

City of Fredericksburg, Virginia

## City Council

# AGENDA

Council Chambers

715 Princess Anne Street

Fredericksburg, Virginia 22401

Hon. Mary Katherine Greenlaw, Mayor  
Hon. William C. Withers, Jr., Vice-Mayor, Ward Two  
Hon. Kerry P. Devine, At-Large  
Hon. Matthew J. Kelly, At-Large  
Hon. Jason N. Graham, Ward One  
Hon. Timothy P. Duffy, Ph.D., Ward Three  
Hon. Charlie L. Frye, Jr., Ward Four

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## February 25, 2020 7:30 p.m. Mary Katherine Greenlaw, Presiding Agenda

1. **Call To Order**

2. **Invocation**

Councilor Charlie L. Frye, Jr.

3. **Pledge Of Allegiance**

Mayor Mary Katherine Greenlaw

4. **Presentations**

5. **Public Hearing**

- A. Resolution 20-\_\_\_, Authorizing Staff To Submit Transportation Funding Application  
This item has been **postponed**.

6. **Comments From The Public**

City Council provides this opportunity each regular meeting for comments from citizens who have signed up to speak before the start of the meeting. To be fair to everyone, please observe the five-minute time limit and yield the floor when the Clerk of Council indicates that your time has expired. Decorum in the Council Chambers will be maintained. Comments that are not relevant to the City business and behavior that is disruptive, such as applause, are inappropriate and out of order.

## 7. Council Agenda

## 8. Consent Agenda

- A. Transmittal Of Board And Commission Minutes (Approved Minutes Can Be Found On The Board/Commission Webpages After They Are Approved At Subsequent Meeting Of Said Board/Commission).

A.i. Economic Development Authority December 9, 2019

Documents:

[8A1 EDA - 12-9-19.PDF](#)

A.ii. Planning Commission Work Session – September 11, 2019

Documents:

[8A2 PLANNING WORK SESSION 09-11-19.PDF](#)

## 9. Minutes

A. Work Session September 17, 2019

Documents:

[09-17-19 WORK SESSION MINUTES.PDF](#)

B. Work Session – September 24, 2019

Documents:

[09-24-19 WORK SESSION MINUTES.PDF](#)

C. Regular Session – February 11, 2020

Documents:

[9C 02-11-20 REGULAR SESSION MINUTES.PDF](#)

## 10. City Manager Agenda

A. Resolution 20-\_\_\_, Endorsing A Resolution Formally Adopting The DMOproz Tourism Study

Documents:

[10A DMOPROZ STUDY.PDF](#)

B. Resolution 20-\_\_\_, Formalizing The City Suite At The Stadium And The Stadium Advisory Council Framework

Documents:

[10B STADIUM SUITE.PDF](#)

- C. Resolution 20-\_\_\_, Amending The Fiscal Year 2020 Budget To Provide For Insurance Recovery Proceeds For Parks Maintenance

Documents:

[10C BUDGET AMEND PARK MAINT.PDF](#)

- D. Quarterly Financial Reports – July 2019 – December 2019

Documents:

[10D QUARTERLY REPORT JULY - DEC 2019.PDF](#)

- E. City Manager's Update

Documents:

[10E CITY MANAGER REPORT.PDF](#)

- F. Calendar

Documents:

[10F CALENDAR.PDF](#)

## 11. **Adjournment**

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

**December 9, 2019**

**8:30 a.m. • EDA Regular Meeting**  
**Courtyard by Marriott, Kenmore Room**  
**620 Caroline St.**  
**Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, December 9, 2019 beginning at 8:30 a.m. in the Kenmore Room at the Courtyard by Marriott.

**EDA MEMBERS PRESENT.** Beth Black Chair, presiding. Lee Murray, Suzy Stone, Mitzi Brown, Bill Beck Will Mackintosh and Chris Waller.

**ABSENT.** None.

**ALSO PRESENT.** City of Fredericksburg: Danelle Rose, Sonya Cantu; **Butler Snow, LLP:** Kevin White; **Fredericksburg VA Main Street:** April Peterson; **EDA Counsel:** Blanton Massey; **Department of Economic Development and Tourism:** Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist.

**DETERMINATION OF QUORUM.** Mitzi Brown.

**AGENDA.** Chair Black requested Item 8a. after Item 5. and Item 8b. after Item 6.

**MOTION** by Suzy Stone, seconded by Bill Beck, the amended agenda was approved: Ayes (7); Nays (0).

**PUBLIC COMMENTS.** None.

**NEW BUSINESS.**

- a. **Mary Washington Healthcare – Series 2016 Bond Modification** – Mr. Kevin White presented background to the board. Mary Washington Healthcare (MWH) needs to modify certain terms of the EDA's Hospital Facilities Refunding Revenue Bond (Mary Washington Healthcare Obligated Group), Series 2016, which was issued on November 22, 2016, and placed with Union Bank & Trust (now, Atlantic Union Bank). In particular, MWH and the Bank desire to make certain changes to the bond terms primarily regarding interest rates. MWH bond counsel has determined that the changes require a re-issuance of the bond. A public hearing is not required, because the modification is treated as a current refunding of one bond with another bond with no change in average maturity. There will be no impact on the fee the EDA receives as the conduit issuer. EDA bond counsel has reviewed the submitted documents.

**MOTION** by Suzy Stone, seconded by Will Mackintosh to adopt Resolution 19-15 the board authorizes the Chair or Vice Chair, either of whom may act, is authorized and directed to execute the Bond, and the Secretary of the Authority or any Assistant Secretary, either of whom may act, is

authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal: Ayes (7); Nays (0).

***APPROVAL OF MINUTES.***

**MOTION** by Mitzi Brown, seconded by Suzy Stone the minutes from the November 18, 2019 regular meeting were approved: Ayes (7); Nays (0).

***TREASURER'S REPORT.*** Mr. Murray noted the budget will be reformatted and presented an overall report to the board. He informed the board the matching funds for the Fredericksburg VA Main Street Zero Interest Loan Program will be refunded to the EDA in January 2020. The board discussed the program. The financial statement and budget report for October 2019 were filed with the minutes.

***OLD BUSINESS. EDA Loan Program*** – Mr. Murray reviewed the loan documents with the board. The board discussed the program and possible launch January 2020. Mr. Mackintosh updated the board on the status of the logo. The board discussed other avenues to promote the program.

***NEW BUSINESS. Continued.***

- b. *Chatham Bridge Rehabilitation Project*** – Ms. Rose and Ms. Cantu reviewed the VDOT presentation along with background on the project. The board discussed the timeline, traffic counts, bridge redesign, road closures in Downtown and parking issues with Ms. Cantu and Ms. Rose. They presented an Open for Business Map VDOT used for a previous project, new website, The Road Scholar logo and planned marketing. Ms. Peterson presented concerns of Downtown businesses. Virginia Main Street will be assisting with an educational workshop. She stated her appreciation to the City to include Main Street during meetings, supplying information and assistance. FVMS made on request of the city to not close streets during the bridge closure. There was a brief question and answer period. Ms. Cantu and Ms. Rose reviewed proposed marketing efforts by staff. They stated further funding would be needed to sustain marketing throughout the closure. The board discussed how they could help and suggested the formation of a working group for the project.

**MOTION** by Will Mackintosh, seconded by Suzy Stone the board approved to establish a working group for the Chatham Bridge Rehabilitation Project: Ayes (7); Nays (0).

- c. *Gateway Boulevard Performance Agreement*** – Mr. Waller recused himself from the discussion and vote. Mr. Freehling presented a performance agreement and a budget amendment regarding the Gateway Boulevard project. The performance agreement and budget amendment in the FY 2020 budget to allow for the City to transfer funds to the Economic Development Authority (EDA) in support of the construction of Gateway Boulevard. Mr. Murray recused himself from the continued conversation and vote.

**MOTION** by Suzy Stone, seconded by Will Mackintosh the board authorizes the Chairperson of the EDA to execute, deliver, and carry out the performance agreement in substantially the form submitted. The City Manager shall obtain from Hylton multiple signed purchase agreements for submission of the Hylton site for the VA Request for Lease Proposals and the City shall transfer the grant funds to the EDA's account prior to the EDA Chairperson executing the performance agreement: Ayes (4); Nays (1-Beck); Abstain (2-Waller & Murray).

***COMMITTEE REPORTS.***

- a. *Parking Improvement Committee*** – No update.
- b. *Branding Committee*** – No update.
- c. *Strategic Acquisitions Committee*** – No update.

- d. *Main Street Loan Program Committee* – No update.
- e. *Workforce Development Committee* – Ms. Brown and Ms. Stone stated regular meetings were scheduled and they would attend as citizens.
- f. *Loan Committee* – Update under Old Business.

**STAFF REPORT.** Mr. Freehling noted the Boards & Commissions Appreciation Reception is tonight from 5:30-7:30 p.m. at FredCAT. Ms. Freeman reminded the board's approval of UMW's CISSUP program and passed out marketing postcards. Ms. Freeman noted the potential for Stafford and the City to partner on a Go Virginia grant for a cyber enterpranual program.

**CHAIR'S REPORT.** Chair Black requested volunteers for the Chatham Bridge Rehabilitation Project working committee. Ms. Brown and Ms. Stone volunteered.

**MOTION** by Bill Beck, seconded by Lee Murray the board approved Mitzi Brown and Suzy Stone to the Chatham Bridge Rehabilitation Project committee: Ayes (7); Nays (0).

**BOARD MEMBERS COMMENTS.** Thank you to staff.

**ADJOURNMENT.** There being no further business to come before the Economic Development Authority at this time, Chair Black declared the meeting officially adjourned at 10:13 a.m.

  
Mitzi Brown, Secretary

**RESOLUTION OF THE  
ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF FREDERICKSBURG, VIRGINIA  
APPROVING THE MODIFICATION OF ITS  
HOSPITAL FACILITIES REFUNDING REVENUE BOND  
(MARY WASHINGTON HEALTHCARE OBLIGATED GROUP), SERIES 2016**

WHEREAS, the Economic Development Authority of the City of Fredericksburg, Virginia (the “Issuer”) previously issued its Hospital Facilities Refunding Revenue Bond (Mary Washington Healthcare Obligated Group), Series 2016, in the original principal amount of \$30,405,000 (the “Bond”), the proceeds of which were loaned to Mary Washington Healthcare, Mary Washington Hospital, Inc., Mary Washington Hospital Foundation, Inc., MediCorp Properties, Inc. and Stafford Hospital, LLC (collectively, the “Obligated Group”);

WHEREAS, the Bond was sold to Union Bank & Trust pursuant to a Bond Purchase and Financing Agreement dated as of November 22, 2016 (the “Agreement”), among the Issuer, Union Bank & Trust and the Obligated Group;

WHEREAS, Union Bank & Trust changed its name to Atlantic Union Bank on May 20, 2019, and Atlantic Union Bank will assign the Bond to its affiliate Atlantic Union Bank Public Finance, Inc. pursuant to an Assignment Agreement to be dated on or before December 31, 2019, whereby Atlantic Union Bank Public Finance, Inc. will succeed to all the rights and obligations of the Bondholder under the Agreement (the “Bondholder”);

WHEREAS, effective as of January 1, 2018, with the enactment of amendments to the Internal Revenue Code of 1986, as amended (the “Code”), under legislation commonly referred to as The Tax Cuts and Jobs Act of 2017 (“TCJA”), the interest rate on the Bond was to be adjusted, pursuant to Section 4.5 of the Agreement, by multiplying the Adjusted LIBOR Rate (as defined in the Agreement) by a fraction, the denominator of which would be 100% minus the Bondholder’s marginal federal income tax rate in effect prior to the enactment of TCJA, and the numerator of which would be 100% minus the Bondholder’s marginal federal income tax rate in effect after the enactment of TCJA (collectively, the “Interest Rate Adjustment”);

WHEREAS, the Obligated Group has requested, and the Bondholder has agreed, that (i) the effect of the Interest Rate Adjustment should be reversed for the period from January 1, 2018 through December 31, 2019, (ii) the Adjusted LIBOR Rate should be adjusted to 79% of One-Month LIBOR (as defined in the Agreement) plus 0.943% per annum for the period beginning January 1, 2020, (iii) certain terms should be added to reflect a standard approach that will apply when One-Month LIBOR is no longer published, and (iv) the Mandatory Tender Date (as defined in the Agreement) for the Bond should be removed;

WHEREAS, the Obligated Group has requested that the Issuer approve and proceed with the amendments described above and the modification of the Bond by the execution and delivery of (i) a Modification Agreement to be dated on or before December 31, 2019 (the “Modification Agreement”), among the Issuer, the Bondholder, and the Obligated Group, and (ii) an Amendment

to Bond to be dated on or before December 31, 2019 (the “Bond Amendment”), the forms of each of which have been presented to this meeting; and

WHEREAS, the Issuer has been advised by Butler Snow LLP, as bond counsel (“Bond Counsel”), that no public hearing or elected official approval is required to implement the modification of the Bond.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA:

1. The Issuer agrees to proceed with the amendments and modifications set forth in the Modification Agreement and the Bond Amendment.

2. The Chair or Vice Chair of the Issuer, either of whom may act, is hereby authorized and directed to execute the Modification Agreement in substantially the form submitted to this meeting, with such changes, insertions or omissions which do not materially adversely affect the interests of the Issuer as may be approved by the Chair or Vice Chair, which approval shall be evidenced conclusively by the execution and delivery of the Modification Agreement.

3. The Chair or Vice Chair of the Issuer, either of whom may act, is hereby authorized and directed to execute the Bond Amendment in substantially the form submitted to this meeting, with such changes, insertions or omissions which do not materially adversely affect the interests of the Issuer as may be approved by the Chair or Vice Chair, which approval shall be evidenced conclusively by the execution and delivery of the Bond Amendment. The Secretary or Assistant Secretary of the Issuer is authorized to affix the seal of the Issuer on the Bond Amendment and to attest such seal.

4. Each officer of the Issuer is authorized to execute and deliver on behalf of the Issuer such further instruments, documents or certificates (including, without limitation, (i) a Tax Certificate and Compliance Agreement of the Issuer and the Obligated Group in a form approved by Bond Counsel, and (ii) an updated Internal Revenue Service Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues, prepared by Bond Counsel with respect to the Bond), and to do and perform such other things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Modification Agreement; and all of the foregoing previously done or performed by such officers of the Issuer are in all respects approved, ratified and confirmed.

5. All costs and expenses in connection with the modification of the Bond, including the fees and expenses of the Issuer and its counsel, shall be paid promptly by the Obligated Group. Following the execution and delivery of the Modification Agreement, the Obligated Group shall continue to pay the Issuer’s annual administrative fee in the amounts required by the Agreement. The Obligated Group agrees to continue to indemnify and save harmless the Issuer, the Issuer’s directors, employees, agents and counsel from and against all liabilities, obligations, claims, penalties, losses, costs and expenses in any way connected with the Bond and the Agreement, as modified.

6. The Bond, as amended by the Bond Amendment, and the interest thereon, shall be a limited obligation of the Issuer payable solely from the revenues and receipts of the Obligated Group. The Bond and the interest thereon shall not be deemed to constitute a debt, liability or general obligation of the Commonwealth nor of any political subdivision thereof, including the Issuer and the City of Fredericksburg, and shall not constitute an obligation to pay the Bond and the interest thereon or other costs incident thereto except from the sources provided in the Agreement, as modified by the Modification Agreement, and neither the faith and credit nor the taxing power of the Commonwealth nor any political subdivision thereof, including the Issuer and the City of Fredericksburg, is pledged to the payment of the principal of, or the interest on, the Bond. The Issuer has no taxing power. No covenant, condition or agreement contained in the Bond or in any financing instrument executed and delivered in connection therewith shall be deemed to be a covenant, agreement or obligation of any present, past or future director, officer, employee or agent of the Issuer in his individual capacity, and no officer of the Issuer executing the Bond or any other financing document or instrument shall be liable personally thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

7. The adoption of this Resolution is not construed as an endorsement by the Issuer of the creditworthiness of the Obligated Group, nor as a recommendation by the Issuer to any party to purchase the Bond. The Issuer has made no evaluation of or investigation with respect to the suitability of the Bond for any party's purchase or investment.

8. This Resolution shall take effect immediately upon adoption.

CERTIFICATE

The undersigned hereby certifies that the above Resolution was duly adopted by an affirmative roll call vote of a majority of the directors of the Economic Development Authority of the City of Fredericksburg, Virginia, at a regular meeting duly called and held on December 9, 2019, and that such Resolution has not been repealed, revoked or rescinded, but is in full force and effect on the date hereof.

Dated: December 9, 2019

[SEAL]

  
Secretary, Economic Development Authority  
of the City of Fredericksburg, Virginia

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**Resolution No. 19-16**

**Authorizing the EDA to enter a performance agreement with Hylton Venture, LLC and the City Council of the City of Fredericksburg, Virginia, for completion of construction plans for Gateway Boulevard**

**Date: December 9, 2019**

Proposed by: Stone  
Seconded by: Mackintosh

Under a Letter of Intent between the City, EDA, and Hylton approved in June 2019 and extended by agreement of the parties in October, 2019, Hylton advanced preliminary planning activities for Gateway Boulevard necessary to enable Hylton to estimate the costs to design and construct Gateway Boulevard. These preliminary planning activities generated a preliminary budget or cost estimate of \$500,000 for the completion of the design of Gateway Boulevard and \$12 million for the construction of Gateway Boulevard.

The City Council is empowered under Code of Virginia §15.2-950 to make appropriations of money to the EDA for promotion of economic development.

The EDA is empowered under City Code §10-232 and Code of Virginia §15.2-4905 to accept contributions from the City and to make grants to any business for the purpose of promoting economic development.

The City Manager recommends that the EDA enter into a performance agreement with the City and Hylton for completion of construction plans for Gateway Boulevard, for the reasons stated in the proposed agreement and the City Manager's staff report.

Therefore, the Economic Development Authority of the City of Fredericksburg, Virginia (the "EDA"), hereby resolves that:

- The Chairperson of the EDA is authorized to execute, deliver, and carry out the performance agreement in substantially the form submitted. The City Manager shall obtain from Hylton multiple signed purchase agreements for submission of the Hylton site for the VA Request for Lease Proposals and the City shall transfer the grant funds to the EDA's account prior to the EDA Chairperson executing the performance agreement.

**Votes:**

**Ayes: 4**

**Nays: 1 - Beck**

**Abstain: 2 – Waller and Murray**

**Absent from Vote: 0**

**Absent from Meeting: 0**

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***EDA Secretary's Certificate***

*I certify that I am the Secretary of the EDA of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 19-16, adopted at a meeting of the EDA held December 9, 2019, at which a quorum was present and voted.*

  
\_\_\_\_\_  
**Secretary of the EDA**



**CITY OF FREDERICKSBURG  
PLANNING COMMISSION  
WORK SESSION  
MINUTES  
September 11, 2019  
6:30 p.m.**

**715 Princess Anne Street  
Council Chambers**

**MEMBERS**

Kenneth Gantt, Chairman  
Rene Rodriguez, Vice-Chairman (telephonic)  
Steve Slominski, Secretary  
Dave Durham  
Chris Hornung  
Tom O'Toole  
Jim Pates (Absent)

**CITY STAFF**

Chuck Johnston, Director,  
Planning and Building Dept.  
Mike Craig, Senior Planner  
Cathy Eckles, Administrative Assistant

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The Planning Commission work session began at 6:30 p.m. The purpose of the session was to discuss the parking regulations, primarily with the Downtown Area. Mr. Craig presented a parking regulations history and overview, and discussed the parking issues with the Area 7 (Downtown) Small Area Plan as outlined in his memo to Mr. Fawcett, Assistant City Manager, dated May 1, 2019, which was presented to the Parking Advisory Committee.

Mr. Johnston reviewed the parking issues with the Area 7 (Downtown) Small Area Plan with the major question being should parking be required downtown as outlined in his memo to Mr. Fawcett, Assistant City Manager, dated August 30, 2019, which was presented to the Parking Advisory Committee in October.

Mr. Hornung discussed the perception of the shortage of parking. He said projection of revenues and identification to the public of goals involving long-term structured parking strategy is important to this discussion. He said simply proposing to scale back parking for the protection of structures will raise concerns that the parking issue will just become worse and worse. He further discussed potential locations of structures and is the City committed to using those funds for that purpose. Mr. Johnston noted that not only structures need to be considered but also surface parking. Further discussion ensued regarding independent parking for each use being cost prohibitive, the rates provided in proposal, and a possible action plan. Mr. Johnston noted that the payment-in-lieu is not frequently used.

*Handwritten note: "not in-lieu, separate use?"*

Mr. Durham questioned how the City uses money received from the in-lieu payments. Mr. Johnston said the funds go into a specific downtown parking fund and are applied to specific projects. Mr. Durham agreed with thinking about the downtown parking and transit district but encouraged staff to think beyond trolleys and buses but also biking and scooters.

Mr. Rodriguez asked why there is no Commission member on the Parking Advisory Committee. Mr. Johnston stated Council appointed the members and included Council members, neighborhood representatives, and representatives from the police department, the University, and the EDA. Mr. Johnston is not sure on how many of the members are commuters but that the initial purpose of the meeting was to focus on the public parking issue.

Mr. Rodriguez said he would like to see more bike racks utilized, is more concerned with new construction, and does believe there is an actual parking problem. He further discussed the situation with Sedona Taphouse and the lack of available parking. He noted that lack of parking can hurt tourism when they can't find parking. Mr. Rodriguez questioned the parking calculations and how they are determined. Mr. Craig said that they have changed to be more realistic based on per square footage, peak demand, and shared space. Discussion ensued regarding double counting the same parking spots based on demand times and shared use, and the perception that you should be able to park right in front of where you want to be.

Mr. Durham noted he is in support of the concept of parking banks as an important tool for the City as they open up the Jackson Street and Princess Anne Street areas for the proposed maker districts.

Mr. Rodriguez stated he does not think it's appropriate for business to be able to have a change in use that increases the demand and no increase in parking is required.

Mr. Slominski asked what is acceptable from car to door. Mr. Johnston said it is considered to be a quarter of a mile/ten-minute walk.

Mr. Hornung stated that the EDA previously had a suggestion of a trolley restaurant route starting from the parking deck and continuously running between all the restaurants on a timed schedule, somewhat like a pub crawl. Mr. Johnston stated the City Manager has discussed ideas like this and is working with the Economic Development staff on possible plans.

Chairman Gantt asked if FRED has been involved in any of the parking discussions and what has been discussed as public transportation has to be involved. Mr. Johnston stated there would be another work session.

Mr. Durham questioned, when and what type of changes the Commission could expect after the meeting with the Parking Advisory Committee in October. Mr. Johnston said they would be discussing various changes, ideas, and suggestions and it would depend on the Committee's reaction. Mr. Craig further stated that there is a very intense schedule for area plans in the upcoming months

The work session meeting adjourned at 7:29.

  
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**Kenneth Gantt, Chair**  
*Rene Rodriguez, Vice Chair*



CITY OF FREDERICKSBURG, VIRGINIA  
CITY COUNCIL  
**MINUTES**  
Council Chambers, 715 Princess Anne Street  
Fredericksburg, Virginia 22401

**ITEM #9A**

HON. MARY KATHERINE GREENLAW, MAYOR  
HON. WILLIAM C. WITHERS, JR., VICE -MAYOR, WARD TWO  
HON. KERRY P. DEVINE, AT-LARGE  
HON. MATTHEW J. KELLY, AT-LARGE  
HON. JASON N. GRAHAM, WARD ONE  
HON. DR. TIMOTHY P. DUFFY, WARD THREE  
HON. CHARLIE L. FRYE, JR., WARD FOUR

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**Council Work Session**  
**September 17, 2019**

**NG911 Update**  
**Potential Idlewild Bicycle Lanes**  
**Small Area Plan Update**  
**Infill Development Update**

**The Council** of the City of Fredericksburg, Virginia held a work session on Tuesday, September 17, 2019, beginning at 7:00 p.m. in the City Hall, Large Conference Room.

**Council Present.** Mayor Mary Katherine Greenlaw Presiding. Vice-Mayor William C. Withers, Jr., Councilors Kerry P. Devine, Timothy P. Duffy, Charlie L. Frye, Jr. and Jason N. Graham..

**Council Absent.** Matthew J. Kelly, working.

**Also Present.** City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, Assistant City Manager Doug Fawcett, City Attorney Kathleen A. Dooley, Community Planning and Building Services Director Charles Johnston, Zoning Administrator James Newman, Chief Information Officer Suzanne Tills, GIS Analyst Gregory Baugher, Transportation Administrator Erik Nelson and Clerk of Council Tonya B. Lacey.

**NG911 Update.** Mr. Baugher presented a PowerPoint presentation and gave an overview of the NG911 system and he stated that this was a modernization of 911 services. This was a mandatory upgrade for all Virginia localities and it was being enforced by the State. Vita 911 Services Board was helping localities to pay for the transition and it would be covered 100% by State funding. Fredericksburg was awarded \$1.26 million for the transition costs. The increase in reoccurring monthly cost would be paid for by the State for twenty-four months. In Fiscal Year 2023 the City would be responsible for all monthly recurring costs approximately \$5,436 per month. Mr. Baugher also reviewed the redundant connection vs. diverse connection, the transition process and the next steps which include the review and negotiation of the contract, signing the contract and beginning the implementation. Mr. Baugher said the residents would not notice any difference

## **ITEM #9A**

except they would be able to text for help and it would also allow responders to get geographical information from a cell phone and it can help locate people faster. Refer to Attachment I for more information.

**Potential Idlewild Bicycle Lanes.** Mr. Nelson presented a PowerPoint and in his presentation he covered the background, scope of intern study, key design criteria, design elements, Section A, Section A before and after, alternative design to provide a wider buffer, the first roundabout, Sections B&C, before and after for B&C, exception between Farris Drive and Eliza Way, second roundabout, third roundabout, third roundabout to the Community Center, overall project extends to Route 3, from the Community Center to State Route 3, consideration of extending on street bicycle lanes and next steps. Please refer to Attachment II for more information.

Councilor Graham asked if the bike lane could be closer to the curb and a floating parking lane because of children and Mr. Nelson said it was possible but those areas tend to accumulate debris that are dangerous to bicyclists and there is also the concern of doors opening in the bike lane as well as motorists not wanting their cars in the street.

Vice-Mayor Withers asked about funding and Mr. Nelson explained that he had some funding in his budget for the engineering and to get a striping plan done. City Manager Baroody explained that this was a product of the updated pathways plan that was adopted earlier in the year and as a result they included some money for this as a near term priority. Mr. Nelson stated that Transportation Alternative funding could potentially be used for this project.

**Small Area Plan Update.** Assistant City Manager Whitley stated that he was presenting a budget amendment for the Small Area Plan project. He said they would like to advance Area 10 based on neighborhood concerns but Areas 5 and 8 were similar to 10 and staff recommends advancing findings for all three areas to procure consulting assistance during the current fiscal year. Staff plans to defer Areas 4 and 9 until 2023. The cost to advance would be \$300,000.

**Infill Development Update.** Mr. Johnston presented a PowerPoint presentation the map in the presentation shows a sample of residential lot grading plans and substantial additions between 2016 and June 2019. There were approximately 38 infill calculations over a two year period and only one variance from the infill calculations filed in that time.

Mr. Johnston gave an extensive discussion on the infill calculation and development patterns. He said most of the areas on the map with green stars were the sideyard setbacks of the interior lots and they were also applied to the corner lots. He said this pattern was a common

## **ITEM #9A**

pattern of development and going forward they should reflect that pattern because too much of this pattern was existing and he said they should be respectful of that.

Mr. Johnston asked Council for direction on how they wanted him to proceed because there were a variety of changes that needed to take place on the infill lots he wanted to know whether he should put them all in one package or separately.

Mr. Johnston also gave a lengthy explanation of the Braehead Woods development and the varied pattern of development.

Councilor Duffy asked how many homes in the Braehead Subdivision was sub-dividable under current regulations and Mr. Johnston said about a dozen under the current R-4 zoning. Councilor Duffy said he would like to see language that gets rid of the notion that the new lots don't have the same rules as the old ones.

Vice-Mayor Withers asked if the setbacks could go by blocks instead of the whole subdivision and Mr. Johnston explained that the calculations were by block. Vice-Mayor Withers asked if a lot were subdivided could it be required to line up with the existing homes and Mr. Johnston said that is what they were trying to achieve.

Mayor Greenlaw said the desire was to maintain the character of the neighborhood that is why the setbacks were important. She also noted that the topography played a part in some areas and there should be some way to incorporate that in some way.

Councilor Duffy added that the issue was how to stop subdivision of lots that skirt around the integrity of some of the neighborhoods. He noted this happens throughout the City and he would like to find a way to get rid of developers getting around the setbacks.

Councilor Graham asked outside of Braehead Woods were there any challenges and he asked Mr. Johnston about the garages in the alleyways. Mr. Johnston said they have challenges with corner lots and how to address the setbacks on those lots. He also explained that they would like to tweak the setback regulations for garages in the rear to allow more rear yard. Vice-Mayor Withers stated the importance of keeping the rear yard intact to keep the neighborhood the way they were intended to be and to be able to be used by the families. Mr. Johnston said they also have the issue where people were filling up the rear yard with additions on their homes as well and he wanted to ensure that space was not filled with more house.

Councilor Duffy said there was an urgency to get this done and he would hate to see it go until December.

