

**MINUTES OF A TOWN COUNCIL  
SPECIAL MEETING  
TOWN OF LURAY, VIRGINIA**

***Tuesday, June 27, 2017***

The Luray Town Council met in a special meeting on Tuesday, June 27, 2017 at 5:30 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were present the following:

Presiding: Mayor Barry Presgraves

Council Present: Ron Vickers  
Jerry Dofflemyer  
Jerry Schiro  
Leroy Lancaster  
Joey Sours  
Leah Pence

Also Present:

Bryan Chrisman, Assistant Town Manager  
Mary Broyles, Treasurer  
Danielle Babb, Deputy Clerk Treasurer  
Jason Botkins, Town Attorney  
Carl "Bow" Cook, Police Chief  
Sara Levinson, Downtown Redevelopment  
Jim Sims, Economic Development and Tourism Zone  
Bryan Ailey, People Inc.  
Page News and Courier  
Mark Pitchard, Citizen Comment

Mayor Presgraves led members in the United States Pledge of Allegiance. The roll was called with no members absent.

**CITIZEN COMMENTS**

**Mark Pitchard- 8 O'Flinn Street**

Mr. Pitchard spoke regarding the increase in water and sewer rates for the upcoming Budget. Mr. Pitchard also opposed the charges for outdoor watering and the associated sewer rates.

**PUBLIC HEARING**

**Vaughan Real Estate Easement Transfer**

Assistant Town Manager, Bryan Chrisman, presented the Real Estate and Easement Exchange with Mr. Dave Vaughan. Mr. Vaughan has agreed to swap several permanent easements for the real estate portion he desires along the creek bank near Wallace Avenue. The property will straighten out

Mr. Vaughan's boundary line and allow the town to receive these permanent easements. Since this is a dispensation of public property the town must hold a public hearing to receive citizen comment. Mayor Presgraves then opened the public hearing for comments. With no members present to speak, the hearing was closed.

**Motion:** Councilman Vickers motioned to approve the Vaughan Real Estate Exchange as presented; Councilman Dofflemyer seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

## UPDATES AND DISCUSSION ITEMS

### Economic Development & Tourism Zone

#### Jim Sims- The Mimslyn Inn, 401 W. Main Street Luray

Mr. Jim Sims spoke to Council Members regarding tourism and related incentives. Mr. Sims explained that when the Mimslyn began its recent cottage expansion he discovered the tourism zone incentives available. Mr. Sims explained that in order to receive these grant funds the business must be located in a tourism zone. Mr. Sims stated that he requested the County apply for the tourism zone designation. He also offered many facts about Virginia travel revenues and requested the Council's support. Mr. Sims also noted that last year's occupancy tax paid to the town was approximately \$73,000 and he hopes this year's tax revenue will exceed \$100,000. Councilman Lancaster asked if the County is on board with the tourism zone concept. Mr. Sims said that he has not had any feedback from the County, but that the Town can implement the zone independently if they so choose. He explained that there is no cost to the locality but will open the door for many incentives. Mr. Sims also discussed the monthly sales tax credits that can be made available. Councilman Dofflemyer asked if the whole town can be designated as a tourism zone. Councilman Schiro said that it is possible for an overlay with the enterprise zone and/or other designated districts.

**Motion:** Councilman Vickers motioned to support the concept of a local Tourism Zone as discussed; Councilman Sours seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

### Housing Credit Allocation- People Inc.

#### Bryan Ailey, People Inc., Abingdon Virginia

Mr. Bryan Ailey, People Incorporated, discussed the status of the application that was entered in March regarding the Luray Meadows Housing Project. Mr. Ailey said that the reservation of credits was achieved for a second try at the Luray Meadows Project. He explained that the financing process will still need to be completed as well as the approval of the Planning Commission and work on the pre-development of the site.

## ITEMS FOR COUNCIL ACTION

### Budget Adoption

Assistant Town Manager, Bryan Chrisman, presented the Fiscal Year 2018 Budget for approval. Mr. Chrisman explained that the budget synopsis has been properly advertised and there have been no changes or revisions since the April 2017 Work Session meeting. He further stated that the public hearing has been held and the Council has waited the required seven days before a vote can take place.

Councilwoman Pence addressed Mr. Pitchard's concerns from the citizen comment portion of the meeting, earlier in the evening. Assistant Town Manager, Bryan Chrisman, said that the proposed increase in water and sewer rates amounted to a 1% increase in charges. He explained that the water and sewer funds are considered enterprise funds for audit purposes and must be self-funded as required by audit standards. Mr. Chrisman noted that water and sewer rates remained level in the previous budget year and that increases are necessary due to mandated capital improvements and rising maintenance costs. Councilman Lancaster added that the enactment of facility fees has tremendously helped the water and sewer funds. Councilman Schiro stated that there have been many mandates that the town is under for water and wastewater and that these regulations are unfunded on a state and federal level. Mr. Schiro further stated that these mandates are out of the localities control and the revenues generated from water and sewer go toward meeting these standards. Mr. Chrisman reminded that when these mandates were first implemented the town's rate schedule was found to be too low to receive any grant funding. He added that rates must be kept commensurate with these guidelines also. Councilwoman Pence said that she recognizes that water rates are not cheap and that the town is focused on preparing for future growth and keeping pricing affordable.

