

COUNTY OF YORK

MEMORANDUM

DATE: June 3, 2022

TO: York County Board of Supervisors

FROM: Neil A. Morgan, County Administrator 

SUBJECT: Personal Property Tax Impact Reduction Actions

Members of the Board and County Administration are aware that some citizens have been impacted by a disproportionately large increase in their personal property tax (aka “car tax”). The impact is highly variable ranging from insignificant to quite large depending on the make and model of vehicles a particular resident owns. The purpose of this memorandum is to share with everyone what the current situation is and what actions have and can be taken to mitigate this problem.

As the individual most responsible for recommending the County budget, I must say that staff was aware that Commissioners of the Revenue around the state and others were predicting that, due to supply chain issues with new car production, certain models of newer used cars were going to be assessed significantly higher than in the previous calendar year. However, the majority of this unanticipated revenue (approximately \$3.25m) paid during the June billing cycle, accrues to the current fiscal year, not in the recently adopted FY 23 Budget. My revenue estimate for personal property taxes in the FY 22 Budget was developed in February 2021, long before the used car value issue was being discussed.

We did assume some revenue increase based on used car values as part of the FY 23 Budget. It does not appear there will be a large revenue windfall in the FY 23 Budget because next June’s billing cycle will likely be based on significantly lower used car prices. In terms of the FY 23 Budget, given that the County already had a low Personal Property Tax rate and in our focus on lowering the real estate tax rate, I recommended and the Board of Supervisors subsequently approved a budget that took no special action to address this predicted spike. Knowing what I do today, I would possibly have recommended some reduction in personal property taxes rather than real estate, especially since market real estate values continued to climb well beyond our conservative assessments.

By May, the actual numbers for car assessments became available internally. The attached May 11 memo (attachment #1) to the Board illustrated some real examples that showed the variability of the used car rate spike. Certain residents with specific makes of vehicles got a bill that seemed unfairly high. While we had all read about the rising price of used cars and we discussed the predicted increase during the budget process, we have been bothered by some of the most extreme examples. I want to emphasize that the Commissioner of the Revenue must apply the market value as of January 1 for the upcoming calendar year and she could not lower assessments based on the downward trend now being

reported. She can, however, review individual vehicle assessments upon request, and continues to do so. However, in the vast majority of cases, the reality is that the cars really can be sold for even more than the County assessment.

Actions and Options Going Forward

I believe the County can implement a plan to reduce the December Personal Property Tax which most people would judge to be fair. Assuming the Board of Supervisors wishes to do this, the ideal approach would be to tie it directly to the December bill rather than attempting a mass mailing of checks. The basic idea would be to take the unanticipated car tax revenue we will be receiving in the FY 22 Budget (the June billing cycle) and “recycle” those funds as a credit as part of the December billing cycle. Assuming we can work out the details, this strategy would substantially reduce individual personal property taxes during the December payment without disrupting the ongoing FY 23 Budget. Staff is currently working to understand the constraints associated with this concept. It is my hope that we will be able to brief the Board in detail this summer and I believe we can be in a position to implement something meaningful in time for the December billing cycle. The news that the state budget compromise apparently leaves the local grocery sales tax intact, means that \$3 million in local revenue in the approved FY 23 Operating Budget is assured. This new development eliminates one of the major components of that financial uncertainty over the coming months.

There is no opportunity for any kind of major program to be implemented in time to alter the June billing cycle. We have identified two more modest actions that we are taking to give a little relief during the June billing period. First, knowing that it is the Board’s desire, the Treasurer has delayed the imposition of the 10% late payment penalty from the typical thirty-day period to a more generous timeframe ending on September 30th. This would allow anyone surprised by a big bill increase for which they had not budgeted, to make payments over the summer on favorable terms.

Second, we are now in a position to provide targeted relief for true hardship cases impacted by this temporary increase. Although such a limited program cannot assist many people that may be deserving, it will be an option for lower-income impacted residents and those with true hardships such as unanticipated family health emergencies. The reason this program can be delivered on short notice is due to the Board’s previous allocation of \$200,000 to develop an assistance template for those most impacted by COVID either financially or medically. Recall that we established a committee chaired by Assistant County Administrator Brian Fuller along with a team from Social Services, Community Services, and Finance for this purpose.

The program has been implemented as of June 1, 2022, with the assistance of the Commissioner of the Revenue and the Treasurer. Some people in the most difficult circum-

stances can receive a benefit of up to \$250. Attachment #2 is the outline of the program and associated application form.

