



TOWN COUNCIL WORK SESSION
TUESDAY, September 2, 2014 @ 7:00pm
Front Royal Administration Building

1. Council IPAD Distribution
2. Presentation from Shenandoah Lodging and Tourism Alliance-Kimberly Hartke – *Vice Mayor Parker*

Town/Staff Related Issues:

3. Non-Compliant Utility Properties – *Town Manager*

Council/Mayor Related Issues:

4. Liaison Committee Items for Liaison Meeting on September 18, 2014
5. Continued Discussion to Reinstate Pilot Fees in Rt 522 Corridor – *Councilman Hrbeke*
6. Council Discussion/Goals (*time permitting*)



Item No. 2

Town of Front Royal, Virginia Work Session Agenda Form

Date: September 2, 2014

Agenda Item: Presentation from Shenandoah Lodging and Tourism Alliance – Kimberly Hartke

Summary: Vice Mayor Parker asked that this item be placed on an upcoming work session

Council Discussion: Council takes desired action

Staff Evaluation:

Budget/Funding:

Legal Evaluation:

Staff Recommendations:

Town Manager Recommendation:

Council Recommendation:

☐ Additional Work Session ☐ Regular Meeting ☐ No Action

Consensus Poll on Action: ____ (Aye) ____ (Nay)

Work Session

...of an... 17 governors had served time. While this type of did affair may be SOP in President Obama's home te, the upcoming trial will break new ground in the amonwealth.

is the *Richmond Times-Dispatch* reported, "If coned, the McDonnells could become Virginia's first active Mansion couple to go to prison." A detailed ile on the matter by Jim Nolan and Olympia Meola aps the events that have brought us to the hour of il and Larry Sabato, head of the Center for Politics at /a. summed it up best when he told the paper, "This be closest thing to a Greek tragedy that we've had in ginia politics."

The trial, to be held in Richmond, is expected to last to six weeks, and will likely command state and donal attention until after Labor Day. Both sides re postured legally over potential witnesses and the sives of the erstwhile benefactor, Mr. Williams, on and for weeks, but the theater will soon be confined to the rtroom.

A jury will decide whether the executive couple broke law, but there is no doubt the abject lesson of the ppings of political power has already been exposed all to see. As the T-D reminded us, "Whatever the Donnellis financial condition might have been, interws, disclosure forms, and court documents suggest at once the family occupied the Executive Mansion, ay indulged in an appetite for the high life that was gely financed with other people's money."

We don't look forward to this production of what Mr.

Kimberly Hartke
Executive Director

Shenandoah Lodging and Tourism Alliance

TouristsWelcome.net
info@touristswelcome.net
703-860-2711

wendy@TheWarrenSentinel.com

Write us a letter!

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Front Royal, VA 22630

or email letters to:

kseabrooke@thewarrensensinel.com



The Mother of God gave this message on July 2, 2014, to Mirjana in Medjugorje, stating that humility is the key:

"Dear children, I, the mother of all of you gathered here and the mother of the entire world, am blessing you with a motherly blessing and call you to set out on the way of humility. That way leads to the coming to know the love of my Son. My Son is almighty, He is in everything. If you, my chil-

dren, do not become cognizant of this, then darkness/blindness rule in your soul. Only humility can heal you. My children, I always lived humbly, courageously and in hope. I knew, I became cognizant that God is in us and we are in God. I am asking the same of you. I desire for all of you to be with me in eternity, because you are a part of me. I will help you on your way. My love will envelop you like a mantle and

make of you apostles of my light — of God's light. With the love that comes forth from humility you will bring light to where darkness/blindness rule. You will be bringing my Son who is the light of the world. I am always alongside your shepherds and I pray that they may always be an example of humility for you. Thank you."

Tom Sayre,
Front Royal

Riding investors — and the tourists they bring — out of town on a rail

Todd and Brenda are putting their mountain chalet on the market today. After all the TLC they poured into it, after all the lovely comments in their guest book, they can't help but be saddened by the sudden turn of events. Warren County is denying them a permit to continue their vacation rental business.

