

# Compass Creek Voluntary Settlement Agreement

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March 21, 2024

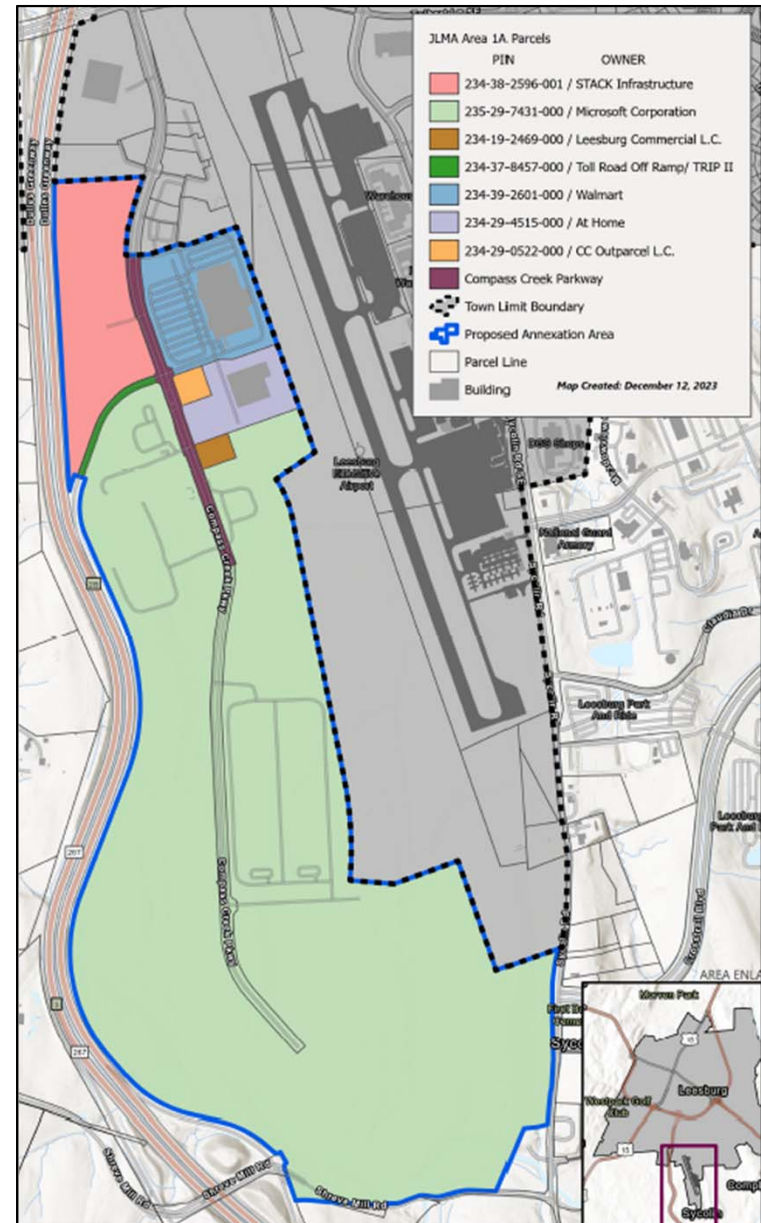
Town of Leesburg

Chris Spera, Town Attorney  
Greg Haley, Gentry Locke  
Andrew Bowman, Gentry Locke



