SPECIAL
COUNCIL MEETING
December 1, 1978

A special meeting of the Elkton Town Council was held December 1, 1978 at 10:00 A.M. with the Mayor, Charles E. Dean presiding. The following council members were present: R. R. Dean, S. P. H. Flick, H. D. Flory, B. B. Holt and C. A. Schumacher. Councilwoman Life was absent. Norma Leap, Clerk, Gerald Monger, Superintendent, and Bruce Wiles, Attorney, were also present.

Mayor Dean explained the purpose of the meeting to be to discuss utility services for the purposed shopping center Shen-Elk Plaza and to try to come to some type of agreement with the developers.

Councilman Holt reported that the Water & Sewer Committee, along with Councilman Schumacher who is also Chairman of the Electric Committee and Councilman Flick have met along with the Mayor and Mr. Monger and have been working on the proposals with the developers. On November 3rd. the developers wrote to Mr. Monger with a proposal of what they wanted. They requested the following services from the town:

1. Installation of sanitary sewer main to the site and on the site to the front of the building as shown on the attached drawing. To this, each tenant's sewer line would be connected with the developer being responsible in the normal fashion for running the sewer line from the building to the town's sewer main.

2. Installation of 8-inch water mains, fire hydrants, and a water supply adequate to provide fire portection as required by the State-wide Building Code. Such water supply should be adequate to insure the lowest possible insurance rates, including a complete loop system on and off site. From this main water line, you would tap off and provide the normal meter box to which the property owner would be responsible for extending the water lines from the buildings.

3. Installation of electric service to the site and on the site to tenant's rear wall as required by each tenant. This electric service would be dropped into the location of the main disconnect panel for each of the tenants at which location the meter bases would be installed by the town in the manner as customarily handled for other electric installation in the town at the present time.

In conjunction with the installation of the utilities as set forth above, the developer of ShenElk Plaza would be responsible for paying the scheduled utility connection fees as presently published by the Town of Elkton for such service connections.

In conjunction with obtaining the necessary rights of way, or easement, for the sewer and water lines along Shenandoah Avenue, in front of the Junior Order property, the developer would also expect the Town of Elkton to acquire sufficient land area to include, in addition to the utilities mentioned, an area where the town could install and connect storm water drainage pipe to their property line at its northeast corner where they would connect for their storm water runoff piping.

As presented to the town on their overall site development plan, it is expected that the amount of water that would come through this pipe would be no greater than the water that is currently flowing through this pipe as a result of normal run off onto Memorial Park to the south, and the french drains that come from the developer's property and connect to this main drain line at various locations on the Junior Order property. It is the developer's intention to eliminate any need for water to flow through these lines if they are permitted to proceed with the development of their storm water control system as shown on their plan.

This overall storm water drainage system has been designed in such a manner that the developer will in no way increase the rate of flow through this storm water pipe to an amount greater than what is currently flowing through the pipe and it is highly likely that, in most cases, the flow rate will actually be decreased as a result of their storm water detention facilities that will allow

storm water to percolate into the soil on their property without running off to the adjoining properties as it is currently doing. In view of the above, it is the developer's contention that the town's responsibility for storm water run-off has not changed, based on no increase in run-off from this project.

Councilman Holt stated that this proposal represents a large amount of money, far beyond the capabilities of the town, so on November 15th. the following committee and town officials met and made the following counter proposal:

ELECTRIC, SEWER, AND WATER COMMITTEE MEETING 10:00 A.M. NOVEMBER 15, 1978 WITH THE FOLLOWING PRESENT: H. D. FLORY, CARL SCHUMACHER, BILL HOLT, AND GERALD K. MONGER.

I. SANITARY SEWER. 10" sewer line from pumping station to property boundary.
   A. Town provides the first 100'.
   B. Town provides labor only for the remainder. ($8,046.00).
   C. A connection fee for each business, paid at time of meter installation at connection rate prevailing at time.
   D. Developer provide remainder of water lines, including 10" line on north side of property, and 8" line on remainder of loop.

