

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on December 20, 2017, at 12:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from December 18, 2017.

PRESENT: Mr. Norman G. Dill, Ms. Ann Mallek, Ms. Diantha H. McKeel, Ms. Liz A. Palmer, Mr. Rick Randolph, and Mr. Brad Sheffield

ABSENT: None.

OFFICERS PRESENT: County Executive, Jeff Richardson, County Attorney, Greg Kamptner, Clerk, Claudette Borgersen, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. Call to Order. The meeting was called to order at 12:01 p.m., by the Chair, Ms. McKeel.

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Agenda Item No. 2. Closed Meeting.

At 12:02 p.m., Mr. Randolph **moved** that the Board enter into a Closed Meeting pursuant to Section 2.2-3711(A) of the Code of Virginia, under Subsection (3), to discuss and consider the acquisition of real property in the southern part of the County where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the County; under Subsection (8), to consult with and be briefed by legal counsel and staff regarding specific legal matters requiring legal advice relating to the negotiation of an agreement for, and the possible relocation of, court facilities. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Sheffield, Mr. Dill, Ms. Mallek, Ms. McKeel, Ms. Palmer, and Mr. Randolph.  
NAYS: None.

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Agenda Item No. 3. Certify Closed Meeting.

Ms. McKeel apologized to attendees for the Board's late return to the meeting.

At 1:23 p.m., Mr. Randolph **moved** that the Board certify by recorded vote that to the best of each Supervisor's knowledge, only public business matters lawfully exempt from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting. Ms. Mallek **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Sheffield, Mr. Dill, Ms. Mallek, Ms. McKeel, Ms. Palmer, and Mr. Randolph.  
NAYS: None.

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Agenda Item No. 4. Call back to Order.

At 1:24 p.m., Ms. McKeel called the meeting back to order. She then introduced the presiding security officer, and County staff at the dais.

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Agenda Item No. 5. Government Operations/Courts Relocation Opportunities Analysis - Board Direction.

The Executive Summary forwarded to the Board states that Albemarle County has been engaged for some time in a thorough analysis and assessment of the County's future court needs and the best way to meet those needs. The Board of Supervisors discussed five potential options last October 24, 2016 and took public comment. The court expansion project reflects a major investment of County funds and is the most expensive project in the County's current Capital Improvement Program plan; therefore, the Board is particularly interested in ensuring all options have been properly vetted and giving County taxpayers an opportunity to review the identified options and provide comment.

There are two Courts options primarily remaining in consideration:

- Option 1: Renovation of the existing downtown courts complex for the Circuit Court and expansion of the General District Court on the Levy Opera House parcel, which is co-owned by the County and City of Charlottesville.
- Option 5: Build a new General District Court, Circuit Court and associated functions on a parcel in Albemarle County's designated development area, presumptive location identified as the Rio Road/Route 29 area.

The Board established in its November 2, 2016 resolution that the Courts project, in any scenario, must ensure the fair and equitable administration of justice. The Board also directed staff to investigate the potential to which this project could promote its highest strategic priorities of urban development, redevelopment and revitalization. The Board additionally directed staff to further analyze the extent to which Option 5 would be sufficient to encourage a developer to enter a public/private partnership (P3) integrating the Courthouse and/or County Office Building as part of or adjacent to a larger mixed-use

development.

At the December 14, 2016 Board meeting, staff presented a proposed process for moving forward with the exploration of a P3 to relocate the courts and/or County administration to a site in Albemarle County. At the conclusion of the presentation, the Board directed staff to proceed as proposed. Staff then developed a Request for Proposal (RFP) and proceeded with the solicitation process to contract with a Development Services Advisor during the spring; an RFP review committee selected and contracted with Stantec Consulting Services in June 2017.

