grocery store. Other tenants include Dollar General, Verizon Wireless, Ntelos, ABC Store, AAA Mid-Atlantic, Original Italian Pizza, H&R Block, Rita's Italian Ice and Great Clips.

The second major development along the Route 221 commercial corridor is the Forest Professional Park. This office park was built between 1999 and 2008 with a total of eleven general office buildings. Combined, this office park contains 128,580± square feet of office space. The average building size in this office park is 11,700± square feet. North of the office park are several large light industrial and warehouse buildings that were built in the late-1990's and early-2000's.



Proximity to Route 221 Commercial Corridor

Table 1 details the development types along the Route 221 commercial corridor. Graves Mill Road bisects this roadway midway through its commercial area. With the exception of one church (Shiloh United Methodist Church), and one mobile home park (Millners Mobile Home Estates), this area is fully commercial.

One assisted living facility (the 54-bed Runk & Pratt), four banks, two veterinary hospitals, eight auto service centers and four stand-alone restaurants are situated in this area. There are eleven general commercial buildings (with a mix of office and retail tenants) totaling 164,760± square feet of space and 15 retail buildings, built between 1955 and 2010, totaling 185,340± square feet. This retail space includes Graves Mill Shopping Center. Retail represents nearly 14 percent of total development in this area.

Light manufacturing and light warehouse structures account for 477,970± square feet of combined space in this area. These are primarily in large single-tenant buildings. Office space accounts for 26.7 percent (357,070± square feet) of commercial space along this corridor. 36 percent of this total, most of which is general office space located in the Forest Professional Park.

Table 1: <u>Development Characteristics of Route 221 Commercial Corridor, Forest, VA</u>				
<u>Type</u>	<u>Years Built</u>	<u>Buildings</u>	<u>Size (Sq. Ft.)</u>	<u>Percent of Total</u>
Assisted Living	2001	1	24,761	1.9%
Auto Service	1957-2007	8	83,573	6.2%
Bank	1989-2009	4	22,979	1.7%
General Commercial	1995-2006	11	164,763	12.3%
Retail	1955-2010	15	185,343	13.9%
Light Manufacturing	1997-2003	3	137,250	10.3%
Light Warehouse	1991-2002	3	340,720	25.5%
Medical Office	1986-1997	5	25,765	1.9%
General Office	1947-2008	32	331,305	24.8%
Restaurant 1/	1989-1999	4	16,151	1.2%
Veterinary Hospital	1979-1990	<u>2</u>	<u>4,699</u>	0.4%
Total		88	1,337,309	100.0%
Notes: 1/ Includes stand alone restaurants only. Excludes restaurants within shopping centers.				
Source: Bedford County Division of Geographic Information Systems				

The next aerial shows an expanded aerial view of the area surrounding the Rosedale site, identifying other nearby developments. This includes the Millridge Industrial Park, the Tomahawk Industrial Park, and primarily industrial development along Dillard Road.



Expanded Aerial View

Each of the above development areas are briefly detailed below.

- **Dillard Road Industrial Area**. This area, located just south of Route 221 along Dillard Road and Enterprise Drive, primarily consists of warehouse space. Combined, this corridor contains 745,700± square feet of commercial space built between 1982 and 2004. The largest facility in this area is the 273,400± square foot J Crew warehouse. Hanwha Azdel, a composite maker, operates a 150,250± square foot production facility in this area. Table 2 below details the buildings in this industrial park.

Table 2: Characteristics of Dillard Road Industrial Area

<u>Address</u>	<u>Year Built</u>	<u>Size</u>	<u>Type</u>	<u>Tenant</u>
2000 Enterprise Dr	1982	150,253	Warehouse	Hanwha Azdel
2001 Enterprise Dr	1985	79,696	Warehouse	Xpedx
1015 Dillard Dr	1985	47,833	Light Manufacturing	Wexco
1 Ivy Crescent	1986	273,403	Warehouse	J Crew
1023 Dillard Dr	1987	4,831	Warehouse	Holox
309 Enterprise Dr	1989	12,000	Warehouse	Applied Industrial Technologies
306 Enterprise Dr	1989	10,000	Warehouse	Miller And Associates
305 Enterprise Dr	1989	58,568	Office	Seckman Printing
1019 Dillard Dr	1990	7,500	Office	Diamond Power
1021 Dillard Dr	1990	7,485	Warehouse	Warnco Associates
2011 Enterprise Dr	1992	7,150	Retail	Piedmont Floor Design
2010 Enterprise Dr	1998	5,232	Retail	Sherwin Williams
1016 Dillard Dr	2001	13,401	Warehouse	Frito Lay
1000 Dillard Dr	2001	58,350	Warehouse	Old VA Candle
1018 Dillard Dr	2004	<u>10,000</u>	Warehouse	Vacant
Total		745,702		

Source: Bedford County Division of Geographic Information Systems, Lynchburg Real Estate Assessor

Tomahawk Industrial Park. This is a small industrial park comprised of eight buildings built in the 1970's and 1980's totaling 278,890± square feet. All but one of the buildings are warehouse structures. Table 3 below details the buildings in this industrial park.

Table 3: Characteristics of Tomahawk Industrial Park

<u>Address</u>	<u>Year Built</u>	<u>Size</u>	<u>Type</u>	<u>Tenant</u>
331 Tomahawk Industrial Park	1971	30,000	Light Warehouse	Tomahawk Warehousing
208 Tomahawk Industrial Park	1977	18,750	Light Manufacturing	Alliance Industrial Corporation
231 Tomahawk Industrial Park	1977	60,000	Light Warehouse	Tomahawk Warehousing
131 Tomahawk Industrial Park	1977	46,176	Light Warehouse	Technical Services Group
132 Tomahawk Industrial Park	1977	5,771	Light Warehouse	Service Trucking Co Inc
341 Tomahawk Industrial Park	1978	28,800	Light Warehouse	Tomahawk Warehousing
319 Tomahawk Industrial Park	1981	65,716	Light Warehouse	Estes Express Lines
127 Tomahawk Industrial Park	1982	<u>23,675</u>	Light Warehouse	Fisher Auto Parts
Total		278,888		

Source: Lynchburg Real Estate Assessor

Millridge Industrial Park. This is a small industrial park totaling 262,420± square feet of space built between 1989 and 2004. The largest tenant in this industrial

park is Areva, which operates an 182,360± square foot technical training center. Table 4 below details the buildings in this industrial park.

Table 4: Characteristics of Millridge Industrial Park				
<u>Address</u>	<u>Year Built</u>	<u>Size</u>	<u>Type</u>	<u>Tenant</u>
147 Mill Ridge Rd	1989	42,550	Office	Various
155 Mill Ridge Rd	1991	182,359	R&D Building	Areva
201 Mill Ridge Rd	2002	26,425	Service Garage	Piedmont Fleet Services
160 Mill Ridge Rd	2004	2,700	Fuel Station	Piedmont Petroleum
166 Mill Ridge Rd	2004	<u>8,389</u>	Automatic Truck Wash	Piedmont Truck Wash
Total		262,423		
Source: Lynchburg Real Estate Assessor				

The remaining developments near the site are located east of the Lynchburg Expressway. This is the location of the 42,170± square foot Wiley & Wilson Building built in 2008 and the 47,510± square foot Centra-occupied medical office building that opened in 2015.

This is also the location of the 96,040± square foot Nationwide Insurance Building that opened in 1981. Officials of Liberty University announced in September, 2015 that had purchased the building and would move its Liberty Online offices to the building from its current location in the former Sears store in River Ridge Mall. The move, involving 1,000± employees, will take place sometime in 2016.

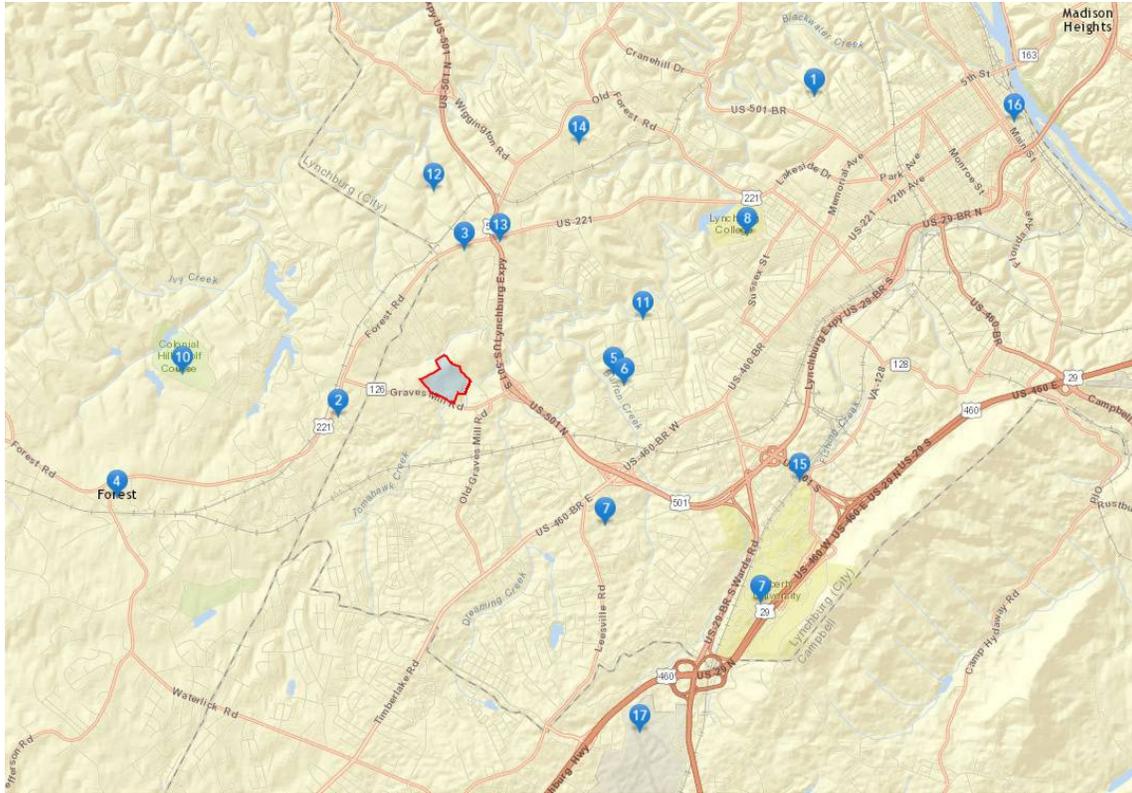
Retail. As previously noted, much of the nearby retail is clustered along Route 221 west of the site. Much of this space is mature. This is also the location of the nearest grocery store, which is a Food Lion. A Kroger is also nearby. Other nearby retail areas include the 67,030± square foot Fresh Market-anchored Lakeside Crossing Shopping Center at 3901 Old Forest Road and the 185,130± square foot Wal-Mart Supercenter at 3227 Old Forest Road. More substantial retail options are clustered around Wards Road, just west of Liberty University. Larger Shopping centers in this area are detailed below.

- **River Ridge Mall** is located at 5212 Woodall Road. The 764,550 square foot mall opened in 1980 and underwent renovations in 1996 and 2000. It

includes 83 stores and is anchored by Belk, JCPenney, Macy's, Sears and a 14-screen Regal Cinema.

- **Fort Hill Village** is located at 6015 Fort Avenue. Tenants include All-Star Trophy, Diane & Tony Nails, Fort Hill Bowling Center, Head First Hair Stylist, Jo-Ann Fabrics & Crafts, Kwik as a Wink Dry Cleaners, Octapharma Plasma, Tuesday Morning, US Postal Service and Village Barber Shop.
- **Chestnut Hills** is located east of Wards Road just north of the River Edge Mall. The shopping center is anchored by Ashley Furniture, Kroger, Burlington Coat Factory and a Walgreens.
- **Candler's Station** is a 270,000 square foot retail center adjacent to Liberty University at 3700 Candler's Mountain Road. Anchor stores include TJ Maxx, Factory Card Outlet, Staples, Toys R Us, Heavenly Ham and Rugged Warehouse.
- **Seven Hills Shopping Center** is a large shopping center located on Wards Road immediately west of the Liberty University campus. The shopping center is anchored by Wal-Mart and Sam's Club.
- **Wards Crossing** is located at 4040 Wards Road. The 71,000 square foot retail center was built in 2005 and includes a Target, Dick's Sporting Goods, PetSmart, Michaels, Bed Bath & Beyond and Best Buy.
- **Wards Crossing West** is located at 4730 Simmons Run. The 250,000 square foot shopping center is anchored by Kohl's, Old Navy and Ross.

Map B shows the location of the community facilities that will serve the Rosedale residents.



Map B - Location of Area Community and Public Facilities

Map B		Map B	
Key		Key	
Centra Lynchburg General Hospital	1	Colonial Hills Golf Course	10
USPS	2	Sandusky Park	11
Lynchburg Fire Station Number 7	3	Ivy Creek Park	12
Forest Library	4	Lakeside Crossing Shopping Center	13
Sandusky Elementary School	5	Wal-Mart Supercenter	14
Sandusky Middle School	6	Wards Road Retail	15
Heritage High School	7	Downtown Lynchburg	16
Liberty University	8	Lynchburg Regional Airport	17
Lynchburg College	9		

Summary. Rosedale is a well located property to be competitive for the land uses proposed, as described next. It has excellent highway visibility and access and as shown on Map B, along with the site setting description above, is well positioned to be competitive for market area growth.

In addition to the description of the Rosedale site and setting, a main purpose of the above analysis is to show the competitive marketplace that adjoins Rosedale. There is considerable mature retail, mature office space and industrial uses. While an

abundance of commercial areas are nearby, there is nothing special about the existing area development, which should allow for attractive new space to be developed at Rosedale, within the bounds of the approved master plan.

