

**Special Joint Town Council &
Board of Supervisors Meeting**

**Germanna Center for
Advanced Technology
September 29, 2009**

The Council of the Town of Culpeper and the Culpeper County Board of Supervisors convened in special joint session at 7:00 p.m. with Mayor Pranas A. Rimeikis and Chairman William C. Chase Jr. presiding. Present: Calvin L. Coleman, Michael T. Olinger, James C. Risner, Robert M. Ryan, Christopher H. Snider, William M. Yowell, Council Members. Also present: Jeffrey B. Muzzy, Town Manager; Kimberly D. Allen, Town Clerk; Christopher D. Hively, Environmental Services Direction; Robert W. Bendall, Town Attorney. Absent: Duke M. duFrane, Council Member.

County Board of Supervisors present were Chairman William C. Chase Jr., Larry W. Aylor, Sue D. Hansohn, Steven E. Nixon, Bradley C. Rosenberger, Steven L. Walker, and Tom S. Underwood. Also present: Frank T. Bossio, County Administrator; Roy Thorpe, County Attorney; John Egerston, County Planner; Barry Atchison, Assistant Deputy Clerk.

Mayor Rimeikis called the meeting to order.

Introduction by Town Manager and County Administrator

County Administrator Frank Bossio stated tonight's town and county regional water and sewer authority/ boundary line adjustment presentation would cover most of the issues previously addressed by both bodies except for the future meeting schedule. He reported that staff had spent a tremendous amount of time putting the concept together and felt it may be capable of solving all the issues and concerns shared by both bodies. He stated it was up to the governing bodies to determine if they wanted to decide on the issues tonight or discuss them separately at their next meeting. He requested guidance and input from both bodies as to how to proceed.

Town Manager Muzzy stated that staff would present the ideas; however, it was up to both bodies to provide feedback to staff as to whether or not they were heading in the right direction. He stated this presentation was in line with basic tenets that were discussed at previous meetings.

Town and County Concerns

Town Manager Muzzy reviewed council's concerns regarding the issue:

- Increased Taxes – Town finances, keeping it affordable, having adequate revue to maintain service levels;
- Affordable and Available Utilities – Will a regional authority change the town's position?
- Long-Term Economic Viability – If town utilities become part of an authority, how will this not cause competition for new or existing businesses in town?
- Land Use and Zoning – Type of development inside and outside town boundaries;
- Town Form of Government – Stay small- to medium-size town;
- Size of Community – Goal not to become a city.

County Administrator Bossio reviewed the board's concerns regarding the issue:

- Protection of Agricultural Land – Implications for landowners regarding zoning for boundary adjustments into town;
- Increased Taxes – How does BPOL and additional real estate taxes affect the development for town and county businesses and how do we compete with other localities?
- Affordable and Available Utilities – How quickly will water and sewer taps be available?
- Economic Development – Need a unified plan to move forward;
- Land Use and Zoning – What happens to land after it has been boundary adjusted into the town?
- City Status – Concern the town may become a city. What would city status do in terms of economic development and how would it affect the quality of life in Culpeper?

County Administrator Bossio asked council and the board if there were additional concerns that staff had not covered. There were no comments.

Basic Tenets

- The town and county believe that the economic health and prosperity of the town and county are linked.
- The town and county agree that the town would be best served by increasing the diversity of the tax base. By creating a more balanced ratio between commercial and residential development, town viability will improve.
- The town and county agree that development/redevelopment within the town is beneficial and should be a primary goal of the community.
- The town and county recognize that retail uses, offices, restaurants and hotels represent the type of development most desirable for the town, while it is more appropriate for large office parks and industrial development centers to remain in the county.
- The town and county believe that moving forward together, with a complete and supportable financial plan is in the best interest of all Culpeper residents.

Mr. Muzzy stated the opportunity exists to achieve mutual gain by creating a regional authority and expanding the town boundaries.

Transfer of Assets

There are three alternatives to consider in the transfer of town assets:

1. Long-Term Agreement – not a viable option; violates the town charter;
2. Charter Amendment – not the town's preferred method;
3. Referendum – supported by town charter; provides a clear mandate for the town; promotion is prohibited, however, a strong educational campaign conducted by council and the board is permissible; outside agencies such as the Chamber of Commerce could promote the measure.

The county will also transfer all assets to the regional water and sewer authority but the method of transfer is not dictated by charter.

