

FY 2018 Town Council Budget Development Questions Packet #10

Vice Mayor Fox - April 4, 2017

1. **Is the parking study money (100K) still part of the budget and the current tax rate?** The short answer is **NO** to your question. The parking study is not part of the current budget and is not part of the tax rate.

Here are a few points that may help as well.

1. The parking study was not part of my proposed budget.
2. It was added by the Mayor with the recommendation to use funds from the Payment in Lieu account which is an eligible use.
3. However, Council decided not to support this recommendation.
4. As a result, it is **NOT** in the current budget.
5. Since Payment in Lieu funds are not a local tax funding source, it does not affect the tax rate.
6. Non local tax funding sources are just like using proffers as they do not affect the local tax rate.
7. As a result, the tax rate remained the same.
8. Conversely, if the recommendation had been supported by Council, the item would not have increased the tax rate either because the proposed funds (Payment In Lieu) are not a local tax funding source.

2. **I have heard a lot from the business community in Leesburg over this past week and one of the things they are wanting to try is a 6-month sabbatical from charging for parking anywhere in the town. I know we take about 5 weeks in the winter and extend this courtesy. I was wondering how much the town would give up in revenues to try this idea. And do you think the revenues could be properly offset with the expected increase in sales and meals taxes?** The Town would lose approximately \$125,000 of parking revenue during a 6-month free parking sabbatical.

The Meals tax rate for the Town is 3.5% and in order to recover the loss of \$125,000 in parking revenue, downtown restaurants would need to generate approximately \$3.57 million of additional sales in six months. Sales tax in the Town is 6% (4% state, 1% NVT, 1% local). Of the 6%, only 5% is remitted back to Loudoun County. Approximately 14% (school-aged children proportion) of the 5% is remitted back to the Town of Leesburg. In order to offset the \$125,000 in parking revenue, downtown businesses would need to generate approximately \$17.86 million in additional sales in six months from consumers who would not have otherwise shopped in Loudoun County during week days between 8am and 7pm.

In order to gather consumer behavior and demographics, the Town recommends paying an outside consultant to perform a statistically valid survey.

Town staff does not recommend a parking sabbatical since the parking is already FREE during:

- weekends
- holidays
- after 5pm for on-street parking
- 1st hour for Town Hall garage
- 2nd hour with validation by businesses for Town Hall garage
- after 7pm in the Town Hall garage

Since parking is free during many occasions, the amounts listed above (\$3.57 million for meals tax and \$17.86 million for sales tax) would need to be generated during the times when parking is not currently free. Free parking also encourages many business owners and employees to take up the free parking spaces, which counteracts the free parking initiative for consumers. Also, the loss of revenue at the new Church Street parking lot would be approximately \$28,000 and would not be able to generate enough revenue to break even with the lease cost.

This item could be discussed during the April 24 Work Session on Downtown Parking versus discussion during the budget.

Councilmember Dunn – April 4, 2017

- 3. Can I get the time line of staff inspections on a SFR detached? How many homes Occ permits have been delayed to date (last 3-5 years) because Town staff did not meet their anticipated sign off deadline?**
The total number of single family detached units that were inspected for final occupancy in the last 5 years is 156. The approximate amount of time needed to inspect each single family lot (zoning, public works, and utilities) is 3.5 hours. These inspections are done at different times so it is not done in a single block of time. Also, about 5% of the inspections fail and must be re-inspected. It is difficult to confirm how many occupancy permits are delayed since staff from other sections of the Planning & Zoning Department are used to support the inspection process which negatively impacts the workflow in other areas.
- 4. The Town has hired consultants such as Muldrow to conduct surveys and get public input on a number of issues. Who are the other consultants the Town has employed to conduct studies and provide various types of plans for the Town? What were those plans or studies or their resulting product? And what is the cost of these studies or plans etc?**

Public Input Plans and Studies (2003-Present):

- Business Development Strategy for Leesburg – Arnett Muldrow Associates*
- Wayfinding Sign System – Frazier Associates*
- Logo & Branding – Mann Marketing*
- Comprehensive Parking Study – Desman Associates*
- Crescent District Master Plan – Kimley-Horn and Arnett Muldrow*
- Downtown Market Study – VCU*
- Retail Market Analysis – Arnett Muldrow Associates*
- Fiscal Impact Analysis – Tischler Bise*
- H-1 Guidelines Update – Frazier and Associates - \$18,500
- Performing Arts Center Feasibility Study – ArtsMarket*
- Incubator Feasibility Study – Mason Enterprise Center*

*Cost of the study and/or plan will need to be further researched