



COMMISSIONERS

Essex County
Hon. Edwin E. Smith, Jr.
Hon. John C. Magruder
Mr. Don Blanton
Mr. Michael A. Lombardo

Town of Tappahannock
Hon. Roy M. Gladding

Gloucester County
Hon. Ashley C. Chriscoe
(Vice-Chairman)
Hon. Michael R.
Winebarger
Dr. William G. Reay

King and Queen County
Hon. Sherrin C. Alsop
Hon. R. F. Bailey
Mr. Thomas J.
Swartzwelder
(Chairman)

King William County
Hon. Ed Moren, Jr.
Hon. Travis J. Moskalski
(Treasurer)
Vacant

Town of West Point
Hon. James Pruett

Mathews County
Hon. Michael C. Rowe
Hon. Melissa Mason
Mr. Thornton Hill


Middlesex County
Hon. Wayne H. Jessie, Sr.
Hon. Reggie Williams, Sr.
Mr. Gordon E. White
Mr. Matthew L. Walker

Town of Urbanna
Hon. Diane Gravatt
Ms. Holly Gailey

Secretary/Director
Mr. Lewis L. Lawrence

MEMORANDUM

TO: MPPDC Board of Commissioners

FROM: Lewis Lawrence, Executive Director 

DATE: February 20, 2020

RE: February Commission Meeting

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, February 26, 2020 at 7:00 p.m. in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda.

Enclosed are the February meeting agenda and supporting materials for your review prior to the meeting.

If you have any questions concerning material in your agenda packet, please give me a call at 804-758-2311 or email me at LLawrence@mppdc.com.

I look forward to seeing you on **February 26th**!

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***Middle Peninsula Planning District Commission
Meeting***

7:00 P.M.

Wednesday, February 26, 2020

125 Bowden Street

Saluda VA 23149

- I. Welcome and Introductions
- II. Approval of January Minutes
- III. Approval of January Financial Report
- IV. Executive Director's Report on Staff Activities for the Month of February
- V. MPCBPAA Update
- VI. MPA Update
- VII. MPPDC Public Relations/Communications Update
- VIII. Public Comment

AGENDA ITEMS FOR DISCUSSION

- IX. MPPDC Extractive Resources Study
- X. General Assembly Update
- XI. Approval of Resolution in Support of Virginia Port Authority Local Dredging Projects
- XII. VRA Revolving Loan Fund – Living Shorelines
- XIII. Adoption of Middle Peninsula 2020 CDBG Regional Priority
- XIV. Other Business
- XV. Adjournment

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

January 22, 2020

Saluda, Virginia

I. Welcome and Introductions

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda, Virginia on Wednesday, January 22, 2020, at 7:00 p.m. MPPDC Chairman Swartzwelder welcomed everyone in attendance.

Commissioners Present

Essex County: Edwin “Bud” Smith, Jr., John Magruder, Michael Lombardo

King William County: Travis Moskalski, Ed Moren

King and Queen County: Tom Swartzwelder, R.F. Bailey, Sharon Alsop

Gloucester County: Ashley Chriscoe, Michael Winebarger, Dr. Willy Reay, Brent Fedors

Mathews County: Mike Rowe, Tim Hill, Melissa Mason

Middlesex County: Gordon White, Wayne Jessie, Reggie Williams

Town of West Point: James Pruett

Commissioners Absent

Essex County: Don Blanton

Middlesex County: Matt Walker

Town of Tappahannock: Monte “Roy” Gladding

Town of Urbanna: Dianne Gravatt, Holly Gailey

Also in Attendance

Lewis Lawrence, MPPDC Executive Director

Curt Smith, MPPDC Deputy Director

Heather Modispaw, MPPDC Chief Financial Officer

Dawn Mantell, MPPDC Executive Assistant

Jessica Roy, MPPDC Emergency Management Planner

Guests

II. Approval of November Minutes (December was joint holiday meeting; no action was taken)

Chairman Swartzwelder asked whether there were any corrections or changes to the November Minutes. There being no corrections to the Minutes, Chairman Swartzwelder requested a motion to approve the November Minutes. Mr. Smith moved that the November Minutes be approved. Mr. Moskalski seconded the motion; motion carried.

III. Approval of November and December Financial Reports

Chairman Swartzwelder asked whether there were any questions regarding the November and December financial reports before being approved subject to audit. There being no questions, Chairman Swartzwelder requested a motion to approve the November and December financial reports subject to audit. Mr. Chriscoe moved to approve the November and December financial reports subject to audit. Mr. Moskalski seconded the motion; motion carried.

IV. Executive Director's Report on Staff Activities for the Months of December and January

Chairman Swartzwelder requested MPPDC Executive Director, Lewie Lawrence review the Executive Director's Report on Staff Activities for the months of December and January. The Executive Director's Report on staff activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities.

Mr. Lawrence congratulated King & Queen County for their achievement in bringing in \$6M in federal funding in the last 30 days from 2 different broadband funding sources with a potential to obtain \$13M total.

Mr. Lawrence directed the Commissioners' attention to several items:

- Consulted with Del. Keith Hodges regarding a strategy for delivering the bylaws and operating agreement for the Rural Coastal Virginia Community Enhancement Authority. MPPDC Executive Director, Lewie Lawrence stated legal assistance was obtained by Kaufman & Canoles to create these bylaws. Del. Hodges will coordinate with localities after the GA session.
- CZM Extraction Fee Study – This project will explore the inequities between different natural resource extraction industries in Coastal Virginia and beyond. MPPDC staff will review Virginia's current severance taxing framework and relation to existing natural resources extractive industries and offer recommendations for next steps. MPPDC Executive Director, Lewie Lawrence stated this study will be used to bring more awareness to the topic. Next month staff will be bringing this project to the Commission.
- Consulted with Chris Davis of Ready Reef regarding a project in Mathews County that looks to restore a sand dune using flexmat. Chris Davis inquired if this would meet the statutory definition of a living shoreline. Consulted with Tony Watkinson, Chief of Habitat at Virginia Marine Resource Commission (VMRC) for further research. MPPDC Executive Director, Lewie Lawrence reported this flexmat product works very effectively in combating erosion and is cheaper than the current solution of granite. However, currently, this product may not meet VIMS definition of living shoreline.
- Received a call from Karen Duran, Manager, DEQ Clean water Revolving Loan Program notifying staff that the MPPDC has won the EPA Pisces award for the creation of the Middle Peninsula Living Shoreline Revolving Loan Program in EPA Region III. This is the highest award the EPA awards for innovation.
- MPPDC Executive Director, Lewie Lawrence pointed out the Septic Pumpout Program interest has increased with nearly 40 activities reported over the last two months. A final press release will be completed in the next few days. This program will end on March 31st. At that time, MPPDC staff will inquire with DEQ staff to see if an extension of the program deadline may be granted.

- Provided the Middle Peninsula Planning District Commission Service Agreement documents to Mathews and Gloucester Counties for execution. This Service Agreement allows for the MPPDC to oversee and managed the four proposed Virginia Port Authority grant dredging projects. MPPDC Executive Director, Lewie Lawrence reported that at the January LGA meeting, it was decided that the next round of Middle Peninsula dredging applications would be submitted based on the US Coast Guard report showing shoaled in waterways, those with RED symbology at the mouth. These are the channels most likely to have ATONS removed due to shoaling. As such, MPPDC anticipates submitting three or four proposals to VPA for the shoaled in waterways listed below. As the VPA grant process for round two applications is starting in Feb, we are slowly gearing up to assemble the applications. At this time, I believe MPPDC staff can prepare these applications using Coastal TA funding and that MPPDC will not need local resources for the development of the second round of applications. We believe we have a process in place to standardize the development of the applications. We are going to test this process for this round.

Priority Order for Application Submittal

1. WINTER Harbor: Mathews County (Need Mathews LGA blessing to submit)
2. Cedar bush Creek: Gloucester County (Need Gloucester LGA blessing to submit)
3. Parrots Creek: Middlesex (Need Middlesex LGA blessing to submit)

Secondary List for Application Submittal

4. Horn Harbor Mathews County (Need Mathews LGA blessing to submit)
 5. Milford Haven East (Need Mathews LGA blessing to submit)
 6. Perrin River
 7. Sarah Creek
- Emergency Management – Provides funding for the Regional Emergency Planner position based at the Middle Peninsula Planning District Commission (MPPDC). The Regional Emergency Planner supports the Emergency Managers, who do not have planners on staff, in each locality with planning. MPPDC Executive Director, Lewie Lawrence announced that this position was not funded by the state this year.
 - Consulted with Ann Phillips, Special Assistant to the Governor for Coastal Adaptation and Protection regarding implementation of several resiliency laws. MPPDC Executive Director, Lewie Lawrence reported that staff had consulted with Ann Phillips on many of the resiliency bills being presented. Ms. Phillips currently has no ability to convene meetings. Staff suggested to utilize HB1313, bringing in code section and modify it to get what is needed. Elizabeth Andrews, Professor of Law, and Director, Virginia Coastal Policy Center at the College of William & Mary redrafted HB1313 for Del. Keith Hodges to present. Mr. Lawrence will send this bill to the Commission when it goes live.

- Assisted with developing proposal for EDA Disaster Resilience grant proposal. MPPDC Executive Director, Lewie Lawrence stated this is still in negotiations with the EDA as to how much they will fund. Ann Phillips believes this is what the state needs to bring solutions to combat flooding.
- Consulted with Jennifer Morgan, Go Virginia Region 6 staff regarding an upcoming joint meeting between Region 6 and Region 5, focusing on the development of a water-based economy. MPPDC Executive Director, Lewie Lawrence stated staff will attend with a focus on how to obtain funding for the Middle Peninsula.
- Coordinated with FEMA & VDEM regarding programmatic changes inhibiting shore stabilization projects involving nature-based solutions. MPPDC Executive Director, Lewie Lawrence stated that FEMA wants to fund it but the state can't come up with a solution as to how to make this happen.
- Worked extensively with Middle Peninsula localities and planners to continue discussions related to utility-scale solar, specifically related to better understanding land use, transportation and post-construction impacts. Developed a panel of DEQ speakers for the monthly planners meeting to discuss how the state regulates post-construction issues for opt-out localities. Utility scale solar facilities should be reviewed by the locality to ensure substantial conformance with the Comprehensive Plan (Code of Virginia § 15.2-2332). This was a continuation of discussion at the Monthly Planners Meeting. MPPDC Executive Director, Lewie Lawrence stated that solar is being kept on the planner's agenda in an effort to promote awareness on permitting issues.

Commissioners were encouraged to contact Mr. Lawrence with any questions regarding the staff activities reported for the months of December and January.

V. MPCBPAA Update

MPCBPAA Chairman, Melinda Conner reported the PAA met with Draper Aden last week to discuss Captain Sinclair's Recreation Area's Nutrient Bank and the challenges that will be faced. Also discussed was the use of MPCBPAA sites for dredge spoils. The MPCBPAA will meet again in February.

VI. MPA Update

Travis Moskalski, MPA Chairman reported the MPA hosted a ThanksPartners event on November 18th at Rappahannock Oyster in Richmond. The event was well attended with over 100 guests in attendance including VEDP staff and Virginia Secretary of Commerce and Trade, Brian Ball. The December meeting was a joint holiday dinner involving the MPPDC, MPCBPAA, MPA Board members and guests. Over 60 people were in attendance with Virginia Secretary of Commerce and Trade, Brian Ball as the guest speaker. The first Advisory Board meeting was held this month as the MPA moves into a new phase. Chairman Moskalski stated he and his fellow board members are excited about the year to come and thanked everyone for their continued support.

VII. MPPDC Public Relations/Communications Update

Stephanie Heinatz, Consociate Media reported Consociate staff continues to work on press outreach while looking at social channels to promote events at the regional level. Work also continues on the “Fight the Flood” and Eco-Tourism III projects. Ms. Heinatz recommended the MPPDC website be revamped and would like the Commission to consider this need when the new budget is adopted.

VIII. Public Comment

None.

IX. General Assembly Update

MPPDC Executive Director, Lewie Lawrence directed the Commission’s attention to the Legislative Report from Advantus in their meeting packet. Over 2600 bills have been presented at the General Assembly during its first full week. The legislature will have until March 8th to address all legislation, including the Governor’s proposed budget. The next critical date for the legislature is crossover, when each Chamber has to deal with legislation introduced in its chamber. Crossover is February 11th. The Chair of the House of ‘Ag’ committee is Del. Ken Plum, a long-time member of the House of Delegates who represents part of Fairfax County. Many of the bills of interest to the Middle Peninsula have been referred to the Chesapeake subcommittee, which is chaired by Del. Alfonso Lopez, who represents part of Fairfax and the city of Arlington. Key members of the Chesapeake subcommittee include Del. David Bulova (D), of Fairfax; Del. Nancy Guy, a freshman Democrat from Virginia Beach; Del. Shelly Simonds, a freshman Democrat from Newport News; Del. Margaret Ransome of the Northern Neck; and Del. Rob Bloxom of the Eastern Shore. Advantus’ presence to educate this subcommittee is important here. MPPDC Deputy Director, Curt Smith gave a PowerPoint presentation with an overview of the 2020 General Assembly. Prior to the January 17th deadline, 3,118 bills were filed. Advantus is focusing on top priority legislation including HB1675 Siting of Solar Energy Facilities. MPPDC staff are monitoring bills via Richmond Sunlight Photosynthesis tool <https://www.richmondsunlight.com/bills/>. There are many more bills introduced this session that would work in favor of rural communities and fewer bills introduced that present challenges for rural communities compared to recent sessions. This session, there are 34 solar/alternative energy bills and 220 bills related to relevant topics including transportation, coastal resilience/recurrent flooding, environmental health, stormwater, local government matters, etc.

X. Commissioner Priorities

MPPDC Executive Director, Lewie Lawrence drew the Commission’s attention to the Commissioner’s Priorities document included in the meeting packet. The MPPDC Overall Program Design/Budget Committee uses the Commissioner’s Priority sheets to help shape the work program for the upcoming year. Commissioners were asked to share their thoughts concerning services or policy issues they would like for the OPD Committee to consider when designing MPPDC’s FY2021 work program. The Commissioner’s Priorities sheet will also be sent to all local Government

Administrators to be returned to MPPDC Staff on or before February 25th.

XI. Adoption of CY2020 MPPDC Meeting Schedule

MPPDC Executive Director, Lewie Lawrence provided the Commission with a draft of the CY2020 MPPDC Meeting Schedule. The Commission will meet on the 4th Wednesday of each month except for November and December when it will meet on the 3rd Wednesday. There will be no meeting in August. Meetings will be held at the Regional Board Room in Saluda. Mr. Winebarger moved to approve the CY2020 Annual Meeting Schedule as presented. Mr. Moskalski seconded the motion; motion carried.

XII. Committee Appointments

○ **OPD & Budget Committee**

Chairman Swartzwelder appointed representatives to the OPD & Budget Committee. Mr. Chriscoe moved to approve the appointments made by Chairman Swartzwelder to the OPD & Budget Committee. Mr. Lombardo seconded the motion; motion carried. The following Board members were appointed:

Travis Moskalski – King William County
Holly Gailey – Town of Urbanna
Dr. Willy Reay – Gloucester County
Jamie Pruett – Town of West Point

○ **Nominating Committee**

Chairman Swartzwelder appointed representatives to the Nominating Committee. Ms. Alsop moved to approve the appointments made by Chairman Swartzwelder to the Nominating Committee. Mr. Moskalski seconded the motion; motion carried. The following Board members were appointed:

Ashley Chriscoe – Gloucester County
Wayne Jessie – Middlesex County
John Magruder – Essex County
Mike Rowe – Mathews County

XIII. Other Business

Chairman Swartzwelder drew the Commissions attention to a Resolution in Support of Local Option Sales Tax Legislation from Gloucester County. Mr. Swartzwelder briefed the Commission and requested a motion to adopt the Resolution in Support of Local Option Sales Tax Legislation. Mr. Winebarger moved to adopt the Resolution in Support of Local Option Sales Tax Legislation as presented. Mr. Moskalski seconded the motion; motion carried.

XIV. Adjournment

Chairman Swartzwelder requested a motion to adjourn. Mr. Chriscoe so moved, Mr. Lombardo seconded, motion carried.

**Note: All handouts distributed at a meeting are filed in the official MPPDC record book of the minutes. Copies of all PowerPoint presentations, if any, are filed with the official minutes.*

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(Secretary)

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Project Financial Report

Middle Peninsula Planning District Commission
Period Ending: 1/31/2020

Run Date: 02/21/2020
Run Time: 3:22:26 pm
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-----Expenditures-----								
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30013	EE&CBG Project	4,565.00	0.00	4,565.00	0.00	100.00%	5,202.53	637.53
30117	Urbanna Comp Plan Update	6,250.00	0.00	5,000.00	1,250.00	80.00%	6,000.00	1,000.00
30118	MPA Staff Support	27,574.89	0.00	438.69	27,136.20	1.59%	4,090.13	3,651.44
30170	MPBDP Staff Support	22,374.22	0.00	22,503.73	(129.51)	100.58%	26,484.16	3,980.43
30215	TDM Marketing	24,844.00	0.00	17,798.99	7,045.01	71.64%	15,826.52	(1,972.47)
30216	FY20 TDM Operating	84,807.00	0.00	8,694.49	76,112.51	10.25%	12,003.16	3,308.67
30317	FY20 Rural Transportation Planr	72,391.00	201.00	24,004.81	48,386.19	33.16%	17,303.23	(6,701.58)
30420	Onsite Loan Management	179,713.02	9.30	161,028.89	18,684.13	89.60%	196,664.81	35,635.92
30428	WQIF 2016, \$183500 RLF match	216,500.00	0.00	215,247.34	1,252.66	99.42%	184,337.30	(30,910.04)
30450	Septic Pumpout	21,804.00	660.00	2,879.08	18,924.92	13.20%	1,301.17	(1,577.91)
31002	GA Lobby FY09	71,787.50	0.00	46,478.84	25,308.66	64.75%	69,731.75	23,252.91
31208	MP/NN Regional Debris Manage	43,000.00	0.00	37,333.90	5,666.10	86.82%	47,094.45	9,760.55
31209	Re-entry Plan	44,050.00	2,615.07	26,904.82	17,145.18	61.08%	11,047.19	(15,857.63)
31210	Emergency Mgmt FY19-FY20	49,500.00	0.00	32,677.51	16,822.49	66.02%	28,367.47	(4,310.04)
31500	Living Shoreline Incentive Progr.	26,196.92	0.90	14,453.50	11,743.42	55.17%	33,112.78	18,659.28
32015	PAA Staff Support	12,200.00	0.00	731.36	11,468.64	5.99%	6,953.04	6,221.68
32017	NAWCA PAA project	75,000.00	0.00	71,292.00	3,708.00	95.06%	75,000.00	3,708.00
32144	Coastal TA FY19	69,000.00	0.00	52,419.98	16,580.02	75.97%	65,550.00	13,130.02
32145	CZM Dredging	50,000.00	0.00	44,531.26	5,468.74	89.06%	48,800.00	4,268.74
32146	ANPDC EcoTourism II	48,263.00	0.00	42,684.23	5,578.77	88.44%	36,197.19	(6,487.04)
32147	ANPDC Rural Enhancement Autl	5,000.00	0.00	4,202.21	797.79	84.04%	5,000.00	797.79
32148	NNPDC WWF Video	5,000.00	0.00	4,237.17	762.83	84.74%	7,561.07	3,323.90
32149	WIP III Update	21,500.00	0.00	18,061.68	3,438.32	84.01%	21,500.00	3,438.32
32150	CZM Extraction Fee Study	15,000.00	0.00	8,209.14	6,790.86	54.73%	12,118.86	3,909.72
32151	NFWF Landowners Living Shorel	199,914.09	0.00	4,475.68	195,438.41	2.24%	14,936.13	10,460.45
32152	DCR Fight the Flood	56,345.26	1,050.00	1,284.30	55,060.96	2.28%	4,100.71	2,816.41
32153	Coastal TA FY20	69,000.00	0.00	40.13	68,959.87	0.06%	0.00	(40.13)
32154	ANPDC EcoTourism3	58,333.00	0.00	13.06	58,319.94	0.02%	0.00	(13.06)
32155	DEQ Planner #16889	65,000.00	0.00	0.00	65,000.00	0.00%	0.00	0.00
38019	FY19 Local Projects	0.00	0.00	0.00	0.00	0.00%	37,985.00	37,985.00
38020	Local Projects	222,020.00	286.55	33,175.61	188,844.39	14.94%	160,780.83	127,605.22
Totals:		<u>1,866,932.90</u>	<u>4,822.82</u>	<u>905,367.40</u>	<u>961,565.50</u>	<u>48.49%</u>	<u>1,155,049.48</u>	<u>249,682.08</u>

Balance Sheet by Category

Middle Peninsula Planning District Commission
Period Ending: 1/31/2020
Format: 1 Board

Run Date: 2/21/20
Run Time: 3:18:21 pm
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Assets:

Cash in Bank	414,736.98
Cash in Bank, Restricted	406,200.84
Receivables	182,928.27
Property & Equipment	5,486.99
Prepaid Pension (Deferred Outflows)	10,096.25

Assets:	<u><u>\$1,019,449.33</u></u>
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Liabilities:

Accounts Payable	11,517.76
VRA Loan Payables	330,993.00
Payroll Withholdings	1,521.24
Accrued Leave	45,754.63
Deferred Revenue	(5,261.72)
Deferred Inflows (VRS)	113,784.00
Net Pension Liabilities	8,337.00
Cost Allocation Control	(340,270.23)

Liabilities:	<u><u>\$166,375.68</u></u>
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Equity:

Local Initiatives/Information Resources	189,522.22
Economic Development	8,647.24
Transportation Programs	(5,365.26)
Emergency Management Projects	(10,406.71)
Onsite Repair & Pumpout	3,551.36
Housing	398.75
Coastal Community & Environmental	54,264.68
Public Access Auth Programs	9,929.80
Temporarily Restricted	179,741.44
General Fund Balance	422,790.13

Equity:	<u><u>\$853,073.65</u></u>
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Total Liabilities and Equity	<u><u>\$1,019,449.33</u></u>
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Balance:	<u><u>\$0.00</u></u>
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Agencywide Line Item Revenues and Expenditures

Middle Peninsula Planning District Commission
Period: 7/1/2019 to 1/31/2020
Without Indirect Detail

Run Date: 02/21/2020
 Run Time: 3:17:02 pm
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Code	Description	Budget	Current	YTD	Un/Over	% Bud
Revenues						
40000	Regional Share	0.00	0.00	24,021.87	(24,021.87)	0.00 %
40100	Essex County	19,300.00	0.00	19,300.00	0.00	100.00 %
40101	Essex County Other	5,778.00	0.00	3,901.00	1,877.00	67.51 %
40200	Gloucester County	19,300.00	0.00	19,300.00	0.00	100.00 %
40201	Gloucester County Other	5,778.00	0.00	3,901.00	1,877.00	67.51 %
40300	King & Queen County	19,300.00	0.00	19,300.00	0.00	100.00 %
40301	King & Queen County Other	5,778.00	0.00	3,901.00	1,877.00	67.51 %
40400	King William County	19,300.00	0.00	19,300.00	0.00	100.00 %
40401	King William County Other	5,778.00	0.00	3,901.00	1,877.00	67.51 %
40500	Mathews County	19,300.00	0.00	19,300.00	0.00	100.00 %
40501	Mathews County Other	5,778.00	0.00	3,457.00	2,321.00	59.83 %
40600	Middlesex County	19,300.00	0.00	19,300.00	0.00	100.00 %
40601	Middlesex County Other	5,778.00	0.00	3,901.00	1,877.00	67.51 %
40700	Urbanna	6,433.00	0.00	6,433.00	0.00	100.00 %
40701	Urbanna Other	1,926.00	0.00	7,390.00	(5,464.00)	383.70 %
40800	Tappahannock	6,433.00	0.00	6,433.00	0.00	100.00 %
40801	Tappahannock Other	1,926.00	0.00	1,390.00	536.00	72.17 %
40900	West Point	6,433.00	0.00	6,433.00	0.00	100.00 %
40901	West Point Other	1,926.00	0.00	1,390.00	536.00	72.17 %
41100	VDHCD	75,971.00	18,993.00	56,978.00	18,993.00	75.00 %
41103	Virginia Port Authority	261,523.00	0.00	0.00	261,523.00	0.00 %
41200	VDRPT	76,196.00	0.00	10,504.10	65,691.90	13.79 %
41300	VDEQ	130,725.00	0.00	80,293.83	50,431.17	61.42 %
41500	VDEM	155,305.00	4,617.86	29,065.99	126,239.01	18.72 %
41600	VDOT	58,000.00	0.00	13,055.64	44,944.36	22.51 %
41700	VDCR	28,173.00	0.00	0.00	28,173.00	0.00 %
42003	US Dept of the Interior	0.00	0.00	18,805.68	(18,805.68)	0.00 %
42010	NFWF	149,936.00	10,460.49	10,460.49	139,475.51	6.98 %
43003	MPCBPAA	8,000.00	0.00	2,753.04	5,246.96	34.41 %
43004	MPEDRO	13,044.00	0.00	4,090.13	8,953.87	31.36 %
43024	ANPDC	31,000.00	0.00	1,860.74	29,139.26	6.00 %
43025	NNPDC	1,250.00	3,323.94	3,323.94	(2,073.94)	265.92 %
44200	Interest Income	10,000.00	1,180.66	7,887.08	2,112.92	78.87 %
44900	Miscellaneous Income	3,000.00	93.06	2,807.69	192.31	93.59 %
45010	Loan Application Fees	0.00	0.00	95.00	(95.00)	0.00 %
45020	Revolving Loan Interest	14,500.00	808.24	5,906.27	8,593.73	40.73 %
45030	Loan Penalties	0.00	15.43	193.79	(193.79)	0.00 %
45100	Retained Program Income	0.00	0.00	50,528.27	(50,528.27)	0.00 %
Revenues		1,192,168.00	39,492.68	490,862.55	701,305.45	41.17 %

