



Economic Development Meeting Minutes

Tuesday, January 4th 2022 ❖ 7:00 pm

NOTICE: This virtual meeting of the Economic Development Authority was held pursuant to and in compliance with the Virginia Freedom of Information Act, Section 2.2-3708.2 and state and local legislation adopted to allow for continued government operation during the COVID-19 declared emergency.

All participating members of the Economic Development Authority were present at this meeting through electronic means. All members of the public may view this video of this meeting on the City's website at www.fallschurchva.gov.

1. **Call to Order**

2. **Reading of Virtual Meeting Notice**

3. **Roll Call:**

EDA Members Present: Jim Coyle, Sandra Kiersz, Chair Bob Young, Vice Chair Brian Williams, Matthew Quinn

EDA Members Absent: Edward Saltzberg

Student Liaisons Absent: Rex Crespin, Miles Pierre, Alex Lacroix

City Staff Present: Jim Snyder, Val Weiner, Becky Witsman, Cindy Mester

Public attendees: Letty Hardi, Phil Duncan, Ayan Addou, Julie Herlands

4. **Approval of December 2021 EDA Meeting Minutes:**

<https://www.fallschurchva.gov/DocumentCenter/View/15550/Draft-December-2021-EDA-minutes>

Matt Quinn motioned to approve the minutes, Jim Coyle seconded. Unanimous approval.

5. **New Virginia Village/310 Maple Acquisition with ARPA Strike Force funds – Cindy Mester**

Deputy City Manager Cindy Mester presented an opportunity for the EDA to gain ownership of another Virginia Village property through a transfer of City Funds. The only EDA funds would be \$25,000 for an initial deposit, to be refunded with ARPA funds.

She and staff suggested the following motion:

Motion to Approve Purchase of 310 S. Maple

At the January 4, 2022 Economic Development Authority monthly meeting, Matt Quinn moved the motion:



To approve the purchase and minor rehabilitation of 310 S Maple Street for committed affordable housing for a cost of up to \$1,000,000 and to authorize the EDA Chair Robert Young to enter into a contract under the following terms, as agreed on December 30, 2021, for the purchase of 310 S. Maple Street:

Purchase price of: (a) \$900,000 sales price, (b) \$60,000 seller credit, (c) settlement agent verified closing costs paid by the Seller from their purchase of the property on December 14, 2021;

Payment of a non-refundable deposit of \$25,000 to be placed in an escrow account within 5 business days of the execution of said contract;

Payment of title search, survey, and all fees, charges, and expenses of the buyer as applicable (closing costs); and

Settlement within 31 days of the execution of the signed December 30, 2021 contract. This purchase is expected to be funded with a transfer of funds from the City of Falls Church pending approval by the City Council on January 24, 2021. The deposit shall be paid by the EDA and will be reimbursed from the funds to be provided by the City.

Seconded by Jim Coyle.

ROLL CALL VOTE:

Ms. Sandy Kiersz _____

Mr. Brian Williams: _____

Mr. Matt Quinn: _____

Mr. Edward R. Saltzberg: absent _____

Mr. Robert Young: _____

Mr. Jim Coyle: _____

Approved 7:15 pm.

Mrs. Mester then updated the EDA on their existing affordable housing investments. The ARPA affordable housing funding has been approved, and \$1 million will be transferred to the EDA in January. That leaves \$900,000 to be used for refinancing for the EDA purchase of 302 and Council's funding of the 310 and 312 Shirley St buildings. That will be part of the gap financing since we will not be at 100% LTV.

The City received the award letter for the Amazon Year 3-5 Acquisition Strike Fund grant. Staff will go to Council to bring forward the Amazon grant applications for years 2 and 3, each for \$3.75 million. With the match, staff will bring forward \$8 million total for affordable housing. Year 3 is focused on the acquisitions of Virginia Village. Staff is still working on the refinance plan and non-profit partnership for VA Village.

The EDA is enthusiastic about making a long-term vision and acquisition plan for the area.



6. Fiscal Model Update – Julie Herlands, Tischler-Bise

Julie Herlands presented potential updates to the Fiscal Model including:

- Expanded Economic Impact Analysis to reflect revenue generated from retail and restaurant spending from residential and nonresidential development, as well as indirect and induced impacts from household spending and business investment
- Integrate a way to test higher (+25%) and lower (-25%) student generation rates compared to the average
- Add online retail sales tax revenue

Staff supported Mrs. Herlands recommendations, and added the possibility of removing Pearson Square from the student generation rate as it can shift the generation rate higher than the rest of the projects.

Council comments:

- Council member Letty Hardi noted the fiscal impact model can be very accurate in terms of fiscal impact, but asked how the EDO plans to share the newly added economic impact information. Council member Letty Hardi also noted that the fiscal model is valuable but not the only way the Council makes decisions.
 - EDO staff noted they would report the two values separately
- Councilman Phil Duncan asked whether the impact of a student being calculated differently in this new model? Are we proposing changing from our current method of reporting the exact number and then +50% pupils?
 - Staff is recommending a switch to -25% and +25%, to account for historic data that shows the model can over predict the pupil cost.
- Councilman Phil Duncan asked whether a depreciation factor is included in the model?
 - The 25% above can represent the potential increase in costs/decrease in revenue in the future. It helps to show this potential shift in the future.

Questions from EDA members:

- Does the model account for the expanded capacity with the new construction?
 - Julie Herlands noted the model does not include capital improvements, but we can adjust the assumptions in the model if we decide that is necessary. The capital piece is handled through the proffer policy as opposed to the operating fiscal impact.
- Can the model be tuned to the actual values versus the projected?



- EDO staff regularly checks the model's projections against the actuals. Tischler-Bise gathers data reflective of real time costs, and will be updated in the new model. The new version of the model will include updated expenses, property taxes, etc..
- What about the non-fiscal issues, affordable housing, car impact, are taken into account?
 - To the extent that they can be quantified, they are in the model. Vehicle trips are included in the model as a mini-traffic model, to determine the cost impact for road maintenance.
- Does the model project expenditures and revenues?
 - Yes, the model projects both expenditures and revenues.
- How is purchasing power recorded/calculated in the model?
 - It is scaled to the market values of the housing units for the project. The model uses averages that infer income based on the cost of the unit. Income can indicate purchasing power and spending. The model also records retail sales taxes based on the retail and restaurant spending within the project. It will be reported separately from the fiscal impact.
- Should EDO staff continue to use 2019 pre-pandemic pupil numbers? It may no longer be accurate.
 - EDO staff was directed to use pre-pandemic numbers because it could be a better predictor for the future, but it will be reconsidered once new numbers come in.

7. Wayfinding Update

City staff provided an update on the wayfinding project, which is on pace to start installation in early February.

8. Retreat Date Discussion

EDA agreed to host the retreat during their March regular meeting time. They will discuss whether it will be in person or remote at the next meeting.

9. Adjournment 9:00 pm