Warren County is issuing a flurry of cease and desist orders to private property owners who are offering hospitality to tourists. After being invited into the approval process for a special county permit called a CUP, the process is grinding to a screeching halt, midway, at the behest of county attorneys.

On the Warren County website it says, "Warren County has long attracted tourists and seasonal residents, who have come to the area because of its climate, accessibility to major cities, and scenic beauty."

Yet tourists who desire family-style lodging are going to be denied all the comforts of home.

Landlords who specialize in furnished, fully equipped tourist rentals are a special breed. They enjoy rehabbing of distressed properties, decorating, and sharing their homes with the tourist and business traveler who prefer to cook their own meals and come 'home' each night. Often, these properties are second homes, and when the owner or extended family are not using them, they are rented to help pay for upkeep and maintenance.

The owners of vacation rental cabins and cottages operating in Front Royal create local jobs. They employ landscape workers, handymen and housekeepers. Their guests come and enjoy and discover the quintessential small town community, bringing their tourist dollars here. They frequent our parks, restaurants, Front Royal Canoe Company, Shenandoah Caverns, antique stores and wineries.

As each cabin or cottage owner grows their clientele and extends their hospitality, they become a goodwill ambassador to promote commerce and encourage visitors to return again.

Why should citizens in the county welcome real estate investors and support short term rentals?

Residential real estate investment is a driver of economic growth. Property owners invest money to bring distressed or under-performing properties up to higher standards. They do so for an expected return on their investment.

Short-term rentals can be managed responsibly, with sensitivity to neighbors. Life in any neighborhood requires an open line of communication about issues. Responsible landlords appreciate communication about any problems that arise and would like to hastily resolve them.

Many homes in Warren County are languishing on the market for lack of buyers. Some neighborhoods are plagued by abandoned homes. Attracting real estate investors is an important way to keep the neighborhood up, and improve property values. And, a strong real estate economy means a better resale market.

In the experience of local vacation rental owners, short-term rentals result in reduced traffic on neighborhood streets, not more. Our guests are out and about discovering our area all day. And, many days a year, the homes are vacant.

As for noise, there are two ways to avoid that nuisance. County of Warren can enact a noise ordinance which neighbors can help enforce by notifying property managers of any violation. Lowering the maximum occupancy allowed as a condition of the permit also solves this issue. Three people just don't make as much noise as ten.

Landlords interested in short-term rentals, and merchants and businesses that rely on tourism are invited to join our newly formed Shenandoah Lodging and Tourism Alliance. We aim to advocate for and educate about short term rentals in hopes of helping Warren County residents warm up to the idea of the good things they can bring to our community.

Kimberly Hartke,
Reston

(Kimberly and Keith Hartke are real estate investors who own BearLodgeCabin.com. To learn more about the Shenandoah Lodging and Tourism Alliance, go to TouristsWelcome.net.)

Russian president a global danger

Your editorial in recognizing Putin to be a global danger is right on the mark.

In a 2011 meeting with Vladimir Putin, Vice President Biden actually told Russia's then-prime minister that he had no "soul." Even more remarkable was Biden's recountal of Putin's response: "he looked back at me, smiled, and said "we understand one another."

Russia's leaders have a long record of inhumanity and Putin is no exception. He started as an agent of the Soviet Secret police — an institution more bloody than that of the Nazi SS. There is strong evidence that he plotted the bombing of two apartment buildings in Moscow as a pretext for invasion of Chechnya. 300 people died in the bombing and an estimated 25,000-50,000 Chechens were killed in the resulting war. After eight years of planning, Putin launched an invasion of Ukraine which has already cost thousands of lives, billions in damage, and the wention death of 298 passengers on

patching into Ukraine even more of his murderous thugs and equipping them with even more lethal military equipment.

To top it off, the man is a certifiable nut case — not unlike his earlier mentors, Hitler and Stalin, both of whom he admires and appears to be emulating. He has a vehement hatred and contempt for western civilization and values, is intolerant of all religions other than Moscovled Orthodoxy, and is determined to reconstruct the Soviet empire and dominate Europe. His media is filled with racial, ethnic, and anti-semitic invective and his party's youth movement and summer camps are reminiscent of the Hitler Jugend.

