BOARD OF SUPERVISORS
Work Session
March 29, 2016

The Appomattox County Board of Supervisors held a Work Session on Tuesday, March 29, 2016 at 6:30 PM in the County Administration Conference Room located at 153A Morton Lane, Appomattox, Virginia.

CALL TO ORDER

Appomattox County Board of Supervisors
Present:

Samuel E. Carter	Courthouse District, Chairman
Sara E. Carter	Piney Mountain District, Vice-Chairman
William H. Hogan	Appomattox River District
Chad E. Millner	Falling River District
Bryan A. Moody	Stonewall District

Also Present:
Susan M. Adams, County Administrator
J. G. Overstreet, County Attorney
Sara Henderson, Commissioner of Revenue
Johnnie Roark, Community Development Director
Vicky Phelps, Finance

Also Present:
Daniel Siegel, Sands Anderson
Jimmy Sanderson, Davenport Inc.

Chairman Carter called the meeting to order and delivered the invocation.

DEBT REFINANCING DISCUSSION

Mr. Siegel came forward and stated that draft documents have been given to Ms. Adam and then he explained the purpose of having the Board approve the following Resolution. He stated that if we use VRA we must use the school building as collateral. He explained that the School Board has approved and signed the resolution. He stated that he needs authorization from the Board to proceed with VRA.

Mr. Sanderson stated that they would hear from the banks on Wednesday. He stated that if we do not work with the banks, we will work with VRA. He stated that we are in a good position with banks and VRA.

Mr. Overstreet stated that the Board can move forward and adopt the provided resolution as needed. He stated that he will continue to read, review and follow-up with Mr. Siegel if he were to have any concerns.

DRAFT

RESOLUTION OF BOARD OF SUPERVISORS OF THE COUNTY OF APPOMATTOX, VIRGINIA APPROVING VRA FINANCING

WHEREAS, the Board of Supervisors **(the "Board")** of the County of Appomattox, Virginia **(the "County")** and the Economic Development Authority of Appomattox County, Virginia **(the "EDA")** have previously entered into agreements related to the financing of certain County capital projects **(the "Projects")**, and such financing was accomplished by issuance of the EDA's $14,605,000 Public Facility Lease Revenue Refunding Bonds, Series 2010 **(the "2010 Bonds")**,

Such financing included the lease by the County to the EDA of the County's Carver Price Educational Complex, Courthouse Building and Administration Building **(together, the "2010 Property")**; and

The Board wishes to refinance and refund all or a portion of the outstanding 2010 Bonds for purposes of debt service restructuring and potential savings, and subject to the terms and conditions set forth in this Resolution the Board has determined that it is in the best interest of the County to enter into a lease financing arrangement to refinance and refund the 2010 Bonds; and

WHEREAS, the Board has the power to acquire by lease real property and personal property consisting of all or a portion of the 2010 Property, the County middle school, the County primary school or the County elementary school **(together, the "Leased Property")**, all as further described in the Local Lease Acquisition Agreement and Financing Lease, as hereinafter defined; and

WHEREAS, the school facilities which are a portion of the Leased Property are owned by the Appomattox County School Board **(the "School Board")**; and

WHEREAS, each component of the Leased Property is essential to the governmental functions of the County and the Board reasonably expects each component of the Leased Property to continue to be essential to the governmental functions of the County for a period not less than the terms of the Prime Lease (as defined below) and the Local Lease Acquisition Agreement and Financing Lease; and

WHEREAS, to assist in providing refinancing of the Projects, the Virginia Resources Authority **("VRA")** intends to (a) issue its Series 2016 VRA Spring Pool Bonds **(as more particularly defined in the below defined Local Lease Acquisition Agreement and Financing Lease, the "VRA Bonds")** and, subject to VRA credit approval, to make available a portion of the proceeds to the County to refinance all or a portion of the costs of the Projects and refund all or a portion of the 2010 Bonds in an amount as requested by the County in writing and approved by VRA prior to the VRA Sale date, as defined below **(the "Proceeds Requested")**; (b) acquire a leasehold interest in the Leased Property pursuant to the terms of the Prime Lease; and (c) lease the Leased Property to the County pursuant to the terms of the Local Lease Acquisition Agreement and Financing Lease **(collectively, the "Lease Obligations")**; and

WHEREAS, the County has submitted its application to VRA to refinance the Projects and to undertake the Lease Obligations; and

WHEREAS, VRA has advised the County that the sale date of the VRA Bonds is tentatively scheduled for May 11, 2016 but may occur, subject to market conditions, at any time between May 1 and May 31, 2016 **(the "VRA Sale Date")**, and that VRA's objective is to pay the County an amount which, in VRA's judgment, reflects the market value of the Lease Obligations under the Local Lease Acquisition Agreement and Financing Lease **(the "Purchase Price Objective")**, taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the underwriters' discount and other issuance costs of the VRA Bonds, and other market conditions relating to the sale of the VRA Bonds; and

WHEREAS, such factors may result in the County receiving an amount other than the par amount of the aggregate principal components of the Lease Obligations under the Local Lease Acquisition Agreement and Financing Lease and consequently the aggregate principal components of the Lease Obligations under the Local Lease Acquisition Agreement and Financing Lease may be greater than the Proceeds Requested in order to receive an amount of proceeds that is not less than the Proceeds Requested;