Supervisor Nixon questioned why the town did not prefer the charter amendment option. Council Member Snider responded it would disenfranchise the voters by taking away their right to vote on the issue and indicated he would not support a charter change. Supervisor Nixon stated it was a valid point and noted the voters needed the right to vote on an issue this big.

Supervisor Walker questioned if council was against a charter change because it infringed on citizens' rights. Council Member Risner replied yes, and stated a referendum was the fair approach; advocates would have to educate the public regarding the issue.

Supervisor Hansohn questioned the difference between promoting a view and educating the public. County Administrator Bossio stated council could discuss the advantages and disadvantages with the public. Town Manager Muzzy stated council could explain it but not advocate a position. County Administrator Bossio stated individual members could advocate a position. Town Manager Muzzy concurred as long as public funds were not used. Supervisor Hansohn stated it would be necessary to hold town meetings.

Supervisor Nixon questioned what would happen if the referendum failed. County Administrator Bossio replied council could change the charter or pursue another agreement. Town Manager Muzzy stated if the referendum failed, it would be necessary to change the message. Council Member Risner agreed.

Supervisor Rosenberger questioned the town charter regarding the issue. Town Attorney Bendall responded the charter requires public notice or a referendum to sell, lease, or dispose of town property and indicated the language was common in town charters. Supervisor Rosenberger stated the council was elected by town voters to conduct the town's business. He urged council to move quickly to hold public hearings. Council Member Coleman concurred.

Supervisor Aylor questioned whether or not the charter could be amended. Town Attorney Bendall stated the General Assembly could amend it if council sought to make a change. Supervisor Aylor indicated he agreed with Supervisor Rosenberger that council was elected to conduct the people's business and stated he did not want the option taken off the table.

Town Attorney Bendall noted the transfer of assets was the first step and indicated that if the boundary adjustment issue was attractive to town citizens, the referendum should be agreeable as well. He stated the question before town voters was why it would be beneficial to transfer an asset they built over time and noted the answer would have to be boundary adjustment. He indicated the educational process would be significant.

Chairman Chase questioned if leasing the utilities was an option. Town Attorney Bendall stated almost anything could be leased; however, the language in the town charter which stated "disposing of the public infrastructure" was broad and required a referendum. He noted he and Mr. Carter Glass concluded if the utility was leased to the authority, it would be difficult to secure bonds.

Chairman Chase clarified that he meant a 100-year lease at a cost of \$1.00 per year. County Attorney Thorpe stated town voters would have to approve the lease by referendum; therefore, it was preferable to vote on the transfer of the utility which would also help the authority in the bond market.

Chairman Chase stated the authority would decrease taxes and increase services for all residents.

Boundary Line Adjustment

- Tools to regulate the boundary adjustment to a maximum area of eleven square miles would include retail, hotel, offices, restaurants, and residential uses will be available to be boundary adjusted into the town.
- Land uses in the county which would not be eligible to be boundary adjusted into the town would include large manufacturing and distribution centers, data centers, large office complexes, technology campuses, and agricultural co-ops.
- Future boundary adjustments would be flexible; however, they would be limited by an Area of Potential Adjustment (APA) around the town. The APA would mirror the water and sewer service area contiguous to the town. As the service area is amended, the APA would be amended simultaneously.

- Joint comprehensive planning would occur within the APA.
- The town and county would be best served by adding commercial diversity to the town tax base. As such, initial boundary line adjustment areas should be focused on existing development and a few strategic parcels including:
 - Center at Culpeper
 - Culpeper Colonnade
 - Lowe's/Madison Grove Subdivision
 - S.W.I.F.T. (already partially within the town)
 - Clore Property
- Future boundary adjustments would be achieved periodically, allowing the Town to grow and improving its tax base by boundary adjusting selected commercial and office areas which have already been developed.
- The series of maps (included in the meeting packet) is purely a representation of how the town might grow over a period of time from its current 6.75 square miles to roughly 11 square miles.

Supervisor Nixon questioned how to determine whether or not future councils would attempt to seek city status. County Attorney Thorpe stated the agreement would ultimately be ratified by court order which would have the effect of law. He noted the court order would state the agreement would stay in place for a determined number of years unless the court was subsequently petitioned to change the timeframe. Town Attorney Bendall stated this method came about as a replacement for annexation.

