

May Program

General Membership Meeting May 15, 2003, at 7:30 pm

- Consider and vote on the Tax Committee Resolution
- Consider and vote on the proposed Federation Budget for 2003 -2004
- Consider and approve the minutes of the Membership meetings of March 27 and April 24, 2003
- Consider and vote on the slate of officers proposed for 2003 -2004
- Open discussion on County-wide issues

The final 2002-2003
Membership meeting
will be June 19, 2003.

Check the Federation website
at:www.fairfaxfederation.org

FAIRFAX COUNTY FEDERATION OF CITIZENS ASSOCIATIONS MEMBERSHIP MEETING OF MARCH 27, 2003 DRAFT MINUTES

The meeting of FCFCA was held at the Packard Center at 7:30 p.m. (Attendance list is attached.) President Art Wells introduced County Executive Tony Griffin. The topic for the evening was the FY 2004 Advertised County Budget.

Program – County Executive Tony Griffin began the evening by reminding everyone that the budget process is far from over. This is an election year and while he is recommending a decrease of two cents from the rate of \$1.21 per \$100 assessment, the Board is looking at reducing it even further. This is the third year in a row that assessments have increased by double digits. Taxpayers are paying 50 percent more than three years ago. To facilitate the reduction of the 2 cents in the property tax, the County Executive has recommended a reduction of 114 positions and that combined with the program reductions allows 6M reduction in the budget.

The County Board has already advertised the rate at \$1.19 so they are obligated to that rate but they can go lower. The challenge of this budget comes because all other sources of revenue have been stagnant. Fifty nine percent of the revenue comes from real estate taxes and 41 percent from all other sources. The 41 percent is increasing by 0.2 percent. In the past the investment income has given the County a reasonable rate of return but even that is not happening. The rate is comparable to the Federal Reserve rate. The portfolio is averaging about 1.3 percent

Fairfax County has 100M square feet of office space. Fairfax County has been very successful in its commercial property. It is now the 5th largest office park in the U.S. Unfortunately 18 percent of the office space is vacant making the commercial property base flat.

FAIRFAX COUNTY FEDERATION OF CITIZENS ASSOCIATIONS BOARD OF DIRECTORS AND SPECIAL POSITIONS (AS OF MARCH 3, 2003)

Officers

President: Art Wells	8707 Pappas Way	Annandale 22003	703-323-7367	fax 703-425-7139	awells4@cox.net
1st V. President: Carol Hawn	6500 Harvest Mill Ct	Centreville 20121	703-266-6872	fax 703-266-1660	cahawn@att.net
2nd V. President: Wade Smith	8010 Birnam Wood Dr.	McLean 22102	703-610-1732	fax 703-610-2103	whsmith@mitretek.org
Treasurer: Charles Dane	4910 English Dr.	Annandale 22003	703-323-7847	fax 703-323-8998	c-ddane@erols.com
Record. Secy: Dolores Moseke	10524 Belmont Blvd.	Lorton 22079	703-339-5829		moseke@erols.com
Corres. Secy: Jean Packard	4058 Elizabeth La.	Fairfax 22032	703-978-4782	fax 703-978-9403	JeanP22032@aol.com
Past President: William Bailey	3802 Kendale Rd.	Annandale 22003	703-750-3546		wbbailey@erols.com

Committee Chairs

Budget/Finance: TBD					
Association Services: John Fee	5511 Landmark Pl.	Fairfax 22032	703-278-8200	fax 703-278-9141	JTFee@aol.com
Education: Charles Dane	4910 English Dr.	Annandale 22003	703-323-7847	fax 703-323-8998	c-ddane@erols.com
Environment: TBD					
Human Services: Ray Steele	4408 Alta Vista Dr.	Fairfax 22030	703-385-8615		ray.steele@verizon.net
Land Use: TBD					
Legislation: Sally Ormsby	9114 Coronado Tr.	Fairfax 22031	703-273-2048	fax 703-273-7484	sormsby@erols.com
Public Safety: TBD					
Resolutions: Bill Hanks	4422 Cortez Dr.	Fairfax 22030	703-385-3753	fax 703-273-2417	shanks@gmu.edu
Transportation: George Smith	1327 Portia Pl.	McLean 22102	703-356-7534	fax (Same; call first)	gsmithmclean@erols.com

