



AGENDA
REGULAR MEETING OF TOWN COUNCIL
CHRISTIANSBURG TOWN HALL
100 EAST MAIN STREET
NOVEMBER 8, 2016 – 7:00 P.M.

- I. CALL TO ORDER
 - A. Moment of Reflection
 - B. Pledge of Allegiance
- II. ADJUSTMENT OF THE AGENDA
- III. PUBLIC HEARINGS
 - A. Amendment to the 2013 Comprehensive Plan to designate four (4) Urban Development Areas within the Town of Christiansburg.
- IV. CONSENT AGENDA
 - A. Meeting Minutes of October 25, 2016
 - B. Schedule Public Hearing Dates:
 - 1. November 22, 2016 - Conveyance of a .069 acre portion of Stone Street to Kroger Limited Partnership I.
- V. CITIZEN COMMENTS
- VI. INTRODUCTIONS AND PRESENTATIONS
- VII. OLD BUSINESS
 - A. Ordinance vacating a .069 acre portion of Stone Street adjoining Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. The Public Hearing was held October 25, 2016.
 - B. Ordinance vacating a public utility easement on Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. The Public Hearing was held October 25, 2016.
 - C. Appointment of Recreation Advisory Commission members as recommended by the Recreation Advisory Commission: Richard Polikoff; John Neel; and Robin Boyd (pending recommendation by the Recreation Advisory Commission on November 7, 2016). Student Representatives: Matthew Davidson; Nicole Diloia.

D. Discussion on New River Valley Regional Water Authority Proposed Capital Improvements and Financing Alternatives.

VIII. NEW BUSINESS

IX. COMMITTEE REPORTS

X. STAFF REPORTS

A. Town Manager

B. Town Attorney

C. Other Staff

1. Randy Wingfield – Local Foods Local Places Program

XI. COUNCIL REPORTS

XII. OTHER BUSINESS

A. Closed Meeting:

1. Request for a Closed Meeting under Virginia Code Section 2.2-3711(A)(5), for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. The Closed Meeting is being held to consider incentives for proposed economic development investment.
2. Reconvene in Open Meeting
3. Certification
4. Council Action on the Matter

XIII. ADJOURNMENT

The next regular Town Council meeting will be held at Christiansburg Town Hall on Tuesday, November 22, 2016 at 7:00 P.M.



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
PUBLIC HEARING

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:
Amendment to the 2013 Comprehensive Plan to designate four (4) Urban Development Areas within the Town.

DESCRIPTION:
Public Hearing on a resolution to amend the 2013 Comprehensive Plan to designate for four Urban Development Areas within the Town. Text will be added to Chapter 8 Community and Economic Development of the Comprehensive Plan and include Goals and Strategies specific to the urban development areas. Text will be added to Chapter 5 Infrastructure Services to prioritize utility improvements in the urban development areas. Text will be added to Chapter 7 Transportation to create TRN 1.2C under Transit and Multi-Modal Transportation Goals and Strategies. The Future Land Use Map will be edited to include the boundaries of the urban development areas.

POTENTIAL ACTION:
Hold Public Hearing

DEPARTMENT:
Planning

PRESENTER:
Sara Morgan, Senior Planner

ITEM HISTORY:
Town Council presentation on the Urban Development Area's report was provided by Sachin Kalbag of Michael Baker International on August 23, 2016. Planning Commission held its public hearing and recommended approval of the amendment by a vote of 9 to 0 at its October 17, 2016 meeting.

Information Provided:

- Memo with UDA report link on the Town's website
- Draft Town Council Resolution

RESOLUTION TO AMEND THE 2013 CHRISTIANSBURG COMPREHENSIVE PLAN TO DESIGNATE FOUR URBAN DEVELOPMENT AREAS AS RECOMMENDED BY THE PLANNING COMMISSION.

WHEREAS, Section 15.2-2233 of the Code of Virginia, (1950) as amended, states that the local planning commission shall prepare and recommend a comprehensive plan for the physical development of the territory within its jurisdiction; and

WHEREAS, Section 15.2-2233 of the Code of Virginia, (1950) as amended, further states that every governing body shall adopt a comprehensive plan for the territory under its jurisdiction; and

WHEREAS, Section 15.2-2233.1 of the Code of Virginia, (1950) as amended, further states any locality may amend its comprehensive plan to incorporate one or more urban development areas; and

WHEREAS, the Planning Commission sought public input through a public hearing on October 17, 2016, and having received no comments; and,

WHEREAS, at its regular meeting on October 17, 2016, the Planning Commission voted unanimously to recommend approval of the amended comprehensive plan; and

WHEREAS, the Town Council endeavors to properly plan for the future physical development of the Town through careful planning, sound financial management and proper use of available growth management regulations; and

WHEREAS, the 2013 Christiansburg Comprehensive Plan is the means by which to guide the physical development of the Town; and

WHEREAS, the Town Council has sought public input through a public hearing on November 8 2016; and

WHEREAS, the Town Council finds that the proposed amendment is consistent with the goals and objectives of the Council, good planning practices and would generally promote the health safety and general welfare of the community; and

WHEREAS, Chapter 5 “Infrastructure Services,” Chapter 7 “Transportation,” Chapter 8 “Community and Economic Development,” and the Future Land Use Map of the 2013 Christiansburg Comprehensive Plan in regards to Urban Development Areas.

NOW THEREFORE, BE IT RESOLVED, on this 22nd day of November, 2016, the Town Council of the Town of Christiansburg, Virginia does hereby amend the 2013 Christiansburg Comprehensive Plan as recommended by the Planning Commission.

Approved this day, the 22nd of November, 2016.

SEAL:

Michele M. Stipes, Town Clerk

D. Michael Barber, Mayor



Town of Christiansburg, Virginia 24073

100 East Main Street ~ Telephone 540-382-6128 ~ Fax 540-382-7338

Memorandum

ESTABLISHED

NOVEMBER 10, 1792

INCORPORATED
JANUARY 7, 1833

MAYOR

D. MICHAEL BARBER

COUNCIL MEMBERS

SAMUEL M. BISHOP
HARRY COLLINS
R. CORD HALL
STEVE HUPPERT
HENRY SHOWALTER
BRADFORD J. "BRAD" STIPES

TOWN MANAGER

STEVE BIGGS

Date: November 3, 2016
Re: Urban Development Area Report link
From: Andrew Warren, Planning Director

Below is the link to the draft Urban Development Area Report.

<http://www.christiansburg.org/DocumentCenter/View/6144>

The document is a large file so it may take a little time to download.



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
CONSENT AGENDA

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:
Meeting Minutes of October 25, 2016

DESCRIPTION:
Meeting minutes of last Town Council meeting – October 25, 2016

POTENTIAL ACTION:

DEPARTMENT:
Administration

PRESENTER:
Michele Stipes, Town Clerk

ITEM HISTORY:

Date:

Action Taken:

Information Provided:

Date:

Action Taken:

Information Provided:

**CHRISTIANSBURG TOWN COUNCIL
CHRISTIANSBURG, MONTGOMERY CO., VA.
REGULAR MEETING MINUTES
OCTOBER 25, 2016 – 7:00 P.M.**

A REGULAR MEETING OF THE CHRISTIANSBURG TOWN COUNCIL, MONTGOMERY COUNTY, CHRISTIANSBURG, VA. WAS HELD AT CHRISTIANSBURG TOWN HALL, 100 EAST MAIN STREET, CHRISTIANSBURG, VIRGINIA, ON OCTOBER 25, 2016 AT 7:00 P.M.

COUNCIL MEMBERS PRESENT: Vice-Mayor Henry Showalter; Samuel M. Bishop; Harry Collins; R. Cord Hall; Steve Huppert; Bradford J. Stipes. ABSENT: Mayor D. Michael Barber.

ADMINISTRATION PRESENT: Town Manager Steve Biggs; Assistant Town Manager Randy Wingfield; Clerk of Council Michele Stipes; Town Attorney Theresa Fontana; Human Resources Director David Brahmstadt ; Planning Director Andrew Warren; Finance Director/Treasurer Valerie Tweedie; Director of Engineering Wayne Nelson; Environmental Program Manager John Burke; Assistant Director of Public Works Jim Lancianese; Public Relations Director Melissa Powell; Aquatics Director Terry Caldwell; Police Chief Mark Sisson; Farmer's Market Manager Sarah Belcher.

I. CALL TO ORDER

- A. Moment of Reflection
- B. Pledge of Allegiance

II. ADJUSTMENT OF THE AGENDA

- A. Councilman Hall made a motion to amend the agenda to add the monthly bills to the consent agenda. Councilman Bishop seconded the motion and Council voted as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.
- B. Councilman Hall made a motion to table items VIII. A. 1, 2, and 3, until November 8, 2016, seconded by Councilman Collins. Council voted on the motion as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.

III. PUBLIC HEARINGS

- A. Conditional Use Permit, for Exterminating Services in the B-3 General Business District at 516 Roanoke Street (Tax Parcel No. 528 – ((A)) – 47) request by Chris Woolwine, agent for Woolwine Brothers, LLC. Brad Woolwine, of 516 Roanoke Street was present on behalf of his brother, applicant Chris Woolwine, and he offered to answer questions of Council. Councilman Hall asked if the pesticide quantities and storage were in compliance with state code as set forth by the Planning Commission in the conditions of the CUP. Mr. Woolwine responded that pesticides were stored on site, and that storage and quantities were in compliance with the conditions of the CUP resolution. It was noted that the Planning Commission recommendation to approve the CUP with three conditions was a unanimous vote. Councilman Stipes made a motion to amend the agenda to include Council action on this matter, seconded by Councilman Hall. Council voted as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.
- B. Ordinance vacating a .069 acre portion of Stone Street adjoining Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. Planning Director Andrew Warren explained that there were two ordinances for Council consideration regarding the Kroger expansion. Using plats, he explained the request to vacate a portion of Stone Street, which would allow for additional parking, and the request to vacate and relocate public utility easements along the portion of Stone Street to be vacated. Mr. Warren noted that he did not anticipate the Town needing the public utility easements because the portion of Stone Street to be vacated was a small portion that only served Kroger. Town staff reviewed the plats and found no objection to the requests. Councilman Stipes reported that the Street

Committee reviewed the requests and found no objections. Steve Semones of Balzer and Associates offered to answer questions of Council on behalf of Kroger. Councilman Huppert asked about the projected timeline for completion of the expansion. Mr. Semones said site work had been delayed due to weather, but expects the project to be completed by spring 2017. Vice-Mayor Showalter noted that the matter would come back before Council for discussion at a future meeting.

- C. Ordinance vacating a public utility easement on Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. The above comments also pertain to this matter.

IV. CONSENT AGENDA

- A. Meeting Minutes of September 27, 2016
- B. Schedule Public Hearing for November 8, 2016 for an Ordinance Amending the 2013 Comprehensive Plan to Allow Four (4) Urban Development Areas within the Town of Christiansburg.
- C. Resolution in Support of Depot Park Trail Extension Project
- D. Monthly Bills

Councilman Hall made a motion to approve the consent agenda, seconded by Councilman Stipes. Council was polled on the motion as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.

V. CITIZEN COMMENTS

- A. Dennis Kiernan, 1380 Starlight Court, addressed Council regarding excessive noise from Starlight Drive-In, which adjoins his property. Mr. Kiernan explained that the drive-in had recently upgraded its speaker system, which had resulted in noise volumes up to 100 decibels during movies and during daytime clean-up. The noise, according to Mr. Kiernan, was loud enough to shake windows in his home at times, and interfered with being able to hold a conversation outside. The noise volume was slightly decreased after the Police Department became involved, but the noise volume was still excessive on his property. Mr. Kiernan said he understands that a petition had been circulated in support of the drive-in, but he believed those involved were not residents who lived near the theater. Mr. Kiernan compared this situation to the noise generated on I-81 where concrete barriers had been constructed to protect residents from traffic noise. Mr. Kiernan asked Council to please consider his concerns and become involved in protecting the quality of life for residents living near the drive-in.
- B. Peggy Beasley, owner and operator of Starlight Drive-In, said that the drive-in had been in her family her entire life, and they had not experienced noise complaints from the community until she replaced the speaker system. The new sound system was a central array system that replaced the individual speaker boxes located at each parking spot. Ms. Beasley worked with sound technician John Arnold in setting up the new system. Mr. Arnold said that during set-up he worked with local officials to ensure noise level compliance, and later worked with the Police Department to relocate the central speakers and adjust the volume to address complaints. In addition, Mr. Arnold eliminated all frequencies 500hz and below, even though sound quality was compromised. Mr. Arnold said it was his opinion that the current noise volume was now at the same level as the previous sound system. Ms. Beasley said it was important to her to address the noise complaints and that she would be willing to comply with the guidelines used by the high school, if that was Council's pleasure.
- C. Jonathan Taylor, 685 School Lane, said he circulated a petition to generate support for Mrs. Beasley and the Starlight Drive-In. Mr. Taylor said he had used a decibel meter at the drive-in and the noise volume never exceeded 50 decibels.
- D. Ronald Harris, 1360 Starlight Court, said he has lived near Starlight Drive-In for many years and the recent noise volume has negatively impacted his quality of life at home.

- E. Brian Atkins, 406 Radford Street, manager of Starlight Drive-In, said he keeps the music volume at a level 5 or 6, which was no louder than noise generated by a train. Mr. Atkins said that neighboring residents were considered when operating the business, but it was important to consider patrons, too. Mr. Atkins said he did not want trouble with the neighbors, but that he disagreed with some of what Mr. Kiernan had said.
- F. Steve Velarde, 1265 Flint Drive, said he lives near Starlight Drive-In and, while he can occasionally hear sounds from the theater, he does not consider the noise to be disruptive. Mr. Velarde said the drive-in adds character to the town and he supports its continued operation.
- G. Vice-Mayor Showalter told Peggy Beasley that Council would consider the situation and would provide her with information to assist in addressing the concerns prior to the theater reopening in the spring.

VI. INTRODUCTIONS AND PRESENTATIONS

A. Introduction of New Town of Christiansburg Staff.

1. Finance/Treasurer's Department – Introduced by Valerie Tweedie:

- Shana Stanley, Cashier
- Samantha Conner, Cashier

2. Engineering Department – Introduced by Wayne Nelson:

- Devon Eckstein, Engineering, Planning, Inspections Secretary
- Patricia Colatosti, Environmental Program Technician
- Andrew Widdowson, Environmental Program Technician

3. Aquatic Center – Introduced by Terry Caldwell and Crystal Jones:

- Chrystal Jones, Aquatics Supervisor
- Ian Dye, Aquatic Tournaments Supervisor
- Courtney Corriere, Lifeguard Supervisor

4. Public Works Department – Introduced by Jim Lancianese and Supervisors:

- Jason Diggs, Administrative Services Manager
- Felton Altizer, Traffic Signal Technician
- Richard Martin, Solid Waste Truck Driver
- Daniel Todd, Waste Water Maintenance Mechanic

B. Police Department Strategic Planning Presentation

Police Chief Sisson expressed his appreciation for the opportunity to report on the Police Department Strategic Plan. Chief Sisson explained that strategic planning was an important component in planning and meeting future goals for the department, and was a helpful resource during the budget process. He went on to explain the vision for strategic planning within the police department that focused on including verbal input of department staff. Council was provided an overview of the strategic planning process, and was given a hardcopy of the department's current goals and objectives. Councilman Hall expressed appreciation for the Police Department's leadership and efforts to meet the needs of the community, and he compared the strategic plan to the Town's Vision 2020. Councilman Huppert noted the proactive nature of the Police Department's leadership, which he said has had a positive impact on the entire department. Councilman Collins expressed his appreciation for the inclusion of ideas and suggestions from department staff. Vice-Mayor Showalter asked for an example of a program implemented as a result of staff suggestions. Chief Sisson replied that the department's e-ticket program was a successful program that had been researched and implemented because of a suggestion by a patrol officer. Council thanked Chief Sisson for the presentation.

C. John Burke, Environmental Program Manager, to present on the Municipal Separate Storm Sewer System Permit (MS4). Mr. Burke presented to Council information on the MS4 General Permit and the required MS4 Program Plan, which included an annual report that could be viewed on the Town's website. The program plan has been developed to meet permit requirements addressing: public

education and outreach on storm water impacts; public involvement/participation; illicit drainage detection and elimination; construction site storm water runoff control; post-construction storm water management in new developments and on previously developed sites; and pollution prevention. Mr. Burke noted that public education and outreach efforts would be aimed at students of Christiansburg Middle School, and would focus on educating the students on water quality issues. If water impairments were found during implementation of the program plan, an action plan would be developed to correct the pollution. Mr. Burke reported that an important aspect of the MS4 process was the evaluation of the previous year to determine if goals were being achieved, and modifications to address shortfalls. He stressed that the additional staff members hired during the current budget year will be critical in meeting current goals. Mr. Burke announced that he and Wayne Nelson had been invited to serve on the Technical Advisory Committee to develop recommendations for the 2018-2023 MS4 General Permit, noting that Christiansburg would be the only locality represented that was not located in the Chesapeake Bay Watershed. In closing, Mr. Burke said the goal of the MS4 program was to improve stream quality to the greatest extent practicable while carefully managing the commitment of resources. Councilman Huppert requested a future presentation on how the recently implemented stormwater management fees were being used within the stormwater program to directly benefit the community. Council thanked Mr. Burke for his presentation.

VII. OLD BUSINESS

VIII. NEW BUSINESS

A. Council Action On:

1. Ordinance vacating a .069 acre portion of Stone Street adjoining Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. Tabled until 11/8/2016.
2. Ordinance vacating a public utility easement on Tax Parcel 496-27-4 (555 N. Franklin Street NE) related to the Kroger grocery store expansion. Tabled until 11/8/2016.
3. Right of Way Vacation and Easement Relocation Plat From Records For The Town Of Christiansburg and Kroger Limited Partnership 1 hereby vacating a 0.069 Acre Portion of Stone Street and Portions of Public Utility Easements at 555 North Franklin Street. Tabled until 11/8/2016.

B. Request and Resolution for Lien Subordination from Community Housing Partners (CHP). Town Manager Biggs explained that in 2002 CHP secured a loan for building improvements in the amount of \$675,000. The loan was administered by Virginia Department of Housing and Community Development (VDHCD), and as required by VDHCD, the Town became the lien holder. CHP is an important community resource that provides housing benefits to individuals of low to moderate income and, in Christiansburg, has grown and prospered over the years. The CHP Board recently determined that certain facility improvements were necessary, which would require another loan. In order for CHP to take another development loan, the Town would need to subordinate the original 20-year lien administered in 2002. Town Manager Biggs said he does not see a risk to the Town in honoring the request to subordinate the loan. In the agenda packet, Council was provided copies of correspondence and a Deed of Trust dated October 31, 2002, and a resolution from CHP Board of Directors presenting its current request. Several CHP board members were present in support of the request and to answer questions of Council. Based on the information provided to Council, Councilman Hall made a motion to approve the lien subordination for CHP as requested, seconded by Councilman Stipes. Council voted on the motion as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.

C. Conditional Use Permit, for Exterminating Services in the B-3 General Business District at 516 Roanoke Street (Tax Parcel No. 528 – ((A)) – 47) request by Chris Woolwine, agent for Woolwine Brothers, LLC. The Public Hearing was held earlier in the meeting. Based on the recommendation of the Planning Commission, Councilman Stipes made a motion to issue the CUP with three conditions as recommended by the Planning Commission, seconded by Councilman Huppert. Council voted on the motion as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.