Next Steps

There are many very positive aspects of the adopted FY 23 Budget and I appreciate the Board's support in moving it forward. In addition to our priority budget expenditures for public safety, public education, capital projects, and competitive employee compensation, York County remains the lowest taxed, major full-service locality within Hampton Roads. With the apparent resolution of the state budget impasse, the County will be in a stronger position to devise a one-time personal property tax relief program for the December 2022 billing cycle. We are moving forward with the late penalty fee reduction and the targeted relief program for hardship cases during the June 2022 billing cycle. I will provide an additional update once we have worked out the mechanics for the December relief program. The Board of Supervisors will be able to make any appropriate decision in time to implement the one-time reduction in "car taxes" as part of the December bill

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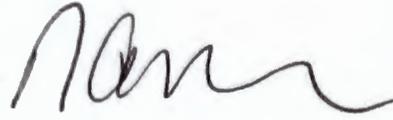
Attachment 1 – Used Vehicle Values

Attachment 2 – 2022 Personal Property Tax Relief Program

COUNTY OF YORK

MEMORANDUM

DATE: May 11, 2022
TO: York County Board of Supervisors
FROM: Neil A. Morgan, County Administrator
SUBJECT: Used Vehicle Values



As we discussed during the FY 2023 budget review process, there was an expectation that the Personal Property Tax for certain high-value used vehicles would temporarily increase for the calendar year 2022. We have now received specific data which confirms this trend.

The assessed value of vehicles as of 1/1/22 has increased from that reported on 1/1/21 and is most likely temporary. This is a result of a supply chain issue in the automotive industry. Given our budget requirements, we felt like our recommendation could choose between a slight real estate rate reduction or some temporary car tax adjustment. However, we could not risk doing both, given the cash requirements of our CIP and the chance that the County could lose as much as \$3 million from the state in its unresolved budget related to the one-cent local grocery tax. Additionally, some economists are now forecasting a recession within 12 months, leaving the County's revenue estimates in various consumer taxes vulnerable to underperformance.

Identified below is a sampling of actual used vehicle assessment values for the upcoming York County billing cycle. As you can see the impact will be highly variable but more impactful to citizens with high value, newer used vehicles.

Personal Property Tax Examples

Description	Value at 1/1/21	Tax Calendar year 2021	Value at 1/1/22	Tax Calendar Year 2022	Difference Yearly	Difference each half
2000 Ford F150	\$ 250	\$ 5.15	\$ 250	\$ 5.95	\$ 0.80	\$ 0.40
08 Chev Cobalt	\$ 1,550	\$ 31.93	\$ 2,125	\$ 50.58	\$ 18.65	\$ 9.32
2020 KIA SUV	\$ 16,325	\$ 336.30	\$ 22,525	\$ 577.00	\$ 240.71	\$ 120.35
15 Chrysler 200	\$ 7,225	\$ 148.84	\$ 10,700	\$ 254.66	\$ 105.83	\$ 52.91
19 Jeep	\$ 30,875	\$ 847.00	\$ 39,375	\$ 1,251.00	\$ 404.00	\$ 202.00

In York County, vehicle assessments are ascertained from the 'NADA Official Used Car Guide' or 'NADA Official Older Used Car Guide'. Within that "guide", vehicles are assessed using 100% of the 'clean loan value' for the specific year, make, and model of each vehicle. This is the lowest value listed in the book and no additions are made for condition, mileage or extra options. As an example, an actual York County vehicle had a value of \$16,325 on 1/1/21 and is now valued at \$22,525. The Kelly Blue Book value of this same vehicle is over \$26,000. The Commissioner of Revenue's policy to assess vehicles at the lowest value permissible under state law, combined with the County's low overall rate of \$4.00 per \$100 of value, moderates the overall citizen impact related to higher used car values.

Again we feel the car tax increase will likely be temporary and in fact, market prices have fallen from their peak at the beginning of 2022. Next year's car tax will probably go down for some people. Any temporary reduction in the rate would be very difficult to undo in a future budget year, even if the value increase is temporary as appears likely. If the higher used car values do become a permanent feature of the market, the Board of Supervisors could consider lowering the rate next year.

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2022 Personal Property Tax Relief Program

This relief program was created to provide relief to individual households who were impacted by increased personal property assessments on vehicles for the May 2022 assessment. This assessment covers the first half of the biannual assessment. This relief program is a one-time program and is subject to the eligibility requirements below:

Eligibility:

To be eligible for this relief total gross household income must be less than \$55,000.

Vehicles purchased in the calendar year 2022 do not qualify for relief.

Households must have owned and paid personal property tax on vehicles in 2021.

