TOWN COUNCIL
Town Hall Meeting
Cape Charles Civic Center – 500 Tazewell Avenue
May 12, 2026
6:00 p.m.

CALL TO ORDER
Mayor Adam Charney called the Town Hall Meeting to order at 6:00 p.m.

ROLL CALL
Council members in attendance: Mayor Charney, Vice Mayor Buchholz, Councilmen Butta, Grossman and Newman, and Councilwomen Ashworth and Holloway. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglian, Capital Projects Manager Bob Panek, Treasurer Marion Sofield, Assistant to the Town Manager Pam Endlein, Business License Specialist Katie Lewis, Finance Assistant Jessica Upshur, Town Clerk Libby Hume.

There were 16 members of the public in attendance.

ITEMS FOR DISCUSSION
Mayor Charney explained that the purpose of the Town Hall Meeting was to receive public feedback regarding the proposed workforce housing development by Coastal Vista Properties. Prior to the presentation, Mayor Charney outlined the rules and procedures for the meeting, including requirements that speakers reside, work, or own a business within the corporate limits of Cape Charles in order to participate. He also emphasized the importance of maintaining a respectful and orderly meeting environment.

Town Manager Rick Keuroglian thanked the public for attending and stated that the evening's presentation would provide background information regarding the proposed workforce housing project, explain how the Town arrived at the current stage of negotiations, and outline the development agreement process and anticipated next steps.

Coastal Vista Properties Presentation & Discussion re Proposed Workforce Housing Development
Capital Projects Manager Bob Panek outlined the proposed development site, an approximately 16.6-acre parcel on the eastern edge of Town between Old Cape Charles Road, Bender's Lane, and Cassatt Parkway. He explained that the parcel was once part of a larger tract rezoned from Residential Estate to R-3 Multi-Family and was conveyed to the Town at no cost as part of the rezoning proffer. Bob. Panek also reviewed the Town's investments to prepare the site for future workforce housing. He stated that the Town installed two new wells and designed related water infrastructure improvements to expand treatment capacity, an investment of about $600,000. He added that the Town also funded engineering and design work for a planned sewer force main extension along Old Cape Charles Road, estimated at $60,000 to $70,000. Bob Panek noted that the Town's Comprehensive Plan and Community Strategic Plan identified affordable and workforce housing as priorities for several years, and that Eastern Shore housing studies found a shortage of more than 1,000 affordable units. He also said the Town issued a Request for Proposals for workforce housing development in August 2025, received four proposals, and, after committee review, selected the Coastal Vista Properties proposal for further negotiation of a development agreement.

During questions from the public, Beverly Steffey inquired whether the proposed project was related to the nearby townhouse development and whether existing utility issues were connected to the proposed workforce housing site. Bob Panek clarified that the projects were unrelated and explained

that the nearby development utilized well water and had no connection to the proposed Town-owned property.

Sam Jones asked questions regarding the Town's financial investment in the project, including the cost of utility improvements and responsibility for future sewer infrastructure. Bob Panek clarified that while the Town had budgeted approximately $550,000 for the water main extension and spent approximately $160,000 to date, the estimated $1.5 million sewer force main extension would be the responsibility of the developer.

Ed Wells asked whether the property had been appraised. Bob Panek stated that no formal appraisal had been conducted, although the property carried a county assessed value.

Rick Keuroglian provided additional detail regarding the proposed development agreement process. He stated that the project would require extensive negotiations, multiple public hearings, and detailed legal agreements before any development could move forward. He said the development agreement would establish clear definitions and enforceable requirements related to affordability standards, construction timelines, infrastructure obligations, deed and resale restrictions, financing requirements, and long-term compliance monitoring. He further noted that the agreement could address matters such as long-term affordability restrictions, prohibitions on short-term rentals, development schedules, construction deadlines, public improvement obligations, financial security measures, annual compliance reporting, remedies for non-compliance, and local workforce preferences for teachers, police officers, and other local employees. He added that workforce housing would generally serve households earning between 60% and 120% of Area Median Income (AMI), which he said currently ranged from approximately $34,800 to $69,600 annually. He also noted that affordability is typically defined as housing costs not exceeding approximately 30% of household income. Rick Keuroglian also discussed the challenges of housing affordability in Cape Charles and shared his own experience relocating to the area, explaining that he had struggled to find affordable rental housing upon accepting the Town Manager position.