District Representatives

Braddock: Art Wells	8707 Pappas Way	Annandale 22003	703-323-7367	fax 703-425-7139	awells4@cox.net
Hunter Mill: Mike Tobias	2668 Reign St.	Oak Hill 20171	703-391-8786		mtobias@att.net
Lee: Johna Gagnon	P.O. Box 10413	Franconia 22310	703-960-2840	fax 703-960-2840	gojo1776@cs.com
Mason: Jim Kitchim	4141 Century Court	Alexandria, 22312	703-941-3092	none	none
Mount Vernon: Peter Brinitzer	2321 Wittington Blvd.	Alexandria 22308	703-780-9388	fax (Same; call first)	Pbrini3108@aol.com
Providence: Sally Ormsby	9114 Coronado Tr.	Fairfax 22031	703-273-2048	fax 703-273-7484	sormsby@erols.com
Springfield: Mike Thompson	9035 Golden Sunset La.	Springfield 22153	703-440-9447	fax 703-455-1531	mikethompson@erols.com
Sully: Jeffrey Parnes	3153 Ramesses Ct.	Oak Hill 20171	703-904-0131	fax 240-337-4072	jparnes@cox.net

Special Positions

Bulletin Editor: Peter Brinitzer,	2321 Wittington Blvd.	Alexandria 22308	703-780-9388	fax (Same; call first)	Pbrini3108@aol.com
Asst. Editor: Susan Beaupre	7907 Ellet Rd	Springfield, 22151	cell 703-328-0123	home/fax 703-321-0788	sbeaupre@master-print.com
Web Site Coor: Merrily Pierce	1063 Carper St.	McLean 22101	703-848-1924		

FAIRFAX COUNTY FEDERATION OF CITIZENS ASSOCIATIONS

Nominating Committee Report Proposed Officers for 2003-2004 Terms

President	Carol Hawn
1st Vice President	Mike Tobias
2nd Vice President	John Jennison
Recording Secretary	Dolores Moseke
Corresponding Secretary	Jean Packard
Treasurer	Jeffrey Parnes

as proposed by Nominating Committee of
William Hanks, Chairman
Johna Gagnon
Jack Knowles
Jeffrey Parnes

There is not much difference between the County position and the School Board position on the County transfer to the schools.

QUESTIONS WERE THEN TAKEN FROM THE FLOOR.

How are commercial properties assessed?

Commercial properties are assessed by the income they generate rather than by the replacement cost. They are assessed by area in the sub-market category. The peak was in 1992 when the commercial base supplied 27 percent of the budgeted income. It is now lower than it was in 1975 and the prediction is that it will continue to dip until the vacant space is gone. The prediction is that it will continue to dip for the next five years to as low as 16 percent of the budgeted revenue.

What is happening to the assessments in the region?

Most areas are seeing double digit increases

Prince William = 15.8%

Arlington = 17.3 %

Alexandria = 25%

Loudoun = 8% probably a lot to do with AOL and WorldCom

Fairfax = 14.3%

Are assessments done individually?

No they are done by neighborhood. Similar properties are grouped together. There is an appeals process if anyone thinks that their assessment is out of line from the properties that are in their community.

If revenue is continuing to increase, what is happening on the spending side that is making the County propose spending cuts to all programs?

The schools are getting the six percent increase. The County spending is going up by less than one percent to cover the increased costs of labor such as health care and salary increases.

If the Board wants to reduce the rate further, where can they get the money?

It appears that taxing cell phones, increasing fees on services by those utilizing them and possibly lowering salary increases are options that the Board is considering.

There were many comments made about the budget process, the value system of the County, the Board of Supervisors' input, and the weighting of revenue vs. spending. The response by the Federation can be found in the motion approved later in the evening and posted on the web site.

BUSINESS MEETING.