II. WATER. from the well along eastern edge of property boundary and 10" line east under US340 to connect with Elkwood 10" line at North Street.
   A. Town provide first 100' from the well.
   B. Town provide labor only for the remainder. ($15,606.00)
   C. Town provide labor only for 10" line from Elkwood connection East on North Street to complete loop ($66,306.00). This contingent upon special PSE grant for the project.
   D. Connection fees as in (I) (C) above.

III. ELECTRIC
   A. Town upgrades sub station and lines.
   B. Town provide lines to each business ($60,000.00)
   C. Town will meet increased demand as it increased.

IV. STORM DRAINAGE
   A. Developer's responsibility in accordance with guidelines set by Town Superintendent.
   B. Town to provide support in developer's efforts to obtain necessary permits and/or easements.

All utility lines up to the meters to become town property and to be maintained by the Town.

The developers felt they could not accept the counter proposal and the town received an extensive correspondence from the developer stating why they felt the town should meet their request and asking to meet with the committee and the Mayor on November 27th. or 30th. to fully resolve all questions once and for all.

The committee met again to consider the developer's response. Realizing there is potential benefit to the town, the committee felt there was a possibility of a little more flexibility on the part of the town. As a consequence, the committee expanded the town's proposal to include the following:

Proposal 2

As in minutes of Water, Sewer, Electric Committee Meeting of 11/15/78 with the additional provisions:

A. Developer will pay no town real estate taxes until such time as the amount of such tax levied is equal to the cost of materials used in projects specified as joint efforts in the 11/15/78 minutes.
B. This amortization will be computed on the basis of principal amount only. No interest will be involved.
C. This agreement applies to the present developers only.

Proposal 3

1. Town provide sewer lines from the pumping station to the property line.
2. Town provide water line from the well to the property line.
3. Developer to prepay all connection fees and meter charges for all units of the development.
4. Water charges to be based upon 3/4" water connections. Additional charges required by larger lines to be paid at connection time.

Remaining responsibilities as specified in the minutes of the committee meeting of 11/15/78.

As there had been no official response from the developer, Mr. Malcolm Jones or Mr. Gene Hensley was ask to respond. Mr. Jones pointed out that the request for the water lines of such substantial size and involving substantial sums of money is not by choice on their part but is the result of a building code regulation that the Town of Elkton abides by, as does Rockingham County and the State of Virginia. The developer's concern is having too much money involved in the project to make it economically feasible. They feel there are some instances where the town can do more. One of the major areas is the extensions of water lines along the front of Shenandoah Avenue which will serve the developer's purpose but would be of benefit to the town also. The developer feels that Proposal 2 which would be the proposition that the developer would participate in the cost of furnishing pipe to the city, paying for and reimbursing the city for any expenses they have on the pipe would be the preferred way to go with the understanding that as the property developed and as the tax revenue increased an agreement could be worked out that the developer could be reimbursed by the community at that time on an amount not to exceed the taxes that would otherwise be payable.

Councilman Holt stated he did not understand the proposal this way. It was his understanding that it would reduce the amount of money the developer has involved in property in an amount equal to the amount of tax levied each year. There will be no actual exchange of funds. Mr. Jones said either way would be fine with him.

Mr. Jones ask that two points be clarified. One is that the proposal as outlined at the last was that the developer would furnish the pipe running from the corner of their property to the northeast corner where it joins with the Junior Order on Shenandoah Avenue. There is a 675 foot extension running eastward along Shenandoah Avenue, under US340 and up to a point where the water line currently serving Elkwood stops, which is a ten inch line. The purposal ask that this be a ten inch line. From a firefighting capability standpoint, the developer only needs an 8" line to get maximum credit on their insurance. They request the town pay the difference between the 8" and 10" line on this section at the beginning of the project, not wait until it is reimbursed through taxes.