Sam Jones commented in support of the proposed short-term rental restrictions and suggested that any sublease provisions should also prohibit short-term rental activity. He additionally encouraged the Town to seek financial participation from Northampton County, noting that workforce housing would benefit employers and residents throughout the County, not solely within the Town.

Bob Panek clarified that the Town did not intend to convey the entire property to the developer immediately and explained that land transfers would occur incrementally in phases tied to specific performance requirements and development milestones.

Chris Carbaugh of Coastal Vista Properties presented the developer's proposal, explaining that he and his partners had experience developing residential, commercial, and mixed-use projects throughout the Mid-Atlantic region and had become interested in the project after recognizing the significant lack of affordable and workforce housing opportunities on the Eastern Shore. Mr. Carbaugh stated that the proposed development would include approximately 170 "one-over-one" townhouse-style units consisting of separate first-floor and second-floor residential units. He explained that this design approach allowed the overall construction costs of a traditional townhouse to be divided between two separate units, thereby reducing overall housing costs. He stated that at least 50% of the units would qualify as workforce housing, while the remaining units would be market-rate housing which would help subsidize the affordability of the workforce units and support community amenities such as a clubhouse, swimming pool, playground, and common open space. Mr. Carbaugh presented conceptual renderings and floor plans for the proposed units, explaining that units would range from one-bedroom to three-bedroom layouts and approximately 1,000 to 1,300 square feet in size. He then reviewed the conceptual site plan, which proposed approximately 40% open space, community amenities near the entrance, two parking spaces per unit, and a rear boat

and recreational vehicle storage area. He stated that the development would likely be completed in three phases over a three-to-four-year period, with approximately 50 units constructed annually.

During the public discussion period, Sam Jones asked how workforce housing units would differ from market-rate units. Mr. Carbaugh explained that the differences would likely be related primarily to finishes, while the overall unit design and layout would remain similar. He further stated that the project would likely maintain an approximately equal balance between workforce and market-rate units throughout development phases.

Ed Wells asked questions regarding the proposed 20-year affordability restriction period and suggested that a 30-year restriction might better align with typical mortgage terms. Town officials responded that the duration of deed restrictions and affordability requirements would be determined through future negotiations and could potentially be extended.

Ed Wells also raised concerns regarding the potential for future conversion of the units into short-term rentals after the affordability restriction period expired. Mayor Charney and Rick Keuroglian explained that separate deed restrictions and zoning regulations prohibiting short-term rentals could be included within the development agreement and zoning approvals.

Beverly Steffey asked about anticipated homeowners association (HOA) fees and whether potential residents had been surveyed about interest in this type of housing. Mr. Carbaugh responded that HOA fees would depend on the final amenities and maintenance needs, and noted that the market-rate portion of the project was important to support shared amenities and help reduce overall costs. Mr. Carbaugh further stated that he had received consistent feedback from employers, healthcare workers, teachers, retail employees, and others throughout the Eastern Shore regarding the severe lack of housing opportunities and strong demand for more affordable options. He explained that current construction and development costs made affordability extremely challenging and that the proposed design represented one of the most affordable forms of new construction currently achievable.

Councilman Butta discussed the difficulties Northampton County Public Schools faced in recruiting and retaining teachers due to the lack of affordable housing on the Eastern Shore. He stated that many teachers currently commuted from across the bay or resided in temporary accommodations due to limited housing options.

Councilman Grossman added that existing workforce housing options, including small efficiency-style units at Kiptopeke, were consistently occupied and demonstrated a clear housing demand within the region.