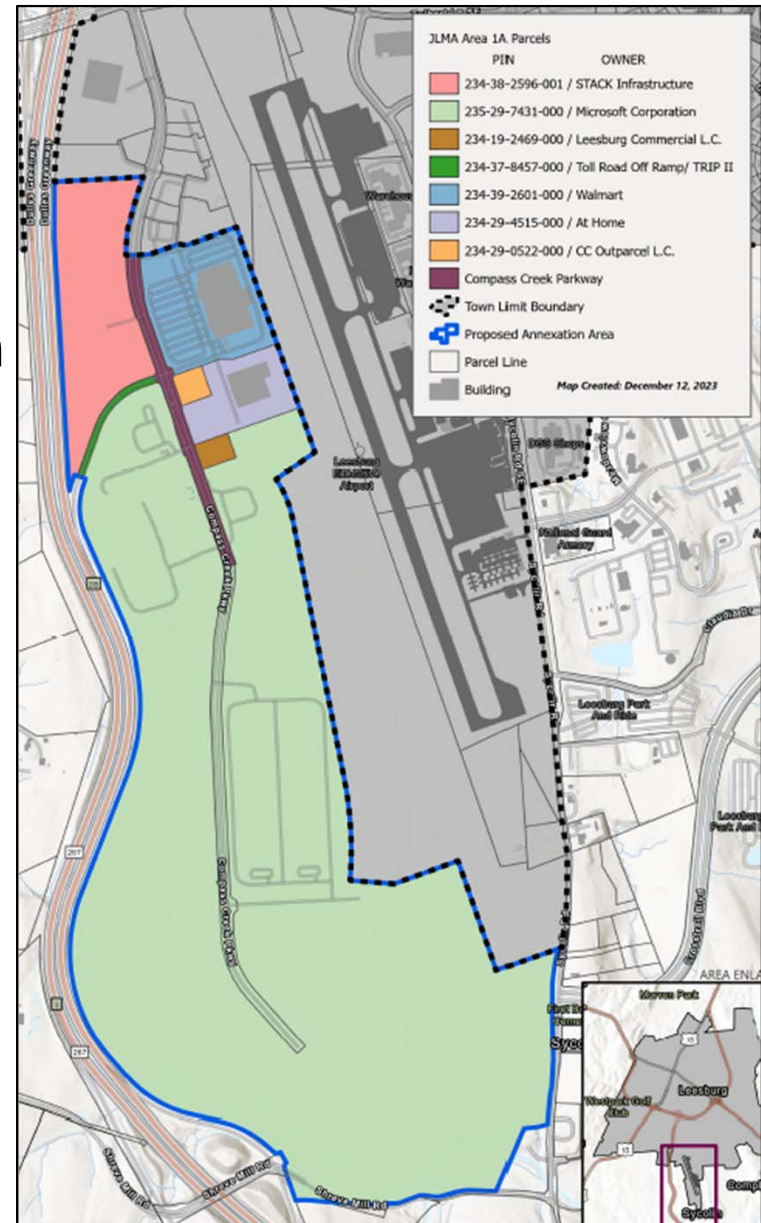
# Compass Creek

- ▶ Microsoft (323.4 acres)
- ▶ STACK (28.9 acres)
- ▶ Walmart (20.5 acres)
- ▶ At Home (10.4 acres)
- ▶ Smaller parcels
  - ◆ CC Outparcel (1.5 acres)
  - ◆ Vernal Pool (1.4 acres)
  - ◆ Dulles Toll Road (1.3 acres)
  - ◆ Dedicated right of way
  