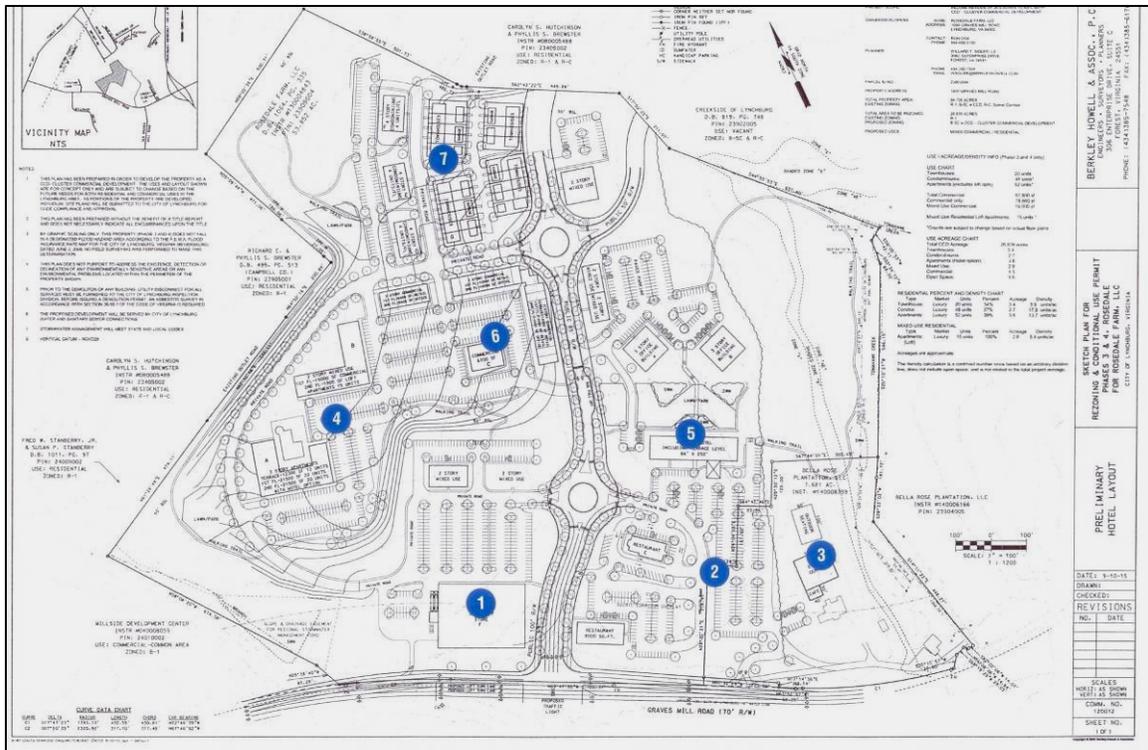
Master Site Plan

Following is the master plan approved for Rosedale. It is approved for 97,000± square feet of commercial space, with a mix of 78,000± square feet of “pure” commercial and 19,000± square feet of mixed-use commercial, which has residential and commercial uses in the same building. The commercial use is a mix of office and retail space, with much of the retail space being restaurant space. A four-story hotel with 110± rooms is also planned, which will support the patronage of events at Bella Rose.

In terms of residential space, Rosedale will contain:

- 20 for-sale townhomes.
- 48 condominium units.
- 52 apartment units, plus 15 loft apartment units in the mixed-use building.

Total residential units equal 135.



Approved Rosedale Master Plan

The Bella Rose property is also shown on the master plan.

Following is a more detailed description of the master plan.

- Number 1 is the proposed location of a big box retail store, likely a grocery store. Our market analysis for this use shows a potentially overbuilt market, so the 45,000± square feet of retail space at that location will be studied for a different type of retail use.
- Number 2 shows two restaurant pad sites, one a “table cloth” restaurant and one a more casual or fast food restaurant.
- Number 3 is the Bella Rose site. The plan for this property, as described below, is an event center for large area parties and business venues.
- Number 4 is a mixed-use area with three mixed-use buildings, one apartment building with 52 apartment units in a three-story building and an over 6,700 square foot commercial/office building.

The mixed-use building (B) to the north has 15 apartment units above commercial space.

- Number 5 is the hotel. It will serve the Bella Rose event center, which will have approximately 100 annual functions.
- Number 6 has four commercial buildings, two office and two mixed commercial. To the north of this area is another mixed-use commercial area.
- Number 7 is the residential portion of the proposal with a mix of condominium and townhomes.

Rosedale will have a central access road that runs north from Graves Mill Road. It will be built in phases, based on the development schedule. A traffic light is proposed at that intersection of the new road and Graves Mill Road. There are two traffic circles off the central road to serve the various development nodes in the property. Not shown in the plan is the concept to extend the main road north of Rosedale into the adjacent properties to create more developable sites.

Market Analysis of Master Plan. Our market study and Fiscal Impacts Analysis will be based on the successful development of the planned commercial space, hotel rooms and residential units. It is not possible to evaluate a mixed-use building from an all office building. Some of the mixed-use buildings do not have primary road frontage. The apartment buildings are small, as planned, and may not be marketable to apartment developers, so these units will be studied as condominiums. Again, the grocery or specialty store of about 45,000 square feet will be studied for other types of retail.

Once the requested City reimbursement is approved, some adjustments, within the approved development plan, may be restudied.

Section II Market Analysis

This section of the market study presents market data in support of the proposed Rosedale master plan, as described above. Market analyses are presented for retail space, office space, hotel rooms and residential development, both rental and for-sale housing. The analysis above noted that the market will likely not support additional grocery store space, in addition to the magnitude of space currently on the market or planned. The market data that supports that conclusion are presented, along with recommendations of alternative retail uses for the site.

The big box retail space shown in the master plan is 45,000 square feet in size. That requires a select tenant group, as most big box stores are larger. There are a number of big box stores within the Lynchburg area and near Rosedale, so a different type of retail use is studied for Site "A."

The same is true for apartment unit development. As planned, the number of apartment units proposed is not sufficient to attract most quality apartment developers. While market support exists for new apartments, in time, a different concept is needed at Rosedale for successful apartment unit development. This may not be feasible, so we looked at a larger number of condominium units to replace the planned apartment units.

We rounded the hotel proposal to 110 rooms, but a slightly smaller facility may be built. The office space market was studied for approximately 60,000 square feet. This would include defined "mixed-use" buildings and all office space. The office space market currently attracts local serving space and medical office space. These are primarily owner-occupied single tenant buildings.

Part of the concept for Rosedale is to attract tech uses. Currently, this is a small part of the current office space market. Thus, our study evaluates the current office space market and the evolving tech space market.

Retail Space Analysis

Grocery Store Analysis

A grocery store of 45,000 square feet is planned for Rosedale. For market success, this store will require annual sales of approximately \$15 to \$20 million.

Data in Table 5 presents our analysis of the grocery store market in a defined market area, that include the western portion of the City of Lynchburg and adjacent suburban areas of Bedford and Campbell counties.

Table 5 presents a demographic analysis for the market area that shows the level of population and household growth, as well as the total market area expenditure potential for grocery store sales. The study period is 2000 to 2020. We used 10 percent of household income to calculate grocery store expenditure potential excludes the sales at small convenience stores.

The current market area total expenditure potential for grocery store sales in 2014 is \$186.5 million. This total is projected to increase by \$42+million to \$228.2 million by 2020. We did not adjust these figures for inflow sales, i.e. sales from households who live outside of the immediate Lynchburg market area, as the adjacent areas are rural, and the numbers would change minimally. However, these additions could add five percent to the total for an expenditure potential and increase total sales by 2020 to \$240± million.

Table 5: <u>Trends and Projections of Grocery Store Expenditure Potential , Rosedale Market Area, 2000-2020</u>					
(2015 Dollars)					
	<u>2000</u>	<u>2010</u>	<u>2014</u>	<u>2018</u>	<u>2020</u>
Market Area Population	35,920	47,950	52,760	57,570	62,380
Group Quarters Pop.	60	170	200	210	220
Household Population	35,860	47,780	52,560	57,360	62,160
Households	14,350	19,690	21,720	23,800	25,900
Average HH Income	\$81,950	\$84,750	\$85,870	\$86,990	\$88,110
Total HH Income	\$1,175,982,500	\$1,668,727,500	\$1,865,096,400	\$2,070,362,000	\$2,282,049,000
Expenditure Potential	\$117,598,250	\$166,872,750	\$186,509,640	\$207,036,200	\$228,204,900
Source: 1990, 2000 and 2010 U.S. Department of Commerce, Bureau of the Census; and S. Patz and Associates, Inc.					

Data in the following chart list the existing market area grocery stores. These stores could generate up to \$250 million in annual sales, according to area real estate brokers and based on national trends. Clearly, that is not the case, as the current market generates only \$186.5 million in grocery store expenditure potential, plus additional sales for “inflow” into the market area. Any annual sales adjustments would still show that the Lynchburg market is fully supplied with grocery stores.

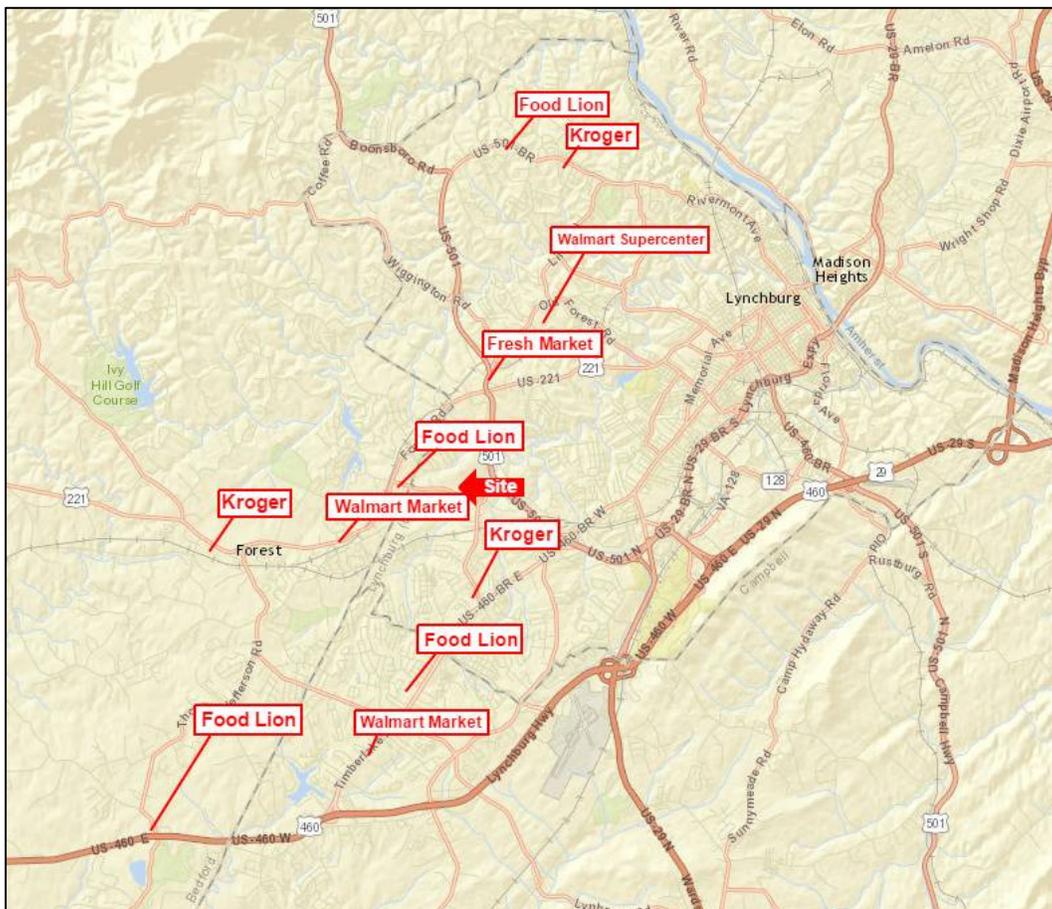
The chart below lists the existing grocery stores within the market area. This excludes the stores along Wards Road near Liberty University (Kroger, Walmart and Sam’s Club). Based on input from professionals in the retail brokerage market, these stores have the potential to generate \$280 million in annual sales. This is compared with a market area expenditure potential of under \$200. Under this comparative analysis, it would be difficult to attract another large store to the market area. (The 45,000 square foot site at Rosedale is the size of a Food Lion store. There is already a Food Lion near Rosedale and there are others in the market area).

<u>Location and Characteristics of Existing Grocery Stores, Rosedale Market Area, Winter, 2016</u>				
	<u>Address</u>	<u>Shopping Center</u>	<u>Year Built</u>	<u>Size</u>
Food Lion	12130 E Lynchburg-Salem Tpke	Poplar Forest Plaza	1999	30,000
Food Lion	21039 Timberlake Rd	Southwood Village	1997	29,000
Food Lion	18013 Forest Rd	Graves Mill Shopping Ctr.	1989	30,000
Food Lion	4925 Boonsboro Rd	Boonsboro Shopping Ctr	1964	36,294
Fresh Market	3901 Old Forest Road	Lakeside Crossing	2013	20,900
Kroger	7805 Timberlake Rd	Kroger Center	1991/14	87,000
Kroger	4119 Boonsboro Rd	Village Courts	1985	48,831
Kroger	15069 Forest Rd	Forest Square	2005	75,842
Walmart Neighborhood Market	21866 Timberlake Rd	Freestanding	April, 2015	41,117
Walmart Neighborhood Market	16807 Forest Rd	Freestanding	June, 2015	41,117
Walmart Supercenter	3227 Old Forest Rd	Walmart Supercenter	2010	185,130

However, Aldi is building a new 18,540 square foot store and a new sizable supermarket could be built at the planned Lakeside Center over the next three to five years. This is likely to be a large Kroger. Thus, even with an existing over supply of grocery store space, other stores are planned.

These data suggest that the market area could/should be fully supplied with grocery store space during much of the development period of Rosedale. Site "A" is planned for Phase I development at Rosedale. That means that, even in the "distant" future, it could be difficult to support another grocery store, above those that are existing or in active planning.

The following Map C shows the location of the market area grocery stores and other large anchor stores in the market area. Food Lion and Kroger are located near Rosedale and the large Lakeside site, that could be developed with large anchor stores, including a grocery store, is shown. Once developed, in approximately 3+ years, this site is expected to be anchored by a grocery store and one or two other anchor tenants.