IX. COMMITTEE REPORTS

A. Street Committee:

1. Subdivision Plat from Records for Snyder-Hunt Company, LLP Creating Lots 1-11, 28-39, 58-76, and Two Open Spaces” – 42 lots – northern side of Quin W. Stuart Boulevard. Councilman Stipes reported that the subdivision plat was for property behind the Villas at Peppers Ferry that had been approved for development by Council two years ago. The property is zoned R-1 Single-Family Residential. The plat provides for 42 lots and is consistent with the approved plan of development, and complies with zoning and subdivision ordinance. Councilman Stipes made a motion to approve the subdivision plat with minor administrative changes, seconded by Councilman Collins. Council voted on the motion as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.
2. Plat Showing the Division and Property Line Vacation of the Property of RWW36, LLC at 2175 North Franklin Street [Tax Parcel Nos. 436-A-10 thru 436-A-12]” – 2 lots – eastern side of N. Franklin Street. Councilman Stipes reported that the request was to vacate a property line to reduce three lots to two lots for the new Lidl store. A joint access would serve Lidl and a nearby future development on the former Kmart property. The plat conforms with the subdivision ordinance and the Town's vision for public health, safety, and welfare. Councilman Stipes reported that the plat had been reviewed and approved by VDOT and he made a motion to approve the plat as presented. Councilman Collins seconded the motion and Council voted as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Stipes – Aye.

X. STAFF REPORTS

A. Town Manager

1. Town Manager Biggs reported that Blacksburg Transit was interested in reinitiating the Christiansburg working group. Current members of the working group are Mayor Barber, Henry Showalter, Randy Wingfield, and Andrew Warren.
2. The Montgomery County Chamber of Commerce business expo is scheduled for November 9 from 2:00 p.m. to 7:00 p.m. at the Inn at Virginia Tech.
3. The Town's fall clean-up program is underway; a full financial analysis of the program will be presented to Council once completed.

B. Town Attorney

C. Other Staff

1. Director of Engineering Wayne Nelson – Update on Submitted Revenue Sharing Projects and Transportation Alternatives Application.
Mr. Nelson reported on the Depot Park Trail Extension Project listed on the VDOT Transportation Alternatives Funding Application. He reviewed with Council the various details planned for the park, which included interconnectivity with surrounding recreation areas. Estimated project costs were \$440,580, and with the 80/20 matching grant, the Town's financial responsibility would be approximately \$88,116. Mr. Nelson said he was hopeful the project would be selected for funding in 2017. In closing, Mr. Nelson announced that funding was in place for Phase 3 of the Huckleberry Trail Extension and he offered to answer questions of Council.

XI. COUNCIL REPORTS

- A. Councilman Collins said he enjoyed and was encouraged by the discussions of Council during the recent VML conference, and he expressed his appreciation for Council's willingness to work together in planning for the future of Christiansburg.
- B. Councilman Bishop – no report.
- C. Councilman Hall reported that the Recreation Advisory Commission had begun conducting applicant interviews for vacancies on the commission, with the hope of presenting recommendations at the first meeting in November. Councilman Hall then gave a reminder about the Halloween events scheduled for the coming Saturday at the recreation center, noting that Councilman Showalter's wife, Kelly, and her

elementary school students designed the t-shirts for the 5K event. Councilman Hall also expressed appreciation for Council's discussions during the recent VML conference.

- D. Councilman Stipes echoed the comments concerning Council's productive discussions during the VML conference, stating that he hopes it would become an annual tradition.
- E. Councilman Huppert commended the new practice of introducing newly hired Town staff to Council, and he then reported that the aquatic center would be holding interviews for staff later in the week.
- F. Councilman Showalter reported on the upcoming Halloween events scheduled for Saturday at the recreation center. He then expressed appreciation for the Council discussions during the recent VML conference, and recognized Town Manager Biggs as the catalyst for the productive dialogue.

XII. OTHER BUSINESS

A. Closed Meeting:

- 1. Councilman Bishop made a motion to enter into a Closed Meeting under Virginia Code Section 2.2-3711(A)(5), for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. The motion was seconded by Councilman Hall and Council was polled as follows: Bishop – Aye; Collins – Aye; Hall – Aye; Huppert – Aye; Showalter – Aye; Stipes – Aye. The Closed Meeting was held to consider incentives for proposed economic development investment.
- 2. Reconvene in Open Meeting.
- 3. Certification Bishop, Hall
- 4. Council Action on the Matter. No action

XIII. ADJOURNMENT

There being no further business to bring before Council, Mayor Barber adjourned the meeting at 9:12 P.M.

Michele M. Stipes, Clerk of Council

D. Michael Barber, Mayor



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
CONSENT AGENDA

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:
Conveyance of a .069 acre portion of Stone Street to Kroger Limited Partnership I.

DESCRIPTION:
This item is connected to the Ordinance to vacate a .069 acre portion of Stone Street being considered by Council under Old Business. If the ordinance passes, then Council will need to hold a separate public hearing and take action on a deed to convey the land to Kroger Limited Partnership I. In accordance with state code, the land does not automatically convey with the approval of a vacation of right-of-way; a stand-alone deed is required to directly transfer ownership of the property. A copy of the deed will be provided in the Council packet prior to the public hearing on November 22nd.

POTENTIAL ACTION:
Schedule public hearing for November 22, 2016.

DEPARTMENT:
Planning

PRESENTER:

ITEM HISTORY:

Information Provided:



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
OLD BUSINESS

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:

Two ordinances related to the Kroger grocery store renovations located at 555 North Franklin Street:

- 1) Right-of-way vacation of .069 acre portion of Stone Street;
- 2) Public utility easement vacation located on the Kroger property

DESCRIPTION:

These two requests were submitted by the property owner—Kroger Limited Partnership I—in relation to the on-going renovations of the grocery store. The first ordinance to vacate a portion of Stone Street would allow for new parking spaces closer to Stone Street while still meeting the Town requirements. If approved, a public hearing will be held on the deed to convey this property to Kroger Limited Partnership I at Council's November 22, 2016 meeting.

The second ordinance to vacate public utility easements would allow for the relocation of the existing water and sewer easements from underneath the building footprint of the proposed southern addition. The plat dedicating the new easements (and reflecting the vacations) will be brought to Council for its review on November 22, 2016.

POTENTIAL ACTION:

Council action on the two items requested.

DEPARTMENT:

Planning

PRESENTER:

Andrew Warren, Planning Director

ITEM HISTORY:

Public Hearings for both items were held on October 25, 2016.

Information Provided:

Draft Ordinance for a Right-of-Way Portion of Stone Street
Draft Ordinance for Public Utility Easements

AN ORDINANCE VACATING 15-FOOT WIDE PUBLIC UTILITY EASEMENTS LOCATED INTERIOR TO 555 NORTH FRANKLIN STREET (TAX PARCEL NO. 496-27-4) IN THE TOWN OF CHRISTIANBURG, VIRGINIA HERETO ADOPTED OCTOBER 25, 2016

WHEREAS, the Council of the Town of Christiansburg, Virginia has been requested to vacate 15-foot wide public utility easements located interior to 555 North Franklin Street (Tax Parcel No. 496-27-4) in the Town of Christiansburg; and

WHEREAS, notice of the intention of the Town Council to pass said ordinance was published two consecutive weeks (October 8, 2016 and October 15, 2016) in The News Messenger, a newspaper published in and having general circulation in the Town of Christiansburg, and further that written notice of the request of Council was mailed to property owners who could possibly be affected by the action of Council; and,

WHEREAS, a public hearing of Town Council was held October 25, 2016;

AND, it having been determined by the Council of the Town of Christiansburg, Virginia that the public necessity, convenience, and general welfare requires such vacation,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Christiansburg that the 15-foot wide public utility easements located interior to the property at 555 North Franklin Street (Tax Parcel No. 496-27-4) are hereby vacated this the 8th day of November 2016 as shown on the attached "Right Of Way Vacation and Easement Relocation Plat from Records For The Town of Christiansburg and Kroger Limited Partnership I" prepared by Balzer and Associates Inc. dated May 25, 2016. The vacation of the specified said easement shall not be construed as a vacation of any other existing public utility and/or drainage easements on the property.

Approval hereof by Town Council shall not be construed as affecting vested rights of any party.

This Ordinance shall take effect upon adoption. Upon a call for an aye and nay vote on the foregoing ordinance, the members of the Council of the Town of Christiansburg, Virginia present throughout all deliberations on the foregoing and voting or abstaining, stood as indicated opposite their names as follows:

<u>Member</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mayor D. Michael Barber*				
Samuel M. Bishop				
Harry Collins				
Cord Hall				
Steve Huppert				
Henry Showalter				
Bradford J. Stipes				

* Votes only in the event of a tie vote by Council.

D. Michael Barber, Mayor
Council

A True Copy Test: _____
Michele M. Stipes, Clerk of

AN ORDINANCE VACATING 15-FOOT WIDE PUBLIC UTILITY EASEMENTS LOCATED INTERIOR TO 555 NORTH FRANKLIN STREET (TAX PARCEL NO. 496-27-4) IN THE TOWN OF CHRISTIANBURG, VIRGINIA HERETO ADOPTED OCTOBER 25, 2016

WHEREAS, the Council of the Town of Christiansburg, Virginia has been requested to vacate 15-foot wide public utility easements located interior to 555 North Franklin Street (Tax Parcel No. 496-27-4) in the Town of Christiansburg; and

WHEREAS, notice of the intention of the Town Council to pass said ordinance was published two consecutive weeks (October 8, 2016 and October 15, 2016) in The News Messenger, a newspaper published in and having general circulation in the Town of Christiansburg, and further that written notice of the request of Council was mailed to property owners who could possibly be affected by the action of Council; and,

WHEREAS, a public hearing of Town Council was held October 25, 2016;

AND, it having been determined by the Council of the Town of Christiansburg, Virginia that the public necessity, convenience, and general welfare requires such vacation,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Christiansburg that the 15-foot wide public utility easements located interior to the property at 555 North Franklin Street (Tax Parcel No. 496-27-4) are hereby vacated this the 8th day of November 2016 as shown on the attached "Right Of Way Vacation and Easement Relocation Plat from Records For The Town of Christiansburg and Kroger Limited Partnership I" prepared by Balzer and Associates Inc. dated May 25, 2016. The vacation of the specified said easement shall not be construed as a vacation of any other existing public utility and/or drainage easements on the property.

Approval hereof by Town Council shall not be construed as affecting vested rights of any party.

This Ordinance shall take effect upon adoption. Upon a call for an aye and nay vote on the foregoing ordinance, the members of the Council of the Town of Christiansburg, Virginia present throughout all deliberations on the foregoing and voting or abstaining, stood as indicated opposite their names as follows:

<u>Member</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mayor D. Michael Barber*				
Samuel M. Bishop				
Harry Collins				
Cord Hall				
Steve Huppert				
Henry Showalter				
Bradford J. Stipes				

* Votes only in the event of a tie vote by Council.

A True Copy Test: _____

D. Michael Barber, Mayor
Council

Michele M. Stipes, Clerk of

AN ORDINANCE VACATING A .069 ACRE PORTION OF STONE STREET NE RIGHT-OF-WAY LOCATED ADJACENT TO TAX PARCEL NO. 496-27-4 (555 NORTH FRANKLIN STREET) IN THE TOWN OF CHRISTIANSBURG, VIRGINIA HERETO ADOPTED NOVEMBER 8, 2016

WHEREAS, the Council of the Town of Christiansburg, Virginia has been requested to vacate a .069 acre portion of Stone Street NE adjacent to Tax Parcel No. 496-27-4 in the Town of Christiansburg; and,

WHEREAS, pursuant to Virginia Code § 15.2-2006, notice of the intention of the Town Council to pass said ordinance was published two consecutive weeks (October 8, 2016 and October 15, 2016) in The News Messenger, a newspaper published in and having general circulation in the Town of Christiansburg; and, further that written notice of the request was mailed to property owners who could possibly be affected by the action of Council; and,

WHEREAS, a Public Hearing of the Council of the Town was held October 25, 2016;

AND, it having been determined by the Council of the Town of Christiansburg, Virginia that the public necessity, convenience, and general welfare requires such vacation,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Christiansburg that a .069 portion of Stone Street right-of-way surrounded by Tax Map No. 496-27-4 is hereby vacated as shown on the attached "Right Of Way Vacation and Easement Relocation Plat from Records For The Town of Christiansburg and Kroger Limited Partnership I" prepared by Balzer and Associates Inc. dated May 25, 2016 is hereby vacated, this the 8th day of November 2016.

Approval hereof by Town Council shall not be construed as affecting vested rights of any party.

This Ordinance shall take effect upon adoption. Upon a call for an aye and nay vote on the foregoing ordinance, the members of the Council of the Town of Christiansburg, Virginia present throughout all deliberations on the foregoing and voting or abstaining, stood as indicated opposite their names as follows:

<u>Member</u>	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mayor D. Michael Barber*				
Samuel M. Bishop				
Harry Collins				
Cord Hall				
Steve Huppert				
Henry Showalter				
Bradford J. Stipes				

* The Mayor votes only in the event of a tie vote by Council.

D. Michael Barber, Mayor

A True Copy Test:

Michele M. Stipes, Clerk of Council

TOWN OF CHRISTIANBURG APPROVAL AND ACCEPTANCE

THIS PLAT HAS BEEN SUBMITTED TO AND APPROVED FOR ACCEPTANCE FOR RECORDED BY THE TOWN OF CHRISTIANBURG, VIRGINIA.

ANDREW WARREN, SUBDIVISION AGENT DATE

D. MICHAEL BARBER, MAYOR DATE

OWNER'S STATEMENT

THIS IS TO CERTIFY THAT THIS PLAT HAS BEEN PERFORMED IN STRICT ACCORDANCE WITH THE WISHES AND DESIRES OF THE UNDERSIGNED OWNERS, PROPRIETORS, AND TRUSTEES IF ANY THERE BE, AND THAT THE DEDICATION OF PUBLIC EASEMENTS AND RIGHTS OF WAY, IF ANY SHOWN HEREON, IS HEREBY MADE.

IN WITNESS WHEREON ARE HEREBY PLACED THE FOLLOWING SIGNATURES AND SEALS:

KROGER LIMITED PARTNERSHIP I

By: ITS: DATE

NOTARY'S STATEMENT

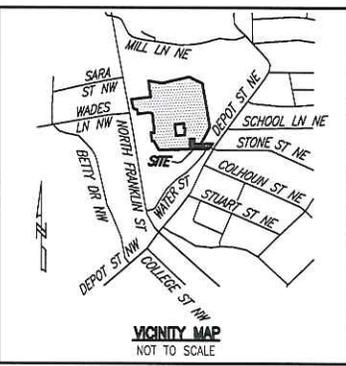
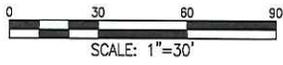
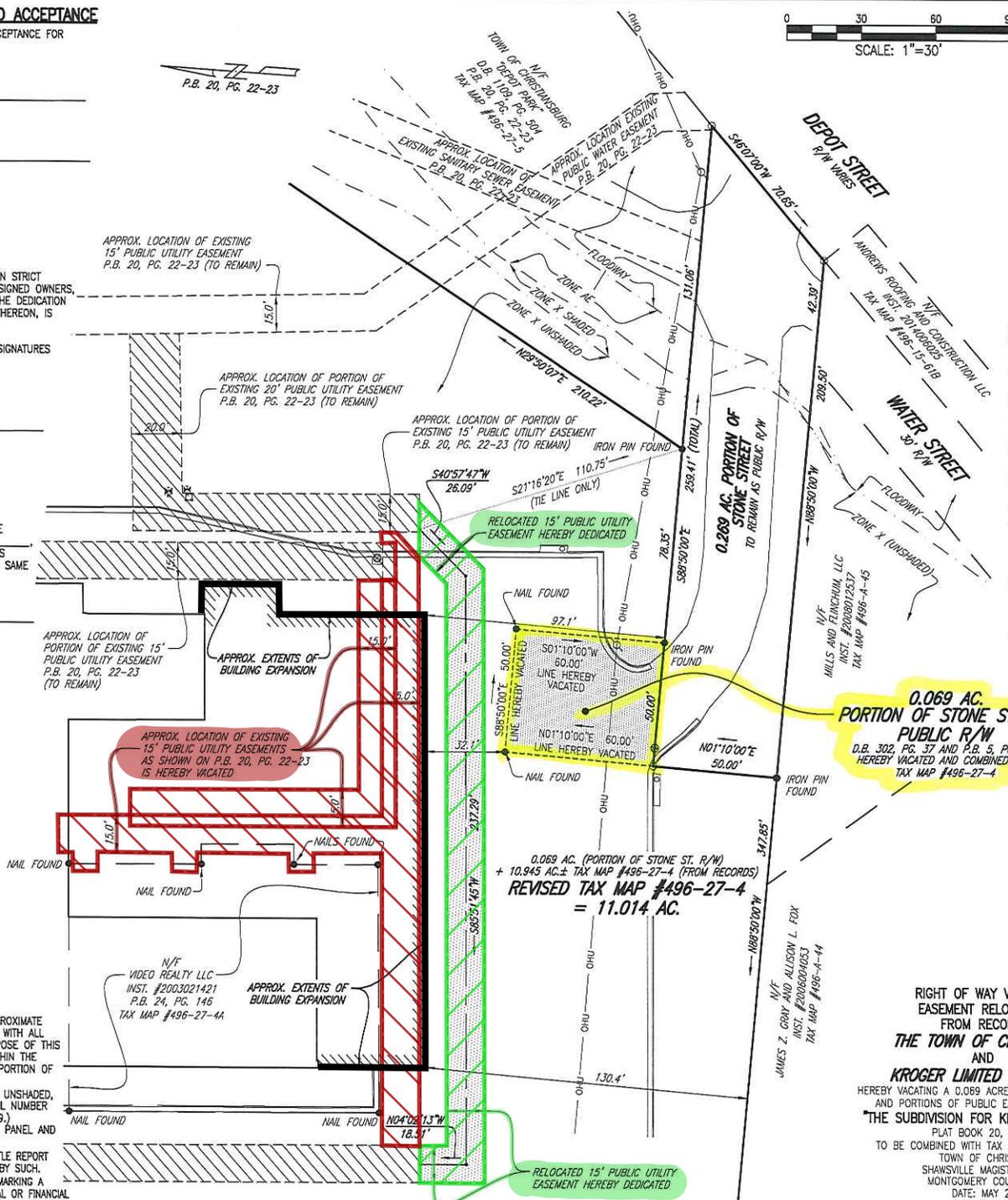
COMMONWEALTH OF VIRGINIA

I, A NOTARY PUBLIC IN AND FOR THE AFORESAID STATE DO HEREBY CERTIFY THAT WHOSE NAME IS SIGNED TO THE FOREGOING INSTRUMENT, HAS PERSONALLY APPEARED BEFORE ME AND ACKNOWLEDGED THE SAME ON THIS DAY OF 2016

NOTARY MY COMMISSION EXPIRES

NOTES

- OWNER OF RECORD: KROGER LIMITED PARTNERSHIP I
ADDRESS: 1014 VINE STREET CINCINNATI, OH 45202
LEGAL REFERENCES: DEED BOOK 1059, PAGE 119; DEED BOOK 1059, PAGE 122; DEED BOOK 1069, PAGE 31; PLAT BOOK 19, PAGES 59-60; PLAT BOOK 20, PAGES 22-23; PLAT BOOK 22, PAGE 235; PLAT BOOK 23, PAGE 501; PLAT BOOK 24, PAGE 146
TAX MAP NUMBER: 496-27-4
PARCEL ID NUMBER: 035647
- OWNER OF RECORD: TOWN OF CHRISTIANBURG
ADDRESS: 100 EAST MAIN STREET CHRISTIANBURG, VA 24073
LEGAL REFERENCES: DEED BOOK 302, PAGE 37; PLAT BOOK 5, PAGE 156; PLAT BOOK 19, PAGES 59-60; PLAT BOOK 20, PAGES 22-23
- THE LOCATION OF EXISTING EASEMENTS AS SHOWN IS APPROXIMATE BASED ON RECORD INFORMATION AND MAY NOT CONFORM WITH ALL EXISTING UTILITY LOCATIONS OR IMPROVEMENTS. THE PURPOSE OF THIS PLAT IS TO RELOCATE THE PUBLIC UTILITY EASEMENTS WITHIN THE PROPOSED BUILDING EXPANSION AREA AND TO VACATE A PORTION OF EXISTING PUBLIC RIGHT-OF-WAY.
- THE PROPERTY LIES IN F.E.M.A. DEFINED FLOOD ZONES X UNSHADED, X SHADED, AND AE AS SHOWN ON FIRM COMMUNITY PANEL NUMBER 5112100143C. (SEE EFFECTIVE DATE SEPTEMBER 25, 2009.) FLOODLINES SHOWN HEREON ARE SCALED FROM THE FIRM PANEL AND HAVE NOT BEEN VERIFIED BY FIELD ELEVATIONS.
- THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT AND IS SUBJECT TO INFORMATION WHICH MAY BE DISCLOSED BY SUCH.
- NO VISIBLE EVIDENCE OF GRAVES, OBJECTS OR STRUCTURES MARKING A PLACE OF BURIAL. SURVEYOR EXPRESSLY DISCLAIMS ANY LEGAL OR FINANCIAL RESPONSIBILITY FOR ANY GRAVES THAT WERE NOT DETECTED.
- AREAS AS SHOWN: ± 10.945 AC. KROGER LIMITED PARTNERSHIP I (FROM RECORDS)
+ 0.069 AC. PORTION OF STONE STREET RIGHT OF WAY
± 11.014 AC. COMBINED BY THIS PLAT



SOURCE OF TITLE & CONFORMING STATEMENT

THIS IS TO CERTIFY THAT A PORTION OF THE PROPERTY EMBRACED WITHIN THE LIMITS OF THIS PLAT IS THE REMAINING PORTION OF THE LAND ACQUIRED BY KROGER LIMITED PARTNERSHIP I IN DEED BOOK 1059, PAGE 119; DEED BOOK 1059, PAGE 122; AND DEED BOOK 1069, PAGE 31; AS MOST RECENTLY SHOWN ON PLAT BOOK 24, PAGE 146.