Expenses

50000	SALARIES	280,592.00	0.00	0.00	280,592.00	0.00 %
50500	FRINGE BENEFITS	81,456.00	0.00	0.00	81,456.00	0.00 %
52255	Internet Access/Website	1,131.00	0.00	34.16	1,096.84	3.02 %
53500	Meeting Supplies	1,400.00	48.00	711.92	688.08	50.85 %
54100	Private Mileage	1,000.00	0.00	436.87	563.13	43.69 %
54500	Lodging/ Staff Expense	2,000.00	69.97	512.01	1,487.99	25.60 %
54900	Travel Expense Other	500.00	85.58	373.77	126.23	74.75 %
55100	Dues/Memberships	4,460.00	0.00	575.00	3,885.00	12.89 %
55150	Subscriptions/Publications	250.00	0.00	16.25	233.75	6.50 %
55200	Workshops	1,000.00	0.00	150.00	850.00	15.00 %

Agencywide Line Item Revenues and Expenditures

Middle Peninsula Planning District Commission

Period: 7/1/2019 to 1/31/2020

Without Indirect Detail

Run Date: 02/21/2020

Run Time: 3:17:02 pm

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Code	Description	Budget	Current	YTD	Un/Over	% Bud
55300	Conferences	7,500.00	0.00	2,569.08	4,930.92	34.25 %
56100	Accounting/Audit Expenses	0.00	88.20	1,122.40	(1,122.40)	0.00 %
56300	Legal Services	0.00	0.00	274.50	(274.50)	0.00 %
56400	Consulting/Contractual Services	439,915.00	4,526.07	124,346.58	315,568.42	28.27 %
56600	Construction	80,000.00	0.00	57,985.50	22,014.50	72.48 %
56700	Contractual Other	1,400.00	0.00	0.00	1,400.00	0.00 %
56701	Capital Expense - Purchase of real estate wi	0.00	0.00	12,600.00	(12,600.00)	0.00 %
56702	Real Estate Closing costs & fees - non loan	0.00	0.00	2,497.56	(2,497.56)	0.00 %
57100	Postage	0.00	0.00	32.35	(32.35)	0.00 %
57300	Promotion/Advertising	41,096.00	0.00	8,103.50	32,992.50	19.72 %
57400	Public Officials Insurance	0.00	0.00	502.00	(502.00)	0.00 %
57500	Miscellaneous Other	100.00	0.00	3,440.15	(3,340.15)	3,440.15 %
57550	Bad Debt Expense	0.00	5.00	15.00	(15.00)	0.00 %
57999	Local Match	0.00	0.00	24,021.87	(24,021.87)	0.00 %
Expenses		943,800.00	4,822.82	240,320.47	703,479.53	25.46 %
Agency Balance		248,368.00	34,669.86	250,542.08		

Middle Peninsula Planning District Commission
Executive Director's Report of Regional Progress
February 18, 2020

Note: On May 23, 2018, the Commission voted to direct staff to email all future documents including the Commission meeting packets in an effort to save on postage. As we strive to make this report more informative and user friendly, some previously contained information may now be accessed by clicking on the following link(s):

- For Demographic Information:
http://virginalmi.com/report_center/community_profiles/5109000318.pdf
- For MPPDC Website: <http://www.mppdc.com/>

MPPDC Staff and Contact Information

Executive Director: Lewis Lawrence

Contact Info: llawrence@mppdc.com (804) 758-2311x24 (804) 832-6747 (cell)

Programs: *Coastal Zone Technical Assistance, Local Initiatives, Public Access Authority*

Deputy Director: Curt Smith

Contact Info: csmith@mppdc.com (804) 758-2311x28 (804) 384-7509 (cell)

Programs: *Rural Transportation Planning, Dredging Coordination, General Environmental Management*

Chief Financial Officer: Heather Modispaw

Contact Info: hmodispaw@mppdc.com (804) 758-2311x22

Programs: *Commuter/Employer Transportation Services, Septic Repair Assistance, Living Shoreline Incentive Program, Revolving Loan Programs Administration, PDC Finance & Grants Administration, PAA Staff Support, MPA Staff Support*

Special Projects Planner: Jackie Rickards

Contact Info: jrickards@mppdc.com (215) 264-6451 (cell)

Programs: *Environmental Programs, Hazard Mitigation Planning, Grant Writing, Graphic Arts*

Planner 1: Jessica Roy

Contact Info: jroy@mppdc.com (804) 758-2311x26

Programs: *Regional Emergency Planning*

Executive Assistant: Dawn Mantell

Contact Info: dmantell@mppdc.com (804) 758-2311x21

Programs: *Septic Pumpout Assistance, MPA Staff Support, PAA Staff Support, Facilities Scheduling*

INFORMATION RESOURCES/ASSISTANCE

- Updated www.mppdc.com website – meeting notices, reports, news releases, GoVA meetings, and MPA notices, etc.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

Funding – VDEQ, VIMS, VDCR, local match from MPPDC General Fund & partners

Project 31500 - Living Shoreline Incentive Program RLF

MPPDC submitted a proposal to the National Fish and Wildlife Foundation for VIMS. The objective of this project is to leverage previous funding from NFWF to install oyster bag sills at two publicly-owned (MPCBPAA) properties on and monitor them for a year. In addition, existing oyster bag sill installations at four private locations will be monitored to determine overall project effectiveness. This work will provide recommendations for installations along fetch-limited shorelines of Chesapeake Bay.

- Received payoff from The Closing Shop for a living shoreline loan.
- Received phone call from a Mathews County homeowner concerning our Living Shoreline program. Caller stated he and eight other homeowners are interested in the program. Explained the program and directed caller to Virginia Marine Resources Commission to determine if the properties are a true Living Shoreline.
- Worked with Andrea Pearson at VRA working toward finalization of the new living shoreline loan for FY21.
- *Executed ACH loan payments for loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.*
- ***Revolving uncommitted funds - \$230,012.***

Project 32155 – DEQ Planner

MPPDC will continue to engage localities and regional and state partners regarding Bay WIP III programmatic actions and implementation activities with funding provided by DEQ.

- Organized and sent a list of conferences, meetings, and trainings associated to WIP III topics to local planners. For the remainder of the project, MPPDC staff intends to send monthly emails with upcoming events.
- Updated reporting tables with new project tasks and deadlines.
- Forwarded to local planners a funding opportunity through the National fish and Wildlife Foundation and Wells Fargo Resilient Communities Grant Program that focuses on helping communities in the United States and territories, prepare, strengthen, and bounce back more quickly after a disaster.

Project 32148 – NNPDC WWF Video

This project proposes to expand available tools that help promote and ensure the sustainability of working waterfronts and related industries. Specifically, StoryMaps will be created for the Coastal Region that detail the locations and histories of selected working waterfronts and a video will be produced to capture the most important working waterfront stories of the coastal region of Virginia.

- Provided Nick Meade, Virginia Coastal Zone Management Program, with the final updates for the Middle Peninsula StoryMap.

- Attended a conference call focusing on rolling out the StoryMaps and the Working Waterfronts Video. Roll out will include a press release, PDC websites, and social media.

Project 32150 – CZM Extraction Fee Study

This project will explore the inequalities between different natural resource extraction industries in Coastal Virginia and beyond. MPPDC staff will review Virginia's current severance taxing framework and relation to existing natural resources extractive industries, and offer recommendations for next steps.

- Finalized and submitted the final report and final project summary to the Virginia Coastal Zone Management Program.

Project 32151 – NFWF Landowners Living Shorelines & Shoreline Management

This is a two-part project that focused on continuing coastal resiliency and mitigation efforts, while simultaneously improving water quality, managing shoreline erosion and marsh loss. First, MPPDC staff will work directly with FEMA National Flood Insurance repetitive loss property owners to offer grant and loan funds through the MPPDC Living Shorelines Incentives Revolving loan to install living shorelines. Second, MPPDC will contract with VIMS to create a grant template to be used by localities to receive funding through the Virginia Waterway Maintenance Fund.

- Received update on final project design from Scott Hardaway, Director VIMS Shoreline Studies Program.

Project 32152 – DCR Flooding

*The Middle Peninsula **Fight the Flood** program will educate Middle Peninsula property owners on the benefits of and need for flood insurance (including how to reduce premiums); how to protect waterfront land from storm surge and repetitive flooding using building and financing nature-based flood mitigation solutions designed for FEMA's 10-year storm event at a minimum. The MPPDC efforts will target both rural coastal buildings and lands at risk of flooding which threaten the tax base and public safety within the region. This program will comprehensively address flood mitigation risk using a combination of new and innovative approaches including partnering with private sector mitigation experts.*

- Assisted with developing proposal for EDA Disaster Resilience grant proposal.
- Consulted with Chris Davis, President of Ready Reef, regarding product material composition of FlexMat and possible ways to make the product environmentally friendly as well as recognized as a living shoreline for storm resiliency.
- Coordinated with Del. Keith Hodges for presentation on *HB 1375 Living shoreline; resiliency*. The bill expands the definition to include a shoreline practice that may enhance coastal resilience and attenuation of wave energy and storm surge in the definition of living shoreline. The definition is used for purposes of establishing and implementing a general permit regulation that authorizes and encourages the use of living shorelines as the preferred alternative for stabilizing tidal shorelines.
- Consulted with representatives from the US Department of Commerce, Economic Development Administration regarding alternative funding programs to enhance the MPPDC Fight the Flood program. Agreed to participate in a Federal inter-agency call to coordinate funding opportunities.
- Consulted with staff from HRPDC to coordinate flood awareness educational information.

Project 32153 – Virginia Coastal TA FY20

This project provides ongoing support to member localities of the Planning District Commission and other stakeholders committed to improving community development and coastal management within the coastal zone.

- Convened and participated in the February Local Government Administrators Meeting.
- Participated in VCZMP Coastal Policy Team meeting in Richmond.
- Participated in VA Coastal Resilience Master Plan development meeting in Richmond.

- Developed and submitted Chesapeake Research Consortium proposal for restoration project at Hog Island.
- Review and edit Extractive Industries Report.
- Drafted and submitted support letter for VCZMP Section 309 Project of Special Merit proposal.
- Consulted with Robert Crockett, President Advantus Strategies regarding a SB747 Nutrient Bank bill which conflicts with the work of the Middle Peninsula Chesapeake Bay Public Access Authority. Set a meeting with the lobbyist for the nutrient bank industry to discuss options.
- Conversed with Friends of the Rappahannock regarding their opposition to Del. Keith Hodges HB1364 Resource Protection Areas; improvement plans and HB1366 Resource Protection Areas; program to remediate septic systems in recurrently flooded areas. Discussed the impact to low income Middle Peninsula homeowners within the service area of the Friends of the Rappahannock. Additionally, Del. Hodges called a meeting with Friends of the Rappahannock and other environmental groups to discuss amending both bills to address concerns. Amendment language was offered and accepted to address concerns, but Friends of the Rappahannock still objected to the bill after agreeing to compromise language.
- Attended the Balancing Nature and Commerce in Rural Communities and Landscapes training held at the US Fish and Wildlife Shepherdstown, WV facility. Attendees included MPPDC staff, Chesapeake Bay National Estuarine Research Reserve Staff and Gloucester County EDA staff and Consociate Media staff.
- Consulted with Bob Fisher, Virginia Institute of Marine Science Marine Advisory Services Program regarding the use of Blue Catfish for commercial food processing applications.
- Consulted with Scott Hardaway, VIMS Shoreline Studies Program regarding a potential Section 309 project to update the Middle Peninsula Shoreline study plans to serve as the Flood Mitigation “Battle Plan” to help combat storm flooding.
- Coordinated for modifications to House Bill 1313 sponsored by Del. Keith Hodges to improve coordination for state level flood mitigation discussions and the development of the statewide flooding and resiliency master plan.
- Consulted with staff from USGS regarding a request to utilize Public Access Authority properties to conduct research. A motion was made and seconded by the PAA Board to allow USGS to access holding for scientific research purposes.
- Consulted with Neal Barber on the development of an Economic Development Administration Coastal Resiliency proposal seeking funding to enhance the MPPDC Fight the Flood program.
- Coordinated with the Virginia Port Authority for upcoming presentations on three Middle Peninsula dredging project applications as well as a business implementation plan to assist local governments moving forward.
- Consulted with the Southern Mississippi Planning and Development Council regarding their EDA approved resiliency revolving loan program design guidelines.
- Agreed to participate in the James River Living Shoreline Summit hosted by the James River Association to discuss the Middle Peninsula PDC living shoreline revolving loan program.
- Consulted with a resident from the Northern Neck seeking clarification on public access waterway legal issues related to mean low water and the collection of fossils.
- Consulted with the Department of Environmental Quality Water Planning Specialist, Justin Williams regarding DEQ funding to assist localities associated with Presidential Disaster and stormwater planning.
- Attended a meeting called by the Middle Peninsula Alliance to discuss evaluating PAA holdings for possible use as a nutrient bank under a GoVA Region 6 grant award to the MPA.

Project 32154 – Eco Tourism III

This project will build on efforts from the first year and extend Middle Peninsula Watertrails from the Mobjack bay to the Rappahannock. The Rural Coastal Virginia Ecotourism Steering Committee will refine the Virginia Watertrails website and will focus on marketing watertrails and eco-tourism in Rural Coastal Virginia.

- Rescheduled meeting with Friends of Rappahannock to discuss the Virginia Water Trails website and how to proceed with creating water trails on the Rappahannock River.
- Updated Middle Peninsula water trail maps on the Virginia Water Trail website. Trails were added on the Pamunkey and Mattaponi Rivers as well as on the North River in Mathews County. Also updated symbols, colors and descriptions to match the Eastern Shore.
- Reached out to the Rappahannock Community College to reserve a room for a Virginia Oyster Trail (VOT) training that will provide an opportunity to inform, demonstrate and teach local governments, chamber of commerce members, new businesses, and the tourism industry how to use the new features on the VOT digital engagement tool, and how it can help grow visitation.
- Consulted with Shannon Simmons, Director of Operations Chmura Economics & Analytics regarding ecotourism economic impact study and possible approaches for quantifying the economic impact across the Middle Peninsula.

General Dredging Projects (Hole-in-the Wall, Davis Creek, Aberdeen Creek, and Timberneck Creek)

- Developed presentation for VA Port Authority Waterway Maintenance Funding Proposals for design of dredging projects for three creeks, one study and business plan.
- Drafted applications for VA Port Authority Waterway Maintenance Funding.
- Coordinate activities for four current VPA dredging design projects.
- Consulted with Scott Hardaway, VIMS Shoreline studies program regarding Davis Creek dredge disposal site.
- Received an update from Scott Hardaway, VIMS Shoreline studies program on the sediment core sampling time line for the four projects underway in the Middle Peninsula.

Project 38801 – Dredging Hole-in-the-Wall

This project will focus on the pre-planning activities to dredging Hole-in-the-Wall in Mathews County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine and fishery assessment as well as gathering information for the permitting of the dredging project.

Project 38802 – Dredging Davis Creek

This project will focus on the pre-planning activities to dredging Davis Creek in Mathews County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine, and fishery assessment as well as gathering information for the permitting of the dredging project.

Project 38803 – Dredging Aberdeen Creek

This project will focus on the pre-planning activities to dredging Aberdeen Creek in Gloucester County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine, and fishery assessment as well as gathering information for the permitting of the dredging project.

Project 38804 – Dredging Timberneck Creek

This project will focus on the pre-planning activities to dredging Timberneck Creek in Gloucester County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine, and fishery assessment as well as gathering information for the permitting of the dredging project.

Project 320152 - Staff Support to Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA)

Middle Peninsula Chesapeake Bay Public Access Authority Special Project – Support of Executive Order 23, Goal 8 Coastal Management Coordination Public Access: Continue implementation of adopted annual work

program, including identifying land, either owned by the Commonwealth or private holdings that can be secured for use by the general public as a public access site; researching and determining ownership of all identified sites; determining appropriate public use levels of identified access sites; developing appropriate mechanism for transferring title of Commonwealth or private holdings to the Authority; developing appropriate acquisition and site management plan. This Program allows the Authority to function by supporting the individual projects and operations of the Authority, as well as, by responding to daily requests for assistance from local government staff.

- Updated www.virginiacoastalaccess.net website – meeting notices, reports and minutes.
- Prepared vouchers, processed A/P, reconciled bank statements. Prepared monthly financial statements.
- Billed Gloucester Rowing Association for pool house electric bills.

TRANSPORTATION

Funding – VDRPT, VDOT, local match from MPPDC General Fund

Project 30215 - Transportation Demand Management (TDM) Marketing Plan

MPPDC proposes to engage the services of a marketing firm to assist its TDM program to update its marketing plan. Special emphasis will be placed on developing a social marketing plan to target regional out commuters and introduce the new Telework Center being constructed in King & Queen County. This is anticipated to be a 2-year project with the first year providing market research and design of the marketing plan and the second year, if funded, implementation of the plan.

- Consulted with Stephanie Heinatz, Consociate Media regarding Rideshare/TDM timeline and marketing ideas.
- Participated in DRPT Webinar: “Driving Traffic to Your Webpage and Social Channels”.

Project 30216 - Transportation Demand Management (TDM) Services

This program assists local commuters and employers with transportation issues. The main emphasis is on lowering the number of single occupancy vehicle commutes within and from the Middle Peninsula region through marketing and promotion of the program through local media and provision of ride matching services to commuters.

- Updated website – www.midpenrideshare.org.
- Prepared FY21 TDM operating grant proposal.
- Assisted caller with the MidPenRideshare website on how to get matched with commuters.
- ***Current commuter database – 354***
- ***Number of Commuters with logged alt mode trips in January – 150***
- ***Number of logged alt trips in January – 114***
- ***Reduced miles (VMT) in January – 3,189***
- ***Commuter Savings in January – \$1840***

Project 30317 – Rural Transportation Planning

This program provides rural transportation planning services through the Rural Transportation Planning Work Program which outlines specific tasks and goals to guide the rural planning of transportation services.

- Facilitated the January Regional Planners Meeting.
- Coordinated the February Regional Planners Meeting.

- Participated in Rural Nature & Commerce Workshop in West Virginia to develop outdoor recreation economy action plan.
- Review 2020 General Assembly bills.
- Coordinated questions for Attorney General regarding public access ownership for property lacking ownership documentation.
- Continued drafting of Long Range Transportation Plan.
- Coordinated SmartScale applications with member jurisdictions.
- Conceptualized inventory of VDOT roads connecting to navigable waterways.

ONSITE REPAIR & PUMPOUT

Funding –VRA Loan Funds, local match from MPPDC General Fund, cost sharing

Project 30420/30428 - On-Site Technical Guidance Assistance and Revolving Loan Program

The On-Site Technical Guidance Program aids the Middle Peninsula localities and residents in the technical understanding and implementation of approaches to address On-Site Disposal Systems and improve water quality by assisting local homeowners with repairing failing septic systems through low-interest loans and/or grants. In addition MPPDC received funding under the Water Quality Improvement Fund (WQIF) to provide grants to low to moderate income Middle Peninsula and New Kent County homeowners to repair failing septic systems impacting water quality and health in the region. Grants can be paired with loans from the MPPDC Onsite Wastewater Revolving Loan Fund to provide matching funds as required. It is anticipated this funding will be used to provide assistance to 20-27 homeowners.

- Continuing to receive phone calls from homeowners and contractors regarding assistance for septic repairs.
- *Executed ACH loan payments for septic repair loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). These payments occur on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment to be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans as well as collection efforts.*
- ***Remaining uncommitted septic repair funding \$31,453 in loan funds – \$0 in grant funds.***

Project 30450 – Septic Pumpout Program

This project will provide grants to 100 LMI Middle Peninsula homeowners to assist them in complying with the Chesapeake Bay Act requirement to have their septic tanks pumped out or inspected every 5 years. Eligible homeowners will receive a voucher equal to 50% of pumpout cost (maximum value \$150).

- Received phone call from Gloucester County septic pumpout voucher recipient. Recipient was concerned about the expiration date of her voucher. Did not like that the days on the voucher also included weekends when septic companies do not provide service. Was told she could call and ask for a 30 day extension when her current voucher expires if she needs more time and reminded the program ends on March 31st.
- Received phone call from Essex County resident requesting septic pumpout application. Mailed application as requested.
- Received complete septic pumpout application from King & Queen County resident. Application was approved and voucher was mailed to the applicant.
- Received complete septic pumpout application from King William County resident. Application was approved and voucher was mailed to the applicant.

- Received complete septic pumpout application from Gloucester County resident. Application was approved and voucher was mailed to the applicant.
- Received phone call from Middlesex County resident inquiring about the income limits for family of two. Caller receives Social Security and meets the income qualifications. Requested an application be mailed. Application was mailed as requested.
- Received complete septic pumpout application from Mathews County resident. Application was approved and voucher was mailed to the applicant.
- Received phone call from Essex County resident requesting a septic pumpout application on behalf of her brother who owns rental property in Essex County. Application was mailed as requested.
- Completed Gloucester County septic pumpout.
- Completed Essex County septic pumpout.
- Notified approved Essex County applicant of expired septic pumpout voucher.
- Received incomplete septic pumpout application from Gloucester County resident.
- Notified approved Essex County applicant of expired septic pumpout voucher.
- Received incomplete septic pumpout application from Middlesex County resident. Mailed letter requesting real estate tax bill.
- Received phone call from approved Essex County applicant who received a letter notifying him his voucher was set to expire in January. Applicant stated he doesn't foresee being able to afford to get his septic system pumped out this year but to send him an extended voucher for 30 days anyway.
- Completed Essex County septic pumpout.
- Received complete septic pumpout application from Essex County resident. Application was approved and voucher was mailed to the applicant.
- Completed Essex County septic pumpout.
- Received complete septic pumpout application from Middlesex County resident. Application was approved and voucher was mailed to the applicant.
- Received phone call from Middlesex County applicant in regards to the letter he received requesting a copy of his real estate tax bill. Directed the applicant to the old courthouse building to obtain the information to finalize his application.
- Middlesex County applicant dropped off the last of his verifications for his septic pumpout application.
- Received complete septic pumpout application from Middlesex County resident. Application was approved and voucher was mailed to the applicant.
- Received phone call from Mathews County applicant asking questions regarding income guidelines for septic pumpout. Her brother would like to apply.
- Received email from Millers Septic regarding two low-income, elderly people looking to apply for septic pumpout. Responded with directions on how to apply and what verifications are needed to complete the application.
- Completed Mathews County septic pumpout.
- Received complete septic pumpout application from Gloucester resident. Application was approved and voucher was mailed to the applicant.

- Notified an approved King & Queen County applicant of expired septic pumpout voucher.
- Received phone call from approved King & Queen County applicant with concerns of the cost of a septic pumpout and questions regarding approved septic hauler list she received with her voucher. Directed voucher recipient to contact the approved septic haulers on the list she received with her voucher and ask how much they charge to pump 1,000 gallons.
- Received voicemail from King William County resident regarding her brother applying for septic pumpout assistance for the home of his deceased parents house in which he resides in. Caller did not leave a phone number to return her call.
- Received complete septic pumpout application from Mathews County resident. Application was approved and voucher was mailed to the applicant.
- Received voicemail from King William County resident in regards to septic pumpout program.
- Returned call from King William County resident. Caller inquired about required verifications to apply for septic pumpout assistance and requested an application. Mailed application as requested and explained the verifications that are needed to accompany her completed application.
- Completed Gloucester County septic pumpout.
- Completed Middlesex County septic pumpout.
- Completed King William County septic pumpout.

• **Septic Pumpouts as of February 18, 2019**

Applications Mailed	70
Incomplete Applications	03
Approved Applications	40
Vouchers Issued	40
Completions	25

Pumpout Vouchers by County

Essex	10
Gloucester	06
King and Queen	09
King William	06
Mathews	03
Middlesex	06

ECONOMIC DEVELOPMENT

Funding – EDA, local match from MPPDC General Fund, BDP Loan Program Income

Project 301180 – Staff Support to Middle Peninsula Alliance (MPA)

MPPDC staff are providing clerical and fiscal assistance to the Middle Peninsula Alliance.