We are all tired of involving ourselves in foreign wars and can scarcely afford doing so. But, unfortunately, in an age of supersonic missiles, satellites, and global relationships on which our own well-being depends, we no longer have the luxury of a "Fortress America." Can we stop this

....and do them now.

(1) Putin's economy is the size of Italy's — a mere 5 percent of that of the U.S. and Europe combined. It is very vulnerable to economic sanctions — particularly in energy, finances, and technology. These sanctions must be deep and must be undertaken in concert with the European Union, and his economy is certain to collapse. (2) We must provide immediate military and economic assistance to Ukraine to help that country defend itself against the Russian assault. Ukraine, despite a 10-to-1 imbalance in military resources (in comparison with Russia's), has been winning. But it can not continue fighting a modern military machine with antiquated Soviet-era equipment. They do not need American "boots on the ground"....they simply need U.S. intelligence and military supplies and equipment. Let's give it to them. Better that Putin's conflagration is stopped in Ukraine, by Ukrainians, than in the NATO



Town of Front Royal, Virginia
Work Session Agenda Form

Date: September 2, 2014

Agenda Item: Non-Compliant Utility Properties

Summary: Following the discussion about the duplex that was served by only one water and sewer service that does not comply with current Town Code requirements, Council requested that staff develop a list of potential non-compliant properties with similar utility service. The list included with this discussion items identifies twelve(12) possible non-compliant properties. To resolve this non-compliant condition, the Town proposes to provide notification to property owners, place notification in the appropriate land records, and provide a three year window for the properties to be brought into compliance with Town Code. Council has requested that the resolution also consider termination of service to one property that will affect the attached property.

Council Discussion: Council is requested to consider a resolution directing staff to implement a program to bring non-compliant properties into compliance with Town Code.

Staff Evaluation: The appropriate notification to owner who may be unaware of their non-compliance is essential to ensure a positive response. In addition, Council has discussed reducing the connection fee to that in place in 1985 which were \$1,450 for residential water service and \$1,350 for residential sewer service.

Budget/Funding: Funding for the necessary utility service connections and road repairs was not included in the approved budget. Work on connections in this fiscal year would need to be schedule to allow Town crews to perform work as time and funds permit. The Town will incorporate funding for this program in future budgets based upon response from customers. The Director of Finance will be available to address fiscal issues.

Legal Evaluation: The Town Attorney will be available to address legal issues.

Staff Recommendations: Staff recommends Council consider adoption of the resolution to establish a program to bring these properties into compliance with Town Code.

Town Manager Recommendation: The Town Manager recommends Council consider adoption of the resolution to establish a program to bring these properties into compliance with Town Code.

Council Recommendation:

☐ Additional Work Session ☐ Regular Meeting ☐ No Action
Consensus Poll on Action: ___(Aye) ___(Nay)

Submeter		Main	
Map#	Address	Map#	Address
20A5-714-22	409 Virginia Ave	20A5-714-21	411 Virginia Ave
20A7-6-44C	341 Osage	20A-7-6-44	339 Osage
20A151-3-24	2 Lake	20A-151-3-1	Trailer Park 1508 John Marshall (Trailer Park Split between 4 parcels)
20A151-3-28	6 Lake		
20A151-3-29	Trailer#3		
	10 Lake		
	Trailer#14		
	18 Lake		
	22 Lake		
	26 Lake		1406-10 John Marshall Main
	30 Lake		
20A151-1-4B	1406 John Marshall		
20A151-1-4	1408 John Marshall		
20A151-1-4A	1410 John Marshall		



Town of Front Royal, Virginia



RESOLUTION FOR NON-COMPLIANT UTILITY SERVICE RESIDENCES

WHEREAS, a number of residential properties were constructed with both independent residences are served by a single water meter and sewer lateral prior to 1985; and,

WHEREAS, Town Code Chapter 134-1 adopted in 1985 requires an independent connection for each residential property; and,

WHEREAS, the owners of the properties may not be aware that they utility service for their residences do not comply with the Town Code; and,