ALSO EMBRACED SHOWN ON THIS PLAT IS ALL OF THE LAND ACQUIRED BY TOWN OF CHRISTIANBURG IN DEED BOOK 302, PAGE 37. THE AFORESAID DEED AND PLATS ARE RECORDED IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF MONTGOMERY COUNTY, VIRGINIA.

THE HEREON SHOWN PLAT DATED MAY 25, 2016 HAS BEEN PREPARED IN CONFORMANCE WITH THE ZONING AND SUBDIVISION ORDINANCE OF THE TOWN OF CHRISTIANBURG, VIRGINIA.

I HEREBY CERTIFY THAT THIS PLAT IS BASED ON A PARTIAL FIELD SURVEY AND A COMPILATION OF DEEDS AND PLATS. IT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

KEVIN M. JONES LIC. No. 003224

- Request #1:**
 = street vacation (0.069 acres)
- Request #2:**
 = public utility easement vacation
- = new public utility easement dedication

0.069 AC. PORTION OF STONE STREET PUBLIC R/W
 D.B. 302, PG. 37 AND P.B. 5, PG. 156 HEREBY VACATED AND COMBINED WITH TAX MAP #496-27-4

0.069 AC. (PORTION OF STONE ST. R/W) + 10.945 AC. ± TAX MAP #496-27-4 (FROM RECORDS) REVISED TAX MAP #496-27-4 = 11.014 AC.

PRELIMINARY FOR REVIEW DO NOT RECORD

RIGHT OF WAY VACATION AND EASEMENT RELOCATION PLAT FROM RECORDS FOR THE TOWN OF CHRISTIANBURG AND KROGER LIMITED PARTNERSHIP I HEREBY VACATING A 0.069 ACRE PORTION OF STONE STREET AND PORTIONS OF PUBLIC EASEMENTS AS SHOWN ON "THE SUBDIVISION FOR KROGER STORE R-345" PLAT BOOK 20, PAGE 22-23 TO BE COMBINED WITH TAX MAP NUMBER 496-27-4 TOWN OF CHRISTIANBURG SHAWNSVILLE MAGISTERIAL DISTRICT MONTGOMERY COUNTY, VIRGINIA DATE: MAY 25, 2016 JOB #25160098.HS SCALE: 1" = 30'

BALZER AND ASSOCIATES INC. BY INCO
 REFLECTING TOMORROW
 PLANNERS ARCHITECTS ENGINEERS SURVEYORS
 Balzer & Associates, Inc. 448 Peppers Ferry Road, NW Christiansburg Va. 24073



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
OLD BUSINESS

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:
New River Valley Regional Water Authority

DESCRIPTION:
Discussion on New River Valley Regional Water Authority Proposed Capital Improvements and Financing Alternatives.

POTENTIAL ACTION:

DEPARTMENT:
Administration

PRESENTER:
Steve Biggs, Town Manager

ITEM HISTORY:

<u>Date:</u>	<u>Action Taken:</u>
August 31, 2016	Special Joint Meeting Held at Inn at Virginia Tech

Information Provided: Cost Analysis and Rate Study

<u>Date:</u>	<u>Action Taken:</u>
November 8, 2016	Discussion. Consideration of response.

Information Provided: Information from August 31 presentations

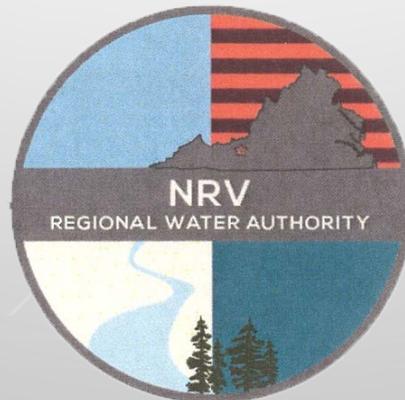


NRV
REGIONAL WATER AUTHORITY

MONTGOMERY COUNTY JOINDER STUDY PHASE II

- REPORT COMPLETED JUNE 2012
- IN 2013, MONTGOMERY COUNTY JOINED BLACKSBURG, CHRISTIANSBURG AND VIRGINIA TECH TO BECOME:

NRV REGIONAL WATER AUTHORITY

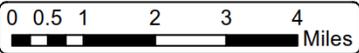
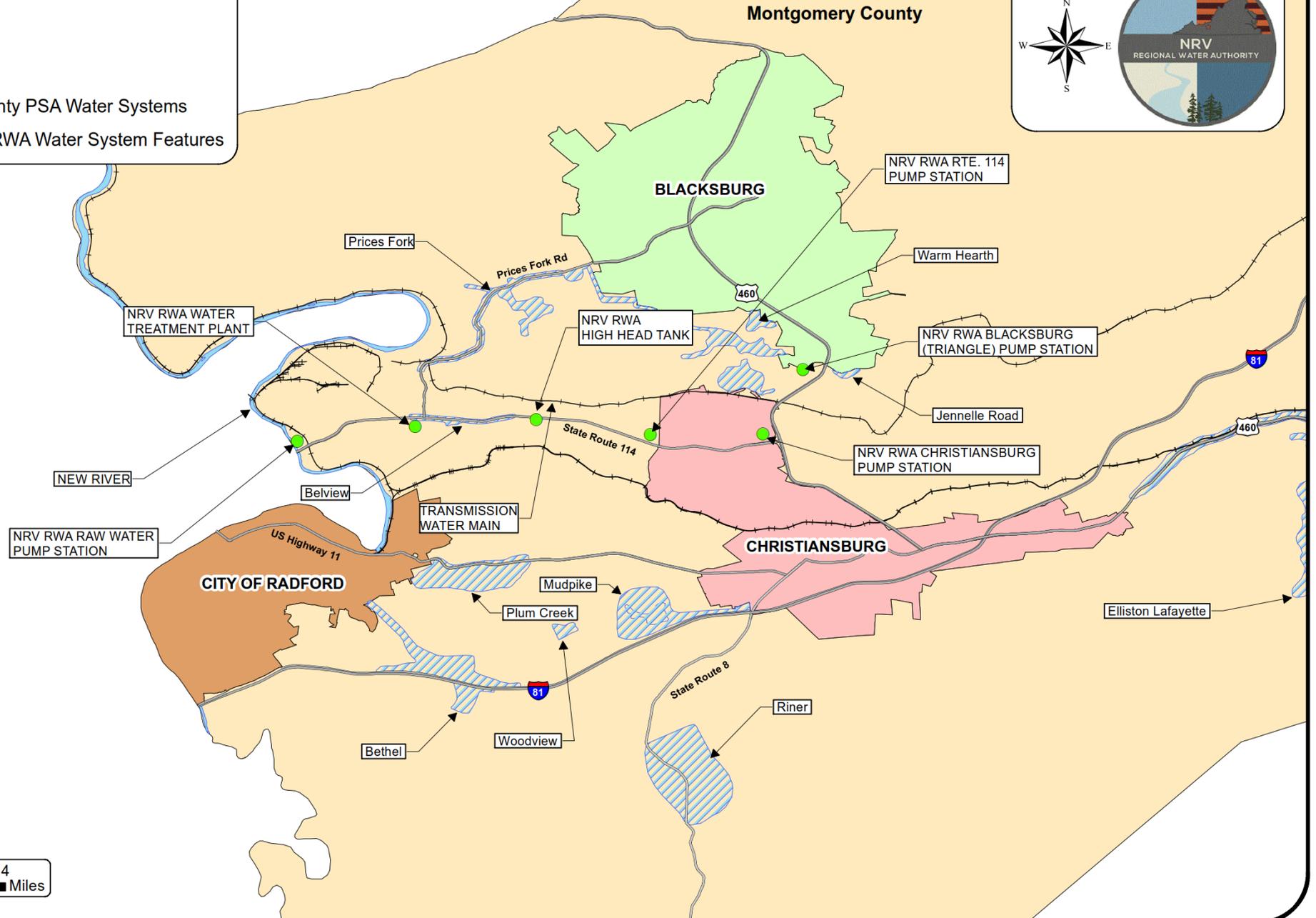
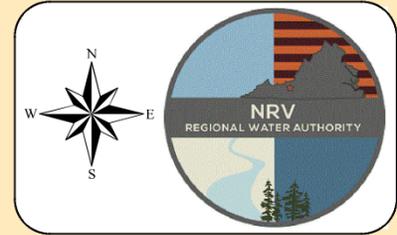


MONTGOMERY COUNTY JOINDER STUDY PHASE II

- MONTGOMERY COUNTY AGREES TO PURCHASE ALL WATER FROM THE NRV RWA
- ALSO,
 - PROVIDES REDUNDANT FEED TO BLACKSBURG THROUGH CONNECTION OF PRICES FORK
 - PROVIDES REDUNDANT FEED TO CHRISTIANSBURG WITH CONNECTION OF PLUM CREEK

Legend

- Main Roads
- +— Railroad
- ▨ Montgomery County PSA Water Systems
- EXISTING NRV RWA Water System Features



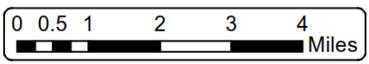
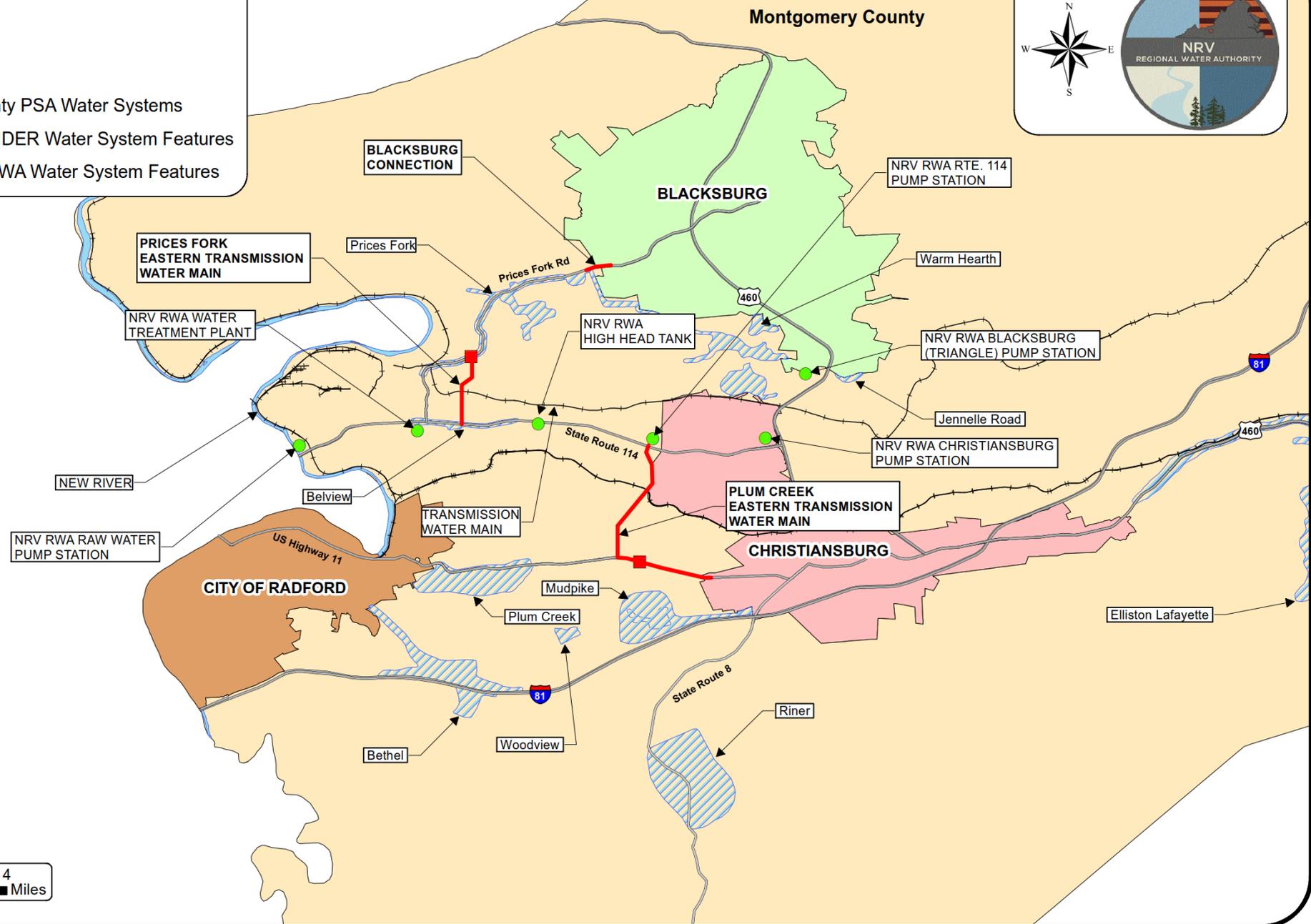
MONTGOMERY COUNTY JOINDER STUDY PHASE II

- PROJECTS (NRV RWA RESPONSIBILITY):
 - PRICES FORK 16" LINE EASTERN ROUTE PROJECT
 - PLUM CREEK 16" LINE EASTERN ROUTE PROJECT

- PROJECTS (MONTGOMERY COUNTY RESPONSIBILITY):
 - PLUM CREEK 12" LINE EASTERN ROUTE PROJECT
 - BETHEL WESTERN ROUTE PROJECT
 - WARM HEARTH CONNECTION PROJECT

Legend

- Main Roads
- +— Railroad
- ▨ Montgomery County PSA Water Systems
- PROPOSED JOINDER Water System Features
- EXISTING NRV RWA Water System Features

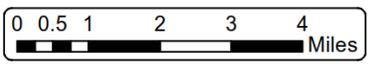
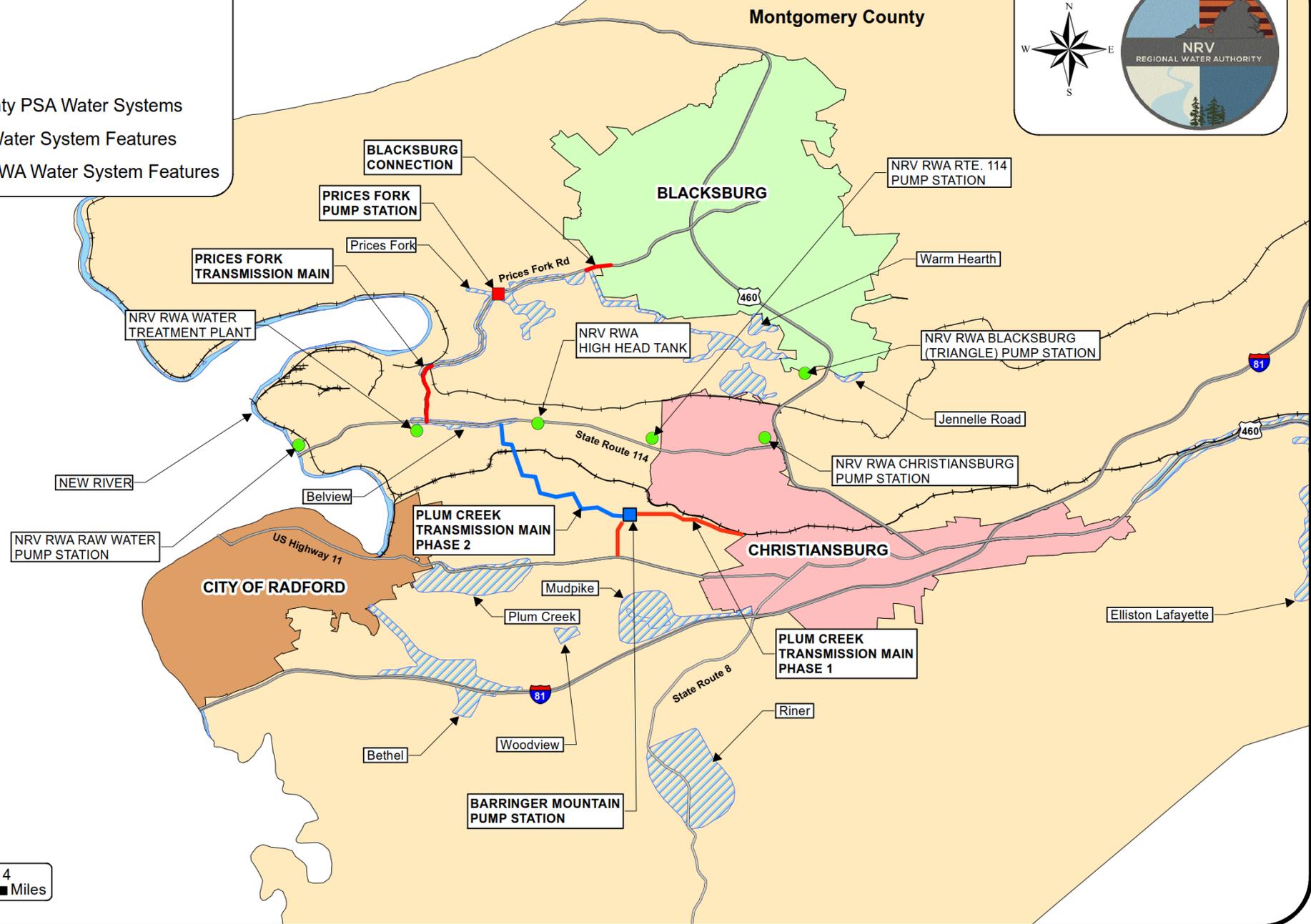


WATER AGREEMENT

- IDENTIFIES RESPONSIBILITY AND SCHEDULE FOR EACH PROJECT
- ESTABLISHES MONTGOMERY COUNTY MEMBERSHIP INTEREST FEE
- PROVIDES NRV RWA WASTEWATER CONNECTION TO MCPSA
- DEDICATES PRICES FORK WATER MAIN TO THE NRV RWA
- INSTALL WOODVIEW AND RINER WATER SYSTEM CONNECTIONS

Legend

- Main Roads
- +— Railroad
- ▨ Montgomery County PSA Water Systems
- PER - Approved Water System Features
- EXISTING NRV RWA Water System Features



PRELIMINARY ENGINEERING REPORT DEVELOPMENT

- PRICES FORK 16" WATER TRANSMISSION MAIN –
 - JOINDER COST ESTIMATE – \$1,678,940
 - REVISED COST ESTIMATE (PER) – \$3,093,900
 - DURING STUDY
 - PLANT PUMPING CAPACITY ISSUES TO MEET SYSTEM DEMANDS
- PLUM CREEK WESTERN-MEADOWS ROUTE –
 - JOINDER COST ESTIMATE – \$3,228,800
 - REVISED COST ESTIMATE (PER) – \$3,031,000 (PHASE I), \$6,137,000 (PHASE II)
 - DURING STUDY
 - PLANT PUMPING CAPACITY ISSUES TO MEET SYSTEM DEMANDS

PROJECT STATUS

- CURRENT STATUS:
 - PRICES FORK 16" WATER TRANSMISSION MAIN – UNDER DESIGN
 - ESTIMATED CONSTRUCTION COMPLETION – DECEMBER 2017
 - PLUM CREEK WESTERN-MEADOWS ROUTE – APPROVED PER
 - ESTIMATED CONSTRUCTION COMPLETION – ?

