

2008 Legislative Agenda



City of Suffolk



Priorities for the City of Suffolk

- **Hampton Roads Transportation Authority (HRTA) Amendments**

The General Assembly during their 2007 session took proactive efforts to provide the Commonwealth and its localities with an essential infusion of transportation funds and created regional authorities to collect additional taxes and fees toward regional transportation priorities. After public comment opportunities following the 2007 session and prior to approval of the HRTA by member localities, an effort was made to respond to prevailing concerns that implemented fees by the authority be simplified, directly tied to transportation, and revenue neutral as compared with the initially identified fees. The City of Suffolk is supportive of amendments to the package of revenues and fees sought by the Hampton Roads Transportation Authority seeking to increase the sales tax on fuel from 2% to 5%, increase the car rental fee from 2% to 5%, increase the regional initial motor vehicle registration fee from 1% to 2%, and to concurrently repeal the regional annual motor vehicle registration fee, regional motor vehicle inspection fee, motor vehicle repair sales & use tax, and the grantor's tax.

Yet, it is also acknowledged that further statewide transportation needs remain for both construction and maintenance purposes, even as more roads are added to the system and existing roads grow older.

- **State Funding for Infrastructure benefiting Port Facilities**

The continued growth of the Ports of Hampton Roads is of great economic benefit for the entire Commonwealth, yet a disproportionate infrastructure burden is borne by host and neighbor localities. While the City of Suffolk is not a host locality of state port facilities, the responsibility for maintaining local roads and support infrastructure to buttress port traffic falls on Hampton Roads cities, including neighboring cities like Suffolk. To help offset the infrastructure burden – inclusive of roads and rail traffic brought on by the continued economic growth of the port industry for the entire state – and accompanying safety concerns, the city is supportive of securing additional state funding for street maintenance and repair needs associated with the ports as provided in §§ 58.1-3403 and 62.1-145.

- **Enterprise Zones**

Enterprise Zones have played an important role in attracting new and expanded business investment in designated areas. The program is credited with providing millions of dollars in new investments and hundreds of new jobs in Suffolk, including many in the Suffolk Industrial Park. Virginia is paying only 57 cents on the dollar promised to companies based on statewide guidelines in the program. To adequately fund the state's Enterprise Zone program for those companies promised funds in the economic development incentive program, the Virginia General Assembly is encouraged to provide additional funding for this proven effective economic development tool for Suffolk.



- **Matching Funds for Local Housing Trust Funds**

As documented by the City of Suffolk's Affordable Housing Task Force in their report of August 17, 2005, housing prices in the city have been rising rapidly for new construction, existing home resales, and single and multi-family rentals. These rising home costs are not unique to the City of Suffolk but do accentuate the importance of providing localities tools to ensure affordable housing is available to all citizens who live and work in the community.

The General Assembly is encouraged to establish and fund a Virginia Housing Trust Fund with a portion of the fund to be used to provide matching funds to localities that have both established a local housing fund and appropriated local moneys to the fund. Additionally, the Fund should support innovative housing projects and low and moderate income housing projects that are located in areas experiencing extreme shortages of affordable housing.

Locality-Funding Priorities for the City of Suffolk

- **Health and Human Services Building**

The Commonwealth of Virginia is a partner with local governments in providing for the space needs of both the Departments of Health and Social Services, providing 60% of the lease funding for the Department of Health and 30% of the lease funding for Social Services. In 2007, the City of Suffolk asked the Virginia General Assembly to provide for increased lease funding support beginning the second year of the biennium in support of a local government partnership in providing Departments of Health and Social Service space needs for each department's proportional lease of a 64,500 square foot facility. In response, the Governor's Amendment added \$59,608 GF monies in the second year to pay for additional fourth quarter lease costs associated with the Suffolk Human Services Building. The City requests increased lease funding support of \$196,080 in state GF monies in FY 2008-2009 to cover the remaining rent increase for the Suffolk Health and Human Services Building associated with the new building for a seven-month period (December 2008-June 2009).

- **Kings Highway Bridge**

The City of Suffolk asks the Virginia General Assembly to direct funding into the current biennial budget through the dedicated bridge replacement fund sufficient to complete right-of-way acquisition and construction of the realignment and replacement of the Kings Highway Bridge in tandem with efforts to secure its inclusion in the Hampton Roads 2030 Long Range Plan (LRP) and the Virginia Department of Transportation's Six Year Plan.



- **Eastern Virginia Health System Agency**

As provided by Section 32.1-122.06 of the Code of Virginia, funding mechanisms for regional health planning in support of regional health planning agencies across the Commonwealth is established. To further the Commonwealth's efforts to facilitate the performance of health planning activities regionally and the consequent representation of interests by said health planning regions, their creation is crucial in providing assistance to the Board of Health. The City requests the Commonwealth for regional health planning funding on behalf of the Eastern Virginia Health System Agency for continued operations in the coming year to supplement the infusion of local funds approved by the City of Suffolk. In efforts to supplement funding so as to move away from a sole reliance on state funding, the City has approved \$4,000 (\$0.05 per capita according to Suffolk's population) as an infusion of local funds this year towards the agency, contingent on approval of similar funds from neighboring localities residing within the Eastern Virginia Health System Agency jurisdiction.

