

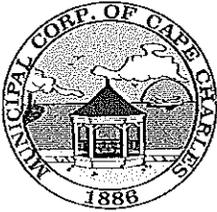
Planning Commission

Regular Session Agenda

June 4, 2013

6:00 P.M.

1. Call to Order – Planning Commission Regular Session
 - a. Roll Call – Establish a quorum
2. Invocation and Pledge of Allegiance
3. Public Comments
4. Consent Agenda
 - a. Approval of Agenda Format
 - b. Approval of Minutes
 - c. Reports
5. Old Business
 - a. None at this time
6. New Business
 - a. Introduction of new Planner – Rob Testerman
 - b. PSA Presentation – Bob Panek
7. Announcements
 - a. Second Planners training session – June 11
8. Adjourn



DRAFT
PLANNING COMMISSION
Regular Meeting
Town Hall
May 7, 2013

At approximately 6:00 p.m. in the Town Hall, Chairman Dennis McCoy, having established a quorum, called to order the Public Hearing and Regular Meeting of the Planning Commission. In attendance were Commissioners Andy Buchholz, Dan Burke, Joan Natali, Bill Stramm and Mike Strub. Commissioner Sandra Salopek was not in attendance. Also present were Town Planner Tom Bonadeo, Town Clerk Libby Hume and Mr. Leon Parham, representative for the applicant Mr. John Huchler. There was one member of the public in attendance.

PUBLIC HEARING COMMENTS

Tom Bonadeo introduced Mr. Leon Parham, who gave an overview of the conditional use permit (CUP) application for 712 Randolph Avenue to construct a residential apartment on the second floor over commercial space. Mr. Parham stated that the space consisted of an area of 2,785 SF which was previously rented to the Eastern Shore Community College. The space had remained vacant since the college moved out several years ago. The property owner also owned the building next door which had a CUP for residential over commercial and has had no problems in renting the space for residential purposes.

There were no comments from the public nor any written comments submitted prior to the meeting.

Motion made by Joan Natali, seconded by Mike Strub, to close the public hearing portion of the meeting. The motion was approved by unanimous consent.

A moment of silence was observed followed by the Pledge of Allegiance.

PUBLIC COMMENTS

There were no comments from the public nor any written comments submitted prior to the meeting.

CONSENT AGENDA

Dennis McCoy requested that discussion regarding the possible changing of the July meeting be added to the agenda under New Business.

Motion made by Joan Natali, seconded by Bill Stramm, to accept the agenda format as amended. The motion was approved by unanimous consent.

The Commissioners reviewed the minutes for the April 2, 2013 Regular Meeting.

Motion made by Joan Natali, seconded by Andy Buchholz, to approve the minutes from the April 2, 2013 Regular Meeting as presented. The motion was approved by unanimous vote.

REPORTS

Tom Bonadeo reported the following: i) VDOT's sidewalk project was making great progress along Mason Avenue. The VDOT contract ran through December but was expected to be completed sooner; ii) The Fun Pier and other repairs from hurricane damage had been approved by FEMA and the Town was in the planning process regarding these repairs. The beach replenishment would begin within the next couple of weeks; iii) The Library move was completed over the weekend and the volunteers were incredible. The Sheriff's Department brought down a crew of inmates who did a fantastic job in boxing up books and transporting them to the new building; iv) Staff continued to work with the County on their 6-year transportation plan; v) The Town advertised for a new planner and some interviews were held. No decision had been made yet; and vi) A preview of the new Flood Insurance Rate Maps were received and the AE flood zone in the Town had been drastically reduced. Staff would be reviewing the maps prior to the actual draft release date of May 21. There was a 90-day comment period following the draft release and the maps would go into effect August 2014.