**Adjournment.** There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 8:14 p.m.

**ITEM #9A**

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**Tonya B. Lacey  
Clerk of Council  
City of Fredericksburg**

# NG911 & Fredericksburg Update

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SEPTEMBER 17<sup>TH</sup>, 2018

Attachment I



# Overview of NG911

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- Modernization of 911 services
- A mandatory upgrade for Virginia localities  
*enforced by the state*
- A local project



# Paying for NG911

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- VITA 911 Services Board will help localities pay for the transition
- **Up front transition costs will be covered 100% by State funding**
- \$1.26M awarded for Fredericksburg transition costs



# Recurring Costs

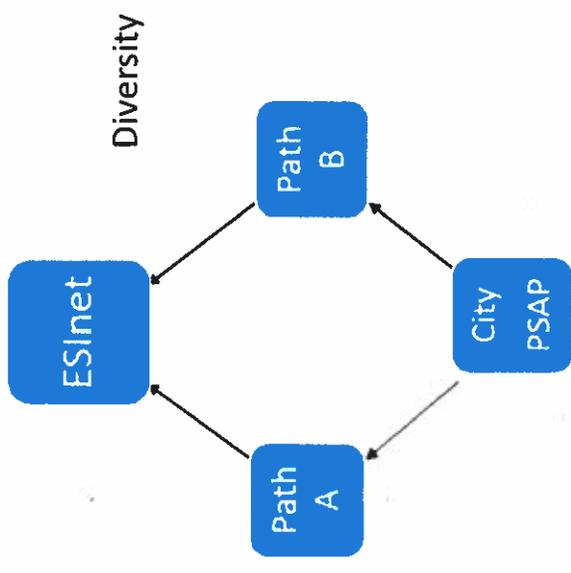
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- Increase in recurring monthly costs will be paid by State for 24 months
- Starting in FY23, City will be responsible for all monthly recurring costs
- Maximum recurring costs would be \$5,436 per month (\$65,232 annually)
- Currently pay ~\$30,000 annually, so this is an increase of ~\$35,000  
*Responsible for these cost starting in 2028*

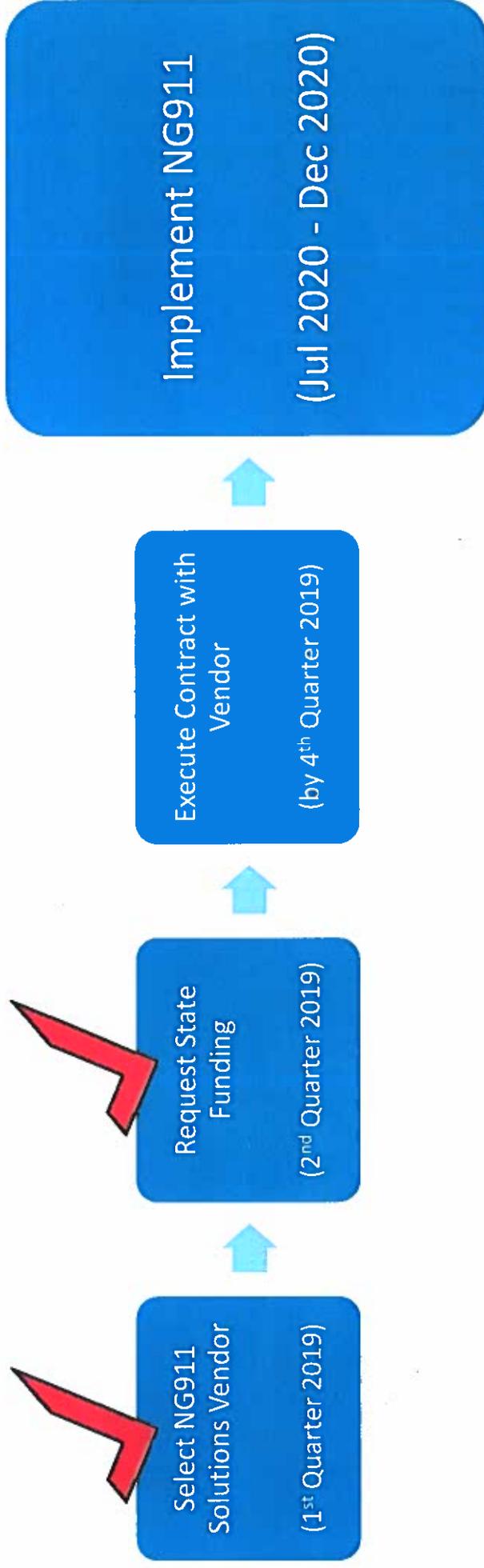
# Redundant Connection vs. Diverse Connection

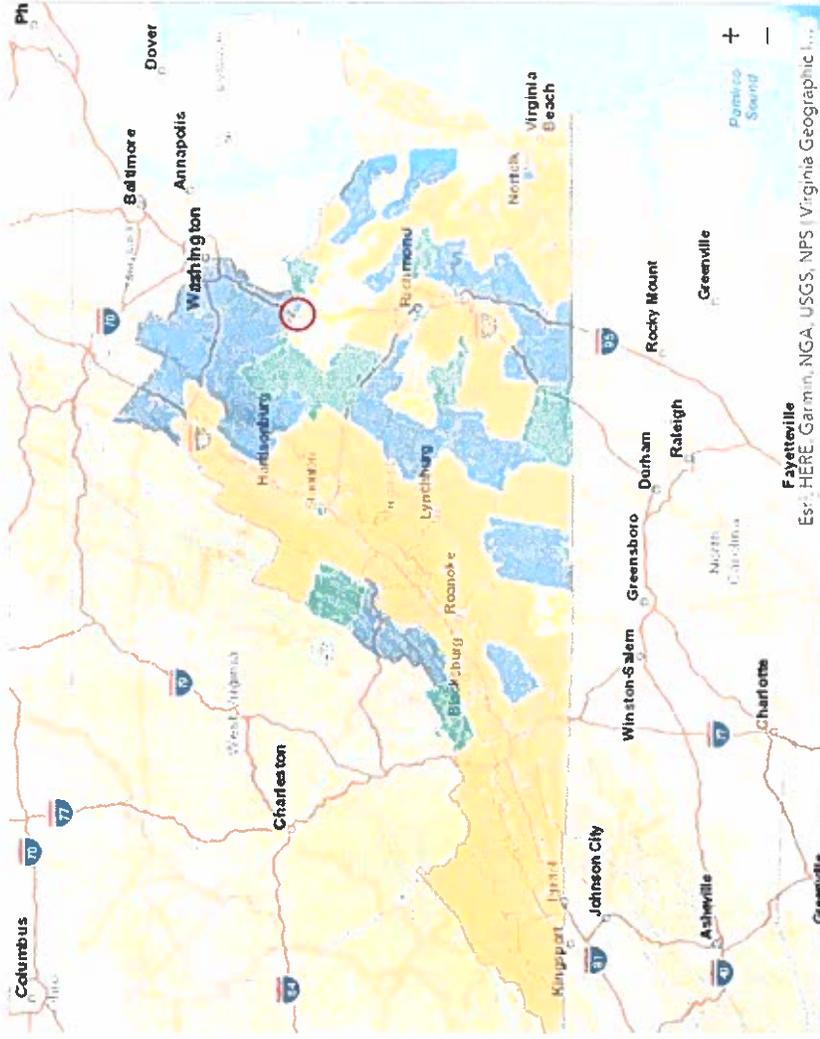


Redundancy – in the same conduit



# NG911 Transition Process



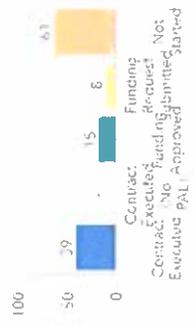


- [Fluvanna County Sheriff - View Document](#)
- [Franklin County Communications Center - View Document](#)
- [Franklin Police Department - View Document](#)
- [Frederick County Department Of Public Safety Communications - View Document](#)
- [Fredericksburg City Police Department - View Document](#)
- [Giles County Sheriff Office 911 Center - View Document](#)
- [Gloucester County Sheriff - View Document](#)

Amount Requested

**\$32,250,616.75**

Total is for what is selected above. If a category is not displayed then the count is 0.



Request Awarded

# Next Steps

---

- Review and negotiation of contract
- Sign contract with vendor
- Begin working with vendor for implementation (~12 months)



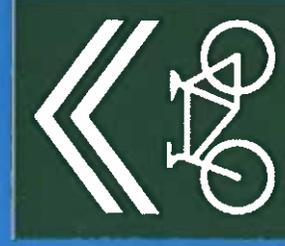
Questions?

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# IDLEWILD BOULEVARD BIKE LANE

ORIGINAL RESEARCH BY: ANNA CONNOR  
EXPANDED BY: ERIK NELSON



## BACKGROUND

- The Fredericksburg Pathways Plan calls for a 1.36 mile bicycle lane along Idlewild Boulevard
- Virginia Central Railway (VCR) Trail is located south of Route 1 intersection
- Idlewild has ties to multiple projects in the Pathways Plan



Figure 5-48. Idlewild Boulevard Bicycle Lanes.

## SCOPE OF INTERN STUDY

- 1.17 mile on-street bicycle lane from Route 1 intersection to the Anderson St. Roundabout
- Combination of protected and buffered bike lanes
- Integrates safe routes for bicyclists and pedestrians into City street network
- Provides central connection for surrounding projects

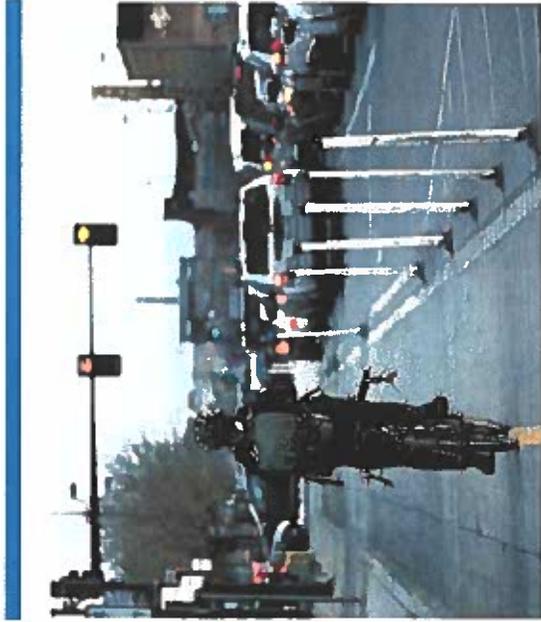


## KEY DESIGN CRITERIA

### Roadways

- 4-5 foot minimum bike lane width
- No bicycle lanes allowed in the circular portion of roundabouts
- Can provide shared-lane markings and access to sidewalk in roundabouts





(Denver, CO)

## Design Elements

- Protective posts
- Bike box at intersections
- Crossing markings



(Richmond, VA)

## SECTION A – FROM U.S. ROUTE 1 TO FIRST ROUNDABOUT



- 4 foot bike lanes:
- 3 ½ foot bike travel lane
- ½ foot buffer with protective posts
- 10 foot travel lanes
- 2 feet of gutter





Before

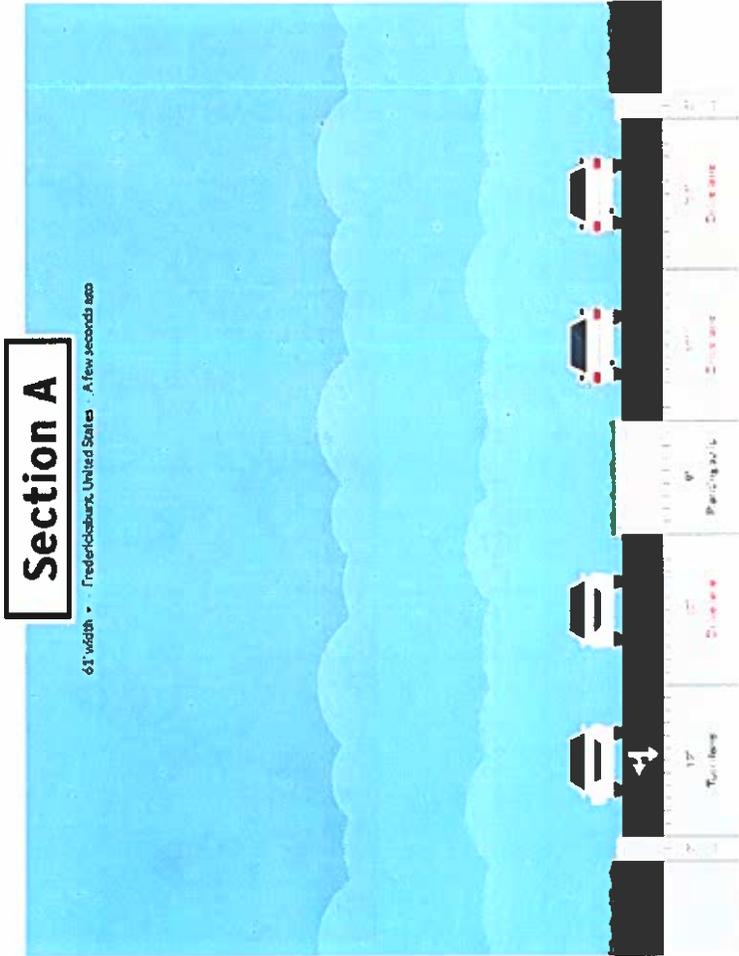


After

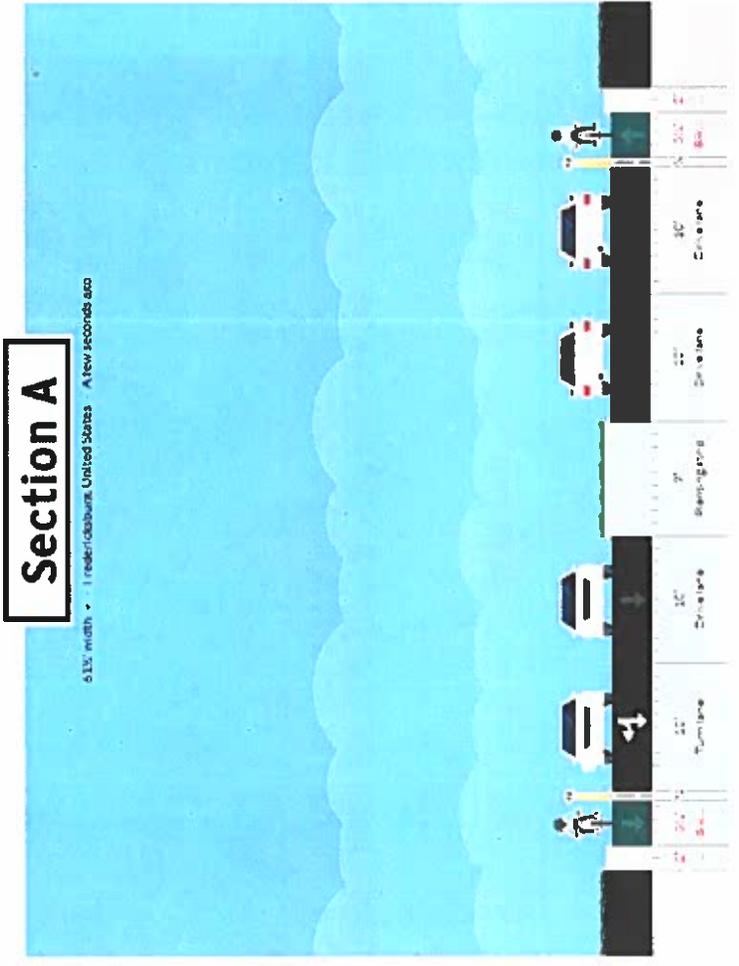




Before



After

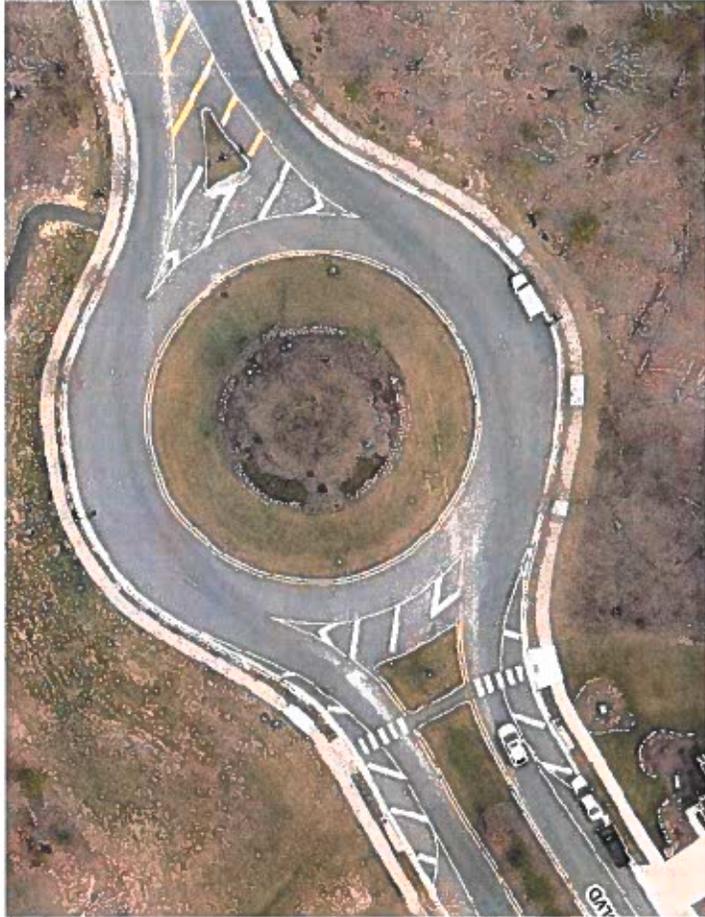


## ALTERNATIVE DESIGN TO PROVIDE A WIDER BUFFER

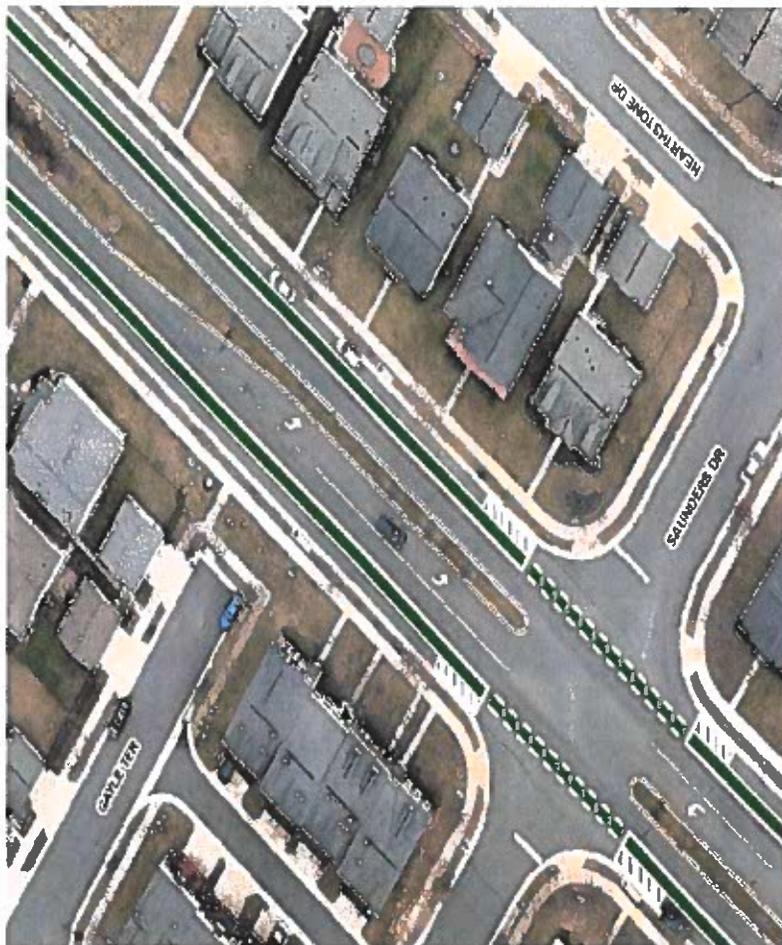


- 4 foot bike lanes:
- 3 foot bike travel lane
- 1 foot buffer with protective posts
- 10 foot travel lanes
- 2 feet of gutter
- Added crosswalk

# FIRST ROUNDABOUT



# SECTIONS B & C



- 6 foot bike lanes:
- 5 foot bike travel lane
- 1 foot painted buffer
- 10 foot travel lanes
- 8 foot parking stalls

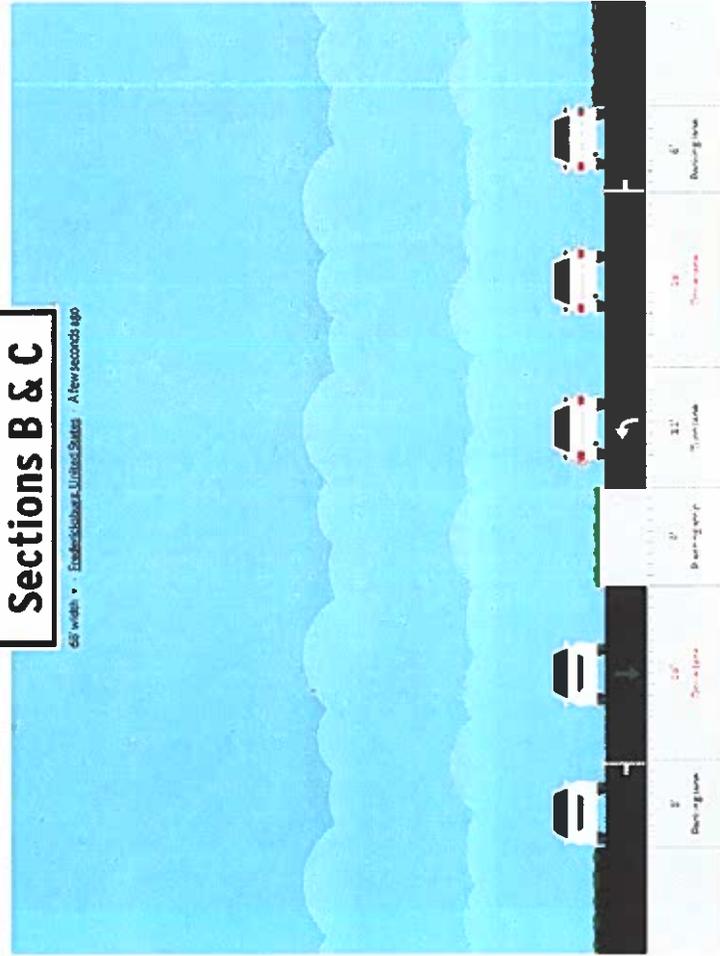




# Before

## Sections B & C

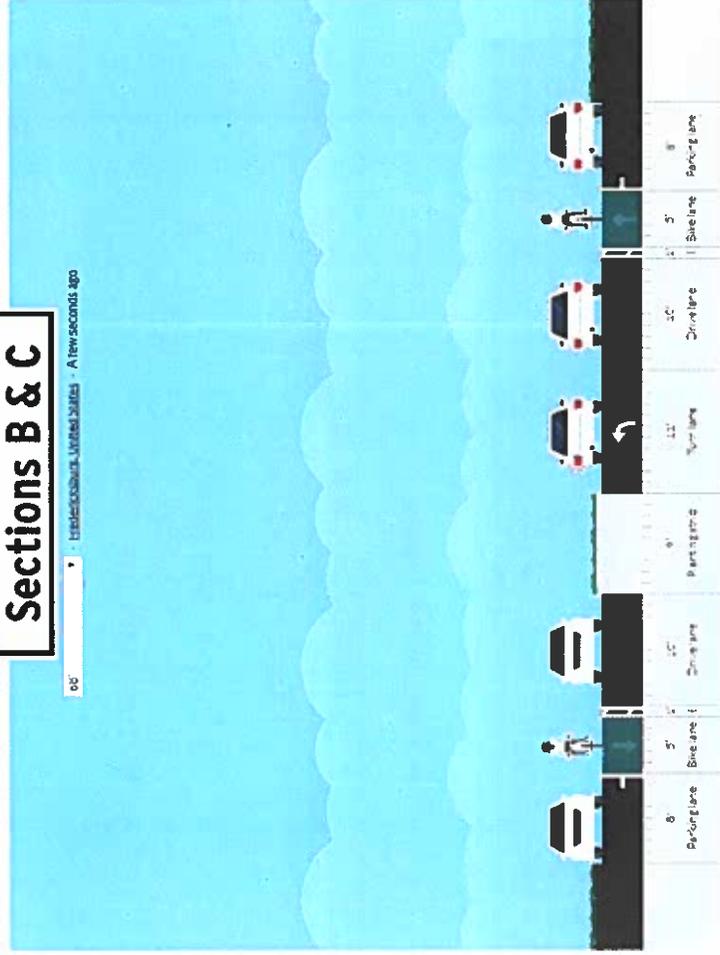
68' width • Eastbound, United States • A few seconds ago



# After

## Sections B & C

68' width • Eastbound, United States • A few seconds ago

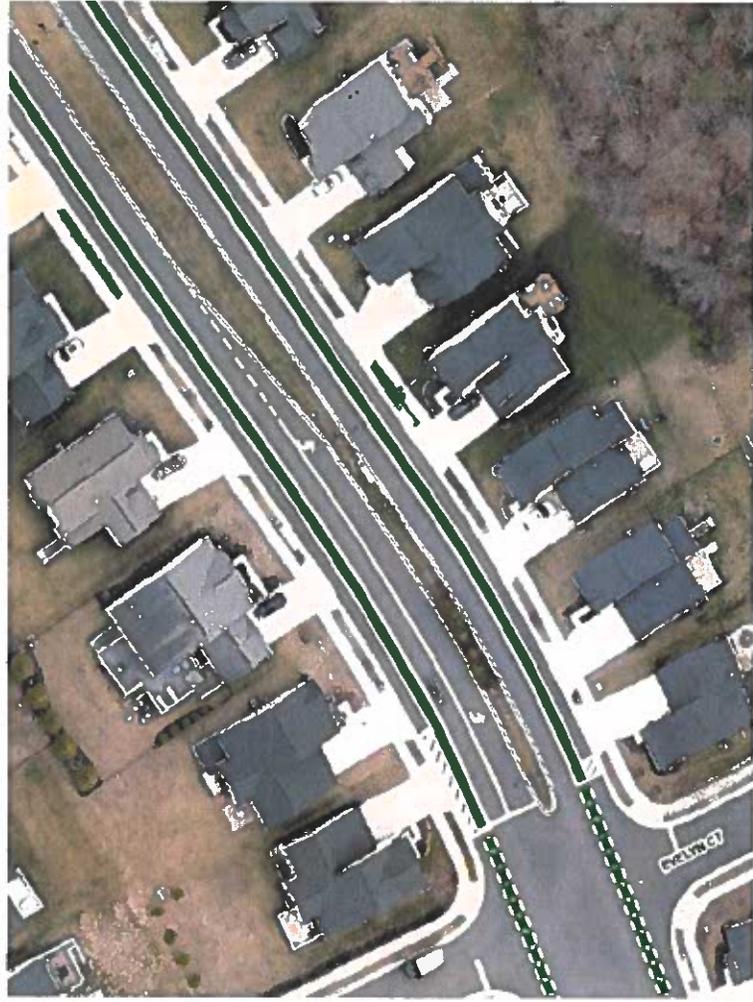




Before



After



# ONE EXCEPTION – BETWEEN FARRISH DRIVE & ELIZA WAY



Farrish Drive to Eliza Way



Road width = 22 1/2 feet from curb to island

Bike lane = 4 1/2 foot travel lane and 1 foot painted buffer

# SECOND ROUNDABOUT



## THIRD ROUNDABOUT - END OF STUDIED ROUTE

- Bike lanes end at Anderson Street roundabout entrance
- Riders can either remain on sidewalks or share the roadway
- Original plan called for their extension, but road space was insufficient
  - 21-23 feet



## FROM THE THIRD ROUNDABOUT TO THE COMMUNITY CENTER



- Existing road (shaded green) is four lanes, without parking
- 24 feet of pavement for the most part
- 26 feet of pavement in and around roundabouts
- Road could be reconfigured:
  - One travel lane
  - On-street bicycle route
- Parking area (shaded yellow) is generous
- So on-street parking is not needed

OVERALL PROJECT EXTENDS TO ROUTE 3



## FROM THE COMMUNITY CENTER TO STATE ROUTE 3



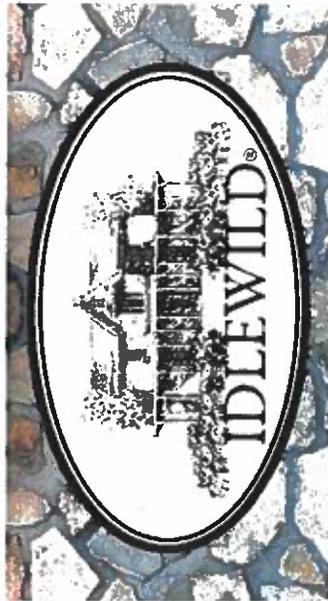
- Gateway Boulevard (shaded green) provides link to Route 3
- Existing road is four lanes, without parking
  - 24 feet of pavement, for the most part
  - 26 feet of pavement at roundabout
- Sidewalk (five feet wide) on east side of road

## CONSIDERATIONS OF EXTENDING ON-STREET BICYCLE LANES

- Are four lanes really needed, when the rest of Idlewild Boulevard is mostly two lanes?
- Could the on-street bicycle lanes be extended initially to Gateway Boulevard only?
  - Leaving the Gateway Boulevard facilities to be implemented when a suitable connection can be made?

