

Fiscal Year 2025 Budget Questions - Packet #2

Councilmember Cummings - February 25, 2024

- 1.) If we were to institute an expedited review for applications with 60% or more affordable housing in the application, what is the estimated cost? Does the \$200,000 listed in the unfunded enhancement request table in the budget book for an “expedited pilot program” represent this?

RESPONSE: If the Council desires a three-year pilot expedited review program for one to two affordable housing or economic development projects per year, additional staffing resources are needed. Recommended program funding level is \$600,000 upfront (\$200,000 per year for three years) to hire a temporary-to-permanent senior-level engineer or pay for on-call engineering services from a qualified consulting firm. This annual cost is reflected in the unfunded enhancement request table in the budget book.

- 2.) Should we be having a discussion and implementing a Stormwater Management Fee in the proposed Fiscal Year 2025 budget process?

RESPONSE: The implementation of a stormwater management fee was not included in the Fiscal Year 2025 budget to allow more time to review and understand the issues facing the Town and to determine how to best implement such a fee (how it would be calculated for example). The Town’s Financial Advisor, Davenport & Company, is scheduled to discuss establishing a potential stormwater fee at the April 8, 2024 Town Council Work Session.

Councilmember Cummings - February 26, 2024

- 3.) What is the purpose of purchasing the FBO Hangars?

RESPONSE: The lease for the FBO Hangars started about 40 years ago and has a buy-out clause at the end of it. At that time, either the Town puts it out to bid and the public can buy it, or the Town can buy it out. It may be financially more advantageous for the Town to own the hangar and rent it at market rates, rather than re-entering another 40-year ground-lease. This option also offers the Town more control to ensure important fixed-base operator services are available to the airport users.

- 4.) Has there been a study on parking at the Airport to determine the need to expand the parking lot?

RESPONSE: While a study has not been completed, based on staff experience at the Airport, the parking lot is typically 80-90% full, sometimes at full capacity with vehicles parked on the grass. There has been a 61% increase in airport traffic at the Airport since 2019 which has fueled some of this need. While there was some relief during the pandemic, the Federal Aviation Administration (tenant) employees have started to return to in-person operations. The state would fund 80% of the cost of

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design and construction of the parking lot, which equates to \$1,575,000 of the total estimated project cost of \$1,995,000.

- 5.) **Regarding the W&OD Trail Lighting Project, what has the Town done in terms of public outreach to those residents living along the trail?**

RESPONSE: The Town has sent letters to the residents and has signed a task order with the design engineering firm to perform the survey work. The first step is to determine what land rights the Town and NOVA Parks have to help with determining the layout of the lights, including what type of lights, how far from the trail, etc. There will be several meetings between the Town, Dominion Power, and NOVA Parks as well as meetings with residents to inform them about what exactly the project is and what the layout and spacing of lighting will be, what the options for lighting will be, etc.

Councilmember Bagdasarian - February 26, 2024

- 6.) **Does the Evergreen Mill Road Widening capital project include sidewalk?**

RESPONSE: Yes, sidewalk is included on the west side of Evergreen Mill Road and a trail on the east side of the road.

- 7.) **It was mentioned earlier that there has been 60% growth in airport operations since 2019. What do you attribute to the growth of airport operations?**

RESPONSE: During the pandemic, a lot of people turned to private general aviation. This led to an increase in business for the flight schools based at the Airport.

Mayor Burk - February 26, 2024

- 8.) **You mentioned an easement from Virginia Tech, which project was that for?**

RESPONSE: The easement is for Morven Park Road Sidewalk. The Town needs to complete a change for a sanitary sewer tie-in. The sidewalk is not being extended to Morven Park; however, there is a separate project in the Capital Improvements Program (CIP) to include a trail from the backside of Ida Lee Park to the pedestrian entrance of Morven Park.

- 9.) **What is the timeline for starting Lawson Road Pedestrian Crossing?**

RESPONSE: The Town will be doing land acquisition shortly and hope to have the project out to bid this summer. Anticipated completion of the project is summer 2025, weather dependent.

10.)When do we hope to have the Police Station Expansion completed?

RESPONSE: Based on the current schedule, it is anticipated to be completed in late fall/early winter of 2025.

11.)For Miscellaneous Playground Surface and Equipment Replacements, will we publicize which parks we plan to replace equipment for?

RESPONSE: Yes, the Town will publicize which parks are planned for replacement.

Vice Mayor Steinberg - February 26, 2024

12.)Can we look at studying comprehensive designs involving Catoctin Circle streetscape improvements from King Street to Market Street and involving Market Street from Mom's Apple Pie to the flyover [further east]?

RESPONSE: Currently, there are no studies funded in the proposed Fiscal Year 2025 budget. However, unassigned fund balance is available for this one-time expenditure if Council gives corporate direction to pursue. The estimated cost for studying this area could be up to \$200,000 or more, but the cost will not be known until a bid process.