The consulting team has worked with the Board to develop decision-making criteria, presented Program Analysis information on the County Office Building and Courts options that will feed into the Fiscal Impact Model and the National Center of State Courts consultant reviewed the findings of the Adjacency Impact study of impacts associated with potentially separating County Courts from City Courts at the downtown location. At the Board Dec 13th work session, Stantec consultants presented an initial report on the costs, fiscal impacts, cost benefit analysis and any updates to the previously submitted Program Analysis Documents and Adjacency Study report along with overall recommendations and next steps proposal. The Board received Public comment and feedback on the analysis at a Public Hearing held on December 18th.

The deliverables of the Developer Advisory work are:

- 1) Review data related to Option 1 with a specific focus on understanding the adjacencies of the County Courts to the City Courts and impacts of separating.
- 2) Analyze the feasibility, cost, benefits and other impacts of Option 5, with the following sub-options:
  - Court House Complex Only
  - County Office Administrative Building Only
  - Combined facility

The purpose of today's action meeting is for the Board to discuss the consultant's report and feedback from the public and then provide next steps direction to staff as it relates to the Courts and/or County Office Building.

If the board directs staff to proceed with a pre-market study as recommended by Stantec, staff will negotiate an extension to the existing contract with Stantec to include this additional scope. Based on preliminary estimates, staff expects there are sufficient funds appropriated to the project to support the additional scope.

Staff recommends the Board receive the consultant's report and provide direction on the desired next steps on the project.

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Ms. McKeel reported that the County had received a letter from the City earlier in the week concerning the courts, and because of that letter, Mr. Randolph has a motion to read.

Mr. Randolph **moved** that 1) the County will impose a moratorium on further discussions of the courts potential relocation from downtown, from today, December 20, until March 2, 2018, in response to the letter from the Mayor of the City of Charlottesville; 2) the Board is directing Stantec to continue to explore the development of, and facilities in Albemarle County, such as the County Office Building, a performing arts center, and a convention center; 3) the County Executive and the County Attorney will resume negotiation on the Board's behalf with the City of Charlottesville on the County's ownership and the County's control of the 7<sup>th</sup> and Market Street parking lot and other related issues and terms; and 4) land use valuation should be recognized in the revenue-sharing formula between the County of Albemarle and the City of Charlottesville. Ms. Mallek **seconded** the motion.

Ms. Palmer commented that she has given this a lot of thought and stated that she will vote in favor of this, although she would have liked it to be stronger, giving it longer than 60 days, and there would be another time to address this if they do not have good negotiations with the City in that timeframe. She stated that she hopes the County can work with the City to keep the courts downtown.

Mr. Dill stated that he is very pleased the County is negotiating with the City again on the parking, which was the last remaining issue on the agenda. He said he does not see the need to state that they need to go with Stantec now to explore other options, since there are many other priorities. He also noted that there is no Finance Director or Economic Development Director, and these things need to be discussed with skilled people on the County's leadership team.

Ms. Palmer asked if they are not voting to approve the approximately \$50,000 at this point, but instead staff will be coming back to the Board with the specifics of the agreement. Mr. Richardson responded that staff may need to get clarification on moving forward with Stantec specifically, if it is a premarket study in the County with the buildings that have been named. He stated that they had discussed this previously, but that was before there was specific direction, and he asked if the Board wants the consultants to address timing and cost.

Ms. Palmer stated that she did not think they were voting for the expenditure at this time.

Ms. Mallek clarified that the motion is to confirm what the County is asking Stantec to do.

Ms. McKeel asked if the Board wants to move ahead with the vote or have Stantec address the cost issue.

Ms. Mallek responded that she would like to take the vote, and then have Stantec provide an update on January 3 regarding the details of the scope of the next assignment.

Other Board members agreed to have the vote.

Mr. Trevor Henry, Director of Facilities and Environmental Services, said that staff had prepared to talk through this process, and he clarified that on December 13, Stantec had provided a brief on the timeframe and cost estimate. He stated that staff can bring a refined scope and cost back to the Board, but following the normal process would mean the item would come back at their first meeting in February, not in January 3.

Ms. Mallek stated that she was not expecting answers then, just details on the cost from Stantec. She added that she is happy to have them all go to work.