Map C - Location of Competitive Grocery Stores

In addition to the large list of grocery stores, the Lynchburg area has the following anchor/big box stores:

- Walmart
- Home Depot
- Target
- Big Lots
- Kmart
- Dicks
- Lowe's
- Macy's
- Kohl's
- Among others

Adding another large retailer would be difficult, given the magnitude of area stores, plus the pending Lakeside Centre and Crossroads Colonnade.

Alternative Retail Use. While market data do not support an anchor retail store at Rosedale, all retail brokers are positive about the potential to develop the site with smaller retailers without anchors. Lynchburg has such a center in the Wyndhurst community and Shoppes at Stonefield in Charlottesville is such a center. Shoppes at Stonefield is located on the south side of Charlottesville, along Route 29 and within the Stonefield planned community (see photos below).

These are attractively designed one- and two-story retail centers within a new urban design. They attract a mix of retailers, including restaurants, personal service stores, small offices, specialty stores and convenience stores.

Following are photos of Shoppes at Stonefield and the commercial node at Wyndhurst. Wyndhurst is 10+ years older than the Shoppes at Stonefield, so it is not as modern in design. It is also in a smaller marketplace. However, these types of retail "centers" are very successful. The site is well located for this use; the retail space will be more modern and attractive than the mature retail space along U.S. 221; and a center of this type can attract a large variety of retailers. It is an ideal location for restaurants and will be an asset to future employees and residents of Rosedale. Centers of this type are typically over 40,000 square feet in size.



Shoppes at Stonefield (Charlottesville)



Shoppes at Stonefield (Charlottesville)



Wyndhurst



Wyndhurst

Office Space

Table 6 below details the development pace of new suburban office space within the Lynchburg market area since 2000. These totals exclude all of the City of Lynchburg's downtown office space, but includes space in the portion of Bedford County in and around Forest (generally along Route 221), and space in northwestern Campbell County (generally along Timberlake Road and Route 460). The data show that 78 office buildings opened over the past fifteen years in the geographic area under study; accounting for 858,230± square feet of office space. The average size of these buildings is 10,100± square feet.

Not shown in the table is the one office building currently being built at the intersection of Waterlick Road and Thomas Jefferson Road in Bedford County. This 9,000± square foot building has two spaces pre-leased. The remaining 6,000± square feet is being listed for \$15 per square foot. Occupancy is slated for early-2016.

Development prior to 2009 accounts for 60 buildings with 705,940± square feet of office space. This represents over 82 percent of the market area's office space; 26.4 percent of office development during this period delivered in 2008 alone. The year 2008 had the most office space deliveries over the past two decades. Nearly 68 percent of office space deliveries in 2008 were for owner-occupied medical space for Centra and The Orthopaedic Center of Central Virginia. About 18.5 percent of office space

delivered in 2008 was for Wiley | Wilson, an architecture firm. This space was built-to-suit and is also owner-occupied.

Post-recession (2009+) office development accounts for 152,290± square feet of office space in 18 buildings. This is an average of only 21,760± square feet per year.

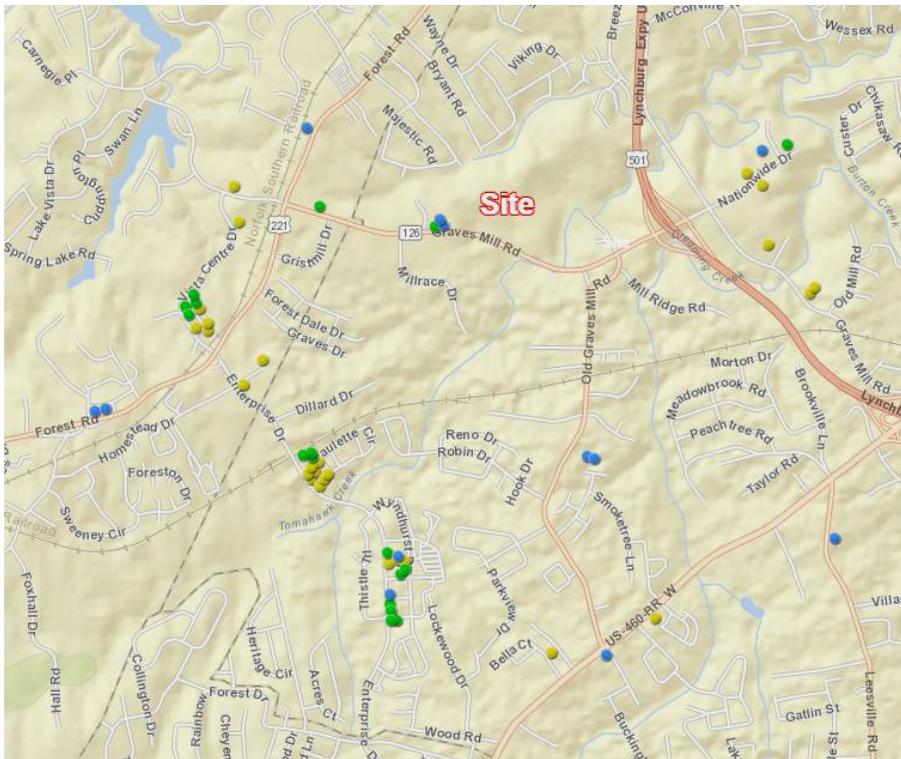
The development pace fell drastically following the recession in 2008 with only 18,070± square feet of office space in three buildings delivered in 2009. One building is an 11,910± square feet medical owner-occupied structure that houses the Periodontal Health Associates. The other deliveries in that year were for two general office buildings at the Old Forest Road Office Park. The three office deliveries in 2010 totaled 29,130±. Two of these were owner-occupied medical spaces for Central Virginia Orthodontics and Mountainview Oral Surgery & Implant Center.

Eight office buildings opened between 2011 and 2013, accounting for 29,890± square feet. These were mixed between medical and general office space. The structures that were built during this period were small, averaging only 3,740± square feet in size. In 2014, only two office buildings opened, totaling 11,120±. One building is the Dodson Brothers corporate office. The second building is vacant and for sale.

In 2015, 64,080± square feet of new office space was delivered. While 2015 has realized an uptick in office development, most of the new office space was built for medical-related owner-occupied users. These developments were added in only three structures: 6,170± square feet of general office space at Wyndhurst, 47,510± square feet of medical office space at the Centra Lynchburg Medical Center, and 10,410± square feet of office space at the Lynchburg Dental Center. The two medical office spaces are owner occupied. The Wyndhurst space has fully leased.

Table 6: Suburban Multi-Tenant Office Development Pace, Rosedale Market Area, 2000-2015				
	Map D Key	Buildings	Space (Sq. Ft.)	Percent of Total
2000	●	4	41,000	4.8%
2001	●	10	98,568	11.5%
2002	●	4	16,140	1.9%
2003	●	10	124,850	14.5%
2004	●	14	86,037	10.0%
2005	●	5	70,876	8.3%
2006	●	2	12,188	1.4%
2007	●	4	26,967	3.1%
2008	●	7	229,313	26.7%
2009	●	2	18,069	2.1%
2010	●	3	29,127	3.4%
2011	●	3	13,683	1.6%
2012	●	3	9,002	1.0%
2013	●	2	7,206	0.8%
2014	●	2	11,124	1.3%
2015	●	3	64,081	7.5%
Total		78	858,231	100.00%
Source: Lynchburg Real Estate Assessor, Bedford County Commissioners Office, Campbell County Office of Real Estate and Mapping				

The two maps below show the locations of the office space built since 2000. Map C shows all office space built and Map D shows those built near the Rosedale site. Points marked as yellow are office structures built prior to the recession. Points marked as green are office buildings added between 2005 and 2009. Blue points are those office buildings that were built since 2009. Most new office development has taken place within the City of Lynchburg, or along Route 221 in Bedford County.



Map E- New Office Buildings Near Rosedale

Table 7 below details the development pace by location. It shows that nearly 75 percent of the market area office space development since 2000 took place within the City of Lynchburg. This is compared to nearly 22.6 percent in Bedford County and under three percent in Campbell County. Only one office structure opened in Campbell County since 2004, a two-tenant 4,750± square foot office building. Three buildings opened since 2008 in Bedford County.

Table 7: Suburban Multi-Tenant Office Development Pace by Location, Rosedale Market Area, 2000-2015

	<u>Lynchburg</u>	<u>Bedford County</u>	<u>Campbell County</u>	<u>Space (Sq. Ft.)</u>
2000	5,000	36,000	0	41,000
2001	48,639	44,436	5,493	98,568
2002	6,540	0	9,600	16,140
2003	98,246	21,558	5,046	124,850
2004	56,853	29,184	0	86,037
2005	46,824	24,052	0	70,876
2006	12,188	0	0	12,188
2007	12,531	14,436	0	26,967
2008	223,313	6,000	0	229,313
2009	18,069	0	0	18,069
2010	20,627	8,500	0	29,127
2011	8,934	0	4,749	13,683
2012	9,002	0	0	9,002
2013	3,075	4,131	0	7,206
2014	5,339	5,785	0	11,124
2015	<u>64,081</u>	<u>0</u>	<u>0</u>	<u>64,081</u>
Total	639,261	194,082	24,888	858,231
% of Total	74.5%	22.6%	2.9%	100.0%

Source: Lynchburg Real Estate Assessor, Bedford County Commissioners Office, Campbell County Office of Real Estate and Mapping

Table 8 details the office development pace by usage type. It shows a near even split between medical and office space development. It should be noted, however, that much of the medical office space is either owner occupied by Centra or by medical practices. Nearly 80 percent (118,070± square feet) of post-recession office development has been for medical office space.

Table 8: Suburban Multi-Tenant Office Development Pace by Type, Rosedale Market Area 2000-2015

	<u>Medical</u>	<u>General</u>	<u>Total</u>
2000	0	41,000	41,000
2001	29,380	69,188	98,568
2002	2,030	14,110	16,140
2003	75,081	49,769	124,850
2004	28,750	57,287	86,037
2005	8,723	62,153	70,876
2006	2,108	10,080	12,188
2007	0	26,967	26,967
2008	171,002	58,311	229,313
2009	11,905	6,164	18,069
2010	29,127	0	29,127
2011	11,923	1,760	13,683
2012	0	9,002	9,002
2013	7,206	0	7,206
2014	0	11,124	11,124
2015	<u>57,911</u>	<u>6,170</u>	<u>64,081</u>
Total	435,146	423,085	858,231
% of Total	50.7%	49.3%	100.00%

Source: Lynchburg Real Estate Assessor, Bedford County Commissioners Office, Campbell County Office of Real Estate and Mapping, Field and Telephone Survey by S. Patz and Associates, Inc.

The next table lists nineteen office buildings with vacancies and current rent per square foot. In addition to these is the 5,790± square foot building at 16830 Forest Road that is fully vacant and for sale for \$985,000.

Combined, this vacant space totals 49,630± square feet. This represents 5.9 percent of the office space built since 2000. On average, the vacant space is listed for \$11.20 per square foot, per year. There is no single space available in excess of 6,000 square feet. Of note is that only one vacant space is within an office building built since the recession. The remaining vacancies are in buildings that opened in 2005 or earlier.

Table 9: Office Vacancies, Rosedale Market Area, December, 2015

<u>Building/Park Name</u>	<u>Address</u>	<u>Year Built</u>	<u>Total Size</u>	<u>Vacant Space</u>	<u>Vacant Units</u>	<u>Lease Price</u>
Graves Mill Office Park	424 Graves Mill Rd	2000	5,000	2,500	1	\$12.00
New London Professional Center	1088 New London Rd	2001	7,620	7,000	4	\$10.50-\$12.00
Forest Professional Park	1059 Vista Park Dr	2000	12,000	2,700	1	\$13.50
Anite Building	106 Vista Centre Dr	2001	10,240	1,300	1	\$13.85
300 Enterprise Dr	300 Enterprise Dr	2001	17,936	7,599	3	\$10.84-\$15.00
Brook Park Business Center	316 Brook Pl	2001	2,520	1,500	1	\$8.00
Mid-State Commons	22776 Timberlake Rd	2002	9,600	5,230	1	\$10.00
Westwood Professional Center	4859 Waterlick Rd	2003	12,000	6,000	1	Withheld
1084 Thomas Jefferson Rd	1084 Thomas Jefferson Rd	2004	6,630	1,000	1	\$10.00
Wyndhurst	101 Duncraig Dr	2005	10,800	3,120	2	\$6.76-\$7.70
Wyndhurst	114 Tradewynd Dr	2005	6,170	3,500	2	\$10.00
Millside Centre	1620 Graves Mill Rd	2012	2,400	<u>2,400</u>	<u>1</u>	\$14.50
Total/Average				43,849	19	\$11.20

Source: CoStar Group, Inc. ; Field & Telephone Survey by S. Patz and Associates, Inc.

Photos of some of the buildings with vacant space are shown next. This provides a good sample of the type of office structures built in the Lynchburg area since 2000.



424 Graves Mill Rd



1088 New London Rd



1059 Vista Park Dr



1084 Thomas Jefferson Rd



300 Enterprise Dr



316 Brook Pl



22776 Timberlake Rd



4859 Waterlick Rd



114 Tradewynd Dr



1620 Graves Mill Rd

They key points regarding the Lynchburg office market are presented below:

- 1) With the exception of the new building under construction at the intersection of Waterlick Road and Thomas Jefferson Road, there has been limited “spec” office space construction. This is the only office building under construction in the market area at this time.
- 2) The three office structures built in 2015 account for 64,080± square feet. Over 90 percent of this space was built for medical-related owner-occupied tenants.
- 3) Most new office space built over the past decade have been owner-occupied, single tenant buildings.
- 4) Outside of the vacancies listed above are several older office vacancies that are not fully competitive due to the quality of the buildings.
- 5) Prospective office tenants in the Lynchburg market are generally seeking between 2,000± and 4,000± square feet of space.
- 6) Most new medical office space is either owned by Centra or practices that have been purchased by Centra.
- 7) A large part of the office space in Lynchburg is “back room office” operation space. Executives and upper level offices have relocated to other larger markets due to the proximity to larger airports. The lack of direct flights in Lynchburg is a challenge for some companies.
- 8) At this time, the lower rental rates do not support new office construction. Rents must reach at least \$15 per square foot to justify new office construction. The positive news is that rents have increased since the end of the recession. The one new office being marketed has leased two spaces at this rate.