- ▶ Total 402.8 acres



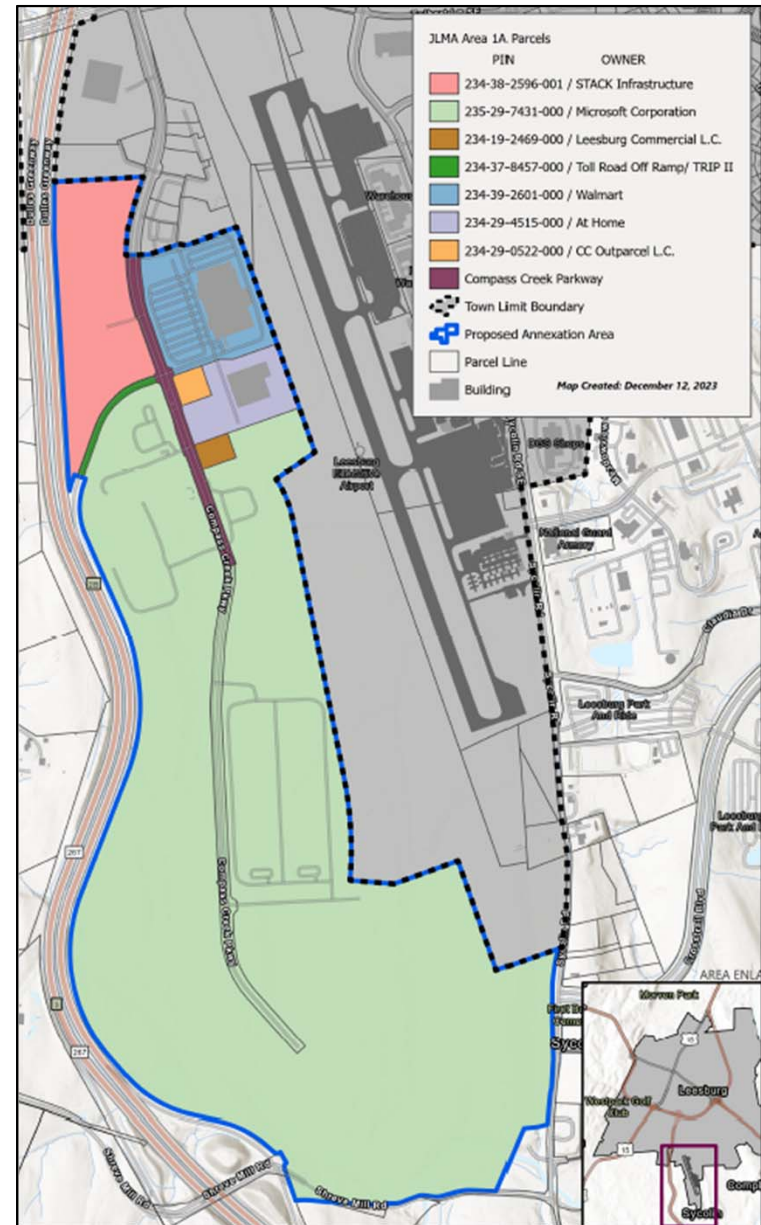
# Compass Creek

- ▶ Located in Joint Land Management Area (“JLMA”)
- ▶ JLMAs designated as “expansion area around the Towns”
  - ◆ JLMAs “accommodate growth emanating from [Towns]”
- ▶ County and Town coordinate on land use matters:
  - ◆ Rezoning/Uses of land
  - ◆ Development applications
  - ◆ Utilities, etc.
  - ◆ Access