- a. The minutes of the January 17, 2003 membership meeting were approved as published.
- b. A motion to receive the Treasurer's report was approved. There was a lengthy discussion about increasing our membership to stay on target with the approved budget.
- c. Proposed resolution on "Fairfax County Advertised FY 2004 Budget" – A motion by S. Ormsby was approved. A motion to amend the resolution to restore seven positions in the Sheriff's Department (c. Program Resolutions) was defeated. (Presented April 7 to the BOS)
- d. Proposed resolution on "Fairfax County Advertised Capital Improvement Program Fiscal Years 2004-2008" was approved. (Presented April 7 to the Board of Supervisors)
- e. A motion was made and approved to defer the Proposed Resolution on the Legislative Tax Code Study Committee until the April meeting.

April 6 is the **Awards Banquet** at the Fairview Park Marriott Hotel. Representative Tom Davis is the keynote speaker and Chairman Kate Hanley will introduce him.

Meeting adjourned at 10:30 p.m.

Addendum:

Proposed Resolution Fairfax County Advertised FY 2004 Budget

Proposed Resolution Fairfax County Advertised Capital-Improvement Program Fiscal Years 2004-2008.

FAIRFAX COUNTY FEDERATION OF CITIZENS ASSOCIATIONS MEMBERSHIP MEETING OF APRIL 24, 2003 DRAFT MINUTES

The meeting of FCFCA was held at the Packard Center at 7:30 p.m. (Attendance list is attached.) President Art Wells introduced Dr. Gerald Gordon, President, Fairfax Economic Development Authority and Mary Ashton from the Office of the County Executive.

Program – Dr. Gordon began by giving an historical perspective on the growth of Fairfax County. In 1976 the

population was 450,000 and a blue ribbon panel was formed which determined that the population in 1990 would be 890,000. They also determined that for every tax dollar that was collected from a homeowner, it cost between \$1.60 and 1.70 for the services to that taxpayer but for every \$1.00 collected from the business only .35 to .40 was used for services. This blue ribbon panel saw the need to encourage business development in the County.

What the panel did not see was the coming diversity of the population or the explosion of women in the workforce and the needs that that would create.

In 1976 only 12 percent of the tax base was coming from non-real estate taxes. The real estate tax rate was \$1.74 but, of course, the assessments were lower. The Board then sent out the Economic Commission to grow the commercial tax base to 25 percent. By the mid-1980's the percentage had grown to between 25% - 27%.

Dr. Gordon stated that today oddly enough we stand in the same position as we did in 1976. Our tax base is weighted heavily toward the real estate tax and the commercial base is down to 16 percent. The prediction is that we will continue to grow between 8,000 and 10,000 new residences each year and that the schools will add between 2,000 and 3,000 students.

He then gave a handout on the Historical Office Building Deliveries and Office Vacancy Rates in Fairfax County from 1985 to 2004. It appears that the commercial development occurs in eight year cycles. If that is true, then we are in the third year of the down cycle. He spoke of the 19M square feet of vacancy in commercial space and the plans to try to shorten the cycle. There are some building blocks that they are utilizing to attract new business to this area.

1. International business with an emphasis on Israel for their private sector business in defense and intelligence.
2. Venture Capital
3. Growth of minority business
4. Genomic research. Pairing our IT capability with the volumes of data needed to bring medical research to fruition. This development would be targeted to enhance the medical development already underway in the Springfield-Franconia area.

He then entertained questions:

What about businesses for homeland security?
He would love to get the procurement office.

Do you help small business and if so how?
Eighty percent of all the businesses in Fairfax qualify as small business so yes that is the main growth area for Fairfax County. We do the same for them as for the large groups-help them find office space, access capital, introduce them to others who will

help them grow their business.

Won't attracting business from Israel make us a target?
We probably are already a target because of our proximity to Washington, DC.

Does Fairfax County give tax breaks or tax incentives to attract new business?
Never Ever Ever. State of Virginia does give some for training.

Doesn't increasing job growth in Fairfax cause population growth and all of the problems that are now surfacing in Fairfax County?
We can't stop growth in Virginia. This becomes a circular argument.

What does the cost of housing do to discourage new business?
What about the disparity of labor costs overseas? We are in competition with areas like New York City, Boston, Silicon Valley, Los Angeles, Chicago so no the cost of housing is not an issue. Our products are mainly ideas not manufacturing so that is not an issue for us either.

Mary Ashton from the Office of the County Executive then gave an Overview of the Laurel Hill Adaptive Reuse Plan at Lorton. She had two handouts and a PowerPoint presentation.