Households must be current on all personal property tax payments.

The increase in personal property tax from 2021 to 2022 must exceed \$100 per household within a six month period and the maximum relief per household is \$250.

Relief will not exceed the net increase in tax assessment.

Under extraordinary conditions, relief may be available to households with income greater than \$55,000. A committee will review these requests on a case-by-case basis. Please submit in writing information to be considered for these circumstances.

Please complete the information below to be considered for tax relief. If approved, the relief amount will be reduced from your total assessment. If 2022 Personal Property Tax has already been paid, a refund will be issued for the eligible relief.

Name:	Date:
Address:	
Email:	Phone:

Household Income: \$	
<p style="font-size: small;">If you or anyone in your household is required to file a 2021 FEDERAL INCOME TAX RETURN (Form 1040), a copy must be submitted with this application or we must receive a copy of the Annual Social Security Statement/Annuity Statement, W-2(s), 1099(s), and any other statement providing the source of income for each member of the household.</p>	

Vehicle Information

	Make	Model	Year	Dec. 2021 PP Tax	May 2022 PP Tax	Increase
<i>example</i>	<i>Chevy</i>	<i>Traverse</i>	<i>2020</i>	<i>\$ 423.50</i>	<i>\$ 600.50</i>	<i>\$ 177.00</i>
1						
2						
3						
4						
5						
6						
Total						

<p style="font-size: small;">By signing below, I verify the information provided is accurate. I authorize the County to review and validate the information and that the County will keep the information provided confidential.</p>	
<p style="font-size: small;">_____ Signature</p>	<p style="font-size: small;">_____ Date</p>

Please submit completed form and copies of income statements to :

York County
 Attn: Personal Property Tax Relief
 P. O. Box 532
 Yorktown, VA 23960-0532

If you have any additional questions please contact _____ at 757 890-3885 or at housing@yorkcounty.gov

To be completed by staff:

Reviewed By:	Eligible for Relief: YES <input type="checkbox"/> NO <input type="checkbox"/>
Income Verified: YES <input type="checkbox"/>	Total relief allowed:

COUNTY OF YORK

MEMORANDUM

DATE: June 2, 2022

TO: York County Board of Supervisors

FROM: Neil A Morgan, County Administrator



SUBJECT: Riverwalk Landing Parking Deck

As a follow-up to the announcement of the partial closure of the Riverwalk Landing Parking Deck please find the attached preliminary failure analysis performed by Lynch Mykins. At this time the failure is believed to be flexural failure likely caused by failure of one or more of the steel tension strands. Additional analysis will be required to confirm this as well as to plan for the repair. As further information becomes available we will update you as appropriate.

Attachment

- Lynch Mykins Structural Engineers, P - PT Beam Investigation

NAM/mlb3309



June 2, 2022

Joe Sisler - Deputy Director of Public Works
York County
105 Service Drive
Yorktown, VA 23692

Re: Riverwalk Landing Parking Garage - PT Beam Investigation
PO #20221574
330 Water Street, Yorktown VA 23690
LM Project No: V22.087

Dear Mr. Sisler:

Abstract

Lynch Mykins Structural Engineers, PC (LM) performed a visual structural investigation assessment of the two-story cast-in-place concrete parking garage relative to the cracked post-tensioned (PT) concrete beam. Original construction documents have been provided to LM for use in performing field work and in preparation of this report.

Contents

- 1 - Background.
 - 1.1 - Location.
 - 1.2 - Construction of Building.
 - 1.3 - Observations and Description of Failure.
- 2 - Design Review.
- 3 - Conclusion.
 - 3.1 - Recommendations.

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1 - Background

The purpose of this investigation and report is to identify the cause of the cracked post-tensioned concrete beam and present recommendations for remediation.

1.1 - Location and History.

Riverwalk Landing parking garage is located at 330 Water Street, Yorktown Virginia. The structure has a capacity of 263 vehicles, 129 spaces on the first-floor level and 134 space on the second-floor level.



Fig 1.1
Aerial view of parking garage at Riverwalk Landing

The structure was designed in February 2003 in collaboration by Rancorn Wildman Architects, PLC of Newport News, Virginia and Glave & Holmes Associates Architecture & Design of Richmond, Virginia in conjunction with consulting structural engineers Speight Marshall & Francis of Virginia Beach, Virginia (Structural Engineer of Record - SER).

The structure for this building is primarily cast-in-place concrete. The first floor is comprised of a fully mild-reinforced mat slab and the elevated second floor is comprised of cast-in-place post-tensioned concrete beams and slab supported by cast-in-place concrete columns and walls.