WATER TREATMENT PLANT

- ARC FLASH STUDY PERFORMED
 - WATER TREATMENT PLANT
 - RAW WATER PUMPING STATIONS
 - CORNER GROUNDED DELTA SYSTEM – 1950 TECHNOLOGY
 - IDENTIFIED PLANT ELECTRICAL SYSTEM AS HIGH RISK FOR ARC FLASH POTENTIAL
 - TRAINING CONDUCTED WITH ALL PERSONNEL
- PLANT PUMPING ISSUES IN CONJUNCTION WITH ARC FLASH STUDY.....
 - WARRANTED STUDY OF THE EXISTING PLANT
 - CONCERNS FOR STAFF SAFETY
 - HAVING OPERATIONS AT CURRENT INDUSTRY STANDARDS

RAW WATER PUMPING & WATER TREATMENT PLANT

- LAST MAJOR RENOVATION TO THE PLANT WAS IN 1977
- ELECTRICAL SYSTEM IS AT A HIGH RISK FOR FAILURE AT BOTH INTAKES AND WTP
- NEW ELECTRICAL SYSTEM WILL REQUIRE COMPLICATED CONSTRUCTION PHASING
 - AS SYSTEM DEMAND INCREASES; CONSTRUCTION PHASING BECOMES MORE COMPLICATED AND COSTLY
 - NEW FINISHED WATER PUMPING STATION WITH CHLORINE CONTACT TANK WILL BE REQUIRED
- EXISTING FACILITIES HAVE LITTLE OPERATIONAL FLEXIBILITY AND LIMITED RELIABILITY

GOALS OF WTP MODERNIZATION

- UPGRADE THE FACILITIES TO PROVIDE THE HIGHEST QUALITY DRINKING WATER ATTAINABLE THROUGH CONVENTIONAL TREATMENT
- SATISFY FUTURE ANTICIPATED REGULATIONS
- PROVIDE A SAFE WORKING ENVIRONMENT FOR ALL WTP PERSONNEL
- INCREASE PLANT EFFICIENCY, RELIABILITY, AND EASE OF OPERATION & MAINTENANCE
- OPPORTUNITY TO INCREASE TREATMENT CAPACITY TO ALLOW A 16 HOUR WORK DAY AT CURRENT AND FUTURE DAILY DEMANDS FOR MINIMAL COST

INTAKES AND WTP DEFICIENCIES

- OLD INTAKE ONLY PROVIDES 0.8 MGD AND IS UNSAFE TO MAINTAIN; CURRENT PUMPING CAPABILITY IS ONLY 11.5 MGD WITH ALL PUMPS IN OPERATION
- COAGULATION/FLOCCULATION/CLARIFICATION THROUGH SYSTEM IS UNBALANCED RESULTING IN DISPARITY IN FILTER RUN TIMES; THIS DISPARITY WILL INCREASE AS DEMAND INCREASES
- FILTER UNDERDRAINS ARE OVER 40 YEARS OLD AND ARE IN NEED OF REPLACEMENT
- EXISTING CLEAR WELL CANNOT BE TAKEN OUT OF SERVICE; FINISHED WATER FORCE MAIN IS IN CLEAR WELL AND IS SEVERELY CORRODED; NEW CHLORINE CONTACT TANK WILL REMEDY THESE DEFICIENCIES
- NEW ADMINISTRATIVE BUILDING WILL NEED TO BE CONSTRUCTED TO BUILD CHLORINE CONTACT TANK AND FINISHED WATER PUMPING FACILITIES
- CHEMICAL STORAGE FACILITIES AND TANKS ARE APPROACHING 60 YEARS IN AGE; FREQUENT MAINTENANCE IS REQUIRED
- FACILITIES ARE LIMITED, NO TRAINING SPACE, BREAK OR LOCKER ROOMS; WORKSHOP HAS LIMITED SPACE, AND HALF OF WORKSHOP IS USED AS STORAGE

WTP MODERNIZATION COST & SCHEDULE

- WTP – \$20 MILLION
- RAW WATER INTAKES AND PUMPING – \$7.5 MILLION
- PILOT TESTING AND DESIGN – AUGUST 2016 – AUGUST 2017
- BIDDING PHASE – SEPTEMBER – OCTOBER 2017
- CONSTRUCTION – JANUARY 2018 – JANUARY 2020
- PROJECT COMPLETE – SPRING 2020

PROJECTED WATER SALES

- RECENT GROWTH – .65% PER YEAR
- CONSERVATIVE PROJECTION / USED .65% PER YEAR THROUGH FY2025
- LOWER WATER SALES THAN PROJECTED AT TIME OF JOINDER STUDY / JOINDER STUDY USED 1% PER YEAR

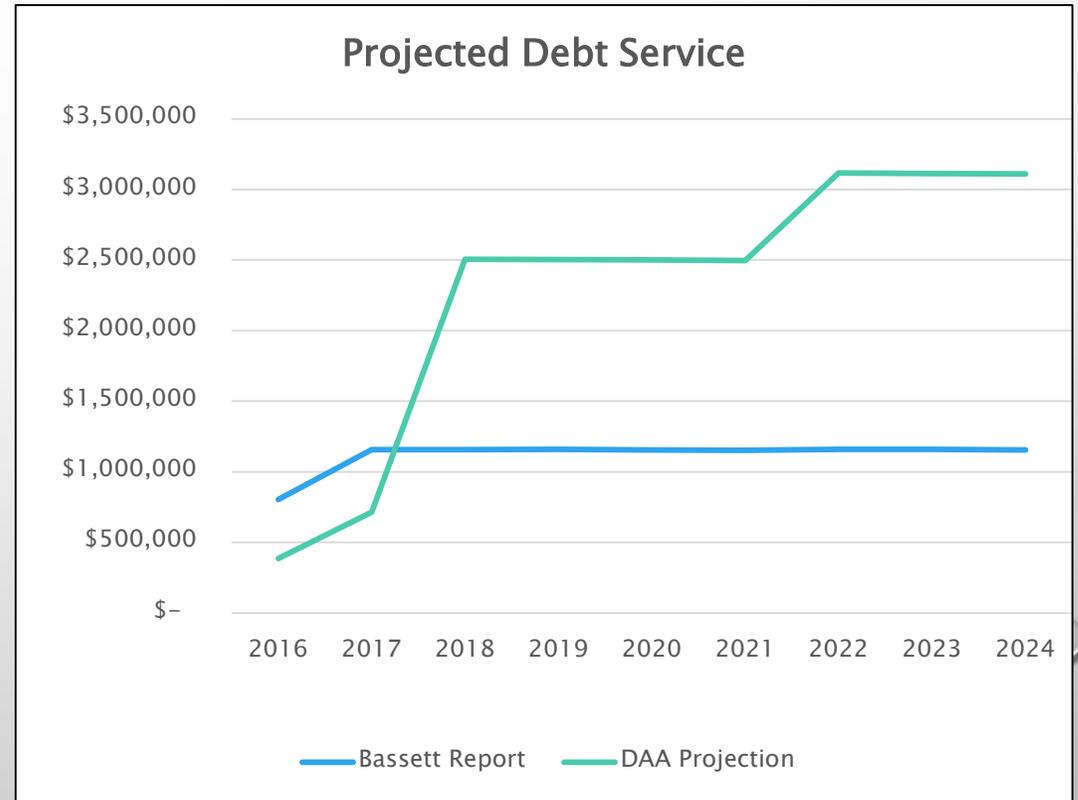
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Water Sales</u>										
Gallons per Year (000)	2,339,189	2,350,427	2,365,705	2,381,082	2,396,559	2,412,137	2,427,815	2,443,596	2,459,480	2,475,466
Million Gallons per Day (MGD)	6.41	6.44	6.48	6.52	6.57	6.61	6.65	6.69	6.74	6.78

PROJECTED OPERATING EXPENSES

- MOST EXPENSES INCREASE AT 4%
- EXCEPTIONS ARE:
 - PERSONNEL COSTS
 - RELATED BENEFITS
 - ELECTRICITY
- OVERALL, PROJECTED OPERATING EXPENSES ARE LESS THAN THOSE ANTICIPATED AT THE TIME OF THE JOINDER STUDY
- PROJECTIONS INCLUDE ANNUAL CONTRIBUTIONS TO RESERVE – AT LEAST \$700,000 PER YEAR AFTER 2018 (DUE IN PART TO INCREASING THE RATE TO MEET COVERAGE AND CASH ON HAND RECOMMENDATIONS – DISCUSSED LATER)

CURRENT AND PROJECTED DEBT SERVICE

- CURRENTLY TWO (2) OUTSTANDING BONDS
 - APPROXIMATELY \$380,000 – \$390,000 PER YEAR DEBT SERVICE
- SEVEN (7) CIP PROJECTS TO BE FUNDED WITH DEBT OVER NEXT 6 YEARS
 - DEBT SERVICE WILL INCREASE TO APPROXIMATELY \$2.5M IN FY2020
 - \$3.1M IN 2024



CIP PROJECTS / RELATED DEBT

Name of Project	Estimated Cost	Portion Funded with Debt	Portion Funded with Cash	Portion Funded with 2013 Bond Issue Proceeds	Year that Project May Be Bid
30" Raw Water Transmission Line	\$ 1,091,000		\$ 1,091,000		Early 2016
Prices Fork Western Transmission Line Phase I	\$ 3,093,000	\$ 1,493,000		\$ 1,600,000	Early 2017
Plum Creek Eastern Transmission Line – Phase II	\$ 6,137,000	\$ 6,137,000			After Water Plant Project – FY 2022 or later / TBD
Discharge Pre-Treatment and Equalization	\$ 1,531,000	\$ 1,141,000		\$ 390,000	
Study – Blacksburg Pump Station Upgrade of Water Plant	\$ 75,000		\$ 75,000		FY2017
(includes Raw Water Pump Station)	\$ 27,460,000	\$ 27,460,000			FY2017
SCADA System Study	\$ 47,000		\$ 47,000		FY2017
SCADA System	\$ 250,000		\$ 250,000		FY2017
Prices Fork Transmission Line Capacity Improvements – Phase II	\$ 6,000,000	\$ 6,000,000			FY2019 or later
Blacksburg S. Main St. Transmission Main Replacement	\$ 1,320,000		\$ 1,320,000		FY2020 or later
Blacksburg PS – New Control Electronics / Other Upgrades	\$ 300,000		\$ 300,000		FY2019 (or later)
Plum Creek I – 20-inch Western Meadows Route	\$ 3,031,000	\$ 3,031,000			TBD
Route 114 Transmission Upgrade	Not Known				TBD
Total	\$ 50,335,000	\$ 45,262,000	\$ 3,083,000	\$ 1,990,000	

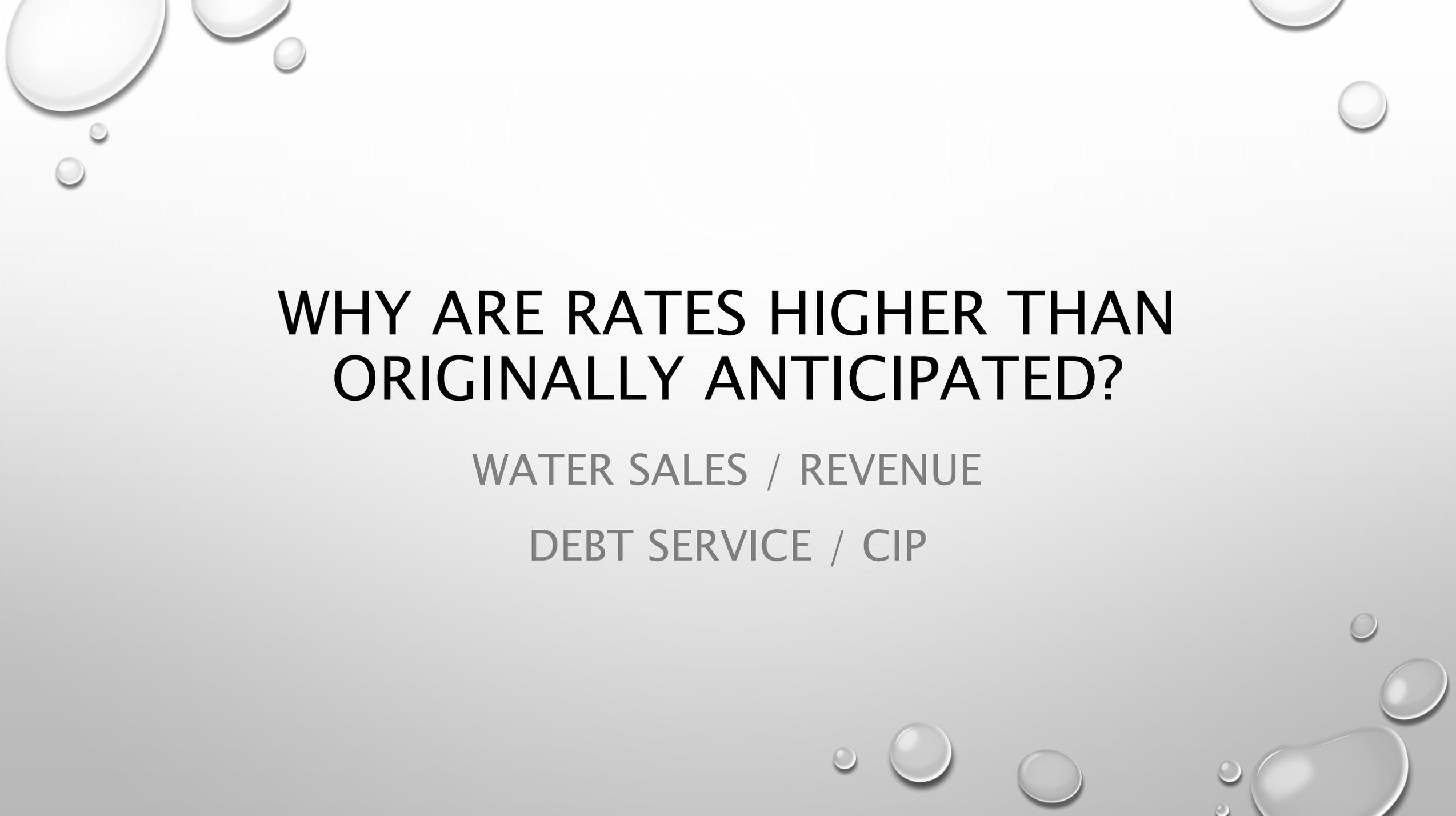
PROJECTED DEBT SERVICE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Existing Debt Service:										
Series 2005B Debt Service	\$ 71,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2013B and Series 2014B (through 2043 and 2036)	\$ 232,066	\$ 386,738	\$ 390,744	\$ 393,713	\$ 391,297	\$ 388,625	\$ 385,622	\$ 392,031	\$ 388,253	\$ 384,569
Projected Debt Service:										
Prices Fork I (\$3.09M; \$1.49M new debt)	\$ -	\$ -	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000	\$ 88,000
Plum Creek I (\$3.03M new debt)	\$ -	\$ -	\$ 168,350	\$ 336,700	\$ 336,700	\$ 336,700	\$ 336,700	\$ 336,700	\$ 336,700	\$ 336,700
Discharge Pre-Treatment and Equalization (\$1.5 M; \$1.14M new debt)	\$ -	\$ -	\$ 67,300	\$ 67,300	\$ 67,300	\$ 67,300	\$ 67,300	\$ 67,300	\$ 67,300	\$ 67,300
Upgrade of Water Plant (\$21.46 M new debt)	\$ -	\$ -	\$ -	\$ 1,265,589	\$ 1,265,589	\$ 1,265,589	\$ 1,265,589	\$ 1,265,589	\$ 1,265,589	\$ 1,265,589
Raw Water Pump Station (\$6.0 M new debt)	\$ -	\$ -	\$ -	\$ 353,900	\$ 353,900	\$ 353,900	\$ 353,900	\$ 353,900	\$ 353,900	\$ 353,900
Plum Creek II (\$6.13 M new debt) and Prices Fork II (\$6.0 M new debt)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 613,000	\$ 613,000	\$ 613,000
Route 114 Transmission Upgrade (\$ not known)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 303,713	\$ 386,738	\$ 714,394	\$ 2,505,202	\$ 2,502,786	\$ 2,500,114	\$ 2,497,111	\$ 3,116,520	\$ 3,112,742	\$ 3,109,058

IMPACT ON WHOLESALE RATES

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projected Rate	\$ 2.22	\$ 2.34	\$ 2.48	\$ 3.43	\$ 3.52	\$ 3.60	\$ 3.69	\$ 4.12	\$ 4.23	\$ 4.35
% Annual Increase		5.4%	6.0%	38.3%	2.6%	2.3%	2.5%	11.7%	2.7%	2.8%
Projected Rate / Bassett Report / 2012	\$ 2.22	\$ 2.34	\$ 2.48	\$ 2.63	\$ 2.78	\$ 2.95	\$ 3.14	\$ 3.35	\$ 3.58	\$ 3.83

FY 2019 projected rates exceed the rates projected at the time of the Joinder Study

The background of the slide is a light gray gradient. In the top-left and bottom-right corners, there are several realistic-looking water droplets of various sizes, some overlapping. The main text is centered on the slide.

