



CITY OF FAIRMONT

CITY/COUNTY COMPLEX
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May 28, 2014

Debbie A. Browning
West Virginia Development Office
West Virginia Municipal Home Rule Pilot Program
State Capitol Complex Bldg. 6, Room 553
Charleston, WV 25305-0311

Re: City of Fairmont's Municipal Home Rule Application and Written Plan

Dear Members of the Municipal Home Rule Board:

On behalf of the Mayor and City Council for the City of Fairmont I am pleased to submit to the Municipal Home Rule Board for consideration the City of Fairmont's Application to the Home Rule Phase II Pilot Program along with the accompanying Written Plan.

Under this cover, please find eight (8) original copies of the application along with supporting documents. An electronic copy of the plan has also been submitted to Debbie Browning at the West Virginia Development Office.

Chartered in 1899, Fairmont is a Class II municipality and serves as the County Seat of Marion County. Located in the heart of the I-79 Technology Corridor, Fairmont encompasses approximately 9 square miles with a population of 18,704 people, 8,133 households and 4,424 families residing in the City according to the 2010 Census.

The City of Fairmont operates under the Council-Manager form of government with members of Council elected from nine districts on a rotating basis every four years. The Council elects a Mayor from its membership every two years. Daily operations are overseen by the City Manager, who along with Department Heads in Building Inspection, Finance, Fire, Planning, Police, Public Works and Utilities manage approximately 185 employees in providing a full range of services to the businesses and residents of Fairmont.

With an economic base rooted in manufacturing and mineral extraction, Fairmont has embraced economic diversification through the technology and service sectors and seeks further economic growth through the development of its riverfront and the revitalization of its City Center and former industrial areas.

The City of Fairmont looks forward to participating in Phase II of the municipal Home Rule Pilot Program. Should you have any questions regarding our application or written plan, please do not hesitate to contact me.

Very Truly Yours,


Jay Rogers
City Manager

THE CITY OF FAIRMONT MUNICIPAL HOME RULE PLAN

SECTION II. WRITTEN PLAN NARRATIVE

Introduction

Like many West Virginia municipalities, the City of Fairmont finds itself trapped by the workings of Dillon's Rule in its day to day operations. With no freedom to develop creative solutions for job creation, vacant & blighted properties and long term liabilities, the City of Fairmont seeks to break away from the bindings of the Municipal Code of West Virginia and become a Home Rule City under Phase II of the Municipal Home Rule Pilot Program.

The City of Fairmont has experienced a decline caused by chronic long-term economic dislocation and the loss of high wage manufacturing and mineral extraction jobs over several decades in the last century. The decline is particularly apparent in the oldest areas of Fairmont, including the Downtown Historic District, former industrial areas of the city and many of the original residential neighborhoods of Fairmont. This economic decline has resulted in population loss, slow job growth and reduced property maintenance, resulting in an increased number of vacant and dilapidated properties.

Several steps have been taken by the City to reverse this trend through a series of planning initiatives such as the Downtown Revitalization Plan, the Riverfront Master Plan and the Urban Renewal Plan. A 10-year development program has been established that envisions a more vibrant community where commercial, office, residential, cultural, recreation and institutional uses coexist.

Strong partnerships have been formed to package real estate and infrastructure projects, solicit private investment, and when necessary, structure the financing plans necessary to accomplish the proposed improvements.

Sound planning and analysis has led Fairmont to the brink of a true renaissance. The City finds that many of the existing provisions of WV Code § 8-1-1 et seq. prevent and discourage the needed innovative approaches to accomplish the goals of Fairmont to reduce and eliminate vacant and dilapidated properties, encourage job growth and stabilize long term liabilities.

The City of Fairmont is seeking acceptance into Phase II of the Municipal Home Rule Pilot Program to accomplish our goals by gaining the ability to transfer property without public auction and to provide for additional B&O Tax credits. These additional credits will aid in the reduction of vacant and dilapidated structures and will provide for the improvement and preservation of the Downtown Historic District, as well as incentivize businesses to locate, stay and grow in Fairmont. Additionally, the City proposes to utilize Home Rule to regulate land uses locally to redevelop former industrial areas of the city and through the implementation of a municipal sales & use tax, the City of Fairmont finds a means to stabilize the long term liabilities of the fire and police pension funds.