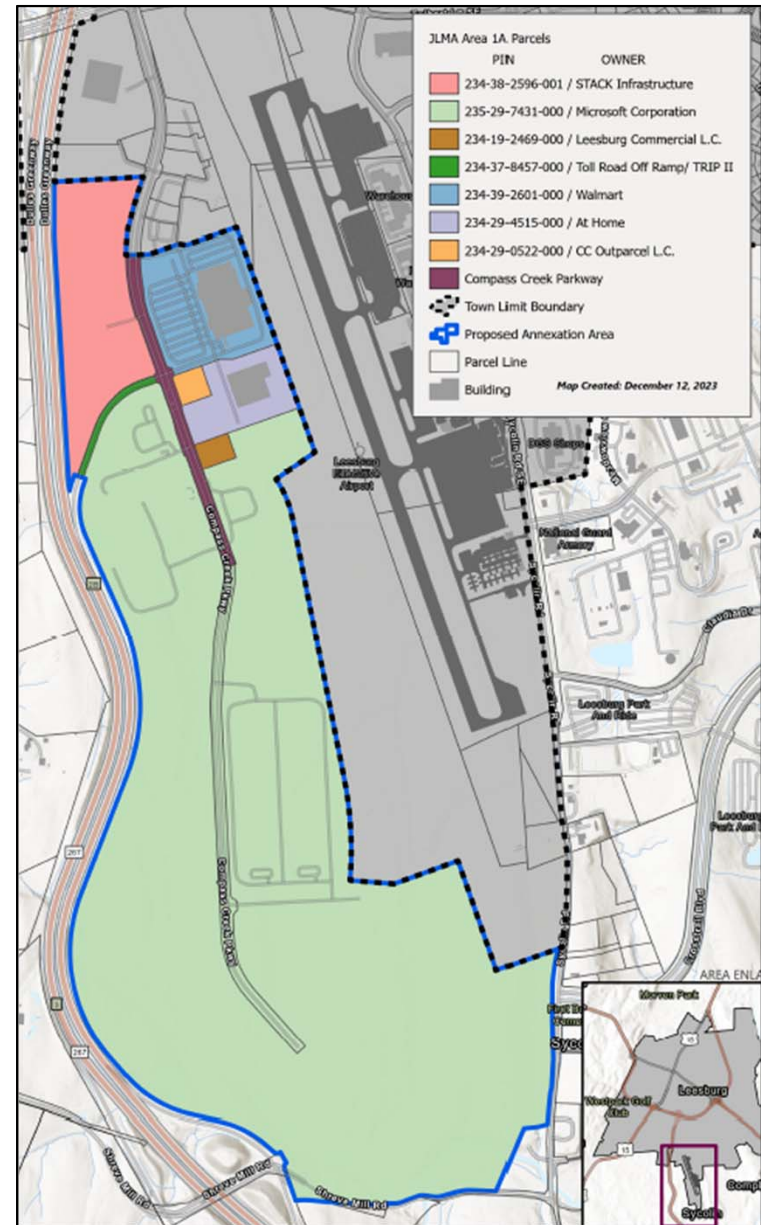
# JLMA Policies

- ▶ County 1991 General Plan
- ▶ Utility Policy 2B:
  - ◆ “The towns will be the providers of public sewer and water in the Town Urban Growth Area unless a different provider is agreed upon by the County and the towns.”
- ▶ Annexation Guideline 1
  - ◆ “It should be the intent of the County and of the Town that any property located within the Urban Growth Area . . . Which is presently or would be served by town sewer and/or water . . . should, in the future, be annexed by the town.”



# JLMA Policies

- ▶ County 2001 Revised Plan
- ▶ Public Utility Policy 1
  - ◆ “The Towns will be the providers of public sewer and water in their town JLMA’s unless a different provider is agreed upon by the County and the Town.”
- ▶ Growth Management Policy 8
  - ◆ “As water and sewer are extended into a Town JLMA, annexation of the area by the Town will be encouraged by the County.”
- ▶ Annexation Guidelines