Supervisor Nixon questioned if the town would gain additional taxing authority if it became a city. After a brief discussion, Town Attorney Bendall stated a city would need taxes in order to finance schools. Supervisor Nixon questioned if population growth or a charter amendment would trigger incorporation into a city. Town Attorney Bendall stated population growth still determined whether or not a town could become a city; however, a moratorium was in place to limit the number of cities in Virginia.

Mayor Rimeikis questioned the size of the town's potential growth. County Administrator Bossio replied that the estimate of eleven square miles came from the town's comprehensive plan. Town Manager Muzzy discussed information regarding expected population growth.

Supervisor Nixon questioned if the agreement would prevent the construction of a meeting/convention center elsewhere in the county. County Administrator Bossio replied no; however, such facilities should not be built adjacent to the town or in competition with the town.

A brief discussion ensued regarding water plants in Jeffersonton as well as other communities in the county. County Administrator Bossio stated a regional authority would address those issues.

Supervisor Hansohn questioned water and sewer services to boundary adjusted areas. Town Manager Muzzy replied the agreement would ensure area brought into the town through boundary adjustments would receive water and sewer services.

Vice Mayor Yowell discussed the initial boundary adjustment and questioned the construction of large manufacturing, office or agricultural centers on land adjacent to the town that could be subject to a second boundary adjustment. He also questioned if this scenario would preclude future boundary adjustments. County Administrator Bossio responded these issues should be addressed through joint planning between the two governing bodies.

Town Manager Muzzy discussed “leap frog” growth and indicated growth would not be limited to town environs; however, it should occur within the existing or amended water and sewer service areas.

Council Member Risner questioned the financial loss to the county through boundary line adjustments. County Administrator Bossio discussed land use issues, i.e. farm land vs. developed land, in the county and stressed the importance of joint planning in response to the question.

A general discussion ensued on sales tax revenue. Town Manager Muzzy stated the agreement would limit the town’s potential growth.

Mr. Coleman referenced the current service area and questioned whether or not the board would expand it to cover the area near the proposed outer loop. County Administrator Bossio stated if development grew in that direction, it would be included.

Vice Mayor Yowell referenced the boundary line adjustment map that excluded the area around the farm co-op and questioned whether or not it would be subject to adjustment if the land use changed. Supervisor Nixon responded yes.

Supervisor Hansohn questioned the 14% sales tax relating to schools. Council Member Snider responded with the following comments:

- Outside town limits, the county currently receives the entire 1% local portion of the sales tax; the remaining 99% is allocated to the state.
- Within town limits, the county receives 86% of the local portion of the sales tax; the town receives the remaining 14%.

A general discussion ensued regarding tax revenue for the county that could be lost through boundary adjustments, particularly funding for schools. County Administrator Bossio stated staff would submit a financial analysis to the governing bodies in November.

Supervisor Rosenberger stated his concern that future businesses wishing to locate in the county could become part of the town through boundary adjustments and indicated they could be “double taxed” which would discourage growth.

County Attorney Thorpe stated even without the agreement, there would be no guarantee to prevent the town from growing and indicated public hearings would be held to inform businesses before any action was taken. Town Attorney Bendall added the agreement would prohibit the town from seeking city status or annexation of land for an extended period of time and noted it would delineate an APA area as well.

An extended discussion ensued regarding possible scenarios for town growth and the need for joint planning for economic as well as residential growth.

Potential Schedule

Town Manager Muzzy stated the opportunity exists to achieve a mutual gain by creating a regional authority and expanding the town boundaries. County Administrator Bossio discussed the following timeline:

- October 2009: Finalized concept plan and final review by legal council detailing the methods to obtaining an agreement.
- November 2009: Initial BLA map and staff financial analysis. At this point, outside consultants may be hired if there are questions/concerns which staff is unable to address.
- November 2009 – March 2010: Preliminary reports on development of final agreement.
- March 2010: Draft of final agreement to be reviewed.
- April 2010: Extension of current court agreement.
- May 2010: Vote on final agreement and submission to the Commission on Local Government.
- Referendum date to be determined.

A general discussion ensued regarding the timeframe for the referendum. Mayor Rimeikis referenced town elections in May 2010 as well as the general election in November 2010 and questioned restrictions regarding special elections. County Attorney Thorpe responded he believed special elections could not be held sixty (60) days before or after a general election.

A brief discussion ensued in which both governing bodies expressed their support of the timeframe and direction of the process.

Adjournment

The meeting adjourned at 8:40 p.m.

Clerk

Mayor