1.3 - Observations and Description of Failure

On Wednesday, May 18, 2022, a significant series of cracks was discovered in the elevated second-floor cast-in-place post-tensioned concrete beam located on grid line 13. Refer to figures 1.3-1 and 1.3-2 for below.

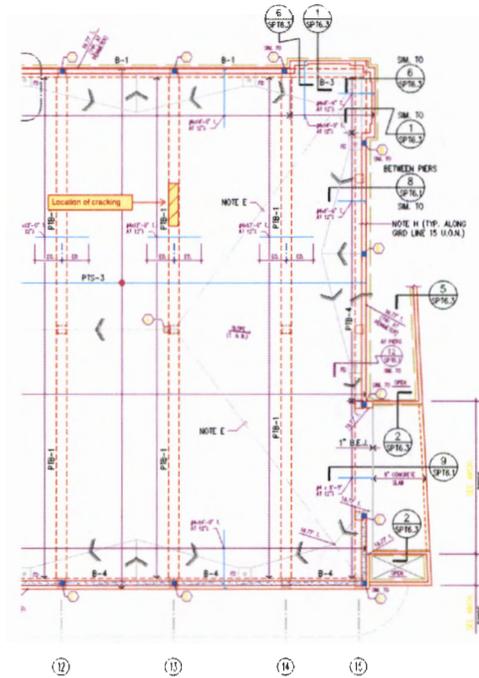


Fig 1.3-1
Second Floor Plan - location of cracking



Fig 1.3-2
Cracking in concrete beam - grid line 13.

It's understood that once the crack was discovered, York County officials were notified, and proper precautionary action was taken to restrict access to the parking garage and shore the concrete beam using 6x6 wood timber members.



Fig 1.3-3

Shored concrete beam at cracked location - grid line 13.

The observed direction and pattern of cracking appears to indicate a flexural failure, possibly stemming from failure of one or more post-tension tendons.

2 -Design Review.

The cast-in-place post tensioned concrete beam delineated as PTB-1 in the construction documents is designed as a two-span 5000 psi normal weight concrete beam reinforced as follows:

- 24 - ½" dia post-tension strands (or equal) designed for $F_e = 650K$ of tension.
- 4 - #10 continuous mild reinforcing (2 top and 2 bottom)
- 6 - #10 x 27'-0" long mild reinforcing top bars centered at the center support column
- 3 - #10 x 16'-0" long mild reinforcing top bars each end
- 1 - #10 mild reinforcing bottom bar centered at mid-span.

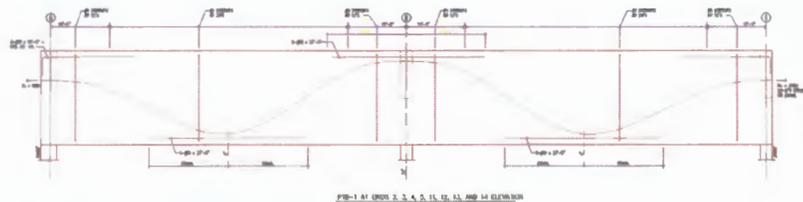


Fig. 2.1

Design profile of PTB-1

Structural analysis calculations of the PTB-1 design was not performed.

3 - Conclusions

From our limited visual observations and investigation of the as-built conditions, the following is our professional opinion of the cause of the failure.

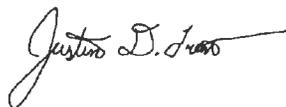
The observed cracking pattern (longitudinal cracking of the bottom of the beam and vertical cracking of the beam sides) appears to represent a flexural failure likely caused by failure of one or more post tensioned strands.

3.1 - Recommendations

Determination of the exact cause of failure and procurement of repair design documents will require further investigation including removal of the concrete. The assistance of a Post Tension Tendon Design Engineer will be required for determining destressing procedures in order to safely remove the broken concrete. We recommend using the original post-tensioned design engineer of record as they are most familiar with this project.

This letter is not intended to be a complete or comprehensive study of the structure, nor was any analysis performed. The scope did not include evaluation of structural elements for code compliance. Work has been performed in accordance with generally accepted principles and practices of structural engineering. Lynch Mykins Structural Engineers, PC cannot be responsible for any future changes in the condition of the structure. No other warranty is provided, either expressed or implied. If new conditions are observed, this office should be contacted so that the findings and conclusions can be reviewed and revised, if necessary.

Sincerely,
LYNCH MYKINS STRUCTURAL ENGINEERS, PC



Justin D. Trent, PE
Managing Director



Michael Taber
Structural Investigator