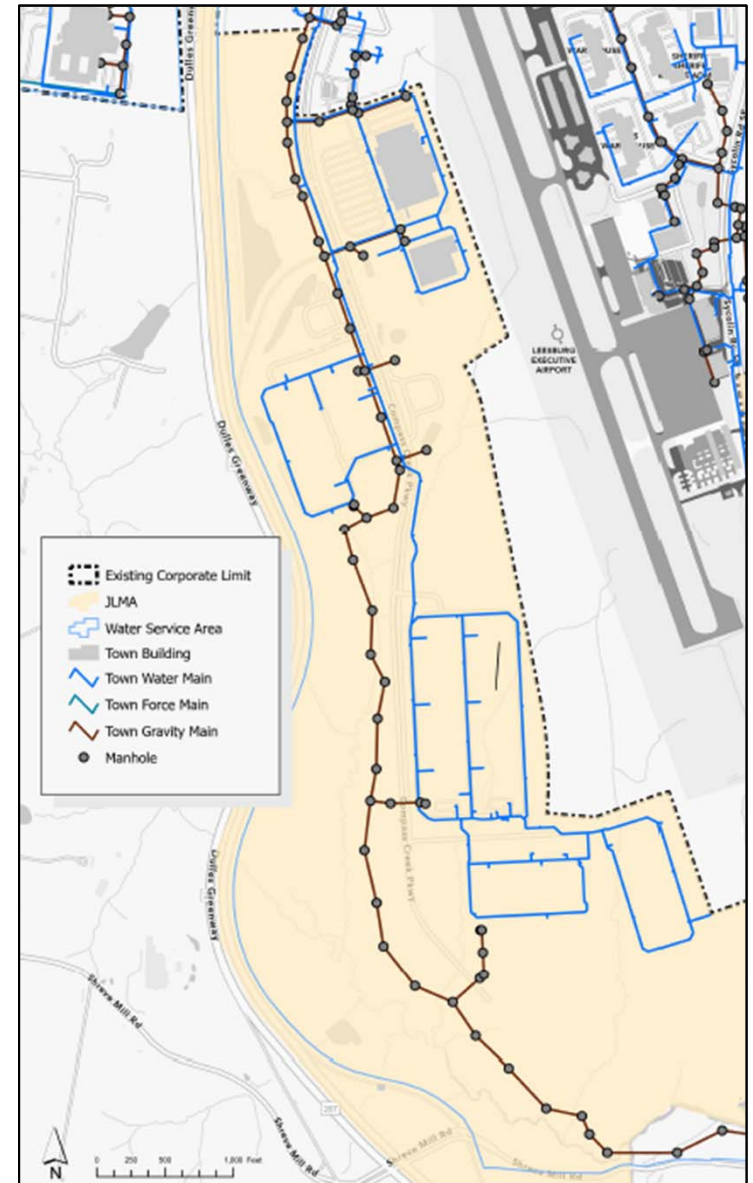
# Utilities

- ▶ Town developed the utilities capacity to serve Compass Creek over decades
  - ◆ Route 643 water tower and lines (1987/2006)
  - ◆ Lower Sycolin Sewer (Phase 1 and 2) (2011/2015)
- ▶ Years of planning and implementation



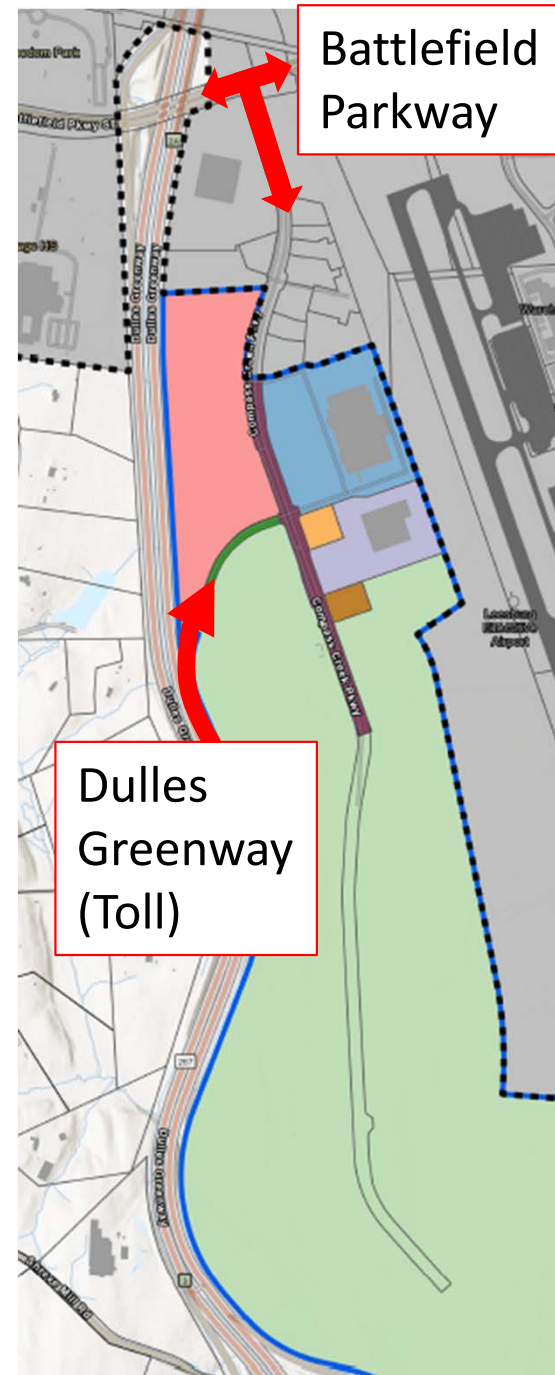
# Utilities

- ▶ Town provides water & sewer service to Compass Creek
  - ◆ Enabled development on developers' timeline
  