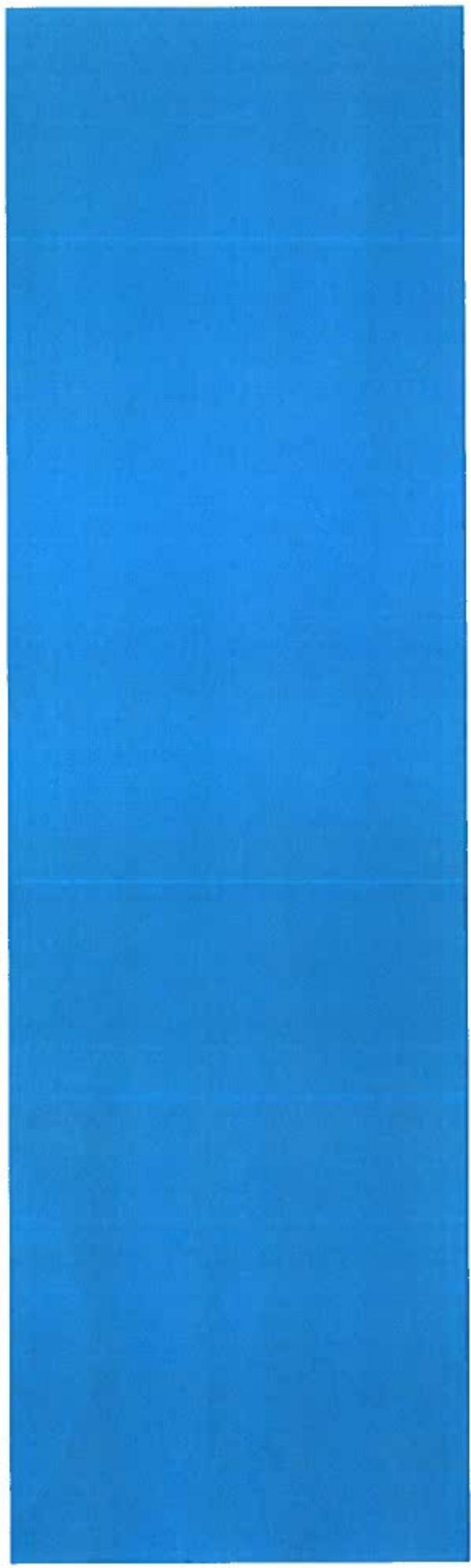
## NEXT STEPS

- Additional technical analysis
- Public engagement
  - Meet with Homeowners Association
  - Public hearing?
- Engage City Council





# QUESTIONS?



DRAFT



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Mark Whitley, Assistant City Manager  
**RE:** FY 2020 Budget Amendment – Small Area Plans  
**DATE:** September 17, 2019

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**ISSUE**

Shall the City Council amend the FY 2020 budget to advance small area planning work?

**RECOMMENDATION**

Yes. The attached amendment will allow the Department of Community Planning and Building to procure and begin work on small area plans beyond what was originally planned for FY 2020.

**BACKGROUND**

The City of Fredericksburg has been engaged in the process of completing ten separate small area plans for several years. Area 3 and Area 6 have been completed, as has the downtown area, known as Area 7.

The Department of Community Planning and Building was originally working on Area 1, Area 2, and Area 4 during FY 2020. The adopted Capital Improvements Plan included funding for the remaining four area plans in FY 2021 – for Areas 5, 8, 9, and 10.

The Council instructed the staff to begin the process of advancing the small area plan for this area (Area 10) into FY 2020.

The staff notes that Area 10 is very similar in character to Area 8 and Area 5, and would procure these plans from a consultant that has good experience with challenges of maintaining the character of older neighborhoods. Based on the workload, the staff would like to amend the CIP to postpone the work on Area 4 and Area 9 to FY 2023. (The presentation to City Council on August 24 referenced FY 2022 for Area 4 and 9, but after further consideration the staff believes that the work on the next five area plans will take FY 2020-FY 2022 to complete.)

If funding is approved, the completion of the ten small area plans would proceed as follows:

| Fiscal Year (Procurement) | Area Plan # | General Area                    | Work Begins  | Completion |
|---------------------------|-------------|---------------------------------|--------------|------------|
| <b>Completed Plans</b>    |             |                                 |              |            |
| 2017                      | 6           | Princess Anne & Route 1         |              | FY 2018    |
| 2017                      | 3           | Route 3 / Plank Road            |              | FY 2018    |
| 2019                      | 7           | Downtown & Market Report        |              | Q4 FY 2019 |
| <b>Remaining Plans</b>    |             |                                 |              |            |
| 2020                      | 1           | Central Park                    | Q1 FY 2020   | Q4 FY 2020 |
| 2020                      | 2           | Bragg Hill                      | Q1 FY 2020   | Q4 FY 2020 |
| 2020                      | 10          | Lafayette Blvd. / Route 1 South | Q3/4 FY 2020 | Q3 FY 2021 |
| 2020-2022                 | 8           | Mayfield / Dixon                | Q2 FY 2021   | Q1 FY 2022 |
| 2020-2022                 | 5           | College Heights                 | Q4 FY 2021   | Q3 FY 2022 |
| 2023                      | 4           | Cowan & Hospital                | Q1 FY 2023   | Q4 FY 2023 |
| 2023                      | 9           | Industrial Park                 | Q1 FY 2023   | Q4 FY 2023 |

**FISCAL IMPACT**

The FY 2020 Budget included \$105,000 in funding, to which will be added \$145,211 in funds from prior years. This should be sufficient to fund Area 1 and Area 2, which are underway, at a cost of approximately \$170,000. The staff is also pursuing a small traffic study which was generated as a result of the Area 6 plan for approximately \$30,000 – leaving approximately \$50,000 in contingency for future needs.<sup>1</sup>

The FY 2020 operating and capital budget would be amended to advance the funding for three small area plans into FY 2020, in addition to the two that are currently underway for Areas 1 and 2. The plan for Area 10 would begin in FY 2020, while the plans for Areas 8 and 5 would be done over the next two years.

Staff estimates that each additional area plan will cost around \$100,000 each. The funding for the area plans that would not be completed in FY 2020 would be encumbered and carried forward into FY 2021 and FY 2022 to complete the additional plans.

The attached resolution utilizes General Fund Balance Assigned for Capital in the amount of \$300,000 as the source of funds, transferred to the Public Facilities Capital Fund.

The staff will also amends the Capital Improvements Plan in next year’s cycle to remove the funding for the project in FY 2021. The staff would propose that \$200,000 be added to the FY 2023 planning year for Area 4 and Area 9.

Attachments: Appropriation Resolution

<sup>1</sup> There is an additional traffic study for Area 7 which may cost an estimated \$60,000 – staff proposes to bring that to City Council through the operating budget as a contingency item.



MOTION:

September 24, 2019

SECOND:

Regular Meeting

Resolution 19-xx

RE: Amending the Fiscal Year 2020 Budget and the Fiscal Year 2020 through Fiscal Year 2025 Capital Improvements Plan for the Small Area Plan Project

ACTION: APPROVED: Ayes: 0; Nays: 0

FIRST READ: \_\_\_\_\_ SECOND READ: \_\_\_\_\_

The City of Fredericksburg has been working on small area plans for ten separate areas of the City. Three studies have been completed. During Fiscal Year 2020, the Department of Community Planning and Building was already in the process of working on the next two studies.

The City Council has directed the staff to accelerate the plan for one of the areas, Area 10, based on neighborhood concerns. Staff believes that Area 10 is similar in character to Area 8 and Area 5, and would like to procure consulting assistance for all three during the current fiscal year.

The staff has also re-evaluated the budget for the project based upon project history and projected project needs. The timing of the remaining two small area plans (Area 4 and Area 9) after the completion of the next three would be amended in the Capital Improvements Plan in the next cycle to Fiscal Year 2023.

Therefore, the City Council hereby resolves that the following revenues be recognized and further resolves that the following authorization and appropriations amending the FY 2020 budget be recorded:

**GENERAL FUND (FUND 0100)**

**Source**

|                                    |              |                          |
|------------------------------------|--------------|--------------------------|
| Fund Balance Committed for Capital | 0100 3610120 | \$ 300,000               |
| Department Total:                  |              | <u>\$ 300,000</u>        |
| <b>Total Source:</b>               |              | <b><u>\$ 300,000</u></b> |

**Use**

|                              |                  |                   |
|------------------------------|------------------|-------------------|
| Transfer to Capital Projects | 0100 93100492040 | \$ 300,000        |
| Department Total:            |                  | <u>\$ 300,000</u> |

**Total Use:** \$ 300,000

**PUBLIC FACILITIES CAPITAL FUND (FUND 0305)**

**Source**

|                            |              |                   |
|----------------------------|--------------|-------------------|
| Transfer from General Fund | 0217 3110100 | \$ 300,000        |
| Department Total:          |              | <u>\$ 300,000</u> |

|                             |                  |                          |
|-----------------------------|------------------|--------------------------|
| <b>Total Source:</b>        |                  | <b>\$ <u>300,000</u></b> |
| <b>Use</b>                  |                  |                          |
| Other Professional Services | 0305 94512431600 | \$ <u>300,000</u>        |
| Department Total:           |                  | \$ <u>300,000</u>        |
| <b>Total Use:</b>           |                  | <b>\$ <u>300,000</u></b> |

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

\*\*\*\*\*

***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 19-xx, adopted at a meeting of the City Council held 2019, at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC***  
***Clerk of Council***

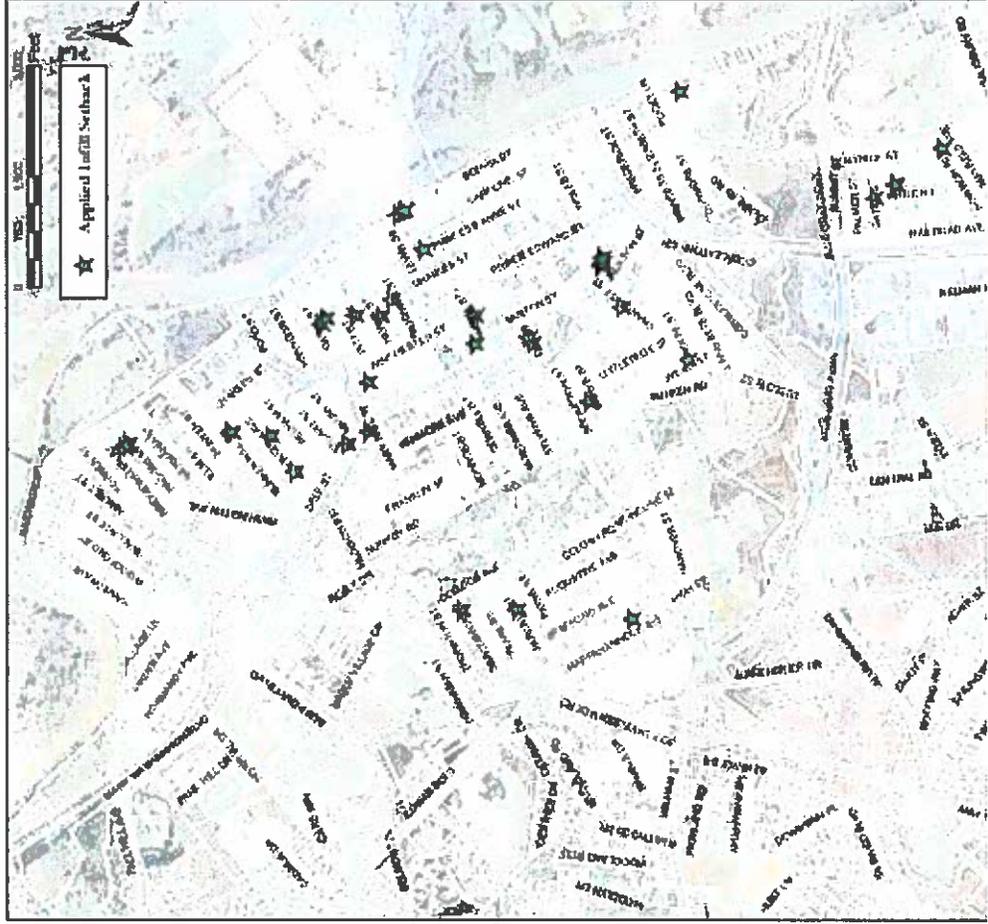
**Council Work Session**  
*Infill Calculated Setbacks*

*Fredericksburg*

A Hachment IV

### Applied Infill Setbacks

A Sample of Residential Lot Grading Plans and Substantial Additions Between 2016 and June 2019



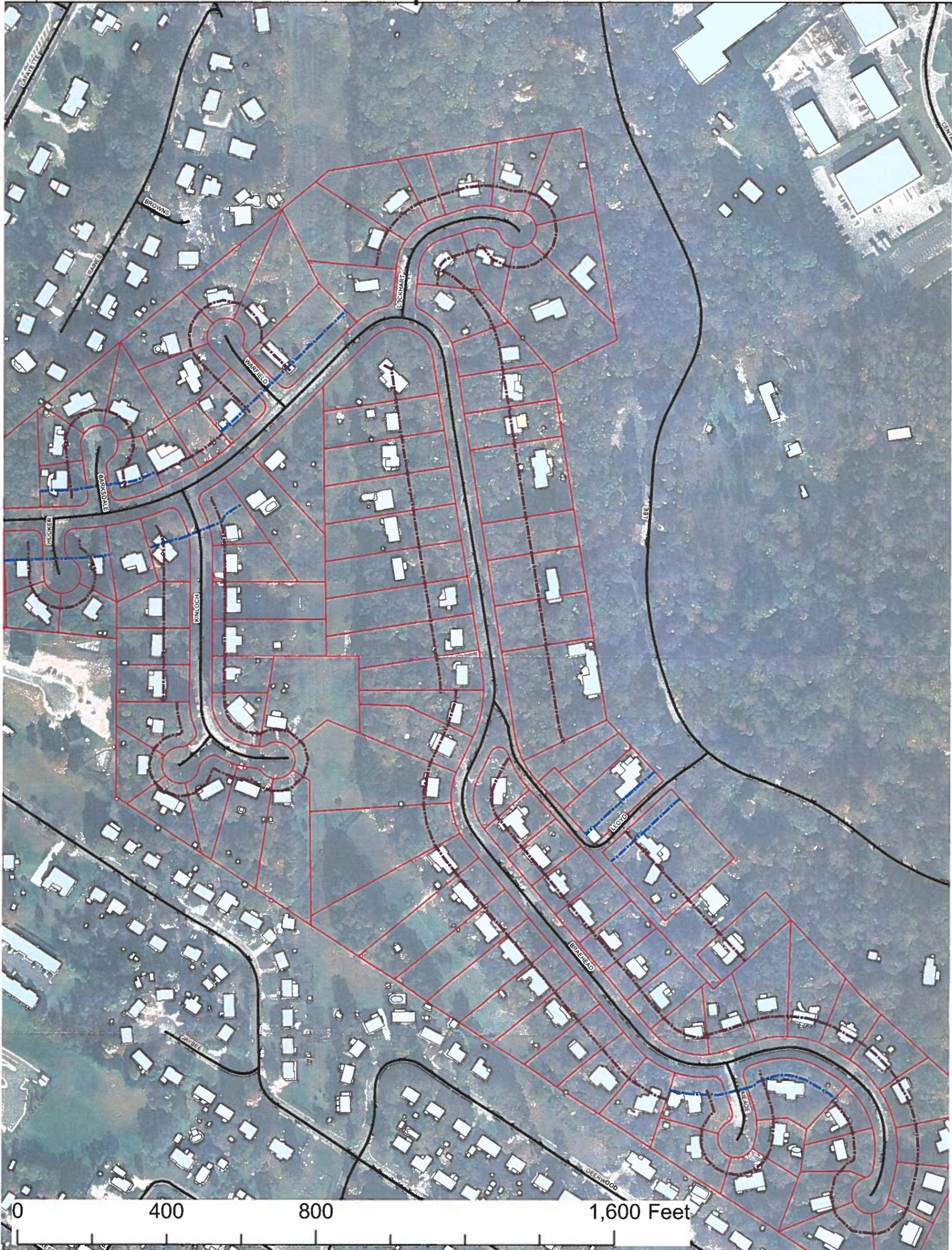
- Approx. 38 infill calculations over a 2 year period
- Only one variance from infill calculations filed in that time

Draft infill calculations for Braehead Woods  
Sept. 17, 2019



- 15 different blocks used for infill calculations
- Varied pattern of development, no set character for entire neighborhood

# Draft infill calculations for Braehead Woods Sept. 17, 2019



Red Line = Parcel boundary  
Purple Line = Primary Front setback  
Blue Line = Secondary Front setback



CITY OF FREDERICKSBURG, VIRGINIA  
CITY COUNCIL  
**MINUTES**  
Council Chambers, 715 Princess Anne Street  
Fredericksburg, Virginia 22401

**ITEM #9B**

HON. MARY KATHERINE GREENLAW, MAYOR  
HON. WILLIAM C. WITHERS, JR., VICE -MAYOR, WARD TWO  
HON. KERRY P. DEVINE, AT-LARGE  
HON. MATTHEW J. KELLY, AT-LARGE  
HON. JASON N. GRAHAM, WARD ONE  
HON. DR. TIMOTHY P. DUFFY, WARD THREE  
HON. CHARLIE L. FRYE, JR., WARD FOUR

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**Council Work Session**  
**September 24, 2019**

**School Working Group Discussion**  
**Planning Issues**

**The Council** of the City of Fredericksburg, Virginia held a work session on Tuesday, September 24, 2019, beginning at 5:30 p.m. in the City Hall, Executive Suite.

**Council Present.** Mayor Mary Katherine Greenlaw Presiding. Vice-Mayor William C. Withers, Jr., Councilors Kerry P. Devine, Timothy P. Duffy, Charlie L. Frye, Jr. (5:36) Jason N. Graham and Matthew J. Kelly.

**Also Present.** City Manager Timothy J. Barood, Assistant City Manager Mark Whitley, Assistant City Manager Doug Fawcett, City Attorney Kathleen A. Dooley, Community Planning and Building Services Director Charles Johnston, Senior Planner Michael Craig, Community Development Planner Susanna Finn, Economic Development Director Bill Freehling, Business Development Manager Angela Freeman and Clerk of Council Tonya B. Lacey.

**School Working Group Discussion.** City Attorney Dooley announced that the School Board adopted the School Working Group resolution and they appointed Jen Boyd and Janna Holmes. She noted that the Council's resolution would need two members selected to serve. Councilor Kelly and Mayor Greenlaw volunteered to serve on the working group and Councilor Duffy and Councilor Graham volunteered to serve on the capacity group. Councilor Frye offered to be an alternate if needed.

**Planning Issues.**

**M&M Auto Special Use Permit (SUP)** – Mr. Craig gave background stating that M&M Auto came before the Council in 2015 for a Special Use Permit (SUP). M&M Auto has a 140,000 square foot recycling facility where they process cars and recycle them for parts. They were interested in expanding to the 60 acres across the street but they would only use approximately 30 acres because the rest of the property was environmentally protected. The approval would require

## **ITEM #9B**

them to put up an eight foot fence and add additional landscaping. The cars would be stored on racks but it would not be within the Battlefield line of sight.

Mr. Craig said that the Planning Commission recommended approval 5-2. There was an economic development study done and they found that this would not have an impact on adjacent properties. He said there were conditions about adding additional landscaping. Mr. Craig explained that the biggest condition was that this use could only occur as long as the 140,000 square foot facility remained in use as the processing plant.

Vice-Mayor Withers asked for clarification on whether chemicals would be released from the stored vehicles. Mr. Craig explained that with the original site they were very concerned about Stormwater and any remnant could create havoc and they required them to work with an environmental group to come with a plan and that plan was to include water monitoring. He said that environmental issues were monitored at a state level criteria and Department of Environmental Quality (DEQ) would keep check on the water and environment.

Mayor Greenlaw asked if it would be appropriate to ask for those reports as part of the SUP, Mr. Craig said that was possible.

Councilor Duffy asked about the screening from Braehead Farms and whether the cars would be visible and Mr. Craig said the cars were not allowed to be above the wall line and if they were it would be a zoning violation.

Councilor Graham said the taxes coming in did not seem like a lot especially since this would be taking away from some of the land from Braehead Farm which many of the families come to visit.

Council asked if the applicant was getting rid of their Stafford lot and Mr. Craig said this would be in addition to the Stafford lot. Mr. Johnston said they were going to separate their trucks from their auto and Mr. Graham said he understood this was going to be the car location.

**Comprehensive Plan Amendment to Area 5b.** Ms. Finn explained that the area had greater potential than the small lots it was currently serving as. She said the applicant was potentially pursuing a rezoning and it required a change to the future land use map which shows it as low density residential and commercial transitional office. Staff proposed to divide the property into Commercial-General and Commercial Transitional/Office. These changes would serve the neighborhood as well as buffer it. Ms. Finn said the developers existing plan reflects a small scale office park right now.

Councilor Duffy said the neighborhood was supportive as long as they did not put a gas station, did not allow access to the neighborhood and had pedestrian access.

## **ITEM #9B**

Ms. Finn said there would be some vacations on the property and Councilor Kelly mentioned that the City should hold onto the vacations until there was a project.

Councilor Graham said retail with office space concerns him because there was office space across the street that has been sitting empty and he said retail was an even bigger risk.

Vice-Mayor Withers said no matter what goes there the traffic pattern would need to change. Mr. Johnston said they have been talking to the developer on the traffic pattern.

**Closed Meeting Approved.** Upon a motion Councilor Devine, moved approval to convene in closed session to discuss or consider a proposed exchange of City-owned real property for privately-owned real property, under Code of Virginia §2.2-3711(A)(3), where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City Council; motion was seconded by Vice-Mayor Withers and passed by the following recorded votes. Ayes (7) Councilors Greenlaw, Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Return to Open Meeting Approved.** Upon the motion of Councilor Devine; seconded by Councilor Graham and passed by the following recorded votes, Council approved a return to an open meeting. Ayes (7) Councilors Greenlaw, Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Resolution 19-78, Approved, Certifying Closed Meeting.** Upon the motion Councilor Devine, approved Resolution 19-78 certifying the closed meeting; seconded by Councilor Graham and passed by the following recorded votes. Ayes (7) Councilors Greenlaw, Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Adjournment.** There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 7:15 p.m.

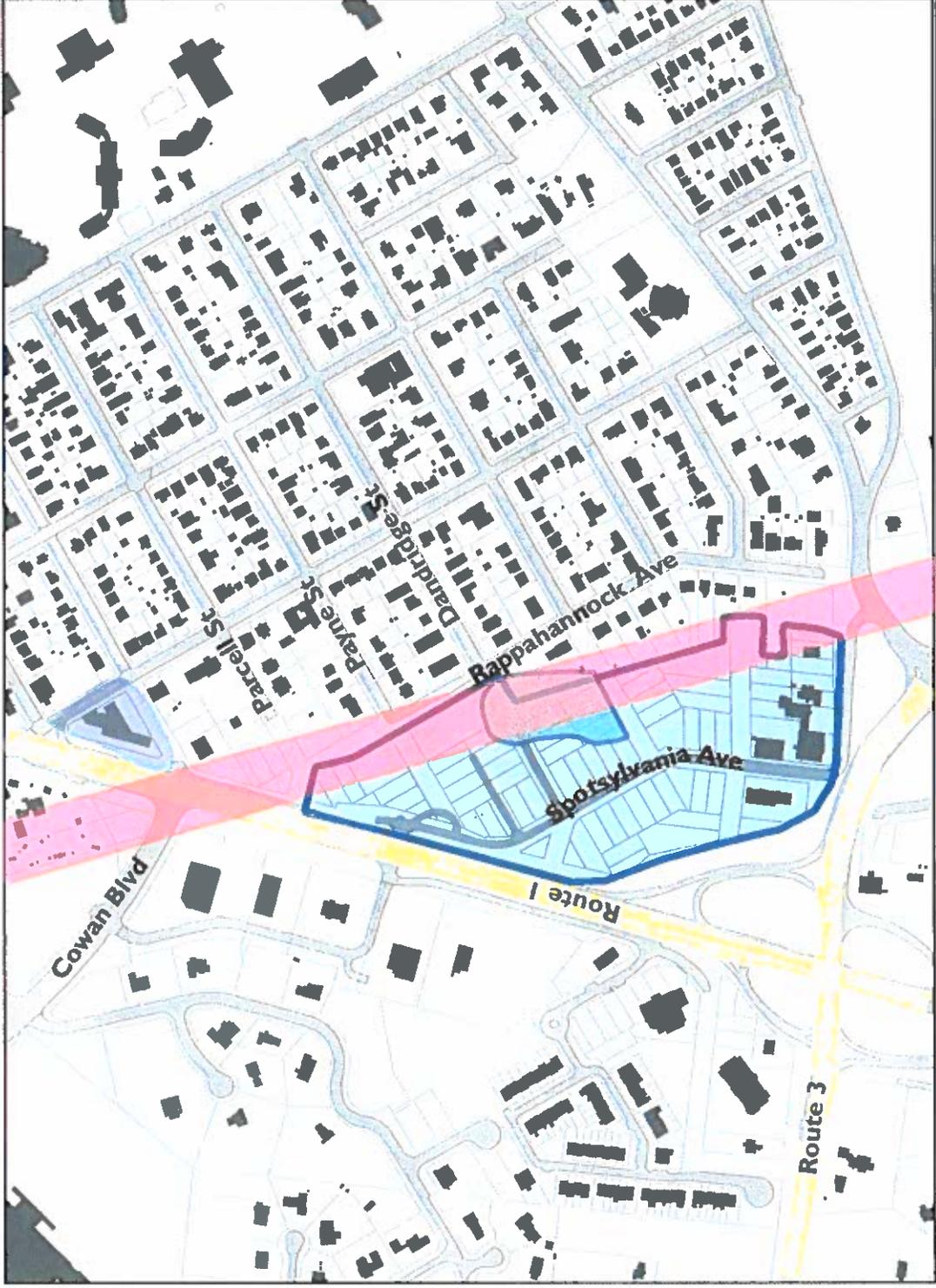
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**Tonya B. Lacey**  
**Clerk of Council**  
**City of Fredericksburg**

# Initiation of a Comprehensive Plan Amendment to Area 5B



# Analysis



# Comprehensive Plan Amendment - Text

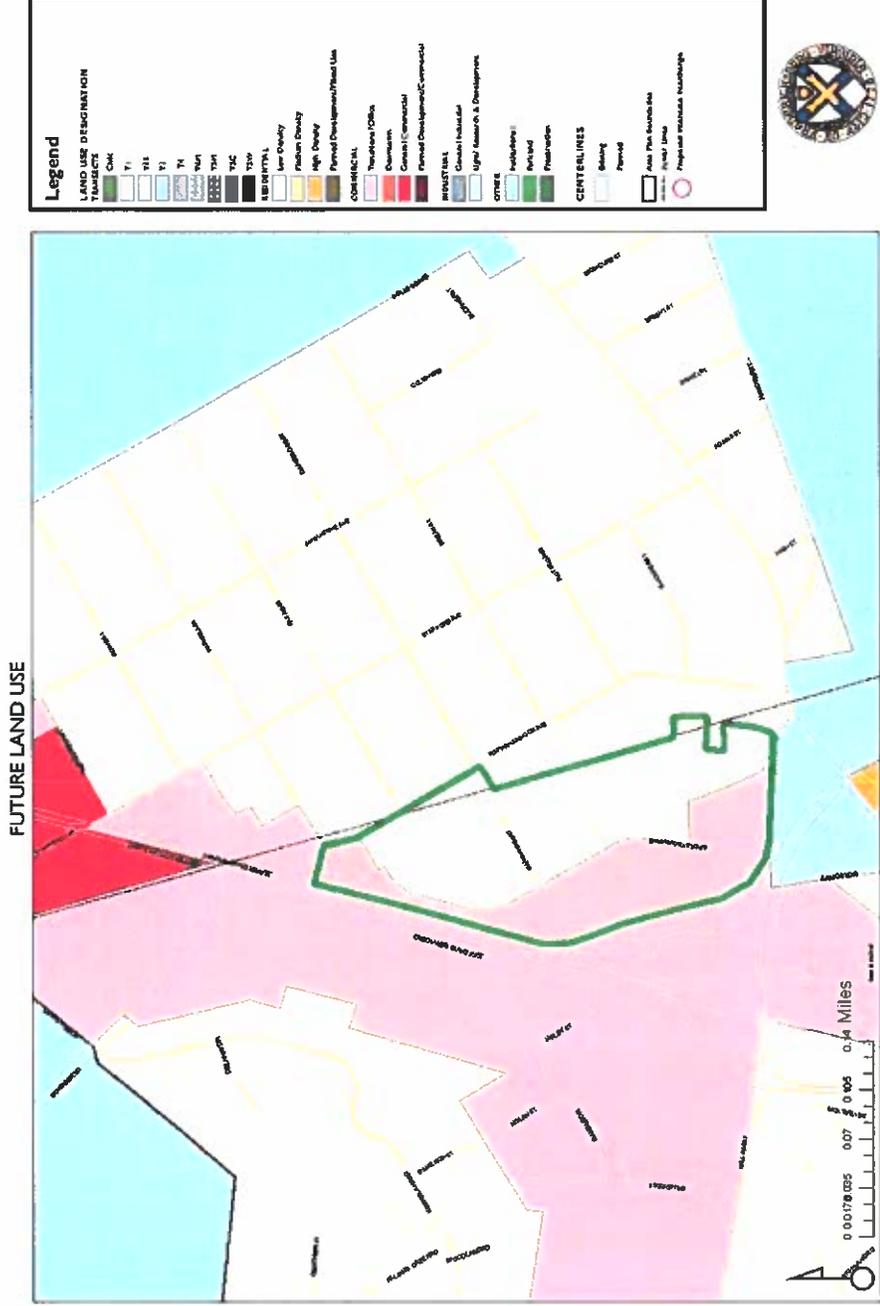
TABLE 11.24 LAND USE POTENTIAL IN PLANNING AREA 5

| SUB PLANNING AREA | SIZE  | CURRENT ZONING   | RECOMMENDED USE   |
|-------------------|---|--|---|
| 5A                | 34.7 acres                                    | R-2 Residential  | Low Density Residential   |
| 5B                | 30 acres                                      | Commercial, Transitional, R-4 Residential, and Mobile Home   | Commercial General, Commercial Transitional, Office               |
| 5C                | 1.3 miles of the U.S. Route 1 Bypass Corridor | Planned Development, Medical Campus, Commercial Highways, Commercial Shopping Center, Commercial/Transitional/Office, R-12 Residential | Commercial General, Commercial/Transitional/Office, Institutional |

## SUB PLANNING AREA 5B

The northeast quadrant of the intersection of State Route 3 and U.S. Route 1 exists currently as a remnant of the original Fredericksburg Development Company's platting with an assemblage of uses. Natural features and the Dominion Transmission Line functionally separate this area from the College Heights Neighborhood. The original configuration of streets and small lots is no longer practical particularly given the proximity to U.S. Route 1 and disconnection from College Heights. The existing layout, including vestiges of undeveloped rights-of-way, could be reassembled to support future evolution of the site. This area is uniquely positioned near major roadways, regional transit, and two major institutional anchors and could provide space for commercial and office activity. Serving as a walkable center, future development should link neighborhoods and local goods and services. A cohesive redevelopment could provide new uses where appropriate buffering ensures minimal effect to the adjoining neighborhood. To ensure this sensitivity, automobile centered uses and activities should only be considered under special review.