Her presentation was visual and informative. It gave a good overview of the transformation of the Lorton Prison to a design that is yet to be determined by the citizens of Fairfax County.

There are 2,440 acres of which 1,600 are to be planned by the County Park Authority and The Regional Park Authority.

There are 40 acres of land south of Silverbrook Road designated for redevelopment as a senior housing campus and a South County High School that KSI negotiated to have completed by 2005.

There are over 300 buildings, 200 of which are located within a 552 acre National Register-eligible Historic District. A number of these buildings may be suitable for adaptive reuse including use for educational, cultural, and institutional purposes.

There are some meeting dates for anyone wishing to attend.

- **Proposed Presentation Workshop**
May 3, 2003 1-6 pm, Silverbrook Elementary School, Crosspointe Drive
- **Community Information and Exchange Meetings**
May 27, 2003 7-9 pm Braddock District Office, Burke Lake Road.
May 29, 2003 7-9 pm Fairfax Government Center Rooms 9 and 10.

- **Next Laurel Hill Adaptive Reuse Citizens Task Force Meeting:**
May 13, 7-9 pm – Fairfax County Government Center, Room 232

BUSINESS MEETING.

- a. A motion to receive the Treasurer's report was approved. Income from the banquet was \$7,100 and expenses were \$6,186. These are the expenses paid for by The Federation. The Washington Post paid for the awards and the printing of the invitations. The Budget Committee has set aside \$1000 for a new brochure on The Federation to be used in the membership drive.
- b. The report on the Awards Banquet was made by A. Wells. He thanked everyone for attending. Mary Ann Lecos was the Citizen of the Year. Tom Davis was the speaker and did a very fine job. Sunday night seem to make it a much more relaxed evening. Having two dates to pick from gave us the opportunity to get an excellent speaker. Jean Packard and S. Ormsby did a monumental job in getting everything organized.
- c. The Proposed Resolution on the Legislative Tax Code Study Committee will be deferred until the May 15 meeting.
- d. The nominations for Federation officers will be voted on at the May 15 meeting and the names will be included on the newsletter notification.

COMMITTEE REPORTS:

Transportation: 1. G. Smith reported that VDOT has been harnessed and has to respond to a specific set of goals and declare the costs associated for the 2020 plan. 2. The County staff has been directed to come up with a set of goals in conjunction with the Transportation Advisory Commission. There are a disappointing set of goals and on May 6, 2003 they will be going to the Comprehensive Plan to issue a policy statement.

Fairfax Community Action Advisory Board is sponsoring a Health Care Forum on May 12, 2003. Juan Williams will be the moderator. State Secretary of Health Jane Woods, Chairman Kate Hanley, a number of health care providers, AARP, INOVA Health Care will be present. This announcement will be on the web site.

NEXT MEETING:

Thursday, May 15, 2003 – Open forum meeting.

Meeting adjourned at 10:30 p.m.

Addendum:
Historical Office Building Deliveries and Office Vacancy Rates
Fairfax County, Virginia 1985-2004
Overview of Laurel Hill at Lorton
Laurel Hill Master Plan News

PROPOSED RESOLUTION LEGISLATIVE TAX CODE STUDY COMMITTEE

BACKGROUND

The 2002 General Assembly approved HJR 60 continuing a Joint Subcommittee to Study and Revise Virginia's State Tax Code (Tax Committee). Among the General Assembly directives to the Committee are the following tasks:

- Ensure that Virginia's tax code is fair, uniform, understandable, and contemporary;
- Seek broad input from all levels of government, the private sector, and citizens concerning the sufficiency of the Commonwealth's current tax system;
- Consider the necessity and sufficiency of current taxes, fees, deductions and credits as well as the rates of taxation;
- Consider current revenue capacity of localities and the sufficiency of their revenue tools; and
- Determine the equitable division of support to be assumed by the state and localities for education and mandated services in light of the reforms recommended by the Commission (the Commission on Virginia's State and Local Tax Structure for the 21st Century, the Committee's predecessor study committee).