- Prepared vouchers, processed A/P, processed deposits and balanced bank account. Prepared monthly financial statements.
- Participated in GoVirginia Region 6 Strategic Doing Update conference call with Jenifer Morgan, Economic Development Coordinator at George Washington Regional Commission. The objective of these calls is to clearly define the specific goal or outcome from each of the work groups' areas and the steps that need to be taken to reach that goal.
- Mailed budget request to Middle Peninsula localities.
- Received request from MPA Board member for PowerPoint materials that were presented at the January

MPA Board meeting. Request was fulfilled.

- Received RSVP's for Advisory Board Organizational meeting and provided final headcount to the Principal Officer, Liz Povar.
- Attended Advisory Board Organizational meeting.
- Met with MPA Principal Officer, Liz Povar and MPPDC Chief Finance Officer to review the MPA finances for FY20.

Project 301702 - Small Business Revolving Loan Fund

MPPDC agreed to service Middle Peninsula Business Development Partnership's (MPBDP) Small Business Loan Portfolio after MPBDP's dissolution November 30, 2011. MPPDC established a revolving loan fund and staff initiate ACH loan payments from clients bank accounts and manages the accounts. Principal repaid will be held until the Commission determines the best use for these funds as allowed by the USDA (RBEG) original lending restrictions. Interest earned will be used to offset administration costs.

- *Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.*
- **Funds available – \$143,066**

LOCAL INITIATIVES

Funding - local dues, PDC base-funding from VDHCD and/or MPPDC General Fund. Funding for specific projects may come from locality requesting assistance.

Project 380201 - Local & Regional Technical Assistance

This program responds to daily requests for technical assistance which other commission programs are unable to provide.

- Drafted and submitted a grant proposal to GoVirginia for the development of a King & Queen County Telework-Business Incubator Center. The project will provide more targeted access to resources and support for innovative, high-growth, scalable startup businesses.
- Presented intended proposed projects to the Virginia Port Authority. Proposed projects reviewed during the presentation included the pre-planning associated with the dredging of Cedarbush Creek, Winter Harbor, and Parrots Creeks. Also, the fourth project presented entails, the development of local alternatives for dredging implementation to supplement & better leverage Virginia Waterway Maintenance Funding through 1) the acquisition of needed shoaling information of non-federal channels in the Middle Peninsula and the Eastern Shore and 2) through the development of a local government business dredging implementation plan.
- Participated in VACO/VML Local Government Legislative Day in Richmond.
- Participated in VAPDC Winter Conference in Richmond.
- Attended February MPCBPAA meeting.
- Attended February LGA meeting.
- Consulted with GoVirginia Region 6 staff regarding the proposed King & Queen County Telework/Business Innovation Center grant application. Presented the application for consideration by the Region 6 Board.

- Prepared proposal to submit to the Region 6 GoVirginia Counsel requesting funding to re-activate the Middle Peninsula Small Business Training Program to be located at the King & Queen County Telework/Business Innovation Center.

Project 31002 – GA Lobby

This program provides professional services to represent Middle Peninsula interests at the General Assembly during the current session.

- Received weekly legislative updates from Advantus Strategies.

Project 38800 - Local Dredging Technical Assistance Projects

MPPDC staff are providing technical assistance to localities to prepare and submit proposals to the Virginia Port Authority for financing local dredging projects in Mathews and Gloucester Counties.

- Presented intended proposed projects to the Virginia Port Authority. Proposed projects reviewed during the presentation included pre-planning associated with the dredging of Cedarbush Creek, Winter Harbor, and Parrots Creeks. Also, the fourth project presented entails, the development of local alternatives for dredging implementation to supplement & better leverage Virginia Waterway Maintenance Funding through 1) the acquisition of needed shoaling information of non-federal channels in the Middle Peninsula and the Eastern Shore and 2) through the development of a local government business dredging implementation plan.

HOUSING

Funding –Housing Loan Program Income

Project 300132 – Energy Efficiency and Conservation Block Grant (EECBG) Revolving Loan Fund

The program emphasizes a community-based approach to help meet energy and climate protection goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but was tasked with administering the overall project. MPPDC is administering the revolving loan program per DMME.

- Consult with Essex County regarding the development of a proposal for housing assessment and plan funding.
- Discuss completed housing study outcomes with VHDA staff.
- *Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.*
- ***Funds available = \$44,885***

EMERGENCY SERVICES

Funding – VDEM/FEMA/Homeland Security

Project 31208 – MP/NN Regional Debris Management Plan

The Middle Peninsula/Northern Neck Debris Management Plan improves and supports the jurisdictions within the Middle Peninsula/Northern Neck's Operational Coordination, Information Sharing and Recovery Planning. The 2017 Gap Analysis of the Middle Peninsula/Northern Neck's Emergency Operations Plans (EOPs) identified the need to develop a Regional Debris Removal Plan that would engage the 10-county area in a joint planning process.

- Final report has been completed and uploaded to MPPDC website.

Project 31209 – Re-Entry Plan

The Middle Peninsula/Northern Neck Debris Re-Entry and Access Authorization Plans will improve and support the jurisdictions within the Middle Peninsula/Northern Neck with Operational Coordination, Terrorism Planning, Information Sharing, and Recovery Planning. Re-entry planning is critical to ensure the safe return of citizens to their homes and businesses following an evacuation from a terrorist or natural disaster, while developing a strategy to screen out potential terrorists from infiltrating and taking advantage of a recovery operation.

- Added the localities' Department of Social Services (DSS) as a Supporting Agency. DSS will be responsible for:
 - Maintaining awareness of State Managed Shelter status throughout Virginia.
 - Registering and sorting evacuee groups for local shelters for movement to appropriate state shelter locations; and track persons through to destination.
- The Virginia National Guard (VANG) will:
 - Assist state and local authority in efforts to move evacuees in and/or out of the affected areas immediately following a large-scale incident in a safe, effective and efficient manner.
 - Prepare necessary plans to coordinate and integrate resources in support of local, state, federal and private organization plans.
 - VANG will report fully prepared to self sustain for up to 72 hours.
- Incorporated a section discussing K-9 units. Law enforcement officials may use K-9 units to investigate potential drugs, bombs or other weapons/illegal substances. These item(s) and individual(s) are to be confiscated by law enforcement at the scene and be transferred to a designated federal agency for further investigation.
- Watches, warnings, and other emergency bulletins are issued by various agencies based on their statutory missions and authorities. A variety of communications systems may be used at the federal level to disseminate information, such as:
 - **National Warning System (NAWAS):** NAWAS is the primary system for emergency communications from the federal government to both state and local warning points.
 - **National Emergency Alert System (National EAS):** Formerly known as the Emergency Broadcast System, the National EAS is a nationwide network of readily available and reliable means to communicate emergency information to the American people.
 - **State and Local Emergency Alert System (EAS):** State and local authorities have their own EAS which may be used to broadcast information on major disasters or emergencies.
- Dr. Willie Reay from the Virginia Institute of Marine Science (VIMS) can provide a SAT phone to a locality in case one of their own is out of commission.

Project 31210 – Emergency Management

Provides funding for the Regional Emergency Planner position based at the Middle Peninsula Planning District Commission (MPPDC). The Regional Emergency Planner supports the Emergency Managers, who do not have planners on staff, in each locality with planning.

- Gloucester County Emergency Management Coordinator reached to MPPDC staff to make revisions on the 2019 Gloucester County Continuity of Operations Plan (COOP). A COOP is an effort within individual executive departments and agencies to ensure that Primary Mission Essential Functions (PMEFs) continue to be performed during a wide range of emergencies. Revisions included; re-formatting and change of personnel.
- Discussed the 2015 Middle Peninsula Regional Evacuation Plan with Gloucester, Middlesex and Mathews Emergency Management Coordinators. Discussed that the information in this plan can be used in the 2020 Middle Peninsula Regional Re-entry and Access Authorization Plan.

- Conducted research regarding public health issues and septic tank failure. PDC staff will be applying through the Virginia Housing Development Authority (VHDA) Community Impact Assistance Grant to address this issue. Potential projects include conducting a study or research.
- Attended the Virginia Department of Emergency Management's (VDEM) MP/NN Quarterly Emergency Management Meeting. Items discussed were:
 - Atlantic Fury/Virginia Emergency Support Team Exercise (VESTEX). There will be a full-scale exercise on May 7, 2018, from 9:00 a.m. to 3:00 p.m. at the planned incident site of Embrey Mill Community and Embrey Mill Park, Stafford, VA. Stafford County along with other localities, non-governmental organizations, state, and federal departments/agencies will participate in the 2018 Virginia Emergency Support Team Exercise (VESTEX) as part of Atlantic Fury, a National Level Exercise (NLE), to test and evaluate response and recovery capabilities immediately following a catastrophic hurricane.
 - New requirements for the Homeland Security Grant Program (HSGP). The NCSR is now a requirement for all recipients/sub-recipients of the HSGP. The NCSR is a no-cost, anonymous, annual self-assessment designed to measure gaps and capabilities of one's cyber-security programs.

AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

MPPDC Administration

Administrative services provided to MPPDC programs. Planned FY19 Indirect Cost rate =54.86%.

- Continued transition of all user contact information and permissions from previous Finance Director.
- Finalized edits of all SAM.gov registrations.
- Generated and submitted all 2019 W-2, 1099 and 1098 tax forms to all appropriate recipients.
- Submitted all project quarterly financial reports that were due.
- Installed GMS Payroll upgrade for 2020.
- Completed budget requests to all counties and towns for FY21.
- Beginning VA Corp renewal process for MPPDC and MPCBPAA.
- Reviewing Xerox contract (termination 02/04/2020). Will discuss options with Executive Director options for a replacement machine and new contract.
- Began The Local Choice Renewal process.

Closed Projects

Project 30502 Water Supply Planning

9 VAC 25-780 establishes a planning process and criteria that all local governments will use in the development of local or regional water plans. The plan will be reviewed by the Department of Environmental Quality and a determination will be made by the State Water Control Board on whether the plan complies with this regulation. Within five years of a compliance determination by the board, the plan will be reviewed to assess adequacy and any significant changes will require the submission of an amended plan and review by the board. All local programs will be reviewed, revised, and resubmitted to the Department of Environmental Quality every 10 years after the last approval. The jurisdictions of Essex, King and Queen, King William, Mathews, Middlesex, Tappahannock, Urbanna and West Point opted to prepare a regional plan with assistance from Middle Peninsula Planning District Commission staff and EEE Consulting, an environmental consulting firm. The Regional Plan was completed and submitted to the Virginia Department of Environmental Quality for compliance review by the November 2, 2011 deadline for Regional Plan submission.

Project 30115 – VHDA Community Impact Grant

This project will consider new approaches to address vacant homes and clouds on deeds within the Middle Peninsula. Using recommendations derived from VCPC's extensive policy analysis, MPPDC will identify feasible strategies to address housing issues in the region. This work will also include a limited field inventory which will help MPPDC better evaluate how many vacant homes are in the Middle Peninsula. The short-term objective of Phase I is to identify tools available to address housing vacancies and determine how many vacant homes are in the Middle Peninsula. MPPDC will contract with VCPC and the Berkley Group to provide needed analysis and footwork.

Project 30117 – Urbanna Comprehensive Plan Update

MPPDC will provide the Town of Urbanna with a Comprehensive Plan that contains all the required sections of a plan that can be considered compliant, but not updated. The purpose of phase one is to reassemble all the necessary parts to form a compliant plan. Phase 1 anticipated completion is within 90 days (or sooner) after such date that the MPPDC team is given notice to proceed with the signing of the service agreement. The full update of the plan will happen under a separate Phase 2 proposal.

Project 301181 – PamunkeyNet

PamunkeyNet, a proposed wireless internet system which would harness the Middle Peninsula's existing emergency services radio infrastructure to create a regional internet service in Middle Peninsula localities. This project proposes to address the business structure necessary for the Pamunkey Nation to operate and become a wireless provider.

- Contacted selected leaders to attend a discussion meeting on the status of the PamunkeyNet Business Plan. The purpose of the meeting is for Design Nine to provide an update on its work preparing the PamunkeyNet business plan, to receive feedback and input, and to plan for the presentation to the full Advisory Committee in February.
- Provided final headcount for the PamunkeyNet Business Plan meeting to the MPA Principal Officer, Liz Povar.
- Attended PamunkeyNet Business Plan meeting.

Project 31211 – Gloucester Continuity of Operations Plan (COOP)

The Middle Peninsula/Northern Neck Debris Management Plan improves and supports the jurisdictions within the Middle Peninsula/Northern Neck's Operational Coordination, Information Sharing and Recovery Planning. The 2017 Gap Analysis of the Middle Peninsula/Northern Neck's Emergency Operations Plans (EOPs) identified the need to develop a Regional Debris Removal Plan that would engage the 10-county area in a joint planning process.

Project 32016 - VIMS Living Shoreline

MPPDC submitted a proposal to the National Fish and Wildlife Foundation for VIMS. The objective of this project is to leverage previous funding from NFWF to install oyster bag sills at two publicly-owned (MPCBPAA) properties on and monitor them for a year. In addition, existing oyster bag sill installations at four private locations will be monitored to determine overall project effectiveness. This work will provide recommendations for installations along fetch-limited shorelines of Chesapeake Bay.

Project 32017 – NAWCA PAA Acquisitions

The Wetlands Conservation on the Middle Peninsula of Virginia Phase I proposal is the first in a series of projects planned by the Middle Peninsula District Commission (MPPDC) in coordination with local, state and federal agencies, non-government organizations and landowners to protect key wetlands along the Chesapeake Bay. This project will employ a novel, creative and cost effective land conservation model in order to perpetually protect 77.05 acres of coastal habitat.

Project 32144 – Virginia Coastal TA FY19

This project provides ongoing support to member localities of the Planning District Commission and other stakeholders committed to improving community development and coastal management within the coastal zone.

Project 32145 – Dredged Material Siting: Fast-Track Permitting and Beneficial Use Program

This project will help to help localities begin to use their new authority and resources for local dredging projects by identifying opportunities for beneficial use of dredged material. In part, a channel analysis will be conducted by Virginia Institute of Marine Science (VIMS) Shoreline Studies Program to determine the best locations for dredged material. Additionally, the Virginia Coastal Policy Center (VCPC) will conduct legal research associated with HR 1096.

Project 32146 – ANPDC Ecotourism II

This project will build on efforts from the first year and extend Middle Peninsula Watertrails into the Mobjack Bay and the Severn River. The Rural coastal Virginia Ecotourism Steering Committee will refine the Virginia Watertrails website and will focus on marketing watertrails and eco-tourism in rural coastal Virginia.

Project 32147 – ANPDC Rural Enhancement Authority

ANPDC and MPPDC will host a Summit to engage interested localities towards their participation and membership in the Rural Coastal Virginia Community Enhancement Authority to further legislative advancements in Working Waterfront and other rural coastal Virginia policy.

Project 32149 – WIP III (2)

MPPDC will continue to engage localities and regional and state partners regarding Bay WIP III programmatic actions and implementation activities with funding provided by DEQ. One outcome of this project may be sustainable funding to the PDC for a designated environmental staff person to provide coordination between DEQ CBP and localities and technical assistance to local governments moving forward.

MPPDC: Membership, Appointments, Committee Assignments, and Networks

Coastal Policy Team (CPT): The CPT, whose members and alternates represent the Virginia Coastal Zone Management Program's key partners and eight planning district commissions, provides a forum for discussion and resolution of cross-cutting coastal resource management issues. Members serve on the team at the discretion of their agency or planning district commission director. The CPT recommends funding levels to the DEQ Director for coastal zone management projects. (MPPDC Staff 15 years +)

Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee: (MPPDC Staff 8 years +)

Virginia Sea Grant Program External Advisory Committee (EAC): The EAC provides stakeholder input on the strategic planning process, the research proposal review process, and on Commonwealth-wide trends and needs. The EAC is a diverse group of end-users including representatives from state agencies, the education community, coastal planning and management, the private sector, and NGOs. (MPPDC Staff 9 years+)

The Association for Commuter Transportation (ACT) (Telework Council Secretary): ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 10 years+)

Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee: Provides direction for a unified comprehensive strategy for transportation service delivery in the Middle Peninsula and Northern Neck Planning Districts focused on unmet transportation needs of seniors, people with disabilities, and people with low incomes. (MPPDC Staff 12 years)

The Coastal Society: The Coastal Society is an organization of private sector, academic, and government professionals and students. The Society is dedicated to actively addressing emerging coastal issues by fostering dialogue, forging partnerships, and promoting communications and education. (MPPDC staff serves as a Director)

Eastern Virginia Groundwater Management Advisory Committee (EVGMAC) Workgroup #2B: EVGMAC is charged with assisting the State Water Commission and DEQ in developing, revising and implementing a management strategy for groundwater in Eastern Virginia Groundwater Management Area. Group #2B will identify trading options and programs used in other states; evaluate how trading programs might help with future growth and development, and individual and regional solutions; and evaluate feasibility, data needs, cost and possible participants.

Opportunities Identified to Implement Commission Priorities - \$13,154,283

Service Center	Project Title and Description	Funding Requested	Status
MPCBPAA	Virginia Outdoor Foundation – Captain Sinclair Easement/Improvements	\$180,000	Funded
Environmental	CZM ANPDC Ecotourism II	\$38,263	Funded
Environmental	CZM NNPDC WWF	\$5000	Funded
Environmental	CZM Dredging	\$50,000	Funded
Environmental	CZM Rural Enhancement Authority	\$10,000	Funded
Emergency Mgmt	Re-Entry and Access Authorization Plans	\$44,050	Funded
Emergency Mgmt	Regional Emergency Planner Position	\$49,500	Funded
Environmental	Virginia CWF Funding – Living Shoreline Capitalization	\$250,000	Approved
Environmental	NFWF – Improving Coastal Resiliency Through Nature Based Solutions	\$269,914	Funded
Local	VPA Dredging Proposals – Mathews -2 proposals	\$261,523	Funded
Local	VPA Dredging Proposals – Gloucester -2 proposals	\$232,856	Funded
Transportation	DRPT – FY20 Operating	\$67,846	Funded
Transportation	DRPT – Technical Assistance – Telecommuting as a Solution to Reduce Outcommuting	\$30,000	Not Funded
Transportation	VDOT – RTP FY20	\$58,000	Funded
Environmental	DEQ – Septic Pump Out Assistance	\$17,600	Funded
Environmental	CZM – Coastal Technical Assistance – FY20	\$34,500	Submitted
Environmental	CZM – Ecotourism III	\$25,000	Submitted
Environmental	CZM – Extraction Fee Study	\$15,000	Funded
Environmental	DCR – Flood Prevention	\$28,173	Funded
Environmental	DEQ – WIP III Part 2	\$21,500	Funded
Emergency Mgmt	VDEM Update to MP All Hazard Mitigation Plan	\$93,750	Submitted
Environmental	NFWF – Elevating Septic Case Study	\$83,478	Submitted
Emergency Mgmt	VDEM – Emergency Mgmt Planning	\$49,500	Submitted
Emergency Mgmt	VDEM – Resource Typing	\$36,055	Submitted
Emergency Mgmt	VDEM – MSAT Service	\$17,000	Submitted
Environmental	VEE – Elevated Septic Case Study	\$75001	Submitted
Emergency Mgmt	VDEM – COOP Annexes	\$30,000	Submitted
Environmental	CB License Fund – Fight the Flood	\$3,000	Submitted
MPCBPAA	DCR Virginia Land Conservation Foundation – Land Acquisition	\$455,470	Submitted

ACRONYMS

ACH	Automated Clearing House	MPRSC	Middle Peninsula Regional Security Center
AFG	Assistance to Firefighters Grants	NHD	Natural Heritage Data
AFID	Agricultural and Forestry Industries Development	NIMS	National Incident Management System
AHMP	All Hazards Mitigation Plan	NFWF	National Fish and Wildlife Foundation
BCC	Building Collaborative Communities Project	NOAA	National Oceanic and Atmospheric Administration
BOS	Board of Supervisors	NPS	National Park Services
CBPA	Chesapeake Bay Preservation Area	OCVA	Oyster Company of Virginia
CBSF	Chesapeake Bay Stewardship Fund	OLGA	On-line Grant Administration
CDBG	Community Development Block Grant	PAA	Public Access Authority
CEDS	Comprehensive Economic Development Strategy	RBEG	Rural Business Enterprise Grant
CIP	Capital Improvement Plan	RBOG	Rural Business Opportunity Grant
COI	Conflict of Interest	RFP	Request for Proposal
CRS	Credit Rating System	RFQ	Request for Qualifications
CVE	Countering Violent Extremism	RLF	Revolving Loan Fund
CZMP	Coastal Zone Management Program	RTP	Rural Transportation Planning
DEQ	Department of Environmental Quality	SERCAP	Southeast Rural Community Assistance Project
DGIF	Department of Game and Inland Fisheries	SHSG	State Homeland Security Grant
DHR	Department of Historic Resources	SWCD	Soil and Water Conservation District
DHCD	Department of Housing and Community Development	SWM	Storm Water Management
DMME	Department of Mines Minerals and Energy	SWRP	State Water Resource Plan
DOC	Department of Corrections	THIRA	Threat & Hazard Identification & Risk Assessment
DOE	Department of Energy	TIF	Tax Increment Financing
DRPT	Department of Rail and Public Transportation	TMDL	Total Maximum Daily Loads
EDA	Economic Development Administration	USDA	U.S. Department of Agriculture
EDO	Economic Development Organization	USFWS	U.S. Fish and Wildlife Service
EECBG	Energy Efficiency and Conservation Block Grant	VAPA	Virginia Planning Association
EOC	Emergency Operation Center	VAPDC	Virginia Association of Planning District Commissions
EPA	Environmental Protection Agency	VASG	Virginia Sea Grant
FEMA	Federal Emergency Management Agency	VAZO	Virginia Association of Zoning Officials
Fracking	Hydraulic Fracturing	VCP	Virginia Coastal Program
GIS	Geographic Information System	VCZMP	Virginia Coastal Zone Management Program
HAM	Amateur Radio	VCWRLF	Virginia Clean Water Revolving Loan Fund
HRPDC	Hampton Roads Planning District Commission	VDEM	Virginia Department of Emergency Management
LGA	Local Government Administrators	VDH	Virginia Department of Health
LPT	Local Planning Team	VDOT	Virginia Department of Transportation
LSIP	Living Shoreline Incentive Program	VDMME	Virginia Department of Mines, Minerals, and Energy
MOU	Memorandum of Understanding	VEE	Virginia Environmental Endowment
MPA	Middle Peninsula Alliance	Vertical Assets	"Towers or other structures that hold cell, broadband and other equipment"
MPBA	Middle Peninsula Broadband Authority	VHB	Vanasse Hangen Brustlin
MPCBPAA	Middle Peninsula Chesapeake Bay Public Access Authority	VIMS	Virginia Institute of Marine Science
MPEDRO	Middle Peninsula Economic Development and Resource Organization	VMRC	Virginia Marine Resource Commission

VOAD	Volunteer Organization Active in Disasters
VOP	Virginia Outdoors Plan
VRA	Virginia Resources Authority
VSMP	Virginia Stormwater Management Program
VTa	Virginia Transit Association
VWP	Virginia Water Protection
VWWR	Virginia Water Withdrawal Reporting
WIP	Watershed Implementation Plan
WQIF	Water Quality Improvement Fund

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Research on Economic Consequences of Natural Resource Extractive Industries within the Rural Coastal Virginia Community Enhancement Authority



Virginia Coastal Zone
MANAGEMENT PROGRAM



This project, Task #51 was funded by the Virginia Coastal Zone Management Program at the Virginia Department of Environmental Quality through Grant # NA17NOS4190152 of the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, under the Coastal Zone Management Act of 1972, as amended.

The views expressed herein are those of the authors and do not necessarily reflect the views of the U.S. Department of Commerce, NOAA, or any of its subagencies.

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EXECUTIVE SUMMARY

The economy within the Middle Peninsula Planning District Commission (MPPDC) has traditionally been based on natural resources such as farming, forestry, and fishing; however, in recent years with the advancement of technology, changes in regulations, and new political interests, the region has seen an increase in more and intensive extractive natural resource industries. Some of these industries are depleting the landscape of economic value and returning little revenue to the local governments and the communities in which they operate.

Through this report, inequalities among different natural resource extractive industries in Coastal Virginia and beyond are illuminated. First, MPPDC staff provided a review of types of severance tax programs across the United States. The most common severance tax programs were aimed at the oil and gas industry. While Montana, Oklahoma, Colorado, Idaho, North Dakota, Alaska, and North Carolina had substantial severance tax programs, Pennsylvania implemented an impact fee that would encourage investment into environmental restoration.

Following this overview of programs across the United States, MPPDC staff researched the Virginia Administrative Code and the Code of Virginia regarding taxes and fees associated with natural resource extractive industries. Industries included nutrient trading banks, wetlands banks (tidal and non-tidal wetlands), carbon trading banks, groundwater withdrawal and trading, forestry, mineral extraction (sand and gravel), dredging (sand and silt), fracking (gas), commercial fisheries, agriculture, and renewable energy (solar, wind). As MPPDC staff researched each industry, they were grouped in one of three categories represented by the following symbology:

	Local Higher Paying Jobs and Revenue Returned
	Local Jobs Created- Moderate Wages and Some Revenue Returned
	Limited to no Local Jobs Created and Reduced to no Revenue Returned

(Wage Estimates Virginia Employment Commission and BLS)

Based on Virginia Employment Commission research and Bureau of Labor Statistics, it was determined that forestry, mineral extraction, and mining create higher paying jobs and revenue returned. Dredging, commercial fisheries, agriculture, oil and gas extraction created jobs with more moderate wages. Nutrient banks, wetland banks, groundwater withdrawal and trading, renewable energy (solar), and carbon trading create virtually no jobs with no annualized wages (full-time workers). This simple classification of extractive industries offers to create a visualization of those industries that create local jobs and return revenue to local governments, and those industries less likely to do so.