WHY ARE RATES HIGHER THAN ORIGINALLY ANTICIPATED?

WATER SALES / REVENUE

DEBT SERVICE / CIP

WATER SALES AND REVENUE

Water Sales:

THE BASSETT REPORT ASSUMES THE AUTHORITY SELLS MORE WATER – BOTH NOW AND IN THE FUTURE

- BASSETT PROJECTION 2017 – 7.15 MGD
- NRV/DAA PROJECTION 2017 – 6.44 MGD
- BASSETT PROJECTION 2025 – 7.72 MGD
- DAA PROJECTION 2025 – 6.78 MGD

REVENUE:

- IN 2017, WITH A RATE OF \$2.34, BASSETT REPORT PROJECTS WATER SALES OF \$6,105,116
- IN 2017, WITH A RATE OF \$2.34 AND LOWER WATER SALES, PROJECTED REVENUE OF \$5,500,000
- DIFFERENCE OF ABOUT \$600,000 IN REVENUE IN 2017
- BY 2025, WITH THE DIFFERENCE IN THE PROJECTED WATER SALES –REVENUE PROJECTIONS ARE MORE THAN \$1.3 MILLION *LESS THAN* THE BASSETT REPORT – WITH HIGHER RATES AND LOWER WATER SALES.

OPERATING COSTS

- THE PROJECTED OPERATING COSTS FOR THE AUTHORITY (*NOT INCLUDING DEBT SERVICE*) IS CONSISTENTLY LOWER IN THE PROJECTIONS THAN THOSE PROJECTED IN THE BASSETT REPORT.
- IN FY17 – THE PROJECTED EXPENSES ARE \$ *71,200 LESS THAN* THOSE SHOWN IN THE BASSETT REPORT.
- THAT DIFFERENCE INCREASES EACH YEAR.
- THE DIFFERENCE IS \$2 MILLION IN FY2025.
- INCREASE IN RATES IS *NOT DUE* TO OPERATING EXPENSES.

DEBT SERVICE – CURRENT AND PROJECTED

- BASSETT REPORT SHOWS DEBT SERVICE OF \$803,441 IN FY2017
- ACTUAL DEBT SERVICE IS \$386,738 in FY2017
- DIFFERENCE ENABLED AUTHORITY TO MAINTAIN THE PROJECTED “BASSETT RATE”

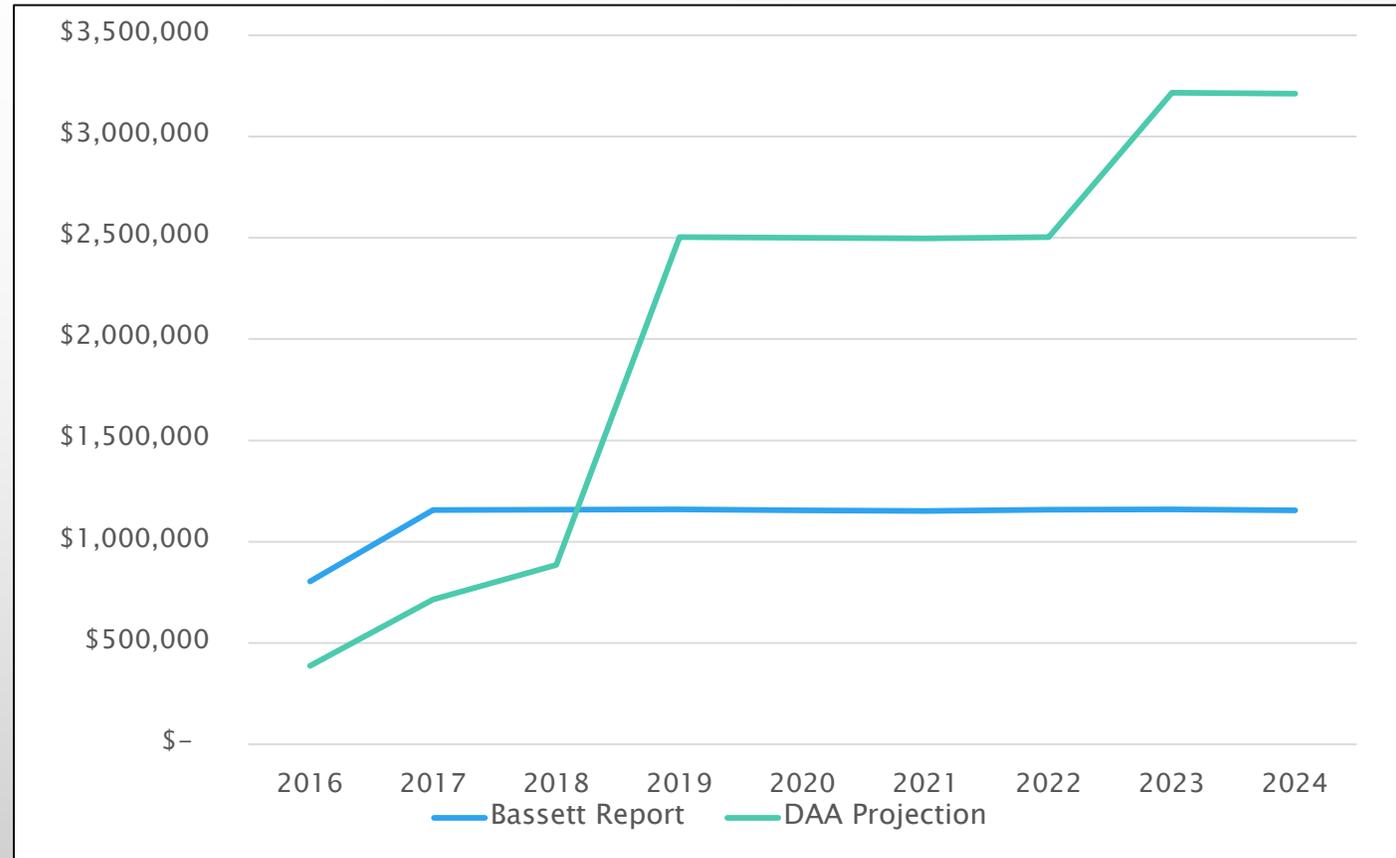
- FY2018, BASSETT PROJECTED DEBT SERVICE OF \$1.1 MILLION
- FY2018 DEBT SERVICE IS PROJECTED TO BE \$390,744
- DIFFERENCE ENABLES AUTHORITY TO MAINTAIN THE “BASSETT RATE” IN FY2018 RATE DESPITE LOWER WATER SALES.

- FY2019, BASSETT PROJECTED DEBT SERVICE OF \$1.1 MILLION
- FY2019 DEBT SERVICE IS PROJECTED TO BE \$2.5 MILLION

IN FY2019 – PROJECTED DEBT SERVICE STARTS TO INCREASE– AND IT EXCEEDS THE BASSETT PROJECTED DEBT SERVICE.

DEBT SERVICE – CURRENT AND PROJECTED

- BASSETT REPORT SHOWS DEBT SERVICE TOTALING \$1.15 MILLION FROM FY2018 – FY2025
- DAA PROJECTION SHOWS DEBT SERVICE OF \$3.1 MILLION IN 2025, WHEN ALL THE PROJECTS ARE FUNDED
- \$2 MILLION DIFFERENCE



THE CIP – WHAT’S DIFFERENT?

	Bassett Report	Revised CIP
Plant Project		
Raw Water Pump Station Upgrade	\$ 2,995,800	
Filter Rebuilds	\$ 1,271,106	
Clearwell/Finished Water Pumps	<u>\$ 5,500,000</u>	
	\$ 9,766,906	\$ 27,463,000
Prices Fork Western T. Line	\$ 1,678,940	\$ 3,093,000
Discharge Pre-Treatment and EQ	\$ 390,000	\$ 1,531,000
Plum Creek I – Western		\$ 3,031,000
Plum Creek Eastern T. Line	\$ 3,228,800	\$ 6,137,000
Prices Fork T. Line Capacity Imp.	<u>\$ 1,000,000</u>	<u>\$ 6,000,000</u>
	\$ 16,064,646	\$ 47,255,000
	Difference in CIP	\$ 31,190,354

\$31 million = approximately \$2.0 million per year in additional debt service

RETAIL WATER RATES

Locality/Utility	# Residential Customers	Monthly Charge (5,000 gallons)
Blacksburg, Town of	9,400	\$ 29.14
Christiansburg, Town of	9,356	\$ 28.20
Other Utilities – 8,000 – 12,000 Residential Connections		
Campbell Co. USA	9,926	\$ 39.06
Henry Co. PSA	12,490	\$ 34.70
Herndon, Town of	7,908	\$ 17.37
Salem, City of	9,930	\$ 37.38
Vienna, Town of	9,337	\$ 25.00
Waynesboro, City of	7,663	\$ 29.58
Winchester, City of	9,800	\$ 39.40
Locality/Utility	# Residential Customers	Monthly Charge (5,000 gallons)
Montgomery Co. PSA	2,700	\$ 44.50
Other Utilities – 1,500 – 3,600 Residential Connections		
Alleghany County	2,824	\$ 41.00
Big Stone Gap, Town of	3,538	\$ 37.80
Bluefield, Town of	2,200	\$ 39.84
Bridgewater, Town of	2,026	\$ 21.34
Carroll Co. PSA	3,356	\$ 43.80
Chilhowie, Town of	2,087	\$ 27.56
Clifton Forge, Town of	1,600	\$ 26.50
Coeburn, Town of	1,550	\$ 37.62
Utilities across Virginia (5,000 gallons per month)		
Average		\$ 32.03
High		\$ 78.33
Low		10.90
Median		\$ 29.80

Rates in effect prior to July 1, 2016.

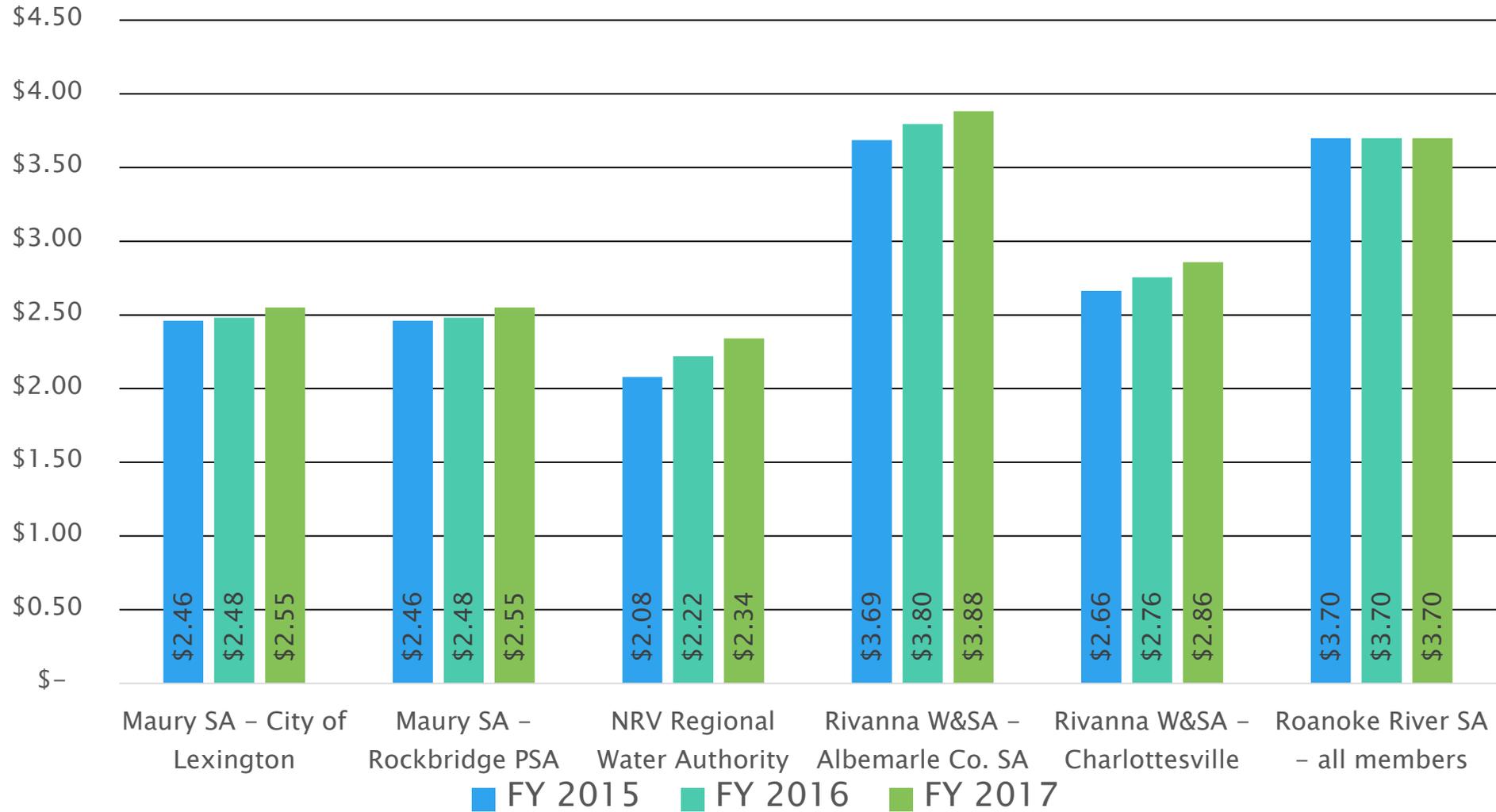
WHOLESALE WATER RATES – OTHER AUTHORITIES

AUTHORITY – LOCALITY	FISCAL YEAR 2015	FISCAL YEAR 2016	FISCAL YEAR 2017	\$ CHANGE (2016 – 17)	% CHANGE (2016 – 17)
MAURY SA – CITY OF LEXINGTON	\$2.46	\$2.48	\$2.55	\$0.07	2.8%
MAURY SA – ROCKBRIDGE PSA	\$2.46	\$2.48	\$2.55	\$0.07	2.8%
NRV REGIONAL WATER AUTHORITY	\$2.08	\$2.22	\$2.34	\$0.12	5.4%
RIVANNA W&SA – ALBEMARLE CO. SA *	\$3.69	\$3.80	\$3.88	\$0.09**	2.3%
RIVANNA W&SA – CHARLOTTESVILLE *	\$2.66	\$2.76	\$2.86	\$0.10	3.7%
ROANOKE RIVER SERVICE AUTHORITY	\$3.70	\$3.70	\$3.70	\$ –	0.0%

* RIVANNA W&SA RATES ARE ESTIMATED – THE AUTHORITY’S METHOD OF CHARGING RATES CHANGED IN JULY 2015, DEBT SERVICE IS CHARGED AS A SET \$ AMOUNT NOT \$/1,000 GALLONS.

** ROUNDED (\$0.087)

WHOLESALE RATES - 2015 - 2017



RETAIL RATES – AREAS SERVED BY WHOLESALE AUTHORITIES

	Monthly Water Use	
	4,000 gallons	5,000 gallons
Maury Service Authority:		
City of Lexington	\$ 19.74	\$ 24.72
Rockbridge Co. PSA	\$ 30.40	\$ 35.30
Rivanna Water & Sewer Authority:		
City of Charlottesville	\$ 33.71	\$ 41.21
Albemarle Co. SA	\$ 27.68	\$ 35.66
Roanoke River Service Authority:		
Town of South Hill	\$ 25.20	\$ 30.75
Boydton	\$ 26.90	\$ 31.90
NRV Water Authority:		
Town of Christiansburg	\$ 23.28	\$ 29.42
Town of Blacksburg	\$ 24.91	\$ 30.39
Montgomery Co. PSA	\$ 36.90	\$ 44.50

Overview/Goals & Objectives



- Davenport was asked to review Draper Aden’s modeling which was presented to the Authority Board in February 2016 and again in March 2016.

- In Davenport’s view, Draper Aden’s modeling and presentations did a very good job of outlining the challenges ahead of the Authority regarding its capital program.

- With no projected large increases in water usage and thus water revenues, future capital projects of size will need to be funded with long-term debt. The issuance of this debt will cause pressure on the revenue side of the model as existing debt service is not expected to drop for another 20 years (in 2036).

- Davenport reviewed funding the Capital program looking at three scenarios:
 - 1) 30 years Level Debt Service at 4% interest rate (Draper Aden report);
 - 2) 30 years Level Debt Service at 5% interest rate (in case rates rise); and,
 - 3) 30 years structured Debt Service at 4%.

- Without structuring the bond issue, a large, upfront rate increase will be needed when the first principal and interest is due. The ‘Structured’ scenario allows rate increases to be stretched out and more levelized.



Overview/Goals & Objectives (Continued)

- Davenport was also asked to think about how the capital program might be funded and what would put the Authority in the position to borrow these funds at the lowest interest rates available.
- The Authority has several options available to procure funds for its capital program. The include:
 - Direct Bank Loans
 - USDA Rural Development
 - VDH RLF (Davis Bacon Act/Buy American Steel Requirements)
 - Public Market
 - VRA
 - Stand-Alone Authority Issuance
- As Davenport looked at the various scenarios we have proposed Potential Policy Guidelines, which would be necessary to achieve the best interest rates possible in Public Market scenarios, to guide the initial revenue increase results necessary to cash flow the capital program.



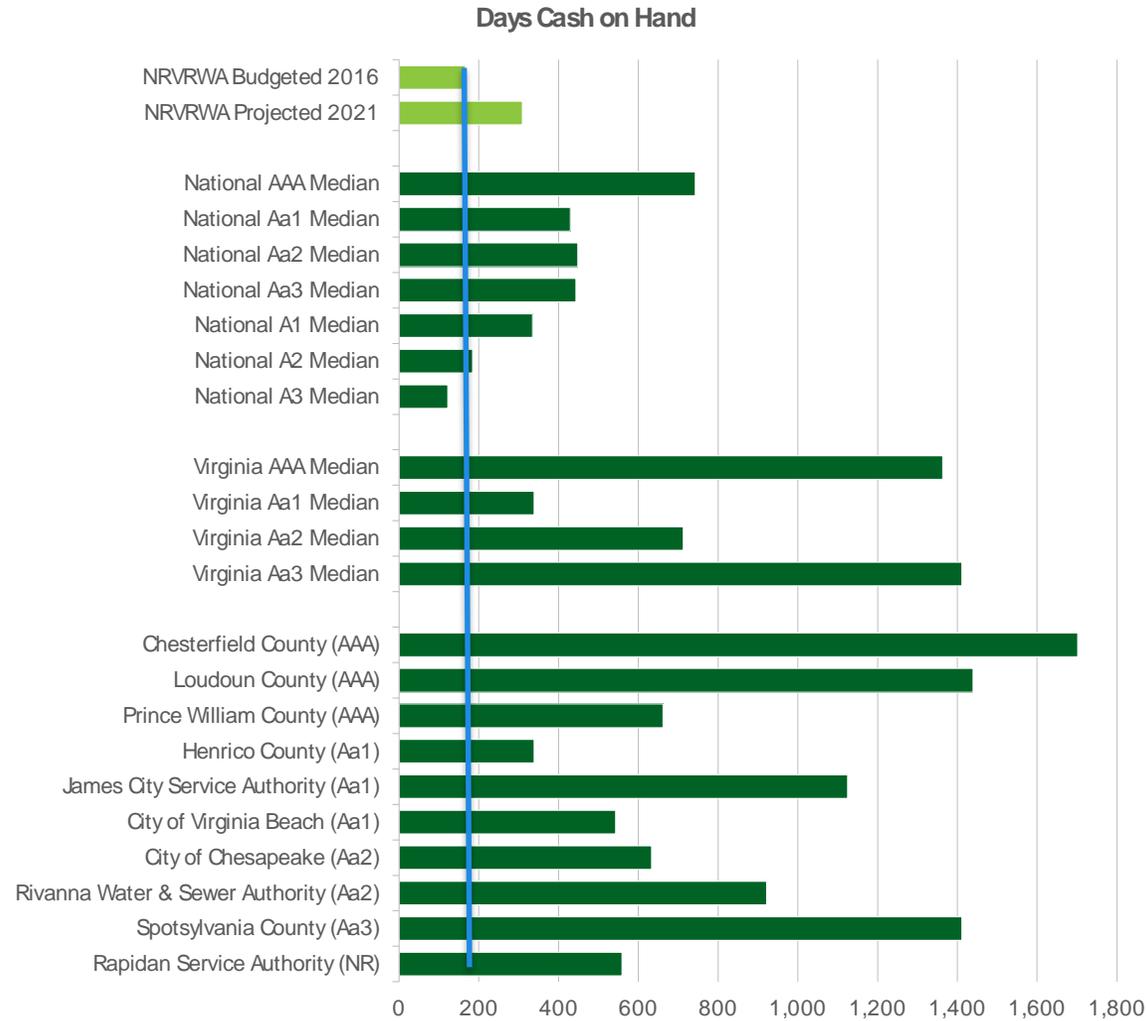
Potential Policy Guidelines

Policy Guidelines set expectations for planning purposes. In addition, the rating agencies expect higher rated issuers to have policies in place.