Ms. Palmer asked how they could go to work if the Board does not know what they are getting and how much they are paying. Ms. Mallek responded that they had it in the original plan already adopted.

Mr. Henry clarified that out of the direction from this meeting, Stantec would formalize a scope.

Ms. McKeel said the Board would have that discussion after the vote.

Ms. Palmer asked if the Board would have another chance to vote on the price and scope. Mr. Henry responded that it would be at the discretion of the Board.

Mr. Randolph commented that is totally appropriate.

Mr. Henry reiterated that in terms of timing, that might be the first meeting in February, rather than in early January.

Ms. McKeel said the Board would be able to have a discussion about costs at that time.

Mr. Henry stated that with Board approval, staff could start working with Stantec on the project scope.

Ms. Palmer said she just wants to be precise that she is not okaying an expenditure at this time.

Mr. Henry suggested that staff bring it back formally in February with a scope and budget.

Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Sheffield, Ms. Mallek, Ms. McKeel, Ms. Palmer, and Mr. Randolph.

NAYS: Mr. Dill.

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**NonAgenda.** Ms. McKeel stated that Ms. Mallek and Ms. Palmer have something to present to Mr. Sheffield.

Ms. Mallek recognized Mr. Sheffield for his work on transportation issues, and for being on the Board as they completed work begun in 1991, presenting him with a framed photograph of the Rio/Route 29 interchange.

Ms. Palmer commented that she personally appreciates Mr. Sheffield's leadership on the Rio/29 project, as she did not know anything about roads when she joined the Board, and he gave her a lot of confidence with the matters they voted on.

Mr. Dill stated that he first met Mr. Sheffield in his office, and he provided a detailed explanation of the County's budget process. He said that Mr. Sheffield also appreciates all of the staff in both the County Office Building and JAUNT, and he does a good job of including everyone and making them feel as important as they are. Mr. Dill also commented that Mr. Sheffield likes to get things done, particularly with the Neighborhood Funding Initiatives.

Mr. Randolph stated that it is fitting that Mr. Sheffield receives a clock from the County, along with the appreciation of many. He said that it was Mr. Sheffield's love of the community that made him a successful Supervisor, and it is now love for his family that takes him away from public service for a time. Mr. Randolph quoted T.S. Eliot: "Love is the unfamiliar name behind the names that wove the intolerable shirt of flame, which human power cannot remove." Mr. Randolph commented that the clock marks the end of one chapter in County government and the beginning of another as an unofficial advisor on transportation issues. He quoted T.S. Eliot: "What we call the beginning is often the end, and to make an end is to make a beginning. The end is where we start from." Mr. Randolph expressed his hope that Mr. Sheffield will have continued success in the pursuit of the two loves of his life – his family and his community.

Ms. McKeel presented a clock to Mr. Sheffield for his dedicated service and leadership as a member of the Albemarle County Board of Supervisors from January 1, 2014, through December 31, 2017, enhancing the quality of life through public service, as voted on and agreed to December 20, 2017. She commented that Mr. Sheffield taught her everything she knows about transit.

Board members and attendees applauded.

Mr. Sheffield mentioned that his wife Kristy is present, along with family friends.

Mr. Sheffield stated that the opportunities that arose from serving on the Board were immeasurable, but the opportunities now with his family are more important. He said that his family was part of his campaign and have been part of his term as Supervisor. Mr. Sheffield stated that he used to measure his life with his own successes, but now does so based on his family. He added that he measured his success as a Supervisor with how much he could give back and how much he conveyed understanding to his constituents. Mr. Sheffield presented his fellow Board members with transportation-related personal mementos.

Ms. McKeel suggested that they print them out and frame them to hang in the Board of Supervisors' office.

Mr. Sheffield commented that he had made very good friends on and off the Board during his tenure, and it has been a wonderful experience. He said that staff has been great to work with and are admirable in what they do for the County and the community, with the public not aware of how much the Board relies on them. Mr. Sheffield thanked everyone and said that he plans to attend some Board meetings as an audience member.

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Mr. Henry stated that he will review the timeline for the courts relocation project.