Non-state Agency Funding

- **Suffolk Museum of African-American History**

In continued efforts toward targeting restoration of this historic structure located in the historic heart of the African-American community of Suffolk into a history museum to memorialize and teach about the many contributions African-Americans have made in areas such as education, medicine, agriculture, commerce and trade, fundraising efforts continue. The cost for restoration and expansion of the property is \$7 million. The Virginia General Assembly provided \$12,500 in its approved FY 2006-2007 budget. City funding committed to date exceeds \$600,000. Federal earmarks to date are nearing \$300,000. The City of Suffolk requests a General Assembly appropriation of \$390,000 through the State's Historic Preservation Grant program in the first year of the biennium (2008-2009) to support stabilization construction efforts for the reinforcement and restoration of the former bank building. State funding through the State's Historic Preservation Grant program would be combined with a 50% match from the City along with the required historic preservation easement.



Other Statewide Issues to Monitor

- **Smoking Prohibition in Restaurants**

As a matter of public health and concern and in support of efforts made by other localities across the Commonwealth, the City of Suffolk supports enabling legislation for all localities in Virginia to prohibit by local ordinance smoking in restaurants.

- **Real Estate Tax – Homestead Exemption**

In efforts to support provision of tax relief for homeowners due to rapidly rising assessments in recent years, the City can support the second passage of a Constitutional Amendment resolution and enabling legislation to allow for adoption of a homestead exemption for owner occupied homes if it is allowed only by local option inclusive of local flexibility to establish income criteria. The City opposes any legislation that would limit local discretion in establishing real estate strategies such as real estate caps.

- **Post-Employment Benefit Trust Funds/GASB 45**

Due to changes in GASB standards, all local governments must start recognizing the cost of post employment benefits during the time period that an employee is on the payroll and city financial records must recognize and book all liability of obligations to retirees arising from post employment benefits. SB 789 last year provides cities the authority to establish a local trust to fund post-employment benefits. In efforts to help combat liability to a locality and to seek administration help of such obligations to a locality, a third party administrator is sought. A local option for VRS to manage and invest such post-employment benefits would provide a reliable, cost-effective choice for localities to set up a contractual arrangement at a minimal cost to cities.

- **Education Funding**

Education dollars continue to fall short of fully meeting the State's obligation to fund the costs associated with the State mandated Standards of Quality (SOQs). The cost of re-benchmarking in meeting SOQs and other education programs is estimated to be as much as \$1.1 billion for the 2008-2010 biennium. Currently, the City provides in excess of \$40 million annually to fund educational costs, including capital costs. Education funding in Suffolk represents 50% of all City expenditures. As a result of state funding inadequacies, public education funding needs continue to place a tremendous strain on local government budgets. Until the Commonwealth fully funds its share of the costs of public education, the City's budget must continue to bear a disproportionate funding burden. The General Assembly is requested to continue its efforts to close the funding gap between full funding of the SOQ costs and current education appropriations to localities. Funding for at-risk programs, furthermore, is a crucial piece in ensuring the best education possible for Suffolk students.



- **State taxation of local services**

The City of Suffolk believes the State must provide funding for state programs and service obligations through state imposed and collected taxes and fees. The General Assembly should not support the expenses of the Commonwealth through the imposition of a state fee, tax or surcharge on any local government service such as water or sewerage services or solid waste disposal.

- **Impact Fee Authority (monitor)**

The Governor and members of the Virginia General Assembly have recognized that land use management and public infrastructure are closely linked. Development patterns continue to have a direct impact on our existing communities with new development creating the need for expanded infrastructure. With this in mind, the City of Suffolk seeks to actively monitor efforts looking for The Virginia General Assembly to provide local governments broadened authority to allow the assessment of fees on new development based on the impact on all public infrastructure, inclusive of school construction, attributable in substantial part to the new development.

- **Adequate Public Facilities Authority (monitor)**

It is noted that our communities and citizens are best served when new residential development can take place concurrently with the development of the new public infrastructure necessary to support those residents. This is particularly true of our public school system where new development can necessitate the use of portable classrooms and overcrowded lunch and recreational areas. The City seeks to monitor any proposed legislation that seeks local government option to adopt ordinances to ensure that any new development has the support of adequate public infrastructure, such as adequate school capacity, to support development before coming to fruition.

- **Recordation fee (monitor)**

The need to build and staff new schools, public safety facilities, public libraries and transportation infrastructure is particularly acute in communities like Suffolk that are experiencing rapid residential growth. As the greatest source of revenue, much of the funding burden for new infrastructure is generated through the real property tax. The City of Suffolk will carefully monitor any legislation seeking requests of the General Assembly to amend Section 58.1-3800 of the Code of Virginia to allow localities the option of imposing a local recordation fee on all recorded instruments subject to the state recordation tax to be used to finance school construction, transportation improvements or other public capital costs necessitated by growth.

- **Pay Day Lending (monitor)**

The City requests that the General Assembly continue to monitor this statewide issue, to assess that regulations are appropriately in place to ensure that all citizens are treated fairly, and to appraise discussed additional reforms/limitations inclusive of interest rate caps and the creation of a statewide database monitoring multiple loans to individual customers.