Tech Office Space

There have been some small start-up tech companies that have moved into downtown office space. Growth of these companies in the future will generate demand for different types of office space compared with the existing market. Additionally, City officials recognize the need for new space to attract tech firms. Thus, at this time, the tech office market is an evolving one that may take several years to materialize.

Hotel Room Analysis

Data in Table 10 show trends in hotel room occupancy by class of hotel for the market area for the period of 2008 to year-end 2014 period and for a projection to 2020. Hotel occupancy data are based on Smith Travel Research (STR) data, which is the industry accepted data standard. These data show a current annual room occupancy total of 431,600 and a 62± room occupancy rate. The projected 2020 increase in Class A hotel room demand of approximately 100,000+ occupied room nights - this total assumes a new 110-room hotel at Rosedale by 2020. All of the projected room demand is for Class A hotels.

Table 10 Trends and Projections in Occupied Room Nights by Hotel Category, Lynchburg, VA, 2008-2020

	<u>Class A Potential Rooms</u>	<u>Class A Occupied Rooms</u>	<u>Class A Occupancy Rate</u>	<u>Class B Potential Rooms</u>	<u>Class B Occupied Rooms</u>	<u>Class B Occupancy Rate</u>	<u>Total Potential Rooms</u>	<u>Total Occupied Rooms</u>	<u>Overall Occupancy Rate</u>
Realized ^{6/}									
2008	298,985 ^{1/}	173,710	58.1%	320,739	165,910	51.7%	619,724	339,620	54.8%
2009	347,735 ^{2/}	194,732	56.0%	320,165	169,888	53.1%	667,900	364,620	54.6%
2010	360,985	217,313	60.2%	316,455	162,966	51.5%	677,440	380,279	56.1%
2011	360,985	232,113	64.3%	316,241	156,053	49.3%	677,226	388,166	57.3%
2012	360,985	246,914	68.4%	316,090	153,186	48.5%	677,075	400,100	59.1%
2013	360,985	262,075	72.6%	315,389	161,730	51.3%	676,374	423,805	62.7%
2014	395,185 ^{3/}	278,075	70.4%	309,279	153,554	49.7%	704,464	431,629	61.3%
Projected									
2016	465,375 ^{4/}	310,075	66.6%	305,505	137,196	44.9%	770,880	447,271	58.0%
2017	535,035 ^{5/}	326,075	60.9%	305,505	129,017	42.2%	840,540	455,092	54.1%
2018	571,225	342,075	59.9%	305,505	120,838	39.6%	876,730	462,913	52.8%
2019	599,300 ^{7/}	358,075	60.0%	305,505	112,659	36.9%	904,805	470,734	52.0%
2020	611,375	374,075	61.2%	305,505	104,480	34.2%	916,880	478,555	52.2%

Notes: 1/ Includes Hilton Garden Inn's June, 2008 opening.

2/ Includes Springhill Suites' April, 2009 opening.

3/ Includes Microtel Inn & Suites and Hampton Inn & Suites' July, 2014 opening (190 rooms).

4/ Includes 96-room Comfort Inn.

5/ Assumes 115-room **Virginian Hotel opens in mid-July, 2017. Assumes 116-room Residence Inn opens in March, 2017. Assumes 59-room addition to Craddock Terry Hotel in May, 2017.**

6/ Existing "Class A" hotels include Craddock Terry Hotel, Holiday Inn Select, Holiday Inn Express, Courtyard Marriott, Hilton Garden Inn, Kirkley Hotel, Wingate by Wyndham, Springhill Suites, Hampton Inn & Suites and Microtel Inn & Suites.

7/ Assumes new 110± room hotel.

Source: Smith Travel Research; S. Patz and Associates, Inc.

The Class A hotel room market generated less than a 60 percent occupancy rate during the recession of 2008/09. Room occupancy increased in 2010 and after due to the addition of new hotel rooms (see Note 1 in Table 10) and an improved economy. As

shown, over the past four years (year-end 2015) data are not yet available), room occupancy at area Class A hotels increased by 60,000+ room nights and from an annual occupancy rate of 60.2 percent to over 70 percent. Part of the increase in occupancy for the post-2010 period is from the addition of the quality hotel rooms, plus some transfer demand from older hotels, but mostly from increased demand from Liberty University.

Currently, the Lynchburg area hotel market is very strong and stable. The list of area hotels is shown below and includes most of the national “brands.” Many of the newer hotels are located near Liberty University (LU), as LU is generating considerable new hotel room demand for University related business, conferences, school events, etc.

Based on past trends, market area hotel room demand is projected to increase by 100,000 occupied room nights by 2020. Considerable new hotel room development is proposed, as listed under Table 10.

- **Residence Inn by Marriott** on Wards Road which is expected to be started soon with 116 rooms. This is in addition to the recent hotel room additions shown in Table 10.

In total, these new hotels will likely generate approximately 92,000 occupied room nights. This projection, coupled with the demand projection and the new room demand for the Bella Rose Conference Center shows a net available demand for 374,000+ occupied room nights by 2020. This level of net demand will support 350 to 400 new hotel rooms in the market area by 2020.

Following are the announced pipeline proposals for new hotels:

- **96-room Comfort Inn** on Wards Road (now open).
- **The Virginian/Curio by Hilton** with 110± rooms, which is under renovation for a mid-2017 opening.

Residential Market

The master plan for Rosedale shows 52 apartment units in one three-story apartment building and another 15 units in a two-story mixed-use building. These would be part of the Phase I development. Typically, most quality apartment unit developers require more than 100 units so that they can provide amenities. This may not be feasible at Rosedale.

The mixed-use concept can be successful in a more urban setting/design such as shown above for Shoppes at Stonefield. If this type of retail is built at Rosedale, second and third floor apartment units would likely be feasible.

The current apartment market is fully supplied and three new properties are being built, with other proposals. Thus, it would likely not be feasible to add new apartments at Rosedale for several years. That may not coincide with the proposed development timing of Phase I.

Thus, we did not study rental apartment units within this total master plan development. Rather, we studied a large number of condominium units. This change will have limited impact on the Fiscal Impacts calculation.

We studied the residential market for 115 condominium/townhouse units, plus 20 more upscale units. These numbers may change over time.

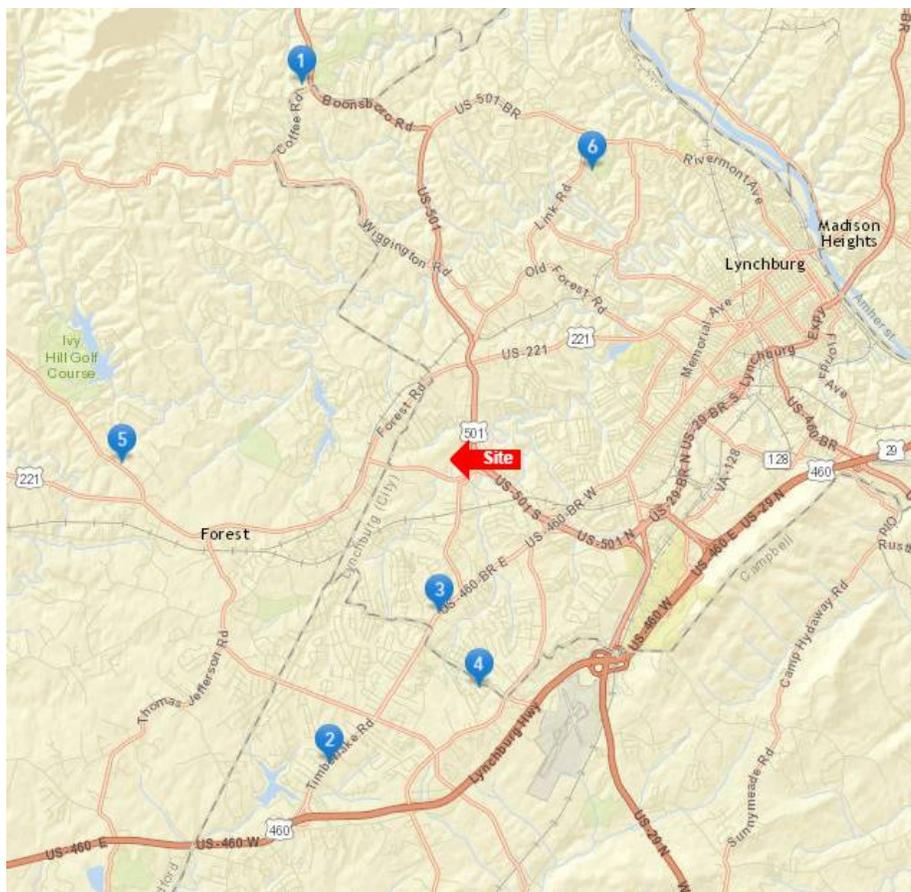
Table 11 shows market data on six active for-sale communities in the Lynchburg area. These are all “towns”. The only condominium units are investor-owned units for students and more of these communities are actively marketing new units at this time.

Table 11: Characteristics of Active Condo/Duplex/Townhome Subdivisions, Rosedale Market Area, January, 2016

	<u>Map F</u> <u>Key</u>	<u>Year</u> <u>Started</u>	<u>Total</u> <u>Lots</u>	<u>Homes</u> <u>Sold</u>	<u>Base Prices</u>
Boonsboro Commons	1	2004	36	32	\$280,000
Braxton Park	2	2007	140	129	\$120,000
Candlewood Court	3	2013	50	25	\$150,000
Cornerstone	4	2006	324	275	\$140,000
Crossings at Farmington	5	2011	88	25	\$244,000
Preserve at Oakwood	6	2013	<u>10</u>	<u>5</u>	\$375,000
Total/Average			648	491	\$186,800

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Map F shows the location of these communities. They are scattered throughout the urban region. Photos of each are attached.



Map F - Locations of Active Attached Home Subdivisions



Boonsboro Commons



Braxton Park



Candlewood Court



Cornerstone



Crossings at Farmington



Preserve at Oakwood

The salient points shown in Table 11 are:

- Three communities opened since the recession – both in 2013.
- Candlewood Court has 25 sales in two± years at base home prices of \$150,000.
- Preserve at Oakwood has five sales at base prices of \$375,000.
- Crossings at Farmington has 25 sales in five years at higher base prices of \$244,000.
- Basic townhomes are selling in the mid-\$100's.
- Better town's are selling from the mid-\$200,000's.
- There are 150+ available homes/lots available for sale. Most are at the lower-priced Cornerstones and higher-priced Crossings.

We used an average sale price for condos at Rosedale of \$200,000, using 2015 constant dollars. For the upper-priced towns, we used a base sales price of \$300,000.

Residential development at Rosedale is planned for Phase II. Market support for new for-sale housing should exist by then. Rosedale could have an attractive setting for new housing, with on-site employment, on-site retail and on-site recreation/open space.

Conclusions

The above market analysis shows market support for approximately 45,000 square feet of retail/restaurant space, but to be planned within a more urban design. The recommendation on the type of retail space is described above. Market support will be “fortified” if all of the retail space is in one location. Additionally, apartment units can be built above the retail space, if built as recommended.

We show full market support for new office space. Based on past trends, this could be a mix of local serving and medical space. Currently, the market area does not

generate a demand for “tech” space, but sufficient office space growth for traditional tenants will support the space planned at Rosedale.

The current office space market is for buildings of 5,000± square feet or less or with office buildings with floor plates of 5,000± square feet or less. This is not the type of space that supports tech users. Rosedale does have several buildings that are competitive for tech tenants. Attracting tech tenants will be a challenge, so the master plan needs to be adjusted to allow for larger buildings than shown. Otherwise, Rosedale will attract better buildings for the current office space market, but not necessarily tech users.

The market area hotel market is as strong currently as it has ever been. There is growth in demand and additions of new facilities.

Bella Rose will attract 100± events per year. At least half will generate hotel room demand. The events at Bella Rose will be at an average of 250 guests, with an average of 1.5 room nights per guest. At a minimum, Bella Rose will generate 20,000 room nights per year. A 110-room hotel on site will need to generate at least 24,000 occupied room nights. Bella Rose could provide much of the market support for a new hotel.

Market support would exist for additional apartment units in the right setting. The site will clearly be an attractive location for a wide range of for-sale housing.

Thus, with the caveats noted, full development of Rosedale could be achieved within 10 years, or faster with more residential and less office space. These conclusions are the basis for the Fiscal Impacts Analysis presented in Section II.

Fiscal and Economic Impacts Analysis

The fiscal and economic impacts analysis to follow is presented in two ways: first, those impacts which occur directly from activities on-site at Rosedale; and, second, those impacts which occur off-site based on multiplier or spin-off effects of resident and business expenditures in the City. The off-site impacts will be explained further on in this report; the present section deals with the on-site impacts. The on-site impacts include taxes generated by Rosedale at build out, that will accrue to the City, such as the real property and personal property taxes for the development and its residents and businesses.

The fiscal impacts analysis also projects the public service and facility costs to be incurred by the City of Lynchburg by on-site development at Rosedale and for off-site spin-off effects. The results of the fiscal impacts analysis will be to compare the tax revenues generated by property development, with the tax-supported costs incurred for services by the City, to determine the net fiscal impacts in terms of a revenue surplus or deficit over costs. This is done for both on-site and off-site impacts. Total annual impacts for the property are projected for the development at buildout, all revenues and expenses are calculated in constant year 2015 dollars, rounded to the nearest ten dollars.

The market study shows that full development of Rosedale will require up to 10 years, based on the magnitude of office space proposed, in particular. Thus, we calculated the fiscal impacts analysis at project build-out, and at the mid-point of the development, as presented above. The report will calculate the fiscal impacts analysis at build-out and at five years after project start. The mid-point analysis is summarized at the end of the full report.

Also, the full fiscal impacts analysis includes the adjacent Bella Rose development. The analysis for this adjacent property, which is now under construction, is calculated separately, as the land use being built differs from the Rosedale proposal. This analysis is also presented in the back of the report, prior to the penetration of total impacts by phase of development.

