

TOWN COUNCIL
Public Hearing & Regular Meeting
Cape Charles Civic Center
April 18, 2024
6:00 PM

At approximately 6:00 p.m. Mayor Adam Charney, having established a quorum, called to order the Public Hearing & Regular Meeting of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta and Grossman, and Councilwoman Holloway. Councilman Follmer was not in attendance. Also, in attendance were Town Manager John Hozey, Project Manager Bob Panek, Planner/Zoning Administrator Katie Nunez, Assistant Treasurer Adrian Oei, Police Chief Jim Pruitt, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There were 9 members of the public physically in attendance, and 18 viewers on Facebook.

A moment of silence was observed followed by the recitation of the Pledge of Allegiance.

PUBLIC HEARING:

A. Proposed Sale of Property – Parcels #83A3-1-743B & 642B – Library Properties:

There were no comments to be heard. Town Clerk Libby Hume read emails from Susan Burger, Richard Burger, and Michael and Terry Strub which were submitted via email prior to the public hearing. (Please see attached.)

B. Proposed Sale of Property – Parcels #83A3-1-743B & 642B – Library Properties:

There were no comments to be heard nor any comments received in writing prior to the public hearing.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to close the public hearing portion of the meeting. The motion was approved by unanimous vote.

The public hearing was closed at 6:05 p.m.

RECOGNITION OF VISITORS / PRESENTATIONS/RECOGNITIONS:

A. Rotary Club of Cape Charles 100th Anniversary Proclamation:

Mayor Charney read Proclamation 202400418A honoring the 100th Anniversary of the Rotary Club of Cape Charles and designating May 15, 2024 as the Rotary Club of Cape Charles' 100th Anniversary Day.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adopt Proclamation 20240418A designating May 15, 2024 as the Rotary Club of Cape Charles' 100th Anniversary Day. The motion was approved by unanimous vote.

Mayor Charney presented the proclamation to Katie Nunez representing the Rotary Club of Cape Charles.

B. Building Safety Month Proclamation:

Mayor Charney read Proclamation 20240418B designating the month of May 2024 as Building Safety Month.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adopt Proclamation 20240418B designating May 2024 as Building Safety Month. The motion was approved by unanimous vote.

Mayor Charney gave the proclamation to Town Manager John Hozey to present to the Building Department.

C. National Police Week Proclamation:

Mayor Charney read Proclamation 20240418C recognizing National Peace Officers' Memorial Day and National Police Week 2024.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to adopt Proclamation 20240418C designating May 15, 2024 as Peace Officers' Memorial Day, and May 12-18, 2024 as Police Week. The motion was approved by unanimous vote.

Mayor Charney presented the proclamation to Police Chief Jim Pruitt.

PUBLIC COMMENTS: (3 MINUTES PER SPEAKER)

Phil Goetkin, resident

Mr. Goetkin began by stating that you knew you were in a small town when one of the big events was the Blessing of the Worms. This year was the 14th year for the New Roots Youth Garden, and the Blessing of the Worms kicked off the season. The Blessing would be held on April 28th from 3:00 p.m. until 4:30 p.m. He invited everyone to attend for free food and there would be plenty of worms for all; 2) On April 27th, the Tree Advisory Board, along with the Eastern Shore Soil & Water Conservation District, would be celebrating Arbor Day in the Strawberry Street Plaza, from 9:00 a.m. until noon. Trees, shrubs and native plants would be given away.

Walter Bronson, resident

Mr. Bronson spoke regarding the notice for the Short-Term Rental (STR) Town Hall meeting on April 29th and encouraged all to attend. Part of the notice stated that there was public confusion on the matter, but the confusion was not on the public, but on the Council. STRs had been on the list for two years and it had been a problem before that. There had been letters, meetings, etc. and this Council had done nothing to address the quality of life for residents. He encouraged everyone to listen to what the people had to say regarding how they were impacted by STRs. The past lack of action lead to a negative impact to the quality of life of the residents of this community. Action was required now – no more studies. The time for studies was years ago. Even if Council acted hastily, things could be adjusted later if needed.

Town Clerk Libby Hume read emails from Carol and Jim Carnegie, Cheryl Carver, Christina Goodpaster, Alexis DiMaio, Raffaele Allen, Jennifer Corcoran, Julie Jones, and Carol Sabo which were submitted in writing. (Please see attached.)

There were no additional comments to be heard nor any additional comments received in writing prior to the meeting.

CONSENT AGENDA

- A. Approval of Agenda Format
- B. Approval of Minutes:
 - i. March 21, 2024 Town Council Public Hearing & Regular Meeting
 - ii. March 21, 2024 Town Council Work Session
- C. Approval of February 2024 Financial Report

Motion made by Councilman Grossman, seconded by Councilman Butta, to pull out the February 29, 2024 Financial Report and approve the remaining items of the Consent Agenda as presented. The motion was approved by unanimous vote.

Councilman Grossman noted that the budget amendment was adopted on February 1, 2024 and those numbers were not reflected on the tables nor in the Capital Project Report. For the Harbor Fund, the report showed \$499K budgeted for Capital Projects with one of the projects over at 287%. Council approved an increase to \$656K. He asked that the budget numbers be updated to show these changes.

Motion made by Councilman Grossman, seconded by Councilman Butta, to approve the February 29, 2024 Financial Report with the understanding that the budget numbers would be updated as adopted on February 1st. The motion was approved by unanimous vote.

Town Manager John Hozey stated that he would have it updated.

UNFINISHED BUSINESS:

There was no unfinished business for review.

NEW BUSINESS:

A. *Virginia America 250 Resolution:*

John Hozey stated that in 2020, the General Assembly established the Virginia American Resolution 250 Commission (VA250) to commemorate the 250th anniversary of the American Revolution, the Revolutionary War, and the independence of the United States in the Commonwealth of Virginia where much of this history took place. VA250 was working with Virginia's localities asking them to form committees to plan local and regionally focused events for the semiquicentennial, offering many resources for its local partners including grant funding opportunities. Cape Charles Main Street agreed to head up a local VA250 committee and Executive Director Karen Zamorski was working on this initiative and a number of activities had been discussed. Adoption of a resolution supporting the VA250 would enable the Town to apply for the grant opportunities.

John Hozey thanked Cape Charles Main Street for taking this project on.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adopt Resolution 20240418A Relating to the Support of the Virginia America 250 Commission Recitals. The motion was approved by unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes.

B. *Proposed Sale of Library Properties:*

John Hozey stated that the Town issued a Request for Proposals (RFP) for the sale and redevelopment of tax parcels #83A3-1-643A, 643B and 642B, collectively the library properties, which would include the build out of the third floor and front mezzanine and retention of the first floor and rear mezzanine as the Cape Charles Memorial Library. Four proposals were received which were reviewed by the Town Council. At the September 21, 2023 Regular Meeting, the Town Council approved proceeding with the proposal from Gammino Realty and Development, LLC, (GRD) dba City & Guilds. Town staff and GRD worked to refine the proposal to encompass establishment of a condominium consisting of one residential and one library unit, rehabilitation of the building exterior, build-out of the third floor and front mezzanine for residential use, renovation of the library space, related site work and purchase of the library unit by the Town. The redevelopment entity would be Cape Charles Ventures IV. The RFP went out for the sale of the library building and the two undeveloped lots behind it facing Randolph Avenue. Since then, the developer opted not to purchase the two lots for development since they had been rezoned as R-1 (single family residential). The Town could still sell the lots individually. The Town would partner with the developer to do the work on the library renovations at the same time which would reduce the estimated renovations budget by \$80K, from \$310K to \$230K. The developer was in attendance to answer questions.

Mr. David Gammino, representing Cape Charles Ventures IV, addressed the Council to clarify some inaccuracies that were sent out in an anonymous email yesterday. He had worked diligently with Town staff for many months since this was a very complicated deal which required a lot of flexibility and expertise. He read the email and came prepared this evening to present to the Town Council the options that would flow from this transaction. He had performed a tremendous amount of adaptive reuse work in the past. He addressed the condition of the building. The third floor could not be left untouched. It was in a state of decay and degrading the entire building. Even if the Town spent \$600-800K to add HVAC and electrical upgrades to the first floor, the third floor still needed to be stabilized. If the Town kept the building and renovated it, it would have to be brought up to the standards of the 2021 International Building Code which required sprinklers, and elevator, replacement of all windows, insulation, new HVAC and new electrical service and would cost the Town about \$3M in renovation costs. If the Town kept the building, renovated it, and rented out the third floor as seven offices, new bathrooms would be necessary as well as an ADA accessible bathroom downstairs. It would take decades for the Town to get a return on its investment. Did the Town want to be a landlord for micro-offices? The reason this project was converting the building into a condominium was so portions of the first floor could be grandfathered meaning that sprinklers and an elevator did not have to be installed. He had a house in Cape Charles for about 15 years. It was never rented and never a short-term rental (STR). He owned a hotel so he did not need an STR. It would be very difficult for any renovations/development not to impact the envelope of the library so an experienced developer was necessary. He was extremely interested in quality, in doing a first-class, first-rate project. He was committed to the community and had always given back to the community in any form possible. He and his wife want the third floor of the building to use as their residence as they wanted to come back to Cape Charles. The Condo documents had not been developed yet due to time constraints but would be developed in partnership with the Town. The Town would be relieved of any future maintenance on the property. He did not see any downside for the Town. He would stabilize the building, creating an asset to the Town and the property would be back on the tax rolls. He hoped the Town Council would allow him to move forward with this project. He spent a lot of time and money examining the building. This would be the smallest building he had done but he was excited about it and thought it would be beautiful when completed. He would be happy to sign any requirement prohibiting STRs.

