

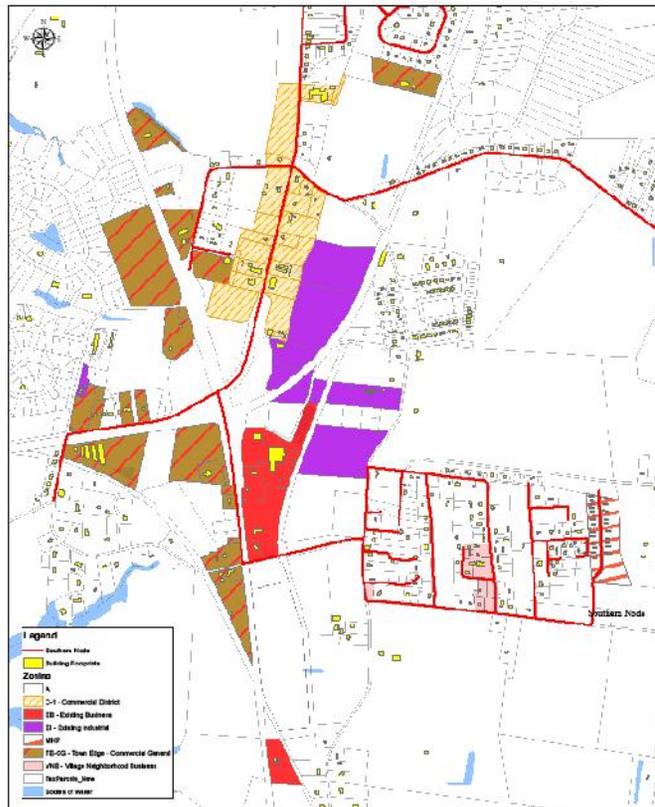
**ESVAPSA**  
**Regional Wastewater System**

Northampton County  
Board of Supervisors  
Regular Meeting – Jan. 8, 2013

# Southern Node

- BOS briefed last January about significant commercial interest in service area.
- 85 parcels zoned for commercial use.
- Potential for area around US 13/SR 184 intersection as **Phase 1** of Southern Node.
- Potential future expansion to Cheriton.

# Potential Service Area Commercial Properties



# Funding Options

- Little grant money available.
- Must rely on some form of local funding for debt service on public bonds.
- Create Special Tax District?
- Include in general real property tax rate?
- Connection and availability fees?
- Combination of all the above?

# System Cost

- Treatment at Cape Charles WWTP; bulk rate TBD.
- Rough estimate of collection system, pumping and force main is \$1.5M - \$2M.
- At 3.25%, annual debt service:

20 YRS

\$134,125

30 YRS

\$100,250

# Cost to Property Owners

- Special Tax District:
  - Assessed value of property about \$20M.
  - State law limits tax district to 20 years.
  - For 20 year term, debt service is about \$740 per \$100,000 of assessed value.
  - Focuses on property with potential for most immediate benefit.

# Cost to Property Owners

- General real estate tax rate:
  - 1 cent increase yields \$248,000.
  - More than sufficient for debt service:
    - For 20 yrs, \$134,125, or 0.54 cents.
    - For 30 yrs, \$100,250, or 0.40 cents.
    - Range of \$4 to \$6 per \$100,000 of assessed value.
  - Recognizes benefit to all property owners from future revenues enabled by infrastructure.

## Other Considerations

- Connection must be mandatory.
- Connection fee could offset some D/S.
- Voluntary availability agreements for future connections could generate funds.
- A mix of funding options is possible.

## Engagement of Property Owners

- Met with property owners in May 2012.
- Survey issued in July 2012, providing cost information and requesting interest in Tax District, connection charges, usage, etc.
- Poor survey response.
- Follow-up with owners of significant existing buildings done Fall 2012.

# Results

- 64 owners; 85 parcels, mostly vacant.
- 10 responses: 5 yes, 4 maybe, 1 no.
- The 9 “positive” responses represent parcels with assessed value of about \$7M.
- This is about a third of the assessed value of all commercial parcels in the area.
- A thin response but significant value.

# Way Ahead

- BOS decide on funding approach.
- BOS back PSA borrowing with moral obligation bond.
- PSA arrange borrowing w/USDA & DEQ.
- PSA contract for design/build of system, including DEQ permit support.

# Way Ahead

- PSA negotiate w/Cape Charles for treatment bulk rate.
- Tax revenue and connection charges pay debt service.
- Service fees pay treatment, maintenance and overhead costs.
- If BOS is agreeable, PSA and County Administrator will develop plan of action.