# Comprehensive Plan Amendment – Future Land Use Map

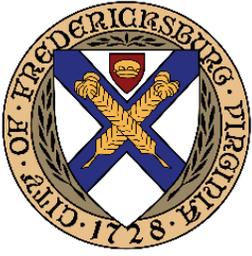




## **NEXT STEPS:**

- **Initiation this evening so that it may be reviewed concurrently with an upcoming rezoning application.**
- **Referred to Planning Commission once the rezoning is scheduled for public hearing.**
- **Will return to Council in conjunction with any corresponding zoning map amendments and vacation of right of way requests.**





CITY OF FREDERICKSBURG, VIRGINIA  
CITY COUNCIL  
**MINUTES**

Council Chambers, 715 Princess Anne Street  
Fredericksburg, Virginia 22401

HON. MARY KATHERINE GREENLAW, MAYOR  
HON. WILLIAM C. WITHERS, JR., VICE -MAYOR, WARD TWO  
HON. KERRY P. DEVINE, AT-LARGE  
HON. MATTHEW J. KELLY, AT-LARGE  
HON. JASON N. GRAHAM, WARD ONE  
HON. DR. TIMOTHY P. DUFFY, WARD THREE  
HON. CHARLIE L. FRYE, JR., WARD FOUR

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**February 11, 2020**

**The Council** of the City of Fredericksburg, Virginia, held a regular session on Tuesday, February 11, 2020, beginning at 7:30 p.m. in the Council Chambers of City Hall.

**City Council Present.** Vice-Mayor William C. Withers, Jr., Council members Kerry P. Devine, Dr. Timothy P. Duffy, Charlie L. Frye, Jr. (8:03), Jason N. Graham and Matthew J. Kelly.

**City Council Absent.** Mayor Mary Katherine Greenlaw (out of town).

**Also Present.** City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, Assistant City Manager Doug Fawcett, City Attorney Kathleen Dooley, Community Planning and Building Services Director Charles Johnston, Senior Planner Michael Craig, Community Development Planner Susanna Finn and Clerk of Council Tonya B. Lacey.

**Opening Prayer and Pledge of Allegiance.** Council was led in prayer by Councilor Matthew J. Kelly followed by the Pledge of Allegiance led by Cub Scout Troop 46 and Boy Scout Troop 46.

**Officer Recognized.** Mayor Greenlaw recognized the presence of Sgt. Scott Worley, at this evening's meeting.

**Citizen Comment.** The following speakers participated in the citizen comment portion of this evening's meeting.

**Alex Lynch**, from Friends of the Rappahannock, spoke about President Teddy Roosevelt and his work on preserving open space. He spoke about the sprawl that was happening in the area which causes pollution in the Rappahannock River. He said the City must protect its open spaces and make future growth within our existing footprint. He said growing up and not out would be the best approach.

**Jon Gerlach**, 809 Charlotte Street, spoke in support of the Archeology ordinance, and the Unified Development Ordinance text amendment on infill lots. He also spoke about Richmond's Crossover day at the General Assembly. He said they would be considering new legislation that would affect the City and he encouraged everyone to contact their representative before March.

**Council Agenda Presented.** The following items were presented to Council for discussion.

7A. Population Estimates – Councilor Graham

7B. City Council Staff – Councilor Frye

7C. 2020 Census – Councilor Duffy

7D. Report on Visit to VML Legislative Day – Vice-Mayor Withers

**Population Estimates.** Councilor Graham said as the City grows there would be a lot of impacts on the City and he said sprawl needed to be taken into account. He said while doing the Small Area Plans he would like to see what the density increases would look like. Councilor Graham said by 2100 the City could have a population of 100,000 and he would like to have staff get population estimates along with the Small Area Plans.

**City Council Staff.** Councilor Frye publicly thanked City Manager, City Attorney and the Clerk of Council for their work and support of the Council. He said there was a professionalism that the public does not get to see and he thanked all of staff.

**2020 Census.** Councilor Duffy spoke of the work that the Complete Count Committee was doing and he stressed how important it was for everyone to be counted. He said the City would lose thousands of federal dollars for every person not counted.

Community Development Planner Finn said the Census was less than 3 months away. She said flyers had been posted in various places and offices throughout the City as well as with utility billing. She said they were awarded \$2500 from the State and they plan to use the funds to do a video around town and it would be posted on social media. Ms. Finn also noted that they were working with the University of Mary Washington and the University had created their own committee to make sure the students were counted. They will also work with the schools to educate the students so they can get their families to complete a census.

Vice-Mayor Wither noted that the City would lose approximately \$2000 for every person not counted. Ms. Finn also explained that the Census information would not be shared, the information was confidential.

**Report on VML Legislative Day.** Vice-Mayor Withers asked City Attorney Dooley to discuss their visit to VML Legislative Day in Richmond. Ms. Dooley said they left materials with the City's delegations. She said the City's number one priority was funding from the State's Water Quality Improvements Fund as it relates to the potential consolidation of three wastewater treatment plants into one plant. The governor's budget had \$120 million dollars in it for wastewater treatment plant upgrades and she felt the city's project was favorably viewed by Department of Environmental Quality.

Ms. Dooley said there was legislation the City requested to support regional provision of child services act services which were currently being provided privately but the thought was that it could be done cheaper if it were a regional effort. This legislation died and she said they would pursue it again next year.

Ms. Dooley said the City also sought local authority on single use plastics and there was legislation but the bill died.

Ms. Dooley said there was also legislation to give localities the option to act on carrying firearms in certain public locations and it passed the Senate and would be going to the House. There was a bill that caught Ms. Dooley by surprise, the public sector collective bargaining which the City had not taken a stance on.

Vice-Mayor Withers spoke of great how great of an advocate Ms. Dooley was for the City and he spoke of how good her relationship was with the people in Richmond.

**City Manager's Consent Agenda Accepted for Transmittal as Recommended (D20-\_\_ thru D20-\_\_).** Councilor Kelly moved approval of the City Manager's consent agenda; motion was seconded by Councilor Devine and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

- Transmittal of the FRED Transit Fourth Quarter Progress Report (D20-\_\_).
- Transmittal of Board and Commission Minutes (approved minutes can be found on the board/commission webpages after they are approved at subsequent meeting of said board/commission).
  - City Council/School Board Working Group Minutes – October 30, 2019(D20-\_\_).

- City Council/School Board Working Group Minutes – December 14, 2019(D20-\_\_\_).
- Clean & Green Commission – January 9, 2020(D20-\_\_\_).
- Fredericksburg Arts Commission – July 17, 2019(D20-\_\_\_).
- Fredericksburg Arts Commission – August 21, 2019(D20-\_\_\_).
- Fredericksburg Arts Commission – September 18, 2019(D20-\_\_\_).
- Fredericksburg Arts Commission – October 16, 2019(D20-\_\_\_).
- Fredericksburg Arts Commission – November 20, 2019(D20-\_\_\_).
- Public Transit Advisory Board – December 11, 2019 (D20-\_\_\_).

**Adoption of Minutes.** Councilor Devine moved approval of the September 10, 2019 Work Session and the January 28, 2020, public hearing and regular session minutes; motion was seconded by Councilor Duffy and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Resolution 20-06, Approved, Supporting Consolidation of Wastewater Treatment Facilities with Spotsylvania County (D19-\_\_\_).** After staff presentation and a brief discussion Councilor Devine made a motion to approve Resolution 20-06, supporting consolidation of wastewater treatment facilities with Spotsylvania County; motion was seconded by Councilor Duffy and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Ordinance 20-01, Second Read Approved, Amending the Unified Development Ordinance to Require the Preservation and Accommodation of Archaeological Resources (D20-\_\_\_).** Staff gave a brief presentation and

Councilor Kelly made a motion to approve Ordinance 20-01, on second read, amending the Unified Development Ordinance to require the preservation and accommodation of archaeological resources; motion was seconded by Councilor Devine and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Ordinance 20-02, Second Read Approved, Amending the Unified Development Ordinance to Regulate Infill Development in the R-2, R-4, R-8 and CT Zoning Districts (D20-\_\_).** After staff presentation Councilor Duffy made a motion to approve Ordinance 20-02, on second read, amending the Unified Development Ordinance to regulate infill development in the R-2, R-4, R-8 and CT Zoning Districts; motion was seconded by Councilor Devine and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Resolution 20-07, Approved, Initiating Amendments to the Unified Development Ordinance to Make Revisions in the Definitions of “Dwelling, Duplex,” “Dwelling, Single-Family Attached,” and “Dwelling, Multi-Family” Use Types, and to Revise Development Standards for Townhouses (D20-\_\_).** After staff presentation Councilor Graham requested research on why multi-family was not permitted in the CT Zoning district.

Councilor Graham made a motion to approve Resolution 20-07, initiating amendments to the Unified Development Ordinance to make revisions in the definitions of “Dwelling, Duplex,” “Dwelling, Single-Family Attached,” and “Dwelling, Multi-Family” use types, and to revise development standards for townhouses; motion was seconded by

Councilor Kelly and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Resolution 20-08, Approved, Initiating Amendments to the Unified Development Ordinance to Amend Off-Street Parking Regulations (D20-**

**\_\_\_).** Mr. Johnston presented a PowerPoint presentation to discuss why staff was proposing the changes, the Comprehensive Plan Guidance, Land Use Revitalization Objective, minimum off-street parking ratios, Smart Code Model, Smart Code Transects, Recalibrated parking standards, shared Parking Factor, required number of spaces and downtown parking district.

Councilor Kelly expressed concern that other factors such as Virginia Railway Express may play in the parking, he said it would be important for staff to comeback within the year to report on how well it was working.

Councilor Devine was in support and she expressed how much she liked the focus on transit and bicycle use. She said she would prefer the focus be on the commuter and not on parking-in-lieu.

Councilor Graham thought the parking-in-lieu fees were too high because it does not discourage less car. He said future development should not be concern with parking and he would like to reduce the parking requirements.

Councilor Duffy made a motion to approve Resolution 20-08, initiating amendments to the Unified Development Ordinance to Amend Off-Street Parking Regulations; motion was seconded by Councilor Frye and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**Resolution 20-09, Approved, Initiating Amendments to the Unified Development Ordinance to Add the Creative Maker District and Consolidating Form-Based Regulations in a New Appendix 72-A; Initiating Amendments to the Official Zoning Map to Rezone 78 Acres of Land to the New Creative Maker District, and Applying Transect and Frontage Maps and Designations in the District (D20-\_\_).** After staff

presentation Councilor Graham made a motion to approve Resolution 20-09, initiating amendments to the Unified Development Ordinance to add the Creative Maker District and consolidating form-based regulations in a New Appendix 72-A; initiating amendments to the Official Zoning Map to rezone 78 acres of land to the New Creative Maker District, and applying transect and frontage maps and designations in the district; motion was seconded by Councilor Frye and passed by the following recorded votes. Ayes (6). Councilors Withers, Devine, Duffy, Frye, Graham and Kelly. Nays (0).

**City Manager's Report and Council Calendar (D19-\_\_ thru D19-\_\_).**

City Manager Baroody directed the Council's attention to the Manager's report and Council Calendar. Activities highlighted on the report were as follows: City Celebrates African American History Month, Construction of Riverfront Park to Begin and Parking Changes, E-Checks Now Being Accepted, City Acquires 30 New Sidewalk Buttlers, Public Works Director Dave King Retires, Congratulations to the Central Rappahnnock Regional Library – Fredericksburg Branch, Chatham Bridge Rehabilitation Project, Spencer Devon Remains Open During the George Street Closure, Closure of Upper Caroline Street – Replacement of

Sanitary Sewer System Detour on the Heritage Trail, The College Heights/Sunken Road Storm Rehabilitation, Fred Focus and Building and Property Maintenance Quarterly Reports.

**Adjournment.** There being no further business to come before the Council at this time, Vice-Mayor Withers declared the meeting officially adjourned at 9:40 p.m.

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William C. Withers, Jr., Vice-Mayor

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Tonya B. Lacey, Clerk of Council, CMC

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*Willie D. Drabky*

**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Bill Freehling, Director, Economic Development and Tourism  
**RE:** Adopting DMOproz Tourism Study  
**DATE:** February 20, 2020 (for February 25, 2020, meeting)

---

**ISSUE**

Should City Council endorse a resolution formally adopting the DMOproz tourism study?

**RECOMMENDATION**

City Council should endorse the resolution as submitted.

**BACKGROUND**

In late 2016, City of Fredericksburg staff organized a public forum to discuss regional tourism. The following year, the Fredericksburg Regional Tourism Partnership (FRTP) convened a group of regional tourism stakeholders (called the Tourism Advisory Council) to review the region's tourism efforts. Among its recommendations was to "examine the regional structure and assets and make recommendations based on national-level industry knowledge."

Following the report, which also urged Fredericksburg and the counties of Spotsylvania and Stafford to commit to a more aggressive regional approach to tourism marketing, the City of Fredericksburg issued a Request for Proposals (RFP) to firms experienced in advising communities on appropriate organizational structures and funding mechanisms for Destination Marketing Organizations (DMOs), also known as Convention & Visitor Bureaus or Local Tourism Offices. DMOproz was selected in 2019 to conduct an analysis of the efficacy of its investment into Destination Marketing.

DMOproz met with dozens of area stakeholders, closely reviewed the City and regional approach to tourism, and made several visits to Fredericksburg. At the conclusion of this work, DMOproz published a report entitled "Tourism 2020: Findings and Recommendations for the City of Fredericksburg, VA." The firm also presented its findings to City Council and the Tourism Advisory Council. The report follows this memo.

The report made several recommendations that involved increasing the amount of tourism investment made by the City of Fredericksburg, relocating the Visitor Center, hiring personnel, and expanding City-only promotional efforts while retaining the regional approach.

Staff now recommends that City Council formally adopt the report as the City's official tourism plan/strategy.

## **ITEM #10A**

### **FISCAL IMPACT**

There is no fiscal impact associated with adopting the report. Implementing the report fully or partially will require increased expenditure of City funds on tourism-related activities.

### **ATTACHMENTS**

Resolution  
Draft DMOproz study



February 25, 2020  
Regular Meeting  
Resolution 20 - \_\_

**MOTION:**

**SECOND:**

**RE: Endorsing a Resolution Formally Adopting the DMOproz Tourism Study**

**ACTION: APPROVED: Ayes:0; Nays: 0**

In late 2016, City of Fredericksburg staff organized a public forum to discuss regional tourism. The following year, the Fredericksburg Regional Tourism Partnership (FRTP) convened a group of regional tourism stakeholders (called the Tourism Advisory Council) to review the region's tourism efforts. Among its recommendations was to "examine the regional structure and assets and make recommendations based on national-level industry knowledge."

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The report made several recommendations that involved increasing the amount of tourism investment made by the City of Fredericksburg, relocating the Visitor Center, hiring personnel, and expanding City-only promotional efforts while retaining the regional approach.

Staff now recommends that City Council formally adopt the report as the City's official tourism plan/strategy.

Therefore, the City Council hereby formally adopts the DMOproz study as the City's official tourism plan/strategy:

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

\*\*\*\*\*

***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-\_\_, adopted at a meeting of the City Council held \_\_\_\_\_, 2020, at which a quorum was present and voted.*

---

***Tonya B. Lacey, MMC***  
***Clerk of Council***

**DRAFT**  
NOT FOR DISTRIBUTION

# Tourism 2020: Findings and Recommendations for the City of Fredericksburg VA

ZEITGEIST CONSULTING

**DMO**  
**PROZ**  
DMOproz.com

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# The Assignment

In late 2016, City of Fredericksburg staff organized a public forum to discuss regional tourism. The following year, the Fredericksburg Regional Tourism Partnership (FRTTP) convened a group of regional tourism stakeholders (called the Tourism Advisory Council) to review the region's tourism efforts. Among its recommendations was to "examine the regional structure and assets and make recommendations based on national-level industry knowledge."

Following the report (found as an appendix to this document on page 38), which also urged Fredericksburg and the Counties of Spotsylvania and Stafford to commit to a more aggressive regional approach to Tourism marketing, the City of Fredericksburg issued a Request for Proposal (RFP) to firms experienced in advising communities on appropriate organizational structures and funding mechanisms for Destination Marketing Organizations (DMOs), also known as Convention & Visitor Bureaus or Local Tourism Offices. DMOproz was selected to conduct an analysis of the efficacy of its investment into Destination Marketing.

The City communicated to DMOproz that it expected the consultancy to propose an approach to tourism management and marketing that best suits the City's desire to capture a larger share of the Commonwealth of Virginia's growing tourism-related spending. Specifically, they asked DMOproz to evaluate and offer recommendations on the following key questions:

*A. Factoring in the economic impact that tourism provides, is the City dedicating appropriate resources (staffing, budgetary, etc.) to its tourism operation? And, is it doing so in a way that gives due attention to heritage tourism, while maximizing sports/arts/eco/foodie-related/outdoor recreation tourism efforts? Are the existing tourism-related staff roles/workloads appropriate? If additional tourism-related personnel are added, what are the key professional qualifications and skills required to enhance the region's/City's tourism program?*

*B. Is the bifurcated approach to tourism working well, or should the City consider focusing all of its efforts/resources solely on the City?*

*C. Should the City's tourism and economic development operation be under one department, or should they be separated?*

*D. Should the City consider privatizing its tourism operation through a Convention and Visitors Bureau structure, or should this function remain under the governmental umbrella?*

Readers of this document should at all times keep in mind that these findings and recommendations are provided as a response to a request for guidance from the City of Fredericksburg. As such, the majority of our work and recommendations will be Fredericksburg-centric. This in no way is meant to be dismissive of the attractions and assets of Stafford and Spotsylvania Counties, of which there are many. However, this report focuses on how the City should address enhancing its Visitor Economy in the years ahead.

# TOURISM DEVELOPMENT IN FREDERICKSBURG

  
**1991**  
Fredericksburg enacts a Hotel & Lodging Occupancy Tax



  
**1994**  
Fredericksburg Regional Tourism Partnership (FRTTP) is first formed.



  
**2005**  
FRTTP is formalized by a Memorandum of Understanding between Fredericksburg and the Counties of Spotsylvania & Stafford.



  
**2016**  
Over 100 attend a Regional Tourism Forum with Tourism experts from around Virginia.



  
**SPRING 17**  
Tourism Advisory Council formed to study Regional Tourism Efforts.



  
**NOV 17**  
Tourism Advisory Council recommends engaging a consultant to guide regional vision and strategy development.



  
**DEC 18**  
City of Fredericksburg issues RFP for a study to help create a top-tier tourism effort.



  
**MAR 19**  
City contracts with DMOProz to perform the Tourism Study.



  
**JUN 19**  
DMOProz travels to Fredericksburg for the Stakeholder interviews & Focus Group portion of the study.



  
**SEP 19**  
DMOProz unveils draft recommendations at a City Council Work Session.



**1991**  
**2019**

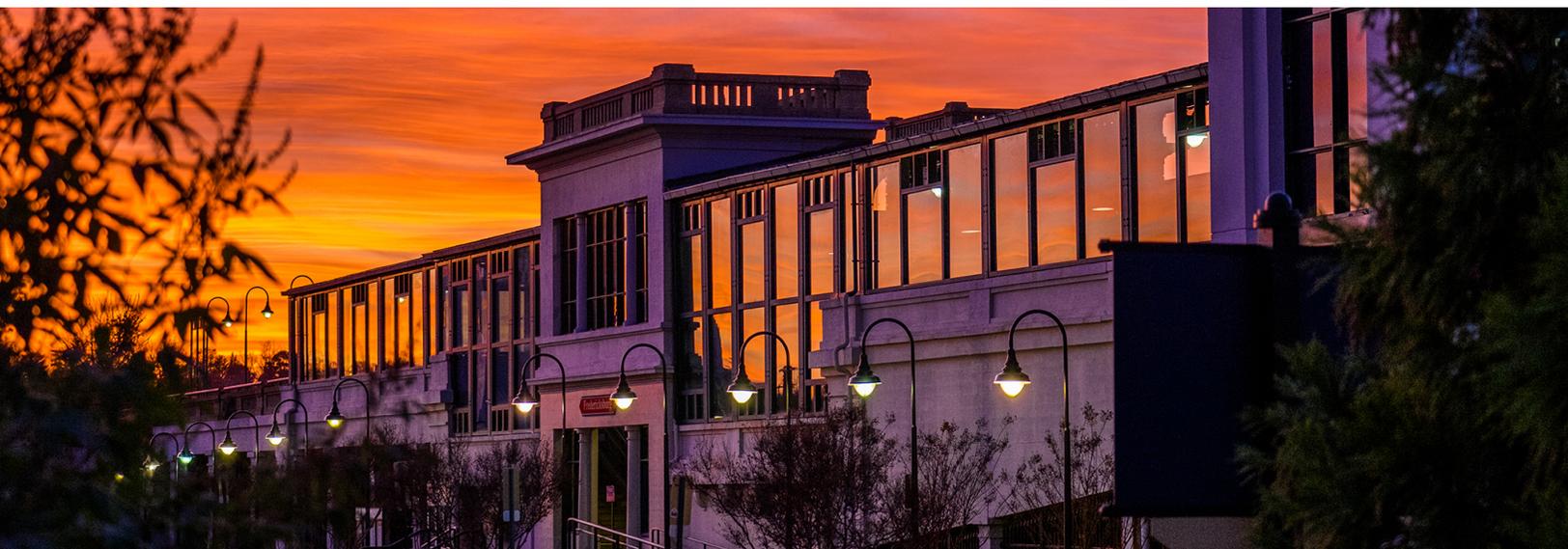
# Executive Summary

During the Spring of 2017, a committee of area residents and stakeholders was formed to study how the region was marketing itself to potential visitors and event clients. The work of the committee culminated in a recommendation that a consultant be engaged to review its findings and do an even deeper dive, from an outside perspective, into how the region could be more successful in building its Visitor Economy.

DMOproz is a nationally recognized firm that, for over 20 years, has been advising Destination Marketing Organizations (and the communities they serve) on this question. Through a comprehensive RFP process, DMOproz was selected in 2019 to advise the City of Fredericksburg on the efficacy of its current program and ways to enhance its efforts in this arena.

## FINDINGS

- The City of Fredericksburg’s philosophical approach to Tourism promotion is in alignment with best practices found around the country: It does not recognize geo-political boundaries and, thus, offers a more compelling invitation to potential visitors by including attractions outside its borders.
- At the same time, the City’s financial investment in Destination Marketing is significantly less than that of destinations with which it competes: Williamsburg, for example, invests eleven times what Fredericksburg does in its attempt to attract visitors and Valley Forge invests four times as much.
- The City’s investment in the regional collaboration known as the Fredericksburg Regional Tourism Partnership has provided an effective platform for joint collaboration in marketing the region as a whole and the majority of stakeholders with whom we talked appreciate its past accomplishments.



## RECOMMENDATIONS

- Fredericksburg should elevate the importance of Destination Marketing in its Community Development Strategy: Combining Tourism with Economic Development offers certain synergies and cost-efficiencies, but Destination Marketing needs to be more than just a division of Economic Development if the community is to meaningfully benefit from the Visitor Economy.
- Fredericksburg should encourage its collaborators in the Fredericksburg Regional Tourism Partnership to take the effort to the next level: Solidifying the partnership into an independent, non-profit organization will enhance governance and program execution and provide a platform for significant private-sector investment. The Fredericksburg Regional Alliance could provide the umbrella organization needed for such an initiative.
- Fredericksburg should dramatically increase its investment into Destination Marketing: Today, it's much more than just "heads in beds," as Destination Marketing encourages investment, workforce development and student interest. And, Fredericksburg is being significantly out-gunned by those communities with which it competes.
- Fredericksburg has a compelling opportunity to seriously "up its game" by considering a new Visitors Center. As the role of Destination Marketing has changed, so has the role of today's Visitors Center...and the present location isn't well suited for that future.



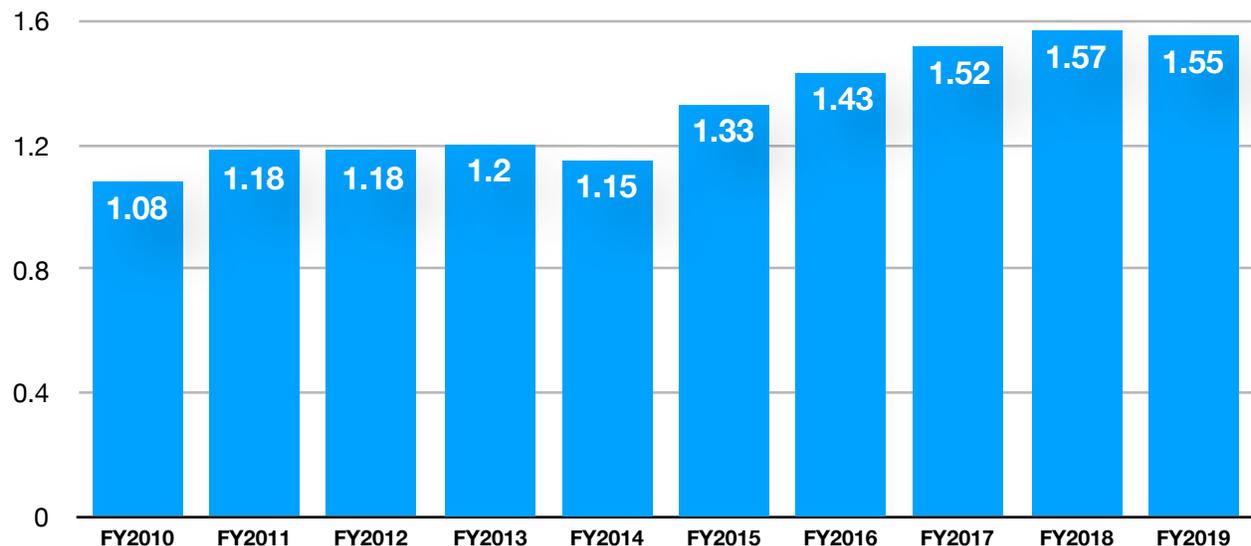
# Situational Analysis

**Fredericksburg** is a city located in the Commonwealth of Virginia. Virtually equidistant from Washington DC and Richmond VA on Interstate 95, the city's population is estimated at roughly 30,000 residents.

Founded in 1728, Fredericksburg has played a key role in the development of the nation. The city and region were the sites of four bloody battles during the Civil War that are preserved and interpreted by the National Park Service, giving the region an invaluable asset that attracts visitors from all over the world. Much of that tradition has been preserved in a 40-block downtown Historic District (which contains more than 350 buildings dating to the 18th and 19th centuries) that provides a strong sense of place so important to visitors and the local economy. The City also benefits from its strategic location halfway between Richmond and Washington DC and along the Rappahannock River.

Thus, it is not surprising that Tourism is a major part of the economy. According to the City of Fredericksburg, approximately 1.5 million people visit the area annually to enjoy its eclectic vibe, exceptional urban walkability, specialty retail shops and independent culinary offerings, heritage sites, art galleries and museums, recreational and outdoor activities and robust festival and event calendar. Tourism-related spending and the resulting lodging, sales and meals tax revenue produce significant budgetary resources for the City.

## **HOTEL OCCUPANCY TAXES GENERATED (in millions of dollars) City of Fredericksburg (FY2010 - FY2019)**



Source: City of Fredericksburg

Over the past ten years, Hotel Occupancy Tax revenues have increased by over 47%, according to records provided by the City of Fredericksburg. And, over the past 5 years of available Visitor Expenditure reports (CY2013 - CY 2017), Visitor Spending in the City of Fredericksburg has increased 19.5% as compared to the destination represented by the Fredericksburg Regional Tourism Partnership (15.2%), and the Commonwealth of Virginia (13.3%).<sup>1</sup>

Nearby points of interest include the Ferry Farm historic site across the Rappahannock River in Stafford County where George Washington spent his boyhood. The historic community of Falmouth lies across the Rappahannock to the north and includes the historic house Belmont, home of American Impressionist artist Gari Melchers. The region is home to four Civil War battlefields that were significant in their strategic importance to both sides in the conflict. In 2017, visitors to the City of Fredericksburg spent an estimated \$186 million, and a total of \$612 million in Fredericksburg, Spotsylvania County and Stafford combined. This spending supported over 6,250 jobs in the region.<sup>2</sup>

New tourism assets on the horizon include the now under-construction Minor League Stadium next to the existing 120,000 sq. ft. Expo Center, which should open up a number of synergistic opportunities. In addition to the attendance generated from the 183 event-days (games, concerts, etc.) promised by the Stadium, video, scoreboard and program advertising for Fredericksburg by the Stadium could provide as much as \$400,000 of promotional value to the City.