Bob Panek provided an update regarding the easements at the rear of the property. The plans included in the agenda packet showed existing easements in green and the new ones in blue. The new easements would come across Pine Street, half would be on the two Randolph lots and half on the two small library lots, and would be recorded at the courthouse prior to closing.

Code of Virginia § 15.2-1800 authorized localities to sell its real property at public or private sale and required that a public hearing be held prior to the sale. § 15.2-2100 required the sale of public places to be made by ordinance passed by a recorded affirmative vote of three-fourths of all the members elected to Council. The proposed ordinance would authorize the finalizing of the Purchase and Sales Agreement (PSA) and sale of the library properties.

The required public hearing was held earlier this evening, with three comments received.

Councilman Butta stated that after all the comments expressing concerns of STRs, he asked that a clause be included in the condo documents prohibiting the residential unit to be rented as an STR, noting that Mr. Gammino had stated his agreement to sign a document affirming the unit would not be an STR. John Hozey responded that this requirement would be added to the documentation.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to adopt Ordinance 20240418-Sale and Redevelopment of Library Properties. The motion was approved by

super-majority vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes.

C. *FY 2024 Budget Amendment – Debt Payoff:*

John Hozey stated that last Friday, he received notification that the State Corporation Commission approved the stipulation agreement for the sale of the utilities to Virginia American Water and April 24th was the target date for closing. Some things were still being ironed out.

The Town had four debt instruments dating back to 2010, with a current liability of \$4,723,482.29. Most of this debt was incurred to finance construction of the wastewater treatment plant (WWTP), however additional infrastructure in the harbor and in the general fund was also comingled among some of these instruments over the years. Currently, only one of the four instruments was solely for the WWTP. As part of our due diligence for closing the transaction of the sale of the public water and wastewater utilities to a private company, the Town hired Bond Counsel to review our existing debt documents to facilitate the transfer. The Town was advised that we were required to pay off the WWTP issue at closing. The others would need to have any portion of debt associated with the utility system paid off within 90 days of closing. Although it was possible to pay off only the utility portion of the remaining debt, it would be expensive and time consuming to separate out these liabilities. There was no prohibition or penalty for early pay off of all debt and it made sense to pay off all our of bond debt at one time, which would relieve the current debt service payments in future budgets and provide the Town with readily available debt capacity if ever needed. While the total value of the debt was currently \$4,723,482.29, this was not a payoff amount and interest could accrue before the closing and when we were able to pay off the debt. The Town would keep a small amount of debt for vehicles and equipment through the USDA Rural Development loans. To ensure that adequate funds were appropriated, this budget amendment would be to appropriate up to \$5M for this purpose.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to approve the FY 2024 budget amendment in an amount up to \$5M for the purpose of eliminating the current Town bond debt as presented. The motion was approved by unanimous vote.

D. *Cape Charles Day Resolution:*

John Hozey stated that on August 16, 2018, the Town Council approved a resolution designating the first Saturday in March of each year as Cape Charles Day in honor of the Town's founding on March 1, 1886. The Town hosted a public event on the first Saturday of March since 2019 and the event had evolved over the years and was currently combined with a community clean-up day. The Town organized a volunteer effort to help pick up trash and prune back public spaces during the morning followed by a picnic in Central Park in the afternoon to recognize the Town's birthday and the community effort to help beautify our Town. Cape Charles Day was one of two planned events for residents to meet and mingle informally with the Town Council members, the Mayor, and staff. The other event was the annual Ice Cream Social held in the fall. At issue most every year was the weather on the first Saturday of March, since early March could be quite cool and windy, making for a less than ideal environment to spend the day outdoors. Every year there was talk of moving the date further into the spring for a chance of nicer weather, however, the more this event was delayed, the less nexus it had to the Town's actual birthday, and it would delay the clean-up/pruning that was necessary before the tourist season began. This year, it rained the first Saturday of March causing us to delay the event by two weeks. Following this year's event, Councilman Grossman requested a resolution be brought back to Council so the matter of formally delaying this event could be discussed. The weather any time in March ran the risk of being cool and windy, but if the event was moved to April or May, it really cannot be considered a town birthday celebration anymore, nor would it enable us to spruce up before the season began. John Hozey asked Council to discuss the timing for future Cape Charles Day events and the adoption of Resolution 20240418B if Council opted to change the established date.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to hold future Cape Charles Day events on the third Saturday of March. The motion was approved by unanimous vote.

Motion made by Vice Mayor Bennett, seconded by Councilman Grossman, to adopt Resolution 20240418B Designating the Third Saturday of March as Cape Charles Day to be Celebrated Annually to Commemorate the Town's Incorporation on March 1, 1886. The motion was approved by unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes.

TOWN MANAGER COMMENTS

John Hozey commented as follows:

- i) When doing upgrades to the park, he gave lots of kudos to the Citizens for Central Park. The same goes to Cape Charles Main Street (CCMS) for Mason Avenue. The CCMS design committee worked on a project to bring shade to Strawberry Street Plaza. The plan was taken to the Historic District Review Board and approved. He wanted to make sure that the Town Council was aware of the plan. A 10' x 10' shade would permanently be affixed in concrete. It would be a cantilevered canopy to be put up in the spring and taken down in the fall. One pole would be installed. CCMS was still trying to secure funding for the project, so we might see it going up this fall.

Councilwoman Holloway added that CCMS had been working on this concept since before the Town became a designated Main Street community. They wanted to see how the space was being used before moving forward with shade, etc. Councilwoman Holloway added that from day one, this was a Jane McKinley project and she felt good having it move forward.

- ii) The Town Hall meeting for STRs was scheduled for April 29th beginning at 6:00 p.m. at the Civic Center. It would be an informal meeting with back-and-forth discussion. It was an opportunity to hear concerns based on what people had heard.
- iii) Budget. A lot going on with the utility sale closing. He would have the budget binders out next Monday or Tuesday for the May 2nd work session. He originally requested May 9th as a backup date if another work session was needed, but he would be out of town from May 8th through May 13th. He asked Council to look at their calendars for an alternate date. A work session could potentially be held on May 15th after the regular meeting.
- iv) Staff changes: Betsy Doherty was moving on from the library and Maureen Meditz, who was working part-time at the library and part-time in the Planning & Zoning Department would now be full-time at the library. We were advertising for the Planning & Zoning position.

MAYOR AND COUNCIL COMMENTS

Councilman Buchholz stated that it would be a big weekend with the Blessing of the Fleet, LoveRun and other activities.

Councilwoman Holloway stated that she had first noticed electric bikes on the fishing pier last year and saw more this past weekend. At least three of her guests had experiences with the electric bikes. She spoke to Chief Pruitt earlier and wanted to make sure there were signs in place prohibiting motorized equipment of the pier. John Hozey added that no motorized equipment was permitted on the sidewalks or fishing pier and would check on signage.

Vice Mayor Bennett, Councilman Butta nor Councilman Grossman had any additional comments.

Mayor Charney read the announcements. Mayor Charney added that unfortunately, due to a prior engagement, he would be unable to attend the Blessing of the Fleet, but Vice Mayor Bennett would be there.

Motion made by Councilman Buchholz, seconded by Councilman Grossman, to adjourn the Town Council Public Hearing & Regular Meeting. The motion was approved by unanimous vote.

The Public Hearing & Regular Meeting adjourned at 7:16 p.m.

Mayor Charney

Town Clerk

**April 18, 2024 Town Council Public Hearing & Regular Meeting
Comments and Information Provided in Writing**

Public Comments Submitted Prior to the Public Hearing re: Proposed Sale of Library Property

Susan Burger, resident

I am writing to urge the Town Council to not sell the library building to a developer who will use the 3rd floor for residences, particularly if those residences are used as Short Term Rentals.

It is important to me because the terms of the sale of the library building to a developer leaves open many potential uses for the space that may not be in the library's best interest. If the sale is imminent, I would encourage the Town Council to consider including in the sale the condition that the space be limited to one that is owner occupied. I would also ask the Town Council to remember the presentation done by the Library Board Chair informing the Council of the many uses of the library and the significant increase in patrons to the library over recent years. A developer converting the 3rd floor to residential space could seriously limit any thought of expanding the physical space of the library in the future and depending on the residents in the space, could significantly affect the environment that a library requires.

If the Council is indeed interested in a sense of community as is stated in the Strategic Plan, a community building that thousands of people use each year for many purposes, the Council might consider keeping ownership and using the 3rd floor for offices until such time as the library itself could expand to the 3rd floor.

There are so many rental properties in Cape Charles. Must we convert this space for community enrichment into yet, one more????