Ms. McKeel said they are currently at the December 20 point, with additional due diligence ahead regarding the public/private partnership process and discussions with Stantec later in the day. She stated that there will be possible renegotiations with the City of Charlottesville, and in 2018 there will be more work to do.

Mr. Henry stated that he has been acting as project manager and development services advisor for the courts process and the Stantec effort, and he introduced Mr. Drew Leff of Stantec and Mr. Matt Hunt from Greystone, who are available to answer questions. Mr. Henry commented that his job for Mr. Sheffield was to make sure the planters on the bridge at Rio/29 look good.

Mr. Sheffield said that Mr. Henry was the first person he informed in the County that he was going to run for Supervisor, as they had been working together at the time on Belvedere.

Mr. Henry stated that earlier that morning, he had provided a document in response to the Board's questions raised at the conclusion of their December 13 work session, as well as questions that came out of the public hearing on December 18. He noted that both electronic and hard copies had been provided to the Board, as well as being available to the public.

Mr. Henry said that Mr. Randolph had asked a question regarding what was used in the land cost assumptions for COB-5<sup>th</sup>, and staff had responded to that. He stated that staff had also clarified some of the charts that had been presented, including a fiscal impact slide, ensuring and indicating that all options assumed what was in the current CIP in terms of additional dedicated resources in FY19 and FY20. Mr. Henry said he will turn the discussion over to Drew Leff of Stantec to talk about next steps, then turn it over to the Board for any further discussions and direction.

Mr. Drew Leff addressed the Board and stated that Stantec's recommendation is for the next phase to be premarketing and market testing, with a more detailed scope and schedule to be compiled over the next four to six months, but scope and cost estimates to be provided in January for the Board's decision in February. Mr. Leff stated that Stantec wants to meet with property owners who have suitable properties, developers who have ideas and interests in developing a mixed-use walkable community that may or may not include civic uses, and infrastructure that might be needed as well. He said this will provide a lot more information, assuming they go forward with an RFP or RFQ, and it would also provide the Board and staff a lot of information regarding the importance of civic uses and the kinds of uses, along with other elements that comprise a successful development.

Ms. Mallek said this will be the final piece of information, and she is eager to see it.

Ms. McKeel stated that this is the final step in getting the Board the information needed in their decision making.

Mr. Dill asked what the balance is between local developers versus non-local developers to get their input. Mr. Leff responded that it is important that they talk to both, and the scale of project considered may be larger than local developers could handle, although there are some in the marketplace that have done projects of this scale.

Mr. Dill asked how he would describe this scale to someone who knows Charlottesville, but not

very well. Mr. Leff replied that they will be talking about acreage and several hundred thousand square feet of development, as a civic building or facility should be part of creating a walkable community. He stated that this would need to include several hundred units of residential development, retail and other uses, and potentially office uses. Mr. Leff said that prior to going out to the next meeting in February, they will put together a program that will provide a range of what they might expect. He stated that they would be looking at something that might exceed 10 acres in space.

Ms. Palmer asked for confirmation that this work would not be done until they come back with a scope and a price. Mr. Leff confirmed this.

Ms. Palmer said that Stantec would just be working with staff to prepare a proposal for the next step.

Mr. Henry stated that in the Stantec report, pages 19 and 20 has development scenarios, so the scale would be included as part of this analysis. He said they will further define the scope to include cost, schedule, and funding source, which will be brought back to the Board for their meeting on February 7.

Mr. Sheffield asked if there is a need to inform the Board of any potential indirect impacts to the Comprehensive Plan that may be related to this, as the plan includes ambitions for other parts of the County. He commented that there is only a certain saturation level for things in terms of new or increased density, and asked if Stantec could help identify the impact of the Comp Plan. Mr. Sheffield said that they would likely have to reassess the land use vision in the Comp Plan, once the analysis is done. Mr. Leff responded that Stantec could certainly do that, and their thought has been to look at property owners with a large enough parcel to accommodate about a million square feet of development, either in the Rio/29 area or closer into the City, or further out. He added that this could even extend into other areas where the development could have enough impact to host a walkable community that could serve as a model for other development in the area.