A roller-hockey rink is currently being built, in partnership with Washington Capitals. The long-awaited Downtown Riverfront Park is coming online along with improvements to the city's trail system (VCR Trail, Rappahannock River Heritage Trail, Chatham Bridge rebuild with 10-foot separated multi-use trail). The community is also hosting more and more festivals and events; 274 special events (those requiring a permit) were staged in 2018.

<sup>1</sup> Virginia Tourism Corporation

<sup>2</sup> Virginia Tourism Corporation

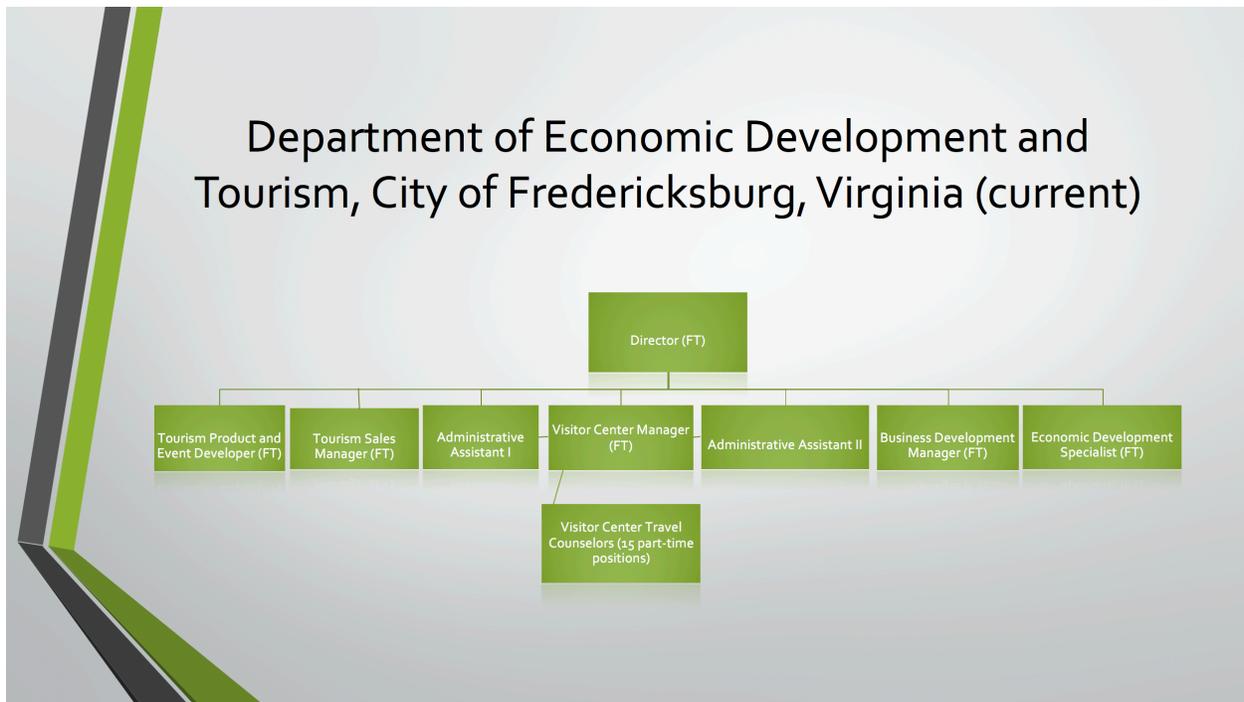


In its RFP, the City stated that it employed a bifurcated approach to marketing the destination – one focused on the region and the other focused solely on the City:

*“The regional approach involves a cooperative program shared by the governments of the City of Fredericksburg and Counties of Spotsylvania and Stafford. The Fredericksburg Regional Tourism Partnership (FRTTP) oversees the production of a variety of marketing activities (including digital and print advertising, visitor publications and maps, public relations and tradeshow) that are designed to promote the region to travelers and the travel-trade. The FRTTP works with a tourism-marketing firm to conduct its advertising campaigns. The FRTTP does not have staff nor is it an actual organization; rather the three participating localities each contribute staff time and financial resources (\$171,000 each annually) to the partnership. The partnership has been in place in some form since 1994, and since 2005 has been governed by a Memorandum of Understanding.*

*“The City-only approach to tourism is conducted through the City organizational structure. The City’s tourism and economic development efforts are conducted under one single department. There are two full-time staff members who are dedicated solely to tourism and who run the day-to-day tourism operation. Two additional full-time staff members and two part-time personnel have responsibilities for both economic development and tourism. The City of Fredericksburg runs its own Visitor Center, which is located downtown and is staffed by another approximately 15 part-time Travel Counselors. The Economic Development and Tourism Office (EDT) has its own budget for advertising, professional services, promotional materials, printing and more; spending is split about in half between City-only economic development and tourism promotion.”*

### Current Fredericksburg EDT Organizational Chart



## **STAKEHOLDER VIEWS**

DMOproz spent time in Fredericksburg and the region in June 2019 to gain a better understanding of the destination and its stakeholders. Through face-to-face interviews and focus groups, our team sat down and spoke with over 60 community leaders and stakeholders to gather their thoughts on the past, present and future of marketing Fredericksburg to the world. In addition, we fielded an online survey to gather additional intel from those with whom we were unable to meet face-to-face.

If there was a pervasive theme in those conversations, it was that the staff of the Fredericksburg Tourism Office was given universally high marks in our discussions. At the same time, stakeholders lamented the lack of budgetary resources and staffing required to do the job at hand. All with whom we spoke seemed to understand that a competitive budget was all that stood between the city and increased visitation.

Those with some history in the community pointed to a time when Tourism wasn't a part of Economic Development. There was a longing for a return to those days where Tourism was a singular focus of professional staff and not a hodgepodge of shared duties that resulted in mission creep. And many, regardless of their tenure, opined that Destination Marketing would be more effective if it wasn't under Economic Development.

To be sure, this is not an uncommon opinion. Those in the Tourism industry often believe that economic development is seen as more valuable to a community's health and growth than is Tourism. Thus, when the two are combined, there is a general opinion that the majority of a joint agency's effort will lean towards traditional economic development. That said, EDT staff estimates that the division of effort and revenues are split roughly 50-50 within the EDT's budget.

Among the other opinions shared during our conversations, we believe these to be the most compelling in the formulation of our recommendations.

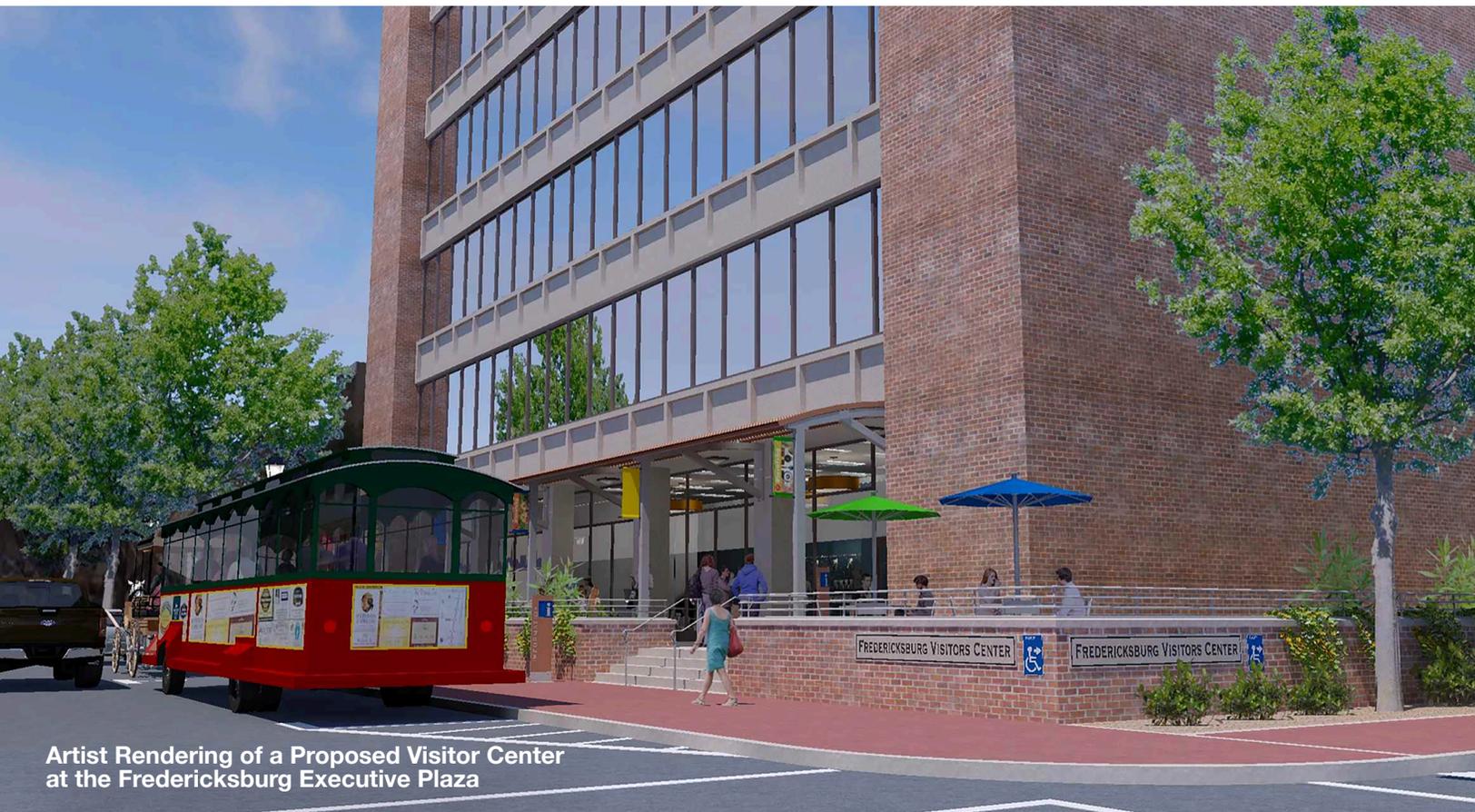




**Support for Continuing a Regional Marketing Initiative.** Most of those with whom we spoke wanted to see the regional approach to marketing the region continue. Those with interests in the hospitality and tourism field were more adamant that the regional approach was the most strategic move available, given the diversity of product throughout the area. Other community stakeholders were less supportive, believing that the regional approach diluted the unique brand essence of Fredericksburg.

**Lack of a Dedicated Effort.** Virtually every stakeholder outside of City government believed the Tourism Office was underfunded and understaffed for the job at hand. Several believed that Tourism existed as a step-child to Economic Development and should be a separate office to ensure it received the respect and support it deserves. As one person said, “Tourism needs a champion and dedicated funding.”

**The Visitor Center Discussion.** Those with whom we talked were fairly evenly split on whether the Visitor Center should be relocated from its present location. There is clearly a lot of affection for having a Visitor Center in a historic building in a historic downtown. While there was some reticence about moving to a new location for some, most agreed the present space wasn’t large enough and didn’t have the technological assets that many of this nation’s visitor centers are now employing. The majority of respondents also believed the Travel Counsellors were highly dedicated and providing a valued service.



Artist Rendering of a Proposed Visitor Center at the Fredericksburg Executive Plaza

# Destination Marketing in America in 2020<sup>3</sup>

The importance of an aggressive and strategically crafted effort to market communities is increasingly being recognized, not only in America but, around the world. As municipalities, counties, regions, states and nations find themselves in a competition for investment, workers, students and residents, it has become clear that none of those goals happen organically.

Just as community leaders are becoming more sophisticated in their view of the need for broad-based promotion, the art and science of Destination Marketing has evolved from “old-school push marketing” to an integrated approach utilizing traditional advertising, social media, digital content curation and public relations. For those communities that have sufficient meeting and event space and/or tournament-grade sports facilities, DMOs need to have a tech-savvy and service-heavy approach to package and market these assets with area hotel rooms to attract event planners. And, increasingly, DMOs have also been entering the Destination Management field, coordinating and collaborating with area businesses to create and communicate a compelling story to attract prospective visitors who no longer believe the ads they see or hear.

That this evolution is already underway across the nation, Fredericksburg finds itself in a perfect position to join the revolution, as it were, and affect appropriate changes to the way it markets itself to the world. Through our work with over 200 destinations, here’s what we believe the successful DMO of 2020 will look like:

## **ORGANIZATIONAL STRUCTURE.**

The Commonwealth of Virginia is somewhat of an outlier when it comes to the organizational structure of the majority of its DMOs. 61% are structured as agencies within government.<sup>3</sup> The vast majority of American DMOs exist as independent 501(c)(6) non-profit associations operating under a contract with one or more units of government.

According to a recent study from Destinations International (the Destination Marketing industry’s trade association), 67% of its member DMOs are organized as independent, non-profit agencies (over 90% in Fredericksburg’s current budget range).<sup>4</sup> Just 11% operate as a unit of city or county government (3% in Fredericksburg’s current budget range) and less than 3% exist as Divisions of another agency, such as Chambers of Commerce or Economic Development agencies. The remainder are a mix of State, Authority and Public-Private partnership models that are unique to the State in which the destination is located.

<sup>3</sup> Virginia DMO Budget Survey, Virginia Association of Destination Marketing Organizations (2017)

<sup>4</sup> Organization & Financial Profile, Destinations International (2017)

The preference for the independent nonprofit Association model (we'll call them 501s for brevity, as that is the most common IRS designation) finds its rationale in three primary considerations. First, 501s are much more adept at securing private sector revenue streams than government agencies. From corporate sponsorship to member / partner programs and co-op ad sales to monetizing DMO assets such as websites and visitor centers, 501s are increasingly able to diversify their budgets in ways that government simply isn't prepared to do. And, as public investments in destination marketing can be tenuous at times, given an uncertain economy, private-sector revenues are critical for today's DMO.

The second consideration are the policies that, while appropriate for some governmental departments, are unnatural for a sales and marketing department. Restrictions on entertaining convention and event planners with dinner or a glass of wine (a common and client-expected practice among 501 DMOs) causes representatives from a government DMO to appear unsophisticated to some clients. Again, there are good reasons for these policies in most governmental departments...but not when a Department is expected to lure valuable group clients to town.

Finally, community engagement is almost always more apparent with a 501 DMO than its governmental counterpart. Part of this dichotomy stems from the 501s need to build strong relationships with area businesses and attractions in order to keep private sector revenue streams flowing. And, for 501 DMOs with Boards made up of engaged community leaders, local businesses and attractions know that they have access to individuals with whom they are able to share suggestions and concerns. While it certainly shouldn't be that way, private sector business people often do not believe they have the same access through a City Council that is often only peripherally aware of its DMO's programs and activities.

While we can point to a number of government DMOs around the country that do an excellent job, the reality is that 501s are more adept at raising private sector revenue to augment government's investment, operate more entrepreneurially and maintain generally better relations with their industry partners.



## **DIVERSIFIED REVENUE STREAMS.**

Given the uncertainty of the availability of government funding for destination marketing, DMOs across the nation are turning to alternative revenue streams to both diversify and increase their operating budgets. Even if a government's investment of tax revenue is rock solid, private sector revenues provide the opportunity for a DMO to reinforce its message and make a bigger mark in an increasingly competitive marketplace.

The next generation DMO will have at its disposal a number of private sector revenue streams. Over 150 communities across the country have developed an assessment program, not unlike business improvement districts, called Tourism Improvement Districts. These districts are typically formed by hotel consortiums to raise additional revenue for destination marketing efforts by imposing a modest assessment on occupied rooms over and above the hotel occupancy tax. As an example, a one dollar assessment on occupied rooms in Fredericksburg could generate an additional \$300,000 towards destination marketing. And, these Improvement District assessments are not limited to hotels. Restaurant, Craft Brew and Wine Improvement Districts are beginning to pop up around the country.

Private sector employers struggling with workforce development and talent acquisition are increasingly looking to their DMO to help promote their regions for more than just visitation. For example, private sector interests in Northwest Indiana have pledged up to \$200,000 toward a DMO-led campaign to encourage people to *move* from Illinois. Over the past eight years, over 50 corporations in Tulsa have collectively invested \$2 million a year into their DMO with the request to "make us look cool." The DMO of the future will not be limited to only attracting visitors but residents and investment, as well.

And then, there are the opportunities to monetize DMO assets. Allowing local businesses and attractions to upgrade their visibility within the website, visitors guide and visitor center for an investment is increasingly enabling DMOs to increase their budget and, thus, their positive impact on the community.

There was a time when many DMOs were supported 100% by government investment. Recent research places that dependence today at roughly 80%.<sup>5</sup> And, for some DMOs, the goal is to operate with a budget that is 50% public and 50% private revenue.

## **A NEW PHILOSOPHY OF DESTINATION MARKETING.**

The majority of small to medium-size community DMOs in this country were formed in the 1980s and 90s. In those early days, likely because these fledgling organizations were operating with a newly imposed hotel room tax, hoteliers were awarded with the majority of board seats. For them, anyone who lived within 50 miles of the destination was of no real interest, as they would likely drive home at the end of their day in the community. Thus was initiated an unwritten rule that DMOs would do no marketing within an hour's drive of a destination.

<sup>5</sup> Organization & Financial Profile, Destinations International (2017)

This philosophy set up an interesting dynamic. On one hand, if the local community never experienced the agency's marketing efforts, political will to continue to invest in the program became tenuous. But more importantly, the initial premise was patently wrong. Just because someone lives within driving distance of getting home after a day in the destination doesn't mean they will. Research we performed in Fort Worth in 2011 indicated that as many as 75% of the overnight weekend visitors to that city resided within the Dallas-Fort Worth Metroplex.

Taking this a step further, if the residents of the community aren't aware of all there is to see and do, they may be reticent to invite family and friends for a visit. And as 50% of leisure visitation involves visiting friends and relatives, to not give local residents a reason to invite these friends and relatives to town results in a forfeiture of a significant amount of visitor spending. Thus, DMOs are increasingly using social media and PR to build a greater level of community pride to transform residents into brand ambassadors.

Indeed, the next generation DMO will be about marketing the positive aspects of the destination to every possible person for every possible reason regardless of their zip code. This is not to say that DMOs should actively purchase traditional media advertising within their community (although the occasional buy *might* be warranted), but, rather, that it doesn't block local and regional residents from the content being created and the inspiration to visit parts of the destination and support the businesses that are so vital to the regional economy.

## **ENGAGEMENT AND CONNECTIVITY.**

Finally, a next generation DMO will be an active and engaged partner in telling compelling stories about local businesses and entrepreneurs to inspire both visitation to see these treasures as well as attracting new entrepreneurs to join the community. DMOs will increasingly assist attractions and businesses as they manage and curate experiences that will define the culture of the community and, thus, serve to attract visitors to the destination.

Today's successful DMOs deploy individuals throughout the community to gather great stories and build lasting relationships with local businesses. Recently, Chattanooga went as far as deploying a staff person to chronicle and connect the players in the nighttime economy. In doing so, a once competitive nightclub scene is now collaborative, looking for ways to grow the pie rather than get their slice.

It is what separates DMOs from online plays like TripAdvisor, Yelp! and other travel review sites. They all do a masterful job of sharing the point-of-view from previous visitors. Those online sites create lists. But, what the online services cannot do is tell a compelling and inspiring story. That is the space in which the DMO of the future must excel. And, that is why destination marketing will increasingly be a people-powered initiative rather than one or two people placing ads, directing a marketing agency and attempting to sell to the group market.

# Findings

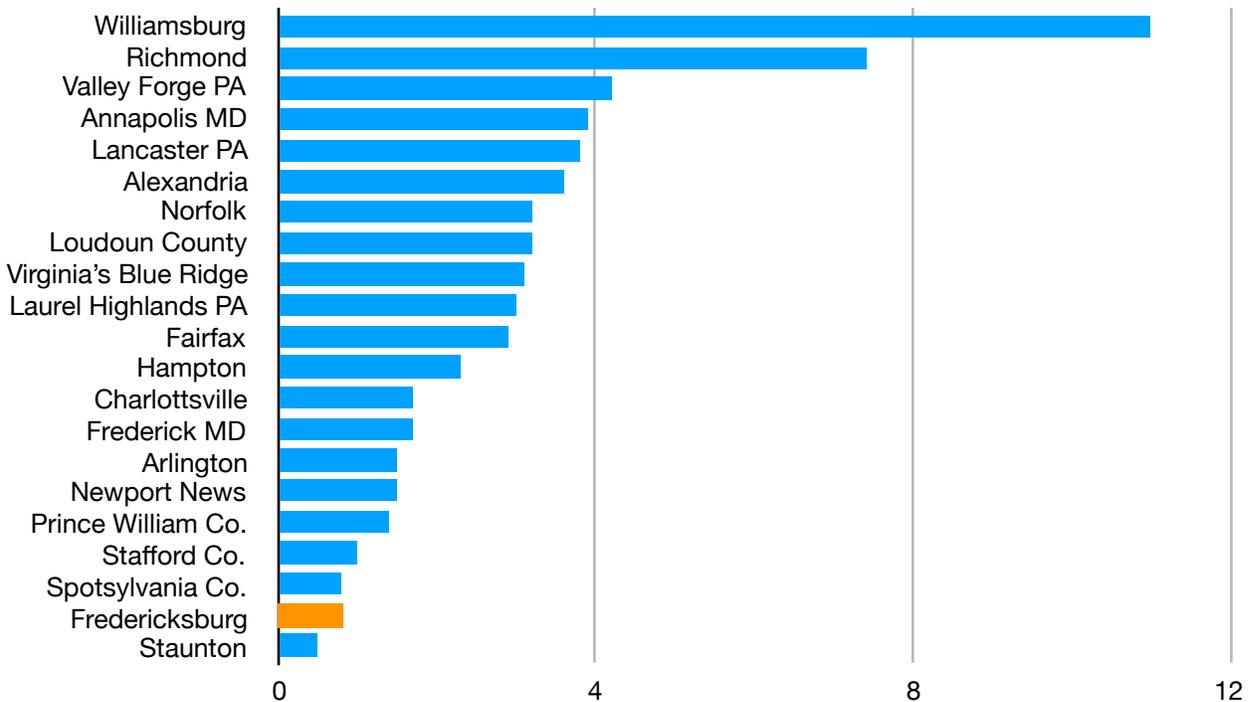
DMOproz principals Bill Geist and Terri White took lead on this project, poring over more than a hundred documents and leading face-to-face conversations with over 60 stakeholders and community leaders from around Fredericksburg, Spotsylvania County and Stafford County. Mixing the intel gathered through our work with our experience with over 200 destinations across the Americas, we offer the following findings:

## The City's Investment into Tourism Promotion & Development

Virtually every weakness we found in the City's strategy for enhancing the Visitors Economy can be traced back to the absence of a competitive budget for its Tourism Office.

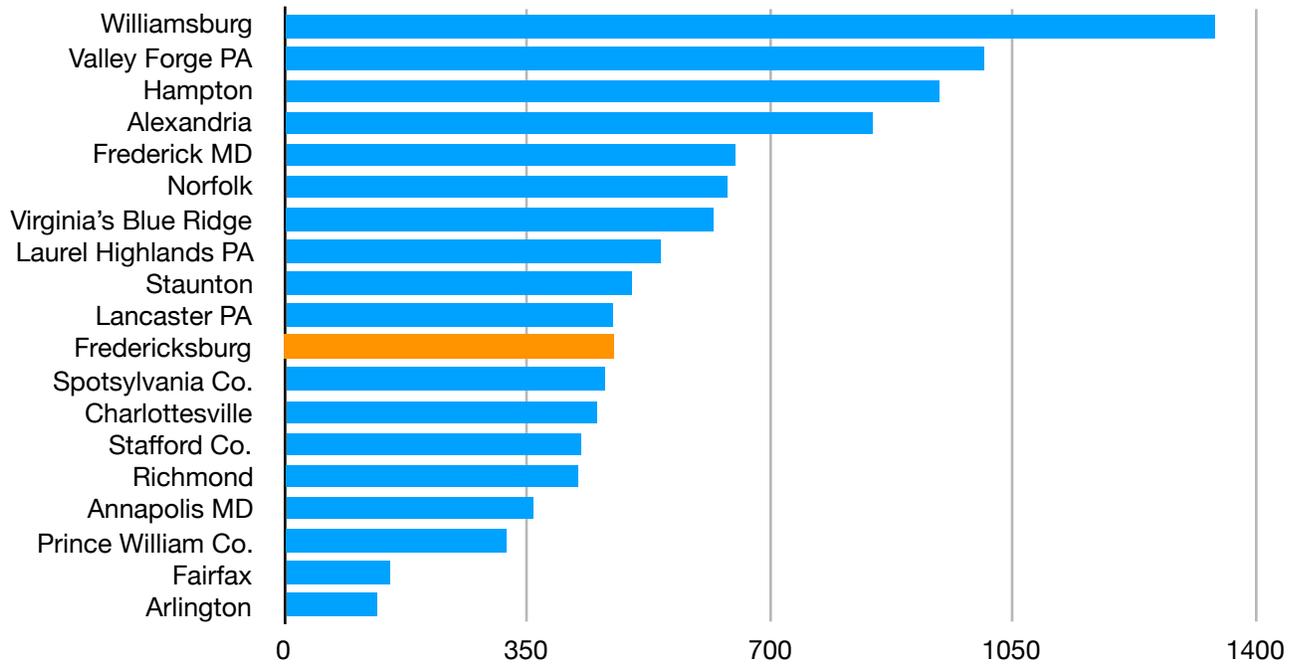
Indeed, among destinations with which Fredericksburg competes for visitors, groups and events, it invests a fraction into the effort that other communities do.

### DMO Budgets of Destinations in Fredericksburg's Competitive Set (in Millions of Dollars)



Sources: Destinations International, Virginia Association of Destination Marketing Organizations & DMOproz

That said, when one compares the amount invested into Tourism Marketing based upon the number of hotel rooms that exist in the market, Fredericksburg compares more favorably with its peer competitors, investing roughly \$470 per room. The average for the competitive set is \$567, with a high of \$1,341 per room for Williamsburg and a low of \$133 per room for Arlington.



Sources: Destinations International, Virginia Association of Destination Marketing Organizations & DMOProz

Regardless of which lens one chooses to use in this analysis, the bottom line is clear. Virtually every community with which Fredericksburg competes invests more in attracting the Visitor Economy...and that means that many have a significantly larger opportunity to achieve greater reach and frequency of their message to the very same consumer and group markets Fredericksburg covets.

The City of Fredericksburg annually collects roughly \$1.6 million in hotel occupancy tax.<sup>6</sup> Most communities around the country segregate this fund from general-purpose revenue to make it easier to track how the revenues are deployed. Fredericksburg chooses to deposit its hotel occupancy tax (and Food & Beverage Tax) into the General Fund with other tax revenue streams, which makes it more difficult to identify where these visitor generated taxes actually reside.

Such a format is common in most communities because it makes the investment into Destination Marketing more defensible for the Mayor and City Council. Indeed, Joe and Jill Public aren't paying for what some residents might believe is a frivolous waste of resources. By keeping the funds separate, City officials are able to assure citizens that they are using non-resident taxes for these investments to grow the economy.

## **Organizational Structure**

Fredericksburg's Tourism Office is currently combined with the City's Economic Development Office and goes by the name "EDT" (Economic Development & Tourism). While it would appear to make sense for these two distinct but parallel offices to be co-managed, the reality is that this is not the norm throughout America (although it does seem to be fairly prevalent in Virginia). When these two offices are combined, there is rarely parity in resource allocation or attention. And, as Tourism is often seen as less important than Economic Development, Destination Marketing is often viewed as the younger cousin. While Fredericksburg EDT Management maintains that resource allocation is split 50/50, stakeholders with whom we spoke believe that it is Economic Development that gets the most attention by the City.

## **Organizational Programming**

Due to recent staff reassignments, Tourism Staff is struggling to keep up with the group-sales work-product previously attained. Especially in convention and event sales, where the office has gone from three salespeople (one full-time and two part-time) to one full-time position, production has decreased. This is due, in part, to a shifting focus to tourism-oriented events. One of the two part-time sales directors recently became the full-time Tourism Product and Event Developer. This position is increasingly tasked with generating private-sector sponsorships to fund tourism-related events and amenities, in addition to recruiting events and other tourism-related products. The other part-time position became the full-time Supervisor of Special Events within the Department of Parks, Recreation and Events. Some support for the group sales market is being provided to the Tourism Sales Manager from other part-time EDT personnel. However, professional staff is having to cut back on the number of trade shows attended and services offered to inbound group clients because of a lack of time or staff to do them.

This reassignment in personnel has also resulted in the remaining staff not having the time to be strategic in its work. They are reacting rather than proactively pursuing the highest ROI business. Case in point: In the past, each sales person was given a specific market to sell and service. Now one person handles all sales markets and is the same individual that services the client. And, as the level of requested services continues to grow from existing customers, it creates a situation where sales efforts to attract new clients decrease.

There is a lack of a solid Mission Statement along with a Business (Sales and Marketing) Plan for Tourism. The Marketing Plan for the City has essentially been relegated to the Partnership and its Agency of Record, The Meridian Group. To the staff's defense, there simply has not been time to step back and take control of its situation. The Tourism Office is a little bit like a hamster on a treadmill due to lack of sufficient financial resources and recent staff reassignments. But, City management has been pushing this conversation since 2016, leading up to this study, which will recommend two new full-time Tourism positions to address these concerns.