Andy Buchholz asked about the Public Service Authority (PSA), why the wastewater regionalization issue had bypassed the Planning Commission and what impact the regionalization would have on the Town of Cape Charles in 15-20 years. Once the wastewater system was opened up to the County, how would the Town be able to control the growth? Dan Burke stated that he agreed with Andy Buchholz' concerns. Tom Bonadeo stated that water and sewer services were not needed to impact the Town and cited the building of Food Lion on the highway as an example. Dan Burke asked about possible blockages in the flow requiring lots of water to flush to resolve the problems. Tom Bonadeo stated that would be an engineering issue and not under the purview of the Planning Commission. The new wastewater treatment plant was built to handle the increased load and added that the more volume pumped in, the less the cost to the Town and its citizens. Andy Buchholz asked if reports from the PSA could be included in future packets. Tom Bonadeo would include any future reports from the PSA and asked the Town's representative to the PSA to come to the next meeting to explain the issue and report on the progress. Dennis McCoy added that the County controlled what could and could not be done in the County. Tom Bonadeo stated that staff was working with the County's new economic director and he recognized that growth needed to be in the town within the County and he was working to zone the property so businesses would not be pulled from the towns. Bill Stramm asked who from the Town was working with the County in regards to their comprehensive plan update. Tom Bonadeo responded that he had been working with the County. Andy Buchholz added that businesses would not develop here without a certain number of people living in the area.

OLD BUSINESS

A. *Conditional Use Permit – 712 Randolph Avenue – Residential Over Commercial*

Tom Bonadeo stated that Mr. Parham gave an overview of the project and a public hearing had been held with no comments received. The proposed use would not: i) Adversely affect the health, safety or welfare of the persons residing or working in the neighborhood of the proposed use or adversely affect the other land uses within the particular surrounding neighborhood; ii) Be detrimental to the public welfare or injurious to the property or improvements in the neighborhood; and iii) Be in conflict with the purpose of the comprehensive plan of the town. Tom Bonadeo stated that if the Commission felt that any of the three items were affected, conditions could be added.

There was discussion regarding the availability of parking in the back of the building. Tom Bonadeo stated that the CUP stayed with the building once it was acted upon. If it was not acted upon within a year, it would expire, unless the applicant applied for an extension due

to a hardship. The Town Council could extend the CUP for another year. Joan Natali asked Tom Bonadeo to explain what was considered "starting" and "completion." Tom Bonadeo explained that some CUPs required permits from agencies outside of the Town and added that Harbor Development Group had a CUP and had spent about \$1M in planning but the Army Corps of Engineers had not issued their permit yet. The CUP was considered to be acted upon because the permitting process had begun.

Tom Bonadeo continued to state that the Planning Commission's recommendation would be presented to the Town Council at their regular meeting on May 16 at which time they should schedule a public hearing in June.

Dennis McCoy asked if the Commissioners had any conditions they wanted to add. There were none.

Motion made by Mike Strub, seconded by Andy Buchholz, to forward the CUP to the Town Council with no conditions with the Planning Commission's recommendation to approve. The motion was approved by unanimous vote.

B. *Density in Harbor District Zone – Mason Avenue Corridor*

Tom Bonadeo reviewed the draft modifications to Article III of the Cape Charles Zoning Ordinance in the following sections: Section 3.9, subsections A, B, D.1, D.2.b, and D.3.b. Tom Bonadeo stated that it would also be practical to build a table for the Floor Area Ratio (FAR) concept. A joint work session with the Town Council had been scheduled for May 20. Tom Bonadeo stated that he had created a visual demonstration to help the Council understand the FAR concept and proceeded to give the demonstration to the Commissioners using blocks to show the various ratios.

Dan Burke stated that FAR did not control the shape of the building. Joan Natali and Andy Buchholz stated that the shape of the building did not matter. The concern was that area of land covered and the height, which could be controlled.

There were some questions regarding the Main Street Mixed Use area which went along Mason Avenue from the hump to the Bay. It was described on page 18 of the Harbor Area Master Guidelines. Tom Bonadeo stated that the area allowed additional heights, up to 55', in the back area, away from Mason Avenue.

Tom Bonadeo went on to state that he would present this demonstration to the Town Council on May 20 and asked the Commissioners to speak up at the meeting to assist with the FAR concept explanations to the Council.

There was some discussion of various scenarios regarding front elevation, continuous elevation and the use of facades. Tom Bonadeo stated that the language still needed some fine tuning and maybe 80 linear feet might not be the right number for subsection D.2.b. After further discussion, Tom Bonadeo suggested that the actual building height be changed to 40', which would enable facades. Andy Buchholz noted that this change would not affect the FAR.