WHEREAS, the Local Lease Acquisition Agreement and Financing Lease shall provide that the aggregate total principal components of Lease Obligations and the interest component of the Lease Obligations will not exceed the parameters set forth herein; and

WHEREAS, there have been presented to this meeting drafts of the following documents **(together, the "Basic Documents")** in connection with the transactions described above, copies of which shall be filed with the records of the Board:

A. Prime Lease, between and among the County, the School Board and VRA, dated as of May 1, 2016 conveying certain interests in the Leased Property to VRA **(the "Prime Lease")**;

B. Local Lease Acquisition Agreement and Financing Lease, between the County and VRA (i) providing for a portion of the proceeds of the sale of the VRA Bonds to be provided by VRA to the County and (ii) conveying to the County a leasehold interest in all or a portion of the Leased Property **(the "Local Lease Acquisition Agreement and Financing Lease")**; and

C. Leasehold Deed of Trust and Security Agreement, between VRA and certain deed of trust trustees to be named therein, dated as of May 1, 2016 regarding VRA's leasehold interest in the Leased Property **(the "Leasehold Deed of Trust")**.

NOW, THEREFORE, BE IT RESOLVED, THAT:

It is hereby found and determined that the terms of the Basic Documents in the respective forms presented to this meeting and incorporated in this Resolution are in the best interests of the County for the refinancing of the Projects.

. The Basic Documents and related financing documents are hereby approved in substantially the respective forms presented to this meeting. The Chairman, Vice Chairman, County Administrator and any officer of the Board who shall have power generally to execute contracts on behalf of the Board be, and each of them hereby is, authorized to execute, acknowledge, consent to and deliver, as appropriate, the Basic Documents and any other related financing documents, with any changes, insertions and omissions therein as may be approved by the individuals executing them, such approval to be conclusively evidenced by the execution and delivery thereof. The actions of the Chairman, the Vice Chairman and the County Administrator, each of whom is authorized to act, shall be conclusive, and no further action shall be necessary on the part of the County.

The final pricing terms of the Local Lease Acquisition Agreement and Financing Lease will be determined by VRA, subject to VRA's Purchase Price Objective and market conditions described in the Recitals hereof; provided, however that (i) the Lease Obligations shall be composed of principal components having a maximum aggregate principal amount of not to exceed $13,000,000 **(the "Maximum Authorized Principal Amount")** and interest components with a maximum true interest cost of 3.50% per annum (exclusive of "supplemental interest" as provided in the Local Lease Acquisition Agreement and Financing Lease) and (ii) the Lease Obligations shall be payable over a term expiring not later than December 31, 2029. Subject to the preceding terms, the Board further authorizes VRA to determine the aggregate total of principal and interest components of the Lease Obligations, establish a schedule of Lease Obligations including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Lease Obligations, all in accordance with the provisions hereof. The term of the Prime Lease shall not be more than five years longer than the term of the Local Lease Acquisition Agreement and Financing Lease; such term is intended to provide security to VRA in the event of default or non-appropriation by the County, all as more fully set forth in the Local Lease Acquisition Agreement and Financing Lease (or any supplement thereto).

Given the Purchase Price Objective and market conditions, it may become necessary to enter into the Local Lease Acquisition Agreement and Financing Lease with aggregate principal components of the Lease Obligations greater than the Proceeds Requested. If the limitation on the maximum aggregate principal components of Lease Obligations on the Local Lease Acquisition Agreement and Financing Lease set forth in this Section 2 restricts VRA's ability to generate the Proceeds Requested, the Local Lease Acquisition Agreement and Financing Lease may be entered into for an amount less than the Proceeds Requested.

The Chairman, the Vice Chairman, the County Administrator, or any of them and such other officer or officers of the County as either may designate are hereby authorized and directed to enter into the Local Lease Acquisition Agreement and Financing Lease, the Prime Lease and any other agreements that may be required by VRA for refinancing of the Projects.

As set forth in the Local Lease Acquisition Agreement and Financing Lease, the County agrees to pay such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish any VRA Reserve (as defined in the Local Lease Acquisition Agreement and Financing Lease).

Rental Payments (as defined in the Local Lease Acquisition Agreement and Financing Lease) due under the Local Lease Acquisition Agreement and Financing Lease shall be payable in lawful money of the United States of America and otherwise comply with the terms set forth in the Local Lease Acquisition Agreement and Financing Lease. The County may, at its option, prepay the principal components of Rental Payments upon the terms set forth in the Local Lease Acquisition Agreement and Financing Lease.

. The same officers of the Board, and the County Administrator and the County Attorney be, and each of them hereby is, authorized and directed to take all actions and procure, execute and deliver any and all other agreements, financing statements, papers, instruments, title insurance policies, real property surveys and inspections, opinions, certificates, affidavits and other documents, including agreements with the School Board and the EDA necessary to lease and assign interests or rights in any portion of the Leased Property or take other actions deemed necessary to accomplish the refinancing described herein, and to do or cause to be done any and all other acts and things necessary or proper for carrying out the purposes and intent of this resolution and the Basic Documents, including the redemption or prepayment of all or a portion of the 2010 Bonds and the transfer of interests in all or a portion of the Leased Property. The same officers are authorized and directed to work with the County's bond counsel, Sands Anderson PC, representatives of the School Board and representatives of VRA, including without limitation McGuireWoods LLP, Bond Counsel to VRA, to perform all services and prepare all documentation necessary or appropriate for the execution, delivery and recording, as appropriate, of the Basic Documents. The Chairman or Vice Chairman of the Board and the County Administrator, or any of them, are authorized and directed to execute an escrow deposit agreement in connection with the Lease Obligations **(the "Escrow Agreement")** between the County and an escrow agent to be appointed by the County Administrator **(the "Escrow Agent")**. The Escrow Agreement shall be in the form approved by the Chairman or Vice Chairman of the Board or the County Administrator, or any of them, in collaboration with the County's bond counsel, the execution thereof by the Chairman or Vice Chairman of the Board or the County Administrator, or any of them, to constitute conclusive evidence of approval of the Escrow Agreement. The Escrow Agreement may provide for the irrevocable deposit of a portion of the Lease Obligations proceeds in an escrow fund which shall be sufficient, when invested in noncallable, direct obligations of the United States Government **(the "Government Obligations")**, or otherwise, to provide for payment of principal of and premium, if any, and interest on all or a portion of the 2010 Bonds; provided, however, that all or some of such Lease Obligations proceeds may be required to be invested in such manner that the VRA Bonds will not be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended **(the "Code")**. The Escrow Agent is authorized and directed to execute an initial and final subscription form for the purchase of the Government Obligations.

. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which would (a) cause the VRA Bonds, or a portion thereof as determined by VRA, to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended **(the "Code")** or (b) otherwise cause interest on any VRA Bonds, or a portion thereof as determined by VRA, to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require it at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the VRA Bonds. The County shall pay any such required rebate from legally available funds.

. The County covenants that it shall not permit any proceeds derived from the Lease Obligations to be used in any manner that would result in (a) 10% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Project, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required or is no longer required in order to prevent the interest on the VRA Bonds from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County need not comply with such covenant to the extent provided in such opinion.

. Such officers of the County as may be requested are authorized and directed to execute and deliver a tax compliance agreement in relation to the Lease Obligations **(the "Tax Compliance Agreement")** in the form approved by the Chairman or Vice Chairman of the Board or the County Administrator, or any of them, in collaboration with the County's bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the County executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.

. The undertaking by the County under the Local Lease Acquisition Agreement and Financing Lease to make Rental Payments and any other payments due under the Lease Obligations shall be a limited obligation of the County, payable solely from funds to be appropriated by the Board from time to time for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the Lease Obligations shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

. The Board believes that funds sufficient to make payment of all amounts payable under the Lease Obligations can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board

hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Lease Obligations. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Lease Obligations an amount sufficient to pay all amounts coming due under the Lease Obligations during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to VRA evidence that a request for an amount sufficient to make the payment of all amounts payable under the Lease Obligations has been made. Throughout the term of the Lease Obligations, the County Administrator shall deliver to VRA within 30 days after the adoption of the budget for each fiscal year, but not later than July 1, a certificate stating whether an amount equal to the Rental Payments and any other amounts due under the Lease Obligations which will be due during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the amounts payable under the Lease Obligations, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

. The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds, a portion of the proceeds of which will be used to purchase the Lease Obligations. If appropriate, such disclosure documents shall be distributed in such manner and at such times as the Chairman of the Board, the Vice Chairman of the Board or the County Administrator, each of whom is authorized to act, shall determine. The Chairman of the Board, the Vice Chairman of the Board or the County Administrator, each of whom is authorized to act, are authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

. The recitals to this resolution are hereby incorporated by reference and are declared to be findings of the Board in connection with its decision to finance the Project.

. The Board hereby determines that it is in the best interests of the County to authorize the County Treasurer to participate in the Virginia State Non-Arbitrage Program in connection with the Lease Obligations if requested by VRA.

. Nothing in this Resolution, the Basic Documents or other related documents shall constitute a debt or a pledge of the faith and credit of the County, and the County shall not be obligated to make any payments under the Basic Documents except from funds that may be appropriated by the Board.

. All acts of the officers, agents and representatives of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the leasing of the

Leased Property by the County to finance the Project are hereby approved, ratified and confirmed.

. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto, to record such document where appropriate and to pay from County funds all appropriate recording fees, taxes and related charges.

. This Resolution shall be effective immediately upon its adoption.

Ms. Carter made a motion to adopt the debt refinancing resolution as presented. Mr. Moody seconded Ms. Carter's motion. Chairman Carter called for discussion, hearing none; he called for a Roll Call Vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

UPDATE ON ASSESSMENT OF TANGIBLE PERSONAL PROPERTY CODE

After discussion, Mr. Overstreet stated that he has spoken to the Commissioner of Revenue and she is in agreement with the following resolution.

Pursuant to Section 15.8 - 3504B the Board of Supervisors no longer concurs with the assessment ratios by the Commissioner of Revenue in the valuation of tangible personal property.

Further, the Board will make a good faithful effort for this change to be revenue neutral when it considers and sets the tax rate for 2016.

Chairman Carter opened the floor for discussion.

After discussion of the read resolution and the license fee, Mr. Overstreet stated that he was not involved with the license fee and stated that the license fee would be a separate issue.

PERSONAL PROPERTY TAX VALUES

Chairman Carter welcomed Ms. Henderson who is in attendance and asked her to come forward and speak to the Board.

Ms. Henderson came forward and stated that she and Mr. Overstreet had discussed the resolution and that she is in agreement with the resolution as read earlier by Mr. Overstreet.

Ms. Henderson stated that she would proceed with changes to the Personal Property Tax Values in exchange of deletion of license tax. She provided the Board with an explanation of changes that would occur with the next tax change.

Ms. Henderson provided the Board with a handout on her proposed tax rates.

Ms. Henderson stated that she would like the Board to send a thank you note to the Commissioner of Revenue in Campbell County for the numerous hours that he had spent in helping her to get the provided information to the Board.

Ms. Carter asked Ms. Adams to please send a thank you note to the Campbell County Commissioner of Revenue.

After further explanation of the proposed tax rates; Ms. Henderson stated that she should have a concrete tax rate within a week which would provide a revenue neutral rate.

Chairman Carter called for questions/comments from the Board.

Ms. Carter thanked Ms. Henderson for the work that has been done and stated that she understands that it has taken a huge amount of time to complete this task.

Ms. Henderson stated that she and her staff have been working on this since last year. She stated that this has been a huge undertaking and it has taken many man hours to finally come up with the provided information. Ms. Henderson also discussed the license tax and the abatement of the license tax.

After lengthy discussion, Mr. Overstreet stated that after hearing the discussion of the Board and Ms. Henderson, the resolution that was previously read by him would not be correct.

Chairman Carter stated that he wanted to know if the proposed personal property rate included the license tax.

Mr. Millner stated that the license tax is included in the personal property rate and is not the lowest rate possible.

Chairman Carter asked Ms. Henderson what could be done to help with getting the figures that the Board is requesting.

Chairman Carter stated that the Board wants to know what the reduction in the tax rate would be with leaving the current license fee.

Ms. Carter stated that she does not feel that we have time to get the numbers correct and completed for this year. She stated that she is willing to leave the license fee out this year and revisit for the next year.

Ms. Carter stated that the Board needs to direct Ms. Henderson as to what they want done.

There was lengthy discussion on what direction the Board wants to give Ms. Henderson as far as moving forward with the personal property tax rate and license tax fee.

After lengthy discussion, it was the consensus of the Board to have Ms. Henderson confirm the numbers she has given and bring back to the Board for a vote at their April 18, 2016 regular scheduled meeting.

Chairman Carter thanked and excused Ms. Henderson. He then called on Mr. Roark to come forward to discuss the request for a zoning ordinance change.

ZONING ORDINANCE CHANGE

Mr. Roark came forward and stated he will review the ordinances changes that were presented and tabled at last Monday nights regular scheduled meeting. He stated that he has provided two ordinances for review. Mr. Roark explained that for the Board to review are the Zoning Ordinance changes as recommended by the Planning Commission which include adding the use category for establishing a distillery. He stated that this use would be added to the Zoning Ordinance, which would include definitions to the use categories. He stated that other changes that are included are definitions that were inadvertently omitted, regulations limiting the age of mobile homes to be move or placed within the County, and changes to the language for appeals to the BZA and language concerning communications related to the BZA and staff. He stated that the changes to the appeals/BZA sections were initiated by the changes to the State Code. He stated that the Building Official requested the language concerning mobile homes.

After lengthy discussion, Mr. Hogan made a motion to adopt the Zoning Ordinance changes as recommended by the Planning Commission. Chairman Carter seconded Mr. Hogan's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, nay; Mr. Hogan, aye; Mr. Millner, nay; Mr. Moody, nay.

The motion failed.

Ms. Carter made a motion to adopt the following resolution of the proposed Zoning Ordinance changes as presented with changing the permitted use of a Micro-Brewery/Distillery in V-1 to conditional use. Mr. Millner seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

AN ORDINANCE TO AMEND AND READOPT THE APPOMATTOX COUNTY ZONING ORDINANCE BY REVISING CERTAIN PROVISIONS OF THE ZONING ORDINANCE TEXT AND READOPTING CERTAIN PROVISIONS AS DESCRIBED IN THE FOLLOWING PARAGRAPHS

WHEREAS, the original Zoning Ordinance was adopted in 1988 and there have been periodic changes or updates to the ordinance since that time; and

WHEREAS, the General Assembly of the Commonwealth of Virginia empowers the County to enact a zoning ordinance and to provide for its administration, enforcement, and amendment; and

WHEREAS, the Board of Supervisors for Appomattox County, Virginia for the purpose of promoting the health, safety, convenience, and general welfare has enacted such an ordinance; and

WHEREAS, the National Manufactured Housing Construction and Safety Standards Act of 1974 mandated federal standards for design, construction, and installation of manufactured homes to assure the quality, durability, safety, and affordability of manufactured homes; and

WHEREAS, the Virginia Department of Housing and Community Development is delegated all lawful authority for the enforcement of the federal standards pertaining to manufactured homes by the administrator according to §36-85.5 of the Code of Virginia and all local code officials are authorized by §36-85.11 of the Code of Virginia to enforce the provisions of said chapter within the limits of their jurisdiction. Such local code officials shall enforce these rules, subject to the general oversight of
the Division of Building and Fire Regulation and shall not permit the use of any manufactured home containing a serious defect or imminent safety hazard within their jurisdiction; and

WHEREAS, the proposed amendments herein were advertised as required by Virginia Code §15.2-2204 and have undergone properly advertised public hearings by the Planning Commission on February 10, 2016 and by the Board of Supervisors on March 21, 2016; and

WHEREAS, the Planning Commission carefully considered the presentation of staff, the Comprehensive Plan, the comments from the public hearing and provided an affirmative recommendation for the proposed amendments; and

WHEREAS, the Board of Supervisors finds that the public necessity, convenience, general welfare, or good zoning practice requires adoption of an ordinance to amend and readopt the Zoning Ordinance of Appomattox County;

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF APPOMATTOX COUNTY, VIRGINIA to amend and readopt the Appomattox County Zoning Ordinance as follows;

Terms & Definitions

The definitions section, §19.6-12, is hereby amended to include the following terms & definitions:

BREWERY: A facility for the production of beer. See also "Farm Brewery, Limited" and "Micro-brewery".

DISTILLERY: A facility for the production of distilled spirits.

DISTILLED SPIRITS: The product made by the acetous fermentation of dilute distilled alcohol derived from grain, sugar, syrup, molasses, or refiners' syrup. Includes terms such as "Distilled vinegar," "grain vinegar," or "spirit vinegar," or similar words.

FARM BREWERY, LIMITED: A brewery that manufactures no more than fifteen thousand (15,000) barrels of beer per calendar year, provided that (i) the brewery is located on a farm owned or leased by such brewery or its owner and (ii) agricultural products, including barley, other grains, hops, or fruit used by such brewery in the manufacture of its beer are grown on the farm. The on-premises sale, tasting, or consumption of beer during regular business hours within the normal course of business of such licensed brewery, the direct sale and shipment of beer and sale and shipment of beer to licensed wholesalers and out-of-state purchasers in accordance with state and federal law, the storage and warehousing of beer, and the sale of beer-related items that are incidental to the sale of beer are permitted.

MICRO-BREWERY: A brewery which is housed within and operated in conjunction with a restaurant, and which manufactures no more than fifteen thousand (15,000) barrels of beer per calendar year. A micro-brewery is an accessory use to a restaurant.

COMMERCIAL INDOOR AMUSEMENT: Establishments which provide multiple coin operated amusement or entertainment devices or machines as other than an incidental use of the premises. Such devices would include pinball machines, video games, and other games of skill or scoring, and would include pool and or billiard tables, whether or not they are coin operated. Typical uses include game rooms, billiard and pool halls, and video arcades.

COMMERCIAL INDOOR ENTERTAINMENT: Predominantly spectator uses conducted within an enclosed building. Typical uses include motion picture theatres, concert or music halls.

COMMERCIAL INDOOR SPORTS AND ENTERTAINMENT: Predominantly participant uses conducted within an enclosed building. Typical uses include bowling alleys, ice and roller skating rinks, indoor racquetball, and/or tennis facilities, and indoor shooting ranges.

COMMERCIAL OUTDOOR ENTERTAINMENT: Predominantly spectator uses conducted in open or partially enclosed or screened facilities. Typical uses include sports arenas, motor vehicle or animal racing facilities, and outdoor amusement parks.

COMMERCIAL OUTDOOR SPORTS AND RECREATION: Predominantly participant uses conducted in open or partially enclosed or screened facilities. Typical uses include driving ranges, miniature golf, swimming pools, tennis courts, outdoor racquetball courts, motorized cart and motorcycle tracks, and motorized model airplane flying facilities.

CULTURAL SERVICES: A library, museum, or similar public or quasi-public use displaying, preserving, and exhibiting objects of community and cultural interest in one or more of the arts or sciences.

PUBLIC ASSEMBLY: Facilities owned and operated by a public or quasi-public agency accommodating public assembly for sports, amusement, or entertainment purposes. Typical uses include auditoriums, sports stadiums, convention facilities, fairgrounds, and incidental sales and exhibition facilities.

RECYCLING CENTER: A receptacle or facility used for the collection and storage of recyclable materials designed and labeled for citizens to take voluntarily source separated materials for recycling.

STORAGE OF SEWAGE SLUDGE: Any facility or lot used for (i) the disposal of solid waste materials by abandonment, discarding, dumping, burial, incineration or any other means or (ii) the transfer of solid waste materials from collection vehicles to hauling vehicles, including but not limited to trucks, trains, and tandem trailers, for transport to a central solid waste management facility for disposal or resource recovery. This definition does not include typical solid waste bins used in the operation of commercial, retail, restaurants, shopping centers, motel/hotels, or similar uses and does not include recycling bins.

The definition of the term "Variance" is hereby amended to read as follows:

VARIANCE: A reasonable deviation from those provisions regulating the shape, size, or area of a lot or parcel of land or the size, height, area, bulk, or location of a building or structure when the strict application of the ordinance would unreasonably restrict the utilization of the property, and such need for a variance would not be shared generally by other properties, and provided such variance is not contrary to the purpose of the ordinance. It shall not include a change in use, which change shall be accomplished by a rezoning or by a conditional zoning.

This definition deletes the words "result in unnecessary or unreasonable hardship to the property owner", and adds the words "height", and "unreasonably restrict the utilization of the property and

Amend the Zoning District Classifications as follows:

The use categories "**brewery**" and "**farm brewery, limited**" are hereby added to the conditional use list in §19.6-67 A-1, Agricultural Zoning District Classification.

The use category "**micro-brewery**" is hereby added to the permitted use list in §19.6-72 B-1, General Commercial Zoning District Classification.

The use categories "**brewery**" and "**distillery**" are hereby added to the conditional use list in §19.6-72 B-1, General Commercial Zoning District Classification.

The use category "**micro-brewery**" is hereby added to the conditional use list in §19.6-71 V-1, Village Center Zoning District Classification.

The use categories "**brewery**", "**distillery**", and "**micro-brewery**" are hereby added to the permitted use list in §19.6-73 M-1, Industrial Zoning District Classification.

The use categories "**brewery**" and "**distillery**" are hereby added to the conditional use list in §19.6-74 IP, Planned Industrial Zoning District Classification.

Additional Regulations

Additional regulations for manufactured homes are hereby added to the zoning ordinance under §19.6-87.1

Manufactured homes provide a viable and affordable housing option for a segment of the county's population. This housing option is provided in areas predominantly of agricultural and forestal uses with minimal requirements, consistent with state code. The following general standards shall apply to manufactured homes:

1. No manufactured home constructed before July 1, 1976 shall be erected, installed, occupied or sold in Appomattox County, except as follows:
    a. The manufactured home existing in the county prior to the effective date of this ordinance. Said manufactured home shall be allowed to remain at its current location; and
    b. A manufactured home, in existence prior to the effective date of this ordinance, shall be allowed to remain subject to the provisions for non-conforming uses contained elsewhere in this zoning ordinance.
2. All manufactured homes shall be mounted on and anchored to a permanent foundation, and skirted in accordance with the provisions of the Virginia Uniform Statewide Building Code.

Board of Zoning Appeals

The following amendments are made to the zoning ordinance section related to the Board of Zoning Appeals and Procedures:

§19.6-38 Powers and Duties is hereby amended to add:

E. Concerning Ex Parte Communications

1. The non-legal staff of the governing body may have ex parte communications with a member of the board prior to the hearing but may not discuss the facts or law relative to a particular case. The applicant, landowner or his agent or attorney may have ex parte communications with a member of the board prior to the hearing but may not discuss the facts or law relative to a particular case. If any ex parte discussion of facts or law in fact occurs, the party engaging in such communication shall inform the other party as soon as practicable and advise the other party of the substance of such communication. For purposes of this section, regardless of whether all parties participate, ex parte communications shall not include (i) discussions as part of a public meeting or (ii) discussions prior to a public meeting to which staff of the governing body, the applicant, landowner or his agent or attorney are all invited.

2. Any materials relating to a particular case, including a staff recommendation or report furnished to a member of the board, shall be made available without cost to such applicant, appellant or other person aggrieved under § 15.2-2314, Code of Virginia (1950), as amended, as soon as practicable thereafter, but in no event more than three business days of providing such materials to a member of the board. If the applicant, appellant or other person aggrieved under § 15.2-2314, Code of Virginia (1950), as amended, requests additional documents or materials be provided by the locality other than those materials provided to the board, such request shall be made pursuant to § 2.2-3704, Code of Virginia (1950), as amended. Any such materials furnished to a member of the board shall also be made available for public inspection pursuant to subsection F of § 2.2-3707, Code of Virginia (1950), as amended.

3. For the purposes of this section, "non-legal staff of the governing body" means any staff who is not in the office of the attorney for the locality, or for the board, or who is appointed by special law or pursuant to § 15.2-1542 Code of Virginia (1950), as amended,. Nothing in this section shall preclude the board from having ex parte communications with any attorney or staff of any attorney where such communication is protected by the attorney-client privilege or other similar privilege or protection of confidentiality.

4. This section shall not apply to cases where an application for a special exception has been filed pursuant to subdivision 6 of § 15.2-2309, Code of Virginia (1950), as amended.

§19.6-40 concerning Appeals of the Board of Zoning Appeals to the Circuit Court is hereby repealed in its entirety.

Readopt §19.6-40 Appeals of the Board of Zoning Appeals to the Circuit Court as follows:

> Any person or persons jointly or severally aggrieved by any decision of the Board of Zoning Appeals, or any aggrieved taxpayer or any officer, department, board, or bureau of the locality, may file with the Clerk of the Circuit Court of Appomattox County a petition that shall specify the grounds on which aggrieved within thirty (30) days after the final decision of the BZA, as regulated by §15.2-2314 et al, Code of Virginia (1950), as amended.

UPDATE ON DISCUSSION ON BLUE RIDGE REGIONAL JAIL

Mr. Overstreet stated that he would like to provide the Board with an update on the Blue Ridge Regional Jail. He stated that he had spoken with the attorney for Blue Ridge Regional Jail who stated that any construction that would be needed to Appomattox County's jail that would be needed to be approved as a holding facility; the State may put forth 25% - 50% of construction cost.

Mr. Overstreet stated that in order for this jail to become part of the Blue Ridge Regional Jail Authority, a corrections plan would need to be adopted by the Regional Authority. He stated that for the Regional Jail Authority to adopt, it would have to go to all localities in the Regional Jail Authority for their approval. He stated that the Sheriff would have to endorse and take to the Blue Ridge Regional Jail for approval. He stated that this could possibly affect the per diem for all those in the authority.

After lengthy discussion, Chairman Carter thanked Mr. Overstreet for the provided information.

BUDGET WORK SESSION

Mr. Moody asked that before the Board begins budget discussion he would like to request that the press/media who are present to please provide advertisement, if possible, for the upcoming Evergreen Baptist Church event that will be a benefit for all affected by the tornado.

Ms. Adams began to review the proposed FY-2017 budget.

Ms. Adams stated that in the proposed FY-2017 revenue, the personal property rates that are projected, are revenue neutral until more definite numbers are received from Ms. Henderson.

Ms. Adams reported that the school is requesting $120,000 over last year's funding amount. She stated that this would allow them to provide a 3% salary increase beginning July 1, 2016 for all school employees. She explained that Dr. Grasty has reported that they will be receiving extra funds from the State this year. She stated that the School has stated that they have planned for a 10% increase in health insurance in their FY2017 budget.

Ms. Adams reported that the total proposed school budget request is $22,771,793 with the additional requested in local revenue of $120,000 which makes the total proposed local revenue $5,741,695 which brings the RLE up to 37% from 20%.

Ms. Adams stated that there is no salary increase in the proposed budget for County employees.

Ms. Adams discussed the possibility of providing a 3% salary increase effective July 1, 2016 for all County employees instead of what the State is proposing, which is a 2% increase effective December 2016.

Ms. Carter stated that she feels that if staff can balance the budget with a 3% increase effective July 1, 2016, she would like to see County employees receive the same increase as proposed by the School.

There was discussion of the possibility of having a salary study conducted for all school and county employees.

After discussion, it was the consensus of the Board to have staff work towards providing the best possible insurance with lowest cost.

Mr. Moody stated that he would like to attend with Ms. Adams the next scheduled health insurance meeting with Local Choice and Piedmont.

After lengthy discussion on the proposed FY-2017 budget, Mr. Moody stated that he would like to see a resolution or award/plaque for Mr. Gene Stewart, VDEM, for his assistance during the tornado. He stated that Mr. Stewart was in the EOC for 40 hours before he went to the hotel for sleep on Friday. He stated that he would like for him to be invited to the April 18, 2016 scheduled meeting and recognized for his service to our community. He stated that he would like to see Mr. Stewart's director invited to also attend this meeting if possible.

Chairman Carter stated that Appomattox County has had several students receive awards for accomplishments and staff may want to get information from Dr. Grasty and recognize them at the upcoming meeting also.

Ms. Adams stated that while discussing the different organizations and individuals that have assisted the County during this difficult time. The Board may want to adopt a resolution in their honor and we send to each of them with a personal note thanking them for their service.

ADJOURNMENT

Hearing no further discussion, Ms. Carter made a motion to adjourn the work session at 8:50 p.m. Mr. Hogan seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

The work session adjourned at 8:50 p.m.

_____

Samuel E. Carter, Chairman

BOARD OF SUPERVISORS
Work Session
April 11, 2016

The Appomattox County Board of Supervisors held their Work Session on Monday, April 11, 2016 at 6:00 PM in the County Administration Conference Room located at 153A Morton Lane, Appomattox, Virginia.

CALL TO ORDER

Chairman Carter called the work session to order at 6:15 p.m. and delivered the invocation.

Appomattox County Board of Supervisors
Present:

Samuel E. Carter	Courthouse District, Chairman
Sara E. Carter	Piney Mountain District, Vice-Chairman
William H. Hogan	Appomattox River District
Chad E. Millner	Falling River District
Bryan A. Moody	Stonewall District

Also Present:
Susan M. Adams, County Administrator
J. G. Overstreet, County Attorney
Vicky Phelps, Finance

Also Present:
Dan Siegel, Sands Anderson
Jimmy Sanderson, Davenport Inc.
Sara Henderson, Commissioner of Revenue

INFORMATIONAL ITEM

Debt Refinancing Discussion

Chairman Carter welcomed Mr. Siegel and Mr. Sanderson to the work session.

Mr. Sanderson began the meeting by stating that they continue to work with the County Debt Refinancing.

Mr. Sanderson provided the Board with discussion materials.

Mr. Sanderson stated that on behalf of the County, Davenport circulated a RFP for a tax-exempt loan up to $7.8 Million to refund a portion of the County's outstanding Series 2010 Bonds. He stated that Davenport sought proposals from local, regional and national lending institutions via a competitive process.

Mr. Sanderson reported that on March 21, 2016, Davenport distributed a RFP for proposals to potential lending institutions. On March 30, 2016, Davenport received proposals from two lending institutions. He stated that the BB&T proposal provides the lowest cost financing to the

DRAFT

County with flexible terms with a 2.30% interest rate. He stated that under the BB&T Proposal, the bonds are pre-payable in whole on any schedule payment date with a 1.00% prepayment premium. He explained that BB&T is willing to take a parity position on the existing security for the 2010 Bonds and no additional collateral is needed. Mr. Sanderson stated that with the BB& T Proposal the annual savings would be approximately $425,776. Mr. Sanderson explained the Comparison of Restructuring Results if the Board were to make a contribution of $350,000.

After discussion, Mr. Sanderson called for questions or comments.

Mr. Sanderson stated that the Board needed to make a decision to move forward with a Direct Bank Loan or VRA. He explained that if Direct Bank Loan is selected, Davenport would need to document transaction and lock-in reinvestment rates for the escrow fund. He stated that the Board and the EDA would need to approve Financing Documentation and they would close on the transaction no later than May 13, 2016.

Mr. Sanderson stated that if the Board were to select to move forward with a VRA loan, he would need to notify VRA of collateral to be used and there would be a bond sale to lock in borrowing interest rate and lock in reinvestment rates for the escrow fund by May 11, 2016.

Ms. Carter made a motion for the Board to approve selecting the Direct Bank Loan with BB& T with a contribution of $150,000. Mr. Moody seconded Ms. Carter's motion. Chairman Carter called for a Roll Call Vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Update on Assessment of Tangible Personal Property Code

Mr. Overstreet provided the Board with an update on the Assessment of Tangible Personal Property Code.

Mr. Ovestreet stated that at the previous meeting, he thought Ms. Henderson was speaking with the Board about changing the ratio, however, she was not.

Mr. Overstreet then explained what process the Board could use to alleviate the abatement issue according to the County Code.

Following the discussion of how to alleviate the abatement issue, there was discussion on moving the personal property taxes to be paid twice a year.

After lengthy discussion, Ms. Carter stated that she feels that the Board does not have enough time to achieve what they want before having to adopt the FY2017 budget.

Mr. Carter stated that he is agreement with Ms. Carter and then discussed four options that the Board could take at this time.

Mr. Carter asked Ms. Henderson if she had number calculations that Ms. Adams could use and have her staff to work on to see if the personal property rate could possibly go down from $3.60 to $3.20.

Ms. Henderson stated that she does not have time to sit with any staff and work any longer with numbers to get the personal property rate lower.

Personal Property Tax Values

Ms. Henderson came forward and stated that again she has spent several days working on calculations. She stated that this is not something simple to do and she is getting the consensus that the Board does not want to do away with the license fee. She stated that the license fee needs to be fixed. She stated that she feels that we do not have time to fix this before adopting the budget. She stated that she has no problem working with anyone on figures, but she wants to make sure that this is done correctly before making any changes.

After discussion and comments from each member of the Board, Ms. Henderson stated that the citizens do not understand the process and they will need to be educated.

The Board thanked Ms. Henderson for the provided information and her time and effort that have been put forth on this issue.

BUDGET WORK SESSION

Ms. Adams provided the Board with an update on the FEMA decision. She reported that FEMA has denied funds to Appomattox County on the tornado damage. She stated that in the letter that was sent to President O'Bama she found that the actual request was for individual services. Ms. Adams stated that she has asked that before the letter of appeal is sent, that the letter be sent to the Board for review. Ms. Adams stated that there will be some State funds forthcoming that will have to be applied for. Ms. Adams reported that a report had been submitted to VDEM on Friday, with current amounts that have been spent up to date.

There was discussion of possible fund raisers to help citizens to overcome the damage.

Ms. Adams stated that she had spoken with Ms. Rockefeller who is serving on a Regional Landfill Committee, about the possibility of expanding the landfill space and the possibility of using the two permitted cells after year 2021. Ms. Rockefeller stated that there is approximately 200 acres that can be permitted. Ms. Adams questioned if the Board wished Ms. Rockefeller to pursue conversation with this committee on the possibility of opening the 200 acres for a landfill in Appomattox County after year 2021. After discussion, it was the consensus of the Board to not have Ms. Rockefeller pursue this issue at this time.

There was discussion on the FY-2017 budget requests that have been received.

Ms. Adams reminded the Board of the following dates of upcoming meetings:
Wednesday, April 27, 2016 - Public Hearing on FY-2017 Budget
Wednesday, May 4, 2016 - Special Called Meeting to adopt the FY-2017 budget

Chairman Carter stated that pursuant to Code Section 3.2-3711 (A) Personnel, the Board would need to enter into closed session. Ms. Carter made a motion to enter into closed session at 8:00

p.m. Mr. Millner seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Ms. Carter made a motion to return to regular session at 8:40 p.m Mr. Moody seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Chairman Carter read the following Closed Session Certification:

WHEREAS, the Appomattox County Board of Supervisors has convened a closed session this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712(D) of the Code of Virginia, as amended requires a certification by the Appomattox County Board of Supervisors that such closed session was conducted in conformity with Virginia Law:

NOW, THEREFORE, BE IT RESOLVED, that the Appomattox County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from opening meeting requirements by Virginia Law were discussed in the closed session to which this certification motion applies, and (ii) only such matters were heard, discussed or considered by the Appomattox County Board of Supervisors. Chairman Carter called for a Roll Call Vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Ms. Carter made a motion for the County Administrator to meet and talk with Employee A and Employee B to address concerns. Mr. Moody seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Ms. Carter made a motion to adjourn the work session at 8:42 p.m. Mr. Moody seconded Ms. Carter's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

The work session adjourned at 8:42 p.m.

_____

Samuel E. Carter, Chairman