<sup>6</sup> City of Fredericksburg FY 2019 Adopted Budget



**VISION** This is what you would like the Destination to become.



**MISSION** This is what the Organization does to achieve that Vision.



**STAFF MEMBERS**

A Business (Sales & Marketing) Plan guides staff in its daily activities to execute the Mission.



**BOARD OF DIRECTORS**

A Strategic Plan is the Action Plan for the leaders of the Organization in its efforts to execute the Mission.



**OTHER COMMUNITY ORGANIZATIONS**

Collaborating with others allows us to work towards that Vision in a cohesive, united community.

### **City-centric vs. Regional Marketing**

The City asserts that it has been employing a bifurcated approach to Destination Marketing, investing in the Regional Partnership while also focusing on Fredericksburg-centric activities. This is true to a point...as that is how the City budgets for both programs. There are also numerous Fredericksburg-centric events and activities with which the EDT is intimately involved, such as twice annual Restaurant Weeks, Slide FXBG, Window Wonderland, the Fred Focus newsletter, Holidays in the Burg promotions, the Marine Corps Historic Half and a multi-pronged social media strategy.

However, from a marketing perspective, virtually everything that the Fredericksburg EDT does in the leisure tourism market supports the regional approach. Everything that emanates from EDT under the “Timeless” banner (website, visitors guide, collateral, social media, etc.) is regional in scope. This is unlike the tourism websites of Spotsylvania and Stafford Counties, which do not feature hotels lying outside their borders, while the site that Fredericksburg relies on (the FRTP website) lists hotels in all three jurisdictions.

We believe this to be short sighted on the part of Stafford and Spotsylvania Counties, as their destinations are enhanced by assets in Fredericksburg (just as the reverse is true, as evidenced by Fredericksburg’s decision to use the FRTP website as its own). And, most destination marketing professionals would agree with this approach. Anything that makes a destination look more attractive to a prospective visitor is a good thing, regardless of its geo-political location. Fredericksburg is a more complete destination with Ferry Farm and Lake Anna, just as Stafford and Spotsylvania Counties are more appealing choices by having Fredericksburg serve as their downtown.

In our opinion, the Fredericksburg EDT’s regional approach is the correct path. The only thing that could enhance it would be the addition of even more content.

### **The Fredericksburg Regional Tourism Partnership**

Presently in the midst of a one-year extension on a three-year memorandum of understanding, the FRTP is not unlike siblings growing up in a very competitive household. There is a degree of mistrust between the three agencies, there is the occasional duplication of effort at trade shows and on the website and, in one case, a partner agency failing to link back to the regional partnership’s website from their site. As one participant quipped, “it can be exhausting at times.”

However, when it’s in their best interest, we are impressed at how well the three offices work together toward a common goal. Each realizes that they become a more complete destination, with more assets to attract the potential visitor, by partnering with the other two. The division of duties (each agency taking point on a facet of the overall marketing plan), while somewhat inelegant in execution, has also produced solid results.

The division of duties among the partners has the City of Fredericksburg acting as the Fiscal Agent for the consortium. It also handles Group Sales and manages the VisitFred.com website. Spotsylvania County handles Public Relations and Visitors Guide Content & Distribution. Stafford County heads up Social Media, the Golf Co-op and Sports Sales. All three co-manage the marketing contract with The Meridian Group.

## Meetings, Event and Sports Sales

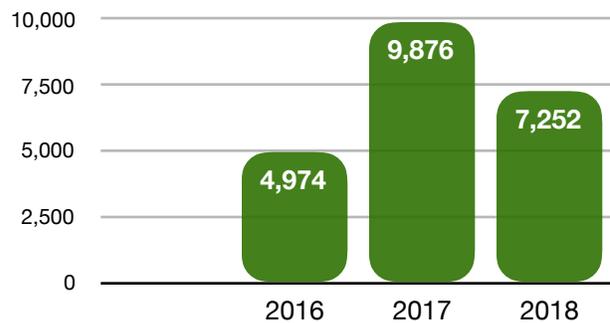
The pursuit of meetings, events and sports tournaments is a common strategy for DMOs around the world. Securing group business for a destination clearly helps hotels in booking groups of rooms months in advance, allowing them to more aggressively manage room rates and revenues. It is also beneficial to a community, as these kinds of events introduce people who may never have considered the destination to the community for the first time.

Fredericksburg's EDT currently addresses this market by deploying one of its full-time professional staff members to attend trade shows and other activities in order to develop leads and relationships with event planners. The costs of these trade shows are borne with the budget of the Fredericksburg Regional Tourism Partnership.

The results of this effort to secure group events has been mixed over the past three years. 2017 saw a significant uptick in the number of Room Nights and economic impact facilitated by the efforts of the Fredericksburg EDT, more than doubling results in both categories. Unfortunately, those numbers sagged in 2018, and staff reports that numbers from 2019 are further off pace from last year.

While roughly half of 2018's decline can be attributed to the loss of the Historicon Convention (one of Fredericksburg's largest biddable events), the reduction of the Group Sales-oriented staff from three salespeople (one full-time and two part-time) to one full-time position with some limited staff support has likely had an impact. While the remaining salesperson should be commended for maintaining the level of sales and service that was previously handled by three, such a scenario is not sustainable

Meetings, Events & Tournament Room Nights Facilitated by EDT



Source: Fredericksburg EDT

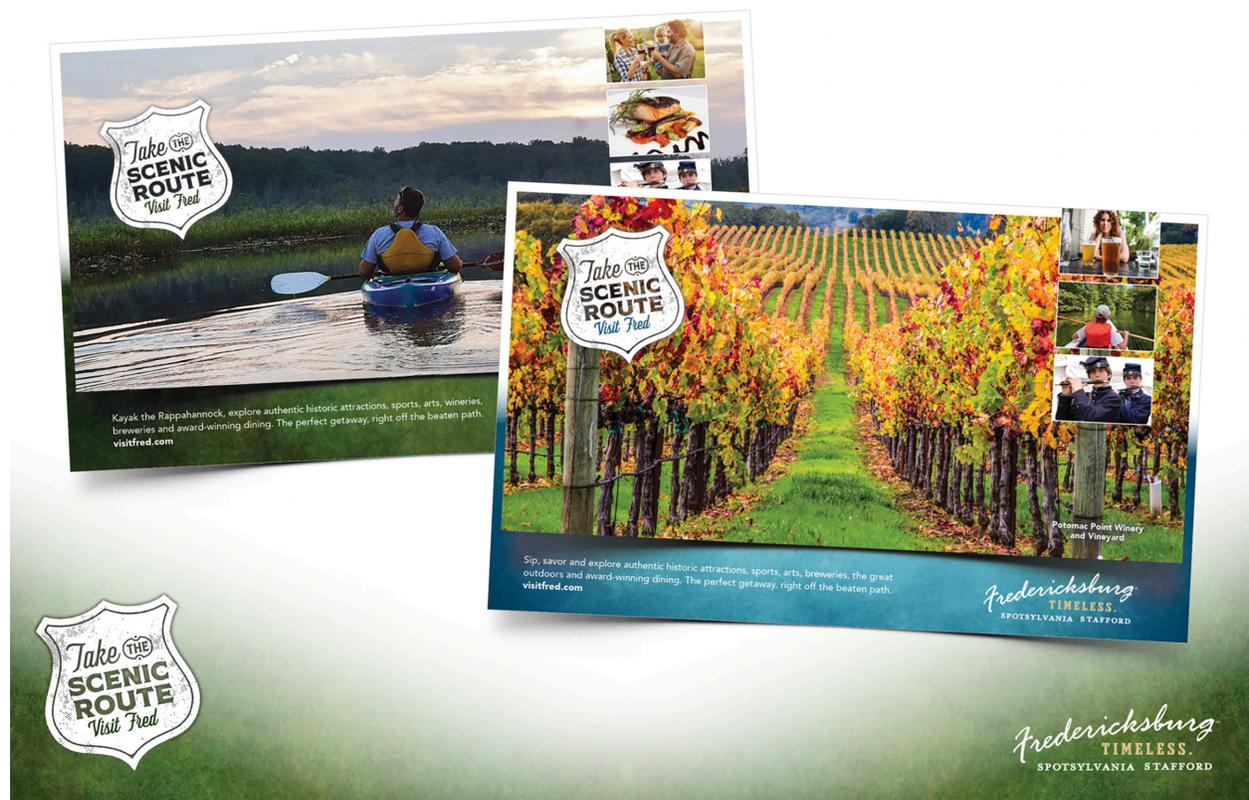


## Leisure Marketing

Fredericksburg relies on the FRTP (and its \$400,000 contract with The Meridian Group) for the lion's share of its promotion to the Leisure Travel Market. From website to visitors guide and traditional media advertising to public relations, the Fredericksburg message mirrors that of the Partnership.

And, in that regard, we find that the creative marketing messages being directed to potential visitors are appropriately diverse for a destination that has evolved to being about much more than its rich heritage. Below is just a sample of the advertising that was produced in the past year by The Meridian Group, under contract with the Fredericksburg Regional Tourism Partnership:

## CURRENT CAMPAIGN



## Hotel Room Availability

Within the Fredericksburg Region, the City of Fredericksburg boasts the least amount of hotel rooms of the Partnership. While Fredericksburg may be “the region’s Downtown,” it only offers 1,300 hotel rooms with which to host visitors to the community. For large events (such as Historicon) or even welcoming thousands for purely leisure activities, Fredericksburg needs the hotel rooms in Spotsylvania County (1,700) and Stafford County (2,500) to satisfy its appetite for rooms in which visitors can spend the night.

That said, according to EDT staff, there are at least 300 additional hotel rooms in the immediate pipeline for development within the City of Fredericksburg...and even more are in discussion.

## Current Hotel Occupancy & Profitability

According to STR (the hotel industry’s barometer of health), Year-to-Date Hotel Occupancy for the Fredericksburg Region in 2019 is trending down, while the ADR (average daily rate charged for a hotel room in the region) is up. This counterbalance generally indicates that regional lodging properties are holding their own. However, the 3.3% decrease in occupancy is greater than the 0.1% uptick in room rate, resulting in a 3.2% decrease in hotel room revenue through the first two quarters of 2019 as compared to 2018.

To be sure, the Commonwealth is also down just under a percentage point in Occupancy during the first two quarters of 2019, while the nation is up 2.1%. But, Fredericksburg is experiencing one of the largest declines in the State while Richmond is up 5.7%, Staunton up 9.9% and Lynchburg up 2.9%.

To be sure, this is but a snapshot in time, easily impacted by federal governmental shut-downs, inclement weather and other factors. However, a robust destination marketing program is often the antidote for random acts to ensure that hotel business (and thus, Visitor spending) stays strong.



# Recommendations / Action Plan

While we strongly believe there should be one Destination Marketing Organization for the region, we are not naive enough to believe that such a recommendation, coming from a study funded by only one of the three partnering governments, would find political support at this moment in time.

Local community pride is a wonderful thing...and we found it in ample supply in Fredericksburg, as well as Stafford and Spotsylvania Counties. Individuals within all three governmental entities believe they need their own separate DMO to ensure that their message is heard, their unique brand is supported and that their residents are the beneficiaries of a targeted marketing campaign that focuses solely on their businesses and attractions. As much as we can argue that a regional approach makes each community stronger, we completely understand that such a concept only exists when there is a higher level of trust between the partners than there is today.

So, if not a singular regional approach...what should the future of Fredericksburg Destination Marketing look like?

We believe, in the short term, it looks similar to the current arrangement...but with significantly more structure, measurements and provable ROI:

**1) FREDERICKSBURG SHOULD ELEVATE THE IMPORTANCE OF DESTINATION MARKETING IN ITS COMMUNITY DEVELOPMENT STRATEGY.** Like its neighboring counties, Fredericksburg has merged its Economic Development and Tourism offices into one department. While there are some operational synergies in such a format (especially as the relationship between the two are increasingly seen as complementary <sup>7</sup>), the reality is that, in most cases around the country, the true work of each discipline is very different.

Fredericksburg deserves a singularly dedicated effort to focus on the sales and marketing of the city. It deserves dynamic leadership that is not forced to wear other hats. The oversight and management of a Destination Marketing Organization requires a full-time commitment of someone who is devoted to marketing the destination 24/7. And, presently, that is not the case.

This, in no way, should be construed as a criticism of the current director of the Fredericksburg EDT. Indeed, in our conversations with stakeholders throughout the community, he received high marks from virtually everyone with whom we talked. But, not unlike the concerns that the present Tourism staff is overburdened due to lack of staff resources, even if the EDT director spent half his time on tourism, it simply isn't enough to provide the leadership the City deserves.

<sup>7</sup> "The Halo Effect," Longwoods International 2015 (Longwoods-intl.com).

We do not believe, as many in the community have suggested, that this means the Economic Development and Tourism office must be split into two separate entities. While such a move would certainly streamline the budget and programming, it would likely add duplicative administrative costs and other overhead that could be avoided by keeping the department whole. However, there would need to be the creation of a position that would be completely dedicated to the management of the visitor economy in Fredericksburg.

The Tourism Manager of the future needs to be interacting on a regular basis with business and industry partners as well as government officials. It is an individual that works with government officials on destination policy decisions such as wayfinding and welcome signage and future developments that could enhance the community's magnetism. It is an expert in sales and marketing that can interact with and inspire other community and business leaders (and other community development organizations) to collaborate on ways to enhance the region's economy and livability. And, it's a person that can relate to the interests of residents, as every community walks a fine line between a robust tourism economy and one that becomes onerous for its citizens.

The bottom line is that Fredericksburg needs and deserves a dynamic, passionate, dedicated and professionally influential individual to lead the visitor economy going forward on a full-time basis; someone who can inspire industry partners to create exceptional experiences. And, someone who can lead a staff of sales and marketing professionals to promote those experiences within the community's brand.

**2) FREDERICKSBURG SHOULD ENCOURAGE THE FRTP TO TRANSITION INTO AN INDEPENDENT 501(c)(6) NON-PROFIT ASSOCIATION.** Since 1994, what is now known as the Fredericksburg Regional Tourism Partnership has endeavored to collaboratively promote the region as a compelling visitor destination. Since 2005, this initiative has been codified by an intergovernmental agreement. That agreement, extended by one year, is set to sunset on June 30, 2020.

As noted earlier in this report, the work of the FRTP has been generally supported and appreciated by the majority of the stakeholders with whom we spoke. While ROI is somewhat difficult to ascertain by the three DMOs who are adding regional responsibilities onto their plates while trying to maintain their own destination marketing function, very few stakeholders believed that the regional initiative should be discontinued. And, that public support is at the crux of this recommendation.

The failure of the Partnership to absolutely prove its value is not dissimilar from the issues at play at the Fredericksburg Tourism Office. There is no one central individual that manages the operation on a full-time basis. Each of the FRTP's participant organizations have volunteered to manage a portion of the marketing plan. We believe that the current structure puts undue burden on the existing tourism staffs and results in a haphazard program of work.

To rectify the situation and produce the highest possible ROI, we recommend that the FRTP evolve beyond a voluntary structure, governed by a memorandum of understanding, to become an independent, non-profit organization under contract with each of the three tourism offices.

The advantages of such a move are several:

- 1) Unlike governmental DMOs, a non-profit DMO is better positioned to generate private sector investment in its program of work, increasing the organization's reach and frequency. A well designed non-profit play should be able to generate significantly more private sector revenue (Eau Claire WI's DMO generated over \$200,000 in partnership revenue from a significantly smaller population base than the footprint of the current Partnership).
- 2) This additional revenue will allow the organization to employ dedicated destination marketing professionals, rather than the present dependence on employees from other DMOs volunteering their time and talent on behalf of the initiative.
- 3) The City of Fredericksburg, Spotsylvania County and Stafford County can all be assured of even representation through the design of the new organization's Board of Directors. Assuming investment levels remaining equal between the three governmental partners, the allocation of Board seats should mirror that investment, thus ensuring an equal voice on marketing strategies and tactics.

Day-to-Day management of the new organization would be provided either by an employee hired by the association's Board of Directors or an individual under a third-party, independent contract with the organization. This individual would be expected to manage the contract with the advertising agency(ies) engaged by the organization, establish no less than weekly conversations with each local tourism office to gather content with which to manage and populate Social Media, the website and other in-house marketing activities and provide budgetary transparency and accountability. This will streamline regional marketing on behalf of its member agencies and provide the daily attention and leadership that is presently lacking.

We see this new, evolved DMO to be purely focused on regional brand awareness and the targeting of leisure travel consumers to the region. We believe group sales can and will be handled by the individual Tourism Offices as each believes to be appropriate. When it is in best interests to collaborate on bids or trade show appearances, those collaborations can certainly be handled outside the Regional Office.

In time, we would expect that the size of the staff would grow as its budgetary resources increased. And, we envision a day when this new organization will be so well resourced and successful that the governments of Spotsylvania County, Stafford County and the City of Fredericksburg recognize the advantages of investing in a single Destination Marketing Organization for the region.

How will this day come to pass? It comes back to the advantage of being a 501-style DMO, enabled to generate private-sector revenue. To launch the new organization, we would encourage Fredericksburg to continue to invest in this new regional Association with Stafford and Spotsylvania Counties. The \$171,000 investment level has been static for several years, despite growth in hospitality taxes and increasing costs to successfully market the region.

**To launch the new organization we suggest that each government increase that investment by \$29,000.** Such an increase could be used to hire the new organization’s first director without decreasing existing current sales and marketing initiatives.

While the first director will be dedicating a sizable portion of his or her time to enhancing and expanding marketing activities on behalf of the region, this individual will also be responsible for developing partnership and sponsorship programs to augment the public sector investment with private-sector dollars. It is from these private sector revenues that the organization will, over time, be able to add additional staff to provide increased levels of community collaboration, content generation and destination marketing.

If Fredericksburg and its partners would each invest \$200,000 for the first three years, providing the revenue to hire a full-time director or manager, and that director was able to generate \$75,000 in private sector revenues through co-op marketing, the new agency would have a budget of \$675,000. Assuming the program goes as planned, we would anticipate an additional \$50,000 of private sector revenue could be developed in each of the next two years, bringing the 2022 budget to \$775,000.

## PRO FORMA REVENUE MODEL FOR A NEW REGIONAL DMO

|                              | 2020    | 2021    | 2022    | 2023    | 2024      |
|------------------------------|---------|---------|---------|---------|-----------|
| <b>Revenues</b>              |         |         |         |         |           |
| Fredericksburg               | 200,000 | 200,000 | 200,000 | 250,000 | 250,000   |
| Spotsylvania Co.             | 200,000 | 200,000 | 200,000 | 250,000 | 250,000   |
| Stafford County              | 200,000 | 200,000 | 200,000 | 250,000 | 250,000   |
| Private Sector               | 75,000  | 125,000 | 175,000 | 200,000 | 250,000   |
|                              |         |         |         |         |           |
| <b>TOTAL</b>                 | 675,000 | 725,000 | 775,000 | 950,000 | 1,000,000 |
|                              |         |         |         |         |           |
| <b>Anticipated Personnel</b> | 1-2     | 2-3     | 3-4     | 4-5     | 5         |

Should the new regional DMO be successful in its goal of achieving \$175,000 in private sector revenue by 2022, we would encourage the three governmental partners to reward that growth by increasing their investment to \$250,000 in 2023. While there will come a time when private sector revenues will likely level off, we believe that the regional DMO's budget could hit \$1 million by 2024. And, remember that this is marketing above and beyond what each partner government will be able to achieve with their own Tourism Offices, which one could reasonably expect will also see budget increases by 2024. Thus, it will not be out of the realm of possibility that, collectively, over \$4 million in marketing resources would be available to promote the region, making it competitive with Loudoun County, Virginia's Blue Ridge (Roanoke), Valley Forge, Lancaster and Alexandria (refer back to the chart on page 10).

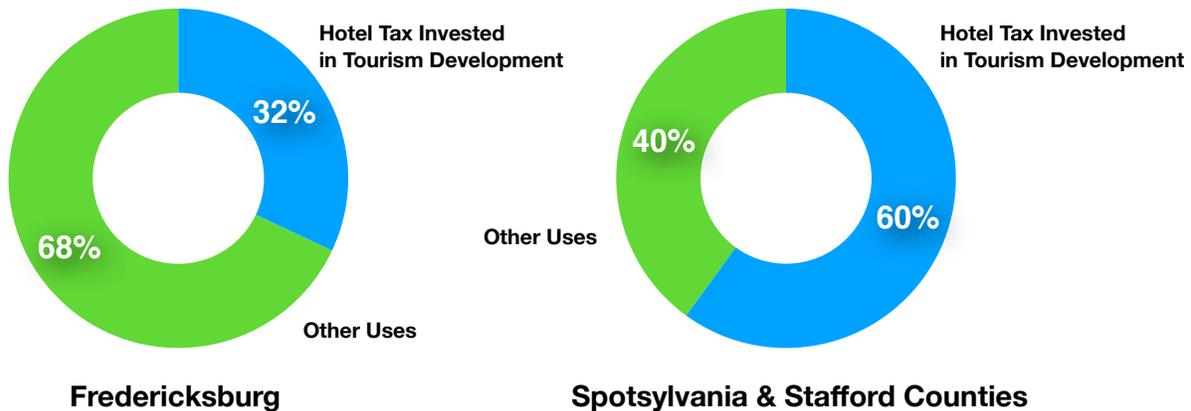
This regional association should also consider expanding its geographic footprint to include Caroline and King George counties (creating the same five-county partnership as the Fredericksburg Regional Alliance, which could serve as the host for the regional tourism program). Such a move would instantly increase the Association's budget, hotel and asset inventory and diversity and the number of businesses that could join into co-op marketing opportunities. It would also create opportunities for a more synergistic level of collaboration with the FRA.



### 3) INCREASE THE CITY'S INVESTMENT INTO TOURISM DEVELOPMENT

The City collects Visitor-related taxes from a number of sources. It should view the availability of these non-resident generated revenues as a way to continue to “prime the pump” in order to generate more visitor spending and job opportunities in the community.

The Hotel Room Tax generates \$1.6 million a year, as identified in the City’s 2019 Budget, with roughly \$1 million being invested in its EDT Department (just under 65% of collections). EDT Management estimates that half of its budget is dedicated to Destination Marketing, or just over 32% of collections. By statute, both Spotsylvania and Stafford Counties invest 60% of these hotel collections in Tourism Development.



The Meals Tax is expected to add \$12.3 million to City coffers in FY 2020. Local Sales Tax revenue is also expected to come in at \$11.7 million. <sup>8</sup> According to a 2016 study of credit card transactions in Alexandria, 71% of “consumption tax revenues” (hotel, culinary and sales) came from outside the city. Of that, 43% was from “regional” visitors (those from within an hour’s drive) and 28% was from “destination” visitors (those from outside an hour’s drive). Indeed, residents were only responsible for 29% of consumptive sales in Alexandria.<sup>9</sup>

If spending patterns in Fredericksburg are similar to those in Alexandria and one were to only consider the impact of “Destination Visitors” (a conservative approach, to be sure), that would mean that \$8.8 million of hotel, meals and sales tax revenues in Fredericksburg are the result of overnight visitors. Thus, no less than 9% of the City’s total annual revenue (not counting the percentage of property tax that is remitted from businesses that are profitable, thanks to the Visitor Economy) is generated directly from visitors. Put another way, this is \$8.8 million that residents do not have to pay to maintain the level of government services they have come to appreciate and expect.

Thus, it is possible to logically suggest that at least a portion of this non-resident revenue could / should be available to invest back into programs that aim to increase these non-resident generated taxes.

<sup>8</sup> City of Fredericksburg.

<sup>9</sup> Visit Alexandria’s 2018 Annual Report.

We understand that earmarking certain revenue streams for dedicated purposes runs counter to the historic culture of Fredericksburg government. However, this custom is fairly rare across the nation, especially when it comes to hospitality taxes. These taxes, layered on top of sales tax, were generally adopted with a specific intent in mind, often to fund something to which residents would object using their taxes. As Destination Marketing is woefully misunderstood by residents, lawmakers across the nation have turned to special hospitality taxes to fund the critically important job of marketing their communities.

**We recommend that the City establish funding guidelines for its Destination Marketing function, pledging to match the Commonwealth’s mandate to Counties that 60% of Hotel Room Tax be invested in Destination Marketing.**

**Room Tax portion of future Fredericksburg Tourism Budgets  
Should 60% of Revenues be Invested\***

|                        | FY 2021 | FY 2022   | FY 2023   | FY 2024   |
|------------------------|---------|-----------|-----------|-----------|
| <b>60% of Room Tax</b> | 960,000 | 1,008,000 | 1,018,464 | 1,049,018 |

\* Assumes an annual 3% growth in revenues and does not factor in fluctuations in ADR (Average Daily Rate) paid on hotel rooms within the city or the anticipated growth in hotel room inventory.

Some units of government around the country also dedicate a portion of the annual growth in their Meals Tax. Just half of the annual growth in that tourism-related revenue stream would likely add roughly \$175,000 to its annual Tourism budget, should the City of Fredericksburg wish to pursue that strategy at a later date.

Such a budget would place Fredericksburg in a much more competitive situation with its regional partners (if, indeed, the City believes itself to be in such a position) as well as destinations such as Prince William County, Arlington and Frederick MD. It would also permit an increase in professional sales and marketing staff to more effectively promote the community.

Which brings us to an important crossroads at which the City is about to arrive...the new Fredericksburg “Brand.” That the City’s destination marketing website is the region’s website, there is a dilemma. Regardless of whether or not one believes that the “Timeless” brand works or does not, the new brand needs to be unveiled, given air and allowed to bloom. The regional partners will reject, out of hand, using the new Fredericksburg brand as the masthead of the FRTP website, social media efforts and PR. They already bristle that the name “Fredericksburg” is bigger than theirs.

Thus, an increase in the investment in the Tourism effort in Fredericksburg is critical if the launch of the brand is to succeed. And, that will mean the creation of a Fredericksburg-centric website, Social Media strategy, etc., that prominently features the new brand identity. Indeed, this is the moment in time where the Tourism Office must develop its own Marketing Plan for the City that includes how it will extend the brand through print, electronic, digital, PR and other promotional platforms.

With an increase in its marketing budget, the Tourism Office should be held to a higher standard of measurement so that the City can be assured that they are receiving a return on their investment. That said, determining ROI of a marketing campaign designed to sell a product that an entity does not control is a challenge. The presence of a Regional Marketing Partnership makes such an exercise even more difficult. However, the Destination Marketing industry has developed a number of measures that are being utilized in DMOs across the country.

We suggest that the Tourism Office consider the following measurements to evaluate the success of its future efforts:

- Growth in Hospitality-related Taxes collected
- Number of Qualified Leads Developed (Meetings/Conventions & Sports)
- Hotel Room Nights Facilitated (Meetings/Conventions & Sports)
- Media / Travel Writer Visits Assisted
- Value of Earned Media Secured (PR)
- Website Traffic / Social Media Engagement
- Visitor Center Traffic Counts
- Destination Events / Festivals Attendance
- Growth in Brand Recognition and Appreciation
- Others measures as deemed important to the City of Fredericksburg

Make no mistake, our call for a Fredericksburg-centric effort is not a repudiation of our stance on the regional approach being the correct strategy for the community. The City cannot miss this chance to give the new brand life. But, it doesn't need to be as short-sighted as its regional partners in limiting the information it offers to consumers. The beauty of the Tourism Office developing its own website (and associated marketing vehicles) is that it can pick and choose what destination assets it elects to include on its site. Unlike the FRTP site, it won't be limited to an equal number of images or features. A Fredericksburg Tourism Office website and Social Media vehicles can be all about Fredericksburg...and then choose which assets (Lake Anna, Ferry Farm, other Battlefields, Craft Breweries, etc.) that it believes makes the City a more compelling destination. Visitors couldn't care less about geo-political boundaries and rarely recognize them. The Fredericksburg Tourism Office should think like a visitor and include what makes sense...and disregard the rest.

#### **4) RELOCATE THE VISITOR INFORMATION CENTER**

While not part of the scope of this study, the potential relocation of the Visitor Information Center was a hot topic while we were in market. We offer here our thoughts on the dilemma:

The present Visitor Information Center at 706 Caroline Street does not match-up competitively with successful visitor centers we have toured around the country. While there are those we met who believe its location in a historic structure is a critical component to telling the region's story, the unfortunate truth is that the Center is too small to be effective on busy days. It is not technologically up-to-date, is not ADA-compliant and it does not offer the amenities and space that other communities are devoting to their welcome centers.

This is in no way an indictment of Fredericksburg's travel counselors, who do a sensational job of inspiring visitors to the Center to do more while they are in town. Indeed, we believe they would be even more successful in their role as community ambassadors if they had the space and technology that other visitor centers around the nation currently employ.

Part of the impetus behind this discussion is the present availability of the ground floor of the Executive Plaza office building two blocks away (we particularly enjoyed the new nickname given the building by the guys in the Planning Department, calling it the "Tower of Power" rather than the building's current nickname). We had an opportunity to tour the space and believe it could be wonderful setting for a new visitor center. The high ceilings and plentiful natural light would be a significant improvement over the current space (however historic) of the existing Visitor Center. Its abundant square footage (5,500 sq. ft. versus the current Center's 1,750 sq. ft.) would also allow the creation of amenities that we are beginning to see employed in visitor centers around the country, such as performance space, tasting areas and ticketing booths along with tables with installed iPads for those consumers that prefer to secure their information digitally. Typically absent in these new visitor centers is the help counter, which separates counselor from consumer. Instead, today's visitor centers are increasingly being designed to resemble Apple stores, where counsellors are free to roam from visitor to visitor, offering assistance when desired...but not requiring interaction if a person just wants to browse. The opportunity to create a viewing platform for visitors on the roof is an added bonus.