WHEREAS, the installation of separate water meters and sewer laterals at these properties is necessary to ensure continued service to the residences while allowing the Town to administer utility payment collections;

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Front Royal:

- 1) Town Council directs Town staff provide notice to the suspected non-compliant properties to alert them to the possible non-compliant condition and to alert them to the proposed program for compliance.
- 2) Town Council directs staff to develop notification to all known properties serviced by a single water meter not complying with Town Code that will place notice will be placed in the appropriate land records that the water service connection to the property does not comply with Town. For a period of three years from the date of the notice, the Town will work with the affected property owners to bring the property into compliance with water or sewer connection fees being at the rate effective in 1985, which is \$1,450 for residential water service and \$1,350 for residential sewer service. The Town will offer the same resolution to those property owners that notify the Town of single water service that were not notified of this program until July 1, 2017.
- 3) Town Council also directs staff that water service to those properties served notices will be shutoff only in emergency situations, as discontinuation of service to one property will affect two properties.

Adopted this, xxth day of October, 2014

APPROVED:

Timothy W. Darr, Mayor

Attest:

Jennifer E. Berry, CMC, Clerk of Council

THIS RESOLUTION was approved at the Regular Meeting of the Town of Front Royal, Virginia,
Town Council conducted on _____, 2014 upon the following recorded vote:

Thomas H. Sayre	<u>Yes/No</u>	Bret W. Hrbek	<u>Yes/No</u>
Hollis L. Tharpe	<u>Yes/No</u>	Eugene R. Tewalt	<u>Yes/No</u>
N. Shae Parker	<u>Yes/No</u>	Daryl L. Funk	<u>Yes/No</u>

Approved as to Form and Legality:

Douglas W. Napier, Town Attorney

Dated: _____



Item No. 41

Town of Front Royal, Virginia Work Session Agenda Form

Date: September 2, 2014

Agenda Item: Liaison Committee Items for September 18, 2014 Meeting

Summary: Council is requested to add items to the Liaison Committee Meeting Agenda scheduled for September 18, 2014. Items will be voted on at the regularly scheduled meeting on September 8, 2014. The agenda and minutes from the July Liaison Committee meeting is attached. At the August 18, 2014 Work Session Council asked that an item from that agenda be added to the Liaison Committee agenda for discussion "Proposal from County of Warren to Add TVs to Warren County Board Room"

Council Discussion: Council takes desired action

Staff Evaluation:

Budget/Funding:

Legal Evaluation:

Staff Recommendations:

Town Manager Recommendation:

Work Session



AGENDA
TOWN/COUNTY LIAISON
COMMITTEE MEETING
Warren County Government Center

July 17, 2014
6:00 P. M.



- A. Call to Order – Dan Murray, Board of Supervisors Chairman**
- B. Discussion – Liaison Meeting Rules/Regulations**
- C. Discussion – Law Enforcement at Skate Park**
- D. Report – Catlett Mountain Landfill Improvements**
- E. Report – Leach Run Parkway Project**
- F. Report – Wastewater Treatment Plant/Septage Receiving Facility**
- G. Report – Route 340/522 Corridor**
- H. Report – Front Royal Limited Partnership**
- I. Report – Proposed Park-n-Ride Location(s)**
- J. Discussion – Property Boundary Adjustment Process**
- K. Report – Building Inspections Software**
- L. Report – Residential Parking and Mail Boxes on 13th Street**
- M. Report – Morgan Ford Bridge Project/Water Loop Project**
- N. Adjournment**

**TOWN/COUNTY LIAISON COMMITTEE
MEETING MINUTES**

July 17, 2014

Present: Town Mayor Tim Darr, Councilman Hollace Tharpe, Finance Director Kim Gilkey-Breeden, Board Chairman Dan Murray, Supervisor Tony Carter, and County Administrator Doug Stanley; also Deputy Clerk of the Board Janice Standridge, Roger Bianchini, Warren County Report, and Alex Bridges, Northern Virginia Daily