~Susan Burger
550 Madison Ave.

Richard Burger, resident

I am writing today as a concerned individual citizen, not on behalf of your Cape Charles Memorial Library Board.

I fear a loss of control over the Library building once the pending sale is approved. As the covenants, conditions and restrictions of the building are negotiated, it is essential that the Library, and the Town, maintain full control of the lobby area. Condominiums aside, this is the primary entrance to our Cape Charles Memorial Library, the first impression that visitors get, and they must see that they are entering a library, not a mixed-use facility or apartment house.

Additionally, I would propose that whether through zoning or covenant, this residence be designated as owner occupied, not short-term rental. Whether one considers short-term rentals to be an issue or a problem in our town, one does not want to see all the parking in front of the library taken up by a party of renters upstairs; one does not want to see a dozen guests in a space advertised as sleeping six; one does not want to see a bachelor party above the library.

Finally, I would suggest that, if the Library is to contractually occupy roughly 2/3 of the building, that we have 66% of the voting rights for any condominium decisions. A 50-50 split will not be to our benefit in making major decisions about the building going into the future.

Thank you for your consideration.
Richard Burger
550 Madison Avenue

Mike & Terry Strub, residents

Terry and I are strongly opposed to STR presence in our public library, a place where everyone can come and be treated as equals.

Thank you,
Mike and Terry Strub
522B Washington Avenue.

Public Comments Submitted Prior to the meeting for the Public Comment Period.

Carol and Jim Carnegie, residents

We are Jim and Carol Carnegie, permanent voting residents of Cape Charles and live at 513 Madison Avenue.

As many permanent residents can attest, Cape Charles # 1 asset is it's feel of community. With the growing amount of Short Term Rentals, the town is changing into a tourist community and not a residential community. We are hopeful and thankful that steps are being taken to improve our community at the strategic planning priority list meeting but more needs to be done.

Many of the short-term rental issues facing our town would be solved quickly if short-term rentals were limited and registered.

The owners of the STR are not interested in long-term rentals because they can make more money with a STR than a LTR. They pay their taxes and fees from the income generated from their business. If taxes and fees increase, they can increase their rental fees to make up for the difference. Long term residents aren't afforded that luxury.

To solve the issues of unregulated STRs, another staff member is needed to track the number of STRs, inspect properties, enforce the ordinances, identify any unregistered rentals (not inspected and marketed on social media). Some STR owners are finding loopholes and are taking advantage of the town to keep from being monitored. These STR owners may think they are above regulations, but they aren't. It's about time that the town did more. As long as, these STR owners think they can do as they please, they will continue. More help is needed to regulate STRs.

The lack of representation on the STR Ad Hoc committee by full-time residents was questioned by speakers and letters at the previous town meeting but it wasn't addressed completely. Someone that is a STR owner and/or business owner and a permanent resident, doesn't necessarily represent the perspective of a full-time voting homeowner. So, we want to reiterate that adding a representative who is a full time voting resident needs to be a priority before the next committee meeting in April. We know several residents who would be the voices of the full-time residents and would be willing to join this committee.

Another concern is the fact that many of our council members and local government officials have a financial interest in an STR or business that benefits from STRs. They should recuse themselves from voting on the STR issues. This is a conflict of interest.

Thank you for your time and energy in making a good town, a great town!

Yours truly,
Carol and Jim Carnegie

Cheryl Carver, resident

Back in 1999, I came to the ESVA for the first time to do a bicycle ride. My friend and I camped in Cherrystone Campground because the ride started in Cape Charles. There was a diner we ate dinner at the night before the ride. There may have been a couple storefronts but what I remember the most is how abandoned the town looked. All these beautiful old homes gone to rot. It broke my heart.

Fast forward to 2017 when we saw that the bike ride was still happening in the fall but started at Sunset Beach Resort and never came in to Cape Charles. My friend was with me again and we came in to Cape Charles to see how time had treated the town. What a surprise! Restaurants, shops, houses being restored! Central Park! It was wonderful! My husband and I were retiring at the end of the year and decided our first trip would be to Cape Charles in the spring. We took a camping trip with our daughter and grandchildren for spring break in 2018, brought our bikes, parked and rode up and down the streets looking at all the adorable homes. On the biggest impulse buy of my life, we made an offer on a house on Randolph Ave that weekend and became part time residents of Cape Charles. We never had any intention of renting. This was our home! But life gets in the way of plans and the following year, we decided to let family and friends use our house when we weren't there. Even now, we do the same. It usually is less than 7 weeks a year. I am proud of our house and do all the yard work for ours as well as 2 neighbors. We know all the business owners in town, some who have become good friends. We love our second home and the whole eastern shore peninsula. We also make friends with the people who rent our neighbor's house during the summer months.

When I look back at the Cape Charles of 1999 and the Cape Charles we have come to know and love since 2018, we can only appreciate what the tourist industry has done for the town. STR's are not the root of all

evil. They have been a root cause of a town's revitalization. We have rejoiced in the success of the restaurants and shops and look forward to new openings and new friends we meet who stay in the STR's around us.

Change is never easy and we realize not everyone feels as we do. We understand the desire to keep our small town charm and we support that whole heartedly. But If Cape Charles wishes to thrive and share its treasures, it has to accept itself for what it is-a lovely place to live AND a lovely place to visit.

Cheri and Billy Carver
215 Randolph Ave.

Christina Goodpaster, property owner/Realtor

I am writing to express my concern with all of the commotion going on with signs and residents supporting short term, rental restrictions. As many may or may not be aware of there are several cities and towns similar to Cape Charles that have tried restrictions and rental caps and it has negatively impacted the economy of these towns (folly beach and isle of palms to name 2)

Some important statistics the group should be aware of..

-Folly Beach implemented a short-term rental restriction last February and has seen a 25% drop in property values (according to MLS) in first six months since the law's passage -[REAL ESTATE WEEKLY REPORTED THAT SHORT-TERM RENTAL RESTRICTIONS HAVE CAUSED A NOTABLE DROP IN TOURISM. THIS DECLINE IN TOURISM RESULTS IN REDUCED REVENUE, AFFECTING THE RANGE OF SERVICES THAT LOCAL MUNICIPALITIES, CAN PROVIDE.](#) When local governments, (in this case Isle of Palms), face substantial reductions in tax revenue due to policies like short-term rental restrictions, they often seek to compensate by raising other taxes, such as sales and property taxes, for their residents. ** are full time residents willing to increase their tax rate to compensate for this??

In addition to property values and tax revenues, a rental cap and other restrictions DISCOURAGES investment and new business (or even current). Who would want to invest in a place that can't grow at all? Forget new businesses (because there's nothing in it for them) .. how would current businesses stay afloat with rising costs if they have no potential to grow? People already complain about prices.. can you imagine then?

Yes can parking get annoying on 4th of July? It's a great town that is filled with a ton of OWNERS. We all want to be here to enjoy. Just like any other city where there is street parking, it's not the most convenient but you deal with it to be in a city or 'town'.

The town has done a great job keeping the charm and vibe of Cape Charles. I have no doubt this will continue. We as residents need to adapt and work together, not discouraging people from visiting there very town we all love.

That does good for no one here.
Sincerely,
Christina Goodpaster
615 Jefferson Avenue

Alexis DiMaio, property owner

My husband and I discovered Cape Charles in 2019 and fell in love with the town. It's a perfect place for our family of 5 to spend quality time together and hopefully for my husband and I to retire. Unfortunately, covid caused prices to soar and we have had to rent our home to supplement the cost of building as our home was completed in 2023. While the town does get busy during summer months, I am going to address a few key points that have been raised. I am concerned limiting rentals will negatively impact the town and ultimately resources, amenities and property values.

"The rentals place strain on the water, sewer and other resources" If my family of 5 were to live in the house we built full time, there would be 3 cars always parked on the street. We'd be using far more water and sewer etc than we and our guests do from May through September. The issue is the town can't support the homes that are built.

"Rentals are destroying our beautiful town" the rentals provide the revenue for the town to thrive. Tourism is a large part of the towns revenue. Vacationers are the ones buying items from our shops and eating out regularly. This supports our local businesses and allows small businesses to be successful. The town has done a wonderful job preserving the architecture and small town feel by supporting small businesses rather than chains. Most guests I've had, look for a week at the beach with their family. I do not see the partying /

destruction you'd see in Virginia Beach, myrtle beach etc. I think the town catering to families and stores and restaurants closing early contributes.

Capping rentals or eliminating them will negatively impact our local businesses and job market for the eastern shore. Frankly, I'm concerned the negative attitudes of a few residents have caused friction in our community. The survey that was sent out with our property tax bill did not show a clear desire for cap on rentals...even amongst full time residents. This further supports there may be a "loud" cry from a few people who don't represent the majority. The "limit STR" signs are unneighborly and send a message to visitors "we don't want you here." I would not be surprised if this does not turn off visitors and less people return for vacation next year. While this is likely the goal of those posting the signs, it will impact our local businesses negatively and the town will not be able to afford the maintenance and beautification like it has prior years. The signs don't fit the quaint small-town feel or look. They are hideous in terms of their aesthetics. Perhaps signs should need approval to fit the architecture of the town?