The intention of this report is not to discourage extractive resource industries in Coastal Zone localities, rather to illuminate the economic challenges posed by these rapidly growing industries. It is important to understand both the potential direct and indirect impacts associated with these

industries so that local governments and communities within the Coastal Zone can effectively assess the potential trade-offs of allowing such industries to grow within their jurisdiction. Jobs and revenue are also of great importance to local governments. Within the extractive industry cluster today, General Assembly action has caused a significant divide between jobs and revenue at the local level and additional considerations appear warranted.

STUDY STATEMENT:












Across rural coastal areas of Virginia, there is a growing list of industries “extracting” resources from the coastal zone – either to sell the resource(s) as a commodity or to comply with development regulations of the Commonwealth. Many of these extractive industries remove or strip the landscape of economic value, return little to local governments in terms of revenue or jobs, and permanently restrict or cause the devaluation of land going forward.

Rural economies are driven by the interconnectivity of natural resources, labor, capital investment, small business growth, transportation, internet availability, commercial and industrial recruitment, exports, local government capacity, and government spending. According to commonly used economic definitions, rural economies are comprised of basic and non-basic industries:

Basic sector is made up of local businesses (firms) that are entirely dependent upon external factors. Local resource-oriented firms like logging or mining and agriculture, manufacturing, and tourism are usually considered to be basic sector firms because their fortunes depend largely upon non-local factors and they usually export their goods.

Non-basic firms are those that depend largely upon local business conditions. A local grocery store sells its goods to local households, businesses, and individuals. Almost all local services are identified as non-basic because they depend almost entirely on local factors. Services, public schools, local government, and retail are some other examples.

The following table illustrates the scale of economic importance to local governments, the economic placement of the industry (Basic or Non-basic), employment importance to the economy, and wage rates.

INDUSTRY	TAXABLE REVENUE TO LOCAL GOVERNMENT	Regional Economy Sector Basic / Non Basic	Job Creation Permanent	Average Weekly Wages Virginia Emp Commission
Forestry		Basic Sector	Known Permanent JOBS	\$811 (VEC)
Mineral Extraction & Mining		Basic Sector	Known Permanent JOBS	\$999 (VEC)
Dredging		Non Basic	Isolated Jobs, but emerging due to new state investment	\$870 (BLS- annualized median)
Commercial Fisheries		Basic Sector	Known Permanent JOBS	\$811 (VEC)
Agriculture		Basic Sector	Known Permanent JOBS	\$811 (VEC)
Oil & Gas Extraction		Basic Sector	Limited to no reported Jobs	NA Middle Peninsula
Nutrient Banks		Basic Sector	Limited to no reported Jobs	Unknown/ not trackable
Wetland Banks		Basic Sector	Limited to no reported Jobs	Unknown/ not trackable
Groundwater Withdrawal & Trading		Basic Sector	Limited to no reported Jobs	Unknown/ not trackable
Renewable Energy: Solar		Basic Sector	Limited to no reported Jobs	Unknown/ not trackable Projected
Carbon Trading		Basic Sector	NA	Unknown/ not trackable Projected

INTRODUCTION

According to the Tax Policy Center at the Brookings Institution, thirty-four states across the U.S. levy severance taxes. In 2016, state and local governments collected \$8 billion from severance taxes with nearly all this revenue coming from state taxes. Only 12 states allowed local severance taxes in 2016, collecting a combined \$225 million that year. Severance taxes accounted for less than 1 percent of national, state and local revenue in 2016, but provided a substantial amount of local revenue in a few resource-rich states, such as Montana, North Dakota, and Wyoming.

Within the coastal region of Virginia there is a growing list of industries “extracting” resources from the region – either to sell as a commodity or to comply with development regulations. Below is a list of extractive activities within the region. Some of these extractive uses are traditional and employ customarily accepted practices; while some are new and more exploitive, the newer industries are intended to maximize economic gain and may cause direct and indirect fiscal concern at the local level.

Traditional Extractive Industries in Rural Coastal Virginia

- Forestry
- Mining (Sand and Gravel) and Mineral Extraction
- Dredging (sand and silt)
- Commercial Fisheries
- Agriculture

Newer, Non-Traditional Extractive Industries in Rural Coastal Virginia

- Nutrient Credit Banks (i.e. Phosphorus Banks, In-Situ Nutrient Remediation ProgramTM - Oyster Nutrient Trading)
- Wetlands Mitigation Banks (i.e. Tidal and Non-Tidal Wetlands)
- Carbon Trading Banks
- Groundwater Withdrawal and Trading
- Oil and Gas Extraction
- Renewable Energy (Solar and Wind)

Although natural resource extraction industries across much of rural coastal Virginia have existed for decades, technology improvements, marketplace demand, and legislative relief have facilitated an increase in natural resource extraction. Through the extraction process of natural resources some industries generate relevant taxes and fees necessary to fund essential governmental services, whereas many of the new or emerging industries do not provide an equitable return of revenue or create local sustainable jobs.

This project is intended to bring more awareness and improved local understanding to the direct, indirect, and induced impacts associated with extractive industries. This paper is exploratory and poses questions for further research and consideration but does not focus on solutions.

PRODUCT #1: REVIEW OF SEVERANCE TAX PROGRAMS ACROSS THE US

Across the nation, states levy severance taxes on the extraction of nonrenewable natural resources, such as oil, coal and gas. Many states with severance taxes incorporate both the volume of oil and gas produced and the oil and gas market value or apply separate taxes to the volume and value.

For example, Montana adjusts its tax rate on production value based on the volume of oil or gas a well produces in addition to the age and classification of the well. Other states such as Oklahoma adjust their tax rates on gross production value based on the current value of gas. This approach aims to increase a state's severance tax income when the oil and gas industries are thriving and reduce state pressure when the industry lags. Arkansas places a value tax on gas and oil through its severance tax in addition to a relatively modest fee per volume of oil and gas produced as an oil and gas assessment. Colorado and Idaho tax the gross income from produced oil and gas rather than calculate the monthly market value. Idaho has a flat rate, while Colorado uses a tiered system.

Consequently, as the tax rates vary, revenue generation and revenue distribution will vary. For instance, in 2016, Alaska and North Dakota's severance taxes made up 37.5 percent and 41.8 percent of their total tax collections, respectively. Alaska deposits all funds generated from its Oil and Gas Production Tax into the state's general revenue fund; while North Dakota will distribute a portion of the funds on a monthly basis to county general funds, cities, school districts and townships in oil-producing counties (pursuant to NDCC 57-51-15). Additionally, Colorado deposits its Severance Tax on oil and gas into three major funds: the first \$1.5 million into its Innovative Energy Fund, then the remaining funds are split, half to the state severance tax trust fund and the other half to the local government severance tax fund. Alternatively, North Carolina uses the revenue from its Oil and Gas Severance Tax to fund the natural gas and oil reclamation regulatory program, to meet its environmental and resource management needs, and to reclaim land affected by exploration for, drilling for, and production of natural gas and oil.

While most states utilize severance taxes for oil and gas extraction, Pennsylvania imposes an impact fee on oil and gas production. In 2012, the Pennsylvania General Assembly enacted Act 13, which included enhancements to Pennsylvania's environmental laws overseeing shale gas development. The Act also provided local uniformity across Pennsylvania and authorized county governments to impose an Impact Fee paid annually by unconventional natural gas producers for each well, or start to drill, each calendar year. In the first year of a well's life, it can range from about \$40,000 to \$60,000, depending on the price of gas. The Impact Fee has generated nearly \$1.7 billion in new revenue, above and beyond the \$2.5 billion in other tax revenues generated by oil and gas-related activities over the past decade (Table 1). The Pennsylvania Public Utility Commission administers the collection and imbursement of the fee to local governments to cover the local impacts of drilling.

Table 1: Revenue generated from the Pennsylvania Impact fee during a given year.

YEAR DISTRIBUTED	REVENUE GENERATED FROM IMPACT FEE
2012	\$204.2 Million
2013	\$202.5 Million
2014	\$225.8 Million
2015	\$223.5 Million
2016	\$187.7 Million
2017	\$173.3 Million
2018	\$209.6 Million
2019	\$251.8 Million
TOTAL	\$1,678 Billion

PRODUCT #2: REVIEW OF EXISTING REVENUE GENERATING TOOLS AND LOCAL GOVERNMENT EXPENSES NEEDED TO MANAGEMENT PROJECT

TRADITIONAL EXTRACTION:

FORESTRY INDUSTRY

The Forest Products Tax is paid primarily by wood using industries (i.e. sawmills and paper mills). According to Virginia Administrative Code [§ 58.1-1600 Forest Products Tax Act](#), *“The first manufacturer using, consuming, or processing forest products is liable for the Forest Products Tax unless the tax has been previously paid by the severer of the forest products. The first manufacturer storing forest products for sale or shipment out of state also is liable for the Forest Products Tax unless the tax has been previously paid by the severer”*. The tax rates imposed depend on the type of wood and how it is processed (Appendix 1). Table 2 shows the amount of Forest Product Tax Collected by the state from Middle Peninsula localities. According to [§58.1-1611](#), *“fifty percent of tax collected within any county or city shall be allocated for expenditure within such county or city. Such sums shall be used within such county or city for the same purposes for which the tax was levied. Any sums not so expended within a two-year period shall revert to the ‘Reforestation of Timberlands State Fund’ for expenditure on a statewide basis at the end of each fiscal year”*.

Table 3:

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
Forest Products Tax Collected in the District's Counties
(Virginia Department of Forestry, 2019)

COUNTY	YEAR	REFORESTATION TOTAL TAX	PROTECTION TOTAL TAX	TOTAL TAX
ESSEX	2016	\$28,302.70	\$8,879.86	\$37,182.56
GLOUCESTER	2016	\$5,084.09	\$1,954.19	\$7,038.28
KING AND QUEEN	2016	\$49,906.85	\$13,010.23	\$62,917.08
KING WILLIAM	2016	\$17,276.83	\$4,321.23	\$21,598.06
MATHEWS	2016	\$3,982.27	\$1,044.83	\$5,027.10
MIDDLESEX	2016	\$5,114.44	\$2,896.64	\$8,011.08
Total	2016	\$109,667.18	\$32,106.98	\$141,774.16
ESSEX	2017	\$24,660.02	\$7,409.96	\$32,069.98
GLOUCESTER	2017	\$7,280.33	\$2,875.08	\$10,155.41
KING AND QUEEN	2017	\$44,563.91	\$13,618.44	\$58,182.35
KING WILLIAM	2017	\$14,669.96	\$4,717.80	\$19,387.76
MATHEWS	2017	\$6,303.61	\$2,171.77	\$8,475.38
MIDDLESEX	2017	\$4,476.32	\$1,191.92	\$5,668.24
Total	2017	\$101,954.15	\$31,984.97	\$133,939.12

Most of the tax on pine timber goes toward the [Reforestation of Timberlands \(RT\) State Fund](#), a program that assists private landowners with a portion of the cost of establishing new pines on their property. The State General Fund matches the forest products tax. The RT program began in 1970 and has been instrumental in sustaining a strong pine resource for the Commonwealth. Table 3 shows the amount of planting that has been accomplished in Middle Peninsula localities with RT State funding.

Table 3:

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
2019 IFRIS PLANTING ACCOMPLISHMENTS THROUGH THE
REFORESTATION OF TIMBERLANDS PROGRAM
(Virginia Department of Forestry, 2019)

County	Total # of Tracts	Total Acres
Essex	27	1,469
Gloucester	12	501
King and Queen	26	955
King William	16	642
Middlesex	5	202
Mathews	0	0
Grand Total	86	3,769

Further, if the General Assembly fails to appropriate revenues collected from the forest product tax in a given year, [§58.1-1610](#) authorizes all taxes collected by the Virginia Department of Taxation (VA Tax) to be paid into the state treasury. Next, the comptroller shall credit such taxes as special revenues to the “Protection and Development of Forest Resources of the State Fund” of the Department of Forestry for expenditure for the protection and development of forest resources in accordance with law. In particular, these funds shall be used for the sole purpose of raising, planting, propagating seedling trees, both hardwood and softwood, forest fire protection, forestry education of the public in the use of forest harvesting methods, and rendering forestry service to the timber landowners of the Commonwealth.

Other revenue that returns to localities from the forestry industry includes timber sales on state forestland. According to Code of Virginia [§ 10.1-1107 \(E.\)](#) *“One-fourth of the gross proceeds derived from timber sales on any state forest lands so acquired by the State Forester shall be paid annually by the State Forester to the counties in which such lands are respectively located, and shall become a part of the general funds of such counties, except for Appomattox, Buckingham and Cumberland Counties.”* Table 4 shows the payments in lieu of taxes for timber sales revenue (12.5% on Appomattox, Buckingham and Cumberland Counties and 25% on the remaining State Forests listed) during the Fiscal Year 2018-19. These amounts change according to the amount of timber sold and current market prices.

Table 4: Payments made to localities for the sale of timber from State Forests during the Fiscal Year 2018-19 (VOF, 2019).

<i>FOREST</i>	<i>COUNTY</i>	<i>AMOUNT</i>
Appomattox-Buckingham	APPOMATTOX	\$28,236.01
Appomattox-Buckingham	BUCKINGHAM	\$28,236.01
Big Woods	SUSSEX	\$50,625.84
Chesterfield	CHESTERFIELD	\$14,485.77
Conway Robinson	PRINCE WILLIAM	\$3.75
Cumberland	CUMBERLAND	\$26,866.35
Devil's Backbone	SHENANDOAH	\$12,119.23
Dragon Run	KING & QUEEN	\$18,820.25
Matthews	GRAYSON	\$1,000.00
Prince Edward-Gallion	PRINCE EDWARD	\$45,848.58
South Quay	SUFFOLK	\$2,500.00
<i>Total</i>		<i>\$228,741.79</i>

Finally, for owners of forests or timberlands, each County levies a property tax or land use tax. This revenue will go directly to the locality.

FORESTRY:
Local Higher Paying Jobs



Revenue Returned

MINING (SAND AND GRAVEL) AND MINERAL EXTRACTION

Mining activities include both deep and strip mining. According to 23 VAC 10-2010-960 Mining and Mineral Processing, functions of mining and mineral processing may be taxed; however, Virginia exempts tangible personal property used directly in mining and processing. Taxable functions include exploration; site preparation; mineral extraction; product inspection and testing; repair and maintenance; refining; distribution; reclamation; and administration. Additionally, [23 VAC 10-2010-960B](#) provides examples of property used in mining and mineral processing including examples of both taxable and exempt tangible personal property used in each of the above referenced activities. The lists in Table 5 are exemplary and are not intended to be all-inclusive.

Table 5: Examples of both taxable and exempt tangible personal property used in mining and mineral processing (23 VAC 10-2010-960 B).

MINING	
EXPLORATION. Taxable: <ul style="list-style-type: none"> • Blueprints and blueprinting equipment • Explosives, blasting, and dislodging equipment and test drilling equipment and supplies • Engineering equipment • Surveying equipment • Pneumatic rock drills, jackhammers and air compressors • Seismic equipment • Maps • Sight rods • Spades • All other property used in exploration 	SITE PREPARATION Taxable: <ul style="list-style-type: none"> • Bulldozers, scrapers, and similar equipment, except when used in removing overburden or grading well site • Logging and timbering equipment used for land clearance, except when used in removing overburden Exempt: <ul style="list-style-type: none"> • Explosives, blasting, and dislodging equipment and supplies • Shaft drilling equipment • Bulldozers and scrapers used in removing overburden or grading well location • Pneumatic rock drills, jackhammers, and air compressors • Fuel and supplies used to operate exempt equipment
EXTRACTION Taxable: <ul style="list-style-type: none"> • Light fixtures, bulbs, and other illumination equipment, except when integral part of extraction equipment • Containers for fuel and supplies • Concrete Exempt: <ul style="list-style-type: none"> • Digging and extracting equipment, machinery and tools including continuous miners, bulldozers, augers, backhoes, drag lines, cranes, power shovels, picks, and other cutting machines and hand tools • Mine support materials, including timber and tools used in mine roof installation • Oil and gas drills and accessories thereto • Drainage pumps, pipes, and valves used within the mine 	PRODUCT INSPECTION AND TESTING Taxable: <ul style="list-style-type: none"> • Clerical supplies • Reports • Tangible personal property used in marketing or other administrative research Exempt: <ul style="list-style-type: none"> • Testing scoops or shovels • Coal ash fusion furnace, portable ovens, calorimeter, centrifuge, and similar laboratory equipment • Sample containers such as crucibles and sacks and labels therefor • Laboratory computers • Chemicals used in research and testing • Protective apparel furnished to laboratory personnel

<ul style="list-style-type: none"> • Blasting and dislodging equipment and supplies, including explosives • Roof bolting machines, roof bolts, compressors, timbers, wedges, cribbing, collars, roof supports, and accessories thereto • Rock dust and other dust allaying materials, rock dusting equipment, and dust collectors • Ventilation equipment including brattice cloth, lumber, blocks, fans, and air blowers • Transportation devices and equipment used to haul extracted product from mine face or pit to a stockpile located outside the mine or pit, including shuttle cars, conveyor belts and accessories thereto, front end loaders, mine car handling equipment, and ballast • Lubricants and similar supplies used in exempt equipment, including oils, starting fluids, antifreeze, and brake fluid • Personnel cars, trolley locomotives, battery locomotives, mine cars, and supply cars • Cable and trolley wire, steel rail, track bolts, spikes, and braces used within the mine or pit • Trolley telephones and mine telephones used within the mine for purposes such as dispatching on mine railways within the mine or work coordination • Protective apparel, including goggles, miner's lamps, self-rescuers and methanometers furnished to production personnel • Chemicals used in oil or gas well "completion" • Fuel and supplies used to operate exempt machinery and equipment including transformers and rectifiers, battery chargers, air compressors, and generators • Repair or replacement parts and accessories which become a component part of exempt machinery and equipment • First aid equipment and supplies 	<p>REPAIR AND MAINTENANCE</p> <p>Taxable:</p> <ul style="list-style-type: none"> • Welding equipment and supplies • Drills, cranes, and similar equipment used in repair • Hand tools used in repair • Soaps and cleaning compounds, rags, and similar cleaning accessories • Solvents, brooms, mops, brushes, rags and similar cleaning accessories • Paint, except used on exempt machinery and equipment • Electrical testing equipment and test panels • Repair or replacement parts, fuel, and supplies used in repair or maintenance equipment <p>Exempt:</p> <ul style="list-style-type: none"> • Repair or replacement parts for exempt machinery, tools, and equipment including wire rope and chain, welding rods, wire, and electrodes and paint used on exempt machinery and repair or replacement parts
<p>MINERAL PROCESSING</p>	
<p>MINERAL PROCESSING</p> <p>Taxable:</p> <ul style="list-style-type: none"> • Structural construction materials, such as fabricated steel products, angle irons and beams, concrete, and roofing, and machinery and tools used in the construction of tipples, screening plants, preparation plants, and refining plants • Administrative items used in the refining plant, such as forms, labels, reports, furniture, and office supplies • Light bulbs and light fixtures • Fuel or other supplies used for heating or cooling <p>Exempt:</p> <ul style="list-style-type: none"> • Coal cleaning equipment, vibrating screens, dewatering devices, washing tables, separation devices, dust treating devices, weighing devices and controls therefor, used in processing plant 	<p>DISTRIBUTION</p> <p>Taxable:</p> <ul style="list-style-type: none"> • Repair or replacement parts, fuel, and supplies for vehicles used to transport or convey the product from storage at the mine or processing plant site • Railroad sidings at preparation plants, rails, ties, spikes, track bolts, bars, and switches therefor • Road construction and maintenance equipment and supplies, culvert pipe, stone, concrete, and asphalt used in road construction • Bulldozers, graders, front-end loaders, drag lines, cranes, and parts and supplies therefor used in road construction and maintenance • Bulldozers, front-end loaders and similar equipment used to load product from storage into vehicles for distribution • Storage bins and facilities

<ul style="list-style-type: none"> Rock crushers, grinders, and similar equipment and parts therefor 	<ul style="list-style-type: none"> Chemicals used to preserve or protect product in storage Scales and similar weighing devices Oil or gas pipelines and accessories thereto <p>Exempt: (See subdivision A 2 of this section.)</p> <ul style="list-style-type: none"> Conveyor systems, vehicles and repair parts, fuel, and supplies therefor used to transport product for further processing at a mineral processing plant site or to remove product from production line to storage in storage pile, silo or rail car at plant site.
<p>RECLAMATION</p> <p>Exempt:</p> <ul style="list-style-type: none"> Bulldozers, graders, front-end loaders, hydroseeders, and other equipment used in land recontouring Fertilizers, seeds, seedlings and trees Fuel, supplies, repair and replacement parts for machinery and equipment used in reclamation 	<p>ADMINISTRATION</p> <p>Taxable:</p> <ul style="list-style-type: none"> Office supplies and equipment Light bulbs and lighting fixtures used in offices, shops, bath-houses, storage, and similar facilities Fuel used for heating, cooling, or lighting purposes Billing supplies Tangible personal property used in supply houses, stores, bath-houses, and eating facilities Mine maps and surveys Personnel records and supplies, including safety records and miner identification tags Textbooks, educational, and reference materials Property used in the exhibition of mine products Property used to prevent and control fires Janitorial supplies Eating facilities, such as picnic tables, even when located in mine or processing plant

Sand and gravel mining operations are expanding across many rural coastal communities as evidenced by increases in borrow pit applications and Bureau of Labor Statistics data showing increases in mining jobs. There currently is no local tax levy applied against the tonnage removed at the local level. Rural coastal local governments have traditionally supported sand and gravel operations as an economic development industry that creates jobs, but with the uptick in sand and gravel operations, some consideration should be given to the taxing framework so that localities can fund essential government services while this industry expands.

Oil and Gas extraction has developed revenue models to help fund government services, which can serve as a model for this industry sector.

MINING (SAND AND GRAVEL) AND MINERAL EXTRACTION:

Local Higher Paying Jobs



Revenue Returned

DREDGING (SAND AND SILT)

A Joint Permit Application (JPA) is required to begin a dredging project. There are four agencies involved in the review of a JPA, including the Virginia Marine Resources Commission (VMRC), U.S. Army Corps of Engineers (USACE), the Virginia Department of Environmental Quality (DEQ), and Local Wetland Boards. Depending on the agency and the breadth of the project, an applicant will be charged various fees from the different entities.

Dredging projects will have permit costs and taxes are levied on the equipment and machinery. According to [23VAC10-210-4050](#). Ships or Vessels Used or To Be Used Exclusively or Principally in Interstate or Foreign Commerce, the following are taxable and exempt equipment used in dredging:

Taxable

- Ships or vessels which are not principally used in interstate or foreign commerce are subject to the tax. This includes charter party boats, fishing vessels, and other vessels which leave a point in one state and return to the same point without docking in another state.
- Vessels not physically involved in the dredging of an interstate waterway, such as crew boats, survey boats, and barges used to move equipment, materials, and employees from the dredging site, are subject to the tax.

Exempt

- Ships or vessels used or to be used exclusively or principally in interstate or foreign commerce or the charge for repairs and alterations of them are exempt from the tax.
- Dredges and attendant vessels, such as barges upon which silt from the dredging process is loaded, are entitled to the exemption set forth in this subsection and subsection C provided they are principally used in the dredging of interstate waterways.
- Fuel used for propulsion of ships or vessels, including dredges, is exempt from the tax pursuant

Additionally, there are royalties, which are dependent on the dredging project specifics including location, dredged material placement, and the type of entity applying for the dredging project. In most cases, the applicant is charged \$0.45 per cubic yard for dredged material proposed to be removed from State-owned bottom, which accrues to the Commonwealth. If the dredged material is high quality and has the potential for commercial use, then the applicant may be charged \$0.60 per cubic yard. Dredging royalties will range from \$0.20 to 0.60 per cubic yard. Additionally, a permittee is responsible for placement royalties. If the dredged sediment is placed below mean low tide then the associated royalty is \$0.05 per square foot. However, to place dredged material above the mean low water mark on private property, the private property owner may have to obtain a wetlands or coastal primary sands dunes and beaches permit or an applicant will need to work with fee simple and adjacent property owners to obtain an easement if the proposed disposal site is a private beach or shoreline. Finally, the applicant will need to record an easement and pay the proper recordation fee to the locality.

While most of the revenue generated through dredging projects is returned to the state, localities may receive limited to nominal revenue through recordation fees when an easement is needed for dredge material placement. Additionally as rural coastal localities consider plans to maximize the placement of dredge material as “beneficial use” to protect waterfront land from sea-level rise and storm damage, the dredging industry, by way of dredge spoil placement, may ultimately protect the coastal tax base and preserving a main source of revenue for local governments.