Absent: Town Manager Steve Burke

Discussion - Liaison Meeting Rules/Regulations

Mr. Carter noted that the Liaison Committee rules had relaxed since adoption. He was of the understanding that items to be included on the Liaison Committee agenda were to be approved by each body. Mr. Darr said that during the last revision, that requirement had been removed. Mr. Carter also noted that the agenda was to be adopted a month prior to the meeting and the Town Council just approved its items on July 14. He asked if that could be done earlier so staff would have the necessary information to prepare the agenda packets in a timely manner. Mr. Stanley said he preferred to distribute the agenda packets the Friday before the meeting. Mr. Darr said they would be a month behind on information. Mr. Carter said the Committee could unanimously agree to place last minute items on the agenda. Mr. Darr agreed and suggested that Mr. Burke and Mr. Stanley review meeting rules. They could leave this on agenda until they came to a resolution.

Discussion - Law Enforcement at Skate Park

Mr. Stanley noted that the Town Police Department would assist the County in enforcing some of the rules at the skate park, particularly keeping those who have been suspended or banned out of the facility. A Notice Not-to-Trespass had been drafted. REC Security would complete the form and a copy would be given to the violator, Parks and Recreation Department, and Town Police Department. He hoped to have this in place by the next Liaison Committee meeting.

Report - Catlett Mountain Landfill Improvements

Mr. Stanley noted that bids were due July 28 for improvements to the Catlett Mountain Landfill. A pre-construction meeting was held July 16 attended by Pennoni, Deputy County Administrator Bob Childress, and Solid Waste Manager Mike Berry. They will need Town Council and the Board to approve the award of bid and authorize them to move forward in August so work could begin September 1. They hoped the project could be completed in 60-90 days.

Mr. Carter asked if these improvements would meet the Department of Environmental Quality's expectations. Mr. Stanley noted that these improvements would address the current issue. Over time material may become exposed due to weather and they would have to correct the situation at that time. Directing stormwater away from the site would reduce erosion.

Mr. Stanley commented that another issue was trespassing by four-wheelers causing damage. County staff would continue to monitor and repair the fence.

Mr. Carter asked if the property had any potential for a future use, e.g. park. Mr. Stanley noted that they previously considered using the site for a park but the cost to grade the property was estimated at approximately \$500,000 so they elected to redirect the stormwater and fence off the property with no public access, which was less costly. There may some potential for trails or other passive recreational uses in the future.

Report - Leach Run Parkway Project

Mr. Stanley reported that the Economic Development Authority (EDA) continued to pursue rights-of-way for the Leach Run Parkway project. There was a potential environmental issue with disturbing a possible habitat of the Indiana bat, which was an endangered species. Consultants were investigating the potential impact and the habitat.

He commented that delay of the school project pushing the opening from 2016 to 2017 gave them a larger timeframe. The project would be financed through a long-term VRA bond. He hoped to be in a position to begin the parkway project in the fall. He was concerned that if the project was pushed into October/November, it would be difficult to work the ground. He

hoped to complete easement and right-of-way acquisitions within the next 60 days so they could move forward with the project.

Report - Wastewater Treatment Plant/Septage Receiving Facility

Mr. Stanley reported that the bid documents were being finalized and they should be ready for advertisement September/October.

Mr. Carter asked how this project was being financed. Mr. Stanley said it had been proposed that the Town would bid the project, work out the debt service, and invoice the County annually for its portion of the debt service. Ms. Gilkey-Breeden confirmed that was the Town's intention.

Report - Route 340/522 Corridor

Mr. Stanley noted that Mr. Burke's notes indicated that the Town needed to develop their study of the corridor annexation. The Town will notify the County when the study was complete. The Town was investigating the possibility of reinstating the meals and lodging tax as part of a PILOT for businesses with the updated agreement. The Town will coordinate a meeting with the Economic Development Authority (EDA) and affected businesses to discuss the process.

Mr. Darr said a Council member put it back on the agenda so they were looking into some possibilities before they do anything. The Council will review it and discuss it with the EDA to make sure it was workable. They will keep the County up-to-date.