There is currently a project in the Capital Improvements Program (CIP) to address congestion on East Market Street between Plaza Street and the ramps to the Bypass (Project #22302). The original study was completed on the Town's behalf by the Virginia Department of Transportation (VDOT) as part of the Strategically Targeted Affordable Roadway Solutions (STARS) program. The Town has received \$6.8 million in System for the Management and Allocation of Resources for Transportation (SMART) Scale funding from VDOT beginning in Fiscal Year 2026 for this project.

Councilmember Cimino-Johnson – February 27, 2024

13.)Where does personal property tax revenue from aircraft go? What is the average value of an aircraft?

RESPONSE: Personal property tax revenue is General Fund tax revenue. Tax Year 2024 assessment information is not yet available from the Loudoun County Commissioner of the Revenue. The Town reported 259 aircraft based more than 60 days at the Leesburg Executive Airport to the County for assessments. Only 34 of the 259 were assessed at a value large enough to create the minimum \$10 tax bill or an assessment value of \$1 million ($\$1,000,000 / 100 \times \0.001 tax rate = \$10 minimum bill). The total assessment for aircraft for Tax Year 2023 was \$147.6 million covering 34 aircraft. The average assessment for those 34 aircraft was \$4,341,824. This is a total amount of personal property taxes of \$1,476.22 or \$43.42 per aircraft. The range of payments however could be quite large with only a very few planes paying the bulk of the bill. The Town is working with the County to acquire the assessment data to calculate the average of the other 225 aircraft with an assessed value not large enough to create a tax bill. The business model of the airport is to not support the airport with tax revenues, but user fees from based aircraft fees, hangar rentals, tie down rentals, office space rentals, and surcharges on

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aviation fuels. The grant agreements with Federal Aviation Administration (FAA) and Virginia Department of Aviation (DOAV) require that revenue from the airport not go back to the General Fund but be reserved for use in support of the airport in order avoid having the 93% of infrastructure costs paid through these grants serving as subsidies to the General Fund. The Town’s fiscal policy requires the airport to be self-sustaining over the long-term with there being no implied subsidy either way. The airport is treated as a self-funded program within the General Fund in order to not have to set fees high enough to cover depreciation on the assets supplied by grants which would result in a large buildup of cash that would never be used in the airport operations and would be unaffordable for noncorporate aircraft owners. If the airport was an enterprise fund, it would have to cover depreciation to be considered a going concern for ratings agencies. Treating the airport as a self-funded program within the General Fund results in the lowest fees for aircraft owners without requiring taxpayer support.

14.) How does personal property tax relief work?

RESPONSE: Vehicle taxes are calculated based on situs January 1 by dividing the assessment by 100 and multiplying by the appropriate tax rate (\$1.00). The tax is prorated, if necessary, based on the number of months the vehicle is in the Town. For qualifying personal use vehicles, the tax bill is then reduced by the Commonwealth’s Personal Property Tax Relief (PPTR) percentage, which was set by the Town Council at the February 27, 2024 Council Meeting at 34%. This percentage only applies to the first \$20,000 of a vehicle’s value. Vehicle owners do not need to apply for personal property tax relief; it is automatically granted if the vehicle is registered for personal use. Below are examples of how the vehicle tax is calculated.

	Assessment Less Than \$20,000	Assessment More Than \$20,000
Assessed Value	\$8,000	\$30,000
Apply the Tax Rate	$\$8,000 / 100 * \$1.00 = \$80.00$	$\$30,000 / 100 * \$1.00 = \$300.00$
Calculate PPTR*	$\$80.00 * 34\% = \27.20	$\$1.00 / 100 * \$20,000 * 34\% = \$68.00$
Reduce the Tax Bill for Relief	$\$80.00 - \$27.20 = \$52.80$	$\$300.00 - \$68.00 = \$232.00$
Annual Town Tax Due	\$52.80	\$232.00

*PPTR applies to any passenger car, motorcycle, or pickup or panel truck having a registered gross weight with DMV of 10,000 pounds or less on January 1. Qualifying vehicles must be owned or leased by an individual and be used 50% or less for business purposes.

Councilmember Wilt – February 27, 2024

15.) Does the clerical cost of collecting this revenue exceed the amount of revenue being collected?

RESPONSE: Loudoun County administers, bills, and collects property taxes on behalf of the Town under the Centralized Billing Agreement. If the bill is less than \$10, the County does not issue a bill.

16.) How much does the County charge us to issue bill property taxes?

RESPONSE: Under the Centralized Billing Agreement, the County charges 1.15% of property tax revenue collected on behalf of the Town. In Fiscal Year 2023 the Town paid the County \$258,503.