

VIRGINIA BEACH
VISION

April 18, 2019

The Honorable City Council Members
City of Virginia Beach
Municipal Center, Building 1
2401 Courthouse Drive
Virginia Beach, VA 23456-9001

Dear Mayor Dyer and Council Members:

On behalf of the Virginia Beach Vision Board of Directors and its 120 senior business executives and community leaders, I am writing to share several overarching considerations related to the City Manager's proposed FY 2019-20 Resource Management Plan.

Virginia Beach Vision recognizes that storm water and recurrent flooding is a budgetary priority for City Council and residents. It is an issue that affects our neighborhoods, roadways and businesses and has already been identified as a key consideration of the City's bond rating authorities. Flood management must be addressed in a quick and effective manner consistent with emerging best practices. The Dewberry Study has provided a roadmap for addressing the concerns and the proposed CIP includes maintenance of existing infrastructure and new flood management projects and timelines for implementation.

Over a 15 year period, the City Manager's proposed budget anticipates the need to generate \$1.3 billion to address storm water infrastructure operations and maintenance, flood control projects and water quality concerns. Funding for these projects should be leveraged from local, regional, state and federal sources incorporating budget realignments and prioritization. Any new revenue sources for this purpose should be designated as dedicated funding for storm water management. By so designating, the city will be able to move forward more aggressively in project implementation, will have greater bonding opportunity and can bring needed projects to a "shovel ready" status creating a competitive advantage for leveraging state or federal funding.

While we believe that a dedicated local funding source may be necessary to address these pressing and continuing needs, the use of related service fees should be a first consideration before any concurrent increase is made in the real estate property tax. Such fees will spread the tax burden more fairly among all residents while the real estate tax places the burden solely on property owners.

It appears that the real estate tax assessments are now being made at closer to 100% of fair market value when historically the assessments were in the 80% range of value. This change in practice effectively increases the tax and its impact should be a consideration before any rate adjustment is made.