Report - Front Royal Limited Partnership (FRLP)

Mr. Stanley noted that the County was waiting for the Town to file a petition with the Circuit Court to appoint a three-judge panel to approve the voluntary settlement agreement. Mr. Darr noted that the petition was filed July 16. Mr. Stanley continued that the judge will sign an order asking the Virginia Supreme Court to appoint the three judges. The judges will hold a hearing during which time the Town, FRLP, and County will present their arguments and exhibits. The three judges would then sign an order to put into effect the VSA. Mr. Stanley

understood that the annexation would be effective two months after entry of the order; probably by the end of the year.

Report - Proposed Park-n-Ride Location(s)

Mr. Stanley noted that Mr. Burke and he met with VDOT representatives to review the area beside the North Fork Bridge, which was partially in the floodway and partially in the floodplain. One of the benefits of this site was the parking would not be used on the weekends and it would be available for the boat landing. The other site was at the southern end of Leach Run Parkway. This site was also in the floodplain, but it was expendable land for the EDA. VDOT did not turn down either site at this point.

Mr. Stanley commented that there was a need for a park-n-ride at Interstate 66's exit 6 and exit 13. The County had been lobbying VDOT to expand the Linden park-n-ride. VDOT had \$400,000 in this year's budget to expand around the salt shed located east of the existing lot. He added that the spaces would offset those lost when Mr. Holtzman developed his lot.

Mr. Carter inquired about property near the salt shed. Mr. Stanley did not feel \$400,000 would be sufficient considering the cost to acquire the property.

Mr. Carter asked if a park-n-ride at the boat landing would expedite the need for a traffic signal. Mr. Stanley did not feel it would because that type of traffic was all in the morning and afternoon.

Mr. Stanley felt the site at the end of Leach Run Parkway would be a good site for a park-n-ride.

Mr. Darr felt the Town and County did a good job in providing VDOT with some alternative sites.

Discussion - Property Boundary Adjustment Process

The Liaison Committee had agreed at its May meeting to remove this item from the agenda and evaluate proposed property boundary adjustments on a case by case basis.

Report - Building Inspections Software

Mr. Stanley reported that all parties had signed the contracts for the new Building Inspections software. Town and County staff had been training the week of July 14. The Town had three participants from Planning and Zoning and IT Departments and the County had six participants (from Planning and Zoning and Building Inspections). The target date to implement the software was July 1, 2015. It will take 9-12 months to design and implement the system. He hoped the new software would resolve a lot of problems they had experienced in the past.

Report - Residential Parking and Mail Boxes on 13th Street

Mr. Darr noted that the Town had sent letters to the 8 residents on 13th Street regarding moving their mail boxes. Two had responded that they would like to meet to discuss the Town's proposal. According to the Post Office all residents would have to agree to move the mail boxes in order to do so. All the mail boxes were on the same side of the street as the ball field. The houses were divided into groups of two and there were alleys in between. The Town planned to do clusters of two mailboxes at four locations between the alleys. The Town would install the posts and the residents could install their mailboxes. He said they planned to install "residential parking" signs on one side of the road. He said parking was going to be very limited. The Town may approach the County later regarding the parking issue.

Mr. Stanley commented that the Girls' Softball Association wanted to construct a T-ball facility at the site. He noted they were behind on the project and was not sure it would be completed by fall.

Report - Morgan Ford Bridge Project/Water Loop Project

Mr. Darr noted that Pennoni was looking at different options. It was apparent that it would be virtually impossible due to existing easements and rights-of-way to run the lines through the Morgan Ford Bridge route. All three options had various constraints.

Mr. Stanley noted that Spectra was putting together a proposal to install natural gas pipeline from western New York and Pennsylvania to below Charlotte, North Carolina. Spectra's

proposal ran through Warren County following the 500kV power line easement. He said he would forward that information on to Pennoni.

Mr. Stanley commented that VDOT was working with the Department of Historic Resources (DHR) on a Memorandum of Agreement. DHR was looking at the impact of the new bridge on the area. A public hearing could not be held until the Memorandum of Agreement was approved.

Mr. Murray extended to the Mayor and Council an invitation to attend the Virginia Air Show at no charge. He said the Air Show Committee would extend the same invitation to the Board. He noted that the Air Show and USO Show would be held on the same day.

Adjournment

Mr. Murray adjourned the meeting.