Potential Policy Guidelines to consider:

- Maintain a Cash and Cash Equivalent position of at least 50% of the Average for the Last Three Years of Total Expenditures (or 180 days cash on hand). Total Expenditures is defined as all operating expenditures plus annual debt service.
- Target Net Revenues after operational expenditures to be at least 1.15 times annual debt service requirements. The excess revenues will be available to first maintain the Fund Balance/Reserve and second to cash fund future capital projects thus reducing the need for future debt. The Authority will strive to achieve a target 1.30 times debt service requirements by 2021.

Days Cash on Hand



Note: NRVRWA assumes \$2 million in Capital Reserves from Draper Aden Report



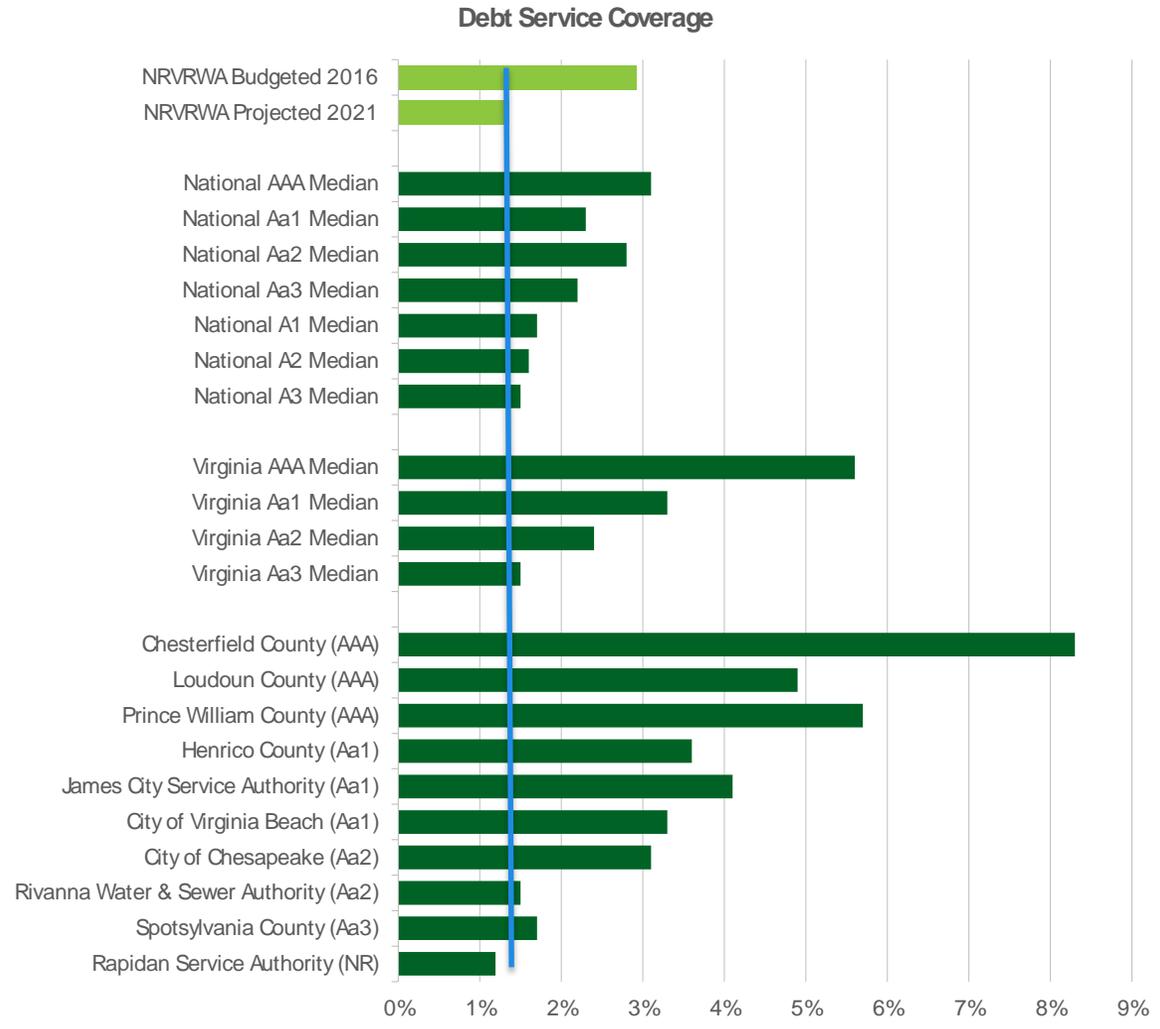
Days Cash on Hand – Rating Agency Evaluation

Moody's Days Cash on Hand Rating Criteria						
	Aaa	Aa	A	Baa	Ba	B and Below
Days Cash on Hand (15%)	> 250	250 - 150	150 - 35	35 - 15	15 - 7	< 7

Standard and Poor's Liquidity and Reserves Preliminary Evaluation		
Preliminary Assessment	Days Cash	Actual Cash
1	Greater than 150	More than \$75 million
2	90 to 150	\$20 million to \$75 million
3	60 to 90	\$5 million to \$20 million
4	30 to 60	\$1 million to \$5 million
5	15 to 30	\$500,00 to \$1 million
6	Less than 15	Less than \$500,000

Standard and Poor's Liquidity and Reserves Assessment						
Days' Cash Ratio, Preliminary Evaluation	Actual Cash on Hand, Preliminary Evaluation					
	1	2	3	4	5	6
1	1	1	2	2	3	4
2	1	2	2	3	3	4
3	2	2	3	4	4	5
4	2	3	4	4	5	5
5	3	3	4	5	5	6
6	4	4	5	5	6	6

Debt Service Coverage



Debt Service Coverage - Rating Agency Evaluation

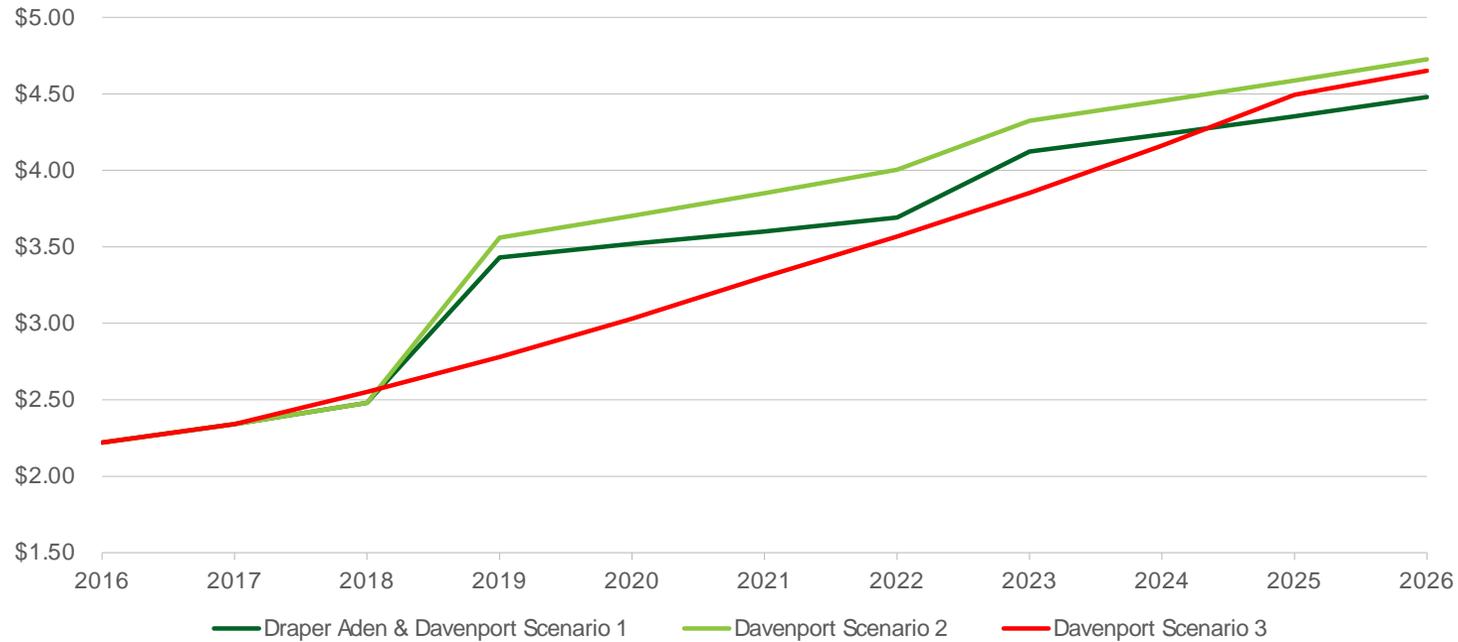


Moody's Debt Service Coverage Rating Criteria						
	Aaa	Aa	A	Baa	Ba	B and Below
Annual Debt Service Coverage (15%)	> 2.00x	2.00x - 1.70x	1.70X - 1.25X	1.25X - 1.00x	1.00X - 0.70x	<0.70x

Standard and Poor's Assessment of All-In-Coverage	
Initial Assessment	All-In-Coverage
1	> 1.60X
2	1.60x - 1.40x
3	1.40x - 1.20x
4	1.20x - 1.10x
5	1.10x - 1.00x
6	< 1.00x



Projected Rate Comparison



Projected Rate Comparison											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Draper Aden Projected Rate	\$2.22	\$2.34	\$2.48	\$3.43	\$3.52	\$3.60	\$3.69	\$4.12	\$4.23	\$4.35	N/A
% Increase		5.4%	6.0%	38.3%	2.6%	2.3%	2.5%	11.7%	2.7%	2.8%	N/A
Davenport Scenario 1	\$2.22	\$2.34	\$2.48	\$3.43	\$3.52	\$3.60	\$3.69	\$4.12	\$4.23	\$4.35	\$4.48
% Increase		5.4%	6.0%	38.3%	2.6%	2.3%	2.5%	11.7%	2.7%	2.8%	2.9%
Davenport Scenario 2	\$2.22	\$2.34	\$2.48	\$3.56	\$3.70	\$3.85	\$4.00	\$4.32	\$4.45	\$4.59	\$4.73
% Increase		5.4%	6.0%	43.5%	4.0%	4.0%	4.0%	8.0%	3.0%	3.0%	3.0%
Davenport Scenario 3	\$2.22	\$2.34	\$2.55	\$2.78	\$3.03	\$3.30	\$3.57	\$3.85	\$4.16	\$4.49	\$4.65
% Increase		5.4%	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%	8.0%	8.0%	3.5%

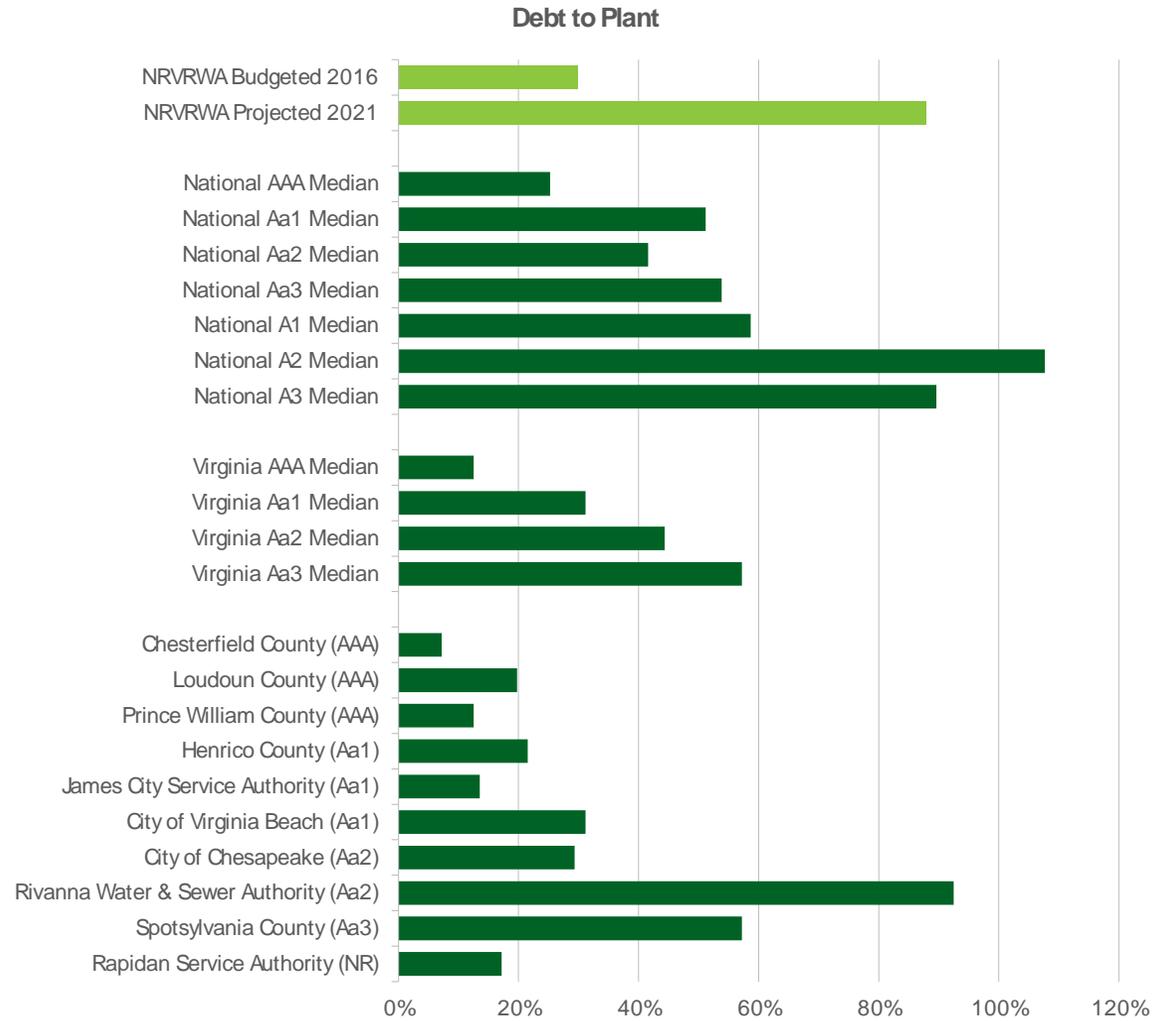


How much debt is too much?

- With local governments we measure the debt capacity by looking at the total amount of debt divided by the assessed value of the locality, the annual debt service divided by the annual budget and how much debt is paid out in 10 years (Payout Ratio). With Utility Revenue bonds there is no hard and fast debt capacity measure. Typically the 'capacity' is how much the system can support on a cash flow basis which is measured by meeting some coverage ratio. One measure the rating agencies will look at is Debt to Plant to measure how leveraged the system might be. But, even if this ratio is high, the rating agencies won't penalize a utility revenue bond issuer if the coverage ratio is solid and rates and charges are reasonable.

- The chart on the following page shows Debt to Plant figures for certain Virginia systems and Moody's medians. In 2021, once the last of the capital program is issued, the Debt to Plant for the system is about 85%. Note that Rivanna is also in the same range, they have recently borrowed and are undergoing a substantial building program which is why their ratio is that high. But note that despite this high ratio they enjoy a Aa2 rating.

Debt to Plant Comparison



Source: Moody's Financial Ratio Analysis



Final Observations

- Roughly 3% per year of the increases are directly tied to the projected increases in the operating fund, the balance is all directly related to the capital program.
- The projected capital projects have been increased since the March 2016 presentation resulting in the higher revenues needed to cash flow the program.
- However, with principal structuring and capitalized interest, the impact is only minimal despite the increases in capital costs.
- If the capital costs are reduced or delayed, resulting in lower debt service, the levelized rates can be reduced further.
- All projections meet Fiscal Policy Guidelines including Cash Reserves target and 1.15x debt service coverage. The coverage level is the minimal necessary to issue through the public market/VRA, without the added security of a support agreement from each local government and the university. Issuance through USDA RD may not require as high of a coverage level which would help rates slightly. A Debt Service Reserve Fund may also be required in any of the scenarios.