DREDGING (SAND AND SILT):

Local Jobs Created- Moderate Wages



Some Revenue Returned

COMMERCIAL FISHING

Commercial fishing has a very rich history in coastal Virginia. While commercial fishermen must pay license fees depending on the type of fishing that occurs, the gear that is used, and the landing of seafood ([4VAC20-920-10](#)). Appendix 2 provides a list of associated license fees. All fees go directly to the VMRC. Additionally, according to [§58.1-1101](#), intangible personal property is defined as “capital, which is personal property, tangible in fact, used in commercial fishing businesses, and used in the water to catch or harvest seafood, including but not limited to crab pots, nets, tongs, and dredge equipment. Fishing vessels and property permanently attached to such vessels shall not be defined as intangible personal property for purposes of this chapter and shall be taxed locally as tangible personal property according to the applicable provisions of law relative to such property.” This local rate is established each year by the Board of Supervisors of a given locality.

COMMERICAL FISHING:

Local Jobs Created- Moderate Wages



Some Revenue Returned

AGRICULTURE

Agricultural businesses have a variety of tax exemptions due to the nature of their business. According to [23 VAC10-210-50](#), *“The tax does not apply to commercial feeds, seed, plants, fertilizers, liming materials, breeding and other livestock, semen, breeding fees, baby chicks, turkey poults, agricultural chemicals, fuel for drying or curing crops, baler twine, containers for fruits or vegetables, farm machinery and agricultural supplies sold to farmers for use in agricultural production for market. Also, effective July 1, 1979, the tax does not apply to tangible personal property, except structural construction materials, necessary for use in agricultural production for market when sold to or purchased by a farmer or contractor or furnished to a contractor by a farmer to be affixed to real property owned or leased by a farmer. A purchase for personal or family use or consumption is not exempt. Exempt items must be purchased under a certificate of exemption. A farmer not engaged in the business of producing agricultural products for market cannot claim any agricultural exemptions.”*

Further this section of the Code of Virginia states that, *“A farmer regularly engaged in selling tangible personal property at retail must register as a dealer and collect and pay the tax due on retail sales. The*

tax applies to regular or recurring sales of farm products by farmers or peddlers or at a public market, roadside stand, farm or any other place.

The IRS defines excise taxes as taxes paid when purchases are made on a specific good. Excise taxes are often included in the price of the product. In Virginia, the agriculture community, depending on the product that is grown, may pay the following excise taxes to the Commonwealth:

Apple Excise Tax. A 2.5 cents (\$0.025) tax per tree run bushel (i.e. 2,140-2,500 cubic inches of apples) on apples grown for market. The apple producer, someone who grows at least 5,000 tree run bushels in a calendar year, is liable for the tax. Revenues support the Apple Board for research, education, publicity, and development of the Virginia apple industry.

Cattle Assessment. An assessment of 50 cents (\$0.50) per head applied against the sale of all cattle or calves in Virginia. The assessment does not apply to the sale of dairy cows going back to the farm for milk, animals selling for less than \$100 per head, or cattle weighing 99 pounds or less. The handler (the person or business that conducts the sale of the cattle on behalf of the producer, who raises the cattle for market) deducts the assessment from the amount due to the producer. Revenues support the Cattle Industry Board for market development, education, publicity, research, and promotion of the sale and use of cattle and beef products in Virginia.

Corn Assessment. An assessment of 1 cent per bushel of corn grown for market in Virginia. The handler (an entity that buys corn from a farmer), deducts the assessment from the amount due to the producer. Revenue generated supports the Corn Board efforts in research education, publicity, and industry development.

Cotton Assessment. An assessment of 95 cents per bale of cotton sold in Virginia. The handler (company that gins the cotton) deducts the assessment from the amount paid when buying the cotton. Revenues support the Cotton Board including research, education and promotion of Virginia cotton.

Egg Excise Tax. A tax on eggs or egg products sold or consumed at the wholesale level in Virginia. The registered handler is responsible for collecting and remitting the tax. Tax rates include 5 cents per case (3 dozen eggs) of shell eggs and 11 cents per hundred pounds of liquid eggs, or the liquid equivalent of egg products. The tax supports the Egg Board for research, education, publicity, advertising, and promotion of Virginia eggs and egg products.

Peanut Excise Tax. A 30 cents tax on every hundred pounds of peanuts grown in and sold in Virginia to a processor. The processor (a business that cleans, shells or crushes peanuts) is liable for the tax. Revenue supports the Peanut Board for research, education, publicity, advertising and sales promotion of Virginia peanuts.

Sheep Assessment. A 50 cents per head assessment on the sale of sheep and lambs in Virginia. The handler deducts the assessment from the amount due to the owner of the sheep or lambs. Fund raised by the assessment supports the Sheep Industry Board. The board supports promotion and economic development of the Virginia sheep industry.

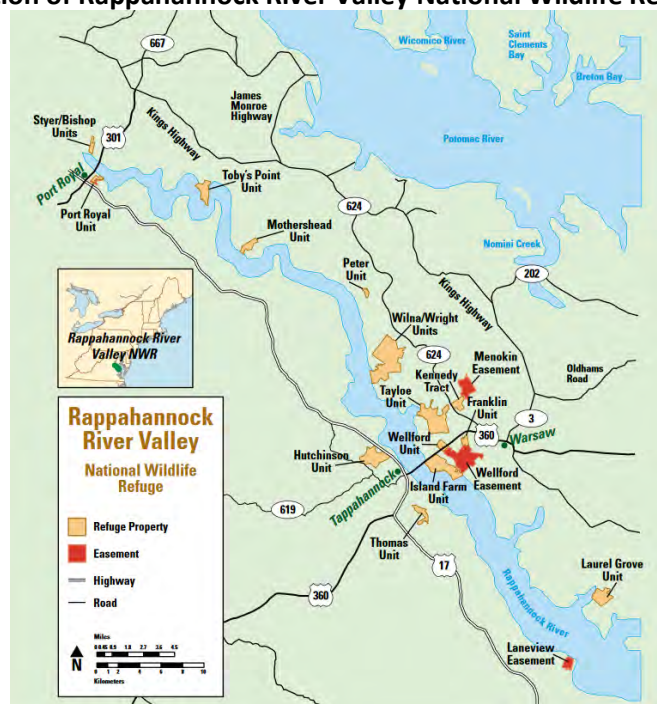
Small Grains Assessment. An assessment of one-half of one percent of the price per bushel of small grains produced in Virginia. “Small grains” are barley, oats, rye or wheat. The handler deducts the assessment from the amount due to the farmer. Funds raised by the small grains assessments supports the Small Grains Board. The board supports research, educations, promotion and market development for the small grains industry.

Soybean Assessment. An assessment of one-half of one percent of the net market value of soybeans purchased. The first person who buys soybeans from the farmer (“first-buyer”) collects the assessment from the farmer. Funds raised by the soybean assessment supports research, education, publicity and promotion of the sale and use of soybeans.

An agriculture landowner will also pay a local property tax, which goes directly to the locality. However, some localities voluntarily participate in Virginia’s Use Value Assessment Program, which supports the assessment of agriculture, horticulture, forest and/or open space lands based on its use value, which is below the regular assessed value. Currently Gloucester, Middlesex, King William, and Essex Counties in the Middle Peninsula participate in this program.

A subset of agriculture is the conversion of commercial agriculture lands into the U.S. Fish and Wildlife Service (FWS) National Refuge System. The Rappahannock River Valley National Wildlife Refuge is the youngest member of the Eastern Virginia Rivers National Wildlife Refuge Complex. It was established to conserve and protect fish and wildlife resources such as the bald eagle, threatened and endangered species, and wetlands. The FWS purchased the first tract of land for the refuge in 1996. The refuge currently consists of 9,030 acres. The goal of the refuge is to protect 20,000 acres of wetlands and its associated uplands along the Rappahannock River and its major tributaries. Refuge units are in Essex, King George, Caroline, Richmond, and Westmoreland counties and include fresh water tidal marsh, forest swamp, upland deciduous forest, mixed pine forest, and grassland habitats.

Figure 1: Location of Rappahannock River Valley National Wildlife Refuge properties.



As the refuge grows, acreage for commercial silviculture and agriculture shrinks, resulting in less direct economic return to the locality. However, ecological value increases and indirect benefits to the locality may accrue.

The FWS annually makes payments to counties and other units of local government for these tax-exempt Federal lands through its Refuge Revenue Sharing program. These payments are one of the ways the Federal Government can fulfill its role of being a good neighbor to local communities. Lands acquired in fee by the FWS are removed from the local tax rolls. The Refuge Revenue Sharing Act, as amended, requires the FWS to make payments annually to counties and other units of local government to help offset lost tax revenues. Due to ecotourism, national wildlife refuges often generate tax revenue for communities far in excess of what was lost from Federal acquisition of the land. For purchased and donated land, the Refuge Revenue Sharing Act, as amended, requires that payments to counties and other units of local government be based on the greater of: (a) 3/4 of 1 percent of the market value; (b) 25 percent of the net receipts; (c) 75 cents per acre. Also, payments to a county or other unit of local government cannot be less than their fiscal year 1977 payment for the land. In contrast, for public domain land that was never on the tax rolls, the Refuge Revenue Sharing Act requires the FWS to pay counties and other units of local government 25 percent of the net receipts collected on those lands (Table 6).

Table 6: National Wildlife Refuge Fund (Refuge Revenue Sharing) FY2017 Payments for FY2016 by State and Local Government.

STATE	COUNTY	TOWN, CITY, OR DESIGNATED RECIPIENT AS APPROPRIATE	AMOUNT
Virginia			\$442,703
	ACCOMACK COUNTY		\$107,126
		CHINCOTEAGUE, TOWN OF	\$8,387
		ACCOMACK COUNTY	\$98,739
	CAROLINE COUNTY		\$2,053
	CHARLES CITY COUNTY		\$1,441
	CHESTERFIELD COUNTY		\$6,498
	CITY OF CHESAPEAKE		\$38,119
	CITY OF SUFFOLK		\$23,753
	CITY OF VIRGINIA BEACH		\$102,179
	ESSEX COUNTY		\$4,101
	FAIRFAX COUNTY		\$44,659
	KING GEORGE COUNTY		\$4,088
	NORTHAMPTON COUNTY		\$33,004
	PRINCE GEORGE COUNTY		\$35,597
	PRINCE WILLIAM COUNTY		\$21,507
	RICHMOND COUNTY		\$13,571
	WESTMORELAND COUNTY		\$1,917
	YORK COUNTY		\$3,090

AGRICULTURE:

Local Jobs Created- Moderate Wages



Some Revenue Returned

NON-TRADITIONAL EXTRACTION:

There is a variety of environmental trading programs in Virginia. According to a Virginia Tech publication titled, [Virginia Citizen's Guide to Environmental Credit Trading Programs: An Overview](#), the following table provides a general description of the program:

Regulatory program	Regulated party	Regulatory requirement	On-site options and requirements	Credits
Wetland and stream permits	Developer	No net loss of wetland/ stream function	Avoid and minimize wetlands/ stream losses	Wetland mitigation from third parties that enhance, restore, create, or preserve wetlands (or streams)
Virginia Stormwater Management Program	Developer	Control runoff volume and quantity of phosphorus runoff from a development	Must limit amount of water running off-site. Implement some phosphorus controls (small developments have exceptions)	May buy permanent phosphorus credits
Chesapeake Bay Point Source Nutrient Trading Program	Municipal and industrial wastewater treatment plants in Chesapeake Bay watershed	Existing sources assigned amount of nitrogen and phosphorus that can be discharged (called wasteload allocation)	New sources must meet stringent concentration limits on-site	Existing sources may buy point source credits to meet wasteload allocation; new sources must offset all loads and may buy credits from point sources or nonpoint sources if no point source credits available
Municipal separate storm sewer systems (MS4)	Municipal government in Chesapeake Bay watershed	Limits on the total amount of nitrogen, phosphorus, and sediment that can be discharged	Implement stormwater control practices, tree plantings, and stream restoration projects within MS4 community	Buy credits from sources outside MS4; credits can be from ag best management practices, land conversion, nutrient assimilation

NUTRIENT CREDIT TRADING PROGRAMS (NITROGEN AND PHOSPHORUS):

In order to comply with Virginia's nutrient focused regulations including the Chesapeake Bay Total Maximum Daily Load (TMDL), Virginia Watershed Implementation Plan (WIP), and Virginia Stormwater Management Program (VSMP), nutrient credit trading serves as a market system to reduce nutrient runoff or discharges below target levels. Source polluters can buy or sell "credits" from or to other sources. This approach allows those that can reduce nutrients at low cost to sell credits to those facing higher cost, nutrient-reduction options. Nutrient trading allows sources of pollution (i.e. wastewater treatment plants or MS4 permittees) to meet their pollution targets in a cost-effective manner and create new revenue opportunities for farmers, entrepreneurs, and others who implement low-cost pollution reduction practices that exceed their TMDL requirements (Jones et al. 2010). The price of credits is based on the market demand. Point source facilities that cannot limit discharge below their waste load allocation can buy credits from other point source facilities that have created surplus reductions. Qualified land is developed and (conceptually) gridded to determine the number of qualified credits available for resale based on market forces.

According to the USDA Natural Resources Conservation Service, the Virginia Department of Transportation (VDOT) [blazed a trail for state agencies interested in purchasing nutrient credits](#) when it completed transactions for approximately \$1 million in permanent phosphorous credits generated on Virginia farms. The offset credits facilitated the completion of more than 50 projects that improved traffic safety and flow with turn lanes, clover leaves, connectors to existing roads, and repairs of approaches to aging bridges. A VDOT-funded [report released in August 2014](#) shows that the use of farm generated offset credits provided equal or greater water quality benefits for up to half of the installation costs of traditional engineered practices. VDOT followed up its purchase of phosphorous credits in 2014 with additional transactions in 2015, anticipating that up to \$2 million worth of phosphorous credits would be purchased by the end of that year. To maintain local water quality, nutrient credit trading in Virginia can only take place within prescribed river basins. [Nutrient banks—private entities that aggregate credits from multiple farmers—report a steady stream of trades in the James, Rappahannock and York River Basins.](#) Because they are permanent nutrient reductions, the credits have significant value ranging from \$10,800 to \$24,000 per pound of phosphorous, depending on the river basin. Maximum credits can be generated on farms through the permanent conversion of sub-prime farmland to forest or agroforestry.

Environmental groups such as the Chesapeake Bay Foundation (CBF) support the development of nutrient banks and tout the benefit as:

“..a way for farmers, foresters, businesses and other facilities to reduce pollution more than is legally required and to sell such additional reductions as credits to other businesses, facilities, and local municipalities so they can meet their reduction requirements. Trading offers a tool to reduce costs associated with reducing pollution, to expedite water quality improvements, and stimulate innovation. Trading can help localities and businesses to reduce pollution and meet their requirements more cost-effectively and often more quickly”.

For more information, please visit: <https://www.cbf.org/issues/nutrient-trading.html>. Environmental credit trading programs provide ways to reach regulatory compliance at a low cost. Yet it is important to know that there are no local permitting requirements to accomplish this. Nutrient banks are established without requirements for local zoning or business permits, land is monetized and credits are sold with no revenue returned to local government for trades of significant monetary value, and land is generally left restricted as the credits are protected in-perpetuity. In other words, the economic value of the natural resources has been taken from the land and converted into cash. DEQ handles the permitting as the VSMP Authority and it appears DEQ is under no requirement to consult with local officials prior to permitting the creation of the bank.

The Commonwealth regulates the quality and quantity of stormwater runoff from urban land development activities under the VSMP and land developers must obtain a VSMP permit that requires the implementation of a site-specific stormwater pollution prevention plan (SWPPP) which details how to reduce runoff and nutrients discharged from the new construction. To meet water quality requirements, developers have off-site compliance options including the purchase of phosphorus credits. For small developments (defined to be less than 5 acres of disturbed land) phosphorus credits may be purchased to meet their water quality requirements. Developers can also purchase permanent phosphorus credits from multiple credit providers across the Commonwealth (Virginia Tech, 2019).

Revenue generated through this program occurs between credit holders and developers. Virginia citizens may also see revenue benefits if they choose to create a phosphorus bank by permanently converting agricultural land to forest or open space and then selling phosphorus credits. According to DEQ, averages for the price of phosphorus per pound by basin in January 2019 based off 2018 fourth quarter water quality enhancement fees findings were:

River Basin	Average Price per Pound of Phosphorus	Price Range per Pound of Phosphorus
Chowan River	\$15,000	
James River	\$11,000	\$8,500 to \$15,500
New River	\$12,000	
Potomac River	\$19,000	\$13,000 to \$22,500
Rappahannock River	\$12,000	\$11,000 to \$13,500
Roanoke River	\$10,500	\$10,000 to \$12,500
York River	\$12,000	
<i>**basins without ranges did not have very many transactions that quarter and we also excluded sales less than 0.1 pounds because banks usually charge a flat rate for sales that small.</i>		

IN-SITU NUTRIENT REMEDIATION PROGRAM (INSRP)- OYSTER NUTRIENT TRADING

Policy objectives set by the General Assembly for the Chesapeake Bay Watershed Nutrient Credit Exchange Program (“Exchange Program”) mandate the incorporation of market-based solutions in development and exchange of nutrient credits. The adoption of a market-based nutrient credit trading program aims to: (a) meet cap load allocations cost-effectively and as soon as possible in keeping with the 2010 timeline and objectives of the Chesapeake 2000 Agreement, (b) accommodate continued growth and economic development in the Bay watershed, and (c) provide a foundation for establishing market-based incentives to help achieve the Chesapeake Bay Program's nonpoint source reduction goals. The “In-Situ Nutrient Remediation Program” or “ISNRP” focuses on the annual seeding, growing, harvesting, production, and certification of oysters in cages placed above the bottom lands of the waters and tributaries of the Chesapeake Bay pursuant to leases granted by the Commonwealth. As oysters reduce nutrient loadings in the Chesapeake Bay and its tributaries, they generate nonpoint source nutrient credits that may be sold and traded within the Commonwealth and to produce oysters for retail and commercial markets.

The ISNRP is a relatively new approach to leveraging oysters to meet clean water commitments and should be encouraged. There is no requirement for revenue return to local governments for this trading program either.

NUTRIENT CREDIT TRADING:

Limited to no Local Jobs Created



Reduced to no Revenue Returned

WETLAND MITIGATION BANKS

TIDAL WETLANDS MITIGATION BANKS

A mitigation bank compensates for unavoidable wetland or stream loss in advance of development actions through the sale or purchase of credits from a mitigation bank. According to DEQ, "The purpose of mitigation banks is to replace both the acreage and the biological, chemical, and physical functions of wetland and stream resources by quantifying the replaced acreage and function as a 'credit', which can be purchased by third parties ('permittees') to compensate ('debit') for unavoidable wetland losses." Wetland compensation ratio guidelines have been established by the USACE and the amount of bank credit required is based on the type of wetland impacted. Credits can be purchased on a per-acre, per-square foot, or per-credit basis with rates set by the market.

FOR EXAMPLE:

Assume that one acre is maximized for credit value.

43,560 square feet (sf) = 1 acre

If each sf of credit is valued at \$12

THEN....

$43,560 \text{ sf} \times \$12 = \$522,720$

This is the value of monetized credits, i.e. the amount paid to the bank to purchase wetland mitigation credits.

NEXT....

If the land is assessed at \$500 per acre because it is now classified as a protected wetland

AND....

If the tax levy is \$0.695 per \$100 on that land, then the annual real-estate tax paid to the locality is \$3.47.

THEREFORE....

Conceptually, \$500,000 was extracted from the land with practically no revenue return to the locality.

Prior to purchasing tidal wetland credits, a Tidewater Joint Permit Application (JPA) is required for projects impacting tidal wetlands. Therefore, an applicant will work with the USACE, DEQ, VMRC, and the LWB to obtain the necessary permits and pay the associated mitigation fee to allow the project to proceed. Besides the LWB permit fee and the possible fee to review the JPA that goes directly to the locality, a fee in-lieu of purchasing a credit may be required depending on the project and locality.

Wetland banks do pay the locality property taxes on the commoditized land, but at a significantly lower value or in many cases a default value of \$500 an acre because the land is assessed at its protected conservation value and not its full development value as any future use has been extinguished by the encumbrance placed on the land. In this case the economic value has been sold and only permanently restricted land with limited tax revenue remains. However please note that there are other circumstances where the tax rate is unchanged since the wetland will remain a wetland when a wetland bank is established.

Additionally, many wetland banks are constructed with no recognition for local zoning, building permits, or business licenses needs, all of which further isolate the business operations which local government

operations rely upon for revenue generation. Some local governments classify wetland mitigation banks as meeting the definition of “natural wildlife preserves or conservation areas” due to the final placement of a perpetual conservation easement further ensuring the decrease in taxable assessed value of the land. Please note that there are other circumstances where the tax rate is unchanged since the wetland will remain a wetland when a wetland bank is created.

NON-TIDAL WETLAND MITIGATION BANK:

The DEQ implements the Virginia Water Protection Permit (VWP) Program, which is responsible for the Section 401 Certification process for both tidal and nontidal wetland and stream impacts permitted under Section 404 of the Clean Water Act. DEQ can provide Section 401 Certification by either issuing a VWP individual or general permit or by certifying USACE nationwide or regional permits.

Virginia’s Nontidal Wetland Act states that “[p]ermits shall address avoidance and minimization of wetland impacts to the maximum extent practicable.” Further, “permits [issued for impacting nontidal wetlands] shall contain requirements for compensating impacts on wetlands. Such compensation requirements shall be sufficient to achieve no net loss of existing wetland acreage and functions, and may be met through wetland creation or restoration, purchase or use of mitigation bank credits...or contributing to a fund that is approved by the [State Water Control] Board and is dedicated to achieving no net loss of wetland acreage and functions. When utilized in conjunction with creation, restoration or mitigation bank credits, compensation may incorporate (i.) preservation or restoration of upland buffers adjacent to wetlands or other state waters or (ii.) preservation of wetlands.”

In Virginia, compensatory mitigation may include:

- Purchase or use of wetland mitigation bank credits at a DEQ-approved mitigation bank
- Contributing to a DEQ-approved in-lieu fee fund
- Wetland creation or restoration
- Stream restoration (see the Unified Stream Methodology below)
- Preservation of existing wetland and streams, when utilized in conjunction with creation, restoration, or mitigation bank credits
- Preservation or restoration of upland buffers adjacent to surface waters, when utilized in conjunction with creation, restoration, or mitigation bank credits

Virginia uses the following general compensation ratios (alternative ratios may be required by DEQ for activities permitted under a VWP individual permit):

- 2 acres compensation for each 1 acre of impact (2:1) for forested wetland impacts
- 1.5:1 for scrub-shrub wetland impacts
- 1:1 for emergent wetland impacts
- project-specific ratios for other surface water impacts

WETLAND MITIGATION BANKS:

Limited to no Local Jobs Created



Reduced to no Revenue Returned

CARBON TRADING BANKS

Executive Directive 11 (2017), "Reducing Carbon Dioxide Emissions from the Electric Power Sector and Growing Virginia's Clean Energy Economy," directed the Director of the DEQ, in coordination with the Secretary of Natural Resources, to (1.) Develop a proposed regulation for the State Air Pollution Control Board's consideration to abate, control, or limit CO₂ from electric power facilities that: a. Includes provisions to ensure that Virginia's regulation is "trading-ready" to allow for the use of market-based mechanisms and the trading of CO₂ allowances through a multi-state trading program (in accordance with 9 VAC 5-140).

The primary purpose of the regulation is to implement a declining cap on carbon emissions. Originally, this effort would link Virginia to the Regional Greenhouse Gas Initiative¹ (RGGI) and create an emissions trading program. For each ton of carbon emitted by an electricity generating facility an allowance would be issued. The facility would then decide if it wants to reduce carbon emissions and sell its additional allowances, or if it will not reduce carbon emissions and make up the difference with purchased allowances. At the April 2019 meeting of the Virginia Air Pollution Control Board the final CO₂ Cap and Trade Rule (9VAC5-240-6045) was approved; however prior to the Board's action, language was inserted by the Virginia General Assembly (GA) into the 2018-2020 biennial budget bill prohibiting Virginia's membership or participation in the RGGI until the GA decides otherwise. Therefore, since this Rule requires participation in RGGI, the new cap cannot be implemented.

If Virginia joins the RGGI, the cost of allowances will be managed by means of a consignment auction. Such auctions have been known to decrease costs because the costs and prices are known, and a secondary market is not involved. Consignment auctions are revenue neutral, so the only actual cost to a facility would be the administrative cost of managing its consignment auction activities. At the 45th RGGI auction in September of 2019, 13,116,447 CO₂ allowances were sold at the auction at a clearing price of \$5.20 per allowance. Bids for the CO₂ allowances ranged from \$2.26 to \$8.00 per allowance. The auction generated \$68.2 million for states to reinvest in strategic programs, including energy efficiency, renewable energy, direct bill assistance, and GHG abatement programs.