Lastly, I think this will sort itself out. The rental market already seems saturated. Supply and demand will eventually cause a limit in STR's. the same will happen with new businesses starting up and being successful. Other similar communities such as Folly Beach have tried to limit/ban STR's and the impact has been negative. I think we need to focus on trying to maintain the small town feel without suffocating growth. We need some level of growth year after year for the town to remain a place people want to live, retire, or vacation.

Thank you for your time
Alexis DiMaio
622 Jefferson Avenue

Raffaele Allen, property owner

I hope this letter finds you well. I am writing to express my deep concern and to advocate for the continued support of short-term rentals in our beloved town. As a short-term rental owner, I have witnessed firsthand the transformative impact that these rentals have had on our community.

Before the influx of outside investments into short-term rentals, our town faced significant challenges, characterized by dereliction, and shuttered establishments. However, the introduction of short-term rentals has breathed new life into our community, fostering economic growth and creating a vibrant atmosphere that was once absent.

The success of local retail and restaurants is a testament to the positive changes that have resulted from the short-term rental program. These establishments have thrived, attracting both residents and visitors alike. The economic benefits have rippled through the community, leading to increased job opportunities, higher property values, and a sense of pride among residents.

One notable benefit of short-term rentals is the impact on home values, which, in turn, has positively affected our town tax rolls. The increased demand for housing has driven up property values, resulting in higher tax revenue for the town. This additional revenue has surely allowed for improvements in infrastructure, public services, and community initiatives, benefiting all residents.

Moreover, short-term rentals have played a crucial role in revitalizing our town's image, making it an attractive destination for tourists, full time residents, and investors alike. This positive reputation has a lasting impact on property values and encourages further investment in our community.

It is my sincere belief that embracing the fact that we are a beachfront community and recognizing short-term rentals as a major economic driver is crucial for the continued success of our town. The allure of our beautiful beachfront is a powerful draw for tourists and investors alike, and short-term rentals play a vital role in providing them with an authentic experience of our community.

Imposing a cap on the number of short-term rentals would not only risk stifling our economic growth but also hinder our ability to fully capitalize on our unique beachfront location. I encourage town leadership to embrace this economic reality and work collaboratively to foster an environment that supports the responsible growth of short-term rentals.

I understand that concerns may arise regarding potential drawbacks associated with short-term rentals. However, I am confident that, through collaboration with local stakeholders, we can address these concerns while still preserving the overall benefits that short-term rentals bring to our town.

In conclusion, I urge town leadership to carefully consider the significant positive impact that short-term rentals have had on our community. I believe that a balanced and thoughtful approach to regulation, rather than imposing a cap, will ensure the continued economic vitality of our town.

Thank you for your time and consideration. I am hopeful that together, we can find solutions that benefit both our community and its residents.

With Warm Regards,
Raffaele Allen
504 Plum Street

Jennifer Corcoran, property owner

Last evening I attended a Historic review Board meeting. My builder had filed an application for a certificate of appropriateness. I want to make clear my contractor did not participate in the writing of this letter. I am writing this as a concerned homeowner.

There had always been a question as to the need for my application since the alterations for a second story back porch facing an alley. However, someone decided that since it can be seen from Bay Avenue. I had to file a \$500.00 application. One of the board members at the hearing also questioned the need for such an application facing an alley. Here is my understanding of how the Historical Reviews should occur based on the Cape Charles website.

1. **Minor additions or alterations are handled by the administrator** (I am still not sure who the actual administrator is). **Some major actions that do not affect a contributing building can also be decided by the administrator after informal consultation with the historic review board.** **MAJOR** additions or changes referred to the review board such as demolition, moving or new construction. The historic review board reviews projects which are considered **SUBSTANTIAL** alterations to existing buildings as defined in Section 8.18. This comes directly from the Cape Charles historic review board site.
2. The zoning Administrator or code official shall have the authority to order that work be stopped and that appropriate application be filed for review by the historic review board in any case where the action has an **ADVERSE EFFECT** on the historic district.

I am not in disagreement that the addition of second story upper deck can be considered a major renovation. It certainly is to my budget. Three weeks prior to the meeting we went to what I think might be the administrator, and requested that we could possibly make an addendum to be able to use the same scallop siding on the porch addition to be used on one small front dormer and a seven foot section of the front porch. This would tie in the new back upper deck to the front of the house. We were told this needed to be filed under a separate application with an additional \$500.00. Correct me if I am wrong, according to the Cape Charles site this is a renovation feature that could have possibly been discussed with the board prior to the meeting.

I sat and watched several applications prior to mine. I was properly educated on how controlling the historical review board is. I observed people bowing with hands in prayer and thankfulness that after being scrutinized by the board. I saw detailed questions over back yard sheds and the types of windows they could have. The board questioned back yard windows that were not even on the application in question. These applicants are making major and minor improvements to houses that had previously been derelict or in poor repair such as mine. The Historic review board should not be held to reviewing every single aspect of a homeowners property. I refer to the points above as listed on the website. The historic review board should be grateful to homeowners willing to sacrifice time and money to make reasonable improvements. [END OF 3 MINUTES]

Many Thanks for your time and thoughts,
Jennifer Corcoran
505 Harbor Avenue

Julie Jones, resident

My name is Julie Jones. My husband, Sam, and I live at 538 Monroe Avenue in the historic district of Cape Charles.

I recently became aware that the issue of short term rentals, known as "homestays" then, was discussed by Town Council in August 2019.

Given the current interest and discussion of regulating short term rentals in Cape Charles, I thought it was interesting to revisit how this issue was discussed, 4 1/2 years ago.

I could not find where these issues were ever finalized into ordinances, although there had been a request by Councilwoman Holloway that this happen by January 1, 2020.

In order to fit into the allotted 3 minutes, I have edited this account, although I am attaching the entire section to this email, for reference.

[Excerpt from the August 15, 2019 minutes]

**TOWN COUNCIL
Regular Meeting & Executive Session
Cape Charles Civic Center
August 15, 2019
6:30 PM**

UNFINISHED BUSINESS:

B. *Homestay Regulations:*

Larry DiRe stated that the issue of regulating homestay accommodations was discussed by both the planning commission and Council several years ago following the passing the enabling state legislation which granted greater regulatory and enforcement powers to local governments. The town took no action at that time but had recently expressed an interest in revisiting the matter. Staff had reviewed similar relevant legislation and discussed this issues among the relevant town departments and went on to review some of the recommendations as follows: i) Conditional use permits were not recommended except for bed and breakfasts/tourist houses as currently stated in the town's zoning ordinance; ii) Establishment of a formal registry to be maintained in the treasurer's office; iii) Occupancy limit irrespective of what the building, fire and life safety codes approvals but in no instance more than 10 overnight occupants with no differentiation between adult or child; iv) Limitation on the number of homestay accommodations to one per property owner; v) If found to be in violation of more than three town ordinances, the property would be removed from the registry and activity as a homestay accommodation would cease for the remainder of the year; and vi) A requirement that the golf cart use regulations be posted in a public place proximate to the publicly posted business license. The inspector would check to see if the property was in compliance before permit issuance.

Larry DiRe went on to state that recently there had been discussion regarding the character of the Cape Charles historic district. Two years ago, the National Park Service (NPS) did an analysis of the City of Savannah's landmark district and while finding the district relatively strong, they cited several issues as threats such as noise, the proliferation of hotels, and the increase of short-term vacation rentals within the district. Larry DiRe read an excerpt from the NPS report which stated "*research shows that historic neighborhoods thrive best when they remain active communities, not just empty theme parks for heritage travelers.*" In July 2017 the National Trust for Historic Preservation published a posting entitled "*Do Short-Term Vacation Rentals Change the Character of Historic Neighborhoods.*" Larry DiRe requested Council direction regarding this issue so text amendment language could be drafted for review at a future meeting.

There was discussion regarding the following: i) The biggest issue with short-term vacation rentals was parking which could be addressed in the ordinance. There was also the issue of enforcement of the parking regulations and identification of the vehicles for the vacation rental. One suggestion was to require the owners of the vacation rentals to issue a certain number of parking passes for their rentals; ii) Councilwoman Burge stated that the town could not require property owners who were represented by a rental management company to register. There was much discussion regarding the need for the registry. Treasurer Deborah Pocock stated that registration helped with auditing for business licenses and taxes and added that the town was working with the county on this issue; iii) Councilwoman Holloway stated that a seasonal vacation rental was a tourist house. There was discussion regarding tourist houses being essentially the same as bed & breakfasts. Councilwoman Holloway suggested removing the reference to tourist houses if they were the same as bed & breakfasts to help alleviate any confusion; and iv) Capacity would be governed by the occupancy limit identified by the building code but no more than 10 per vacation rental. Some concern regarding enforcement was raised.

Mayor Dize asked Council to think about the issue and email their thoughts to Larry DiRe so he could draft language for review. Councilwoman Holloway interjected that she would like to have the ordinance finalized by January 1, 2020 so the rental agencies and property owners were aware for next year's season.

Sam and I are truly appreciative of your love and concern for this little treasure of a town that we call home, as evidenced by your tireless service on behalf of all the citizens of Cape Charles.