Summary of Fiscal Impacts

This section of the Rosedale report will detail the economic and fiscal impacts of the development, once developed and occupied, with the recognition that the off-site impacts may lag somewhat behind development and on-site impacts will occur as the market responds to changes in demand for goods and services. Table 12 presents a summary of the fiscal impacts that will be derived from full completion of Rosedale. It shows the sources of net fiscal benefits, being the difference between tax revenues generated and tax-supported costs incurred by the City to serve the land uses to be developed at Rosedale.

These are annual impacts, expressed in constant 2015 dollars, to avoid projecting inflation rates. The overall yearly impact of Rosedale after buildout, and full response by the local economy, would be \$3.5 million in net revenue surplus for Lynchburg. The paragraphs to follow present the derivations of these figures.

<u>Table 12. Summary of Tax Revenues, Tax-supported Costs, and Net Fiscal Benefits, On-site and Off-site, at Buildout, Rosedale, Lynchburg, Virginia (constant \$2015)</u>			
	<u>On-site</u>	<u>Off-site Spinoff</u>	<u>Total Impact</u>
Total Rosedale Taxes	\$2,242,150	\$2,397,730	\$4,639,880
Tax-supported Costs	<u>-\$623,080</u>	<u>-\$510,920</u>	<u>-\$1,134,000</u>
Net Fiscal Benefit	\$1,619,070	\$1,886,810	\$3,505,880
Sources: FY2016 Adopted Budget of Lynchburg, Virginia; U.S. Department of Commerce; and S. Patz & Associates, Inc.			

On-site Impacts: Tax Revenue

The revenues to be considered in this report are taxes collected by Lynchburg officials for General Fund use. These include property taxes, utility tax, and other smaller taxes. The paragraphs to follow document the derivation of the tax amounts for the on-site development at the property.

Real Property Tax

For convenience, the real property (or real estate) tax is treated, first, for the residential development on-site, and then for the non-residential development on-site. This separation is done to simplify the presentation. Total taxes for residential and non-residential will then be combined to give total on-site taxes. Table 12 presents the calculation of the real property tax for the residential units to be built at Rosedale, which include for-sale units. (Including rental units will not change the calculation, particularly at the home sale prices used).

The table is straightforward: numbers of units are multiplied by average market value per unit, and the result is the level of taxes at the City tax rate of \$1.11 per \$100 of value. Market values per unit were confirmed by field research on competitive projects, and based on the type of homes to be built. The total tax from residential units at the property would be \$366,300 at buildout.

Table 13. Derivation of Real Property Tax for Residential Units On-site at Rosedale, at Buildout, Lynchburg, Virginia (constant \$2015)

	<u>Units</u>	<u>Cost Per Unit</u>	<u>Total Cost</u>
Multi-family	135	\$200,000	\$27,000,000
Townhouses	<u>20</u>	\$300,000	<u>\$6,000,000</u>
Residential	155		\$33,000,000
Real Property Tax Per \$100			\$1.11
Real Property Taxes			\$366,300

Sources: FY 2016 Adopted Budget for Lynchburg, Virginia, and S. Patz & Assoc., Inc.

Market value for the non-residential (retail/restaurant, hotel and office) uses on site is based on developer hard costs, plus soft costs, land costs and site work. The methodology follows that for the residential uses, with unit costs multiplied by number of square feet or hotel rooms, and the resulting value multiplied by the real property tax rate. Per square foot construction estimates are based on developer input. Together, the non-residential uses would produce over \$308,000 in taxes per year.

Table 14. Derivation of Real Property Tax for Non-residential Units On-site at Rosedale at Buildout (constant \$2015)

<u>Non-residential</u>	<u>Units/ Square Ft.</u>	<u>Cost Per Unit</u>	<u>Total Cost</u>
Retail/Restaurant	50,000	\$150	\$7,500,000
Office	50,000	\$185	\$9,250,000
Hotel (66,000 SF) Rooms	100	\$110,000	<u>\$11,000,000</u>
Subtotal SF/\$			\$27,750,000
Real Property Tax Per \$100			\$1.11
Real Property Taxes			\$308,030

The chart below summarizes real property taxes at the property for all residential and non-residential uses. The total real property taxes from on-site development equal approximately \$674,000 at buildout.

	<u>Residential</u>	<u>Non-residential</u>	<u>Total</u>
Total Market Value	\$33,000,000	\$27,750,000	\$60,750,000
Real Estate Tax Per \$100	\$1.11	\$1.11	\$1.11
Total Real Estate Tax	\$366,300	\$308,030	\$674,330

Personal Property Taxes. Both residents and businesses are assessed personal (or business) property taxes. For residents, this is a tax on motor vehicles; for businesses it is a tax on furniture, fixtures, and equipment (FF&E). To address residential personal property taxes, the first step is to estimate the average depreciated value per vehicle in the City. The sequence of calculation to achieve this are shown in Table 15 and summarized as follows:

- The FY 2016 Adopted Budget for Lynchburg gives an allocation of \$17.3 million for expected personal property taxes.
- Based on the percent of real estate assessments that are residential – 93 percent – it is estimated that residential personal property taxes are \$16.1 million. This is based on real property assessments of \$9.4 billion residential out of a total of \$10.1 billion in real property assessments, or 93.2 percent residential.
- To this base is added the amount of Personal Property Tax Relief Act (PPTRA) funding the City is expected to receive from the State of Virginia is about \$5.1 million, bringing the total to \$21.6 million.
- Dividing the total residential personal property tax by the tax rate produces the total assessed value of vehicles in the City, \$569 million.
- According to U.S. Census of Population, there are 45,000 vehicles in the City.
- Dividing the number of vehicles into the total assessed value of vehicles gives an average assessed value per vehicle of \$12,600.

<u>Table 15. Estimation of the Average Depreciated Value of Residential Vehicles, Lynchburg, Virginia (constant \$2015)</u>	
	<u>Amount</u>
Personal Property Tax	\$17,266,000
Percent Residential	93.2%
Residential Vehicle Tax	\$16,087,662
PPTRA	\$5,543,584
Total Vehicle Tax	\$21,631,246
Personal Property Tax Rate	0.038
Total Assessed Value	\$569,243,326
Number of Vehicles	45,029
Assessed Value Per Vehicle	\$12,642

Sources: FY 2016 Adopted Budget for Lynchburg, Virginia, U.S. Census of Population, and Lynchburg Assessors Office

Table 12 applies the average assessed value per vehicle and the personal tax rate in the City to the numbers of homes to be built at Rosedale. This yields a personal property tax of \$130,300.

<u>Table 16. Personal Property Taxes For Residential Uses at Rosedale at Buildout (constant \$2015)</u>	
Total Residences	155
Ave. Vehicles Per Res.	1.75
Number of Vehicles	236
Assessed Value Per Vehicle	\$12,642
Total Assessed Value	\$2,986,603
Tax Rate Per \$1.11	\$3.80
Total Res. Taxes	\$130,300

Sources: S. Patz & Associates, Inc.

For non-residential floor space, an average and total FF&E cost is shown in Table 13. This is depreciated to an average of 40 percent. Multiplying by the tax rate yields the projected business property tax for the proposed development, a total of \$58,000 for the non-residential properties.

Table 17. <u>Personal Property Taxes For Non-residential Uses at Rosedale, at Buildout (constant \$2015)</u>			
	<u>Square Ft.</u>	<u>FF&E/Sq. Ft.</u>	<u>Total FF&E</u>
Retail/Restaurant	50,000	\$25	\$1,250,000
Office	50,000	\$25	\$1,250,000
Hotel	<u>66,000</u>	\$20	\$1,320,000
Total	166,000		\$3,820,000
Depreciated to 40 Pct.			\$1,528,000
Tax Rate Per \$100			\$3.80
Total Non-res Taxes			\$58,060

Sources: S. Patz & Assoc., Inc.

In the chart below, the on-site residential and non-residential personal property taxes at Rosedale are added to give \$188,000 in annual taxes after buildout.

	<u>Residential</u>	<u>Non-residential</u>	<u>Total</u>
Total Personal Property	\$2,986,603	\$1,528,000	\$4,514,603
Tax Rate Per \$100	\$3.80	\$3.80	\$3.80
Total Taxes	\$130,300	\$58,060	\$188,370

Retail Sales Tax. The 50,000 square feet of commercial space, at Rosedale is planned for retail and some on restaurant pad sites; both are subject to the retail sales tax. With sales at buildout of \$400 per square foot (an estimate that may change over time depending on the retail/service space mix), sales receipts for the retail and restaurant space would come to \$20 million annually. These are modest levels of

business receipts because Rosedale will not have a retail tenant, such as a big box store or supermarket. These taxable sales yield \$200,000 at 1.0 percent tax rate.

Business License Taxes. Certain businesses are taxed in the City under the Business, Professional, and Occupational License (BPOL) tax. The two cases in effect here are taxes on retail sales, and business and professional services, which include all private office space. The retail space is one-half (25,000 square feet) of the total of 50,000 square feet in commercial space. In Table 18, the respective BPOL tax rates are applied to the taxable receipts in commercial and office space, yielding a total of \$120,000 in BPOL taxes annually.

Table 18. <u>Business, Professional, and Occupational (BPOL) Tax at the Non-residential Uses at Rosedale at Buildout (constant \$2015)</u>					
	<u>Square Feet</u>	<u>Revenue /Sq. Ft</u>	<u>Revenue</u>	<u>Tax /\$100</u>	<u>BPOL Tax</u>
Professional Services	37,500	\$400	\$15,000,000	\$0.58	\$87,000
Business Services	12,500	\$300	\$3,750,000	\$0.36	\$13,500
Retail	25,000	\$400	<u>\$10,000,000</u>	\$0.20	<u>\$20,000</u>
Total BPOL Tax			\$28,750,000		\$120,500

Source: S. Patz & Assoc., Inc., Lynchburg Department of Revenue

Consumer Utility Taxes. Expenditures on utilities are typically taxed in Virginia municipalities. The following utilities: electric, gas, water, land line, cell phone, and internet generated utility taxes. For households, most utility taxes are approximately \$2.50 per month per utility; for five utilities, this is \$150 per household per year. Assuming a 95 percent occupancy rate, there will be 147 households at Rosedale. For 147 households, the utility taxes come to \$22,090 per year.

Non-residential utility taxes are determined by backing residential utility taxes out of the total City FY 2016 budget for utilities of \$4.25 million. This is done in Table 19, resulting in an estimate of \$13.66 in utility taxes per employee per year.

Table 19. <u>Utility Taxes Per Employee, Lynchburg, Virginia (constant \$2015)</u>	
	<u>Amount</u>
City Utility Taxes FY 2016	\$6,540,000
Number of Persons	77,870
Utility Taxes Per Capita	\$75
Residential Utility Taxes	\$5,841,310
Non-Residential Utility Taxes	\$698,690
Employment	51,163
Taxes Per Employee	\$13.66

Sources: FY 2016 Adopted Budget for Lynchburg, Virginia and U.S. Census of Population

With an estimated 425 employees in commercial space at Rosedale, the utility tax for that space would come to about \$5,800. Total residential and non-residential utility taxes would total \$27,900 annually after buildout in constant year 2016 dollars (see Table 20 and the explanation below on the number of employees at Rosedale).

Table 20. <u>Non-residential and Total Utility Taxes at Rosedale, Lynchburg, Virginia at Buildout, in Constant \$2015.</u>	
Commercial Floor Space	166,000
Square Feet Per Employee	250-500
Employment	425
Utility Tax Per Employee	\$13.66
Non-residential Utility Tax	\$5,800
Residential Utility Tax	\$22,090
Total Utility Tax	\$27,890

Source: S. Patz & Assoc., Inc.

- **Employment.** One issue to be addressed in the report is the net new employment to be generated at Rosedale at build-out. Excluding construction jobs new jobs are estimated at 425, as follows:
 - 50,000 square feet of office space at 250 square foot per employee - 200 employees
 - 25,000 square feet of retail space at 500 square feet per employee - 50 employees
 - 25,000 square feet of restaurant space at 25 employees per 5,000 square foot restaurant - 125 employees
 - 110± room hotel - 50 employees

Meals Tax. Of the 166,000 square feet of commercial space at the site, up to 50,000 square feet could be convenience retail or restaurants in pad sites, the latter comprising 25,000± square feet. Restaurants are receipts intensive, here assumed at \$400 per square foot, for annual sales of \$8.0 million. Tax on \$8.0 million of sales at 6.5 percent gives an amount of \$650,000, as Table 21 shows.

Table 21. <u>Meal Taxes at Rosedale, Lynchburg, Virginia, at Buildout (constant \$2015)</u>	
	<u>Amount</u>
Restaurant Floor Space Sq. Feet	25,000
Sales Per Square Foot	400
Total Sales	\$10,000,000
Meals Tax Rate	0.065
Meals Tax	\$650,000
Sources: S. Patz & Assoc., Inc.	

Motor Vehicle Licenses. The analysis for personal property taxes is based on an estimate of 271 vehicles on site at Rosedale. The license fee is \$29.50 per vehicle, giving total fees would be \$8,000.

Recordation Tax. Real estate ownership transfers are taxes at the state level at the rate of \$0.25 per \$100 of value. One third of this is returned to the municipality, at a rate of \$.0833 per \$100. Assuming that residential units are registered for recordation two times in 20 years – initial recordation, plus one resale every 10 years generates the following annual average recordation taxes:

Total RE Value	\$60,750,000
Two Turns in 20 Years	\$121,500,000
Recordation Tax Rate	0.00833
Recordation Taxes	\$1,012,500
Annual Average	\$50,630

Summary of On-site Tax Revenues. Table 22 summarizes the taxes by type for uses at the Rosedale site, for project buildout. These data show, the total tax revenue to accrue to Lynchburg at buildout of the site would come to \$2.2 million annually, in constant year 2015 dollars. Among the taxes, the major sources are the real property tax and the meals tax.

