

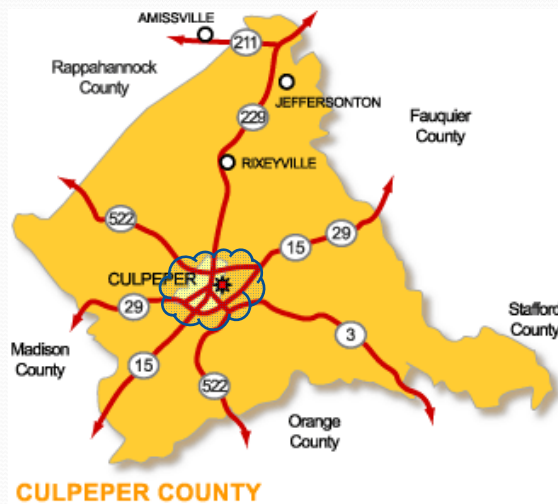
Settlement Agreement Solves 20 Year Controversy



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Town of Culpeper

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Culpeper Town and County



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Typical Town vs. County Issues

- Town residents are County residents as well
- Annexation is on the table
- Cost of schools is a County issue
- Town residents pay County and Town taxes
- Rural vs. Urban issues
- Competing interests between Town & County
- Minimal resources

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Problem

- Based on development patterns, the need for public water and sewer service in the Town Environs has been an issue for decades with a very high price tag for the County to address.
- The Town, also in need of expanding its tax base and to create an even playing field for in-town businesses, has contemplated boundary expansion for many years .
- Town Environs has become the Battleground

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Why Locate In Town

- Pros
 - Available Infrastructure
 - Proximity to Other Businesses
 - Increased Service Delivery
- Cons
 - Town Taxes
 - Limited Industrial Sites
 - Increased Restrictions & Requirements due to “City like”

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Why Locate In Town Environs

- Pros
 - Available Infrastructure - ????
 - Proximity to Other Businesses
 - Lower Taxes
 - Industrial Sites Plentiful
 - Less Restrictions
- Cons
 - Not much
 - Slightly Less Service Delivery

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Town Environs Battleground

- **County Wants - “Stability & Access”**
 - Access to Infrastructure
 - Control to protect vacant farm land
 - Protect the Enterprise Zone (no Annexation)
 - Access to Utilities at In-Town Rates
- Does not want expense of developing parallel utilities
- Does not want contested annexation by Town
- Does not want Town to seek City status

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Town Environs Battleground

- **Town Wants “Benefits for Services Provided”**
 - Even playing field for Town businesses
 - Additional area to grow
 - Growth to come to Town vs. Environs
 - To retain control of Utilities and revenue generated
- Bonus
 - Higher Commercial : Residential Ratio
 - Full nutrient allocation

Bottom Line - Battleground hurting both!!!

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Agreement Obstacles

- Trust, Trust, Trust
- Areas of future growth cannot be clearly identified
- Time of future growth cannot be clearly identified
- Town's vs. County's perceived value of utilities
- Town's vs. County's perceived value of boundary line adjustment, especially vacant land
- Elected bodies want immediate reward
- Issue had been discussed for over 20 years, very few believed a solution would ever be reached

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Voluntary Settlement Agreement

- Code of Virginia Section 15.2-3400, 15.2-2907
- Commission on Local Government Regulation
 - 1 VAC 50-20-540. Annexation
 - 1 VAC 50-20-610. Voluntary Settlement Agreements
- Binding on future local government bodies and localities
- Stronger agreement since order of Court to address trust issue

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Settlement Agreement Process

- Develop Tenets followed by Agreement Points
- Approval by Board of Supervisors and Council
- Develop Settlement Agreement Document
- Adopt Resolution Approving Agreement by Both
- Seek Approval by Commission on Local Government
- Petition DEQ to Transfer of Nutrient Allocation
- Seek Approval by Three Judge Panel
- Receive Final Order by Three Judge Panel

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Basic Tenets of Commonality

- Town & County linked
- Diversity of Tax Base
- Development/Redevelopment of Town is beneficial
- Recognition of appropriate (but different) development for both Town/County
- Moving forward together is beneficial

“If it looks like a Town should be in the Town”