NEW BUSINESS

A. *Change in July Planning Commission Meeting*

Dennis McCoy stated that the current July meeting was scheduled for July 2, which fell during the week of the July 4th holiday, and proposed changing the meeting date to the

following Tuesday, July 9. The Commissioners checked their calendars and all were fine with the change except Bill Stramm who had a conflict. Dan Burke asked about notification to the public regarding the meeting change and Tom Bonadeo stated that the meeting notice would be posted as usual in the Town Hall, the kiosk outside the building, included in the Gazette and on the Town's website.

ANNOUNCEMENTS

Tom Bonadeo informed the Commissioners that he would be retiring the end of May. Candidates for the planner position had been interviewed and an offer should be made soon. Tom Bonadeo added that he would be available in June to work to help with the transition.

Motion made by Joan Natali, seconded by Andy Buchholz, to adjourn the Planning Commission meeting. The motion was approved by unanimous vote.

Chairman Dennis McCoy

Town Clerk

DRAFT



DRAFT
TOWN COUNCIL & PLANNING COMMISSION
Joint Work Session

Town Hall
May 20, 2013
6:00 p.m.

At 6:00 p.m., Vice Mayor Chris Bannon, called to order the Work Session of Town Council. In addition to Vice Mayor Bannon, present were Councilwoman Natali and Councilman Sullivan. Councilman Wendell arrived at 6:10 p.m. Also present were Town Manager Heather Arcos, Town Planner Tom Bonadeo and Town Clerk Libby Hume. There was one member of the public in attendance.

Chairman Dennis McCoy called to order the Work Session of the Planning Commission. In addition to Chairman McCoy, present were Commissioners Andy Buchholz, Joan Natali, Sandra Salopek, Bill Stramm and Mike Strub. Commissioner Dan Burke arrived at 6:03 p.m.

Tom Bonadeo stated that tonight's work session was to review the density issue in relation to the Floor Area Ratio (FAR) concept and began by giving the attendees some background on development over the past several years, such as the Harbor Development Group and the Landmark Holdings projects. Previously, the Cape Charles Zoning Ordinance consisted of about one paragraph regarding the Harbor Zone. Since that time, the Town developed the Harbor Area Conceptual Master Plan and Design Guidelines and attached it as part of the Comprehensive Plan. The Planning Commission rewrote the Zoning Ordinance regarding the Harbor Zone to the current Section 3.9 to implement the Harbor Area Conceptual Master Plan. Density was not included as part of the ordinances in many of the zones.

Tom Bonadeo went on to talk about the Main Street Mixed Use area which was the south side of Mason Avenue. The ordinance stated that the south side of Mason Avenue should be reflective of the north side of Mason Avenue. Section 3.9.D.2 stated that buildings could be 40' tall by right and could be up to 55' tall by conditional use permit (CUP) with an average height of 45'. The FAR concept was a mathematical formula to designate the amount of floor area that could be developed on a given piece of property.

Tom Bonadeo demonstrated the FAR concept using wooden blocks to show the various FARs on a lot. A lot with a one-story building covering the entire lot would equate to a FAR of 1. The Harbor Area required at least 25% Open Space (OS), and the parking area could not be part of the OS. Varying configurations of blocks were shown to equate a FAR of 1. Tom Bonadeo continued to demonstrate a FAR of 1.25 and explained that the Planning Commission had reviewed a lot of numbers and felt that a FAR of up to 1.25 was the best for new development.

Tom Bonadeo stated that the Cape Harbor Project, the project from Landmark Holdings, planned for underground parking. Under the FAR concept, parking areas other than on ground level would be considered as developed area and would count toward the FAR. Parking on the ground level, beneath a second floor developed area would be acceptable. Another addition to the current zoning ordinance would be that no new development would have blocks longer than the blocks on the north side of Mason Avenue. This would help with preserving the existing view sheds. Each 40' of building would have to change the roofline, either with a change in the number of floors in the section or by façade. Tom

Bonadeo stated that the Landmark Holdings project planned to use varying façades to help with the broken roofline.