Patsy Harris questioned whether formal market research had been conducted among potential workforce residents to determine whether the proposed units met their actual housing preferences and needs. Mr. Carbaugh referenced the regional housing studies previously conducted by the Accomack-Northampton Planning District Commission and reiterated that additional market analysis would occur as the project advanced.

Mayor Charney stated that, based on his experience in the local real estate market, there was substantial demand for housing within the proposed price range and unit sizes. He noted that many prospective buyers and workers currently could not afford existing housing inventory in Cape Charles.

Rick. Keuroglian again described his personal difficulties locating affordable housing after relocating to Cape Charles and reiterated that substantial additional research and planning would occur before any final agreements were approved. He emphasized that the Town Council wanted the process to remain transparent and publicly vetted throughout all stages of review.

Brian Murray expressed support for the project and asked whether a lottery system might eventually be needed if demand exceeded the number of available workforce housing units. Town officials responded that such details would be addressed later in the process and incorporated into future development agreement discussions.

ADJOURNMENT

Motion made by Councilwoman Ashworth, seconded by Vice Mayor Buchholz, to adjourn the Town Hall Meeting. The motion was approved by unanimous vote.

The meeting adjourned at 6:57 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

Bayside Village

Cape Charles, Virginia

Atlantic Group & Associates, Inc.

Project Team:

Project Team: Chris Carbaugh & Jay Bergey

Team Background:

Chris Carbaugh: In 2000 founded the Atlantic Group & Associates, Inc. which provides land planning, landscape architecture, surveying and civil engineering services to clients throughout the Mid Atlantic region. This land development experience and skill set also created an opportunity to partner with others to develop various residential, commercial and mixed-use projects in Maryland, Delaware, and more recently the Eastern Shore of Virginia.

Jay Bergey: In 2000 founded Bergey & Company, P.A. providing professional accounting, consulting and trustee services. During this time has also been responsible for the development of numerous residential multi-family projects on the Eastern Shore of Maryland. Mr. Bergey has served as the Treasurer and Chairman of the Finance Committee for Atlantic General Hospital and is currently on the Board of Directors of Calvin B. Taylor Bank.

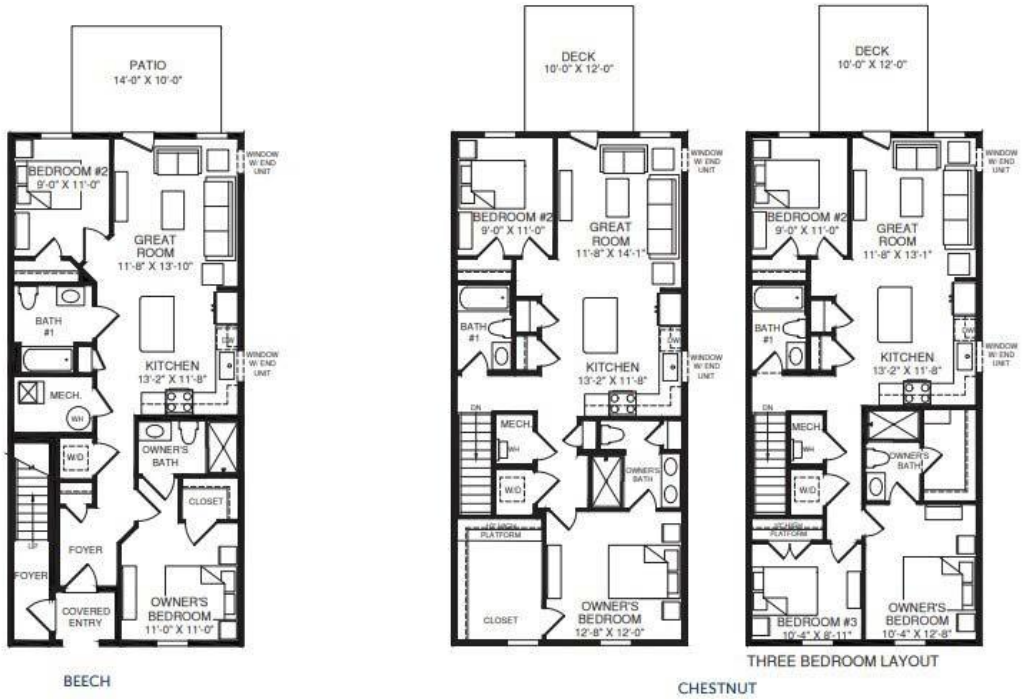
Project Understanding:

- Town of Cape Charles has identified a need for workforce housing.
- Cape Charles identified a town owned parcel suitable to accommodate workforce housing. The property is Tax Parcel 90-19-B fronting Cassatt Parkway and Old Cape Charles Road consisting of 16.6 Acres and is zoned R-3. Multi-family.
- This project is intended to provide a housing alternative where families, those in careers that support our community, can live and work while enjoying a high quality of life found in the Cape Charles area. When people have access to affordable housing, they can live near their workplaces. They can, and do, support other local businesses. They develop a vested interest in their town. They become integrated into the social networks that bind communities and make them great places to visit live and work.
- Development plans to provide rental and homeownership opportunities. Percent of rental and homeownership to be determined based upon market demand.
- Workforce units shall be restricted for a term of 20 years.
- Short term rentals will be prohibited.
- Sewer must be extended to site. Developer will be responsible for the forcemain extension.

Project Overview:

- Based upon this understanding, we have evaluated numerous concepts and ultimately found the most suitable approach to be what is known as an "One Over One" product.
- This is basically a townhouse where there is a first and second floor unit.
- This approach allows us to significantly lower the unit cost, making at least 50 percent of the proposed units fall within the workforce housing parameters…whether a rental or for purchase unit.
- Proposal is to construct 170 One Over One Units. A minimum of 50 percent shall qualify as workforce housing. The remainder of units shall be market rate units.
- Property to utilize a professional property management company to qualify residents, as well as manage and maintain the property.