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Agreement Points

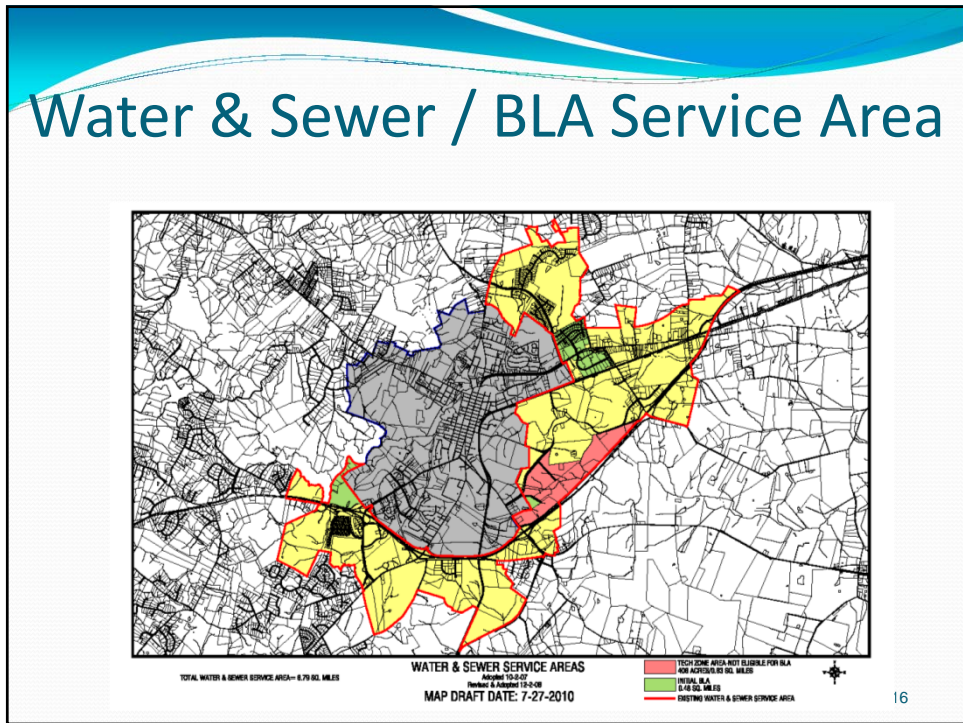
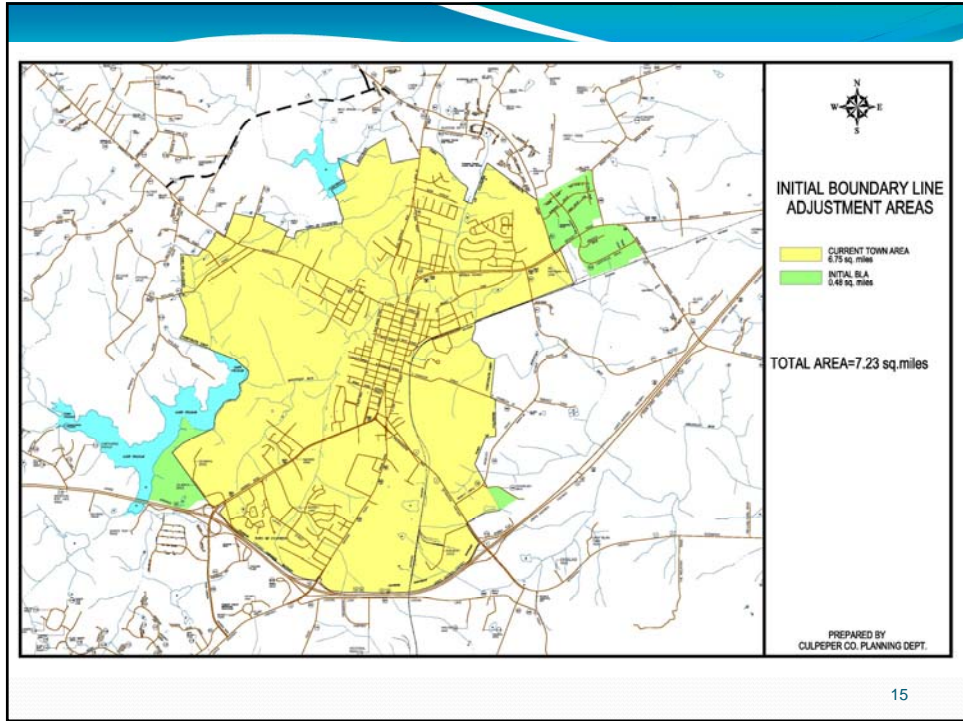
- Long Term Agreement - 30+ Years
- County Transfer 1.5 MGD Nutrient Allocation to Town
- Town will provide 1.5 MGD of Water & Wastewater Retail Service to County Service Area if available (not capacity)
- County customers will be converted to Town Customers and County will not serve customers in service area
- Utility Service identical for County as Town Residents
- Town retains ownership of capacity and utilities
- Utility Customers will remain customers of Town after termination of agreement

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Agreement Points (Cont.)