<u>Table 22. Summary of On-site Taxes at Rosedale, at Buildout, Lynchburg, Virginia (constant \$2015)</u>	
<u>Source</u>	<u>Amount</u>
Real Property Tax	\$674,330
Personal Property Tax	\$188,370
Retail Sales Tax	\$200,000
BPOL Taxes	\$120,500
Lodging Tax	\$328,510
Utility Tax	\$27,890
Meals Tax	\$650,000
Motor Vehicle Licenses	\$8,000
Recordation Taxes	<u>\$50,630</u>
Total Rosedale Taxes	\$2,248,230
Source: S. Patz & Assoc., Inc.	

Costs to the City

The previous section has derived the major tax revenues that would accrue to Lynchburg from the on-site development at Rosedale. The fiscal impacts analysis compares revenues with costs. In this case, since taxes are deposited in the City's General Fund, those revenues for the site are compared with the tax-supported costs that the City would incur in serving the residents and businesses at the site. Other sources of revenue and costs are excluded, since they accrue to separate funds in which expenditures generally equal revenues.

The source for the tax-supported costs the City would incur for service to the residences and businesses at Rosedale is the City's FY 2016 Adopted Budget. In the succeeding paragraphs the budget is presented both in terms of budgeted revenues and budgeted expenses. The tax-supported portion of the budgeted expenditures is derived and expressed on a per capita basis - for population (representing residents), employment (representing businesses), and pupils (representing costs of public education). The per capita costs to the City will be applied to the population, employment and pupils at the site to determine the overall costs to the City from the development of the site.

City Budget Expenditures. The total General Fund budget for FY 2016 is \$185 million. Budgeted expenditures by category or department are shown in Table 23. These expenditures are supported primarily by taxes, as will be shown below. The transfer to the School Fund of \$50 million represents 27 percent of the General Fund budget. The School Fund has other sources of funding besides these transfers, such as state and federal grants. The table separates expenditures by population-based (residences) and employment-based (business) expenditures, excluding the transfer to the School Funds. Based on relative numbers of persons, residences account for 60 percent of these expenditures overall, and business 40 percent. These percentages vary by category, with health and welfare, and recreation and cultural attributable entirely to

residences. All other expenditures are considered based on residence and businesses in the same proportions as total expenditures.

Table 23. <u>Budget Expenditures by Category, City of Lynchburg, Virginia, FY 2016</u>			
<u>General Government Department or Function</u>	<u>Population -based (60.4%)</u>	<u>Employment -based (39.6%)</u>	<u>Total Expend. (100.0%)</u>
Gen. Gov't Administration	\$7,571,972	\$4,974,764	\$12,546,736
Judicial Administration	\$2,912,957	\$1,913,805	\$4,826,762
Public Safety	\$21,210,386	\$13,935,164	\$35,145,550
Public Works	\$10,656,548	\$7,001,323	\$17,657,871
Health & Human Services	\$17,920,280	\$0	\$17,920,280
Cultural and Recreational	\$5,368,732	\$0	\$5,368,732
Community Development	<u>\$2,608,048</u>	<u>\$1,713,481</u>	<u>\$4,321,529</u>
Subtotal Departmental	\$68,248,924	\$29,538,536	\$97,787,460
Non-departmental	\$9,393,913	\$6,171,775	\$15,565,688
Transfer to Other Funds	\$785,274	\$515,922	\$1,301,196
Debt Service Gen. Fund	\$5,139,190	\$3,376,433	\$8,515,623
Greater Lynchburg Transit Co.	\$841,304	\$552,734	\$1,394,038
Reserves	\$1,659,755	\$1,090,455	\$2,750,210
Transfer to Capital Fund	<u>\$4,725,735</u>	<u>\$3,104,794</u>	<u>\$7,830,529</u>
Subtotal Non-departmental	\$22,545,170	\$14,812,114	\$37,357,284
Schools Operating	\$41,064,276	\$0	\$41,064,276
Debt Service Schools	<u>\$8,695,820</u>	<u>\$0</u>	<u>\$8,695,820</u>
Subtotal Schools	\$49,760,096	\$0	\$49,760,096
Total Nondepartmental	\$72,305,266	\$14,812,114	\$87,117,380
Total General Fund	\$140,554,190	\$44,350,650	\$184,904,840
Sources: Adopted FY 2016 Budget for the City of Lynchburg, Virginia, the Virginia Employment Commission, and the U.S. Census of Population			

City Budget Revenues. The purpose of presenting a summary of City revenues in Table 24 is to show what portion of the budget is from taxes. This proportion represents the “tax burden” for the budget, representing the amount of the City’s revenues that City residents and businesses must make up in taxes. Table 24 shows that of the budgeted FY 2016 General Fund revenues, 63.3 percent are local taxes. This is the

“relative tax burden,” the proportion of costs to the City from a development that must be made up with local taxes.

<u>Table 24. Sources of General Fund Revenues and Proportion That Must Come From Local Taxes (Relative tax Burden), FY 2015</u>	
<u>Revenue Source</u>	<u>Amount</u>
Real Property Tax	\$56,514,000
Personal Property Tax	\$17,800,000
Sales and Use Tax	\$14,700,000
BPOL Taxes	\$8,437,000
Meals Tax	\$13,715,000
Lodging Tax	\$2,037,000
Motor Vehicle License	\$1,544,000
Utility Taxes	\$4,444,000
Communications Taxes	<u>\$3,300,000</u>
Local Taxes	\$122,491,000
Non-tax Revenue	\$71,138,590
General Fund Revenue	\$193,629,590
Relative Tax Burden	63.3%
Source: Adopted FY 2016 Budget for Lynchburg, Virginia	

Per Capita City Costs. In Table 25 budgeted General Fund expenditures for FY 2016 are allocated to population, employment, and public school pupils, as in Table 23 above.. One hundred percent of the General Fund transfer to the School Fund is tax supported, meaning that General Fund tax-supported costs per pupil are \$3,668 based on recent enrollment of 8,583 pupils in the City school system. As noted above, non-school expenditures are allocated by department to the two other classes of users, population and employment. For most functional non-school departments, total FY 2016 expenditures are allocated to the users in proportion to their numbers, 60 percent population and 40 percent employment. The exceptions are health and welfare,

community college, and parks, recreation and culture, which are allocated in their entirety to population, as noted above. The table shows that the per capita cost of services and facilities for the population average \$738 per capita; for employees, the amount is \$548 per capita.

Table 25. <u>Derivation of Tax Supported Per Capita Costs for Residences (Population-based), Businesses (Employment-based), and Public School Pupils, 2016</u>			
	<u>Population-based</u>	<u>Employment Based</u>	<u>Total General Fund</u>
Total General Fund Expenditures	\$140,554,190	\$44,350,650	\$184,904,840
Relative Tax Burden	63.3%	63.3%	63.3%
Tax-supported Costs	\$88,915,249	\$28,056,432	\$116,971,682
Total Except Schools (Taxes)	\$57,436,776	\$28,056,432	\$85,493,208
Number of Persons	77,874	51,163	129,037
Tax-supported Cost Per Capita	\$738	\$548	\$663
Total Schools (Tax-supported)	\$31,478,474	\$0	\$31,478,474
Enrollment	8,583	0	8,583
Tax-supported Cost Per Pupil	\$3,668	\$0	\$3,668
Sources: FY 2016 Adopted Operating Budget for the City of Lynchburg, U.S. Census of Population, Virginia Employment Commission, and City of Lynchburg School District			

On-site Costs to the City. Per capita costs for the City are multiplied by population, employees and pupils at Rosedale to estimate the costs that Lynchburg will incur in serving the Rosedale development at buildout. The following paragraphs derive the estimated costs to the City from the development, first population, next pupils, and finally employment. Data in the chart below show the number of households at 95 percent of all residential units. At \$738 per capita, the residences entail City population costs of \$217,000 annually, in constant year 2015 dollars.

<u>Costs of Residences</u>	<u>Amount</u>
Number of Households	147
Average Household Size	2.0
Population	295
Tax-Cost Per Person	\$738
Population Costs	\$217,210

School costs have the greatest cost impact from the site on the City. The key to school costs is the pupil generation rate, that is, the number of public school pupils that can be expected, on average, from each housing unit. The rate for better multi-family and townhouse properties is 0.3 pupils per unit. At \$3,668 in General Fund taxes per pupil, the 47 pupils expected at the site would generate \$173,000 in tax-supported school costs for the City, as this chart shows:

	<u>Amount</u>
Pupils Per Household	0.32
Households	147
Number of Pupils	47
Tax-Cost Per Pupil	\$3,668
Education Cost	\$172,810

Costs from the businesses at Rosedale come from the number of employees at the establishments. Costs attributed to 425 employees in office space would come to \$233,000 (see below):

Commercial Sq. Feet	166,000
Sq. Feet Per Employee	250-500
Employment	425
Tax-Cost Per Employee	\$548
Employee Costs	\$233,060

Total tax-supported costs to the City of Lynchburg from the Rosedale development would come to \$623,000 annually after buildout, in constant \$2015.

<u>Source</u>	<u>Amount</u>
Population Costs	\$217,210
Pupil (Education) Costs	\$172,810
Employee Costs	<u>\$233,060</u>
Total Tax-supported Costs	\$623,080

Summary and Net Fiscal Impact. The net fiscal impact is the net benefit in terms of the surplus (or deficit) of tax revenues compared to tax-supported costs for Lynchburg from Rosedale, as planned. At buildout Rosedale would produce total net surplus revenue of \$1.6 million, as shown in Table 26. This is the difference between revenue of \$2.2 million and costs of \$0.6 million annually. Appendix Table A-1 gives a breakdown of impacts by residential and commercial.

Table 26. Summary of On-site Tax Revenues, City Costs, and Net Fiscal Benefit, by Type of Development at Rosedale at Buildout (constant \$2015)

<u>Source</u>	<u>On-site</u>
Real Property Tax	\$674,330
Personal Property Tax	\$188,370
Retail Sales Tax	\$200,000
BPOL Taxes	\$120,500
Lodging Tax	\$328,510
Utility Tax	\$27,890
Meals Tax	\$650,000
Motor Vehicle Licenses	\$8,000
Recordation Taxes	<u>\$50,630</u>
Total Rosedale Taxes	\$2,248,230
Tax-supported Costs	<u>-\$623,080</u>
Net Fiscal Benefit	\$1,625,150

Source: S. Patz & Associates, Inc.

Off-site Impacts: Economic and Fiscal

In addition to the revenues and costs that accrue to Lynchburg from the development “on-site,” as described above, there are also off-site impacts that occur as a result of residents, employees and businesses expenditures throughout the City, and as other businesses re-spend the business receipts off-site for the purchase of goods and services from other vendors in the City. The multipliers used in this analysis are specific to Lynchburg, Virginia. Consumer budgets are identified by the U.S. Bureau of Labor Statistics by area and income level.

There is no direct consumer budget information for Lynchburg. Thus, national data for a budget for household income in the \$50,000’s has been chosen for the analysis. About 77 percent of this income is spent for consumer goods with other uses being

taxes, savings and transfers to others not living in the household. Among the larger expenditures by consumers are 19 percent for shelter and 27 percent for retail trade, including automobiles.

Consumer expenditures made off-site in the City are translated into economic impacts in the City using multiplier matrices provided for the local area by the U.S. Bureau of Economic Analysis. These multipliers capture the round-by-round flows of expenditures in the City initiated by residents and businesses from on-site. There are separate matrices for business receipts, employment and employee earnings. The items in the consumer budget are multiplied in turn by these expenditure-specific categories in each matrix and summed to give the “ripple effect,” “spin-off,” or “multiplier effect” of circulation of money through the economy. The ripple effects, plus the original consumer expenditures, equal the total economic impacts of apartment residents on the City economy.

Business Receipts

The chart below sets forth the economic dollar flows set in motion by expenditures off-site by residents and businesses at the Rosedale. The direct expenditures represent the expenditures that on-site residents and businesses make off-site directly. They total \$57 million when housing units are occupied and businesses are in operation.

This \$57 million in expenditures for goods and services would be expected to comprise another \$92 million in ripple effects or spin-off within the City. The ripple effect would be considerably greater than direct expenditures. This does account for some leakage of expenditures out of the City. Altogether, the business impact in Lynchburg would come to \$149 million. These off-site impacts also create tax receipts and costs to the City as do on-site impacts (see above).

<u>Off-site Impacts by Land Use</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Direct Expenditures	\$16,000,000	\$44,225,000	\$60,225,000
Indirect Spin-off Effect	<u>\$41,449,980</u>	<u>\$47,343,840</u>	<u>\$88,793,820</u>
Total Business Receipts	\$57,449,980	\$91,568,840	\$149,018,820

Employment and Earnings

Previous analysis identified 425 employees that would be on-site at the property, most being occupants of office space. **Another 1,040 jobs would be created off-site by the spin-off from the on-site development.** This calculation is based on the RIMS model prepared by the staff of the U.S. Department of Commerce, Bureau of Labor Statistics. It is designed to calculate off-site spin-off economic impacts. These off-site employment impacts would generate \$30 million in employee earnings in the City. This would be an average of about \$30,000 per employee. This is heavily influenced by the modest income jobs that are spun-off from the hotel, retail, offices and services on site.

Off-site Fiscal Impacts

The methodology used in projecting fiscal impacts off-site mirror those used to project fiscal impacts on-site. As before, revenues will be limited to taxes, and costs will be those that must be tax-supported, as based on employment. The RIMS II multipliers from the Bureau of Economic Analysis break receipts, employment and earnings impacts down into 21 different sectors, and the impact dollar amounts (business revenues) in the sectors form the basis for determining taxes. Many taxes can be calculated directly from these receipts, or from employment created off-site in the same fashion as for on-site taxes. Costs to the City can likewise be calculated from off-site employment created.

Because of their commercial nature, the non-residential components at Rosedale would be expected to yield considerably greater off-site impacts than would the off-site expenditures of Rosedale residents. This is the case, with the non-residential

components having a net fiscal benefit of \$1.67 million annually, compared to \$0.22 million for the residential components, for a total of \$1.89 million annually after buildout in constant 2016 dollars. Table 28 below summarizes the off-site fiscal impacts by type of use. Appendix Tables A-2 gives the individual tax sources for each type of use.