- Concept Elevation

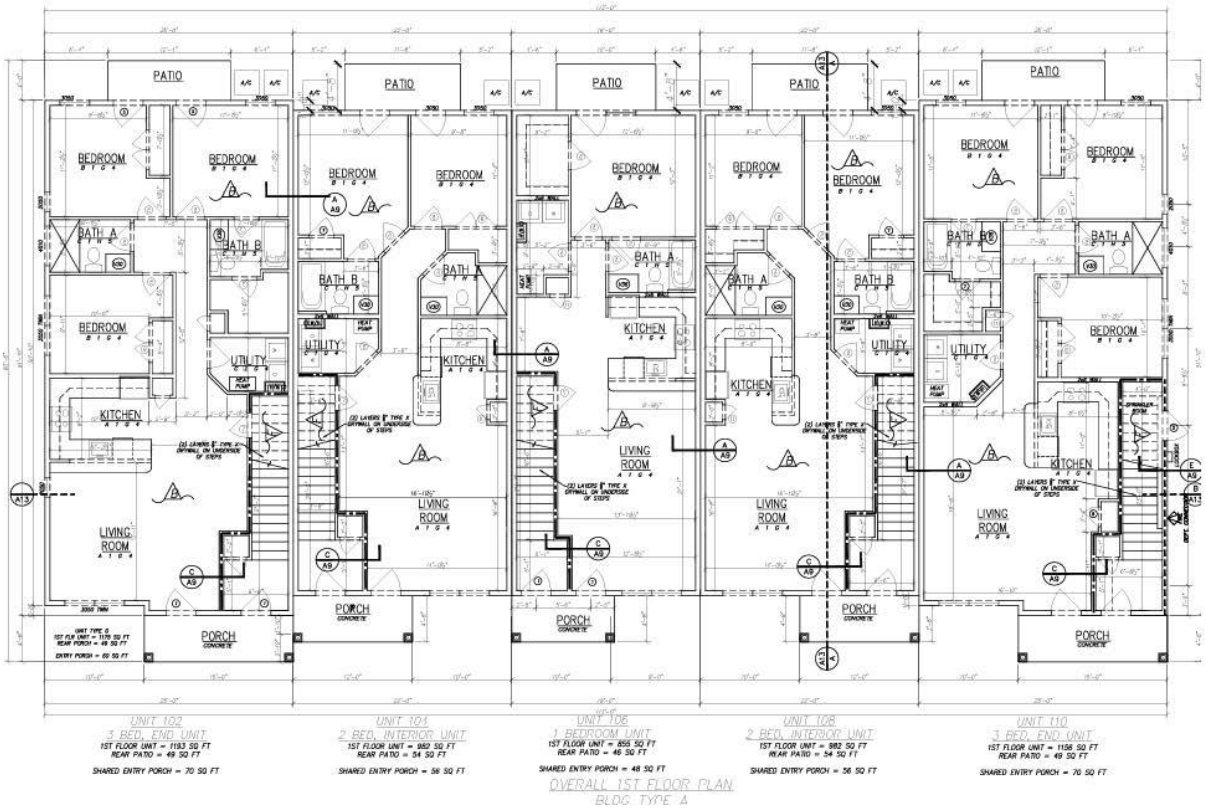


BEECH

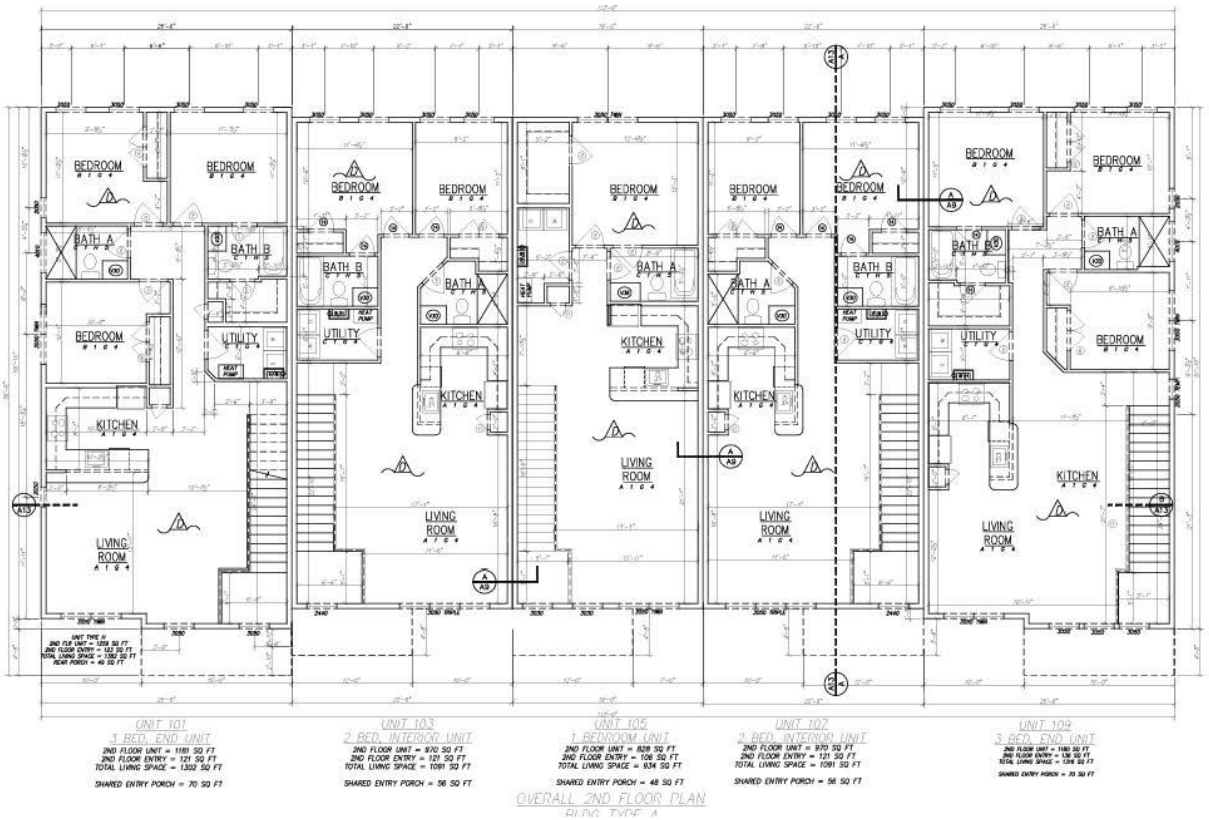
CHESTNUT

THREE BEDROOM LAYOUT

Unit Conceptual Floor Plans:



Unit Conceptual Floor Plans:

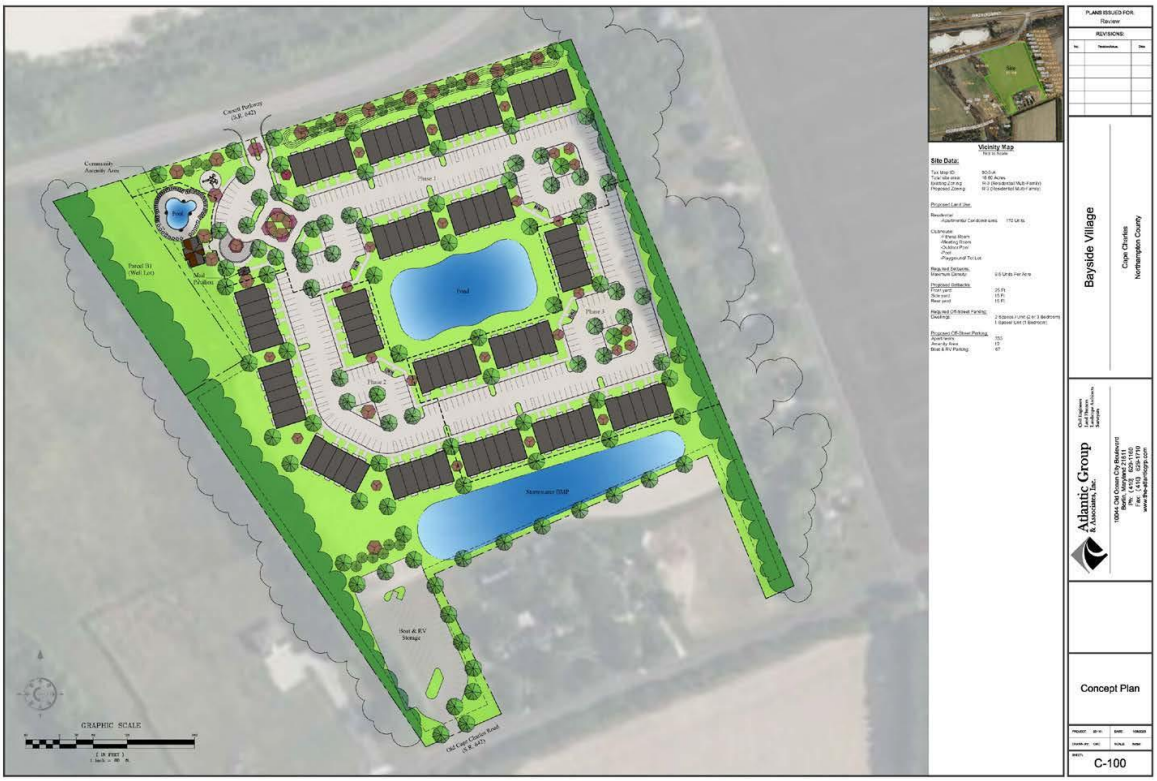


Unit Conceptual Floor Plans:

- Interior Living Room

- Interior Kitchen Area

- Interior Living Room & Kitchen Area



- Concept Plan Overview:

- Town Approvals Required
- 170 Units (Max. 10 Units/ Ac.)
- Community Amenities
- Min. 40% Open Space
- 2 Parking Spaces/ Unit
- Incorporate Boat & RV Storage
- Phased Project