As the City's Written Plan demonstrates, great thought has been taken to fully utilize the powers of municipal home rule to address the impediments to Fairmont's renaissance.

THE CITY OF FAIRMONT MUNICIPAL HOME RULE PLAN

SECTION I: APPLICANT INFORMATION

A. General Information

Name of Municipality: City of Fairmont
Certifying Official: John I. Rogers, III
Title: City Manager
Contact Person: John I. Rogers, III
Title: City Manager
Mailing Address: 200 Jackson Street, Room 305,
P.O. Box 1428
Fairmont, WV 26554-1428
Telephone Number of Contact Person: 304-366-6211 ext. 308
Fax Number of Contact Person: 304-366-0228
E-mail Address of Contact Person: jrogers@fairmontwv.gov

B. Municipal Classification

Class I Class II Class III Class IV

C. Category of Issues to be addressed:

Tax Organization Administration Personnel

1. **Expanded Business and Occupation Tax Credits** (Tax) - The City of Fairmont desires via its proposed Home Rule Plan to expand its business and occupation tax credits to provide for credits which are unrelated to new and/or expanding businesses and which are not otherwise constrained by the provisions of West Virginia Code §8-13-5(f) and §11-13C-1 et seq. The City of Fairmont via its proposed Home Rule Plan desires to offer credits against B & O Taxes for:

1. Re-occupancy of vacant or dilapidated structures
2. Longevity of business operations;
3. Rehabilitation and preservation of contributing historic structures in the City's Downtown Historic District.

In addition, the City desires to expand the definition of "qualified investment" for purposes of its existing business expansion tax credit, to include "payroll costs" associated with new and additional jobs, in addition to "property purchased for expansion."

2. **Imposition of a Sales & Use Tax** (Tax) - The City of Fairmont, pursuant to the provisions of West Virginia Code §8-1-5a (k)(6), desires via its proposed Home Rule Plan to enact a consumers

sales and use tax in an effort to, among others, finance unfunded liabilities and current pay as you go costs of the Fairmont Firemen's Pension and Relief Fund and the Fairmont Policemen's Pension and Relief Fund and to finance the City's program to demolish blighted and dilapidated properties.

The imposition of the proposed 1% sales and use tax is anticipated to produce income net of business and occupation tax reductions of approximately \$909,000.00 per year.

3. Relief from the Provisions of West Virginia Code §8A-7-10(c) and (d) (Administration) - The City wants to eliminate the effects of the aforementioned provisions of the West Virginia Code and to provide that such uses are defined as non-conforming uses under the City of Fairmont current Planning and Zoning Code and therefore must follow a prescribed process in order to expand or relocate. Classifying these as non-conforming uses, if they are in fact within an area designated contrary to the use proposed, would allow equal protection to occur to non-industrial, non-manufacturing, and non-agricultural uses. It will also allow local regulations, which are designed to protect adjacent neighbors and the public health, safety and welfare, to be enforced.

4. Disposition of City Real Property (Administration) - The City of Fairmont seeks relief from the notice and public auction requirements of West Virginia Code §8-12-18(b) for City owned real property with a value of up to \$15,000.00 relative to non-conforming and substandard lots, fragments of lots, and parts of lots, the market for which is virtually non-existent. The number of these parcels have increased and will continue to increase due to the City's ongoing efforts to remove blighted, vacant and dilapidated structures. Notwithstanding that the value of the lot may exceed \$1,000.00, the cost associated with the notice and public auction requirements often exceed the value of the lot. The provisions of West Virginia Code §8-11-3(6) and §2.12(6) of the City Charter, which require that any sale or conveyance of City owned real estate must be authorized by Council by ordinance, will continue to provide adequate public notice of any such sale.