Motion: Councilman Lancaster motioned to approve the FY 2018 Budget; Councilman Schiro seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

Mr. Chrisman asked that Council also approve the Town Rate and Fee Schedule for FY 2018.

**Motion:** Councilman Sours motioned to approve the rate and fee schedule for FY 2018 as presented; Councilman Lancaster seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

### School Board Water Request

Mr. Chrisman continued the discussion from the previous council meeting regarding the School Board Water Request. At the previous meeting, the Council requested that staff gather more information and field data. Mr. Chrisman said that School Board officials do not anticipate any increase in usage. He said that usage data for the high school is a bit erratic and typically is very event specific. He noted that Racey Engineering has inserted the water volumes into the town's West Main flow models. He said that the findings show that any impact from the school's use would be negligible. He added that even during peak usage, the models show that there would be minimal impact on the town's system, if any.

Mr. Chrisman explained that the town does not normally allow a second meter due to accounting and operational concerns. The circumstances in this case would be very cost-prohibitive for the school to run a separate water line from the Town main along US211 to the athletic fields. Mr. Chrisman explained that the issue at hand is if the Council wants to approve the out-of town connection and if they are willing to waive the fees. Council members discussed the use of a second meter and if they should be permitted. Councilman Lancaster also questioned the restrooms that are located on the athletic fields and the water connection for these facilities. Mr. Chrisman also explained the billing process with a second meter and the need for manual subtraction of usage from the primary line. Councilman Sours asked if there was a way to assist the school without setting a precedent for other users. Town Attorney, Jason Botkins, said that there is already some precedent due to older accounts within the town that do possess a secondary meter. He said the greater issue may be if the town considers giving a discount on the facility fee. Mr. Chrisman discussed the town's adoption of the facility fees and that they represent the cost of buying into the town's system.

Councilwoman Pence said that she would like to see the town allow its users to install secondary meters for watering purposes. She also preferred no discount be given on the facility fee. Councilman Lancaster asked if the town leases any meters for watering purposes. Councilman Schiro advised against the leasing of a secondary meter due to the likelihood of abuse of the process.

**Motion:** Councilman Schiro motioned to approve the School Board's request for a second meter at Luray High School and that the Town not allow a discount on the facility fees; Councilman Vickers seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

#### VDOT Updates/Other

Mr. Chrisman advised members that the West Main Street Improvement Project has been fully funded. The completion date is scheduled for September of 2018. He advised Council that all three improvement projects for the Town are fully funded and scheduled to move forward.

Mr. Chrisman said that the Bridge Team will hold a pre-proposal meeting tomorrow afternoon at Town Hall.

Lastly, he suggested that a tourism stakeholders meeting be scheduled regarding the tourism zone. He suggested the group create a document based on the Wytheville Program and bring this back to Council for input. Also, a VDP Guidebook has been provided and is on Council's desks.

#### Downtown Redevelopment Scope of Work

Ms. Sara Levinson discussed the Downtown Redevelopment Plan and scope of work regarding the VCI Pre-Application. Ms. Levinson began by going through the application questions and explaining what the application is about. Ms. Levinson also provided a power point excerpt on how to apply for the Vibrant Communities Grant and went through several slides of the presentation.

Councilman Dofflemyer questioned the architectural plans that may be needed for other buildings included in the application and who is responsible for those costs. Councilman Sours raised questions about the leveraging of funds and if it is possible that the town would only receive a portion of the necessary monies needed to complete the project. Ms. Levinson explained that there is no relationship required on the percentage of funding. She said that the costs related to other completed projects would all contribute. Some examples of those projects could be the Airport Expansion, Mimslyn Inn Expansion, etc. Members discussed that if received the grant would only fund the specific buildings and that this is not meant as an open invitation to other projects. Councilwoman Pence felt that there may be negative feedback from other business owners.

Ms. Levinson stressed that there is only a three month time frame to pull the application together. Ms. Levinson addressed Council's concerns and stated that the criteria for the grant is very specific. She said that the buildings included are such that they meet the proximity and requirements of the application. She explained the relationship between the Brown's building and the Fairview Apartments due to the need for a housing component. Also, the Page One building has a relationship with these tenants. Ms. Levinson said that during her meetings in Richmond, it was made very clear that the housing component element must be a significant one. She stressed that the Fairview Apartments building has twelve such apartments. Ms. Levinson explained that while she understands these concerns, she will do her best to address this. However, the time frame is very tight and we simply don't have this luxury right now.