Item No. 5

Town of Front Royal, Virginia Work Session Agenda Form

Date: September 2, 2014

Agenda Item: Continued Discussion to Reinstate Pilot Fees in Rt 522 Corridor

Summary: Councilman Hrbek asked that this item be placed on an upcoming work session for further discussion. It was last discussed at a work session on July 7, 2014.

Council Discussion: Council takes desired action

Staff Evaluation:

Budget/Funding:

Legal Evaluation:

Staff Recommendations:

Town Manager Recommendation:

Council Recommendation:

☐ Additional Work Session ☐ Regular Meeting ☐ No Action
Consensus Poll on Action: ___(Aye) ___(Nay)

Work Session

**RESOLUTION REGARDING CONTRACTS FOR RESTAURANT
UTILITY CUSTOMERS AND MOTEL/HOTEL UTILITY
CUSTOMERS IN THE ROUTE 522 SERVICE AREA**

WHEREAS, pursuant to the 1998 Annexation Settlement Agreement with Warren County, the Town has heretofore developed and executed Contracts for water and sewer service to commercial customers in the Route 522 Service Area; and,

WHEREAS, said Contracts call for the payment of utility charges that include a sum representing a payment in lieu of taxes (PILOT); and

WHEREAS, the PILOT component of the utility charges includes, in certain contracts, a sum equal to Meals Taxes and Lodging Taxes that such commercial customers "would pay to the Town" if they were located within the boundaries of Front Royal; and,

WHEREAS, the Honorable Dennis Hupp, Judge of the Circuit Court of Warren County, Virginia, has ruled in a law suit styled *Applebee's Restaurants, etc., et als v. Town of Front Royal*, that three restaurants in the Route 522 Service Area are not, by virtue of the language in their Contracts, legally obligated to pay the Town the Meals Tax component of PILOT, because such Tax is paid by the customers of such restaurants rather than the restaurants themselves, under the current provisions of the Front Royal Code; and

WHEREAS, Lodging Taxes are similarly paid by customers of hotels and motels rather than the motels and hotels themselves, under the current provisions of the Front Royal Code.

NOW, THEREFORE, BE IT, HEREBY, RESOLVED by the Town Council of the Town of Front Royal, Virginia:

(1) that the Director of Finance is, hereby, directed to eliminate, from all Town water and sewer rate schedules and fees, the Meals Tax component of PILOT fees for all food establishment businesses in the Route 522 Service Area, as well as the Lodging Tax component for any hotel/motel in the same said area;

(2) that the Director of Finance is, hereby, directed to eliminate, as of the March 2010 billing, the Meals Tax component of PILOT fees from the monthly bills for all food establishment businesses in the Route 522 Service Area, as well as the Lodging Tax component from any hotel/motel in the same said area;

(3) that, notwithstanding the foregoing, all remaining portions of the PILOT charges described in said Contracts shall be billed and enforced as to said businesses and as to all other businesses within the Route 522 Service area without exception;

(4) that individual food establishment businesses in the same service area who earlier filed protests with the said Director of Finance, as provided by their Contracts, shall be relieved of any liability for the Meals Tax component of such PILOT charges, as of

the date of such filing and thereafter, but that under no circumstances shall the said Director authorize or permit any refunds of any description to such businesses, for the reasons set forth in the aforesaid decision of the said Circuit Court of Warren County, unless directed in that Court's Order of February 2, 2010; and

(5) that the Town Council hereby reserves the right to adopt new rate schedules and fees, as expressly permitted in such Contracts, that reinstitute all or any portion of the Meals Tax and Lodging Tax components of such PILOT charges, applicable to such businesses in the Route 522 Service Area, in the event such Town taxes hereafter are imposed on, and paid by, food establishments and motels/hotels, rather than the customers of such businesses, or in the event the Town obtains appropriate contractual authority from Warren County to include such PILOT charges in the rates applicable to such businesses in the Route 522 Service Area.