Across the nation, destinations are re-imagining their Visitor Centers as more than serving only visitors. The Eau Claire WI "Experience Center" (image next page) also targets parents of prospective and first-time students to the area's Universities and Colleges as well as potential investors and site selectors. The Economic Development agency there routinely brings prospects to the Experience Center, as do corporate HR professionals hoping to create a stellar first impression for potential executives and their families.



*The Eau Claire WI Experience Center*

Several Visitor Centers have added extensive Gift Shops to sell locally produced goods. Some, like Knoxville, have developed performance stages for local and regional artists to gain recognition. Some (like Baltimore) have created reception space for small group clients. And others, (like Macon) share their heritage in an engaging format.



*The Knoxville Visitors Center Stage*



***The Baltimore Visitors Center***  
*Image courtesy of Wohlsen Construction*

The next generation visitor center will be designed for more than just visitors. It will be a place in which economic development professionals will welcome potential investors, where parents considering the University of Mary Washington for their children will learn about the community and where new area residents can come to learn about their new home. As noted previously, Destination Marketing is significantly more than heads and beds. Thus, our visitor centers need to be more than just about visitors.

Of course, there are other options besides the Tower of Power. A number of stakeholders with whom we met suggested that a more appropriate location for a visitor center would be near the new ballpark. Regardless of where the Visitor Center may be, we only support such a move if the City of Fredericksburg is willing to invest in ensuring that the new center has the best tech, the highest finishes and is a space in which the community can be proud. If it is only willing to relocate the counselors, their brochure racks and outdated technology, it should keep the Visitor Center where it is.

# Conclusion

When the City of Fredericksburg engaged DMOProz to study the present execution of its Destination Marketing program, it asked a series of questions:

**Is the City dedicating appropriate resources (staffing, budgetary, etc.) to its tourism operation?** No. Given the amount of hospitality taxes (the primary vehicle for funding Destination Marketing in America) being generated by the City of Fredericksburg, we believe it should *at least* double its investment in Destination Marketing.

**Is the City doing so in a way that gives due attention to heritage tourism, while maximizing sports/arts/eco/foodie/outdoor recreation-related tourism efforts?** In our review of marketing materials, the VisitFred website and placed advertising, we believe that the EDT, through the FRTP's contract with The Meridian Group, is providing an extremely balanced and diverse message to the travel consumer that balances the City's heritage assets with experiences that those without an interest in this nation's past can enjoy.

**Are the existing tourism-related staff roles/workloads appropriate and, if not, what are the key professional qualifications and skills required to enhance the region's/City's tourism program?** The current deployment of professional staff barely scratches the surface of what the EDT could achieve, if it had additional resources. Expecting a single salesperson to generate the business once facilitated by one full-time person and two part-time people is not a sustainable solution. To compete more effectively for the Visitor Economy, the Tourism portion of the EDT budget should be closer to \$1 million and support a staff of no less than 4 full-time employees (and optimally six):

## **Tourism Manager**

An experienced professional in Directing a Destination Marketing Organization will be necessary to jump start the new effort. The Manager should have a firm grasp on today's destination marketing philosophies and strategies and be adept at community relations and partnership building.

## **Marketing & Communications Director / Content Manager**

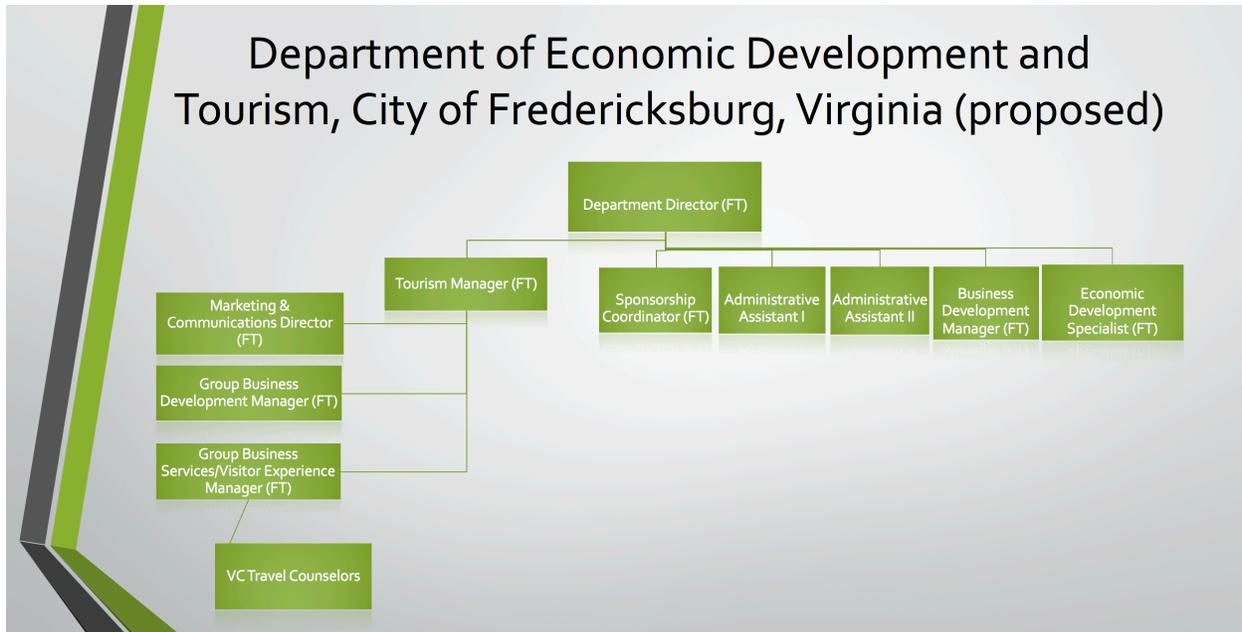
Someone with a background in consumer marketing and PR, preferably with DMO experience. This position (which easily could be split into two full-time positions given the anticipated workload) would also require someone with a deep knowledge of Social Media and an inquisitive mind. This will be the person that is out and about the city, searching for the stories and images that will inspire consumers to consider Fredericksburg for a visit.

## **Group Business Development Manager**

Someone with a background in hotel or DMO sales that has a successful track record of facilitating group business in a competitive environment.

### Group Business Services / Visitor Experience Manager

A Group Services Manager will be necessary if an additional salesperson is not added to the team. In an ideal world, salespeople sell and services people service. In this way, those that are charged with identifying and facilitating new group business can focus on this critical aspect of Destination Marketing. A Services Manager will allow the Sales Manager to devote all their time to identifying new group business for the community. This individual could also oversee the Visitor Center, until such time as either duty becomes large enough for a second individual.



Proposed EDT Organizational Chart (showing two additional full-time positions. The first priority is to fill the Tourism Manager position to be in place for the start of FY 2021 (July 1, 2020).

**Is the bifurcated approach to tourism working well, or should the City consider focusing all of its efforts/resources solely on the City?** The regional approach to marketing has been adopted by Fredericksburg as its own; the City really doesn't have its own separate marketing strategy. So, the answer is, "yes," to the extent that the budget allows. While we believe Fredericksburg needs to become more intentional about marketing itself (and, therefore, requires a full-time Tourism Manager within the EDT), we believe a regional approach is critical to the success of Fredericksburg's Visitor Economy.

**Should the City's tourism and economic development operation be under one department, or should they be separated?** There are advantages to having the two operations under one department...but only if the Tourism operation is headed by its own senior level executive. If the Tourism operation cannot have a dedicated professional to provide full-time leadership to the operation, the two should split.

**Should the City consider privatizing its tourism operation through an independent, non-profit structure or should this function remain under the governmental umbrella?** As noted on pages 11-14, there are advantages to both governance structures. However, the private, non-profit agency (under a performance contract to a governmental entity) is the preferred model throughout much of the country. From possessing a greater ability to secure private sector revenues to augment the City's investment to gaining an enhanced level of market agility to the ability to more successfully engage industry partners, the "501" model has more advantages than the government model. A change in governance is not a critical step at this moment in time for Fredericksburg; the current structure is not the fatal flaw (the lack of a competitive budget is). But, should it consider the 501 model for the future? The City should always consider opportunities to improve its services to its community.

The question regarding privatization, however, is really at the crux of the City's question regarding the FRTP. We strongly believe that the regional consortium should move beyond a memorandum of understanding and become a private, independent, non-profit organization under contracts with Fredericksburg, Spotsylvania County and Stafford County. We encourage all three to commit to a three year experiment in which the efficacy of a 501's ability to generate private-sector matching dollars can be tested and vetted. With the right Director or contractor, we are confident that the new regional entity could double its present budget on behalf of the region within three or four years. The FRA could provide the umbrella organization for this experiment as a first step.

Assuming the model works, *that* would be the time for the City of Fredericksburg to revisit the question of how it handles growing the Visitor Economy. For, if the regional entity can expand to a million dollar budget and its three investing partners have also increased their budgets to a million dollars each, combining under a single masthead would produce an operating budget in excess of \$4 million. And, that's the kind of budget that can make big things happen.

To be sure, we would expect each of the three partners to maintain visitor centers and a presence within their own communities. But a singular brand message backed by \$4 million will attain greater reach and frequency than three separate messages backed by \$1 million each.

Optimism is in the air in Fredericksburg and throughout the region. We felt it in our conversations with community leaders and industry partners. Now is the time for Fredericksburg to reassess its strategy for building the visitor economy...and we hope that our work on your behalf helps set a course forward.

Bill Geist & Terri White  
DMOproz  
27 September 2019

# Plan of Action

These are the actions recommended by DMOproz, designed to enhance the City of Fredericksburg's Destination Marketing strategies in order to increase Visitor spending in the region:

- 1) Hire a dedicated Tourism Manager to lead the City's Destination Marketing Program.
- 2) Allocate an amount equal to 60% of annual Lodging Tax revenues to Destination Marketing (the Tourism side of EDT).
- 3) Develop a more Fredericksburg-centric website, advertising and collateral materials and social media platforms to help drive the new Fredericksburg brand.
- 4) Work with neighboring Counties to establish an independent regional Destination Marketing Organization to enhance upon the past work of the F RTP, encouraging all participating units of government to invest \$200,000 each per year (an increase of \$29,000 in FY 2021 for existing partners).
- 5) Hire a Marketing & Communications Director.
- 6) Relocate the Visitors Center, so long as there is a solid commitment to upgrade the visitor experience with higher end technology and other amenities.



# Appendix

## **TOURISM ADVISORY COUNCIL REPORT TO the CITY OF FREDERICKSBURG & the COUNTIES of STAFFORD and SPOTSYLVANIA November 28, 2017**

### **Executive Summary**

In spring 2017, the City of Fredericksburg invited the Counties of Stafford and Spotsylvania to nominate tourism stakeholders to join a Tourism Advisory Council with a purpose to spend six months examining current regional tourism efforts and make recommendations to the localities.

A cross-section of geographic and vocational experts representing all regional tourism activities was supported by tourism staff and management for six months of discovery and discussion. A complete list of members is provided at the bottom of this report.

This cross-jurisdictional group examined current organizational and marketing efforts, met with state-level tourism experts regarding other regional joint organizations, consulted their larger community memberships and created a consensus list of recommendations in this report. Staff from all three jurisdictions provided details and answered questions of the Advisory Council and are aware of the recommendations made by the stakeholders.

The primary concern of these stakeholders is the need for expertise in regional vision and strategy development. The current partnership marketing agreement will require a new RFP be issued in January 2018 with this group strongly recommending some urgency to create a vision and strategy prior to awarding this significant contractual funding.

Members of this advisory council recommend the Fredericksburg Regional Tourism Partnership (FRTP consisting of Stafford County, Spotsylvania County, and the City of Fredericksburg) hire a nationally-recognized tourism strategic consultant as soon as possible to examine and analyze the regional ability to double impact growth in the region to \$1 billion by 2028.

This advisory group of tourism stakeholders appreciates the 10-year success of the current regional partnership and strongly applauds the regional approach to tourism. It is building on this locally grown success and the knowledge that even more is possible that helped drive this effort. We recommend more joint emphasis on regional tourism. Tourists don't see borders and the region is stronger working together than it is as individual members.

Locality staff have created a regional working arrangement which is supporting and provides benefits to tourists and stakeholders but a consolidation of resources and efforts will strengthen and lift all entities higher. Group tourism efforts have been consistent and regional for more than a decade culminating most recently with a large soccer tournament resulting in 5100 room nights across geographic districts. There is a consensus that these regional efforts are an example of the strength to be gained by addressing Tourism similarly to the Fredericksburg Regional Alliance.

The Tourism Advisory Council has agreed and committed to ten basic recommendations moving toward a more collaborative effort on a regional level as presented here. All members are committed to supporting these goals. Additionally, some specific area experts have provided supporting papers from larger organizations and interests they represent which are attachments to this document.

The members of the Tourism Advisory Council stand available to support and discuss these recommendations at your convenience.

## **Recommendations from the 2017 Tourism Advisory Council**

Generally, recommendations fall into one of two areas: a) Definition/Vision – While rich in organically grown talent within each jurisdiction, the region would benefit from true expertise in the planning, organization, and implementation of a cross-jurisdictional tourism entity; and b) Strengthening communications on all levels to include consumers, constituents, and stakeholders.

### **Recommendation 1**

#### **Accept the recommendation of state level officials and hire a consultant to guide regional vision and strategy development.**

Without a doubt, the entire council recommends the need for expertise in regional vision and strategy development as warranted and necessary for any future growth of the program in individual localities and regionally. Specifically requested is to examine the regional structure and assets and make recommendations based on national-level industry knowledge.

Current strategy is little more than marketing efforts led from the marketing consultants and not from the regional tourism industry. This council recommends regional vision, strategy and measurable goals be developed to proceed with any activities. To be clear, the current measured indicators (hotel tax revenues, etc.) show growth. The council believes these indicators don't accurately measure the depth of current tourism conditions nor the ability to grow into a larger tourism effort. Further, regardless of using expert consultants for tourism strategy development or not, a regional vision and strategy should be developed in house and communicated to stakeholders and the public at large.

### **Recommendation 2**

#### **Broaden marketing efforts to include a greater cross-section of regional assets.**

Historic resources are universally agreed to be the bedrock of regional tourism and should be reinforced with newer, and sometimes more transient, assets to include outdoor recreation, cultural/arts related opportunities, sports, culinary and beverage industries. More is more with all having a place in the larger pie.

A complete resource list of all tourism-related activities and interests has been created and is maintained on the VisitFred.com website. However, current marketing program goals lean toward trends and do not always address all available assets. The expectation is consultants would address the balance of these assets as part of their strategy development. The FY18 Media Marketing Approach presentation is attached to this report.

### **Recommendation 3**

#### **Confirm regional locality commitment to a more aggressive regional approach.**

The interest of this council to increase regional tourism revenues and activities needs to be coordinated more broadly by all three localities to succeed similarly to transportation coordination or waste management programs with appointed jurisdictional representatives.

This is not to say a major change to existing FRTIP agreements is either inevitable or preferred rather to recommend undertaking a proper analysis and study with concurrence and approval of the governing bodies for whom it benefits.

Council members are convinced with commitment from regional jurisdictions to enhance and approve a more aggressive regional approach, the City Council and Boards of Supervisors will benefit both in visitation and economic development by greater regional strength.

#### **Recommendation 4**

##### **Develop measurable goals for all levels of the tourism industry to track and contribute.**

Currently, tourism activities are measured by the Virginia Tourism Council on a quarterly basis using revenue generation as a primary tool. The most recent assessment is attached to this report. Additionally, the FRTIP maintains a listing of zip codes of visitors and statistics of number of group tours, event participation estimates and visitation to Visitors Centers. Some of these statistics are used for regional marketing efforts but none are regularly communicated to stakeholders.

The region lacks measurable goals at all levels. The current statistics should be available as a baseline for which to develop goals which are then disseminated to stakeholders, and the community at large, to allow individual tourism assets, i.e. hotels, museums, commercial recreation activities, restaurants, etc. to understand their portion of the regional efforts and adjust internal goals accordingly. Currently, while many are succeeding, there is no coordinated effort to which all stakeholders can clearly strive.

#### **Recommendation 5**

##### **Target a strong financial impact goal for the region.**

Consensus indicates a goal of reaching \$1 billion in regional tourism impact in currently measurable revenues by 2028 would be worth forward motion to strengthen the regional efforts. The goal should be to increase revenues to the localities to better support the regional effort. This represents a 6% annual growth over ten years from the current \$571 million impact as determined by the Virginia Tourism Corporation annual statewide assessments.

This council is committed to regional growth and believes with strong vision and leadership these goals are reasonable and attainable.

#### **Recommendation 6**

##### **Increase regular communications with stakeholders.**

Regular/recurring communications with stakeholders to encourage participation and goals is strongly recommended. Engaging regional stakeholders with information, possible skill enhancement training and network opportunities would strengthen the entire tourism community.

Members of this council have indicated an appreciation for the increased knowledge they have from participating. Example: One member said at a meeting, "If I had known there was no marketing outreach to North Stafford for example, I would have put some of my efforts that direction to balance."

### **Recommendation 7**

**Improve signage coordination for regional tourists to follow.** It is presumed with a cohesive strategy for regional tourism there would be better ways to direct travel for all travelers throughout the region. Current efforts are jurisdictional and not always complimentary. Tourists don't see borders and are not cognizant of the differences. This council recognizes the challenge but recommends a regional signage strategy with some standardization would greatly enhance the tourist experience.

### **Recommendation 8**

**Increase marketing efforts to local and state-level tourists.** While individual localities are marketing locally, particularly for event-based activities, we strongly need to inspire more locals to visit – due to traffic and growing population base. There is recognition this isn't a currently measurable track, i.e. TOT revenues. There is no regional marketing effort currently in place for these potential tourists.

Statewide tourism numbers indicate the largest percentage of visitors come from Virginia (29%) – more than any other location. While not directly contributing to current measurable tracks, local tourism creates a robust level of attendance at all venues and attractions as well as creating ambassadors for visitors. This concentration will have a side benefit of informing constituents in all three localities of the value and importance of tourism to the local economy.

Additionally, with significant concerns regarding transportation challenges, specifically the I95 corridor, we cannot recommend marketing concentration within the corridor. As one member suggested, “They fight traffic to get here, have a wonderful time experiencing our hospitality and are left with a sour taste trying to get back home with the result being ‘It’s a great place but we’re not doing that again.’”

### **Recommendation 9**

**Regionally lead the transformation to digital and virtual tourism.**

By becoming a center for education, training, and experimentation, and utilizing our assets and resources as models for comparing virtual and real experiences the region can become a leader in the future.

The council is keenly aware of societal pressures on tourism and looks forward to leading the charge. “The next generation is enthralled with electronic gadgets, electronic check-ins at hotels and electronic keys so they don't have to go to the desk. How are we going to market to them? How are we going to connect with them? What will attract them?”

In the greater scheme of time marching on, the council recognizes the need to include virtual and digital tourism in the vision and strategy. These changes will happen with or without our action and we prefer to be ahead of the curve. It is noted that within our region are major technology experts who may be of assistance if we determine the goals to succeed in this arena.

### **Recommendation 10**

**Appoint a Regional Tourism Council.** This temporary council recommends a more permanent council be created with equal representation from all three localities. It is recommended at least three members per locality to include a County Administrator/City Manager-level management member, a tourism professional and a stakeholder from each jurisdiction be appointed.

It is recognized the first level of business for such a body would be to advise and coordinate with any consultant agency addressing regional tourism strategy and vision development.

## **Conclusion**

Statewide heritage and cultural assets remain a strong base to tourism according to recent VTC studies. We have attached two of these studies to this document. More than 100,000 jobs are directly supported by heritage tourism spending generating a statewide \$6 billion+ economic impact. The regional economic impact is also clear as evidenced by the quarterly VTC impact studies as attached for our localities.

The Heritage Tourism report suggests expansion of marketing efforts should include Virginia tourists (29% of current visitors), North Carolina (10%) as well as the current efforts to Pennsylvania (7%) and Maryland (7%). Rounding out the top six current visitors to the state are Florida and New York with 5% each. We note our current efforts concentrate only on two of those markets (PA/MD).

The Tourism Advisory Council thanks the City of Fredericksburg and Counties of Spotsylvania and Stafford for encouraging this effort to better understand current conditions and practices. All members have found the process informative learning more than they knew about various aspects of current FRTP efforts.

Current staff are commended for their efforts to bring as many details and answers to the table during this six-month process. The efforts and recommendations of this Council are not meant in any way to demean the contributions of this hard-working staff or current operations.

The goal of this council was to examine current tourism operations and make recommendations from an informed perspective as to how to greatly increase and strengthen tourism in the region to benefit all. During completion of this, constructive criticism is inevitable.

We believe tourism will become even more important to the region as technology diminishes the value of retail and even business-related activities. Building on an extremely healthy and strong foundation of heritage tourism ably increased by cultural, recreational and culinary assets, the Rappahannock Region stands to continue to grow with tourism becoming a significantly larger economic engine. These recommendations have been created with an intention to grab the reigns and lead the charge rather than become reactionary to changing conditions. There is no doubt the region can rightfully take its place in the top of Virginia destinations with proper vision and management.

Respectfully submitted by

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**Terry English** – Hampton Inn/Hospitality Council [terry\\_english@hilton.com](mailto:terry_english@hilton.com)  
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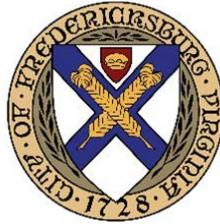
**Staff Advisors and Attendees**

City of Fredericksburg - Tim Baroody, Bill Freehling, Victoria Matthews, Danelle Rose, Clint Manning

County of Spotsylvania - Mark Taylor, Tom Rumora, Debbie Aylor, Chrissy Marshall

County of Stafford - Lisa Logan, Bruce Register, Mike Smith

Facilitator – Sue Henderson, Henderson Productions, LLC



**MEMORANDUM**

*Jane C Shelherse*

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Clint Manning, Stadium and Major Sponsorship Coordinator  
**SUBJECT:** Fredericksburg Nationals Stadium Suite and Advisory Council Framework  
**DATE:** February 19, 2020 for the February 25 Council Meeting

**ISSUE**

Should the City approve the proposed framework for the City’s suite usage at the Fredericksburg National’s stadium and the appointments to the Stadium Advisory Board?

**RECOMMENDATION**

City staff is proposing the adoption of the below framework for the use of the City suite at the Fredericksburg Nationals’ Stadium:

- A. The Suite will be used to advance and promote the City of Fredericksburg in a variety of ways, recognize employees and promote morale.
- B. Tickets to the suite will be free, but food and beverage will be at the user's expense. The suite holds 25 people. Guests will be invited if space permits.
- C. The Suite is not for personal use of any member of City Council or City staff.
- D. The entities below will be invited to use the Suite for the following percentage (%) of nights, with reservations made through the Stadium & Major Sponsorship Coordinator; first-come, first-served:

| <u>User</u>   | <u>%</u>   |
|---|------------|
| City Council/School Board   | 25         |
| EDT/EDA<br>(For promotional purposes and sponsorship recognition -- this could entail outside agency use) | 18         |
| City Government   | 31         |
| Miscellaneous/Flex Groups   | 26         |
| <b>Total</b>  | <b>100</b> |

Staff also recommend the directors of the departments of Economic Development & Tourism, and Parks, Recreation & Events, to be the City’s two nominated members to sit on the Stadium Advisory Council – per the 30-year agreement between the City of Fredericksburg and the Fredericksburg Nationals. The alternate will be the Stadium & Major Sponsorship Coordinator.

**DISCUSSION**

As part of the Development and Shared Use agreement between the City of Fredericksburg and the Fredericksburg Nationals, the City was given exclusive right to use of the City Suite for Home Baseball Games.

The framework for the suite usage, as described above gives an opportunity for the Economic Development Authority, working with the Department of Economic Development and Tourism to use the suite for promotional purposes for business and regional tourism efforts. The City Government would use the suite for recognition programs and coordinated departmental use. City Council and City Schools would also be able to use the suite for similar public relations and community development efforts. Dates would be reserved through the Stadium and Major Sponsorship Coordinator, with a small percentage of dates left unreserved to accommodate future scheduling needs.

The Development and Shared Use Agreement also provides for the creation of an Advisory Board consisting of two members appointed by the City and two members appointed by the Club. The board is purely advisory in capacity and is intended to provide areas of expertise for the parties, provide input from various constituents with an interest in the Stadium, and provide a forum for presenting and considering matters concerning the Stadium, its operation, and its management. The Advisory Board has no power to make any decisions of any kind that bind Club or City. For these reasons, staff recommends the directors of the departments of Economic Development & Tourism, and Parks, Recreation & Events as the appointees from the City.

**FISCAL IMPACT**

These policies have no fiscal impact and reflect components of the Development and Shared Use Agreement between the City of Fredericksburg and the Fredericksburg Nationals.

Attachment: Resolution



February 25, 2020  
Regular Meeting  
Resolution No. 20-

**MOTION:**

**SECOND:**

**RE:** Formalizing the City Suite at the Stadium and the Stadium Advisory Council Framework

**ACTION:** APPROVED: Ayes: 0; Nays:0

City staff is proposing the adoption of the below as a framework for the use of the City suite at the Fredericksburg Nationals' Stadium:

- A. The Suite will be used to advance and promote the City of Fredericksburg in a variety of ways, recognize employees and promote morale.
- B. Tickets to the suite will be free, but food and beverage will be at the user's expense. The suite holds 25 people. Guests will be invited if space permits.
- C. The Suite is not for personal use of any member of City Council or City staff.
- D. The entities below will be invited to use the Suite for the following percentage (%) of nights, with reservations made through the Stadium & Major Sponsorship Coordinator; first-come, first-served:

| <u>User</u>  | <u>%</u>   |
|--|------------|
| City Council/School Board  | 25         |
| EDT/EDA (For promotional purposes and sponsorship recognition -- this could entail outside agency use) | 18         |
| City Government  | 31         |
| Miscellaneous/Flex Groups  | 26         |
| <b>Total</b>   | <b>100</b> |

Furthermore, the directors of the departments of Economic Development & Tourism, and Parks, Recreation & Events, will be the City's two nominated members to sit on the Stadium Advisory Council – per the 30-year agreement between the City of Fredericksburg and the Fredericksburg Nationals. The alternate will be the Stadium & Major Sponsorship Coordinator.

**Therefore, the City Council resolves that** the aforementioned framework is formalized and adopted.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

\*\*\*\*\*

***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20- adopted at a meeting of the City Council held February 25, 2020 at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC***  
***Clerk of Council***



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Mark Whitley, Assistant City Manager  
**RE:** FY 2020 Budget Amendment for Parks Maintenance  
**DATE:** February 25, 2020 (for the February 25 Council Meeting)

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**ISSUE**

Shall the City Council amend the FY 2020 budget to appropriate an insurance recovery from a storm in June of 2019 so that a playground in Alum Springs Park may be repaired and re-opened?

**RECOMMENDATION**

Staff recommends that City Council approve the attached resolution appropriating the funds, which requires one reading.

**BACKGROUND**

On Saturday, June 29, 2019, a powerful storm came through the City and damaged the playground facility at Alum Springs Park. After processing the claim with the City's insurance carrier, the Virginia Risk Sharing Association, the City received an insurance settlement of \$60,175.80. The City's policy also calls for a \$5,000 deductible. The City's Finance Department placed the insurance recovery in FY 2019, in accordance with the date of loss. Since the fiscal year closed, the settlement became Fund Balance within the General Fund.

The City normally processes claims and settlements and repairs the damages within the same fiscal year, but in this very unusual circumstance the date of loss occurred at the very end of FY 2019. The staff therefore requests that the City Council amend the budget to appropriate the use of Fund Balance from FY 2019, plus the \$5,000 deductible from FY 2020, to the General Fund so that Parks Maintenance can continue working on the replacement of the damaged playground.

Should Council approve the funding, the playground should be available for play by June, if not sooner. The procurement is in process now, with any contract award contingent upon funding approval. The recovery funds requested for appropriation will replace the playground at a basic level, and the department is continuing to try and raise funds to expand and improve the existing playground.

**FISCAL IMPACT**

The attached resolution appropriates \$65,176 in funds to the Parks Maintenance division for the replacement of damaged playground facilities at Alum Springs Park. The resolution utilizes \$5,000 from the General Fund Contingency to cover the deductible. The balance of the General Fund Contingency in FY 2020 if this resolution is approved will be \$20,910.



**MOTION:**

February 25, 2020  
Regular Meeting  
Resolution 20-\_\_

**SECOND:**

**RE: Amending the Fiscal Year 2020 Budget to Provide for Insurance Recovery Proceeds for Parks Maintenance**

**ACTION: APPROVED: Ayes: 0; Nays: 0**

The City of Fredericksburg suffered damages to the playground facilities at Alum Springs Park in June of 2019. The City has also received funds from the insurance carrier to help offset the damage, which were accounted for in FY 2019. The City Council wishes to amend the budget in FY 2020 to allow for the use of the prior year insurance proceeds in FY 2020 to make repairs to the park.