It is unknown at this time if revenue will accrue at the local government level from carbon trading markets. If previous extractive models are not modified to include a structure to direct a return of revenue to local government, then more coastal resource value will be lost to *local* governments.

CARBON TRADING BANKS:

Limited to no Local Jobs Created



Reduced to no Revenue Returned

¹ The Regional Greenhouse Gas Initiative (RGGI) is the first mandatory market-based program in the United States to reduce greenhouse gas emissions. RGGI is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont to cap and reduce CO₂ emissions from the power sector. For more information please visit: <https://www.rggi.org/>

GROUNDWATER WITHDRAWAL AND TRADING

GROUNDWATER WITHDRAWAL

Any person or entity within the Eastern Virginia or Eastern Shore of Virginia Groundwater Management Areas require a permit to establish new withdrawals of groundwater in excess of 300,000 gallons per month (from a well, well system, or pond recharged by groundwater with mechanical assistance). Additionally, any person or entity who needs to expand an existing withdrawal is required to apply for a new or expanded groundwater withdrawal permit before exceeding the 300,000 gallons per month use limit or increasing a permitted withdrawal. Groundwater Withdrawal Permits are issued for a maximum term of 15 years. Below are the associated fees (Table 7) which go directly to the Virginia DEQ.

Table 7: List of Groundwater Withdrawal Permit Fees (DEQ, 2015).	
Type of Groundwater Permit	Issuance/Reissuance
Agricultural withdrawals	No Fee
Historic permits – (Initial permit for an existing withdrawal based solely on historic withdrawals)	\$1,200.00
New or expanded groundwater withdrawal Permits	\$9,000

As part of the permit application for new withdrawal permits, an applicant is required to include notification from the local governing body in which the withdrawal is to occur. Notification includes that the location and operation of the withdrawing facility complies with all ordinances adopted ([9VAC25-610-94](#)). This applies to expansion of an existing withdrawal or reapplication for a current permitted withdrawal. The applicant shall document the local governing body's receipt of the request for certification through certified mail or other means that establish proof of delivery.

With limited commercial business within rural coastal localities and with DEQ groundwater modeling to delineate water restricted areas, some concern is expressed that any “rural coastal share” of groundwater resources will be consumed by adjacent suburban and urban commercial needs, further depleting the rural region of access to future groundwater resources necessary to support future development. This is another example of the extraction of natural resources coming at the expense of rural local governments with little or no consideration given to the sustainability of the *local* economy.

GROUNDWATER TRADING

The Eastern Virginia Groundwater Management Advisory Committee (EVGWMAC) was established in 2015 by the General Assembly. The EVGWMAC was charged with assisting the State Water Commission and the DEQ in developing, revising, and implementing a management strategy for groundwater in the Eastern Virginia Groundwater Management Area. Based on EVGWMAC recommendations, HB 1036 was passed by the General Assembly in 2018. It directs the DEQ to convene a forum to further study how to implement the recommendation made by the EVGWMAC that an aquifer storage and recovery banking system be developed. A Trading Work Group was also established to conduct further study and identify the components of a groundwater trading program. The work group is working to develop and report its recommendations, including recommended program components, to the State Water Commission and the Director of the Department no later than July 1, 2020. The work group is required to include in its discussion input from groundwater users interested in purchasing credits and representatives from local governing bodies currently injecting water into the coastal aquifers or considering a project to do so. The work of the EVGWMAC continues and the extent of rural economic benefit is unknown at this time.

GROUNDWATER WITHDRAWAL & RECHARGE:

Limited to no Local Jobs Created



Reduced to no Revenue Returned

OIL AND GAS EXTRACTION

While most of the oil and gas extraction in Virginia currently occurs in the western parts of Virginia, the Taylorsville Basin in the coastal zone could draw interest in oil and gas exploration. Oil and gas operators in Virginia must comply with the Virginia Gas and Oil Act of 1990 ([§ 45.1-361](#)), Virginia Gas and Oil Regulation ([4VAC25-150](#)), Virginia Gas and Oil Board Regulations, State Water Control Law, and Virginia Pollution Discharge Elimination System Regulations.

There are multiple sections of the Code of Virginia that address a locality's authority to create severance taxes on "every person engaged in the business of severing gas from the earth":

[§58.1-3712](#) - The governing body of any county or city may levy a license tax on every person engaging in the business of gases from the earth. Such tax shall be at a rate not to exceed one percent of the gross receipts from the sale of gases severed within such county.

[§58.1-3713](#) - Any county or city may adopt a license tax on every person engaging in the business of severing gases from the earth. The rate of such tax shall not exceed one percent.

The moneys collected for each county or city from the taxes imposed under authority of this section and subsection B of [§ 58.1-3741](#) shall be paid into a special fund of such county or city to be called the Coal and Gas Road Improvement Fund of such county or city, and shall be spent for such improvements to public roads as the coal and gas road improvement advisory committee and the governing body of such county or city may determine as provided in subsection B of this section. The county may also, in its discretion, elect to improve city or town roads with its funds if consent of the city or town council is obtained. Such funds shall be in addition to those allocated to such counties from state highway funds which allocations shall not be reduced as a result of any revenues received from the tax imposed hereunder.

[§58.1-3713.01](#) - The governing body of any county or city imposing a local gas road improvement tax under subsection A of [§ 58.1-3713](#) or a local coal road improvement severance license tax under subsection B of [§ 58.1-3741](#) that is using an additional one-fourth of the revenue from such tax to fund the construction of new water or sewer systems or lines or the repair or enhancement of existing water systems or lines shall develop and adopt by resolution an annual plan for such water and/or sewer projects and an annual plan for the funding of such water and/or sewer projects in areas in its county or city where natural water supplies are insufficient from the standpoint of quality or quantity. Plans shall establish a priority for funding water and/or sewer projects in such city or county. Consideration for

funding shall be given to (i) replacing water supplies lost due to mining activities and providing emergency water services to areas that have lost water due to mining activities; (ii) preserving water supplies that are jeopardized due to permitted mining which is occurring or is near commencement; (iii) facilitating development of water and/or sewer projects which will promote diversified industrial development; and (iv) increasing the capacity of publicly owned water and/or sewer treatment or supply facilities.

[§58.1-3713.4](#). a county or city may levy an additional license tax on every person engaging in the business of severing gases from the earth. The license tax shall be at a rate not to exceed one percent of the gross receipts from the sale of gases severed within the county or city.

[§58.1-3741](#) - The governing body of any county or city may levy a severance license tax on every coal producer that sells or utilizes coal severed from the earth within its jurisdiction. The rate of tax for the sale or utilization of coal from small mines shall be three-fourths of one percent of the gross receipts from the sale or utilization of such coal by the coal producer. The rate of tax for all other coal shall be one percent of the gross receipts from the sale or utilization of such coal by the coal producer. B. In addition to the tax imposed in subsection A, any county or city may impose a local coal road improvement severance license tax on every coal producer that sells or utilizes coal severed from the earth within its jurisdiction. The rate of tax for the sale or utilization of coal from small mines shall be three-fourths of one percent of the gross receipts from the sale or utilization of such coal by the coal producer. The rate of tax for all other coal shall be one percent of the gross receipts from the sale or utilization of such coal by the coal producer.

OIL AND GAS EXTRACTION:

Local Jobs Created- Moderate Wages (Location dependent)



Some Revenue Returned- Depending on location
(Oil/Gas/Coal Severance)

RENEWABLE ENERGY (SOLAR AND WIND)

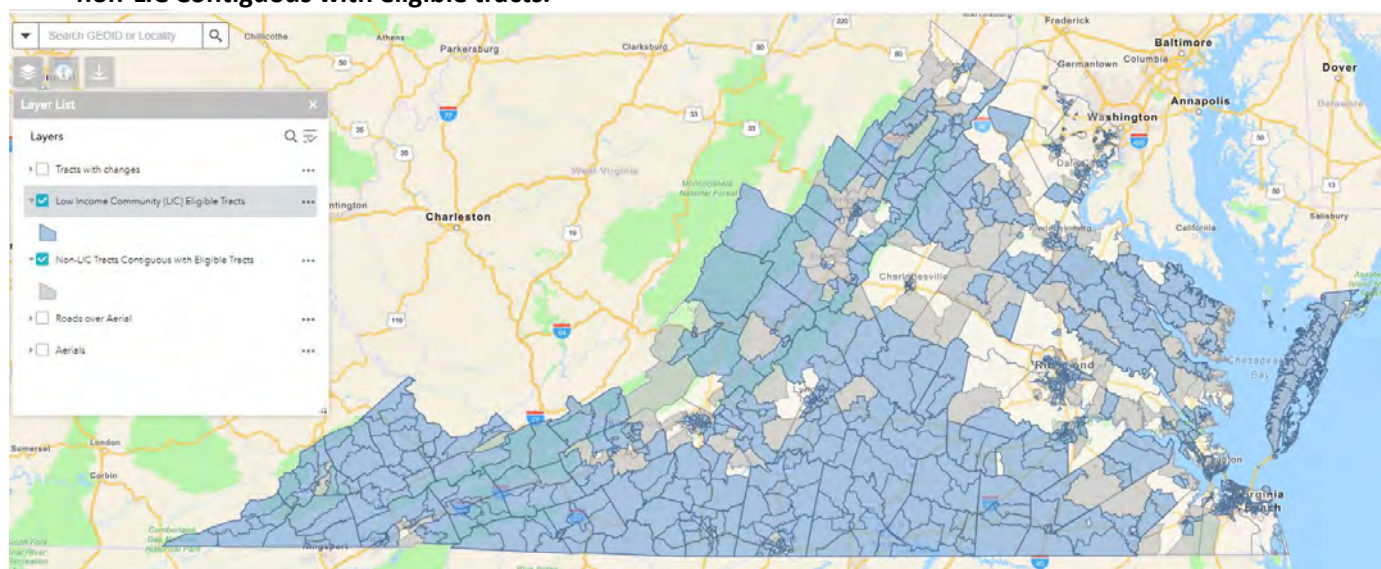
Virginia is now ranked 7th in solar job growth and ranked 16th for solar jobs nationwide (²The Solar Foundation, 2020). According to the [2018 Virginia Energy Plan](#) Revenue for clean energy businesses in Virginia increased from \$300 million in 2014 to \$1.5 billion in 2016. Therefore, as solar energy creates new stakeholders in Virginia communities it is important to understand the industry's revenue streams for localities. The industry has been granted significant relief on the tax policy side as well as the decommissioning side for project development, including the types of surety a locality may require. Any locality contemplating a solar project should consult with legal counsel to ensure understanding of what Virginia law allows and does not allow related to project impacts including direct, indirect, and induced economic impacts for revenue and expenses incurred. Solar is widely recognized as a green industry, but it is also a complicated one. While the industry generates significant positive environmental effects in

² The Solar Foundation. (2020). 10th Annual National Solar Jobs Census 2019. The Solar Foundation.
<https://www.thesolarfoundation.org/national/>

reducing greenhouse gases and significant wealth for the commercial energy industry and landowner, it does not generate the equivalent long-term revenue necessary to offset the economic impact to lower income communities. Solar projects do not deliver sufficient revenue to fund governmental services necessary to achieve environmental inspections and compliance. The 2020 General Assembly session contains many new solar bills and laws and regulations are anticipated to be amended in order to help level the imbalance caused by solar within rural localities.

The solar industry finds rural communities attractive because land is inexpensive, and the energy grid can handle additional energy generation/distribution. An unrecognized impact is the co-location of solar operations within census tracts meeting the eligibility for Opportunity Zone designations. Opportunity Zones are a federal economic development and community development tax benefit established as part of the 2017 Tax Cuts and Jobs Act available to investors with capital gains designed to encourage long-term private investment **in low-income** urban, suburban, and **rural census tracts**. Figure 2 illustrates the areas that qualified as **low-income census tracts** across the Commonwealth, these rural low-income census tracts are experiencing solar industry growth.

Figure 2: Map of Virginia showing the location of lower income community (LIC) eligible tracts and non-LIC Contiguous with eligible tracts.



Under the guidelines, an opportunity zone can be:

1. A low-income community census tract has an individual poverty rate of at least 20%; or
2. The median family income does not exceed 80 percent of statewide median family income; or
3. If in a metropolitan area, the greater of 80 percent statewide median family income or 80 percent of metropolitan area median family income.

Based on Census data from 2015 and 2016, Virginia had 901 census tracts eligible to be nominated as Opportunity Zones. Treasury mandated that each state be capped at nominating 25 percent of their eligible census tracts. This meant that Virginia could nominate up to 212 qualified census tracts. Up to 5% (11) contiguous tracts could also be nominated and be a part of 212 qualified census tracts for Virginia.

According to [§58.1-3508.6](#), Machinery and tools, including repair and replacement parts owned by a business and used directly in producing or generating renewable energy shall continue a classification of taxation separate from other classification of machinery and tools; however the rate of tax and rate of assessment under this section shall not apply to machinery and tools owned by a business and used directly in producing or generating renewable energy covered under Chapter 26 (§58.1-2600 et seq.), unless the rate of tax and rate of assessment under this section would result in a lower property tax on such machinery and tools.

Further, Virginia Code [§ 58.1-3360](#) offers the following property tax exemption for commercial solar facilities in Virginia:

- 100% property tax exemption for the assessed value of equipment and facilities used in:
 - o Projects equaling 20 Megawatts (MW) or less that serve a public institution of higher education or private college.
 - o Projects equaling 5 MW or less
- 80% property tax exemption for the assessed value of equipment and facilities used in:
 - o Other projects over 5 MW and less than 150 MW. The exemption for projects greater than 20 MW shall not apply to projects upon which the construction begins after January 1, 2024.

The law broadly defines eligible solar facility as “any property, including real or personal property, equipment, facilities, or devices designed and used primarily for the purpose of collecting, generating, transferring, or storing thermal or electrical energy.” The exemption does not include the land on which the equipment or facility is located. Furthermore, according to the [Code of VA §58.1-3221.2](#), Energy-efficient buildings, not including the real estate or land on which they are located, are hereby declared to be a separate class of property and shall constitute a classification for local taxation separate from other classifications of real property. The governing body of any county, city, or town may, by ordinance, levy a tax on the value of such buildings at a different rate from that of tax levied on other real property. The rate of tax imposed by any county, city, or town on such buildings shall not exceed that applicable to the general class of real property.” Eligible buildings are those that:

- Exceed the energy efficiency standards prescribed in the Virginia Uniform Statewide Building Code by 30 percent, or
- Meet or exceed performance standards of the Green Globes Green Building Rating System of the Green Building Initiative, or
- Meet or exceed performance standards of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System of the U.S. Green Building Council, or
- Meet or exceed performance standards or guidelines under the EarthCraft House Program, or
- are Energy Star qualified homes.

Currently the Cities of Charlottesville and Roanoke offer exemptions.

According to Virginia Code [§58.1-3661](#), the Commonwealth of Virginia provides the option for any county, city or town to exempt or practically exempt solar energy equipment and recycling equipment from local property taxes. This statute targets non-commercial participants. Solar equipment and installation should be inspected and certified by the local building department or the Department of Environmental quality to provide the value of the system for the purpose of determining tax credit. Cities and counties currently offering a solar energy equipment and facility exemption include Albemarle, Alexandria, Charlottesville, Chesterfield, Hampton, Hanover, Harrisonburg, Henrico, Isle of

Wight, King & Queen, Lexington, Loudon, Lynchburg, Prince William, Pulaski, Roanoke, Spotsylvania, Warren, Winchester and Wise.

The Code of Virginia affords a locality an option of adopting local ordinances to address the siting of renewable energy facilities that generate electricity from wind or solar resources (Code of VA [§67-103](#)). This provides some limited protection of the locality in a manner consistent with the goals of the Commonwealth to promote the generation of energy from wind and solar resources and includes provisions establishing reasonable requirements upon the siting of any such renewable energy facility, including provisions limiting noise, requiring buffer areas and setbacks, and addressing generation facility decommissioning. However, more recently passed legislation has shifted some of this protection. For example, a locality can no longer require cash surety for decommissioning. This is significant because in the absence of such a surety, there is no entity liable for the decommissioning cost if the owner of record at the time of decommissioning is not financially solvent.

The solar industry thus presents a conundrum for many rural local governments. While landowners find the land lease rates appealing and Governor Northam's [Virginia Energy Plan](#) (2018) states that "solar energy has significant room to grow", at the local level prime agriculture and silviculture lands are being converted to solar. Many projects have revealed that there are both significant negative economic costs to local government as well as unexplored environmental issues, such as sea-level rise causing the Resource Protection Area (RPA) to migrate into an active solar field. This migration has the potential to cause maintenance and decommissioning access issues given the current regulations restricting activities within the RPA.

ESSEX SOLAR CENTER RURAL CASE STUDY

According to the Coronal Energy website, "The Essex Solar Center is sited on 174 acres in Essex County Virginia and is one of the largest solar projects in the Commonwealth. It builds on Coronal Energy's history of projects in Virginia and was made possible through the Commonwealth's recently implemented permit by rule (PBR) process through the Virginia Department of Environmental Quality (DEQ). Coronal Energy owns and operates the facility and will sell power to Dominion Energy under a 20-year power purchase agreement (PPA). The facility powers roughly 5,000 homes annually."

Figure 3: Aerial of Essex County Solar Center.



While the website neatly packages this project in one paragraph, this project has a variety of effects and considerations for rural local governments and landowners.

Landowner Perspective - Prior to the construction of the Essex Solar Center, this land was primarily used for agriculture. Landowners could farm this land or lease their land to farmers to work their land. The table below provides the [2017 USDA National Agricultural Statistical Service \(NASS\)](#) irrigated cropland and pastureland rental rates for the Eastern Crop Reporting District (i.e. Middle Peninsula localities), and the [SLEAC \(State Land Evaluation and Advisory Council\)](#) land rental rates for non- irrigated cropland.

	Cropland (Non-Irrigated) Rental \$/acre/year	Cropland (Irrigated) Rental \$/acre/year	Pastureland Rental \$/acre/year
Leasing Rate	\$72.00	\$97.00	\$37.50

Hypothetically speaking, if these rates were applied to 174 acres (as a whole) the potential revenue generated from leasing the land in one year as Cropland (non-irrigated), Cropland (irrigated), and Pastureland would be \$12,528; \$16,878; and \$6,525, respectively.

With the construction of the solar center, landowners were afforded a different avenue to generate revenue from their land. According to various county administrators working with solar company applicants, solar land lease rates can be as high as \$1500/acre; however in Essex County rates are closer to \$500/acre/year and therefore when applied to the 174 acres, the landowner has the potential to make approximately \$87,000 per year. Table 6 shows the differences between the agricultural uses and solar center use.

	Lease Revenue from Agriculture	Lease Revenue from Solar	Lease Revenue Difference (\$)	Lease Revenue Difference (%)
Cropland (Non-Irrigated)	\$12,528	\$87,000	\$74,472	594.4% increase
Cropland (Irrigated)	\$16,878	\$87,000	\$70,122	415.5% increase
Pastureland	\$6,525	\$87,000	\$80,475	1233.3% increase

While the increase in revenue may influence the landowner's decision to lease land to a solar company, the landowner's personal interest and vision for the property will also play a role. For instance, in 1902, Southside Rappahannock Baptist Association (SRBA) sponsored the establishment of the Rappahannock Industrial Academy (RIA), a private high school for African American youth living in Essex, Middlesex, and King & Queen Counties. The school remained open until 1948, and since then SRBA has sought to preserve the site and its legacy. The RIA is one of the properties being leased for Essex Solar Center and at the ribbon cutting ceremony James Hill, President of the RIA Task Force stated, "We're celebrating today with one eye on our future and one eye on our past. Maintaining ownership and stewardship over this land and its history, while generating income for our work and serves as home to a source of clean,

affordable energy for years to come, only adds to the positive legacy of this site.” With the revenue from leasing the land, the RIA will be able to achieve their mission and continue to offer scholarships to African American students in Middlesex, Essex and King & Queen Counties through their [Rappahannock Industrial Academy Alumni Association Scholarship Fund](#).

Local Government Perspective - At first glance the Essex Solar Center provides additional local property tax revenue. In Essex County the commissioner of revenue removed the land used in this project from the land use program and changed the use to commercial. Below is a table of the land used in the Essex Solar Center and the acres used in the project. The table also compares the property tax revenue collected in 2015 (before the solar farm was constructed) and the property tax revenue collected in 2018 (after the solar farm was constructed) based on public information.

LANDOWNER	TAX MAP PARCEL	ACRES	BEFORE SOLAR FARM	AFTER SOLAR FARM
			Landbook (2015) – Taxes Paid	Landbook (2018) – Taxes Paid
Rappahannock Industrial Academy	46 145	294.170 (70 acres is part of the Essex Solar Center)	\$1,836.98	\$6,680.08
Haile Properties LLC	52 43	106.12 (97 acres is part of the Essex Solar Center)	\$1,762.56	\$9,025.28
Haile Properties LLC	52 2 B	3.540 (3.540 acres is part of the Essex Solar Center)	\$35.04	\$234.08
Haile Properties LLC	52 2 C	3.540 (3.540 acres is part of the Essex Solar Center)	\$35.04	\$234.08
Total Tax Collected			\$4,458.10	\$16,173.52
<i>Please note that tax map parcel 52 2 A was excluded from the calculations since this property is adjacent to the Essex Solar Center.</i>				

While the solar center provides an additional \$11,715.42 in property tax to the locality, Virginia Code [§58.1-3660](#) offers the following property tax exemption for commercial solar facilities in Virginia:

- 100% property tax exemption for the assessed value of equipment and facilities used in:

- Projects equaling 20 MW or less that serve a public institution of higher education or private college.
- Projects equaling 5 MW or less
- 80% property tax exemption for the assessed value of equipment and facilities used in:
 - Other projects over 5 MW and less than 150 MW. The exemption for projects greater than 20 MW shall not apply to projects upon which the construction begins after January 1, 2024

Therefore, this limits the localities' ability to receive additional revenue from solar operations. As the property value of the land increases as the land use changes to commercial, this value ultimately increases the total land book value for a locality. Consequently, this has the potential to decrease the amount of State funding for education provided to the locality through the composite index. The landbook value documents all fair market values of properties within a given jurisdiction to frame this comparison. Each year a total value of land book (TVLB) will be calculated, which is the total of fair market values of all parcels within a county. Once the TVLB is calculated a completed land book is sent to the County's Treasurers Department as well as the Virginia Department of Taxation (VaTAX). To fulfill agency missions, VaTAX will extract the TVLB value from each county's land book and send it to the Virginia Department of Education (VDOE) in conjunction with a copy of an annual sales ratio study. With this information VDOE will calculate the True Value of Property (TVP) that is needed to generate a composite index value for each county. The composite index determines a school division's ability to pay education costs based on the true value of property (weighted 50%), adjusted gross income (weighted 40%), and the taxable retail sales (weighted 10%) within the county. These three elements are computed per pupil and per capita for each school. The higher the composite index the less education State aid the county will receive.

Other local government considerations may include:

Additional personnel and time required. According to a local planner and based on his project management experience with commissioning a solar operation, "one local planner is needed for each 100 acres of a solar operation to provide the proper site visits, inspections and monitoring." Such tasks are regularly scheduled; however, there are times when more time and local resources are used when there are site violations or when mishaps occur. For instance, in January 2018, the Essex Solar Center experienced serious stormwater and erosion and sediment control problems. The project's compliance program, through its installation of erosion and sediment controls, was deemed insufficient and this was compounded by extreme rain events which caused a heavy flow of sediment into the adjacent Muddy Gut Creek (Photo 1). Parties involved in resolving this issue included Essex County staff, Friends of the Rappahannock, DEQ, and Coronal Energy. The standard metric for employees needed to monitor solar projects is 1 full-time equivalent staff position (FTE) per 100 acres. Many rural solar projects are over 2,000 acres, which will require at least 20 new FTEs. Most rural localities have one or two code compliance staff. Ramping up to 20 FTEs becomes a significant burden to small rural localities not equipped for projects of this size. Twenty FTEs might require 10 new fleet vehicles. The cost structure quickly compounds within a local budget.



Figure 4: An image of the silt fence being breached at the Essex Solar Center (Friends of the Rappahannock, 2018).

Viewshed. The Middle Peninsula region is full of beautiful, pristine, rural landscapes including rolling agricultural land, forests, farms, small residential communities, and historical sites. For instance, part of the Essex Solar Center is located on the land where the Rappahannock Industrial Academy (RIA) was located. There is a monument that designates the location and provides photos of two dormitories used for the men and women attending private high schools. Prior to the construction of the solar farm, the view beyond the monument was of agricultural land. Following construction, the view beyond the monument is of the solar farm (Figure 5). This has created a unique juxtaposition between the historical relevance of the land and a new industry.