Mr. Sheffield commented that other components of the Comp Plan may also need to be enhanced to accommodate the walkability of the development, including the policies behind the effort.

Ms. Palmer stated that a small area plan had already been done for Rio and the one for Hydraulic is consistent with their Comp Plan.

Mr. Mark Graham addressed the Board and stated that the team working on the Rio/29 Small Area Plan had already been working closely with the Stantec people, trying to get an analysis of the cost of development with this, as well as looking at economic development opportunities. He said the intent of the small area plan was to incorporate it into the Comp Plan, and he feels that they could address those types of issues.

Ms. Mallek asked for confirmation that no inconsistencies have arisen as of yet. Mr. Graham confirmed this, stating that it was just a matter of ensuring that it was incorporated into the Comp Plan.

Ms. McKeel noted that Stantec would be coming back in February.

Ms. Palmer asked Mr. Leff if he had an opinion on how the 20% pass through tax break would affect the development market, which goes into effect January 1, 2018. Mr. Leff responded that they are not ready to comment on it yet.

Ms. Palmer stated that she assumes an impact of some kind, given that a lot of the small businesses are LLCs.

Mr. Leff said that it would certainly have an impact, but he could not answer whether it would be positive or negative.

Mr. Henry stated that staff understands the direction of the Board based on their earlier motion, and staff will proceed with a formal scoping and proposal from Stantec that proceeds into the next steps of the premarketing phase. He said they will be looking at a County Office Building, a performing arts center, and a convention center, and would also be considering this to be a listening opportunity from developers.

Ms. McKeel said the Board does not want to preclude anything, as it is not known what a developer will come back with.

Mr. Henry stated that staff had the action to bring back to the Board a defined scope, schedule, and budget as well as a potential funding source.

Ms. McKeel stated that the Board's timeline with the City is March 2.

Mr. Richardson said that he and the County Attorney are clear on their direction, and he appreciates the clarification from Mr. Henry and Stantec on next steps including the premarketing study.

Ms. Mallek asked if local landowners typically partner with developers who are out of the area. Mr. Leff responded that it has been Stantec's experience in the past, and with this type of project, many landowners may not have the development experience to develop a project as large as this one, but they could team with a larger developer.

Ms. Mallek said that the three different units have worked very well together on this, which could be a model for the bricks and mortar units.

Ms. McKeel thanked staff and Stantec for the enormous amount of time invested in the process thus far.

Mr. Randolph wished everyone happy holidays.

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Agenda Item No. 6. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Ms. Mallek asked if there was going to be an announcement related to office closings, or whether they could encourage the press to stay on top of it. Mr. Richardson responded that there had been some refinements to the schedule based on the Governor's announcement the previous week. He stated that the County Office Building would be closed New Year's Day, and the County would follow the state schedule, so the building would also be closed on January 2<sup>nd</sup>. Mr. Richardson said that notifications would be issued and staff would be informed regarding their schedules, and he confirmed that the County would also be closed on December 24-26.

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Mr. Dill said that constituents would likely ask him about the distance up Route 29 involved in the courts study, and said they may be interested in talking with Mr. Henry.

Mr. Henry responded that staff would bring those details back in February with Stantec, adding that the landowners could be anywhere.

Mr. Matthew Hunt of Stantec stated that they will try to identify landowners that have been coming forward to the County, and those the County feels they should talk to, with input sought from staff and the Board.

Ms. McKeel commented that she is already aware of interest from developers outside the area, throughout Virginia, and they have already contacted staff.

Mr. Hunt responded that they would be casting the net for regional and national developers, but also welcome local information.

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Agenda Item No. 7. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

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Agenda Item No. 8. Adjourn.

With no further business to come before the Board, the meeting was adjourned at 2:01 p.m.

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Chairman

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| Approved by Board |
| Date: 3/7/2018    |
| Initials: CKB     |