Richmond — Headquarters

One James Center
901 East Cary Street,
Suite 1100,
Richmond, Virginia 23219

Telephone:
(804) 780-2000

Toll-Free:
(800) 846-6666

E-Mail:
info@investdavenport.com

Courtney E. Rogers

Senior Vice President

(804) 697-2902

crogers@investdavenport.com



Appendix

NRV Regional Water Authority



Scenario 1

NRV Regional Water Authority



Key Assumptions

- Davenport has assumed the following:
 - \$5.66 million project costs funded with bonds in June 2017
 - \$24.46 million project costs funded with bonds in June 2018
 - \$10.38 million project costs funded with bonds in June 2022
 - 30-Years Level Debt Service
 - Interest paid semi-annually at **4%**
 - Principal payments due annually beginning one year after issuance
 - Debt Service Reserve Fund
 - Estimated Cost of Issuance of \$250,000 and an Underwriters Discount of \$5 per bond

Scenario 1 Pro Forma – 4% Interest Rates

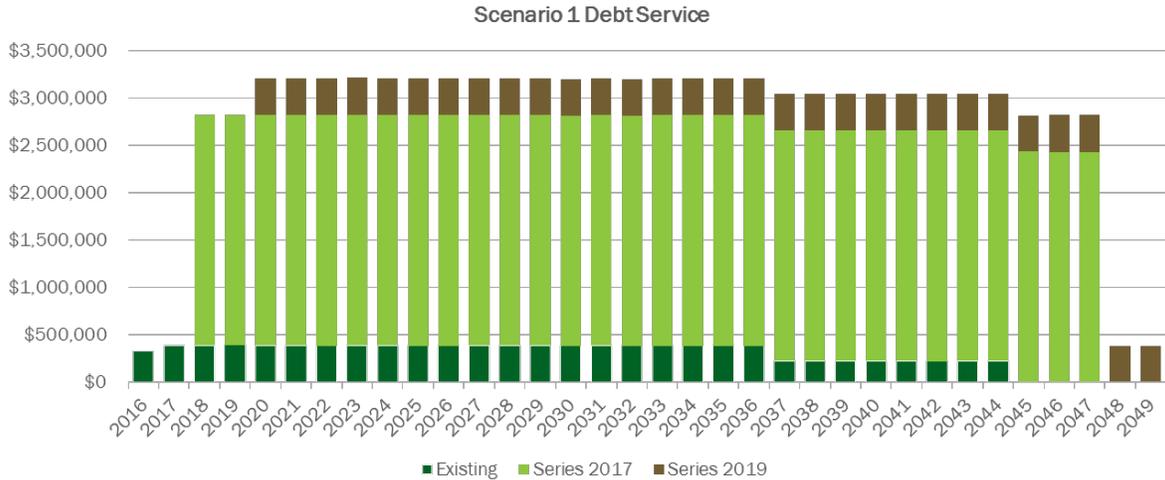
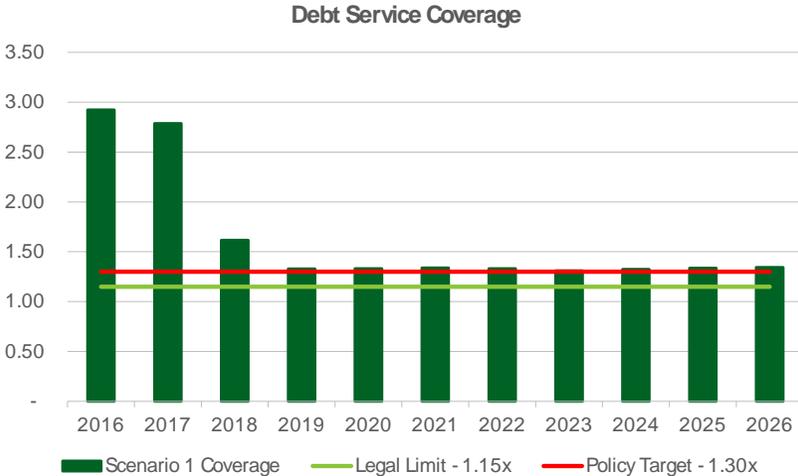


- Under Scenario 1, a 38.3% increase in rates for FY 2019 would be needed to meet a debt service coverage target of 130%. An increases of 11.7% would be needed in FY 2023 with only minor increases in the other years.

	Budget 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Water Sales											
Gallons per Year (000)	2,339,189	2,350,427	2,365,705	2,381,082	2,396,559	2,412,137	2,427,815	2,443,596	2,459,480	2,475,466	2,491,557
Million Gallons per Day (MGD)	6.41	6.44	6.48	6.52	6.57	6.61	6.65	6.69	6.74	6.78	6.83
Projected Rate	\$ 2.22	\$ 2.34	\$ 2.48	\$ 3.43	\$ 3.52	\$ 3.60	\$ 3.69	\$ 4.12	\$ 4.23	\$ 4.35	\$ 4.48
% Increase / Wholesale Rate		5.4%	6.0%	38.3%	2.6%	2.3%	2.5%	11.7%	2.7%	2.8%	2.9%
Revenue											
Revenue from Water Sales	\$ 5,193,000	\$ 5,500,000	\$ 5,867,894	\$ 8,168,047	\$ 8,434,889	\$ 8,684,979	\$ 8,959,967	\$ 10,073,337	\$ 10,412,562	\$ 10,773,690	\$ 11,158,187
Interest Income	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Membership Interest	\$ 47,522	\$ 24,700	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Revenue	\$ 5,275,522	\$ 5,559,700	\$ 5,950,416	\$ 8,250,569	\$ 8,517,411	\$ 8,767,501	\$ 9,042,489	\$ 10,155,859	\$ 10,495,084	\$ 10,856,212	\$ 11,240,709
Expenses											
Subtotal	\$ 4,387,800	\$ 4,481,900	\$ 4,751,357	\$ 4,998,196	\$ 5,260,016	\$ 5,495,350	\$ 5,788,695	\$ 6,100,393	\$ 6,431,776	\$ 6,784,284	\$ 7,159,474
Existing Debt Service:											
Series 2005B	\$ 71,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2013B	\$ 232,066	\$ 386,738	\$ 390,744	\$ 393,713	\$ 391,297	\$ 388,625	\$ 385,622	\$ 392,031	\$ 388,253	\$ 384,569	\$ 385,175
Series 2014B											
Projected Debt Service:											
Series 2018	\$ -	\$ -	\$ 351,440	\$ 351,440	\$ 351,267	\$ 351,642	\$ 351,815	\$ 351,786	\$ 351,555	\$ 351,844	\$ 351,902
Series 2019	\$ -	\$ -	\$ -	\$ 1,705,042	\$ 1,705,042	\$ 1,704,201	\$ 1,706,023	\$ 1,706,863	\$ 1,706,723	\$ 1,705,602	\$ 1,707,003
Series 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 644,513	\$ 644,513	\$ 644,196	\$ 644,884
Total Debt Service	\$ 303,713	\$ 386,738	\$ 742,184	\$ 2,450,194	\$ 2,447,605	\$ 2,444,468	\$ 2,443,460	\$ 3,095,194	\$ 3,091,045	\$ 3,086,211	\$ 3,088,964
Total Expenses (including debt)	\$ 4,691,513	\$ 4,868,638	\$ 5,493,541	\$ 7,448,390	\$ 7,707,621	\$ 7,939,818	\$ 8,232,154	\$ 9,195,587	\$ 9,522,821	\$ 9,870,495	\$ 10,248,438
Net Surplus/ Contribution to Capital	\$ 584,008	\$ 691,062	\$ 456,875	\$ 802,179	\$ 809,790	\$ 827,683	\$ 810,335	\$ 960,273	\$ 972,263	\$ 985,718	\$ 992,271
Debt Coverage:											
Total Revenue Available for Debt Service	\$ 887,722	\$ 1,077,800	\$ 1,199,059	\$ 3,252,373	\$ 3,257,395	\$ 3,272,152	\$ 3,253,795	\$ 4,055,467	\$ 4,063,308	\$ 4,071,928	\$ 4,081,235
Debt Coverage	2.92	2.79	1.62	1.33	1.33	1.34	1.33	1.31	1.31	1.32	1.32
Does Coverage exceed 115%	Yes	Yes	Yes	Yes							
Does Coverage exceed 130%	Yes	Yes	Yes	Yes							



Scenario 1 Coverage and Debt Service – 4% Interest Rates





Scenario 2

NRV Regional Water Authority

Scenario 2 Pro Forma – 5% Interest Rates



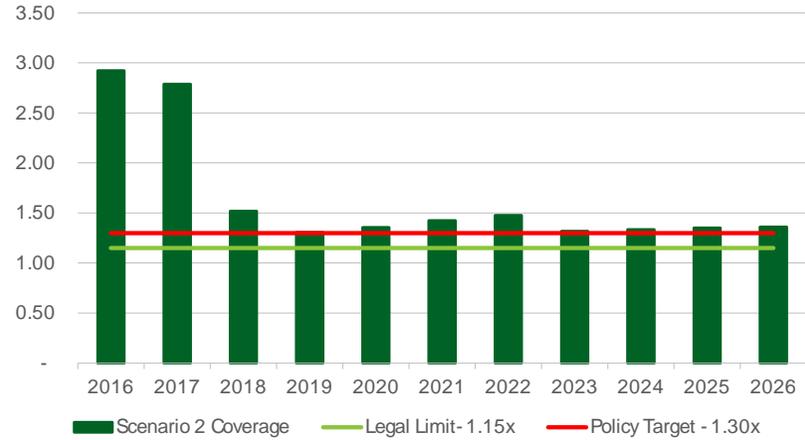
- Under Scenario 2, a 43.5% increase in rates for FY 2019 would be needed to meet a debt service coverage target of 130%. Increases of 4% would be needed in FY 2020 – 2022, 8% in 2023 and only 3% annual increases thereafter.

	Budget 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Water Sales											
Gallons per Year (000)	2,339,189	2,350,427	2,365,705	2,381,082	2,396,559	2,412,137	2,427,815	2,443,596	2,459,480	2,475,466	2,491,557
Million Gallons per Day (MGD)	6.41	6.44	6.48	6.52	6.57	6.61	6.65	6.69	6.74	6.78	6.83
Projected Rate	\$ 2.22	\$ 2.34	\$ 2.48	\$ 3.56	\$ 3.70	\$ 3.85	\$ 4.00	\$ 4.32	\$ 4.45	\$ 4.59	\$ 4.73
% Increase / Wholesale Rate		5.4%	6.0%	43.5%	4.0%	4.0%	4.0%	8.0%	3.0%	3.0%	3.0%
Revenue											
Revenue from Water Sales	\$ 5,193,000	\$ 5,500,000	\$ 5,867,894	\$ 8,475,161	\$ 8,871,459	\$ 9,286,289	\$ 9,720,516	\$ 10,566,395	\$ 10,954,129	\$ 11,356,091	\$ 11,772,802
Interest Income	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Membership Interest	\$ 47,522	\$ 24,700	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Revenue	\$ 5,275,522	\$ 5,559,700	\$ 5,950,416	\$ 8,557,683	\$ 8,953,981	\$ 9,368,811	\$ 9,803,038	\$ 10,648,917	\$ 11,036,651	\$ 11,438,613	\$ 11,855,324
Expenses											
Subtotal	\$ 4,387,800	\$ 4,481,900	\$ 4,751,357	\$ 4,998,196	\$ 5,260,016	\$ 5,495,350	\$ 5,788,695	\$ 6,100,393	\$ 6,431,776	\$ 6,784,284	\$ 7,159,474
Existing Debt Service:											
Series 2005B	\$ 71,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2013B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2014B	\$ 232,066	\$ 386,738	\$ 390,744	\$ 393,713	\$ 391,297	\$ 388,625	\$ 385,622	\$ 392,031	\$ 388,253	\$ 384,569	\$ 385,175
Projected Debt Service:											
Series 2018	\$ -	\$ -	\$ 398,691	\$ 398,402	\$ 398,618	\$ 398,582	\$ 398,294	\$ 398,474	\$ 398,366	\$ 398,691	\$ 398,691
Series 2019	\$ -	\$ -	\$ -	\$ 1,934,284	\$ 1,932,883	\$ 1,933,934	\$ 1,933,758	\$ 1,932,357	\$ 1,933,233	\$ 1,932,708	\$ 1,934,284
Series 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 731,168	\$ 730,638	\$ 731,035	\$ 730,969
Total Debt Service	\$ 303,713	\$ 386,738	\$ 789,434	\$ 2,726,398	\$ 2,722,798	\$ 2,721,141	\$ 2,717,674	\$ 3,454,030	\$ 3,450,490	\$ 3,447,002	\$ 3,449,119
Total Expenses (including debt)	\$ 4,691,513	\$ 4,868,638	\$ 5,540,792	\$ 7,724,594	\$ 7,982,814	\$ 8,216,491	\$ 8,506,369	\$ 9,554,423	\$ 9,882,266	\$ 10,231,286	\$ 10,608,592
Net Surplus/ Contribution to Capital	\$ 584,008	\$ 691,062	\$ 409,624	\$ 833,089	\$ 971,167	\$ 1,152,320	\$ 1,296,669	\$ 1,094,494	\$ 1,154,385	\$ 1,207,326	\$ 1,246,732
Debt Coverage:											
Total Revenue Available for Debt Service	\$ 887,722	\$ 1,077,800	\$ 1,199,059	\$ 3,559,487	\$ 3,693,966	\$ 3,873,461	\$ 4,014,343	\$ 4,548,524	\$ 4,604,875	\$ 4,654,329	\$ 4,695,850
Debt Coverage	2.92	2.79	1.52	1.31	1.36	1.42	1.48	1.32	1.33	1.35	1.36

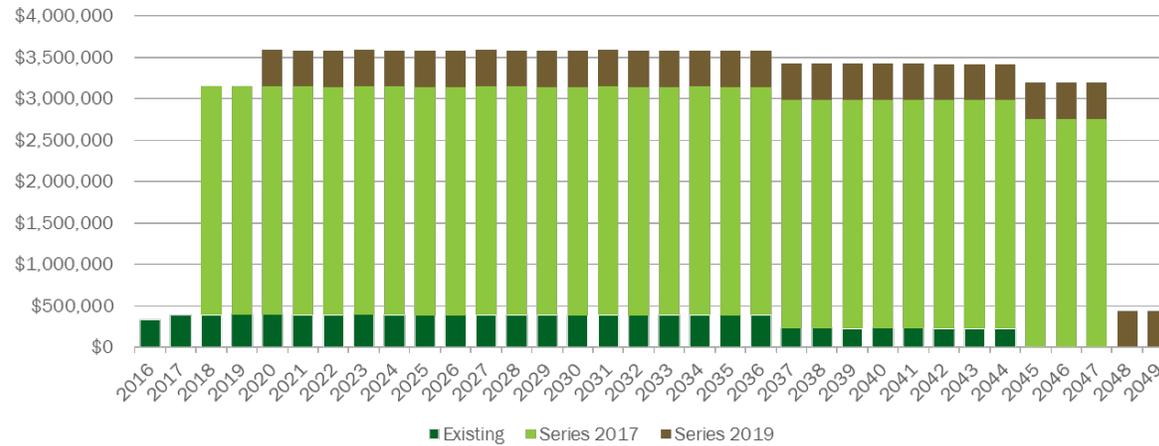
Scenario 2 Coverage and Debt Service – 5% Interest Rates



Debt Service Coverage



Scenario 2 Debt Service





Scenario 3

NRV Regional Water Authority



Key Assumptions

- The assumptions are the same as Scenario 1 except:
 - **2 Years Capitalized Interest Payments, followed by**
 - **2 Years Interest Only Payments, followed by**
 - **2 Years Structured Principal, followed by**
 - **24 Years Level Debt Service Thereafter**



Scenario 3 Pro Forma-Structured 4% Interest Rates

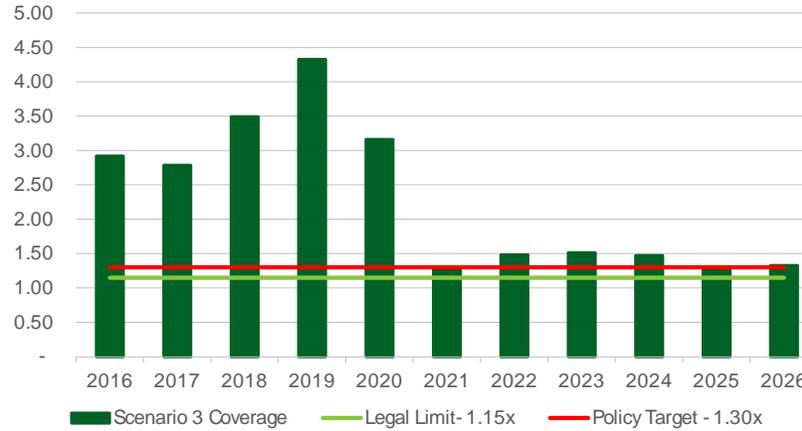
- Under Scenario 3, 9% increases in rates for FY 2018 - 2021 would be needed to meet a debt service coverage target of 130%. Increases of 8.0% would be needed in FY 2022 – 2025, 3.5% annual increases thereafter.

	Budget 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Water Sales											
Gallons per Year (000)	2,339,189	2,350,427	2,365,705	2,381,082	2,396,559	2,412,137	2,427,815	2,443,596	2,459,480	2,475,466	2,491,557
Million Gallons per Day (MGD)	6.41	6.44	6.48	6.52	6.57	6.61	6.65	6.69	6.74	6.78	6.83
Projected Rate	\$ 2.22	\$ 2.34	\$ 2.55	\$ 2.78	\$ 3.03	\$ 3.30	\$ 3.57	\$ 3.85	\$ 4.16	\$ 4.49	\$ 4.65
% Increase / Wholesale Rate		5.4%	9.0%	9.0%	9.0%	9.0%	8.0%	8.0%	8.0%	8.0%	3.5%
Revenue											
Revenue from Water Sales	\$ 5,193,000	\$ 5,500,000	\$ 6,033,967	\$ 6,619,774	\$ 7,262,455	\$ 7,967,530	\$ 8,660,865	\$ 9,414,533	\$ 10,233,786	\$ 11,124,330	\$ 11,588,521
Interest Income	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Membership Interest	\$ 47,522	\$ 24,700	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522	\$ 47,522
Miscellaneous	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Revenue	\$ 5,275,522	\$ 5,559,700	\$ 6,116,489	\$ 6,702,296	\$ 7,344,977	\$ 8,050,052	\$ 8,743,387	\$ 9,497,055	\$ 10,316,308	\$ 11,206,852	\$ 11,671,043
Expenses											
Subtotal	\$ 4,387,800	\$ 4,481,900	\$ 4,751,357	\$ 4,998,196	\$ 5,260,016	\$ 5,495,350	\$ 5,788,695	\$ 6,100,393	\$ 6,431,776	\$ 6,784,284	\$ 7,159,474
Existing Debt Service:											
Series 2005B	\$ 71,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2013B	\$ 232,066	\$ 386,738	\$ 390,744	\$ 393,713	\$ 391,297	\$ 388,625	\$ 385,622	\$ 392,031	\$ 388,253	\$ 384,569	\$ 385,175
Series 2014B											
Projected Debt Service:											
Series 2018	\$ -	\$ -	\$ -	\$ -	\$ 267,810	\$ 267,810	\$ 303,907	\$ 374,657	\$ 429,525	\$ 430,044	\$ 429,554
Series 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,299,306	\$ 1,299,306	\$ 1,474,434	\$ 1,817,684	\$ 2,083,878	\$ 2,086,400
Series 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,143	\$ 491,143
Total Debt Service	\$ 303,713	\$ 386,738	\$ 390,744	\$ 393,713	\$ 659,107	\$ 1,955,742	\$ 1,988,836	\$ 2,241,122	\$ 2,635,462	\$ 3,389,634	\$ 3,392,272
Total Expenses (including debt)	\$ 4,691,513	\$ 4,868,638	\$ 5,142,101	\$ 5,391,909	\$ 5,919,123	\$ 7,451,091	\$ 7,777,530	\$ 8,341,515	\$ 9,067,238	\$ 10,173,919	\$ 10,551,746
Net Surplus/ Contribution to Capital	\$ 584,008	\$ 691,062	\$ 974,388	\$ 1,310,388	\$ 1,425,854	\$ 598,961	\$ 965,857	\$ 1,155,540	\$ 1,249,071	\$ 1,032,934	\$ 1,119,297
Debt Coverage:											
Total Revenue Available for Debt Service	\$ 887,722	\$ 1,077,800	\$ 1,365,131	\$ 1,704,100	\$ 2,084,961	\$ 2,554,703	\$ 2,954,692	\$ 3,396,663	\$ 3,884,532	\$ 4,422,568	\$ 4,511,569
Debt Coverage	2.92	2.79	3.49	4.33	3.16	1.31	1.49	1.52	1.47	1.30	1.33