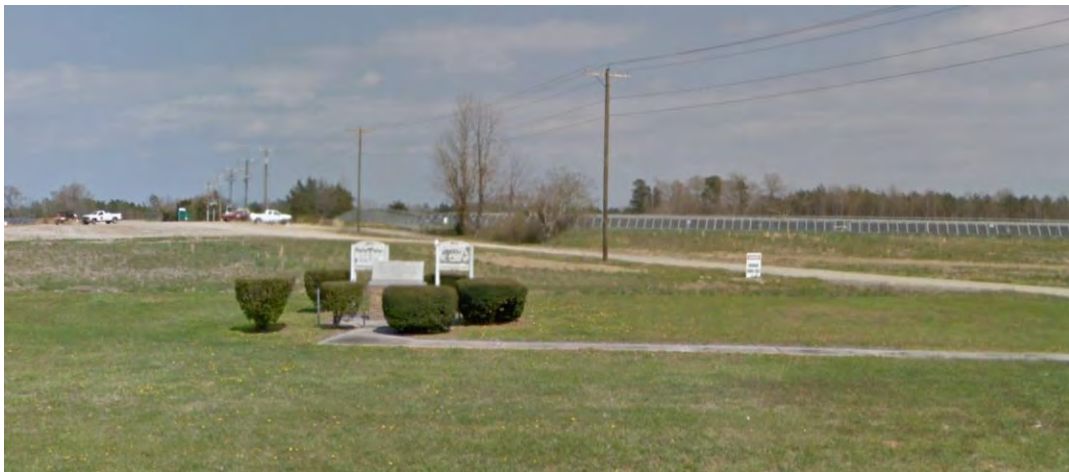


Figure 5: A photo of the Rappahannock Industrial Academy monument site and the current view of the Essex Solar Center beyond the monument (Google Maps, 2020).

Job creation. Solar projects may bring job opportunities to a rural area. For instance, at the Essex Solar Center, there were approximately 80 local workers recruited and trained to construct the solar center. As construction of this center took about 8 months, these workers were temporarily employed which temporarily invigorated the workforce. The intellectual capital gained through the training process may create future job opportunities on solar project for these workers, however those workers are likely to secure jobs beyond the Middle Peninsula, thus exacerbating the outflow of trained workers.

There is little doubt that solar projects within the Commonwealth will meet the Governor's energy goals, and will provide clean, renewable energy to residents, institutions and large companies; however, such successes should not be at the expense of rural local governments and taxpayers.

Only through comprehensive study can rural coastal areas effectively co-exist with solar facilities. They must first understand, and then manage and mitigate, environmental and economic impacts to vulnerable areas. Protection of our Blue Green assets is essential to preserving the unique sense of place in rural coastal Virginia. Rural local governments should not have to risk the environmental quality of their own communities so that green energy can be extracted and consumed by outside communities. Establishing a stronger financial nexus between those that need and consume green energy with the communities that supply that energy is one step toward sustainable resource governance and environmental justice.

RENEWABLE ENERGY:

Limited to no Local Jobs Created



Reduced to no Revenue Returned

PRODUCT #3: Recommendation Report – Next Steps

To continue this conversation MPPDC staff created recommendations for possible next steps for research:

1. Distribute the report to General Assembly Members and the Virginia Association of Counties to promote awareness.
2. Distribute the report to the Virginia CZM Program's Coastal Policy Team for awareness and possible discussion.
3. Coastal PDC's should discuss the report with their General Assembly representatives and seek collaborative legislative solutions. House Bill 1675 can serve as a model for legislative fairness:

***HB 1675 Siting of solar energy facilities.** Requires any applicant seeking to locate a commercial solar photovoltaic (electric energy) generation or storage facility, or any portion thereof, on any census tract meeting the eligibility requirements for an opportunity zone as designated by the federal Internal Revenue Service to execute a siting agreement with the host locality in which the census tract is located, prior to the issuance of a permit by rule or*

certificate of public need. The bill grants localities various powers in executing such siting agreement and contains certain requirements for the agreement provisions. The bill does not apply to any solar photovoltaic (electric energy) generation or storage facility that has received zoning or site plan approval, preliminary or otherwise, from the host locality on or before January 1, 2020.

During the 2020 General Assembly Session there are 62 bills introduced associated with solar (Appendix 3). HB 1675, mentioned above, passed the House of Representatives and came out of the Senate Committee with support on February 24, 2020 (See Appendix 4). The bill still needs to be cleared by the full Senate. This bill provides new local government authorities to rural localities as the host of a solar project, including the ability to negotiate a financial package that is fair to local governments. Most importantly this bill defines the following:

"Host locality" means any locality within the jurisdictional boundaries of which construction of a commercial solar facility is proposed.

"Opportunity zone" means a census tract in an area of the host locality meeting the eligibility requirements for designation as a qualified opportunity zone by the U.S. Secretary of the Treasury via his delegation of authority to the Internal Revenue Service.

"Solar facility" means a commercial solar photovoltaic (electric energy) generation or storage facility, or any portion thereof. "Solar facility" does not include any project that is (i) described in § 56-594, 56-594.01, or 56-594.2 or Chapters 358 and 382 of the Acts of Assembly of 2013, as amended, or (ii) five megawatts or less.

Additionally, prior to the issuance of a permit by rule or certificate of public need, a solar applicant seeking to locate a facility on any census tract meeting the eligibility requirements for an opportunity zone, as designated by the federal Internal Revenue Service, shall execute a siting agreement with the host locality in which the census tract is located. According to § 15.2-2316.7.B. of the bill, *The siting agreement may include terms and conditions, including (i) mitigation of any impacts of such solar facility; (ii) financial compensation to the host locality to address capital needs set out in the (a) capital improvement plan adopted by the host locality, (b) current fiscal budget of the host locality, or (c) fiscal fund balance policy adopted by the host locality; or (iii) assistance by the applicant in the deployment of broadband, as defined in § 56-585.1:9, in such locality.*

CONCLUSION:

Blue and green infrastructure has always been the foundation of the economy within rural, coastal Virginia localities. However, with technological advances and business innovation, coastal Virginia's blue and green infrastructure is increasingly commoditized and used to comply with environmental regulations (wetland mitigation, green energy goals), yet there are limited tools for local governments to use to generate revenue aside from property taxes. There are models that both Virginia and other States across the Nation use that can help rural, coastal, local government remain financially solvent and support nature based extractive industries.

Middle Peninsula local governments are supportive of industries that leverage the natural resources of the rural coastal region. The challenge is developing new state tax policy that allows these important industries not only to exist, but to grow and contribute to the cost of delivering essential local government services.

Appendix 1: FOREST PRODUCT TAX (Department of Forestry – Question & Answers)

Severance Tax: (Forest Products Tax Act)

To provide further for the conservation of the natural resources of the Commonwealth by the protection and development of forest resources and reforestation of forest lands, there is hereby levied, in addition to all other taxes imposed, a forest products tax. The tax shall be paid by every person engaged in this Commonwealth in business as a manufacturer or shipper of forest products for sale, profit, or commercial use.

Tax Rates:

The tax hereby imposed shall be assessed at the following rates (Sec. [§58.1-1604](#)):

1. On pine lumber in its various sizes and forms, including railroad switch ties, bridge timber, and dimension stock, the rate per 1000 board feet measure shall be \$1.15; or at the election of the taxpayer, 20 cents per ton of logs received.
2. On hardwood, cypress and all other species of lumber the rate per 1000 board feet measure shall be 22 1/2 cents; or at the election of the taxpayer, 4 cents per ton of logs received.
3. On timber sold as logs and not converted into lumber or other products in the Commonwealth, the rate per 1000 feet log scale, International 1/4" Kerf Rule, shall be \$1.15 on pine; and 22 1/2 cents on other species; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
4. On logs to be converted into veneer the rate per 1000 board feet log scale, International 1/4" Kerf Rule, shall be \$1.15 for pine and 22 1/2 cents for other species; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
5. On pulpwood, excelsior wood, chemical wood, bolts or billets, fuel wood, tanbark, and other products customarily sold by the cord, the rate per standard cord of 128 cubic feet shall be 47 1/2 cents for pine, 11 1/4 cents per cord on all other species; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
6. On chips manufactured from roundwood and customarily sold by the pound, the rate per 100 pounds shall be 0.986 cents for pine, and 0.234 cents for other species.
7. On railroad crossties the rate per piece shall be 3 8/10 cents on pine, and one cent on all other species; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
8. On posts, mine ties, mine props, round mine collars, and other types of timber used in connection with mining and ordinarily sold by the piece, the rate per 100 pieces shall be as follows: 38 cents for pine, and 9 cents for other species, where each piece is 4' or less in length; 61 3/4 cents for pine and 14 1/4 cents for other species, where each piece is more than 4' but not over 8' in length; and 76 cents for pine and 18 cents for other species, where each piece is more than 8' in length. If the taxpayer so elects, he may pay the taxes due on the above forest

products at the rate of \$1.045 for pine and 24 3/4 cents for other species, per 1000 lineal feet; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.

9. On piling and poles of all types the rate shall equal 2.31 percent of invoice value f.o.b. loading out point; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
10. On keg staves the rate per standard 400-inch bundle shall be 3 8/10 cents for pine and 1 1/2 cents for other species; the rate per 100 keg heads shall be 11 5/10 cents on pine and 4 1/2 cents for other species; and on tight cooperage, 4 1/2 cents per 100 staves and 9 cents per 100 heads; or at the election of the taxpayer, 20 cents per ton of pine logs received; and 4 cents per ton of logs of other species received.
11. On any other type of forest product not herein enumerated, severed or separated from the soil, the Commissioner shall determine a fair unit tax rate, based on the cubic foot wood volume relationship between the product and the cubic foot volume of 1000 feet board measure of pine when the product is pine, or on the unit rate of cedar or hardwood lumber when the product is a species other than pine.

Optional rates for certain manufacturers and severers: (Sec. [§58.1-1606](#))

Notwithstanding the provisions of §§ 58.1-1604 and 58.1-1605, any manufacturer of rough lumber who during any one calendar year, manufactures 500,000 or less board feet may elect to pay a flat tax of \$460 when the amount cut is between 500,000' and 300,000', and a flat tax of \$230 when the amount cut is 300,000 board feet or less. The tax shall be payable to the Department within thirty days after December 31 of each year and the manufacturer shall submit to the Department with said tax, forms prescribed by the Department, certifying that he had actually manufactured a quantity of rough lumber in accordance with the foregoing schedule during the preceding calendar year.

Any person who severs for sale 100 or less cords of fuel wood, or 500 or less posts for fish net poles, during any one calendar year may elect to pay the tax due within the thirty days after December 31 of each year and submit to the Department with said tax, forms prescribed by the Department, certifying the quantity of product severed during the preceding calendar year.

Appendix 2: Commercial Fishing License Fees

4 VAC 20-1090-30. License fees.

The following listing of license fees applies to any person who purchases a license for the purposes of harvesting for commercial purposes, or fishing for recreational purposes, during any calendar year. The fees listed below include a \$1 agent fee.

1. COMMERCIAL LICENSES	
Commercial Fisherman Registration License	\$190.00
Commercial Fisherman Registration License for a person 70 years or older	\$90.00
Delayed Entry Registration.	\$190.00
Delayed Entry Registration License for a person 70 years or older	\$90.00
Seafood Landing License for each boat or vessel	\$175.00
For each Commercial Fishing Pier over or upon subaqueous beds (mandatory)	\$83.00

Seafood Buyer's License -- For each boat or motor vehicle	\$63.00
Seafood Buyer's License -- For each place of business	\$126.00
Clam Aquaculture Product Owner's Permit	\$10.00
Oyster Aquaculture Product Owner's Permit	\$10.00
Clam Aquaculture Harvester's Permit	\$5.00
Oyster Aquaculture Harvester's Permit	\$5.00
Nonresident Harvester's License	\$444.00
2. OYSTER RESOURCE USER FEES	
Any licensed commercial fisherman harvesting oysters by hand	\$50.00
For any harvester using one or more gear types to harvest oysters or for any registered commercial fisherman who solely harvests or possesses any bushel limit described in 4 VAC 20-720-80, only one oyster resource user fee, per year, shall be paid	\$300.00
On any business shucking or packing no more than 1,000 gallons of oysters	\$500.00
On any business shucking or packing more than 1,000 but no more than 10,000 gallons of oysters	\$1,000.00
On any business shucking or packing more than 10,000 but no more than 25,000 gallons of oysters	\$2,000.00
On any business shucking or packing more than 25,000 gallons of oysters	\$4,000.00
On any oyster buyer using a single truck or location	\$100.00
On any oyster buyer using multiple trucks or locations	\$300.00
Commercial aquaculture operation, on riparian assignment or general oyster planting grounds	\$50.00
3. OYSTER HARVESTING, SHUCKING, RELAY AND BUYERS LICENSES	
Any person purchasing oysters caught from the public grounds of the Commonwealth or the Potomac River, for a single place of business with one boat or motor vehicle used for buying oysters	\$50.00
Any person purchasing oysters caught from the public grounds of the Commonwealth or the Potomac River, for a single place of business with multiple boats or motor vehicles used for buying oysters	\$100.00
For each person taking oysters by hand, or with ordinary tongs	\$10.00
For each single-rigged patent tong boat taking oysters	\$35.00
For each double-rigged patent tong boat taking oysters	\$70.00
Oyster Dredge Public Ground	\$50.00
Oyster Hand Scrape	\$50.00

To shuck and pack oysters, for any number of gallons under 1,000	\$12.00
To shuck and pack oysters, for 1,000 gallons, up to 10,000	\$33.00
To shuck and pack oysters, for 10,000 gallons, up to 25,000	\$74.00
To shuck and pack oysters, for 25,000 gallons, up to 50,000	\$124.00
To shuck and pack oysters, for 50,000 gallons, up to 100,000	\$207.00
To shuck and pack oysters, for 100,000 gallons, up to 200,000	\$290.00
To shuck and pack oysters, for 200,000 gallons or over	\$456.00
One day permit to relay condemned shellfish from a general oyster planting ground	\$150.00
4. BLUE CRAB HARVESTING AND SHEDDING LICENSES, EXCLUSIVE OF CRAB POT LICENSES	
For each person taking or catching crabs by dip nets	\$13.00
For ordinary trotlines	\$13.00
For patent trotlines	\$51.00
For each single-rigged crab-scrape boat	\$26.00
For each double-rigged crab-scrape boat	\$53.00
For up to 210 peeler pots	\$36.00
For up to 20 tanks and floats for shedding crabs	\$9.00
For more than 20 tanks or floats for shedding crabs	\$19.00
For each crab trap or crab pound	\$8.00
5. CRAB POT LICENSES	
For up to 85 crab pots	\$48.00
For over 85 but not more than 127 crab pots	\$79.00
For over 127 but not more than 170 crab pots	\$79.00
For over 170 but not more than 255 crab pots	\$79.00
For over 255 but not more than 425 crab pots	\$127.00
6. HORSESHOE CRAB AND LOBSTER LICENSES	
For each person harvesting horseshoe crabs by hand	\$16.00
For each boat engaged in fishing for, or landing of, lobster using less than 200 pots	\$41.00
For each boat engaged in fishing for, or landing of, lobster using 200 pots or more	\$166.00
7. CLAM HARVESTING LICENSES	

For each person taking or harvesting clams by hand, rake or with ordinary tongs	\$24.00
For each single-rigged patent tong boat taking clams	\$58.00
For each double-rigged patent tong boat taking clams	\$84.00
For each boat using clam dredge (hand)	\$19.00
For each boat using clam dredge (power)	\$44.00
For each boat using hydraulic dredge to catch soft shell clams	\$83.00
For each person taking surf clams	\$124.00
Water Rake Permit	\$24.00
8. CONCH (WHELK) HARVESTING LICENSES	
For each boat using a conch dredge	\$58.00
For each person taking channeled whelk by conch pot	\$51.00
9. FINFISH HARVESTING LICENSES	
Each pound net	\$41.00
Each stake gill net of 1,200 feet in length or under, with a fixed location	\$24.00
All other gill nets up to 600 feet	\$16.00
All other gill nets over 600 feet and up to 1,200 feet	\$24.00
Each person using a cast net or throw net or similar device	\$13.00
Each fyke net head, weir, or similar device	\$13.00
For fish trotlines	\$19.00
Each person using or operating a fish dip net	\$9.00
On each haul seine used for catching fish, under 500 yards in length	\$48.00
On each haul seine used for catching fish, from 500 yards in length to 1,000 yards in length	\$146.00
For each person using commercial hook and line	\$31.00
For each person using commercial hook and line for catching striped bass only	\$31.00
For up to 100 fish pots	\$19.00
For over 100 but not more than 300 fish pots	\$24.00
For over 300 fish pots	\$62.00
For up to 100 eel pots	\$19.00
For over 100 but not more than 300 eel pots	\$24.00

For over 300 eel pots	\$62.00
10. MENHADEN HARVESTING LICENSES	
Any person purchasing more than one of the following licenses, as described in this subsection, for the same vessel, shall pay a fee equal to that for a single license for the same vessel.	
On each boat or vessel under 70 gross tons fishing for the purse seine menhaden reduction sector	\$249.00
On each vessel 70 gross tons or over fishing for the purse seine menhaden reduction sector	\$996.00
On each boat or vessel under 70 gross tons fishing for the purse seine menhaden bait sector	\$249.00
On each vessel 70 gross tons or over fishing for the purse seine menhaden bait sector	\$996.00
11. COMMERCIAL GEAR FOR RECREATIONAL USE	
Up to five crab pots with a terrapin excluder device	\$36.00
Up to five crab pots without a terrapin excluder device	\$46.00
Crab trotline (300 feet maximum)	\$10.00
One crab trap or crab pound	\$6.00
One gill net up to 300 feet in length	\$9.00
Fish dip net	\$7.00
Fish cast net	\$10.00
Up to two eel pots	\$10.00
12. SALTWATER RECREATIONAL FISHING LICENSE	
Individual, resident	\$17.50
Individual, nonresident	\$25.00
Temporary 10-Day, resident	\$10.00
Temporary 10-Day, nonresident	\$10.00
Recreational boat, resident	\$48.00
Recreational boat, nonresident, provided a nonresident may not purchase a recreational boat license unless his boat is registered in Virginia	\$76.00
Head Boat/Charter Boat, resident, six or less passengers	\$190.00
Head Boat/Charter Boat, nonresident, six or less passengers	\$380.00
Head Boat/Charter Boat, resident, more than six passengers, plus \$5.00 per person, over six persons	\$190.00
Head Boat/Charter Boat, nonresident, more than six passengers, plus \$5.00 per person,	\$380.00

over six persons	
Rental Boat, resident, per boat, with maximum fee of \$703	\$14.00
Rental Boat, nonresident, per boat, with maximum fee of \$1270	\$18.00
Commercial Fishing Pier (Optional)	\$632.00
Disabled Resident Lifetime Saltwater License	\$10.00
Disabled Nonresident Lifetime Saltwater License	\$10.00
Reissuance of Saltwater Recreational Boat License	\$5.00
13. COMBINED SPORTFISHING LICENSE	
This license is to fish in all inland waters and tidal waters of the Commonwealth during open season.	
Residents	\$39.50
Nonresidents	\$71.00
14. COMBINED SPORTFISHING TRIP LICENSE	
This license is to fish in all inland waters and tidal waters of the Commonwealth during open season, for five consecutive days.	
Residents	\$24.00
Nonresidents	\$31.00
15. TIDAL BOAT SPORTFISHING LICENSE	
Residents	\$126.00
Nonresidents	\$201.00
16. LIFETIME SALTWATER RECREATIONAL FISHING LICENSES	
Individual Resident Lifetime License	\$276.00
Individual Nonresident Lifetime License	\$500.00
Individual Resident Lifetime License age 45 – 50	\$132.00
Individual Nonresident Lifetime License age 45 – 50	\$240.00
Individual Resident Lifetime License age 51 – 55	\$99.00
Individual Nonresident Lifetime License 51 – 55	\$180.00
Individual Resident Lifetime License age 56 – 60	\$66.00
Individual Nonresident Lifetime License age 56 – 60	\$120.00
Individual Resident Lifetime License age 61 – 64	\$35.00
Individual Nonresident Lifetime License age 61 – 64	\$60.00
Individual Resident Lifetime License age 65 and older	\$5.00

Appendix 3: Bills Associated with Solar Introduced during the 2020 General Assembly Session

Composite view with notes

Bills	Committee	Last action	Date
HB 77 - Rasoul - Green New Deal Act; fossil fuel projects moratorium, clean energy mandates, civil penalties.	(H) Referral Pending	(H) Committee Referral Pending	12/06/19
HB 174 - Krizek - Va. Residential Property Disclosure Act; required disclosures for buyer to beware, marine clays.	(H) Committee on General Laws	(H) Subcommittee recommends reporting (8-Y 0-N)	01/16/20
HB 206 - Ware - Electric utility regulation; retail customer choice.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/14/20
HB 408 - Delaney - Green Job Creation Tax Credit; extends sunset date.	(H) Committee on Finance	(H) Read first time	01/17/20
HB 413 - Delaney - Subdivision ordinance; energy efficiency and renewable energy provisions.	(H) Committee on Counties, Cities and Towns	(H) Assigned CC & T sub: Land Use	01/17/20
HB 414 - Delaney - Virginia Energy Plan; covenants regarding solar power, reasonable restrictions.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 461 - Sullivan - Renewable energy property; tax credit established.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/03/20
HB 518 - Bulova - Virginia Residential Property Disclosure Act; disclosures for a buyer to beware, etc.	(H) Committee on General Laws	(H) Subcommittee recommends reporting with substitute (8-Y 0-N)	01/16/20
HB 572 - Keam - Distributed renewable energy; promotes the establishment thereof.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 573 - Keam - Community solar development pilot program; low-income communities.	(H) Committee on Labor and Commerce	(H) Assigned C & L sub: Subcommittee #3	01/16/20
HB 574 - Keam - Virginia Residential Property Disclosure Act; residential building energy analysis.	(H) Committee on General Laws	(H) Subcommittee recommends incorporating (HB518-Bulova)	01/16/20
HB 633 - Willett - Energy saving products; tax deduction.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/06/20
HB 655 - Heretick - Solar photovoltaic projects; conditional zoning.	(H) Committee on Counties, Cities and Towns	(H) Assigned CC & T sub: Land Use	01/17/20
HB 656 - Heretick - Solar energy projects; national standards.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 657 - Heretick - Comprehensive plan; solar facilities review.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 714 - Reid - Virginia Energy Plan; climate change pressing challenge.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 858 - Convis-Fowler - Virginia Residential Property Disclosure Act, etc.; required disclosures.	(H) Committee on General Laws	(H) Assigned GL sub: Housing/Consumer Protection	01/15/20
HB 859 - Convis-Fowler - Stormwater management facilities; private residential lots, disclosure.	(H) Committee on General Laws	(H) Assigned GL sub: Housing/Consumer Protection	01/15/20
HB 912 - Simon - Distributed renewable energy; promotes establishment of solar	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20

HB 947 - Weibert - Green development zones; investments in green technologies.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/07/20
HB 959 - Bourne - Resilience hub pilot program; established.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1017 - Sickles - Commonwealth of Virginia Innovation Partnership Authority; created.	(H) Committee on Communications, Technology and Innovation	(H) Assigned CT & I sub: Communications	01/16/20
HB 1067 - Kory - Electric utilities; net energy metering.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1131 - Jones - Solar energy projects; revenue share assessment.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/07/20
HB 1132 - Jones - Electric utility regulation; initial triennial review, requirements.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1133 - Jones - Solar and wind energy; projects on previously developed project sites.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1140 - Keam - Clean School Bus Grant Fund and Program; created and established.	(H) Committee on Education	(H) Assigned Education sub: Pre-K-12	01/13/20
HB 1171 - Poindexter - Solar farms; annual report of acreage, report.	(H) Committee on Agriculture, Chesapeake and Natural Resources	(H) Assigned ACNR sub: Natural Resources	01/14/20
HB 1173 - Lopez - Certified pollution control equipment and facilities; tax exemption, timing of certification.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/07/20
HB 1183 - Lopez - Bulk energy storage resources; State Corporation Commission.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1184 - Lopez - Distributed energy generation; promotes establishment of distributed solar energy.	(H) Committee on Agriculture, Chesapeake and Natural Resources	(H) Referred to Committee on Agriculture, Chesapeake and Natural Resources	01/07/20
HB 1295 - Helmer - Fossil fuel investments; tax on electric utilities.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/08/20
HB 1434 - Jones - Local tax; exemption for solar energy equipment.	(H) Committee on Finance	(H) Referred to Committee on Finance	01/08/20
HB 1450 - Sullivan - Electric utility regulation; energy efficiency standard.	(H) Committee on Labor and Commerce	(H) Assigned L & C sub: Subcommittee #3	01/16/20
HB 1526 - Sullivan - Electric utility regulation; environmental goals.	(H) Referral Pending	(H) Committee Referral Pending	01/14/20
HB 1634 - Jones - Shared solar programs.	(H) Referral Pending	(H) Committee Referral Pending	01/16/20
HB 1675 - Hodges - Siting of solar energy facilities.	(H) Referral Pending	(H) Committee Referral Pending	01/17/20
SB 94 - Favola - Virginia Energy Plan; relating to the Commonwealth Energy Policy.	(S) Committee on Commerce and Labor	(S) Assigned C&L sub: Energy	01/10/20
SB 269 - Bell - Virginia Freedom of Information Act; exclusions, proprietary records and trade secrets.	(S) Committee on General Laws and Technology	(S) Constitutional reading dispensed (38-Y 0-N)	01/17/20
SB 271 - Bell - Higher educational institutions, public; public-private partnerships, wind and solar power.	(S) Committee on Education and Health	(S) Referred to Committee on Education and Health	01/03/20