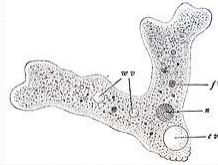
- Boundary Line Adjustment Area(BLA) to match County Service Area, but exclude Technology Zone
- BLA Opportunities to occur initially and every 10 years
- BLA Criteria
 - 10% FAR or Greater for non-Residential
 - 1 dwelling per Acre for Residential
- Joint Planning Commission established for BLA Area
- Town will not initiate contested annexation proceedings as long as BLA in effect
- Town will not seek City Status during life of agreement
- Town will reduce BPOL by 20%
- Previous agreements will be nullified and incorporated by reference

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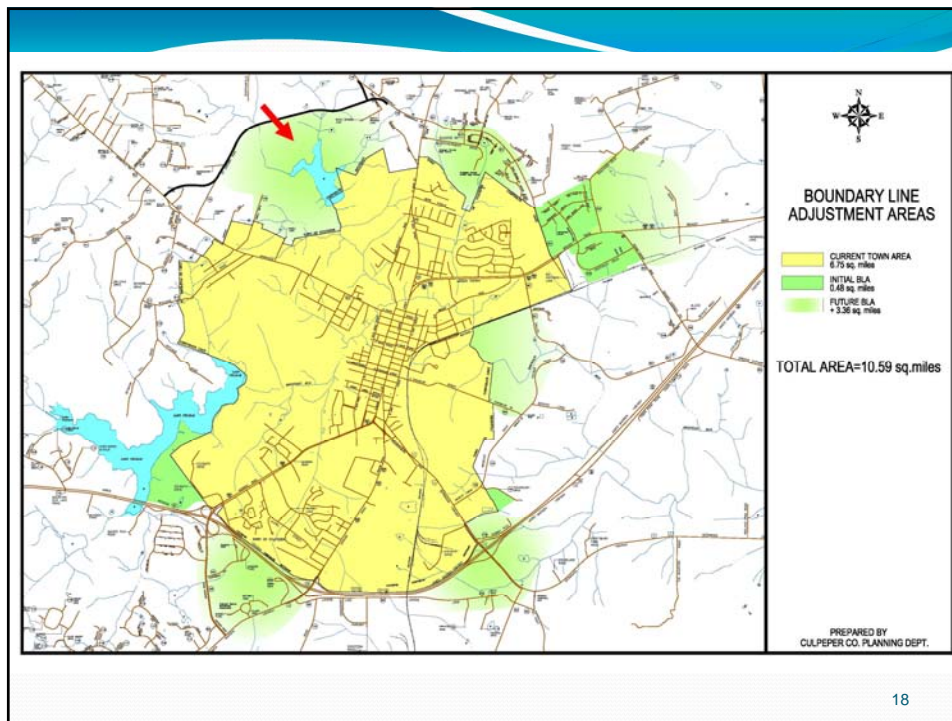


Amoeba Approach to BLA

- **Amoeba** is a genus of Protozoa that consists of unicellular organisms which do not have a definite shape
- In lieu of identifying future boundary adjustment areas, areas will be defined naturally based on future development densities



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The Win-Win

The Town

- Preserves the 1.5MGD nutrient allocation for the community
- Initial BLA = \$1.1M / annually
- Retains ownership and control of Utility
- County out of utility business in Town Environs
- Controls future destiny through BLA actions
- 20 year controversy resolved and positive Economic Development climate created

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The Win-Win

The County

- Preserves the 1.5 MGD waste load allocation for the community
- Assures utility service for Town Environs at no direct cost to County
- County retains significant growth controls
- County utility customers treated equally to Town
- 20 year controversy resolved and positive Economic Development climate created

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Summary

The Settlement Agreement:

- Solved a 20 year dispute between the Town and County
- Provided a 30+ year solution
- Strengthened both bodies financially
- Enhanced Economic Development
- Secured Waste Load Allocation
- Created a Team Environment