Tom Bonadeo went on to state that the use of FAR did not work by itself since you could end up with skyscrapers and described the failed development in Crisfield, MD which has several high-rise buildings along the waterfront with open space surround it. Council took a trip to Crisfield, MD to look at the development during their discussions of the Landmark Holdings project.

There was some discussion as to how to get the property owner to maintain the existing grid and it was noted that the view shed was not necessarily a road and could be used as part of the required 25% OS. It was also noted that the 30' setback from the Harbor could also be used as OS.

Tom Bonadeo stated that with a FAR of 1.25, the developer could meet all the requirements of the ordinance in regards to the height, OS and parking. A FAR of 1.50 was too big and would require more four-story buildings. The building would be denser and would require more parking area. The developer could build a two-story parking garage, but the second floor would count toward the FAR and the cost of constructing elevated parking was about 10 times more than the cost of constructing a parking lot on ground level.

Tom Bonadeo summarized that FAR could be used to control density without counting the number of units. The number of units was not important. The important thing was the mass of the buildings.

Vice Mayor Bannon asked about crossovers. Tom Bonadeo showed a rendering proposed by Landmark Holdings which included crossovers with several floors of dwelling units above, which limited the view shed and added that the Town could include language that the view sheds must be completely open, if so desired. Language regarding view sheds was included as a major portion of the Harbor Area Conceptual Master Plan. The Planning Commission had only looked at the Main Street Mixed Use area so far and wanted a general consensus of the FAR concept before moving forward with the other zones. Tom Bonadeo pointed out that heights of 55' were acceptable on the south side of the Harbor in any location due to the distance from Mason Avenue. Work would be continued to develop the modified ordinance. Once the ordinance had been drafted, the public process would begin to gain citizen input.

There were several questions regarding the view shed in relation to the Landmark Holdings property. The developer had stated that maintaining the view shed at Pine Street would render a portion of their property, the area of the current easement for the railroad, as unbuildable. Tom Bonadeo stated that there were a number of solutions to this issue and in the past, the area was a park-like area for the ferry dock. Andy Buchholz added that this area could be used as part of the required 25% OS.

Councilman Wendell asked if the Town could negotiate with the property owner to make the easement area be designated for a permanent public access to the Harbor. Tom Bonadeo responded that a portion of the property was owned by Landmark Holdings and another portion was owned by the railroad. The Town had been working on this issue for a number of years and did obtain permission from the railroad to use some of the area to provide access to the Harbor for pedestrians and golf carts and added that it was technically a federal offense to trespass on railroad property.

Tom Bonadeo stated that the Planning Commission would continue to work on this issue with the new planner.

Motion made by Councilman Sullivan, seconded by Councilwoman Natali to adjourn the Town Council Work Session. The motion was approved by unanimous vote.

Motion made by Commissioner Sandra Salopek, seconded by Commissioner Andy Buchholz to adjourn the Planning Commission Work Session. The motion was approved by unanimous vote.

Vice Mayor Bannon

Town Clerk

DRAFT

Planning Commission Staff Report

From: Tom Bonadeo

Date: June 4, 2013

Item: 4C – Reports

Attachments:

Item Specifics

1. The Northampton County website is www.co.northampton.va.us and contains the updated information from county meetings. The Northampton Planning Commission also meets on this night.
2. The South Port project, Cape Charles Yacht Center, has approved plans for E&S and Construction. They are ready for permits.
3. The Historic Review Board has a full complement of members. The new members were appointed by the Council and held their first meeting in May. They held a training session with a consultant and reviewed their first application.
4. The beach nourishment has started. Most of the work will be done on the northern most portion of the beach.
5. Working with VDOT on a sidewalk repair project. The side streets are underway but his project may run for some time. The contract is in place until this fall and Randolph has the most work. If someone asks about work being done or not done please refer them to Dave Fauber in Public Works.
6. The Library has moved! Many thanks to all the 100+ volunteers who made it happen. We had kids of all ages, groups, even some inmates from the jail helped out. There are several things still being done by volunteers, such as the circulation desk and the column repairs.
7. The new plans for deck additions to Aqua and the Shops area are in progress. The owner plans to enlarge the wedding business. This will be a great economic plus for the Town and County.
8. The planner is working on an industrial access road project in conjunction with the County, VDOT and the Virginia Economic Development Partnership. This road is part of the County's Six Year Plan and will help foster economic development in Northampton County (and Cape Charles). This will be an ongoing project for some time.
9. The planner has had a preview of the new Flood Insurance Rate Maps (FIRMs). They have changed drastically by reducing the AE flood zone. We will be reviewing these maps prior to the actual May 21 draft release date. FEMA will schedule some public information meetings during the summer comment period. You will be able to see the maps at that time.
10. The Wetlands Board has finished a permit for Bay Creek South along the Nicklaus Golf course. The 10 day comment period is over for the VMRC and the applicant is working