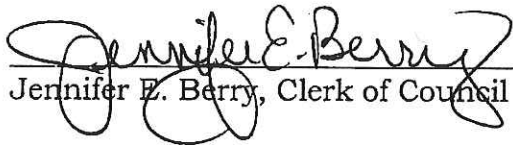
THIS RESOLUTION was approved at the Regular Meeting of the Town of Front Royal, Virginia, Town Council conducted on March 8, 2010, upon the following recorded vote:

Thomas E. Conkey	<u>Yes/No</u>	Chris W. Holloway	<u>Yes/No</u>
Bret W. Hrbek	<u>Yes/No</u>	Carson C. Lauder	<u>Yes/No</u>
Thomas H. Sayre	<u>Yes/No</u>	N. Shae Parker	<u>Yes/No</u>

APPROVED:


Eugene Tewalt, Mayor

ATTEST:


Jennifer E. Berry, Clerk of Council

Approved as to form and legality:


Thomas R. Robinett, Town Attorney

Date: 3 / 12 / 10



TOWN OF FRONT ROYAL
OFFICE OF THE TOWN MANAGER
ADMINISTRATION BUILDING
P.O. BOX 1560
FRONT ROYAL, VIRGINIA 22630-1560

STEVEN M. BURKE, PE
Town Manager
(540) 635-8007
(540) 636-7475 (Fax)
sburke@frontroyalva.com

September 15, 2014

Ms. Jennifer McDonald
Front Royal/Warren County Economic Development Authority
PO Box 445
400-D Kendrick Lane
Front Royal VA 22630

RE: Rt 522 Corridor PILOT Agreements

Dear Ms. McDonald:

As you are aware the Town has been working to identify options to recover the revenue lost following the Town's decision to cease collection of meals and lodging taxes as part of the Rt 522 Corridor PILOT agreements. Unfortunately, we have not been able to realize an appropriate alternative. In addition, the Town's commercial base has suffered from development in the Rt 522 Corridor.

As the Town has not identified a sustainable method to recover this lost revenue, the Town of Front Royal will resume the collection of meals and lodging taxes as part of the PILOT fees beginning December 1, 2014.

The Town will be notifying each of the businesses whose agreement specifically cites collection of these taxes in the PILOT agreement of this decision.

We understand that this decision will not affect some of the businesses in the Corridor that are operating under an older version of the PILOT agreement. Unfortunately, we have limited opportunity to resolve this disparity amongst the Corridor businesses.

The Town intends to use the fund collected from meals and lodging tax portion of the PILOT fees to fund incentive programs to attract and retain businesses in the Town.

The Town of Front Royal is providing this notice to you and your Board so that the EDA can assist in communicating this decision to the businesses in the Corridor and can assist in identifying any issues about its implementation. We would like to meet with business the week of September 29th, and the Town will conduct a Public Information Meeting on Thursday, October 16.

Should you, your Board, or any Corridor business have a question about the resumption of collection of meals and lodging taxes as part of the PILOT agreement, please feel free to contact me at (540) 635-8007.

Sincerely,

Steve Burke, PE
Town Manager

Route 522 Corridor History

1998 - Original Corridor Agreement
1999 - Amendment to Corridor Agreement to define Corridor
2009 - Lawsuit filed by 3 Restaurants - January
2009 - Lawsuit decision - December
2010 - Town modifies Utility PILOT Agreement
2011-2013 - Town/County Discussions to address equality of revenue
2013/2014 - Town contacts restaurants to meet to resume meals tax collection with incentives
2014 - Town pursues reestablishing meals/lodging tax collection on modified agreements

Reestablishment Plan

1. Develop summary letter outlining justification and need to reestablish meals & lodging component of PILOT Agreements.
2. Define expenditure of new PILOT revenue towards Town Commercial Incentives
3. Determine if Town can provide utility relief for portion of meals tax collected
4. Meet with EDA to explain plan to honor original Corridor Agreement requirements
5. Meeting with affected restaurants
6. Conduct Public Information Meeting & other education efforts to explain program

Timeline

September 15 - Finalize Summary letter & determination of utility relief

September 22 - Meet with EDA

September 29 - Meet with affected restaurants

October 16 - Public Information Meeting

October 27 - Council approve resolution to reestablish collection of meals & lodging tax in PILOT

December 1 - Resume collection