Sincerely yours,
Julie Jones
538 Monroe Avenue

Carol Sabo, resident/business owner

I am a full time resident of the historic district and a business and business property owner in Cape Charles. Having owned a house here for over 20 years, it is nice to see the revitalization of the town.

In my opinion, it is the visitors in the strs that allow us to have successful businesses in town. As a town resident, I have a few permanent neighbors but many houses around me are rentals. I am not disturbed by this at all. Out of season, it allows us to have a little more room in town to breathe. The off season is wonderfully quiet and peaceful. In season, we are busy and the visitors are just that, the aggravating ones will soon leave and the others seem to be so happy just to be here. Who are we to not share this wonderful place? Many folks can't afford to live here full time, and just want a taste of the life we get to enjoy all year.

Thanks for considering the attached letter:

My name is Carol Sabo and I co-own Peach Street Books located in the Town of Cape Charles. Peach Street Books has been in operation since 2018. I am aware that short-term rental regulations are an ongoing discussion item and I wanted to share my support of short-term rentals as a business owner in Cape Charles.

Short-term rentals and the summer season allow my business to continue its operations and without a thriving tourism economy, it is very likely that I would not be able to operate a business in Cape Charles. We know that Cape Charles serves as one of the primary economic hubs for Northampton County.

For 2022, Northampton County tourism economic impact data shows:

- Tourists spent \$65.9 million dollars in Northampton County
- Lodging was \$24.2 million of these expenditures and was actually down 14.2% over 2021
- Food and beverage was \$19.2 million of these expenditures
- Retail was \$4.7 million of these expenditures

This data is from the Virginia Tourism Corporation. 2023 data will be available this fall.

Short-term rentals are vital to the tourism economy, and I would ask that Town Council and Town leadership look to address the specific issues at hand such as parking, noise, and occupancy limits instead of limiting short-term rentals altogether. With updated regulations, short-term rentals can continue to help Cape Charles thrive as a community for both residents and visitors. Please do not hesitate to reach out if you have any questions.

Sincerely,
Carol Sabo
Co-owner Peach Street Books, LLC
Resident, 642 Randolph Avenue



PROCLAMATION 20240418A

100TH ANNIVERSARY OF THE ROTARY CLUB OF CAPE CHARLES

WHEREAS, the Rotary Club of Cape Charles duly formed May 15, 1924 with the principle of “Service Above Self” has served the community of Cape Charles for 100 years; and

WHEREAS, in the 10 decades since then, the Club and its Rotarians have been committed to their five Avenues of Service – club, vocational, community, international, and youth; and

WHEREAS, since its inception, the Cape Charles “Youth Garden” has helped young residents learn the science and skills of vegetable gardening; and

WHEREAS; through the Club’s fund-raising efforts, spear headed by its twice annual Crab Cake sales, financial grants are given to local organizations serving the health, humanitarian, and educational needs of the community. Additionally, contributions to Rotary International’s partnership with The Bill and Melinda Gates Foundation, to eradicate polio, have exceeded \$30,000 over the life of the Club; and

WHEREAS; the Club has fostered the development of Interact Rotary Clubs at both Broadwater and Northampton High Schools with both contributing to their academic communities and fund raising for the fight against polio. In addition, the Club has been an ardent supporter of Kiptopeke Elementary School with special focus on less fortunate students; and

WHEREAS, the Rotary Club of Cape Charles helped contribute to the town’s image of inclusion and diversity through its Walking Tour of the Invisible History of African Americans in Cape Charles Project that will help complete the historical account of the town that excluded the African American segment of the population that helped build Cape Charles and contributed to its development and progress; and

WHEREAS, The Town of Cape Charles and our residents are grateful for The Rotary Club of Cape Charles’ 100 years of service and thank the Club and its Rotarians, past and present, for their role in building a stronger Cape Charles; now

THEREFORE, be it proclaimed that the Cape Charles Town Council hereby designates May 15, 2024 as The Rotary Club of Cape Charles 100th Anniversary Day.

Adopted by the Town Council of Cape Charles on this 18th day of April 2024.

Mayor Adam Charney

ATTEST:

Town Clerk



PROCLAMATION 20240418B

BUILDING SAFETY MONTH — MAY 2024

WHEREAS, the Town of Cape Charles is committed to recognizing that our growth and strength depends on the safety and essential role our homes, buildings and infrastructure play, both in everyday life and when disasters strike, and;

WHEREAS, our confidence in the resilience of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers, plumbers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

WHEREAS, these guardians are dedicated members of the International Code Council, a nonprofit that brings together local, state, territorial, tribal and federal officials who are experts in the built environment to create and implement the highest-quality codes to protect us in the buildings where we live, learn, work and play, and;

WHEREAS, these modern building codes include safeguards to protect the public from hazards such as hurricanes, snowstorms, tornadoes, wildland fires, floods and earthquakes, and;

WHEREAS, Building Safety Month is sponsored by the International Code Council to remind the public about the critical role of our communities' largely unknown protectors of public safety—our local code officials—who assure us of safe, sustainable and affordable buildings that are essential to our prosperity, and;

WHEREAS, “Mission Possible,” the theme for Building Safety Month 2024, encourages us all to raise awareness about building safety on a personal, local and global scale, and;

WHEREAS, each year, in observance of Building Safety Month, people all over the world are asked to consider the commitment to improve building safety, resilience and economic investment at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property, now

THEREFORE, be it proclaimed that the Cape Charles Town Council hereby designates the month of May 2024 as Building Safety Month.

Mayor Adam Charney

ATTEST:

Town Clerk



**TOWN OF CAPE CHARLES
PROCLAMATION #20240418C**

**TO RECOGNIZE NATIONAL PEACE OFFICERS' MEMORIAL DAY
AND NATIONAL POLICE WEEK 2024**

To honor the service and sacrifice of those law enforcement officers killed in the line of duty while protecting our communities and safeguarding our democracy.

WHEREAS, in 1962, President John F. Kennedy signed a proclamation which designated May 15 as Peace Officers' Memorial Day and the week in which that date falls as Police Week; and

WHEREAS, May 15, 2024 has been designated as National Police Officers' Memorial Day and May 12-18, 2024 as National Police Week; and

WHEREAS, there are more than 800,000 sworn law enforcement officers serving in communities across the United States, including the dedicated members of the Town of Cape Charles Police Department; and

WHEREAS, the members of the Cape Charles Police Department play an essential role in safeguarding the rights and freedoms of the citizens of the Town of Cape Charles and provide vital public service; and

WHEREAS, since the first recorded death in 1786, more than 23,921 law enforcement officers in the United States have made the ultimate sacrifice and have been killed in the line of duty; and

WHEREAS, each year, hundreds of names of officers killed in the line of duty are engraved on the walls of the National Law Enforcement Officers Memorial in Washington, DC; and

WHEREAS, the National Law Enforcement Officers Memorial Fund will host their 36th Candlelight Vigil on May 13, 2024 at 8:00 p.m. and the names of the 136 officers lost during 2023 will be read aloud to memorialize them for making the ultimate sacrifice for their communities; now

THEREFORE, BE IT PROCLAIMED that the Cape Charles Town Council formally designates May 15, 2024 as Peace Officers' Memorial Day in honor of all fallen officers and their families and U.S. flags should be flown at half-staff; and

BE IT FURTHER PROCLAIMED that the Cape Charles Town Council formally designates May 12-18, 2024 as Police Week in the Town of Cape Charles and publicly salutes the service of law enforcement officers in our community and in communities across the nation.

Adopted by the Town Council of Cape Charles on this 18th day of April 2024.

Mayor Adam Charney

ATTEST:

Town Clerk

February 2024 Treasurer's Report

Page 1 – Cash Position

- The decrease in our total cash position over January can be attributed to a scheduled debt service payment made on February 1 on the VML/VACo 2010D general obligation bond for \$166,004. There are also timing differences that impact cash significantly due to the payments of capital project expenditures (highlighted below) and the receipt of grant reimbursements related to these expenditures.
- The facility fee reserve cash balance as of 2-29-24 is \$3,568,506.

Page 3 – Capital Projects

- The fourth progress payment of \$88,737 was paid to Conrad Brothers for the Multi-use Trail project phase III, i.e., South Peach Street. Total payments made to date: \$298,957. The total contract amount is \$759,567.
- Progress payment #3 of \$198,240 was made to Marine Contracting for harbor breakwater and bulkhead repairs. With this payment, the contract is 91% complete.

Page 4 – Tax Collection Rate

- As of February 29, total property tax collections year-to-date are \$1,662,265 representing 96% of tax billings. For the same date, our collection rate on personal property taxes is 77%.