SB 342 - Locke - Virginia Residential Property Disclosure Act; disclosure of special flood hazard area to purchaser.	General Laws and Technology	(S) Stricken at request of Patron in General Laws and Technology (14-Y 0-N)	01/15/20
SB 343 - Locke - Virginia Residential Property Disclosure Act; required disclosures for buyer to beware, etc.	(S) Committee on General Laws and Technology	(S) Constitutional reading dispensed (38-Y 0-N)	01/17/20
SB 354 - Bell - Electric utility regulation; energy efficiency standard.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/06/20
SB 504 - Petersen - Virginia Energy Plan; covenants regarding solar power, reasonable restrictions.	(S) Committee on Commerce and Labor	(S) Assigned C&L sub: Energy	01/10/20
SB 629 - Surovell - Distributed electric generation; community solar gardens.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/07/20
SB 632 - Surovell - Public utilities; energy storage capacity in the Commonwealth.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/07/20
SB 634 - Surovell - Alternative and efficient energies; subsidies and rebates.	(S) Committee on Finance and Appropriations	(S) Rereferred to Finance and Appropriations	01/13/20
SB 685 - Mason - Certified pollution control equipment and facilities; tax exemption, timing of certification.	(S) Committee on Finance and Appropriations	(S) Referred to Committee on Finance and Appropriations	01/07/20
SB 710 - McClellan - Distributed renewable energy; establishment of solar renewable energy, etc.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/07/20
SB 731 - McClellan - Investor-owned electric utilities; rate of return on common equity.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/07/20
SB 762 - Barker - Solar energy projects; revenue share assessment.	(S) Committee on Finance and Appropriations	(S) Referred to Committee on Finance and Appropriations	01/08/20
SB 763 - Barker - Real estate tax; exemption for certified pollution control equipment and facilities.	(S) Committee on Finance and Appropriations	(S) Referred to Committee on Finance and Appropriations	01/08/20
SB 800 - Lewis - Real property tax exemption for certified pollution control equipment and facilities.	(S) Committee on Finance and Appropriations	(S) Referred to Committee on Finance and Appropriations	01/08/20
SB 820 - Morrissey - Constitutional amendment; personal property tax exemption for motor vehicle of a disabled veteran.	(S) Committee on Privileges and Elections	(S) Referred to Committee on Privileges and Elections	01/08/20
SB 851 - McClellan - Electric utility regulation; environmental goals.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/08/20
SB 870 - Marsden - Solar photovoltaic projects; conditional zoning.	(S) Committee on Local Government	(S) Referred to Committee on Local Government	01/08/20
SB 875 - Marsden - Solar energy projects; national standards.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/08/20
SB 876 - Marsden - Electric utility regulation; clean energy standard.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/08/20
SB 893 - Marsden - Comprehensive plan; solar facilities review.	(S) Committee on Local Government	(S) Referred to Committee on Local Government	01/08/20
SB 998 - Lucas - Offshore wind generation facilities; development of facilities.	(S) Committee on Commerce and Labor	(S) Referred to Committee on Commerce and Labor	01/16/20
SJ 33 - Reeves - Constitutional amendment; personal property tax exemption for motor vehicle of a disabled veteran.	(S) Committee on Privileges and Elections	(S) Referred to Committee on Privileges and Elections	01/07/20

Appendix 4: HB 1675 – Siting for Solar Energy Facilities

HOUSE BILL NO. 1675
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Local Government
on February 24, 2020)

(Patron Prior to Substitute--Delegate Hodges)

A BILL to amend the Code of Virginia by adding in Chapter 22 of Title 15.2 an article numbered 7.3, consisting of sections numbered 15.2-2316.6 through 15.2-2316.9, relating to siting of solar energy facilities.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 22 of Title 15.2 an article numbered 7.3, consisting of sections numbered 15.2-2316.6 through 15.2-2316.9, as follows:

Article 7.3.
Siting of Solar Energy Facilities.

§ 15.2-2316.6. *Siting of solar facilities in economically disadvantaged localities.*

A. As used in this article, unless the context requires a different meaning:

"Host locality" means any locality within the jurisdictional boundaries of which construction of a commercial solar facility is proposed.

"Opportunity zone" means a census tract in an area of the host locality meeting the eligibility requirements for designation as a qualified opportunity zone by the U.S. Secretary of the Treasury via his delegation of authority to the Internal Revenue Service.

"Solar facility" means a commercial solar photovoltaic (electric energy) generation or storage facility, or any portion thereof. "Solar facility" does not include any project that is (i) described in § 56-594, 56-594.01, or 56-594.2 or Chapters 358 and 382 of the Acts of Assembly of 2013, as amended, or (ii) five megawatts or less.

B. This article applies only to a solar facility located in an opportunity zone.

§ 15.2-2316.7. *Negotiations; siting agreement.*

A. Any applicant for a solar facility shall give to the host locality written notice of the applicant's intent to locate a solar facility in an opportunity zone in such locality and request a meeting. Such applicant shall meet, discuss, and negotiate a siting agreement with such locality.

B. The siting agreement may include terms and conditions, including (i) mitigation of any impacts of such solar facility; (ii) financial compensation to the host locality to address capital needs set out in the (a) capital improvement plan adopted by the host locality, (b) current fiscal budget of the host locality, or (c) fiscal fund balance policy adopted by the host locality; or (iii) assistance by the applicant in the deployment of broadband, as defined in § 56-585.1:9, in such locality.

§ [15.2-2316.8](#). Powers of host localities.

A. The governing body of a host locality shall have the power to:

1. Hire and pay consultants and other experts on behalf of the host locality in matters pertaining to the siting of a solar facility;
2. Meet, discuss, and negotiate a siting agreement with an applicant; and
3. Enter into a siting agreement with an applicant that is binding upon the governing body of the host locality and enforceable against it and future governing bodies of the host locality in any court of competent jurisdiction by signing a siting agreement pursuant to this article. Such contract may be assignable at the parties' option.

B. If the parties to the siting agreement agree upon the terms and conditions of a siting agreement, the host locality shall schedule a public hearing, pursuant to subdivision A of § [15.2-2204](#), for the purpose of consideration of such siting agreement. If a majority of a quorum of the members of the governing body present at such public hearing approve of such siting agreement, the siting agreement shall be executed by the signatures of (i) the chief executive officer of the host locality and (ii) the applicant or the applicant's authorized agent. The siting agreement shall continue in effect until it is amended, revoked, or suspended.

§ [15.2-2316.9](#). Effect of executed siting agreement; land use approval.

A. Nothing in this article shall be construed to exempt an applicant from any other applicable requirements to obtain approvals and permits under federal, state, or local ordinances and regulations. An applicant may file for appropriate land use approvals for the solar facility under the regulations and ordinances of the host locality at or after the time the applicant submits its notice of intent to site a solar facility as set forth in subdivision A of § [15.2-2316.7](#).

B. Nothing in this article shall affect the authority of the host locality to enforce its ordinances and regulations to the extent that they are not inconsistent with the terms and conditions of the siting agreement.

C. Approval of a siting agreement by the local governing body in accordance with subdivision B of § [15.2-2316.8](#) shall deem the solar facility to be substantially in accord with the comprehensive plan of the host locality, thereby satisfying the requirements of § [15.2-2232](#).

D. The failure of an applicant and the governing body to enter into a siting agreement may be a factor in the decision of the governing body in the consideration of any land use approvals for a solar facility, but shall not be the sole reason for a denial of such land use approvals.

2. That the provisions of this act shall not apply to any solar facility that has received zoning and site plan approval, preliminary or otherwise, from the host locality on or before January 1, 2020.



COMMISSIONERS

Essex County
Hon. Edwin E. Smith, Jr.
Hon. John C. Magruder
Mr. Don Blanton
Mr. Michael A. Lombardo

Town of Tappahannock
Hon. Roy M. Gladding

Gloucester County
Hon. Ashley C. Chriscoe
(Vice-Chairman)
Hon. Michael R.
Winebarger
Dr. William G. Reay
Mr. J. Brent Fedors

King and Queen County
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Mr. Thomas J.
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Middlesex County
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Hon. Reggie Williams, Sr.
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Mr. Matthew L. Walker

Town of Urbanna
Hon. Diane Gravatt
Ms. Holly Gailey

Secretary/Director
Mr. Lewis L. Lawrence

RESOLUTION

To submit proposals to Virginia Port Authority for the shallow draft dredging of three priority waterways of the Middle Peninsula – Winter Harbor in Mathews County, Cedarbush Creek in Gloucester County, and Parrots Creek in Middlesex County and for the development of a Local Government Business Dredging Implementation Plan.

WHEREAS, the federal government is no longer taking responsibility for maintaining safe boater access to Federally designated channels through shallow water dredging and maintenance of navigation infrastructure; and

WHEREAS, in May 2018, the Virginia General Assembly established the Virginia Waterway Maintenance Fund for the purpose of supporting shallow-draft dredging projects throughout the Commonwealth; and

WHEREAS, the waterways of the Middle Peninsula have played an important role in the development of Coastal Virginia's Economy since colonial times; and

WHEREAS, these waterways and harbors also perform other valuable functions such as ports of refuge during inclement weather, ports for U.S. Coast Guard rescue stations, ports for law enforcement, ports for commercial fishing, ports for recreational vessels; and

WHEREAS, many waterways in the rural coastal Virginia and the Middle Peninsula Region still require regular maintenance dredging because of natural sedimentation, storm events, and littoral drift, among other factors; and

WHEREAS, the Virginia Waterway Maintenance Fund offers an opportunity for localities to address waterway dredging needs that are important to the region's economy and way of life;

NOW, THEREFORE BE IT RESOLVED that the Middle Peninsula Planning District Commission has identified three waterways, including Winter Harbor in Mathews County, Cedarbush Creek in Gloucester County and Parrots Creek in Middlesex County, as the region's current top dredging priorities;

NOW, THEREFORE BE IT FURTHER RESOLVED that the Middle Peninsula Planning District Commission to develop a local government business dredging implementation plan to identify local alternatives for dredging implementation to supplement and more efficiently utilize Virginia Waterway Maintenance Funding through 1) the acquisition of needed shoaling information and 2) the advancement of

implementation administrative options for rural local governments including public models, public-private models and private models.

NOW, THEREFORE BE IT FURTHER RESOLVED that the Middle Peninsula Planning District Commission supports the submission of proposals to the Virginia Port Authority Waterway Maintenance Fund for these three priority waterways and the Local Government Business Dredging Implementation Plan.

This the _____ day of _____, 2020

ATTEST

(Clerk or Secretary)

(Chairman)

February 20, 2020

Mr. Lewis L. Lawrence, III
Executive Director
Middle Peninsula Planning District Commission
P.O. Box 286
Saluda, VA 23149

**Re: Virginia Water Facilities Revolving Fund
Middle Peninsula Planning District Commission
C-515655-02**

Dear Mr. Lawrence:

Virginia Resources Authority (the "Authority") is pleased to advise you of the State Water Control Board (the "Board") authorization for funding from the Virginia Water Facilities Revolving Fund to the Middle Peninsula Planning District Commission ("MPPDC"). Funding will consist of an interest free loan in an amount up to \$175,000 (the "Principal Repayment Loan") and a principal forgiveness loan in an amount up to \$75,000 (the "Principal Forgiveness Loan"), for a total funding package of up to \$250,000 (the "Loan"). Payments on the Principal Repayment Loan will begin approximately two years after Loan closing for a term of fifteen years.

The Loan will be used to finance MPPDC's plan of extending low-interest loans or grants (together, the "Project Loans") to businesses or individual citizens to facilitate the establishment of living shorelines to protect or improve water quality and prevent the pollution of state waters, together with related expenses (the "Plan"). Grants shall be limited to the lesser of twenty-five percent of a living shoreline project or \$62,500.

The Authority hereby offers to extend to MPPDC the Loan as stated, subject, however, to the satisfaction of the conditions set forth in the enclosed form of Financing Agreement (Sections 2.1, 3.1, and 3.2). Terms used herein and not defined are as defined in the Financing Agreement. A form of Funding Agreement for the Principal Forgiveness Loan is also enclosed.

The Principal Repayment Loan will be secured by a pledge of revenues, the moral obligation of MPPDC, and a cash-funded reserve. The Authority also reserves the right to require the prepayment the outstanding principal balance of the Promissory Note with funds the MPPDC has received in the form of repayment on any semi-annual principal payment date upon 10 days' written notice.

Loan closing and the disbursement of funds thereunder shall be subject to the availability of funds from the (a) United States Environmental Protection Agency Capitalization Grant under the Water Quality Act of 1987 and (b) Commonwealth of Virginia match grant.

Mr. Lewis L. Lawrence, III
February 20, 2020
Page 2

Loan closing and the disbursement of funds in connection therewith shall remain subject to satisfaction of any condition prerequisite thereto established by the Board. MPPDC shall comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Plan and the funding thereof by the Authority.

If you have any questions concerning the foregoing, please call Shawn B. Crumlish at 804-616-3445. **If you concur with the terms and conditions herein stated, please acknowledge your acceptance thereof by signing below and returning to me.** Retain a copy for your records.

If Loan closing shall not have occurred by August 31, 2020, it is understood that the Authority and the Board reserve the right to modify any of the conditions of this commitment or to withdraw the funding offer. Furthermore, authorization for funding can be withdrawn for not completing requirements in a timely manner.

Very truly yours,



Stephanie L. Hamlett

MPPDC fully intends (i) to use the offered Loan for the Plan and (ii) to commence or continue the Plan, as applicable, pending closing of the Loan, on or about the _____ day of _____, 2020. The foregoing terms and conditions are hereby acknowledged and accepted the _____ day of _____, 2020.

By: _____
Executive Director

Enclosure

C: Megan M. Gilliland, Esq.
Karen Doran, Virginia Department of Environmental Quality
Heather Modispaw, Middle Peninsula Planning District Commission
Daniel M. Siegel, Esq.



COMMISSIONERS

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Hon. John C. Magruder
Mr. Don Blanton
Mr. Michael A. Lombardo

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Mr. Matthew L. Walker

Town of Urbanna
Hon. Diane Gravatt
Ms. Holly Gailey

Secretary/Director
Mr. Lewis L. Lawrence

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MIDDLE PENINSULA PLANNING DISTRICT COMMISSION AUTHORIZING THE ACCEPTANCE OF A LOAN FROM THE VIRGINIA WATER FACILITIES REVOLVING FUND AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, in December, 2015, the Board of Commissioners (**the “Board”**) of the Middle Peninsula Planning District Commission (**the “Commission”**) authorized the undertaking of a plan to extend low-interest loans (**“Project Funds”**) to qualifying individual citizens of the Commonwealth of Virginia owning property (**“Property Owners”**) to facilitate the establishment of living shorelines, as defined in Section 28.2-104.1 of the Code of Virginia (1950), as amended (**the “Code”**), to protect or improve water quality and prevent the pollution of state waters, together with related expenses (**as revised by the Board from time to time, the “Plan”**); and

WHEREAS, pursuant to a letter dated February 20, 2020, the Virginia Resources Authority (**the “Authority”**) advised the Commission that the State Water Control Board authorized a total funding package of up to \$175,000 in loan proceeds (**the “Loan”**) from the Virginia Water Facilities Revolving Fund (**the “Fund”**) as permitted under Section 62.1-229.5 of the Code; and

WHEREAS, the Loan will provide monies to be used to finance the Plan; and

WHEREAS, pursuant to Section 15.2-4205 of the Code, the Commission has the authority to, among other things, apply for and accept, disburse and administer loans and grants of money from any private or charitable source or the United States of America or the Commonwealth of Virginia, or any agency or instrumentality thereof; and

WHEREAS, in the judgment of the Board it is desirable to approve the acceptance of the Loan and authorize the transactions contemplated by and the execution and delivery of (i) the Financing Agreement, relating to the Loan, by and between the Authority and the Commission, in substantially the form attached hereto as Exhibit A (**the “Financing Agreement”**) and (ii) the Promissory Note in substantially the form attached hereto as Exhibit B (**the “Promissory Note,” together with the Financing Agreement, the “Closing Documents”**).

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MIDDLE PENINSULA PLANNING DISTRICT COMMISSION:

1. The Commission is hereby authorized to accept the Loan and administer the proceeds therefrom from time to time advanced thereunder, pursuant to the terms of the Closing Documents in

order to finance the providing of Project Funds to qualified Property Owners to facilitate the establishment of living shorelines to protect or improve water quality and prevent the pollution of state waters, in accordance with the Plan. The Loan shall be in a principal amount not to exceed \$175,000, shall not bear interest and shall mature not later than December 31, 2038.

2. The Closing Documents shall be in substantially the forms presented to and filed with the minutes of the meeting of this Board at which this Resolution is being adopted. The forms of the Closing Documents and the terms, conditions and provisions thereof are hereby approved by this Board, and the Chairman or Vice-Chairman of the Commission, or the Executive Director, any of whom may act, are each hereby authorized and directed to execute and deliver to the Authority, the Financing Agreement and the Promissory Note in substantially such forms, with such changes and amendments as the officer executing the same shall approve upon the advice of counsel, such approval to be conclusively evidenced by his execution and delivery thereof.
3. The Loan and the Promissory Note evidencing the same, shall be a limited obligation of the Commission and the Loan and the Promissory Note shall be payable exclusively, along with any Prior Indebtedness and Existing Parity Indebtedness, if any, as defined in the Financing Agreement, from the pledge of (i) all fees, charges, loan repayments, interest, income and money properly allocable to the Plan in accordance with generally accepted accounting principles, (ii) interest on any money or securities related to the Plan held by or on behalf of the Commission, and (iii) any other money from other sources pledged by the Commission to the payment of the Promissory Note, including but not limited to income or contributions from the members of the Commission (**“Pledged Revenues”**) and pursuant to the terms of the Financing Agreement. The Loan and the Promissory Note shall also be secured by a Required Reserve, as defined and described in the Financing Agreement.
4. On the terms and conditions to be provided in the Financing Agreement, the Board of Commissioners undertakes its non-binding moral obligation to pay the sums due under the Promissory Note and the Financing Agreement, subject to annual appropriation by the Board of Commissioners. The Board of Commissioners, although recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, states its intent to make such appropriations in future fiscal years and recommends that future Boards of Commissioners do likewise.
5. The Chairman, Vice-Chairman, Executive Director and all other appropriate officers and employees of the Commission are hereby authorized and directed to take all actions as shall be necessary to carry out the provisions of this Resolution.
6. All other actions of Commission officials in conformity with the purposes and intent of this Resolution and in furtherance of the acceptance of the Loan and the proceeds therefrom, as authorized herein, are ratified, approved and confirmed. Commission officials are authorized and directed to execute and deliver all

certificates and other instruments considered necessary or appropriate in connection with the acceptance of the Loan pursuant to this Resolution and the Closing Documents and to do all acts and things necessary or convenient to carry out the terms and provisions of such documents.

7. All resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed. This Resolution shall constitute the “Borrower Resolution” as such term is defined in Section 1.1 of the Financing Agreement.
8. This Resolution shall take effect immediately upon its adoption.

Adopted: February 26, 2020

CERTIFICATE

I, Lewis L. Lawrence, III, Secretary/Executive Director of the Middle Peninsula Planning District Commission hereby certify that attached hereto is a true and correct copy of an Authorizing Resolution adopted by majority of the Board of Commissioners on February 26, 2020, at an open meeting in which a quorum was present and voting, as follows:

AYES:

NAYS:

ABSTENTIONS:

ABSENT:

Secretary/Executive Director
Middle Peninsula Planning District Commission



COMMISSIONERS

Essex County
Hon. Edwin E. Smith, Jr.
Hon. John C. Magruder
Mr. Don Blanton
Mr. Michael A. Lombardo

Town of Tappahannock
Hon. Roy M. Gladding

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Hon. Reggie Williams, Sr.
Mr. Gordon E. White
Mr. Matthew L. Walker

Town of Urbanna
Hon. Diane Gravatt
Ms. Holly Gailey

Secretary/Director
Mr. Lewis L. Lawrence

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE **MIDDLE PENINSULA PLANNING DISTRICT COMMISSION** **AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING** **AGREEMENT; AND PROVIDING FOR THE FORM AND DETAILS** **THEREOF**

WHEREAS, in the judgment of the Board of Commissioners (**the “Board”**) of the Middle Peninsula Planning District Commission (**the “Commission”**), it is desirable to enter into a Funding Agreement (**the “Agreement”**) with the Virginia Resources Authority(**“VRA”**), as Administrator of the Virginia Water Facilities Revolving Fund (**the “Fund”**), to finance Project Costs (as defined in the Agreement) of living shoreline projects (**the “Projects”**) qualifying as such under the Act, (defined below), as described in the Plan, as defined in the Agreement, along with related legal, consulting and administrative fees, if any;

WHEREAS, the Board desires to enter into the Agreement under the provisions of the Virginia Water Facilities Revolving Fund, Chapter 22 of Title 62.1 (**the “Act”**) of the Virginia Code.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COMMISSION:

1. The Projects are hereby approved and the Commission is authorized to enter into the Agreement and to use the monies provided from the Fund pursuant to the Act, to provide financing for that portion of the Project Costs not being paid from other sources as set forth in the Project Budget. Terms used herein and not defined shall be as defined in the Agreement.
2. The Commission shall be reimbursed from the Fund for the payment of the Project Costs in an amount not to exceed \$75,000. The Department of Environmental Quality has authorized the transaction as a “principal forgiveness loan” (**the “Transaction”**).
3. The Agreement shall be in substantially the form presented to and filed with the minutes of the meeting of this Board at which this Resolution is being adopted. The form of the Agreement and the terms, conditions and provisions thereof are hereby approved by this Board, and the Chairman or Vice-Chairman of the Commission or the Executive Director, either of whom may act, is hereby authorized and directed to execute and deliver to VRA the Agreement in substantially such form, with such changes and amendments as the officer executing the same shall approve upon the advice of counsel, such approval to be conclusively evidenced by his or her execution and delivery thereof.

4. The Transaction shall not constitute a debt of the Commission, and the Commission is not required or obligated to repay the amount for the Transaction, except as may be provided in Section 4.3 of the Agreement due to failure to comply with the terms and conditions of the Agreement.
5. The Chairman, Vice-Chairman, Executive Director and all other appropriate officers and employees of the Commission shall take all actions as shall be necessary to carry out the provisions of this Resolution.
6. All other actions of Commission officials in conformity with the purposes and intent of this Resolution and in furtherance of the Transaction as authorized herein are ratified, approved and confirmed. Commission officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the Agreement and to do all acts and things necessary or convenient to carry out the terms and provisions of such documents.
7. All resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed.
8. This Resolution shall take effect immediately upon its adoption.

Adopted: February 26, 2020

CERTIFICATE

I, Lewis L. Lawrence, III, Secretary/Executive Director of the Middle Peninsula Planning District Commission hereby certify that attached hereto is a true and correct copy of a Resolution adopted by majority of the Board of Commissioners on February 26, 2020, at an open meeting in which a quorum was present and voting, as follows:

AYES:

NAYS:

ABSTENTIONS:

ABSENT:

Secretary/Executive Director
Middle Peninsula Planning District Commission

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February 18, 2020

MEMORANDUM

TO: Executive Directors, Virginia Planning District Commissions

FROM: Rachel Jordan, Policy Analyst

SUBJECT: 2020 Virginia CDBG Program Regional Priorities

By now each Planning District Commission has received notice of the availability of the 2020 CDBG Program Design. Following your review of the Program Design, we request that each Planning District Commission provide DHCD with the following two items by **Friday, March 20, 2020**:

A prioritized list of the CDBG Project Types and Activity Categories.

Using the *List of Project Types / Activity Categories and Ranking Worksheet* enclosed, rank the five project types in one of three priority groups. Proposals for projects in the highest priority group will receive 50 points. Those with projects in the middle priority group will receive 30 points and proposals for projects in the lowest priority group will receive 15 points.

A list of CDBG proposals expected to originate in your District in 2019.

Develop a list of the Competitive Grant (Community Improvement Grant) proposals which may be submitted from the Planning District in 2019. Include the locality name, project name, and project type.

Thank you for your attention to this. These two items will assist us in our evaluation of 2019 project applications. Should you have any questions, please email Rachel Jordan, Policy Analyst, at Rachel.jordan@dhcd.virginia.gov.

**2019 Virginia Community Development Block Grant Program
Regional Priorities**

List of Project Types / Activity Categories and Ranking Worksheet

Project Types / Activity Categories

Please reference the 2019 CDBG Program Design for additional information on the Competitive Grant project types and activity categories. The following five items must be ranked in one of the three priority groups below. **Please check no more than 3 per priority group:**

Ranking Worksheet

Planning District Commission: _____

Priority (1 is highest, 3 is lowest)

#1 #2 #3

☐ ☐ ☐ Comprehensive Community Development

☐ ☐ ☐ Economic Development – Business District Revitalization

☐ ☐ ☐ Housing – Housing Rehabilitation

☐ ☐ ☐ Community Facility (Including Housing Production)

☐ ☐ ☐ Community Service Facility

Expected 2020 CDBG Proposals:
