

MEMORANDUM

To: Members, Board of Supervisors

From: Frank J. Rogers, County Administrator

Subject: Aid-to-Construction/Yellow Branch Sewer—Exemption Request

Date: December 27, 2022

BACKGROUND:

In Fiscal Year 2006, the County partnered with Campbell County Utilities and Service Authority (CCUSA) and the School Division to extend sewer service down the Route 29 corridor from Spring Hill to Yellow Branch. The School Division provided \$600,000 from the Yellow Branch construction budget and the County contributed an additional \$1,250,000 to fully fund the sewer extension. This County contribution was to be recovered in aid-to-construction payments over the next 10 to 15 years.

Aid-to-Construction fees are designed to recoup local tax investment made to expand utilities. These aid-to-construction fees are levied on specific geographical areas in the County, over and above the standard connection fees required by CCUSA to recapture the initial capital investment. The concept behind the aid-to-construction model is that the County funds the infrastructure cost up front, but subsequent development repays the County over time. The amount of time to recoup the initial investment is dependent on development in the area. Aid-to-construction fees are calculated based upon the greater of the number of acres of a subject parcel to be served or the number of equivalent residential units (ERUs) anticipated on the parcel to be serviced. For commercial development (to include a church), the aid to construction fee is the greater of either \$2,500/acre or \$2,500 per ERU.

To date, the County has received \$79,468.90 in aid-to-construction payments to reimburse the initial \$1,250,000 expense. In addition, CCUSA recently received \$42,000.00 in aid-to-construction payments from the developers of The Allure. These aid-to-construction fees will be transferred to Campbell County at the end of fiscal year 2023.

DISCUSSION:

Development of a multi-family residential development on English Tavern Road known as “The Allure” will require sewer service. Initial plans for installation of a gravity sewer under Route 29 by bore and jack from the western side of US 29 failed due to the presence of a rock seam under the northbound lanes of US 29. Because the bore and jack from the western side of US 29 failed, the developers of “The Allure” approached Hyland Heights Baptist Church to request an easement over church property so that the second attempt at getting sewer under US 29 could be made by horizontal directional drilling from the eastern side of US 29. To do this, the drilling subcontractor needs a long strip of land to string out the welded steel casing, thus the developers approached Hyland Heights Baptist Church for a temporary construction easement. By granting the easement,

the church would enable the drilling subcontractor a second attempt at the US 29 sewer crossing. The drilling subcontractor has stated that they should be able to get the sewer trough the rock seam with the horizontal directional drilling method.

In exchange for granting the easement, the development interest will extend a service line to the Hyland Heights Youth Center. This facility is presently served by septic tank and drainfield. That septic system is under recurring, high use and thus must be frequently pumped at a cost to the church. In addition, there is observable settling of the parking lot of the facility. This suggests the drainfields may be impaired. A connection to sewer will better meet the needs of the facility.

The developer has agreed to install the sewer lateral and pay the necessary connection fee to CCUSA for the church. The church has also indicated a willingness to pay to run a connection from the sewer line installed by the developer to their facility's infrastructure. However, the aid-to-construction fees would still be required. Those fees, based upon the acreage of the parcel are \$14,600.

The church could subdivide the parcel to minimize the acreage of the Youth Center and thus reduce the cost of the aid-to-construction fee. Doing so would incur costs to subdivide the property. It may also impede future use of the property as a whole. The church has instead requested that the County consider a one-time exemption from the aid-to-construction fee. Such an exemption would enable the church to connect to desirable infrastructure at the most advantageous time and price.

As the Board considers the requested waiver, representatives of Hyland Heights Baptist Church note their prominent role in service to the community and their routine collaboration with the County. Attached is a summary of their work on behalf of the community for the Board's consideration.

RECOMMENDATION:

Staff recommends the Board consider the requested exemption and direct staff accordingly.

Attachment