Therefore, the City Council hereby resolves that the following appropriation amending the FY 2020 budget be recorded:

**GENERAL FUND (FUND 0100)**

**Source**

Contingency

|                          |                  |    |              |
|--------------------------|------------------|----|--------------|
| General Fund Contingency | 010000000-499100 | \$ | 5,000        |
| Department Total:        |                  | \$ | <u>5,000</u> |

Fund Balance

|                        |                  |    |               |
|------------------------|------------------|----|---------------|
| Fund Balance – Surplus | 010000000-366100 | \$ | 60,176        |
| Department Total:      |                  | \$ | <u>60,176</u> |

**Total Source:** \$ 65,176

**Use**

Parks Maintenance

|                                    |                  |    |               |
|------------------------------------|------------------|----|---------------|
| Improvements & Betterments Replace | 010071200-481020 | \$ | 65,176        |
| Department Total:                  |                  | \$ | <u>65,176</u> |

**Total Use:** \$ 65,176

Votes:

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

\*\*\*\*\*

***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 20-xx, adopted at a meeting of the City Council held 2020, at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC***  
***Clerk of Council***



**MEMORANDUM**

*Robyn Shugart*

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Robyn Shugart, Director of Finance  
**RE:** Quarterly Financial Reports – July 2019 – December 2019  
**DATE:** February 25, 2020 (for the February 25 Council Meeting)

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**ISSUE**

This report is presented to the City Council identifying various aspects of the financial results for the first six-month reporting period in FY 2020 (July 1, 2019 – December 31, 2019). The report also provides comparative results for the similar six-month periods in FY 2017 – FY 2019.

**RECOMMENDATION**

This item is informational and it does not require any action on the part of the City Council.

**BACKGROUND**

This report reflects the City's FY 2020 financial activities for the mid-year period July 1, 2019 - December 31, 2019. In addition, a collection of selected comparative revenue and expenditure categories have been included reflecting the City's mid-year financial position for FY 2017 – FY 2019. Please note this report is presented with information that has posted to general ledger as of February 18, 2020 and is subject to adjustments. The City is still operating under two financial systems until all phases go live in Tyler Munis. This data is considered unaudited.

*Overall General Fund*

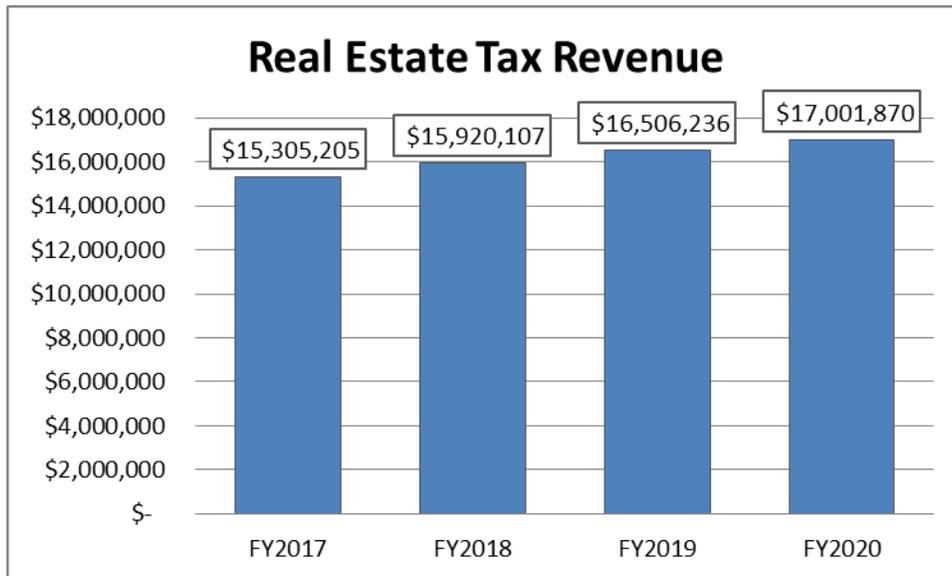
The General Fund financial results for the first half of FY 2020 indicate that both revenues and expenditures are in a favorable stable position as of December 31, 2019. The General Fund revenues have increased 2.94% from \$42,017,571 in FY 2019 to \$43,252,219 in FY 2020. The overall General Fund expenditures and transfers to other funds during the first six-month period in FY 2020 totaled \$48,760,185. The change in FY 2020 is an increase of 6.72% from the comparable period expenditure amount of \$45,690,924 reflected in FY 2019.

*Revenues*

A closer review of several of the mid-year General Fund revenue sources in FY 2020 reflect both positive and negative change activity. In situations where there are negative changes, management will continue to monitor the situation closely. Overall, the revenue forecast for FY 2020 continues to reflect a trend in a favorable direction.

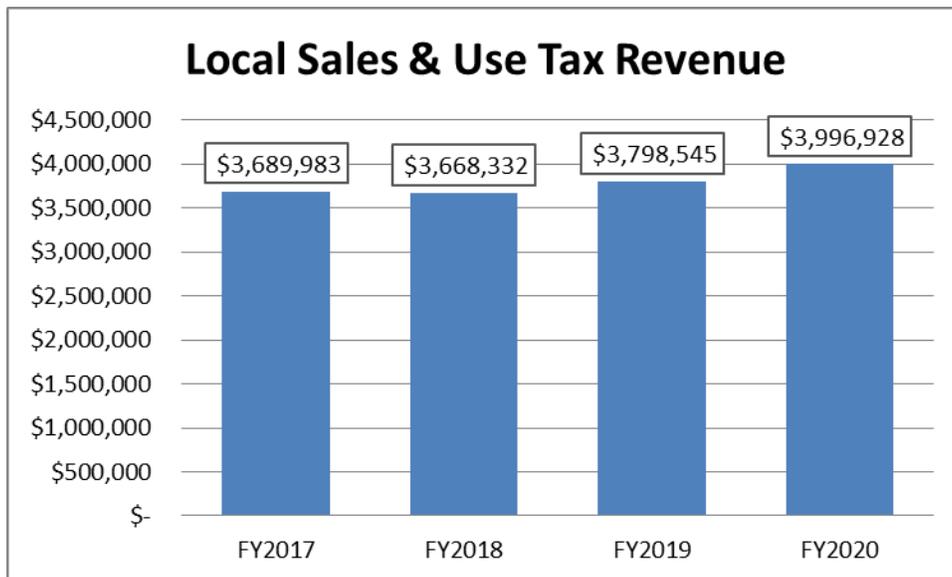
Real Estate

The City’s real estate tax receipts are the largest budgeted single source of revenue for the General Fund. The budgeted real estate tax receipts account for 32.58% or \$32,970,000 of the FY 2020 total amended General Fund budgeted revenue amount of \$101,189,156. The actual mid-year real estate tax collections for the first half of FY 2020 totaled \$17,001,870, increasing 3.00% from the FY 2019 amount of \$16,506,236. The following chart reflects the comparative mid-year increase in receipts from real estate tax revenues for the past four years.



Sales Tax

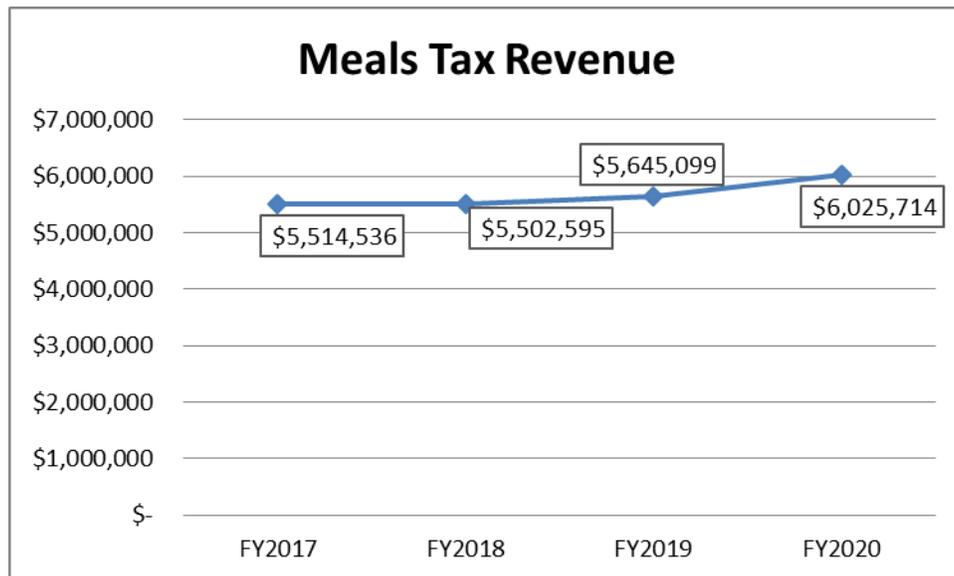
The local sales and use tax collections for the first two quarters of FY 2020 totaled \$3,996,928 which is an increase of 5.22% from the comparable period in FY 2019. The following chart reflects the mid-year sales tax collection activity over the past four years.



As a reminder, the sales tax is collected two months in arrears, so the revenue received as of the close of the calendar year 2019 reflects sales tax collection activity for the months of July 2019 – October 2019.

### Meals Tax

The meals tax revenue has shown an increase from the comparable period in FY 2019. The six-month review period reflects a 6.74% increase when compared to the similar six-month period in FY 2019. The FY 2020 Meals Tax collections totaled \$6,025,714 compared to the FY 2019 collections amount of \$5,645,099. The following graph depicts the mid-year meals tax receipts over the past four years.



### Other Notable Revenue Items

Other mid-year FY 2020 comparative revenue results include:

- Personal property tax collections in FY 2020 increased by 3.60% providing a total FY 2020 collections amount of \$5,867,149. The FY 2019 collections amount totaled \$5,663,056. State PPTRA reimbursements totaling \$1,052,186 are included in both measurement periods.
- Business license (BPOL) collections in FY 2020 totaled \$158,127 representing a 41.47% decrease for the same period in FY 2019. The majority of BPOL is collected in the spring.
- Consumer utility tax collections reflected a slight decrease of 0.42% shifting to \$898,080 in the first half of FY 2020 from \$901,824 in the first half of FY 2019.
- Lodging taxes increased by 3.99%, moving from \$775,215 in the first half of FY 2019 to \$806,178 in the first half of FY 2020.
- Building permit revenue increased by 13.82%, moving from \$338,891 in first half of FY 2019 to an increased amount of \$385,740 in the first half of FY 2020. Much of this increase in permit revenue is related to an increase in building activity in the City.
- Court fines and forfeitures declined slightly by 0.88%, moving from \$247,489 in the first half of FY 2019 to \$245,316 in the first half of FY 2020.

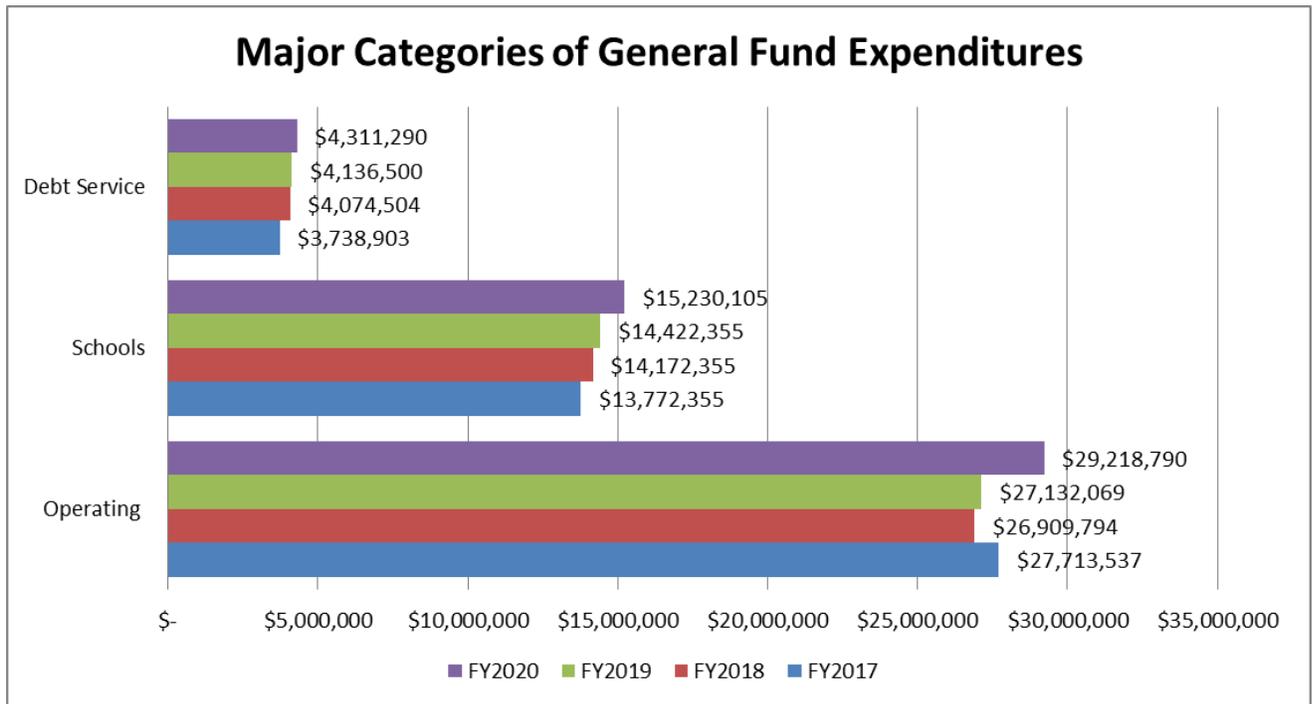
Other Notable Revenue Items (Continued)

Other mid-year FY 2020 comparative revenue results include:

- Waste collection fees increased from \$519,330 in the first half of FY 2019 to \$559,410 in the first half of FY 2020. This reflects a 7.72% increase over FY 2019.
- Charges for Fire & Rescue Services revenue experienced a 9.94% increase in FY 2020. The total FY 2020 revenue amount is \$342,385 in contrast to the FY 2019 revenue amount of \$311,418.

*Expenditures*

Overall General Fund expenditure activity increased from \$45,690,924 in the first half of FY 2019 to \$48,760,185 the first half of FY 2020. The FY 2020 General Fund operating expenditures account for \$29,218,790 of the total expenditures along with \$15,230,105 transferred to Schools and \$4,311,290 of Debt Service transfer activity for the first half of FY 2020. The General Fund expenditure activity was 6.72% higher during the first half of FY 2020 in comparison to FY 2019 for the same period.

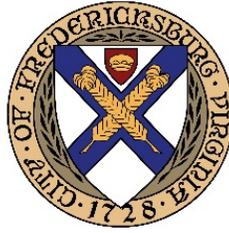


*Balance of General Fund Contingency*

The original FY 2020 Adopted Budget provided an amount of \$500,000 appropriated in the General Fund Contingency account. As of December 31, 2019, the available balance in the General Fund Contingency is \$25,910. The approved amount transferred from contingency during the fiscal year has been for Fire Department grants, staffing needs, and public safety personnel compensation.

**FISCAL IMPACT**

There is no fiscal impact – this report is informational only and no action is requested.

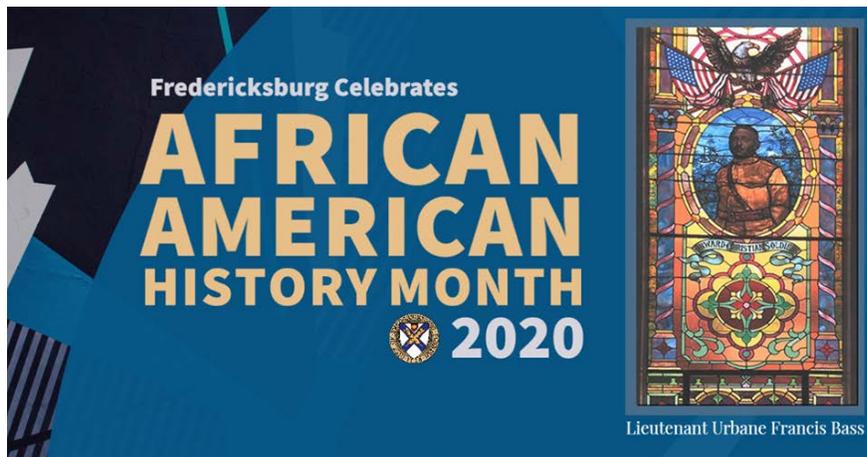


**MEMORANDUM**

**TO:** Mayor Greenlaw and Members of City Council  
**FROM:** Timothy J. Baroody, City Manager  
**DATE:** February 19, 2019 (for February 25 Council meeting)  
**SUBJECT:** City Manager's Update

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Highlights of major activities and other notable developments:



**City Celebrates African American History Month**

– Dr. Urbane Francis Bass trained at Shaw University and provided medical care in the Fredericksburg community in the early twentieth century. During World War I, First Lieutenant Bass, U.S. Army Medical Corps, served with the racially segregated

372nd Regiment. Wounded on October 6, 1918, he was awarded the Distinguished Service Cross (Posthumously) for “extraordinary heroism.” He is commemorated in this stained glass window installed in 1920 at Shiloh Baptist Church (New Site). He is one of many notable African Americans who have called Fredericksburg home.

**Construction of Riverfront Park to Begin and Parking Changes** – The start of the construction of the Riverfront Park will begin on or about **Monday, February 24**. This will require the entire park property to be fenced, thus closing the public parking lot in the 700 block of Sophia Street as well as the parking area accessed across Sophia Street from Charlotte Street. Last fall, the City announced actions it intended to take to mitigate the closure of these parking areas. These actions include:

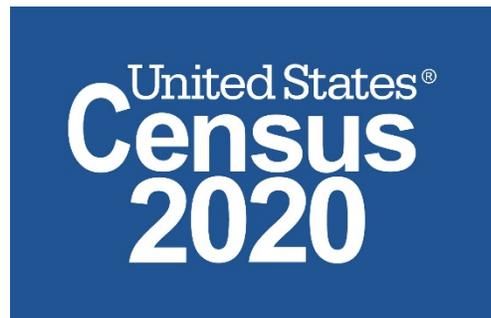
- Increasing the period of time that vehicles may be parked on the east (river) side of the 600 through 800 blocks of Sophia Street (from Wolfe Street to just south of George Street) from two hours to four hours during the periods that time restrictions apply to downtown streets (Monday - Saturday; 8:00 a.m.- 7:00 p.m.)
- Converting the surface parking lot in the 600 block of Sophia Street (between Sophia Street and the river, directly across the street from the Sophia Street Parking Garage) to public parking. The only

restriction on the use of this lot will be that only vehicles displaying a City of Fredericksburg resident decal may be parked in the lot Monday through Friday 5:00 a.m. – 8:00 a.m. The resident decals may be obtained at the Treasurer’s Office at City Hall by providing proof of City residency.

- Increasing the period that vehicles may be parked in the Sophia Street Parking Garage to four hours (currently, three hours) for no cost. The rate for additional hours will remain the same (\$1/hour to a maximum of \$8/day.)



Last November, City Council awarded a contract for construction of the park to Athena Construction of Triangle, Virginia. Questions about this matter may be directed to Assistant City Manager Doug Fawcett at [dfawcett@fredericksburgva.gov](mailto:dfawcett@fredericksburgva.gov) or by phone at 540-372-1010.



**Census 2020** – Each year, Census data informs federal funding for more than 100 programs, including school lunches, highway construction, and education. By April 1, 2020, every home will receive an invitation to participate in the 2020 Census. You will have three options for responding: 1) Online. 2) By phone. 3) By mail. In mid-March, households will begin receiving official Census Bureau mail with detailed information on how to respond to

the 2020 Census. Read more: <https://2020census.gov/en.html>



### **Fredericksburg Regional Transit Director Retires –**

The City recently celebrated Wendy Kimball's more than 25 years of service to the City, retiring as Director of Fredericksburg Regional Transit. Wendy began her career with the City's Planning Department as a Community Development Planner, where she developed programs to

assist thousands of low income families and the homeless, to purchase and rehabilitate hundreds of residential units. In 2007 Wendy joined FRED as Assistant Director and in 2014 she became Director. She has been instrumental in managing cost effective design operations and a maintenance center and providing support through efficient FRED routes that will serve citizens of the region. Thank you for your outstanding leadership and best wishes for a wonderful retirement!

**Closure of Upper Caroline Street – Replacement of Sanitary Sewer System** – The sewer repair project has suffered several construction delays and weather delays. Work continues on this very important sanitary sewer system project which is currently detouring Caroline Street from Herndon to Germana Streets. This is a major project that involves the replacement of two existing sewer mains that are well past their useful lifespan and are in poor condition. Both of the existing mains will be replaced with a single 21" sanitary sewer main that is upsized to meet future sewer demands. The \$1.7M project is part of a PPEA water/sewer infrastructure improvement contract with W.C. Spratt, Inc. and is anticipated to be completed by May of 2020. When the road is placed back in service a new 25 mph zone will replace the current 35 mph zone. For questions about the project please contact the Department of Public Works at 540-372-1023. Please subscribe to City alerts at [www.FredericksburgAlert.com](http://www.FredericksburgAlert.com).

**Detour on the Heritage Trail** – The detour continues until early March, between the Ford and Germana Street area as work continues on the Upper Caroline Street Sanitary Sewer Replacement Project. Pedestrians and bicyclists will be detoured along Princess Anne Street for a section of the trail where the sewer line work crosses the path. The trail will be able to be opened to foot traffic once the work zone passes Germana Street. Alerts and postings on social media will continue to alert trail users to be cautious near work zones and to watch for posted signs.

**The College Heights/Sunken Road Storm Sewer Rehabilitation** work continues in the 1000 block of Sunken Road. For approximately for the next two weeks, access to Sunken Road between William Street and Sylvania Avenue will have to be restricted 24/7 as the storm sewer runs under the middle of the street. Detours will be in place directing traffic to alternate access to homes and the University of Mary Washington campus.

The **Summer Camps Guide for Fredericksburg Parks, Recreation and Events** is now available [online](#). Hard copies are available at the Dorothy Hart Community Center and will be distributed through City Schools. Registrations for camps opens to everyone on Tuesday, March 24<sup>th</sup>, both online and in person. As the department has done the past few years, there will be a special “Early Bird” registration night held at the Dorothy Hart Community Center from 6 – 9 p.m. on Monday, March 23<sup>rd</sup> for City residents only. There are more than 40 camp options, so children will have plenty to do this summer!



**Downtown Scavenger Hunt Launched** – Two new history-oriented scavenger hunts using smartphone technology are now available in downtown Fredericksburg. The City recently partnered with Staunton-based Traipse on walking tours and scavenger hunts that highlight the City’s presidential and African-American history to locals and tourists alike.

The tours and the content within will be managed using Traipse’s smartphone app for “puzzle hunt” tours of local history and businesses. Traipse is like virtual geocaching, where visitors engage with each location by answering questions that can only be completed by physically being present at each site. Further, at each stop, complimentary information is given to visitors allowing them to learn more about the location through articles, photos and video.

“There are few places that can claim such centuries-spanning American history like Fredericksburg, VA. We are excited to partner with the City to create these unique experiences for people to enjoy and to become more familiar with the area’s rich heritage,” said Austin Auclair, Traipse’s director of creative content. Additional tours for downtown are planned that will highlight locally owned businesses with an aim to bring more foot traffic to area merchants.

Fredericksburg Tourism Services Manager Danelle Rose, who spearheaded the partnership for the City, stated: “We are excited to launch with these two tours. They are free to use and available 24/7 by downloading the app. The Fredericksburg Visitor Center offers numerous guided tours — via our wonderful horse-drawn carriages, trolley tours and guided specialty groups — but we saw a need to provide an option to our residents and visitors who like to explore at their own pace. Using the Traipse app, everyone can get out and experience Fredericksburg’s locally owned businesses and attractions, while playing a fun game that engages the whole family.” Both tours are free and available by

downloading the Traipse app in either iOS or Android. Search for Fredericksburg, select the tour and start Traipsing!



**Fred Focus**

**Fred Focus** – The [Fredericksburg Department of Economic Development and Tourism](#) is pleased to bring you Fred Focus, a weekly e-newsletter that goes out every Thursday and keeps you up-to-date on Fredericksburg business and tourism information and events. This week's [edition](#).



**CITY COUNCIL  
MEETINGS & EVENTS CALENDAR**

City Hall Council Chambers, 715 Princess Anne Street, Fredericksburg, VA 22401

|                |                  |   |  |
|----------------|------------------|---|--|
| <b>2/22/20</b> | <b>10 a.m.</b>   | <b>Tour of 2300 Fall Hill Avenue Building</b>   | <b>2300 Fall Hill Avenue<br/>Meet in main atrium on<br/>1<sup>st</sup> Floor</b> |
| 2/25/20        | 5:30 p.m.        | Work Session <ul style="list-style-type: none"> <li>• Signage</li> <li>• Environmental Discussion</li> </ul>    | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session   | Chambers   |
| 3/10/20        | 5:30 p.m.        | Work Session  | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session <ul style="list-style-type: none"> <li>• City Manager's Recommended Budget Presented</li> </ul> | Chambers   |
| 3/24/20        | 5:30 p.m.        | Work Session <ul style="list-style-type: none"> <li>• FY 21 Budget Overview &amp; CIP</li> </ul>                | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session   | Chambers   |
| <b>4/7/20</b>  | <b>6:00 p.m.</b> | <b>Joint Work Session with School Board<br/>(tentative)</b>   | <b>TBD</b>   |
| 4/14/20        | 5:30 p.m.        | Work Session <ul style="list-style-type: none"> <li>• FY 21 Budget Discussion</li> </ul>                        | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session   | Chambers   |
| <b>4/22/20</b> | <b>5:30 p.m.</b> | <b>Work Session</b> <ul style="list-style-type: none"> <li>• <b>FY 21 Budget Discussion</b></li> </ul>          | <b>Suite, Room 218</b>   |
|                | <b>7:00 p.m.</b> | <b>FY 21 Budget Public Hearing</b>  | <b>Chambers</b>  |
| 4/28/20        | 5:30 p.m.        | Work Session  | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session   | Chambers   |
| 5/12/20        | 5:30 p.m.        | Work Session  | Suite, Room 218  |
|                | 7:30 p.m.        | Regular Session   | Chambers   |

Future Work Session Topics: Economic Development Incentives, and Action on UDO Text Amendment from 2018: Paying Taxes at Approval Instead of Application.

| <b>Boards &amp; Commission</b>            | <b>Meeting Dates/Time</b>            | <b>Actual Date of Meeting</b>                | <b>Members Appointed</b>       | <b>Contact Person</b> |
|---|--------------------------------------|--|--------------------------------|-----------------------|
| Board of Social Services                  | Bi-monthly 1st Thursday/4 p.m.       | February 6 at 4 p.m.                         | Duffy                          | Christen Gallik       |
| Central Rappahannock Regional Library     | Quarterly 2nd Monday/4:00 p.m.       | March 9 at 4 p.m.                            | Devine                         | Martha Hutzel         |
| Community Policy Management Team          | Thursday after 3rd Tuesday/2:00 p.m. | February 20 at 2 p.m.                        | Greenlaw                       | Jamie Divelbiss       |
| Fredericksburg Arts Commission            | 3rd Wednesday/6:30 p.m.              | February 19 at 6:30 p.m.                     | Devine, Graham                 | Kim Herbert           |
| Fredericksburg Area Museum                | 4th Monday/8:30 a.m.                 | February 24 at 8:30 a.m.                     | Kelly                          | Sara Poore            |
| Fredericksburg Clean & Green Comm.        | 1st Monday/6:30 p.m.                 | February 3 at 6:30 p.m.                      | Devine                         | Robert Courtnage      |
| Fredericksburg Regional Alliance          | Quarterly/5:00 p.m.                  | February 17 at 5 p.m.                        | Greenlaw, Duffy                | Curry Roberts         |
| GWRC/FAMPO                                | 3rd Monday/6:00 p.m.                 | February 24 at 6 p.m. **                     | Kelly, Withers, vacancy - Alt. | Linda Struyk Millsaps |
| Healthy Generations Area on Aging (RAAA)  | 1st Wednesday/4:00 p.m.              | TBD  | Greenlaw                       | Patricia Wade         |
| Main Street Board                         | 3rd Thursday/8:30 a.m.               | February 20 at 8:30 a.m.                     | Withers                        | Ann Glave             |
| Housing Advisory Committee                | As needed                            | TBD  | Frye, Graham                   | Susanna Finn          |
| PRTC                                      | 1st Thursday/7:00 p.m.               | February 6 at 7 p.m.                         | Kelly, Graham - Alt.           | Kasaundra Coleman     |
| Rappahannock Juvenile Detention           | Bi-monthly last Monday/12 noon       | March 30 at noon                             | Whitley, Frye - Alt.           | Carla White           |
| Rappahannock Regional Solid Waste         | Quarterly 3rd Wednesday/8:30 a.m.    | February 19 at 8:30 a.m.                     | Kelly, Withers                 | Joe Buchanan          |
| Rappahannock River Basin                  | Quarterly/1:00 p.m.                  | March 25 in Fredericksburg at 1 p.m.         | Withers                        | Eldon James           |
| Recreation Commission                     | 3rd Thursday/6:30 p.m.               | February 20 at 6:30 p.m.                     | Duffy                          | Jane Shelhorse        |
| Regional Group Home Commission            | 2nd Thursday/2:30 p.m.               | February 13 at 2:30 p.m.                     | Duffy, Whitley                 | Ben Nagle             |
| Town & Gown                               | Quarterly/3:30 p.m.                  | April 9 at 3:30 p.m. at UMW Executive Center | Withers, Duffy                 | Paula Zero            |
| Virginia Railway Express Operations Board | 3rd Friday/9:00 a.m.                 | February 21 at 9 a.m.                        | Kelly, Graham -Alt.            | Richard Dalton        |
| City/School Working Group                 |                                      | TBD  | Greenlaw, Kelly                | Baroody/Catlett       |
| City/School Task Force                    |                                      | February 28 at 3:30 p.m. (tentative)         | Devine, Graham                 | Baroody/Catlett       |
|   |                                      |  |                                |                       |
|   |                                      |  |                                |                       |