Table 28. <u>Summary of Off-site Spin-off Impacts for Rosedale, at Buildout, by Type of Use (constant \$2015)</u>			
<u>Type of Use</u>	<u>Tax Revenue</u>	<u>Tax-supported Costs</u>	<u>Net Fiscal Benefit</u>
Residential	\$306,030	-\$84,820	\$221,210
Commercial	<u>\$2,091,700</u>	<u>-\$426,100</u>	<u>\$1,665,600</u>
Total Off-site Impacts	\$2,397,730	-\$510,920	\$1,886,810

Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.

Summary of On- and Off-site Impacts

The overall annual impacts, both on-site and off-site spinoff, would be substantial from Rosedale for Lynchburg. Total tax revenue each year would be \$4.6 million, compared to costs to the City of \$1.1 million. This would leave a net fiscal benefit of \$3.5 million annually for the City. These overall impacts are summarized in Table 29 by type of use on-site at Rosedale. Table 29 and Appendix Table A-3 provide detail on both the on-site and off-site impacts from the development.

Table 29. <u>Summary of Total On-site and Off-site Impacts for Rosedale, at Buildout, by Type of Use (constant \$2015)</u>			
	<u>Tax Revenue</u>	<u>Tax-supported Costs</u>	<u>Net Fiscal Benefit</u>
Residential	\$860,220	-\$474,840	\$385,380
Commercial	<u>\$3,785,730</u>	<u>-\$659,160</u>	<u>\$1,829,770</u>
Total Impacts	\$4,645,950	-\$1,134,000	\$3,511,950
Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.			

Table 30 presents the same on-site and off-site impacts, but broken down by location as opposed to type of use as in Table 30. Note: Table 30 differs from Table 29 by \$10 due to rounding.

Table 30. <u>Summary of Total On-site and Off-site Impacts for Rosedale, at Buildout, by Location of Impact (constant \$2015)</u>			
	<u>On-site</u>	<u>Off-site Spinoff</u>	<u>Total Impact</u>
Total Rosedale Taxes	\$2,248,230	\$2,397,730	\$4,645,960
Tax-supported Costs	<u>-\$623,080</u>	<u>-\$510,920</u>	<u>-\$1,134,000</u>
Net Fiscal Benefit	\$1,625,150	\$1,886,810	\$3,511,960
Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.			

APPENDIX A TABLES

Table A-1 shows the net Fiscal Benefit for Bella Rose, based on the same methodology used for the Rosedale analysis. These benefits are additive to the Rosedale net benefits of \$1.62 million, as summarized in Table B-1.

Table A-1. <u>Summary of Tax Revenues and Tax-supported Costs On- and Off-site at Bella Rose at Buildout, Lynchburg, Virginia (constant \$2015/16)</u>			
	<u>On-site Taxes</u>	<u>Off-site Taxes</u>	<u>Total Taxes</u>
Real Estate Tax	\$18,870	\$3,780	\$22,650
Business Property Tax	\$7,410	\$1,730	\$9,140
Machinery and Tools	--	\$1,720	\$1,720
Retail Sales Tax	--	\$3,350	\$3,350
BPOL Tax	--	\$8,630	\$8,630
Motel Tax	--	\$3,710	\$3,710
Utility Tax	--	\$260	\$260
Meals Tax	\$55,250	\$7,140	\$62,390
Recordation Tax	<u>\$1,420</u>	<u>\$280</u>	<u>\$1,700</u>
Total Revenue	\$82,950	\$30,600	\$113,550
Less Costs	<u>-\$6,020</u>	<u>-\$2,850</u>	<u>-\$8,870</u>
Net Fiscal Benefit	\$76,930	\$27,750	\$104,680
Sources: FY 2016 Operating Budget For the City of Lynchburg, Virginia, U.S. Census of Population, U.S. Bureau of Labor Statistics, U.S. Department of Commerce, Virginia Employment Commission, and S. Patz & Assoc., Inc.			

APPENDIX B TABLES

Table B-1. Summary of Annual Tax Revenues, City Costs, and Net Fiscal Benefit Created On-site by the Residential and Non-residential Components at Rosedale, at Buildout, Lynchburg, Virginia (constant \$2015/16)

	<u>Residential Impacts</u>	<u>Non-residential Impacts</u>	<u>Total Impacts</u>
Real Property Tax	\$366,300	\$308,030	\$674,330
Personal Property Tax	\$130,300	\$58,060	\$188,360
Machinery and Tools	--	--	
Retail Sales Tax	--	\$120,500	\$120,500
BPOL Taxes	--	\$200,000	\$200,000
Lodging Tax	--	\$328,510	\$328,510
Utility Tax	\$22,090	\$5,800	\$27,890
Meals Tax	--	\$650,000	\$650,000
Motor Vehicle Licenses	\$8,000	--	\$8,000
Recordation Taxes	<u>\$27,500</u>	<u>\$23,130</u>	<u>\$50,630</u>
Total Rosedale Taxes	\$554,190	\$1,694,030	\$2,248,220
Tax-supported Costs	<u>-\$390,020</u>	<u>-\$233,060</u>	<u>-\$623,080</u>
Net Fiscal Benefit	\$164,170	\$1,460,970	\$1,625,140

Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.

Table B-2. Summary of Annual Tax Revenues, City Costs, and Net Fiscal Benefit Created Off-site by the Residential and Non-residential Components at Rosedale, at Buildout, Lynchburg, Virginia (constant \$2015/16)

	<u>Residential</u> <u>Impacts</u>	<u>Non-residential</u> <u>Impacts</u>	<u>Total</u> <u>Impacts</u>
Real Property Tax	\$63,940	\$517,500	\$581,440
Personal Property Tax	\$56,830	\$236,220	\$293,050
Machinery and Tools	\$10,280	\$6,650	\$16,930
Retail Sales Tax	\$49,410	\$107,720	\$157,130
BPOL Taxes	\$44,990	\$130,600	\$175,590
Lodging Tax	\$22,750	\$353,220	\$375,970
Utility Tax	\$5,680	\$10,610	\$16,290
Meals Tax	\$45,050	\$690,330	\$735,380
Motor Vehicle Licenses	--	--	--
Recordation Taxes	<u>\$7,100</u>	<u>\$38,850</u>	<u>\$45,950</u>
Total Rosedale Taxes	\$306,030	\$2,091,700	\$2,397,730
Tax-supported Costs	<u>-\$84,820</u>	<u>-\$426,100</u>	<u>-\$510,920</u>
Net Fiscal Benefit	\$221,210	\$1,665,600	\$1,886,810

Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.

Table B-3. Summary of Annual Tax Revenues, City Costs, and Net Fiscal Benefit Created On- and Off-site by the Residential and Non-residential Components at Rosedale, at Buildout, Lynchburg, Virginia (constant \$2015/16)

	<u>Residential</u> <u>Impacts</u>	<u>Non-residential</u> <u>Impacts</u>	<u>Total</u> <u>Impacts</u>
Real Property Tax	\$426,940	\$822,750	\$1,249,690
Personal Property Tax	\$187,130	\$294,280	\$481,410
Machinery and Tools	\$10,280	\$6,650	\$16,930
Retail Sales Tax	\$49,410	\$307,720	\$357,130
BPOL Taxes	\$44,990	\$251,100	\$296,090
Lodging Tax	\$22,750	\$681,730	\$704,480
Utility Tax	\$27,770	\$16,410	\$44,180
Meals Tax	\$45,050	\$1,340,330	\$1,385,380
Motor Vehicle Licenses	\$8,000		\$8,000
Recordation Taxes	<u>\$34,600</u>	<u>\$61,980</u>	<u>\$96,580</u>
Total Rosedale Taxes	\$860,220	\$3,785,730	\$4,645,950
Tax-supported Costs	<u>-\$474,840</u>	<u>-\$659,160</u>	<u>-\$1,134,000</u>
Net Fiscal Benefit	\$385,380	\$3,126,570	\$3,511,950

Sources: Bureau of Economic Development and Bureau of Labor Statistics, U.S. Department of Commerce, Adopted FY2016 Budget for Lynchburg, Virginia, and S. Patz & Associates, Inc.

APPENDIX C - PHASING

Appendix Table C-1 summarizes the development program for Rosedale by phase and includes the Bella Rose events center. There will be 116,200 square feet of non-residential space to be built at both properties, including the Bella Rose development, and 155 multifamily and townhouse units. Approximately 76,000 square feet of non-residential space is planned to be developed in the first five years – Phase 1 – and 40,000 square feet in the next five years for Phase 2. The 155 residential units are planned to be developed in Phase 2.

Table C-1. <u>Development Program for Rosedale and Bella Rose</u>			
	<u>Phase 1</u> <u>First Five Years</u>	<u>Phase 2</u> <u>Second Five Years</u>	<u>Total</u> <u>10-year Buildout</u>
Retail	25,000 Sq. Ft.		25,000 Sq. Ft.
Restaurant	25,000 Sq. Ft.		25,000 Sq. Ft.
Office	10,000 Sq. Ft.	40,000 Sq. Ft.	50,000 Sq. Ft.
Bella Rose 1/	16,200 Sq. Ft.		16,200 Sq. Ft.
Multi-family		135 Units	135 Units
Townhouse		20 Units	20 Units
1/ Includes events building, café and outdoor seating.			

Over the 10-year period of the buildout of Rosedale and Bella Rose, the City of Lynchburg, Virginia will realize a net fiscal benefit – that is, a surplus of tax revenues over costs of services to the City -- of almost 27 million dollars (in constant \$2015). Over the 10-year development period, annual net benefits will grow from \$1.6 million in year 2 to \$3.6 million at buildout in year 10, and for each year thereafter. It is projected that Phase 1 development will be completed by year 3, while Phase 2 development will proceed in annual amounts during the second five years. Annual benefits at buildout will include \$1.6 million in net revenue surplus directly from the activities on site, and \$1.9 million will accrue from the spin-off effect of resident and business expenditures throughout the Lynchburg economy. Annual net benefits are shown in Appendix Table

C-2. The table also shows the growth in the accumulation of benefits over the development period.

Table C-2. <u>Summary of Net Fiscal Benefits for Lynchburg, Virginia, from the development of Rosedale and Bella Rose Over 10 Years</u> (constant \$2015/16)		
<u>Net Fiscal Benefits 1/</u>	<u>Annual</u>	<u>Cumulative</u>
Year 1	\$0	\$0
Year 2	\$1,599,360	\$1,599,360
Year 3	\$2,886,020	\$4,485,380
Year 4	\$2,886,020	\$7,371,400
Year 5	\$2,886,020	\$10,257,420
Year 6	\$3,030,840	\$13,288,260
Year 7	\$3,175,660	\$16,463,920
Year 8	\$3,320,480	\$19,784,400
Year 9	\$3,465,300	\$23,249,700
Year 10	\$3,610,120	\$26,859,820
1/ Includes \$104,000 in annual net fiscal benefits from the Bella Rose event center.		
Source: S. Patz & Assoc., Inc.		

**Appendix D- Summary of Fiscal Impact Analysis of
Final Phase of Rosedale Development**

On the north side of the Rosedale property there is land approved for an additional 72,100 square feet of retail space and 32,400 square feet of office space, for a total of 104,500 square feet of space that can be developed after the 10± year development of the initial part of Rosedale. At build out, this additional development could generate \$2.53 million in annual net benefits to the City.

Table D-1 <u>Summary of Annual Net Benefit On and Off-site at Rosedale After 10-Year Initial Development</u> (2015/16 dollars)			
Real Property Tax	\$184,900	\$533,360	\$718,260
Personal Property Tax	\$39,710	\$243,460	\$283,170
Machinery and Tools	\$0	\$5,210	\$5,210
Retail Sales Tax	\$288,400	\$150,850	\$439,250
BPOL Taxes	\$112,760	\$96,250	\$209,010
Lodging Tax	\$0	\$44,140	\$44,140
Utility Tax	\$6,010	\$10,940	\$16,950
Meals Tax	\$468,650	\$971,690	\$1,440,340
Motor Vehicle Licenses	\$0 --		\$0
Recordation Taxes	\$14,010	\$40,040	\$54,050
Total Rosedale Taxes	\$1,114,440	\$2,095,940	\$3,210,380
Tax-supported Costs	-\$241,280	-\$439,160	-\$680,440
Net Fiscal Benefit	\$873,160	\$1,656,780	\$2,529,940



Rosedale Mixed Use Development City of Lynchburg, Virginia

I. PROFILES

City of Lynchburg, VA Summary

Lynchburg is an independent city in the Commonwealth of Virginia. As of the 2014 census, the population was approximately 80,000. Lynchburg is the principal city of the Metropolitan Statistical Area of Lynchburg, near the geographic center of Virginia. It is the fifth largest MSA in Virginia with a population of 254,171 and hosts several institutions of higher education. The City of Lynchburg, VA is in support of new commercial projects that will enhance the quality of life in the City by bringing in new jobs, amenities, sales tax dollars property tax dollars and will foster positive economic growth to the City of Lynchburg.

Retail Strategies Company Summary

Retail Strategies, LLC is a Birmingham, AL based retail real estate consulting firm offering market analysis, retail recruitment planning and public-private partnerships consulting to municipalities and economic development authorities throughout the country. The City of Lynchburg, VA contracted Retail Strategies on 5/16/14 for a term of three (3) years to proactively connect viable opportunities and consult on the retail commercial real estate development for the City. Retail Strategies has been engaged with multiple property owners, retailers, brokers and developers to market Lynchburg and identify where the private companies plan to invest in the City.

II. PROJECT OVERVIEW

Rosedale is a 62±-acre, vacant property located on the north side of Graves Mill Road, just west of the interchange of Graves Mill Road (CR 126) and U.S. Route 501. The proposed mixed use development conceptual plan includes commercial, residential, office and recreation.