with the Army Corps of Engineers and US Fish and Wildlife on Tiger Beetle issues and we expect this project to move forward in June.

11. Charles McSwain is the Economic Development and Planning Director for Northampton County. The County would like to do something with the Town Edge Zones that border Cape Charles and Cheriton. It is important that the Towns and County work together on commercial development along Route 13 so that business development in the Town's doesn't get hurt. Everyone must remember that whatever economic development happens in the Towns it is also happening in the County.
12. We have Kyle Prendergast, an Intern from JMU, working on Geographic Information Systems for the Town. He has created a new zoning map. Final review is all that is needed. The new Planner will work on this during June and may present the map at the July meeting. Some locations have been rezoned and some zone names have changed.

Planning Commission Staff Report

From: Tom Bonadeo
Date: June 4, 2013
Item: 6B – PSA Presentation – Bob Panek
Attachments: Statistical sheet

Item Specifics

Bob Panek in the Chair of the Public Service Authority and has been a part of the PSA since it was revived a few years ago. Bob was appointed to the PSA by the County.

Discussion

Bob will explain the role of the PSA and its relationship to the Town. This relationship is important to understand because the PSA plays a very special role in the County's ability to secure funding such as grants and loans to provide services such as water and wastewater services.

Our area is part of a sole source aquifer and therefore our needs (Northampton County, not just Cape Charles) are very special when it comes to water supply, wastewater disposal and soil capability. The construction and operation of these systems is costly and requires specialized personnel.

Prior to the construction of the Cape Charles WWTP, the planner worked with Bob on numerous studies of the population and population predictions for the Town and lower Northampton County. During these studies there were locations outside of Town that were possible sites and Cape Charles could have been a customer of another entity. Public/private partnerships (PPP) were reviewed as an option to owning our own WWTP.

Recommendation

Read the attached statistical analysis of Cape Charles. If you haven't participated in a PSA meeting or reviewed PSA studies then you may not have correct information. Please listen to Bob Panek and ask questions.

Census Data for Cape Charles

Population and Housing data

1. Cape Charles has 1009 full time people according to the 2010 Census
 - a. 958 homes
 - b. 516 occupied homes (1.95 people per home)
 - c. 442 unoccupied by full time residents
 - d. 40 homes not available
 - e. 402 homes available for summer/weekend rental
 - i. 4 people each x 402 is 1608 part time people who use the utilities
 - ii. Add the full and part time together and you have a real population of 2617
2. Utility accounts
 - a. There are about 1086 utility accounts for 958 homes
 - b. The other 128 accounts are commercial, etc.
 - c. That means that the full time people pay half of the utility costs.
 - d. We can check the number of people in a location by reviewing the water usage compared to known users.
3. Growth
 - a. The original Town was divided into 644 lots but over 125 years subdivisions created more small lots along the side streets. Over 700 now.
 - b. The creation of the Bay Creek (PUD) creates the potential for 3000 additional lots and 1002 have been created and supplied with utilities and roads, all at the expense of the developer. All you need is houses. There are 363 homes in Bay Creek so that leaves 639 building lots with utilities in Bay Creek and about 70 building lots in the Historic District with utilities for a total of 709 fully developed building lots. This infrastructure is owned by the Town and is a valuable asset but requires maintenance while waiting for houses.
 - i. 709 new houses would generate \$319,050 in real estate tax revenue if they were assessed at \$250,000 each.
 - ii. 709 new utility accounts would generate \$8,508,000 in connection charges, much of which would go to build additional facilities that won't require financing.
 - iii. 709 new utility accounts would generate \$63,101 in monthly income (\$757,212 annually).
 - c. Building Permits issued in the first quarter of 2013.
 - i. Cape Charles issued 78 building permits.
 - ii. Northampton County issued 61 building permits.
 - iii. Accomack County issued 143 building permits.
 - iv. Accomack County is 12 times the size of Cape Charles (33,000 population compared to 2617 population). If you use the census data only Accomack has 33 times the population of Cape Charles.

