



Albemarle County

Legislation Details (With Text)

File #: 16-207 **Version:** 2 **Name:**
Type: Information Only **Status:** Consent Agenda (no vote)
File created: 2/12/2016 **In control:** Board of Supervisors
On agenda: 4/6/2016 **Final action:**
Title: Metrics Update, Route 29 Solutions Business Assistance Plan
Sponsors:
Indexes:
Code sections:
Attachments: 1. 16-207 Attach A.pdf, 2. 16-207 Attach B.pdf

Date	Ver.	Action By	Action	Result
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AGENDA DATE: 4/6/2016

TITLE:

Metrics Update, Route 29 Solutions Business Assistance Plan

SUBJECT/PROPOSAL/REQUEST: A report on the Route 29 Solutions Business Assistance Plan
Economic Indicator metrics

ITEM TYPE: Consent Information Item

STAFF CONTACT(S): Foley, Davis, Letteri, Catlin, McClintic

PRESENTER (S): N/A

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: This report follows-up the February 3, 2016 presentation to the Board on the Route 29 Solutions Program, outlining the most appropriate and available economic indicators to track impacts from VDOT projects. To measure the Program's potential impact, staff from the Finance Department and the Economic Development Office compiled and analyzed vacancy rates; excise (meals and lodging) tax; business professional and occupational license (BPOL) tax; real estate tax; business personal property tax; and, where applicable, machinery and tools (M&T) tax.

For purposes of this study, staff defined the impacted area, also called Tier 2, as the northbound side of Route 29 from Fashion Square Mall north to the Woodbrook Shopping Center, and the southbound area includes Rio Hill Shopping Center south to the shops at 29th Place.

STRATEGIC PLAN: Goal 4: Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION: The table below reflects the mixed results of assessed values and tax levies for tax years 2014 and 2015.

Tax Type:	Assessed Values			Tax Levies		
	2014	2015	% Chg	2014	2015	% Chg
BPOL	\$1,106,331,2	\$917,381,825	-17.08%	\$2,179,920	\$2,018,366	-7.41%
Business PP and M&T	\$17,367,807	\$18,829,916	8.42%	\$722,277	\$792,445	9.71%
Excise Taxes (meals, lodging)	\$109,368,998	\$120,201,901	9.90%	\$3,461,582	\$3,389,930	-2.07%
Real Estate	\$579,885,200	\$621,569,300	7.19%	\$4,749,260	\$5,095,253	7.29%
Sales	1.49% decrease from 06/30/2014 to 06/30/2015					

On the one hand, BPOL tax assessments (based on estimated business gross receipts) and excise tax levies declined from 2014 to 2015. However, excise tax assessments, business personal property/machinery & tools and real estate valuations all increased during the same time period.

Using CoStar, staff also collected vacancy data in the Tier 2 area. The first quarter 2016 vacancy rate is 4.0%, while the prior 5-year average vacancy is closer to 7.1%. Please see Attachment A, 2015 Quarterly Vacancy, and Attachment B, 5-Year Vacancy.

Based on the available data collected, staff is unable to conclude that business activity has been adversely impacted by construction activity in the Tier 2 area.

Retail Sales Tax data is not yet available for the 2015 holiday season; therefore, the percentage change from calendar 2014 to 2015 will be provided during the next update. Excise taxes will be reported in June to capture the full year comparison between 2014 (the base year) and 2015.

BUDGET IMPACT: There is no budget impact associated with this report.

RECOMMENDATION:

This report is provided for information only. No action is required by the Board.

Attachment A - CoStar Tier 2 2015 Quarterly Vacancy Report

Attachment B - CoStar Tier 2 5-Year Vacancy Report