Page 5 – Tax Revenue Trends

- Compared to this time last fiscal year (July 1 through January 31), total business license (BPOL) revenue is running nearly 22% higher. Annual BPOL license fees are due by April 15.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
February 29, 2024

<u>Cash on Hand</u>	<u>1/31/2024</u>	<u>2/29/2024</u>	<u>Increase/ (Decrease)</u>
Atlantic Union Bank Checking Account	\$406,089	\$249,035	-\$157,054
Atlantic Union Bank Money Market Account	\$1,835,498	\$1,586,215	-\$249,283
LGIP Account 1 - Unrestricted	\$112,203	\$112,692	\$489
LGIP Account 2 - Unrestricted	\$326,074	\$327,629	\$1,555
Virginia Investment Pool Liquidity Unassigned	\$2,344,281	\$2,354,530	\$10,249
Virginia Investment Pool 1-3 Year Unassigned	\$1,044,741	\$1,040,166	-\$4,576
Total Cash On Hand	\$6,068,887	\$5,670,267	-\$398,620

<u>Restricted and Reserved Cash Balances</u>	<u>1/31/2024</u>	<u>2/29/2024</u>	<u>Increase/ (Decrease)</u>
Atlantic Union Bank Checking Account - Police Funds	\$431	\$431	\$0
LGIP Account 2 - Restricted for USDA loan covenant	\$30,562	\$30,562	\$0
Atlantic Union Checking Account Library CD converted to cash	\$11,131	\$11,131	\$0
Atlantic Union Bank Checking Account - E-Summons Revenue Rsrvd	\$14,081	\$14,228	\$147
US Bank - Reserved per VRA Interest Free Loan Requirements	\$266,035	\$260,818	-\$5,217
ComputerShare 2010 Debt Service pass through account #300	\$3,196	\$3,211	\$14
ComputerShare 2010 Debt Service pass through account #308	\$1,128	\$1,133	\$5
Atlantic Union Money Market # ARPA CRF #5847	\$75,115	\$8	-\$75,107
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	\$3,478,996	\$3,568,506	\$89,509
Total Cash Held in Reserve	\$3,880,675	\$3,890,026	\$9,351
Total Cash - All Accounts	\$9,949,563	\$9,560,293	-\$389,269

DEBT SERVICE

Net Debt as of Current Reporting Month End
(Excludes USDA vehicle and equipment loans)

\$4,722,974

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

February 29, 2024

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY24
GENERAL Fund						
REVENUE	\$210,186	\$3,490,753	\$4,228,908	\$738,155	\$5,719,837	73.93%
EXPENDITURES	\$316,907	\$2,630,224	\$2,545,382	-\$84,842	\$5,719,837	44.50%
NET	(\$106,721)	\$860,529	\$1,683,526	\$822,997	\$0	
GENERAL Capital Fund						
REVENUE	\$2,597	\$430,835	\$169,180	-\$261,655	\$2,446,213	6.92%
EXPENDITURES	\$106,752	\$356,944	\$447,607	\$90,663	\$2,446,213	18.30%
NET	(\$104,154)	\$73,891	(\$278,428)	(\$352,319)	\$0	
GENERAL Debt Service Fund						
REVENUE	\$99,505	\$222,440	\$220,429	-\$2,011	\$255,223	86.37%
EXPENDITURES	\$99,505	\$222,440	\$220,429	-\$2,011	\$255,223	86.37%
NET	\$0	\$0	\$0	\$0	\$0	
GENERAL Special Activities Fund						
REVENUE	\$7,568	\$576,253	\$71,559	-\$504,694	\$296,350	24.15%
EXPENDITURES	\$0	\$61,460	\$66,098	\$4,638	\$296,350	22.30%
NET	\$7,568	\$514,793	\$5,461	(\$509,332)	\$0	

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

February 29, 2024

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY24
PUBLIC UTILITIES Fund						
REVENUE - Operating	\$180,995	\$1,372,624	\$1,488,018	\$115,394	\$2,051,988	72.52%
EXPENDITURES - Operating	\$63,948	\$1,392,613	\$666,042	-\$726,571	\$1,982,118	33.60%
NET	\$117,047	(\$19,989)	\$821,976	\$841,965	\$69,869	
REVENUE - CAPITAL GRANTS, LOANS, FUND BALANCE	\$0	\$0	\$0	\$0	\$2,036,728	
REVENUE - FACILITY FEES	\$53,000	\$379,014	\$339,200	-\$39,814	\$466,400	72.73%
EXPENDED - FACIL FEES, CAPITAL PROJECTS, DEBT SVC	\$120,099	\$349,011	\$1,190,271	\$841,260	\$2,572,997	46.26%
TOWN CONTRIB. & PENDING GRANTS	(\$67,099)	\$30,003	(\$851,071)	(\$881,074)	(\$69,869)	
HARBOR Fund						
REVENUE - Operating	\$4,809	\$601,050	\$553,762	-\$47,288	\$1,008,625	54.90%
EXPENDITURES - Operating	\$9,849	\$529,453	\$495,658	-\$33,795	\$1,082,312	45.80%
NET	(\$5,040)	\$71,597	\$58,104	(\$13,493)	(\$73,687)	
REVENUE - GRANTS & LOANS	\$0	\$0	\$110,957	\$110,957	\$228,687	48.52%
TRANSFERRED FM GEN FUND FOR DEBT SERVICE OR HARBOR FUND BALANCE	\$68,657	\$103,499	\$101,604	-\$1,895	\$450,115	22.57%
EXPENDED - Capital Projects, Debt Svc	\$268,771	\$103,499	\$641,785	\$538,286	\$605,115	106.06%
TOWN CONTRIB. & PENDING GRANTS	(\$200,115)	\$0	(\$429,224)	(\$429,224)	\$73,687	
SANITATION Fund						
REVENUE	\$28,186	\$188,161	\$222,417	\$34,256	\$314,265	70.77%
EXPENDITURES	\$26,059	\$336,200	\$193,391	-\$142,809	\$314,265	61.54%
NET	\$2,127	(\$148,039)	\$29,026	\$177,065	\$0	

FY 24 Capital Improvement Project Tracking Report

As of:
2/29/2024

	<u>FY24 Status or Start Date</u>	<u>Percent of Completion</u>	<u>FY24 Budgeted</u>	<u>QTR 1 Expended</u>	<u>QTR 2 Expended</u>	<u>QTR 3 Expended</u>	<u>QTR 4 Expended</u>	<u>FY24 YTD Expended</u>	<u>(Over)/Under Budget</u>
General Capital Fund									
Multi-Use Trails, Phase 3 Construction	<u>In Process</u>	35.7%	\$ 929,922	\$ 4,150	\$ 148,788	\$ 178,936		\$ 331,874	\$ 598,048
Municipal Space Replacement Planning (ARPA)	<u>In Process</u>	35%	\$ 210,000	\$ 62,755	\$ 11,623			\$ 74,378	\$ 135,622
Welcome Center Design & Construction - HBA	<u>In Process</u>	1.0%	\$ 455,000	\$ 4,070	\$ 541			\$ 4,611	\$ 450,389
3 Police Vehicles; 1 ARPA/2 USDA	<u>Pending</u>	0%	\$ 126,000					\$ -	\$ 126,000
Library Upgrade & Condo-ization - HBA	<u>In Process</u>	10%	\$ 310,000	\$ 4,323	\$ 27,203			\$ 31,525	\$ 278,475
Storage Facility Roofing	<u>Pending</u>	0%	\$ 20,000					\$ -	\$ 20,000
Capital Project Contingency	<u>Pending</u>	0%	\$ 41,141					\$ -	\$ 41,141
subtotal	\$ -		\$ 2,092,063	\$ 75,297	\$ 188,155	\$ 178,936	\$ -	\$ 442,388	\$ 1,649,675
Utility Fund - Water									
Keck Well Connection	<u>In Process</u>	2%	\$ 1,150,000	\$ 15,243	\$ 3,811			\$ 19,054	\$ 1,130,946
Utility Fund - Wastewater									
WWTP Membrane Replacement	<u>In Process</u>	100%	\$ 465,000		\$ 451,986	\$ 14,820		\$ 466,806	\$ (1,806)
Sewer Pod Controller Upgrades	<u>Pending</u>	101%	\$ 14,500		\$ 14,635			\$ 14,635	\$ (135)
subtotal	\$ -		\$ 1,629,500	\$ 15,243	\$ 470,432	\$ 14,820	\$ -	\$ 500,495	\$ 1,129,005
Harbor Fund									
Inner Harbor Fixed Dock Repair	<u>Pending</u>	0%	\$ 13,000					\$ -	\$ 13,000
Inner Harbor King Pile & Waler Replacement Design	<u>In Process</u>	7%	\$ 306,000	\$ 18,050	\$ 4,688			\$ 22,738	\$ 283,263
Inshore Breakwater Repair/Upgrade	<u>Pending</u>	287%	\$ 180,000		\$ 162,904	\$ 354,540		\$ 517,444	\$ (337,444)
subtotal	\$ -		\$ 499,000	\$ 18,050	\$ 167,592	\$ 354,540	\$ -	\$ 540,181	\$ (41,181)
TOTAL	\$ -		\$ 4,220,563	\$ 108,590	\$ 826,179	\$ 548,295	\$ -	\$ 1,483,064	\$ 2,737,499

*ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT

MUNICIPAL CORPORATION OF CAPE CHARLES
February 29, 2024

YTD 2023 Real Estate Tax Collections

Total Taxable Land Value	318,538,900	
Total Improvement Value	486,197,800	
Exemptions	(9,908,530)	
Additional Assessments (SCC Utility)	3,384,443	
Total Real Estate Value (taxable)	798,212,613	
 Total Budgeted Real Tax Revenue	 1,605,700	
Total Tax Billed	1,724,622	
Total Adjustments	(3,363)	
Total Collected YTD (percent of billed)	<u>1,662,265</u>	96%
Amount Due per Accounts Receivable	58,994	

**YTD 2023 Personal Property Tax, Machinery and Tools Tax
& 2023 License Tax Collections**

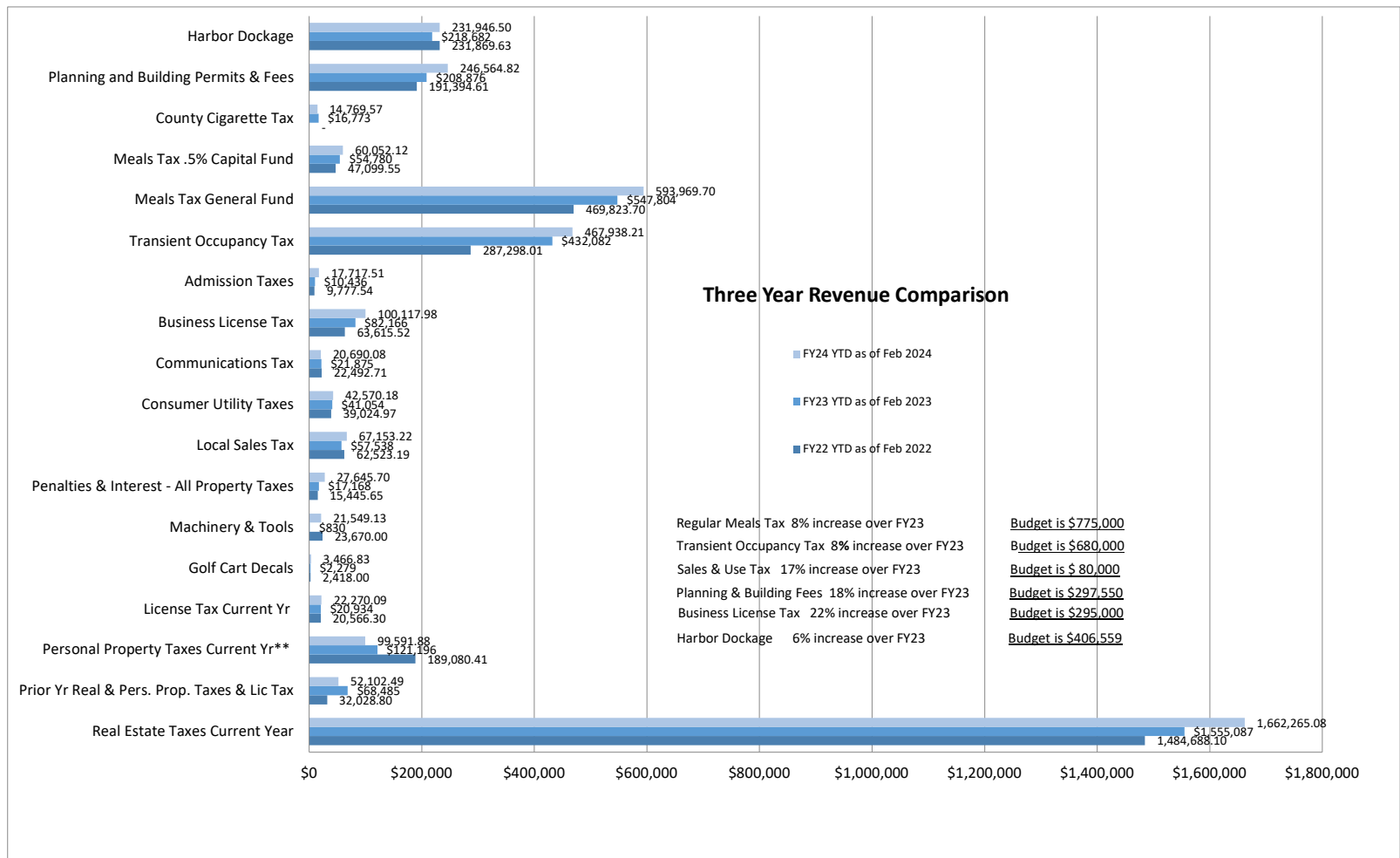
Total Personal Property Value	21,720,600	
2023 Reduction Due to Proration	(362,825)	
Personal Property Billable Valuation	21,357,775	
2023 PPTRA Valuation Amount	(9,687,117)	
 2022 Supplemental Assessments billed in July 23	 4,930,700	
2022 Supplemental PPTRA & Exonerations	(2,078,492)	
Personal Property Value Billed	2,852,208	
 2023 Supplemental Assessments	 -	Will bill in Spring '24
2023 Supplemental PPTRA & Exonerations	-	
Personal Property Value, billed	-	

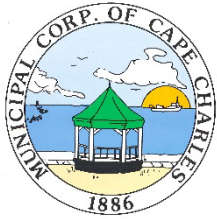
Total Taxable Assessment Value 2023 & 2022	24,209,983
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Total Personal Property & License Tax Budgeted	113,787	
Total 2023 Tax Billed less PPTRA	178,532	
2023 Supplemental Tax Billing	-	
Total Adjustments & Additional Exonerations	6,805	
Total Collected YTD (percent of billed)	<u>143,411</u>	77%
Amount Due per Accounts Receivable	28,316	

YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections

Total Budgeted	93,050	
Total Collected (percent of budget)	<u>79,748</u>	86%
Amount Due Per Budget	13,302	





*Municipal Corp. of
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the “Town”), hereby certifies that:

1. A meeting of the Council of the Town (the “Council”) was duly called and held on April 18, 2024 (the “Meeting”).
2. Attached hereto is a true, correct and complete copy of Resolution 20240418A (the “Resolution”) of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council participating at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

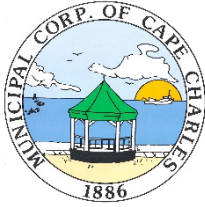
<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Adam Charney, Mayor	X				
Steve Bennett	X		X		
Andy Buchholz	X		X		
Ken Butta	X		X		
Andrew Follmer		X			
Paul Grossman	X		X		
Tammy Holloway	X		X		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 18th day of April 2024.

Clerk of the Council
Town of Cape Charles, Virginia

(Seal)



RESOLUTION 20240418A

RELATING TO THE SUPPORT OF THE VIRGINIA AMERICA 250 COMMISSION RECITALS:

WHEREAS, the Cape Charles Town Council is dedicated to maintaining our small town character while supporting economic development and tourism in the Town of Cape Charles; and

WHEREAS, the Virginia America 250 Commission (VA250) was created in 2020 by the General Assembly for the purpose of preparing for and commemorating the 250th anniversary of Virginia's participation in American independence; and

WHEREAS, VA250 has requested that each locality form a committee to aid in planning for the commemoration period; and

WHEREAS, the Town of Cape Charles, in coordination with Cape Charles Main Street, has formed a local VA250 committee; and

WHEREAS, the committee will plan and coordinate programs occurring within the locality and communicate regularly with VA250; and

WHEREAS, the Town Council wishes to undertake this endeavor with VA250 to promote and commemorate this important historic milestone.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Cape Charles, Virginia that:

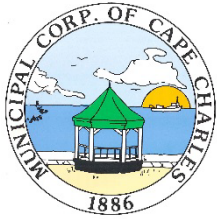
1. The Town Council hereby desires to support the Virginia America 250 Commission and their efforts to commemorate the 250th anniversary of Virginia's participation in American independence.
2. The Town of Cape Charles, in coordination with Cape Charles Main Street, has formed a local VA250 committee to aid in the planning for the commemoration period.

Adopted by the Town Council of Cape Charles on April 18, 2024.