 TOWN OF CAPE CHARLES	AGENDA TITLE: Public Service Authority (PSA) & Regional Wastewater System.		AGENDA DATE: May 16, 2013
	SUBJECT/PROPOSAL/REQUEST: Provide an update on the PSA and potential regional wastewater system.		ITEM NUMBER: 7A
	ATTACHMENTS: None		FOR COUNCIL: Action () Information (X)
	STAFF CONTACT (s): Bob Panek	REVIEWED BY: Heather Arcos, Town Manager	

BACKGROUND:

On June 28, 2010, the four participating Towns and the County adopted ordinances approving the joinder of the Towns to the existing, but dormant, Eastern Shore of Virginia PSA. The State Corporation Commission approved the revised charter, new Board Members were sworn in, and the PSA has been meeting monthly. The PSA has assumed responsibility for the Northern and Southern Node projects initiated by the Towns and County Utilities Project Management Team.

DISCUSSION:

As previously reported, the Northern Node (Exmore and the Nassawadox medical community) would cost about \$11.3 million. This project is on hold until Riverside determines the disposition of the Nassawadox medical campus and the existing wastewater treatment plant.

The PSA has been exploring a limited Southern Node service area focused on the commercial properties around the US 13/SR 184 intersection. The PSA has met with many of the property owners to explain this approach, and provided additional information and survey questions to all property owners. The PSA made a presentation, previously provided, to the Northampton County Board of Supervisors (BOS) on January 8, 2013 providing financial options for implementing the system. The BOS requested the PSA provide a recommendation on the financing approach, as well as estimates to extend the system to the Webster property (\$0.8 to 1.0M) and the Town of Cheriton (\$6.7M).

At the April 16, 2013 meeting, the PSA approved a recommendation to the BOS to construct a somewhat smaller system, still focusing on the core commercial properties, to be funded 75% through a Special Tax District and 25% through General Real Property Tax. Tax rates would be set to generate sufficient revenues to accommodate debt service for bonds issued to build the system.

The BOS is considering this recommendation during their budget development process.

RECOMMENDATION:

Provided for information only.

 <p>TOWN OF CAPE CHARLES</p>	AGENDA TITLE: Public Service Authority (PSA) & Regional Wastewater System.		AGENDA DATE: February 21, 2013
	SUBJECT/PROPOSAL/REQUEST: Provide an update on the PSA and potential regional wastewater system.		ITEM NUMBER: 8A
	ATTACHMENTS: PSA presentation to county BOS.		FOR COUNCIL: Action () Information (X)
	STAFF CONTACT (s): Bob Panek	REVIEWED BY: Heather Arcos, Town Manager	

BACKGROUND:

On June 28, 2010, the four participating Towns and the County adopted ordinances approving the joinder of the Towns to the existing, but dormant, Eastern Shore of Virginia PSA. The State Corporation Commission approved the revised charter, new Board Members were sworn in, and the PSA has been meeting monthly. The PSA has assumed responsibility for the Northern and Southern Node projects initiated by the Towns and County Utilities Project Management Team.

DISCUSSION:

The first phase of the Northern Node (Exmore and the Nassawadox medical community) would cost about \$11.3 million. About \$7.3 million of grant funding and/or capital contributions is needed to achieve affordable service rates. Significant grant funding is only possible from the U.S. Department of Agriculture, Rural Development (USDA RD), but will not be available until FY 2014. The project is on hold until Riverside determines the disposition of the Nassawadox medical campus and the existing wastewater treatment plant.

