

DRAFT MINUTES
Town of New Market – Shenandoah County
Oral Presentations
Commission on Local Government
10:30 a.m., May 4, 2010
New Market Community Center, Gymnasium
9184 John Sevier Road
New Market, Virginia 22844

Members Present

Harold H. Bannister, Jr., Chairman
Wanda C. Wingo, Vice-Chairman
Vola T. Lawson
Kathleen K. Seefeldt

Members Absent

Cole Hendrix

Staff Present

Susan Williams, Local Government Policy Manager
Zack Robbins, Senior Policy Analyst
Steve Ziony, Principal Economist

Call to Order

Commission Chairman Harold H. Bannister, Jr., called the meeting to order at 10:42 a.m. on May 3, 2010 in the Gymnasium at the New Market Community Center in New Market, Virginia.

I. Oral Presentations by Town of New Market and County of Shenandoah Representatives on Proposed Voluntary Settlement Agreement

A. Introductory Remarks by the Chairman

Mr. Bannister welcomed those in attendance and explained that the Commission scheduled the oral presentations as part of its review of the proposed voluntary settlement agreement negotiated by the Town of New Market and Shenandoah County. He then asked the town and county representatives to proceed with their oral presentations.

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B. Oral Presentations

Mr. Chris Boies, Town Manager of New Market, noted that there are three entities involved in this proposal – the County, the Town, and the Commonwealth – and that the proposed agreement will benefit all three parties.

Mr. Boies explained that the Commonwealth will benefit in that its policies regarding Urban Development Areas (UDAs), orderly growth and protection of agricultural land will be fulfilled; that the County will benefit in that its statutory requirements regarding UDAs can be met without the County providing significant utility capacity; and that the Town will benefit by the opportunity to have oversight over the rate of growth, while growing to attract amenities, such as a national chain grocery store.

Mr. Boies said Shenandoah County's comprehensive plan intends to funnel growth in and around the existing towns in order to take advantage of the infrastructure and services already in place and reduce the pressure to develop agricultural land on larger lots.

Finally, Mr. Boies stated that the proposed agreement incorporates a Growth Area Concept Plan adopted by both the Town and County and that any changes to it would require the agreement of both parties, unlike the annexation arrangements in the other Shenandoah County towns, which offer the County very little assurance that annexed land will be developed in a timely fashion.

Mr. Vincent Poling, Shenandoah County Administrator, introduced to the Commission the following County staff members: Brandon Davis, Director of Planning and Garland Miller, Budget Director.

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Mr. Poling concurred with Mr. Boies' remarks, and he reiterated that the County is benefitting by assurances with respect to land use, density and growth rates, which were not addressed in prior agreements entered into with Mount Jackson and Strasburg.

Mr. Brandon Davis, Director of Planning for Shenandoah County, stated that the proposed agreement fulfills the County's comprehensive plan objectives of keeping the county rural, concentrating development in and around towns and providing zoning and subdivision controls to implement plan objectives. He further indicated that the County intends to use the agreement with New Market as a model with respect to other towns located in the County.

Mr. Bannister then asked the members of the Commission if they had any questions of the County or Town. Mrs. Wingo asked about the initial reaction of the residents within the proposed growth area to the proposal. Mr. Boies stated that there has been minimal opposition, primarily due to the protections offered to landowners through this proposed agreement, which limit involuntary annexations. He indicated that some other towns in the County have experienced controversy regarding large areas of farmland that have been annexed with no intention to develop them in the near future.

Mrs. Lawson noted that development which attracts families with young children tends to be a financial liability for localities due to the increased demand for services, and she asked what percentage of this anticipated growth is expected to be school-age children versus older persons.

Mr. Boies stated that New Market's recent growth has been mainly retirees and that, due to the presence of the golf course, the quality of life in the town and low taxation, the trend is expected to continue. Mr. Boies reminded Commission members

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that the proposed agreement contains a provision for cash payment to the County based on a fiscal impact model that the County will run at the time of an annexation request for all new developments to determine the costs for new capital projects.

Mrs. Lawson indicated that she was also concerned about the ongoing operating costs of providing services to younger families. Mr. Boies stated that the Town anticipates commercial and industrial growth to offset the demand on the residential tax base.

Mr. Poling stated that the southern end of the County has been buffered from growth in its school-age population due to its remote location. He further indicated that there is some excess capacity in the southern area schools.

Mr. Bannister inquired as to whether the County would continue to concentrate growth around the town if the proposed agreement was not approved by the special court. Mr. Poling stated that it would continue to do so and that, as the County's comprehensive plan has evolved over time, emphasis has increasingly been placed on concentrating development in and around the towns. Additionally, Mr. Poling stated that the lack of a County utility system encourages such development and that the County has agreements in place with its towns, which ensure that cash proffers are collected on the County's behalf for any rezoning.

Mr. Poling then addressed Mrs. Lawson's earlier question and stated that the typical home would generate about \$500-\$600 in revenue and that the annual per-pupil cost in the County schools is approximately \$8,000, including both state and local funds. Mr. Garland Miller, Shenandoah County Budget Director, stated that the annual per-pupil cost in local funds is \$3,500 for operations only, not including any capital costs.