Property Features

source: Cushman Wakefield marketing flyer for Rosedale on behalf of Hopkins Brothers LP&D

- Upscale mixed use development along Graves Mill Road
- 165,000 square feet of commercial space
- Retail anchor site available +/- 6 acres
- In-line / small shop availability
- Commercial pad sites available for (50+) apartments, (75+) luxury condominiums and townhomes, retail, and office development
- All utilities on site including storm water management, curb and gutter
- Signalized intersection into Rosedale Development
- Average Daily Traffic count along Graves Mill Road 24,000 VPD and 31,000 VPD along the Route 501 (Lynchburg Expressway)/Graves Mill Road intersection



Conceptual Drawing of the Project

source: <http://previewrosedale.com/>



III. SWOT

Retail Strategies primary focus and expertise is within the retail sector of commercial real estate. The company is in support of new development that will stimulate economic growth within a municipality when it is in the best in interest of the City. The following SWOT analysis on the proposed development and the proposed performance agreement is a summary of conclusions drawn from Retail Strategies based on the company outreach and feedback from key industry contacts and experience in the retail commercial real estate.

Strengths

Characteristics of the project that give it an advantage over others

- If developed as planned, the synergy of the project will create a regional draw for shopping, employment, recreation and residential vibrancy. The daytime population from the jobs and residential component will increase the sales of the proposed retail and restaurant portion of the project.
- New sales tax, property tax, jobs and quality of life components will stimulate economic growth for the City of Lynchburg, VA.

Weakness

Characteristics that place the project at a disadvantage relative to others

- National retail brands prefer to cluster in close proximity to their peer businesses. They want to be in close proximity to the rooftops of the core customers and the retail synergy. The dominate Lynchburg retail nodes are Wards Road and Lakeside. Retailers do not want to locate between two retail nodes that could allow their completion to our position them leaving



them open to losing market share in store sales. This location is currently considered a “tweener” site removed from the core shopping and eating districts.

- Access and visibility are critical to a retailer’s success. Feeder roads conveniently leading to multiple neighborhoods that allow easy access to the site will be required for national and regional brands to generate the store sales necessary for a profitable location.
- A national grocery store may require a different store layout than currently reflected on the conceptual site plan. Although it does happen on occasion, it is rare the back of the store will face the major traffic corridor. Maximizing the aesthetics for store approachability with signage, easy access to parking with limited turns and loading docks with truck access points behind the store would suggest that an alternative layout may be advantageous for the project.
- Grocery stores require close proximity and convenience to the rooftops of the core customers. There are currently more convenient locations for residents to shop. The proposed development includes the commercial development in Phase I. A grocery store, restaurants and other retail businesses would be more likely to be profitable if it opens after the residential and office components proposed in Phase II and Phase III are complete.

Opportunity

Elements that the project could exploit to its advantage

- Destination oriented, regional and local retail and restaurants could be supported in the project once the residential and office components are complete and generating the consumer traffic. There is an opportunity to capitalize on specialized, non-national retail and restaurant concepts.
- Several projects of this size and scale throughout the country are supported by a public-private partnership. The Performance Agreement drafted will apply tax revenue generated by the project to support the financial public participation. With executed letters of intent from private companies to prove interest in the project, the City could better understand the economic impact of the mixed use development and entertain agreeing to financial participation with less risk.

Threat

Elements in the environment that could cause trouble for the project

- The natural fluctuation of the economy and amount of time it will take to complete the project could change the current viability of estimates and assumptions.
- An alternative mixed-use development on a more appealing location within the City of Lynchburg could threaten the project.
- National retail and restaurant interest remains in the existing and proven dominate retail nodes of Wards Road and Lakeside.

IV. Conclusion

Retail Strategies believes that a mixed-use development the size and scale of Rosedale will have a positive economic impact on the City with new tax revenue, jobs and quality of life. It will be important for a road to connect Graves Mill Road with the residential neighborhoods to the northwest of the site. The residential, entertainment and office phases of the development should be secured prior to the commercial phase. A public-private partnership should be considered that will minimize the risk on both parties. Commitments proven with letters of intent from private companies will provide the city the security needed to properly analyze the best way to structure the performance agreement and actual direct economic impact of the project. The retail and restaurant components of the project will most likely be non-national brands. Destination, regional and local brands should be the focus for the commercial development Phase.

**Comparison of Collections
Budget to Actual FY 2015 - FY 2016**

	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Adopted FY 2016	Actual FY 2016	Actual FY 2016 to Adopted FY 2016	Actual FY 2016 to Actual FY 2015
SALES & USE TAX								
<i>ADOPTED FY 2016 BUDGET - \$14,700,000</i>								
JULY	\$1,014,596	\$996,646	\$1,075,816	\$1,131,485	\$1,119,202	\$1,207,589	\$88,387	\$76,104
AUGUST ¹	1,079,129	1,145,592	1,098,342	1,299,763	1,142,228	1,198,772	56,544	(100,991)
SEPTEMBER	1,100,698	1,117,209	1,083,199	1,204,336	1,191,262	1,269,930	78,668	65,594
OCTOBER	1,055,941	1,033,859	1,161,965	1,185,608	1,172,738	1,231,666	58,928	46,058
NOVEMBER	1,117,090	1,187,008	1,155,729	1,241,898	1,228,417	1,227,636	(781)	(14,262)
DECEMBER ²	1,488,926	1,466,715	1,316,419	1,669,810	1,651,684	1,600,507	(51,177)	(69,303)
JANUARY	998,052	1,085,312	1,103,175	1,073,237	1,061,587	1,055,364	(6,223)	(17,873)
FEBRUARY	1,134,434	1,074,819	1,172,252	1,131,392	1,119,110	1,161,810	42,700	30,418
MARCH	1,196,149	1,138,611	1,217,930	1,282,807	1,268,882	1,323,375	54,493	40,568
APRIL	1,053,637	1,129,443	1,183,748	1,311,297	1,297,062	1,202,186	(94,876)	(109,111)
MAY	1,078,175	1,089,235	1,112,579	1,213,149	1,199,980	1,222,060	22,080	8,911
TOTAL	\$12,316,827	\$12,464,449	\$12,681,154	\$13,744,782	\$13,452,152	\$13,700,895	\$248,743	(\$43,887)
CONSUMER UTILITY TAX - ELECTRIC								
<i>ADOPTED FY 2016 BUDGET - \$3,790,000</i>								
JULY	\$341,729	\$323,141	\$325,815	\$321,596	\$320,615	\$332,876	\$12,261	\$11,280
AUGUST	345,615	345,163	318,738	305,012	304,082	333,953	29,871	28,941
SEPTEMBER	325,754	318,915	317,324	317,947	316,978	328,411	11,433	10,464
OCTOBER	280,745	279,145	273,646	273,264	272,431	281,514	9,083	8,250
NOVEMBER	281,842	282,035	280,945	273,353	272,520	270,434	(2,086)	(2,919)
DECEMBER	325,287	330,714	348,750	346,565	345,509	321,380	(24,129)	(25,185)
JANUARY	344,439	346,399	374,541	365,859	364,744	346,212	(18,532)	(19,647)
FEBRUARY	322,546	342,839	372,254	381,844	380,680	361,670	(19,010)	(20,174)
MARCH	298,405	326,828	334,289	339,965	338,929	312,928	(26,001)	(27,037)
APRIL	271,034	320,253	306,485	288,704	287,824	282,659	(5,165)	(6,045)
MAY	266,883	262,832	272,343	277,296	276,451	267,796	(8,655)	(9,500)
TOTAL	\$3,404,279	\$3,478,264	\$3,525,130	\$3,491,405	\$3,480,762	\$3,439,833	(\$40,929)	(\$51,572)
COMMUNICATIONS SALES & USE TAX								
<i>ADOPTED FY 2016 BUDGET - \$3,300,000</i>								
JULY	\$349,339	\$293,358	\$286,999	\$283,594	\$275,000	\$276,750	\$1,750	(\$6,844)
AUGUST	294,910	291,560	284,691	281,957	275,000	270,038	(4,962)	(11,919)
SEPTEMBER	179,549	263,295	284,249	283,441	275,000	273,974	(1,026)	(9,467)
OCTOBER	309,437	319,011	288,830	287,702	275,000	277,686	2,686	(10,016)
NOVEMBER	284,123	300,665	284,176	279,441	275,000	271,470	(3,530)	(7,971)
DECEMBER	233,654	297,855	289,726	282,491	275,000	276,524	1,524	(5,967)
JANUARY	337,936	282,620	264,960	275,361	275,000	271,160	(3,840)	(4,201)
FEBRUARY	287,492	287,759	280,480	291,186	275,000	275,887	887	(15,299)
MARCH	302,278	299,333	288,500	285,971	275,000	282,470	7,470	(3,501)
APRIL	292,542	287,442	285,052	276,473	275,000	270,594	(4,406)	(5,879)
MAY	287,784	266,034	286,178	285,053	275,000	271,168	(3,832)	(13,885)
TOTAL	\$3,159,044	\$3,188,932	\$3,123,841	\$3,112,670	\$3,025,000	\$3,017,721	(\$7,279)	(\$94,949)

**Comparison of Collections
Budget to Actual FY 2015 - FY 2016**

	Actual Assessed FY 2013	Actual Collected FY 2013 ⁵	Actual Assessed FY 2014	Actual Collected FY 2014 ⁵	Actual Assessed FY 2015	Actual Collected FY 2015 ⁵	Adopted FY 2016	Actual Assessed FY 2016	Actual Assessed FY 2016 to Adopted FY 2016	Actual Collected FY 2016 ⁵	Actual Collected FY 2016 to Adopted FY 2016	Actual Collected FY 2016 to Assessed FY 2016
MEALS TAX												
<i>ADOPTED FY 2016 BUDGET - \$13,715,000</i>												
JULY ³	\$943,431	\$1,044,556	\$944,920	\$1,159,786	\$1,009,124	\$970,597	\$1,026,218	\$1,090,368	\$64,150	\$1,046,770	\$20,552	(\$43,598)
AUGUST	1,042,850	1,026,544	1,056,821	1,024,718	1,152,551	1,119,585	1,172,074	1,173,209	1,135	1,213,559	41,485	40,350
SEPTEMBER	1,011,701	1,012,294	1,030,134	1,052,079	1,107,413	1,159,391	1,126,172	1,187,734	61,562	1,167,356	41,184	(20,378)
OCTOBER	1,006,966	1,003,032	1,046,550	958,359	1,149,721	1,119,430	1,169,196	1,181,133	11,937	1,152,017	(17,179)	(29,116)
NOVEMBER	964,775	868,692	1,019,305	1,064,385	1,079,590	1,099,028	1,097,877	1,104,321	6,444	1,156,651	58,774	52,330
DECEMBER	1,044,178	1,083,983	1,061,859	1,035,379	1,138,978	1,117,510	1,158,271	1,225,475	67,204	1,224,108	65,837	(1,367)
JANUARY	927,026	889,358	968,124	971,677	1,089,143	963,288	1,107,592	1,007,562	(100,030)	908,712	(198,880)	(98,850)
FEBRUARY	983,390	995,618	987,205	957,979	1,032,923	1,198,810	1,050,420	1,143,880	93,460	1,154,457	104,037	10,577
MARCH	1,092,759	1,091,421	1,144,197	1,142,746	1,222,307	1,177,822	1,243,012	1,258,241	15,229	1,393,915	150,903	135,674
APRIL	1,052,568	1,067,037	1,098,389	1,034,811	1,206,781	978,156	1,227,223	1,241,103	13,880	1,244,722	17,499	3,619
MAY ³	1,058,790	841,164	1,107,395	1,100,601	1,186,546	1,303,652	1,206,645	1,230,822	24,177	1,242,988	36,343	12,166
TOTAL	\$11,128,434	\$10,923,699	\$11,464,899	\$11,502,520	\$12,375,077	\$12,207,269	\$12,584,701	\$12,843,848	\$259,147	\$12,905,255	\$320,554	\$61,407

LODGING TAX
ADOPTED FY 2016 BUDGET - \$2,037,000

JULY ³	\$180,074	\$197,072	\$174,759	\$223,419	\$189,065	\$180,395	\$186,540	\$180,587	(\$5,953)	\$180,808	(\$5,732)	\$221
AUGUST ⁴	163,020	275,903	185,662	185,340	185,946	185,402	183,463	206,422	22,959	202,217	18,754	(4,205)
SEPTEMBER	160,661	157,680	181,706	204,758	173,904	173,875	171,582	204,267	32,685	206,009	34,427	1,742
OCTOBER	183,064	191,453	184,462	185,014	209,859	209,788	207,056	196,681	(10,375)	160,131	(46,925)	(36,550)
NOVEMBER	131,993	129,941	153,745	148,082	141,855	144,988	139,961	140,923	962	177,048	37,087	36,125
DECEMBER	112,277	113,067	141,137	126,077	115,033	119,891	113,497	130,478	16,653	130,150	16,653	(328)
JANUARY	134,471	129,578	133,071	125,716	117,665	108,523	116,094	120,072	3,978	109,217	(6,877)	(10,855)
FEBRUARY	136,660	136,660	136,497	139,851	130,777	133,217	129,031	150,144	21,113	140,716	11,685	(9,428)
MARCH	158,737	158,706	176,151	172,029	184,242	178,963	181,782	204,178	22,396	222,261	40,479	18,083
APRIL	161,422	161,391	170,639	171,590	181,003	162,085	178,586	177,191	(1,395)	175,590	(2,996)	(1,601)
MAY	193,883	193,290	226,865	225,048	227,296	245,223	224,261	228,349	4,088	216,253	(8,008)	(12,096)
TOTAL	\$1,716,262	\$1,844,741	\$1,864,694	\$1,906,924	\$1,856,645	\$1,842,350	\$1,831,851	\$1,939,292	\$107,113	\$1,920,400	\$88,549	(\$18,892)

¹ The August FY 2015 Actual amount includes a one-time, \$145,000 payment in taxes, which was redistributed to the City from another locality.

² Retailer over-reported Sales & Use Tax in December FY 2015 by \$50,000; Corrected in December FY 2016 by reducing owed tax of \$39,000 and taking additional \$11,000

³ Due to year end accounting activities, a portion of Meals and Lodging Tax revenues associated with May and June were posted in June and July.

⁴ The August FY 2013 collection amount includes a one-time, \$140,000 payment in delinquent taxes.

⁵ Meals and Lodging Tax data includes columns titled "Actual Collected ." The figures listed under these columns include all revenue received per month regardless of whether the payment is current or delinquent.