The first phase of the Southern Node (Cheriton) would cost about \$7.5 million. However, the funding agencies have indicated that they can realistically fund only one large project in Northampton County. Therefore, the PSA has decided to explore a more limited service area focused on the commercial properties around the US 13/SR 184 intersection. The preliminary estimate for this project is between \$1.5 million to \$2 million. The objective would be to fund this first phase of the Southern Node primarily with private capital contributions from the commercial property owners. The PSA met with many of the property owners to explain this approach on May 15, 2012 and provided additional information and survey questions to all property owners on June 14, 2012. The PSA did follow-ups during the fall of 2012 with several of the property with operating businesses or near term development plans. The PSA provided a presentation, attached, to the Northampton County Board of Supervisors (BOS) on January 8, 2013 providing financial options for implementing the system. The BOS requested the PSA provide a recommendation on the financing approach, as well as estimates to extend the system to the Webster property and the Town of Cheriton. This should be provided to the BOS by the end of this month.

RECOMMENDATION:

Provided for information only.

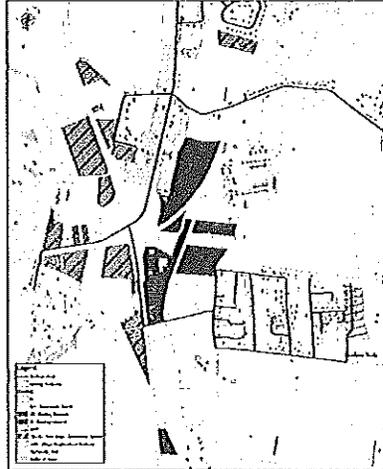
ESVAPSA Regional Wastewater System

Northampton County
Board of Supervisors
Regular Meeting – Jan. 8, 2013

Southern Node

- BOS briefed last January about significant commercial interest in service area.
- 85 parcels zoned for commercial use.
- Potential for area around US 13/SR 184 intersection as **Phase 1** of Southern Node.
- Potential future expansion to Cheriton.

Potential Service Area Commercial Properties



Funding Options

- Little grant money available.
- Must rely on some form of local funding for debt service on public bonds.
- Create Special Tax District?
- Include in general real property tax rate?
- Connection and availability fees?
- Combination of all the above?

System Cost

- Treatment at Cape Charles WWTP; bulk rate TBD.
- Rough estimate of collection system, pumping and force main is \$1.5M -\$2M.
- At 3.25%, annual debt service:

<u>20 YRS</u>	<u>30 YRS</u>
\$134,125	\$100,250

Cost to Property Owners

- Special Tax District:
 - Assessed value of property about \$20M.
 - State law limits tax district to 20 years.
 - For 20 year term, debt service is about \$740 per \$100,000 of assessed value.
 - Focuses on property with potential for most immediate benefit.

Cost to Property Owners

- General real estate tax rate:
 - 1 cent increase yields \$248,000.
 - More than sufficient for debt service:
 - For 20 yrs, \$134,125, or 0.54 cents.
 - For 30 yrs, \$100,250, or 0.40 cents.
 - Range of \$4 to \$6 per \$100,000 of assessed value.
 - Recognizes benefit to all property owners from future revenues enabled by infrastructure.

Other Considerations

- Connection must be mandatory.
- Connection fee could offset some D/S.
- Voluntary availability agreements for future connections could generate funds.
- A mix of funding options is possible.

Engagement of Property Owners

- Met with property owners in May 2012.
- Survey issued in July 2012, providing cost information and requesting interest in Tax District, connection charges, usage, etc.
- Poor survey response.
- Follow-up with owners of significant existing buildings done Fall 2012.

Results

- 64 owners; 85 parcels, mostly vacant.
- 10 responses: 5 yes, 4 maybe, 1 no.
- The 9 “positive” responses represent parcels with assessed value of about \$7M.
- This is about a third of the assessed value of all commercial parcels in the area.
- A thin response but significant value.

Way Ahead

- BOS decide on funding approach.
- BOS back PSA borrowing with moral obligation bond.
- PSA arrange borrowing w/USDA & DEQ.
- PSA contract for design/build of system, including DEQ permit support.

Way Ahead

- PSA negotiate w/Cape Charles for treatment bulk rate.
- Tax revenue and connection charges pay debt service.
- Service fees pay treatment, maintenance and overhead costs.
- If BOS is agreeable, PSA and County Administrator will develop plan of action.