At its second meeting, the Committee established four principles to guide its work on tax code restructuring. These four principles focus on equity and fairness, efficiency and avoidance of waste, adequacy, and predictability. The Federation understands that the Tax Committee made preliminary decisions (1) to make any recommendations revenue neutral, that is, for no overall increase in tax revenues, and (2) to present specific recommendations to the 2004 General Assembly.

Subsequently, the Committee submitted 12 recommendations for consideration by the General Assembly, but left many of the important issues to be resolved. Consequently, the 2003 General Assembly approved SJ Resolution 347, which continued the work of the Committee and added an examination of the Streamlined Sales Tax Project agreement arising out of a national study to simplify and facilitate taxation of interstate sales and use tax at the National level. This agreement was finalized among the States participating in the Project in November 2002.

The Committee structure was reduced from 18 members (9 from the House of Delegates, 7 from the Senate and 2 ex-officio members) to 12 members (6 from the House and 4 from the Senate and 2 ex-officio members). In continuing the study, the Committee was directed to (1) examine the allocation of state and local government services and responsibilities, (2) conduct a comprehensive review of the revenue impact of all tax preferences, including subtractions, deductions, credits, and exemptions, (3) evaluate the tax rates for all major state taxes to determine their sufficiency and appropriateness in the modern economy and (4) consider the appropriateness of adopting the policies in the Streamlined Sales Tax Project Agreement and identify and evaluate changes that may be needed in Virginia's sales and use tax laws to facilitate Virginia's compliances with the agreement should the General Assembly decide to adopt such policies.

The State has experienced significant decreases in revenues that have resulted in major reductions in State services and in the transfer of monies to local jurisdictions to fund federal and state mandated programs. In addition, Northern Virginia voters defeated the November 2002 referendum to increase the sales and use tax by one-half cent to fund transportation, including transit, projects in our area. The Federation had supported this proposed sales tax increase.

Based on comments from some legislators as presented in newspaper articles, this vote has been interpreted to mean that Northern Virginia citizens are opposed to any tax increase for any purpose. However, the media reported a number of reasons why different persons and groups voted against the increase in the sales tax.

Virginia does not fully fund the cost of local school divisions implementing the state-mandated Standards of Quality (SOQs), Standards of Learning (SOLs), and Standards of Accreditation (SOAs). These are examples of unfunded mandates which increase local taxes.

Fairfax County's revenue base is heavily dependent (75.9%) on property taxes, with real estate property taxes providing 56.7% and personal property taxes providing 19.2%. The County's transfer to the Fairfax County Public Schools (FCPS) and school bond debt service amounts to 52.5% of the County's disbursements. The County provides 72% of the FCPS operating budget.

The Federation has positions regarding (1) its concern about the County's increasing dependence on real estate property tax as its primary revenue source, recommending that the local tax base should be diversified; and (2) its recommendation that counties be granted the same taxing authority as cities and towns, which could help to diversify the County's revenue base.

PROPOSED RESOLUTION

WHEREAS, The Federation understands that the previous Legislative Tax Committee determined that its recommendations to the General Assembly regarding changes to the state tax code should be **revenue** neutral, regardless of the needs of the Commonwealth;

WHEREAS, the Tax Committee has agreed on four guiding principles in considering revision of the state tax code—equity, efficiency, adequacy and predictability;

WHEREAS, The Federation is pleased to see that the Committee is specifically charged with assessing the sufficiency of state taxes.

WHEREAS, The Federation is concerned about the County's increasing dependence on real estate property tax as its primary revenue source, and feels that the local tax base should be diversified;

WHEREAS, there is evidence that billions of dollars in additional expenditures are and will be needed to meet current and projected costs at the state and local levels for

- adequate K-12 education--consider the November 2001 report of the Joint Legislative Audit and Review Commission on state financial deficiencies in meeting its mandates for Standards of Quality, without considering Standards of Learning, Standards of Accreditation or new federal testing requirements,
- transportation--consider Dulles Corridor transit and other Metro needs, and the recent EPA "severe" air pollution designation for the Washington metropolitan area,
- public safety, and
- health and human services;