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Mr. Bannister then asked the Town how it would proceed if the proposed agreement was not approved. Mr. Boies explained, in that case, the friendly boundary line adjustment process could be followed; however, he indicated that a more comprehensive arrangement would be preferable for the same reasons addressed by the County.

Mrs. Seefeldt then asked how many Towns are located within the County and what percentage of revenue can be attributed to non-residential real estate. Mr. Poling responded that there are six towns, and Mr. Miller stated that 11.2% of real estate tax revenues are attributable to non-residential properties.

Ms. Williams asked Mr. Neese to brief the Commission regarding the Town's comprehensive planning process and how the Growth Area Concept Plan will be integrated into the comprehensive plan. Mr. Neese stated that the Town is in the process of updating its existing comprehensive plan (which was adopted in 2004), and the Town intends to extend principles from the Growth Area Concept Plan – such as new urbanism – into the existing areas of Town. One potential solution would be to amend the existing zoning ordinances to align them with those in effect within the Growth Area. Mr. Neese also stated that the Transitional “X” District had been approved and forwarded to the Commission staff.

Ms. Williams asked if the Town's capital improvements plan would be amended to incorporate needs identified during the process of updating the comprehensive plan. Mr. Neese stated that the Town updates the capital improvements plan on an annual basis and that newly-identified needs would be incorporated during the next cycle.

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Mr. Ziony stated that, because the fiscal impact model is referenced in the proposed agreement, it would be beneficial to review the composition of the model; to hear how it may be revised in the future; and to understand the types of infrastructure projects that would be affected by it. He requested specific information detailing the underlying methodology employed by the fiscal impact model. Mr. Miller explained that the model is a combination of spreadsheets that uses a per-capita, per-household, demand-for-services type of analysis, and it also contains a component that considers the additional revenue-generating capacity of commercial properties. Additionally, the model could be modified to consider the capital costs of utility services provided by the Town, although most utility capital costs would be borne by the developer rather than the Town. Mr. Ziony inquired as to whether the spreadsheets comprising the model contain identifiable formulas, and Mr. Miller responded affirmatively. Mr. Ziony then requested that Shenandoah County provide the spreadsheets - including the formulas - that comprise the fiscal impact model as well as the code book, if any exists, that would be needed to identify the variables and to interpret the formulas in the spreadsheet.

Discussion ensued regarding the county providing the model, historic and potential expenditures of cash proffers, the vagueness of the wording of the proffer portion of the proposed agreement, and what is considered an appropriate capital expenditure of cash proffer revenue. Mr. Poling indicated that the County has not updated the fiscal impact model in a couple of years but that it was employed previously for projects in Strasburg and Edinburg. He explained that the five-year capital improvements plan will most likely govern how cash collected through proffers will be spent. Mr. Poling stated his understanding that the current wording of the proposed

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agreement would protect the County if current cash proffer enabling legislation were replaced with impact fee authority. Mr. Poling added that the cash proffer system in Shenandoah County is very conservative compared to other localities.

Mr. Ziony then asked Mr. Neese to address the discrepancies in acreage between that indicated in the Notice, which describes the annexation area as approximately 1,559 acres; the proposed voluntary settlement agreement, which describes a Future Growth Area containing approximately 1,560 acres; and the “Growth Area – Real Estate” spreadsheet provided in the Town’s submission, which indicates total acreage of 1,818. Mr. Neese stated that some of the parcels identified on the spreadsheet are only partially located within the growth area but the acreage and assessment data for the entire parcel was provided. Mr. Neese indicated that the proposed annexation area is actually 1,710 acres. There was further discussion between Mr. Ziony and Mr. Neese regarding changes between the first and second submission of the personal property revenue information, during which Mr. Neese indicated that he used the GIS capabilities of the County to update the table. Upon Mr. Ziony’s request, Mr. Neese agreed to break out the revenue generated by the split parcels.

Mr. Bannister asked for closing remarks from the Town and County. Mr. Boies stated that the agreement between the Town and County, as well as the benefit to the Commonwealth, are favorable reasons for this proposal to proceed, and he requested a favorable recommendation from the Commission. Mr. Boies then thanked the Commission for its consideration.

Mrs. Seefeldt asked if her observation is correct that the County’s vision is to maintain the rural character of the county while concentrating growth around the existing

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towns and other developed areas where infrastructure is already in place. Mr. Poling indicated that she is correct.

Mr. Poling stated in closing that he was agreeable to providing the information requested by Commission staff, and he requested a favorable recommendation from the Commission.

Mrs. Seefeldt asked if her observation is correct that the Town's expectation is to be able to provide a critical mass of development in order to improve the Town's viability and to attract businesses and services. Mr. Boies indicated that she is correct and that the Town is committed to slow and reasonable growth consistent with the County's vision.

Mrs. Wingo commended both parties for working so well together, and Ms. Williams thanked the parties for providing the information requested. Mr. Bannister stated that both parties have a clearly defined, well thought-out plan, and he commended them for their work.

C. Closing Statement by the Chairman

The Chairman expressed the Commission's appreciation to the parties for the information they provided.

II. Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 11:55 a.m.