The other request would be that the town work the same arrangements with respect to the line running in the opposite direction down Shenandoah Avenue along the frontage of the property to the N & W tracks. The town furnish the labor to install it and they would furnish the pipe under the same tax credit plan. This contrary and above what the committee purposed. Mr. Jones felt that at the bare minimum, if they were to put this pipe in, they would only install 8" pipe. If the town desires 10" pipe, then if the town doesn't go along with their request for at least participating in the cost of installation, then the town would pay any additional cost over and above what would normally be incurred, labor and materials, for installation of a 10" rather than 8" line which is all the developer needs.

It appeared that these requests would cost the town approximately $3,500.00 extra.

Mr. Jones pointed out some of the benefits he felt the town would receive. He also stated they would not ask for any firm commitment from the town until they are sure the shopping center will go through.

Mayor Dean went over the cost figures on the proposal.

WATER	-	$18,296.93	
SEWER	-	8,388.25	
Additional*		1,500.00	if town pays difference between cost of material from 8" to 10" pipe along Shenandoah Ave.
		$28,185.18	

Mr. Norris Shifflett questioned what the total amount of money would the town be paying and would the donation of the property along the road be an asset or liability?

Mr. Monger said the road is in the county and would most likely be the State's responsibility. The total cost to the town for all utilities, including electric, would be approximately $90,000.00.

Mayor Dean pointed out that it is the town's policy to furnish electricity to anyone in our domain and also has been the town's policy to run water and sewer for at least 100' which involves most of the cost here. The only additional cost that the town is going out of their way for is to provide some of the installation cost.

Mr. Jones reviewed some of the revenues he anticipated the town would receive from this shopping center.

Councilman B. B. Holt moved, seconded by Councilman H. D. Flory to approve the First Reading, subject to whatever legal restrictions may be placed upon this agreement, that the town agree to offer the following proposal to the ShenElk developers:

I. SANITARY SEWER. 10" sewer line from pumping station to property boundary.
   A. Town provides the first 100'.
   B. Town provides labor only for the remainder. ($8,046.00).
   C. A connection fee for each business, paid at time of meter installation at connection rate prevailing at time.
   D. Developer provide remainder of water lines, including 10" line on north side of property, and 8" line on remainder of loop.

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   A. Town provide first 100' from the well.
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   C. Connection fees as in (I) (C) above.

III. ELECTRIC.
   A. Town upgrades sub station and lines.
   B. Town provide lines to each business ($60,000.00) in accordance with existing practice.
   C. Town will meet increased demand as it increases.

IV. STORM DRAINAGE.
   A. Developer's responsibility in accordance with guidelines set by Town Superintendent.
   B. Town to provide support in developer's efforts to obtain necessary permits and/or easements.

All utility lines up to the meters to become town property and to be maintained by the Town.

PROPOSAL 2

As in minutes of Water, Sewer, Electric Committee meeting of 11/15/78 with the additional provisions:

(A) Developer will pay no town real estate taxes until such time as the cumulative amount of such tax levied is equal to the cost of materials used in projects specified as joint efforts in the 11/15/78 minutes.

(B) This amortization will be computed on the basis of principal amount only. No interest will be involved.
(C) Town to pay the difference in cost of materials between an 8" water line and a 10" line along the northern boundary of the property.
(D) This agreement applies to the present developers only.

The vote was recorded as follows:

R. Dean	- yea	B. Holt	- yea
S. Flick	- yea	C. Schumacher	- yea
D. Flory	- yea		

Mr. Wiles reported to council that a suit has been filed against the Town of Elkton by the Virginia National Bankshares, Inc. for correction of erroneous assessments of taxes. About fifty other communities in the state have had the same suit filed against them, including Shenandoah and Harrisonburg. It is Mr. Wiles' understanding that if the suit is tried, it will probably be tried in Richmond. Mr. Wiles said the obvious response to take at this time is to file an answer to keep us in the suit, so as not to get a default judgment and in this answer deny that the assessment is erroneous. Council authorized Mr. Wiles to file this answer.

As there was no further business, the meeting adjourned.

MAYOR: Charles E. Dean
Charles E. Dean, Mayor

RECORDER: Norma R. Leap
Norma R. Leap, Clerk