Councilwoman Pence suggested holding Town Hall meetings to gain community support. Councilman Schiro said that in essence the goal is to rehabilitate the Brown's building, and is using the adjacent properties to assist in the overall goal. Members noted that the adjacent buildings are not the primary target of the grant; the town's ownership of the Brown's building is the focus of benefit. The adjacent building is needed as a part of the overall project due to the housing component requirement. Ms. Levinson said that it is important that the public understand this correctly. She added that Page One will also benefit and this organization provides a benefit to the entire community.

Members discussed the benefits of the project for future grant opportunities as well. Councilwoman Pence stated that she would like to see the town fund the application process though the savings from the absence of the Town Planner position. Councilman Dofflemyer questioned the amount of funds needed for Ms. Levinson to complete the application process. Ms. Levinson stated that she is currently estimating between 500-700 hours needed to accomplish the pre-application. She said that her hourly rate would be slightly higher because of the need to cover incidental costs and administrative support. Ms. Levinson discussed the need for an administrative assistant and office space. Councilman Sours inquired about the ability to fund this in the FY 2018 budget cycle. Mr. Chrisman explained that \$50,000 has been budgeted for the Planning Salary. Councilman Dofflemyer expressed concerns about absorbing the entire Town Planner budget and noted that this would only cover the pre-application process and nothing beyond that point. Ms. Levinson said that once she begins her work she will know how much more time it will take. Mr. Chrisman explained his plans for a part-time zoning position. He felt that the town could do both within the FY 2018 budget cycle. Members discussed the plans for an economic development aspect to the town's planning budget, and agreed that Ms. Levinson is acting as the town's economic development tool essentially. Councilman Dofflemyer felt that this was also an act of good faith by the partnering business owners. He said that if the partners are not interested in proceeding that Ms. Levinson make Council aware of this. Ms. Levinson stressed that she has no interest in doing something that will not succeed. She said that if at any point the partners back out, she would make members aware and that the town would have to look at other alternatives that meet the grant objectives.

Mayor Presgraves discussed the need for a contract with Ms. Levinson. She agreed to prepare her standard contract to provide to members for action. Mayor Presgraves expressed concern that the Town is investing too much in the Brown's building and recalled that the original intent of purchasing the property was only to minimize liability during the Main Street Bridge construction. Councilman Sours said that it seems the town does have the funding available and that this seems to be the best project the town has going in terms of economic development efforts. Ms. Levinson said that she is trying to understand the hesitancy on the Mayor's part. Councilman Sours suggested that the contract involve milestone points and that the contract have "go" and "no-go" points. Councilman Dofflemyer suggested a time frame for Ms. Levinson to obtain agreements with the building owners and get back to Council. Councilman Schiro said that the town has already made a commitment to economic development. He stressed that if the choice is to move ahead with the project or to hire an economic development director, the clear choice is to proceed with the project. Ms. Levinson said that she could provide a contract to the Council as early as next week in order to move forward. Council members agreed to hold a special meeting if needed. Councilman Sours suggested a small funding commitment so that Ms. Levinson can begin work. Town Attorney, Jason Botkins, suggested two agreements, one being an upfront agreement for \$1,000 to begin work until the July 10<sup>th</sup> Council Meeting. Ms. Levinson said that if she begins work, she will be talking with individuals and does not want to then have to pull back on the project. Council members discussed an upfront amount until the end of the current fiscal year. Councilman Schiro suggested that members authorize Ms. Levinson to proceed on an hourly basis until the close of the fiscal year. Members agreed to proceed with a \$2,000 retainer fee and that Ms. Levinson will get a contract to Bryan as soon as possible. Mr. Chrisman confirmed that he has been authorized to proceed with Ms. Levinson at the current hourly rate up to \$2,000.

**EXECUTIVE SESSION**

**Personnel Matters, Section 2.2-3711.A.1**

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing matters relevant to Section 2.2-3711.A.1.

**Motion:** Councilman Sours motioned to recess the regular session and to convene in executive session; Councilman Dofflemyer seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

**Motion:** Councilman Lancaster motioned to adjourn the closed session and to reconvene in open session; Councilman Dofflemyer seconded the motion with the following members voting YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Pence. Approved 6-0

Mayor Presgraves asked members of Council to certify that to the best of their knowledge only matters covered under Section 2.2-3711.A.1 were heard, discussed, or considered during the closed session. The roll was called with all members certifying "Yes".

**Announcements and Adjourn**

Mayor Presgraves said that he had nothing further for the evening. Councilman Vickers inquired about the Stanley Parade. Mayor Presgraves said that he had not received any information on this and asked members to send him a copy. Members said that there is a new Committee and perhaps that is the reason for the confusion. Members discussed the Employee Picnic and Mr. Chrisman asked that everyone meet at 10:00 am at Lake Arrowhead. Councilman Dofflemyer asked the Town Attorney if there had been any response from Hawksbill Farms. Mr. Botkins said that he has not received any communication at this point. With no further business, Mayor Presgraves adjourned the work session of the Luray Town Council at approximately 9:00 p.m.

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Mayor, Barry Presgraves

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Deputy Clerk, Danielle Babb