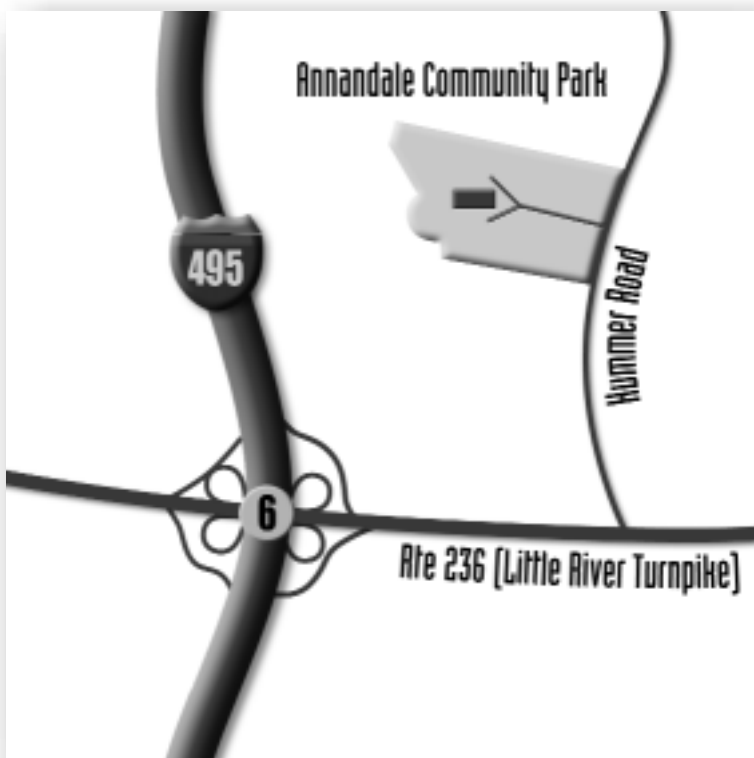
THEREFORE BE IT RESOLVED, that the Fairfax County Federation of Citizens Associations (The Federation) believes that the joint legislative Tax Committee should recommend, and the General Assembly should approve, revising the state tax structure so that

- a) the Committee's principles of fairness, uniformity and adequacy of the state and local tax systems are fulfilled, considering [revenue neutral proposals as well as] the sufficiency and appropriateness of all major state taxes in the modern economy including alternatives for raising additional revenue; and
- b) the state can and will fully fund those state mandates placed on local jurisdictions; and
- c) counties will be granted the same taxing powers as cities so that they may diversify their tax bases.

**PROPOSED FY 04 BUDGET FOR FAIRFAX COUNTY
FEDERATION OF CITIZENS ASSOCIATIONS**

Income	EOY Estimate	03 Ann.Budget	04 Ann.Budget
Membership	2560.00	5050.00	5050.00
Sublease	1000.00	1000.00	0.00
Symposium	0.00	750.00	750.00
Banquet	7100.00	5000.00	6000.00
Other	80.00	<u>100.00</u>	<u>100.00</u>
EOY CarryOver = \$685		11900.00	11900.00
Expenses			
Brochure	1000.00	0.00	0.00
Membership (1st VP)	27.00	550.00	500.00
Symposium (2nd VP)	0.00	400.00	400.00
Rent (Treasurer)	500.00	540.00	540.00
Copies at Packard (no control)	241.00	240.00	300.00
Administration (Corr.Sec. & Treasurer)	46.00	200.00	200.00
Website (Website Coor.)	251.50	325.00	400.00
Banquet (Banquet Coor.)	6186.00	4990.00	5500.00
Committees (Chairs)+	0.00	100.00	100.00
Newsletter (Treasurer)++	2648.00	3294.00	3300.00
Bulk mailing permit (Treas.)	150.00	125.00	150.00
Corporation fee (Treasurer)	25.00	25.00	25.00
Miscellaneous +++	62.50	<u>100.00</u>	<u>100.00</u>
		10889.00	11515.00

+ No more than \$25.00 w/o prior approval from the board
 ++ Three newsletters (Sept., County budget & prior to annual meeting)
 +++ With board approval



Directions to the
**Packard Center
Annandale
Community Park**

Take 495 (Beltway) to Exit 6
(Little River Turnpike);
go east toward Annandale.
Turn left at first stop light
onto Hummer Road.
Go 200 yards to entrance of
Annandale Community Park
which is on the left.

www.fairfaxfederation.org

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FAIRFAX COUNTY
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