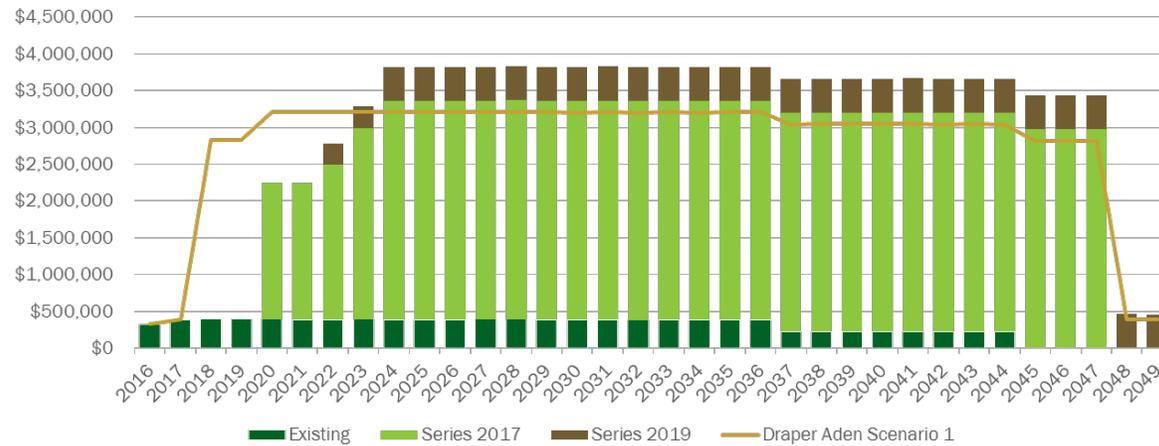
Scenario 3 Coverage and Debt Service-Structured 4% Interest Rates



Debt Service Coverage



Scenario 3 Debt Service



Disclaimer



The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 01/13/2014 GL/DJG/CR

Project Split vs. Project Up Front
Moves the \$6.13 million from 2022 to 2017

Projected Rate Comparison											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026

Davenport Scenario 1

Project Split	\$ 2.22	\$ 2.34	\$ 2.48	\$ 3.43	\$ 3.52	\$ 3.60	\$ 3.69	\$ 4.12	\$ 4.23	\$ 4.35	\$ 4.48
Project Up front	\$ 2.22	\$ 2.34	\$ 3.56	\$ 3.65	\$ 3.74	\$ 3.83	\$ 3.92	\$ 4.16	\$ 4.27	\$ 4.39	\$ 4.52
Difference	\$ -	\$ -	\$ (1.08)	\$ (0.22)	\$ (0.22)	\$ (0.23)	\$ (0.23)	\$ (0.04)	\$ (0.04)	\$ (0.04)	\$ (0.04)

Project Split	0.00%	5.41%	6.00%	38.30%	2.60%	2.30%	2.50%	11.70%	2.70%	2.80%	2.90%
Project Up front	0.00%	5.41%	52.00%	2.50%	2.60%	2.30%	2.50%	6.00%	2.70%	2.80%	2.90%
Difference	0.00%	0.00%	-46.00%	35.80%	0.00%	0.00%	0.00%	5.70%	0.00%	0.00%	0.00%

Davenport Scenario 2

Project Split	\$ 2.22	\$ 2.34	\$ 2.48	\$ 3.56	\$ 3.70	\$ 3.85	\$ 4.00	\$ 4.32	\$ 4.45	\$ 4.59	\$ 4.73
Project Up front	\$ 2.22	\$ 2.34	\$ 3.73	\$ 3.83	\$ 3.93	\$ 4.02	\$ 4.12	\$ 4.36	\$ 4.48	\$ 4.61	\$ 4.74
Difference	\$ -	\$ -	\$ (1.25)	\$ (0.27)	\$ (0.22)	\$ (0.17)	\$ (0.11)	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.01)

Project Split	0.00%	5.41%	6.00%	43.50%	4.00%	4.00%	4.00%	8.00%	3.00%	3.00%	3.00%
Project Up front	0.00%	5.41%	59.50%	2.50%	2.60%	2.30%	2.50%	6.00%	2.70%	2.80%	2.90%
Difference	0.00%	0.00%	-53.50%	41.00%	1.40%	1.70%	1.50%	2.00%	0.30%	0.20%	0.10%

Davenport Scenario 3

Project Split	\$ 2.22	\$ 2.34	\$ 2.55	\$ 2.78	\$ 3.03	\$ 3.30	\$ 3.57	\$ 3.85	\$ 4.16	\$ 4.49	\$ 4.65
Project Up front	\$ 2.22	\$ 2.34	\$ 2.65	\$ 3.00	\$ 3.39	\$ 3.64	\$ 3.91	\$ 4.19	\$ 4.38	\$ 4.58	\$ 4.74
Difference	\$ -	\$ -	\$ (0.10)	\$ (0.22)	\$ (0.36)	\$ (0.34)	\$ (0.34)	\$ (0.34)	\$ (0.22)	\$ (0.09)	\$ (0.09)

Project Split	0.00%	5.41%	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	8.00%	3.50%
Project Up front	0.00%	5.41%	13.20%	13.20%	13.20%	7.30%	7.30%	7.30%	4.50%	4.50%	3.50%
Difference	0.00%	0.00%	-4.20%	-4.20%	-4.20%	1.70%	0.70%	0.70%	3.50%	3.50%	0.00%

Note: The "Project Split" scenarios assumed one bond issue in 2017 and one in 2018. For the "Project Up front" scenario we assumed one bond issue in 2017 so the largest rate impact is truly up front.

Project Amount Bonded For (\$ Millions)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Project Split	5,660	27,460	-	-	-	10,380	-	-	-	-	-	43,500
Project Up Front	39,250	-	-	-	-	4,250	-	-	-	-	-	43,500



**TOWN OF CHRISTIANSBURG
TOWN COUNCIL
AGENDA COVER SHEET**

AGENDA LOCATION:
STAFF REPORTS

Meeting Date:
NOVEMBER 8, 2016

ITEM TITLE:
Local Foods Local Places Program

DESCRIPTION:
Randy Wingfield will present on Local Foods Local Places Program

POTENTIAL ACTION:

DEPARTMENT:
Administration

PRESENTER:
Randy Wingfield, Assistant TM

ITEM HISTORY:

Date:

Action Taken:

Information Provided:

Date:

Action Taken:

Information Provided:

Appendix A: Action Plan Implementation Details - **DRAFT**

GOAL 1 – *Build*: Design a future market that meets the needs of customers, vendors, and downtown businesses.

Action 1.1: Present and discuss with vendors and nearby property owners the design concept for a public space and market on Hickok Street.

What this is and why it's this important	Vendor input is critical for the long-term success of the market. The design should be practical, convenient, and allow for the vendor pool to expand over time. Nearby property owners are also a key stakeholder group to engage. The initial design concept developed at the LFLP workshop depends on gaining access to some adjacent property. The purpose of these meetings is to get feedback from these key groups. This feedback may be used to refine the design, or consider other options.
Measures of Success	<ul style="list-style-type: none"> ▪ Meetings scheduled with the vendors and property owners. ▪ Attendance at the meetings. ▪ Reaching consensus on a design option.
Timeframe	Winter 2016/2017, which will enable greater participation from vendors that are busy during the growing season.
Taking the Lead	LFLP Steering Committee and Farmers Market Committee.
Supporting Cast	Vendors and property owners, and Central Business Advisory Committee.
Costs/Resources Needed	Low cost; Potentially some funds for printing and food.
Possible Funding Sources	Town of Christiansburg

Action 1.2: Present the initial design concept to the Town Council, along with feedback from residents, vendors, and property owners.

What this is and why it's this important	Town Council support is needed to move forward with the design.
Measures of Success	<ul style="list-style-type: none"> ▪ Town Council consensus on a design concept. ▪ Number of residents, vendors, and property owners providing feedback.
Timeframe	Short term (0 to 6 months)
Taking the Lead	LFLP Steering Committee, Farmers Market Committee, and Todd Walters (Engineering and Planning)
Supporting Cast	Town Council, residents, extension agents, Central Business Advisory Committee.
Costs/Resources Needed	Low cost; Potentially some funds for printing and staff time.
Possible Funding Sources	Town of Christiansburg

Action 1.3: Consider a feasibility study for the Hickok Street public space and market concept, and research grant and funding opportunities.	
What this is and why it's this important	To make sure the project is reasonable, practical, and affordable for the community. The study would also compare the concept with the town's plans for downtown.
Measures of Success	<ul style="list-style-type: none"> ▪ Identification of funding resources. ▪ Clear understanding of concept feasibility.
Timeframe	Medium term (6 months to 1 year)
Taking the Lead	Town Council (for authorization)
Supporting Cast	Town staff (engineering), LFLP Steering Committee, Farmers Market Committee, outside contractor, Central Business Advisory Committee.
Costs/Resources Needed	Moderate cost. At least \$5K.
Possible Funding Sources	ARC Implementation Assistance, town funds.

Action 1.4: Prepare a preliminary design for the Hickok Street public and market space, and secure funding for construction.	
What this is and why it's this important	This is an important step on the path to implementation. The design will work out the details, provide a solid cost estimate, provide a timeline, and provide more visuals for how the space will fit with Main Street and surrounding properties.
Measures of Success	<ul style="list-style-type: none"> ▪ Design approved. ▪ Funding secured. ▪ Timeline set. ▪ Community support.
Timeframe	Medium to long term (6 months to 2 years). Follows the feasibility study.
Taking the Lead	Contractor hired to provide support.
Supporting Cast	LFLP Steering Committee, Town engineering.
Costs/Resources Needed	Medium to high. Will depend on the project cost.
Possible Funding Sources	ARC Implementation Assistance; town contributions; local, state, and federal grants.

GOAL 2 – *Market*: Promote downtown and the market.

Action 2.1: Conduct a citizen survey to gather insights on what non-customers would like to see at the farmers market, and what it would take to turn them into customers.	
What this is and why it's this important	The farmers market has a loyal following, but there is potential to attract more customers, which would benefit the vendors by bringing

Action 2.1: Conduct a citizen survey to gather insights on what non-customers would like to see at the farmers market, and what it would take to turn them into customers.	
	additional revenue. The purpose of this action is to learn about the potential customer base that is not shopping at the market.
Measures of Success	<ul style="list-style-type: none"> ▪ Market has more customers. ▪ Market can better target is programming to meet their needs.
Timeframe	Medium term (6 to 12 months).
Taking the Lead	Town of Christiansburg.
Supporting Cast	Health District (Pam); Extension Service (Kelli); schools, religious groups, and university partners to help distribute the survey; regional tourism office; private partners to gain permission to conduct intercept surveys; incentives for school kids to get responses from their parents.
Costs/Resources Needed	Minimal.
Possible Funding Sources	USDA Farmers Market Promotion Program and Virginia Tourism Corporation Marketing Leverage Program (Lisa Bleakley is a point of contact).

Action 2.2: Design and order temporary directional signs to guide people to the market from Franklin and Main Street, and add the market to eventual wayfinding signs.	
What this is and why it's this important	The Hickok Street location is not visible from Franklin Street, and sneaks up on Main Street travelers. Clear directional signage on these streets would help raise awareness of the market, and potentially attract people traveling home from work or running errands on these streets. Directing people to parking is also important to the market's success.
Measures of Success	<ul style="list-style-type: none"> ▪ Signs are designed. ▪ Signs are installed or in use on market Thursdays.
Timeframe	Short term (0 to 6 months) for temporary signs; Long term (1 to 2 years) for permanent wayfinding signs.
Taking the Lead	Town staff.
Supporting Cast	Town Council and VDOT.
Costs/Resources Needed	Low cost for temporary signs; up to \$7,000 per sign for permanent wayfinding signs.
Possible Funding Sources	Town funds.

Action 2.3: Get an affiliate venue of the Crooked Road music trail in downtown Christiansburg and participate in the Junior Appalachian Musicians program.	
What this is and why it's this important	Music is an important part of the Appalachian region's culture. The Crooked Road Music Trail is an important asset that brings tourists to

Action 2.3: Get an affiliate venue of the Crooked Road music trail in downtown Christiansburg and participate in the Junior Appalachian Musicians program.	
	southwest Virginia. Having an affiliate venue in downtown Christiansburg can draw people in and support revitalization and the farmers market.
Measures of Success	<ul style="list-style-type: none"> ▪ More people are visiting downtown Christiansburg to see and play music. ▪ Formalize partnerships with Ignite and promote the venue.
Timeframe	Long term (1 to 2 years).
Taking the Lead	Regional Tourism Office (Lisa Bleakley) and the town (Andrew Warren).
Supporting Cast	Ignite Life Pacific College (potential space for the venue), SW Virginia Cultural Foundation; Regional Tourism Office; Town public relations.
Costs/Resources Needed	No cost to become an affiliate; About \$10K to start a branch of the Junior Appalachian Musicians program.
Possible Funding Sources	Private investors, grants, town funds.

Action 2.4: Expand the role of the market manager to increase the visibility of the market through promotion at existing events such as Wilderness Trail Days, the Heritage Festival, and Food Truck Rodeos.	
What this is and why it's this important	The farmers market manager is a part time position focused on operating the market. Promoting the market also requires time and attendance at other events. Support for additional staff time would help the town promote the market to new groups.
Measures of Success	<ul style="list-style-type: none"> ▪ Expansion of hours for market manager position. ▪ Market is better advertised at existing events.
Timeframe	Short term (0 to 6 months) for a council retreat discussion; long term (1 to 2 years) to make decisions about the market manager position and business development.
Taking the Lead	Town Manager
Supporting Cast	Town Council make the decision, Farmers Market Committee, and town public relations.
Costs/Resources Needed	Medium to high. Up to \$50,000 to make the position full time.
Possible Funding Sources	Town general fund, Montgomery Regional Tourism Council.

GOAL 3 – Operate: Grow the vendor and customer base.

Action 3.1: Organize a meeting with vendors over the winter to debrief on what worked well and what might work better in 2017.

What this is and why it's this important	The vendors are busy during the growing season, making it difficult to obtain their input to decisions about how the market is operated. But their input is critical to the long-term success of the market. So having a meeting during the winter months is an appropriate solution.
Measures of Success	<ul style="list-style-type: none"> ▪ Number of vendors that attend. ▪ Improvements made to market operations. ▪ Feedback during the following season indicates the changes have been beneficial.
Timeframe	Short term (0 to 6 months). The meeting is ideally during the winter months when vendors are more likely to attend. 1 st Thursday of November.
Taking the Lead	Farmers market manager.
Supporting Cast	Vendors, extension agent, town staff, health department.
Costs/Resources Needed	Low cost. Food and refreshments, market manager's time.
Possible Funding Sources	Town and farmers market budget.

Action 3.2: Consider combining the special events and farmers market management into a single position or program with 1 to 1.5 full time equivalent staff.

What this is and why it's this important	The town is focused on increasing vitality downtown and is looking at several programs to accomplish this goal. To realize its full potential, downtown could use a staff person that is dedicated to managing all future programs centered on downtown. Consolidating the special events and farmers market management could help to make downtown events a success and create new opportunities for events.
Measures of Success	<ul style="list-style-type: none"> ▪ More downtown events. ▪ More downtown visitors. ▪ Greater awareness of downtown events.
Timeframe	Short term (0 to 6 months).
Taking the Lead	Town Manager
Supporting Cast	Town Council
Costs/Resources Needed	Medium cost. 1 to 1.5 full time equivalent staff.
Possible Funding Sources	Shared among stakeholders including town, county tourism, and potentially state/federal grants.

Action 3.3: Increase awareness and grow the customer base of the farmers market by using marketing tools such as direct mail, a water bill flyer, and social media.	
What this is and why it's this important	Increasing the vendor base is critical to the long-term success of the farmers market. More customers will mean more income for vendors, which make them likely to attend the market each week, and can help attract additional vendors.
Measures of Success	<ul style="list-style-type: none"> ▪ Market sales. ▪ Foot traffic. ▪ Happy vendors.
Timeframe	Mid term (6 to 12 months).
Taking the Lead	Farmers market manager and town staff.
Supporting Cast	Town public relations (social media support), Downtown Christiansburg Inc., Central Business Advisory Committee (council appointed).
Costs/Resources Needed	Medium cost to print and mail flyers.
Possible Funding Sources	Town funds with potential support from downtown businesses. USDA's Farmers Market Promotion Program.

Action 3.4: Find out what the other 16 farmers markets in the region require of vendors for liability insurance.	
What this is and why it's this important	The town has identified its liability insurance requirement for vendors as a potential obstacle to getting more vendors to participate. The purpose of this action is to talk with each of the market managers in the region to see if the town's requirements are in line with the requirements of other markets, especially those run by local governments.
Measures of Success	<ul style="list-style-type: none"> ▪ Information that allows Christiansburg to compare its liability insurance requirements with other markets in the region, state, and nation.
Timeframe	Medium term (6 to 12 months).
Taking the Lead	Farmers market manager.
Supporting Cast	Virginia Farmers Market Association.
Costs/Resources Needed	Low cost. Farmers market manager's time.
Possible Funding Sources	Town funds for staff time.

GOAL 4 – *Incentivize*: Attract private investment to downtown properties.

Action 4.1: Create a plan and seek funding for a façade improvement matching grant program for the downtown.	
What this is and why it's this important	Downtown has many historic buildings. However, as in many towns across the state and country, the historic facades have been altered. In response, many towns have used a façade grant improvement program to incentivize building owners to restore their facades to their historic character or to make other improvements to increase the attractiveness of the downtown district.
Measures of Success	<ul style="list-style-type: none"> ▪ Program is established. ▪ Property owners are investing their own funds in reaction to the program matching funds.
Timeframe	Mid term (6 months to 1 year).
Taking the Lead	Town Manager/Assistant Town Manager
Supporting Cast	Farmers Market Committee, Cooperative Extension, and Central Business Advisory Committee.
Costs/Resources Needed	Medium cost. Funds to provide matching grants and to study the feasibility of such a program.
Possible Funding Sources	Town funds, Virginia Department of Agriculture and Consumer Services, and the Virginia Department of Historic Resources.

Action 4.2: Develop a conceptual plan to connect downtown to the Huckleberry Trail.	
What this is and why it's this important	The trail terminates about one mile from downtown Christiansburg. Connecting it to downtown Christiansburg would bring more visitors downtown and potentially making the area more attractive for commercial and residential development. It would also be another mechanism for bringing shoppers to the downtown farmers market. Once complete, people could walk or bicycle from downtown Blacksburg to downtown Christiansburg.
Measures of Success	<ul style="list-style-type: none"> ▪ Identify a preferred route. ▪ Develop a plan. ▪ Trail is extended to downtown Christiansburg.
Timeframe	Long term (1 to 2 years).
Taking the Lead	Town Planning, Town Engineering, consulting team.
Supporting Cast	VDOT for financial support.
Costs/Resources Needed	Funding for a study and eventually construction.
Possible Funding Sources	The Town, SmartScale state competitive transportation grants, VDOT Transportation Alternatives Program, Virginia Department of Conservation and Recreation Recreational Trails Program.

Action 4.3: Study the feasibility of other incentives the town could provide for downtown development and redevelopment, including a service district to fund enhanced services downtown, a tourism development zone, and property tax abatement to encourage improvements.	
What this is and why it's this important	The town is making downtown a priority and would like to attract new businesses. Other towns in the state and nation have used incentives to draw business back into the downtown. This approach could work in Christiansburg, but the town would need to decide which incentives it's willing to offer and understand what could work in the town.
Measures of Success	<ul style="list-style-type: none"> ▪ Implement program. ▪ Businesses are using the program. ▪ At least 2 new restaurants and a microbrewery open downtown.
Timeframe	Long term (1 to 2 years).
Taking the Lead	Town Council with support of staff and potentially consultants.
Supporting Cast	Central Business District Committee, Montgomery County Tourism, property and business owners, citizens, and town staff.
Costs/Resources Needed	Medium to high depending on the incentives the town decides to pursue.
Possible Funding Sources	Town funds and potentially grants to study the options.