By: _____
Mayor

ATTEST:

Town Clerk



*Municipal Corp. of
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the “Town”), hereby certifies that:

1. A meeting of the Council of the Town (the “Council”) was duly called and held on April 18, 2024 (the “Meeting”).
2. Attached hereto is a true, correct and complete copy of Ordinance 20240418 (the “Ordinance”) of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council participating at the Meeting and the recorded vote with respect to the foregoing Ordinance as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Adam Charney, Mayor	X				
Steve Bennett	X		X		
Andy Buchholz	X		X		
Ken Butta	X		X		
Andrew Follmer		X			
Paul Grossman	X		X		
Tammy Holloway	X		X		

4. The Ordinance has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 18th day of April 2024.

Clerk of the Council
Town of Cape Charles, Virginia

(Seal)

ORDINANCE 20240418

SALE AND REDEVELOPMENT OF LIBRARY PROPERTIES

WHEREAS, the Town of Cape Charles issued a Request for Proposals for the sale and redevelopment of tax parcels 83A3-1-643A, 643B and 642B, collectively the library properties, which would include build-out of the third floor and front mezzanine and retention of the first floor and rear mezzanine as the Cape Charles Memorial Library; and

WHEREAS, of the four proposals received the proposal from Gammino Realty and Development, LLC (GRD), dba City & Guilds, LLC was judged the most beneficial, and at the regular meeting of September 21, 2023 the Town Council approved proceeding with that proposal; and

WHEREAS, Town staff and GRD have worked to refine the proposal to encompass: establishment of a condominium consisting of one residential and one library unit, rehabilitation of the building exterior, build-out of the third floor and front mezzanine for residential use, renovation of the library space, related site work, and purchase of the library unit by the Town; and

WHEREAS, the terms and scope of the sale and redevelopment are further specified in Attachment A; and

WHEREAS, the designated redevelopment entity will be Cape Charles Ventures IV; and

WHEREAS, a public hearing was held on April 18, 2024 as required by the Code of Virginia, Section 15.2-1800; and

WHEREAS, in reaching the decision to sell the library properties on the terms set forth in the attachment, the Town Council of Cape Charles has considered a number of factors, including among others the condition of the existing structure, the ongoing maintenance costs, the significant cost of rehabilitation, the investment to be made in rehabilitating and improving the property, the new use of the third floor and front mezzanine, and the future tax revenue that will be generated when the property is transferred to a private entity; now

THEREFORE BE IT ORDAINED by the Town Council of Cape Charles this 18th day of April 2024 that:

1. The Town Manager be authorized to finalize a purchase and sales agreement, including an interim agreement for renovation of the library space, and to execute such documents and take such actions as are necessary or proper to complete the sale and redevelopment of the library properties substantially in accordance with the foregoing terms.

2. The Mayor be authorized to execute the deed of sale of the library properties to Cape Charles Ventures IV substantially in accordance with the terms of the purchase and sales contract.

Adopted by the Town Council of Cape Charles on April 18, 2024

By: _____
Mayor Adam Charney

ATTEST:

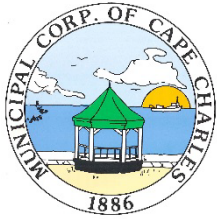
Town Clerk

Attachment A

April 18, 2024

Terms for Sale and Redevelopment of Library Properties

1. Parties.
 - a. Seller – Municipal Corporation of Cape Charles
 - b. Purchaser – Cape Charles Ventures IV
2. Properties. Tax parcels 83A3-1-643A, 643B and 642B. Seller to establish access easement at rear of 643B and 642B for two parcels on Randolph Avenue and parcels east of library properties, per Attachment B, prior to closing.
3. Purpose. Build-out of the third floor and front mezzanine as residential and retention of the first floor and rear mezzanine as the Cape Charles Memorial Library.
4. Form of Ownership. A condominium consisting of one residential and one library unit. Condominium documents to be developed by purchaser in coordination with seller.
5. Scope of Redevelopment Work.
 - a. Rehabilitation of the building exterior – Sealing and painting of rear wall, replacement of steel cooling unit support structure, replacement of mezzanine roof.
 - b. Build-out of the third floor and front mezzanine for residential use to purchaser's specifications.
 - c. Renovation of the library space per HBA plans and specifications provided by seller. Total price of \$230,000 to be paid by seller.
 - d. Parking spaces and trash management area on rear paved lots. Trash management to be sufficient to accommodate: residential condo unit, library condo unit, two residential and two commercial units at 203/205 Mason Avenue, and Kelly's Gingernut Pub (excluding cardboard recycling and used cooking oil).
 - e. All work to be performed in conformance with Town zoning and building regulations.
6. Completion Date.
 - a. Renovation of Library Space – 4 months after closing or execution of an interim agreement.
 - b. Redevelopment – One year after closing.
7. Library Properties Sale Price. \$600,000.
8. Library Unit Purchase Price. \$450,000.



*Municipal Corp. of
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the “Town”), hereby certifies that:

1. A meeting of the Council of the Town (the “Council”) was duly called and held on April 18, 2024 (the “Meeting”).
2. Attached hereto is a true, correct and complete copy of Resolution 20240418B (the “Resolution”) of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council participating at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Adam Charney, Mayor	X				
Steve Bennett	X		X		
Andy Buchholz	X		X		
Ken Butta	X		X		
Andrew Follmer		X			
Paul Grossman	X		X		
Tammy Holloway	X		X		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 18th day of April 2024.

Clerk of the Council
Town of Cape Charles, Virginia

(Seal)

RESOLUTION 20240418B

**DESIGNATING THE THIRD SATURDAY OF MARCH
AS CAPE CHARLES DAY TO BE CELEBRATED ANNUALLY TO
COMMEMORATE THE TOWN'S INCORPORATION ON MARCH 1, 1886**

WHEREAS, the Town of Cape Charles was incorporated as the Municipal Corporation of Cape Charles on March 1, 1886; and

WHEREAS, in 2018 Mayor Dize suggested designation of the first Saturday of March of each year as Cape Charles Day to be celebrated with civic activities; and

WHEREAS, the Town Council approved such a resolution on August 16, 2018 and

WHEREAS, recent experience in early March has not provided ideal weather for civic activities, and so new timing for this event is desired.

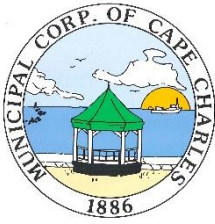
NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Cape Charles, Virginia that the third Saturday in March be designated as Cape Charles Day to be celebrated annually.

Adopted by the Town Council of Cape Charles on April 18, 2024.

By: _____
Mayor

ATTEST:

Town Clerk



**TOWN COUNCIL
Executive Session
Cape Charles Civic Center
April 18, 2024**

Immediately following the Regular Meeting

At 7:22 p.m. Mayor Adam Charney, having established a quorum, called to order the Executive Session of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta and Grossman, and Councilwoman Holloway. Councilman Follmer was not in attendance. Also, in attendance was Town Manager John Hozey.

Motion made by Vice Mayor Bennett, seconded by Councilman Buchholz, and unanimously approved to go into Executive Session in accordance with Section 2.2-3711.A of the Code of Virginia for the purpose of:

Paragraph 1: Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

Specifically: Town Manager's Evaluation

The motion was approved by unanimous vote.

There were no members of the public in attendance at this time.

Council went into executive session at 7:23 p.m.

Motion made by Councilman Buchholz, seconded by Vice Mayor Bennett, to return to open session. The motion was approved by unanimous vote.

The open portion of the meeting resumed at 7:45 p.m. There were no members of the public waiting to return to the meeting.

Certification, to the best of each member's knowledge, that (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes.

Motion made by Vice Mayor Bennett, seconded by Councilman Butta, to increase the town manager's salary to \$125K annually retroactive to his anniversary date. The motion was approved by unanimous vote.

John Hozey addressed the process of recruitment of a new town manager and suggested a committee. The committee could not have more than two Town Council members represented due to FOIA issues. He recommended Vice Mayor Bennett and Councilwoman Holloway, adding that he would like to also serve on the committee. He noted that Vice Mayor Bennett would no longer be on the Town Council when the new town manager started but felt that he and Councilwoman Holloway would be good on the committee. He cautioned Council not to take action too soon. He intended to retire in May 2025 and once Council took action, even by naming a committee, he would become a lame duck manager. There was a lot to be done in the next year and he wanted to remain as effective as possible. Jodi Outland was on a webinar regarding recruiting and the town manager position was discussed. It was recommended to start the recruitment process six months out. He started on March

5th. He responded to the first advertisement that was placed on October 11th. The entire process of screening, interviews, etc. took five months. Ideally, he would like to see his replacement start the end of April or early May to go through the budget process – getting budget binders together, etc. and attend the first budget meeting. If the new town manager were able to go through the budget process, he could leave and feel good about it. If Council wanted the new town manager to start in April or May, the recruitment process should begin in November. If too early, it could undermine his credibility with others, including organizations such as Cape Charles Main Street, Citizens for Central Park, etc. They need to take him seriously and know that he was still in charge. When holding something like a town Hall meeting regarding short-term rentals, he was the one who most closely interact with the public. This was essential, although Council/staff could be working behind the scenes. He asked Jodi Outland to look into hiring someone to put together the materials, a professional flyer, etc. We had to sell the community. Unofficially, he concurred with Vice Mayor Bennett and Councilwoman Holloway that we could start this in August. We could start doing our research to figure out what we needed. He would include funding in the FY 2025 budget for this.

There was discussion as follows: i) Mayor Charney commented that we needed to be prepared more so than actively looking; ii) Councilwoman Holloway agreed that we could not wait until October or November to begin thinking about this; iii) Councilman Butta stated that given what had been done salary wise and what the Town had become, it should help in the recruitment process, adding that the Town had had managers in the past who lacked experience; iv) John Hozey expressed his agreement with Vice Mayor Bennett's recommendation that we put it in writing that we would not accept resumes from anyone who did not actually have experience as a municipal manager. Now that the utilities had been sold, this would be a dream job and can be advertised as such. We could market this job as the last job before retirement – work for us for five to ten years, then retire.

Motion made by Councilman Buchholz, seconded by Councilman Grossman, to adjourn the Town Council Executive Session. The motion was approved by unanimous vote.

The Executive Session adjourned at 7:57 p.m.

Mayor Charney

Town Clerk