- ▶ Town Approvals
  - ◆ At Home – June 23, 2015
  - ◆ Walmart – September 22, 2015
  - ◆ STACK – March 14, 2023
  - ◆ Microsoft
    - Phase 1 – November 26, 2019
    - Phase 2 – May 26, 2020
    - Increase – February 19, 2024



# Street Access

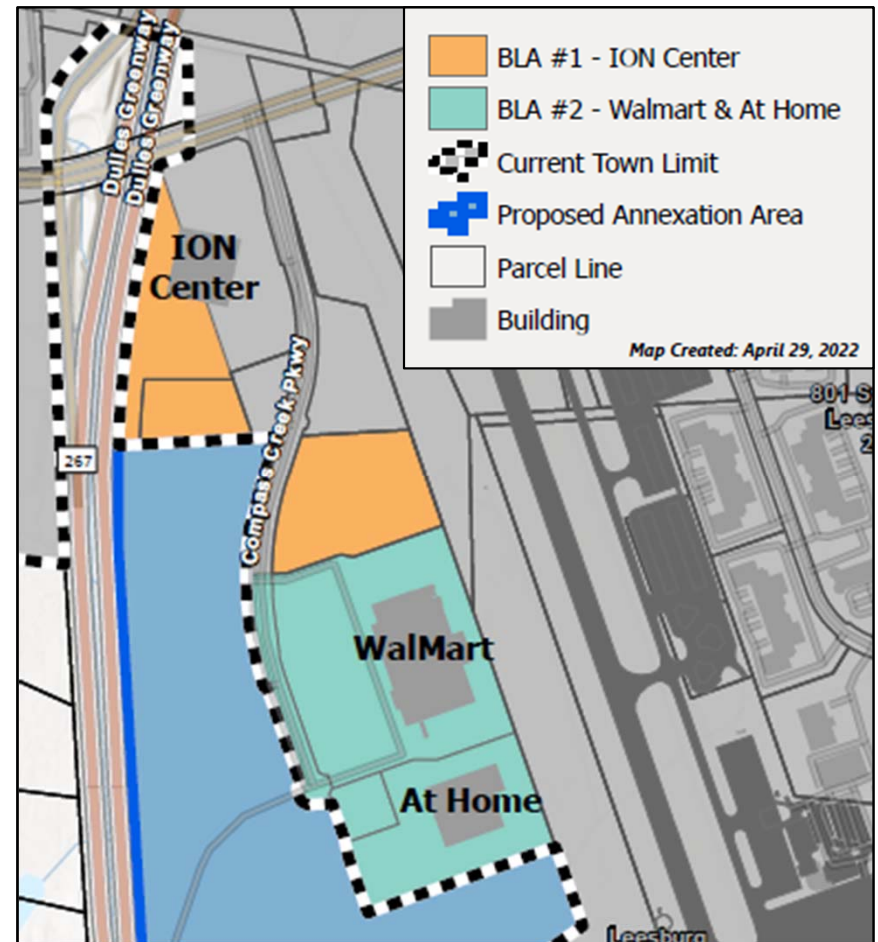
- ▶ Battlefield Parkway (2008/2011)
- ▶ Compass Creek accessed through Town street system
- ▶ Years of planning and implementation





# Prior BLAs

- ▶ Implement Comprehensive Plans
- ▶ April 2020
  - ◆ ION Center
  - ◆ Commercial Center
- ▶ April 2022
  - ◆ Walmart
  - ◆ At Home
  - ◆ CC Outparcel



# Legal Standard

- ▶ Best interests of the Commonwealth
  - ◆ The Town
  - ◆ The County
  - ◆ Compass Creek property owners
  - ◆ The Commonwealth.
  
- ▶ Beneficial to the orderly growth and continued viability of localities
  
- ▶ Promote strong and viable units of government

# Voluntary Settlement Agreement

- ▶ Key Provisions
  - ◆ Section 4: Annexation
  - ◆ Section 5: Utilities
  - ◆ Section 6: Financial provisions
  - ◆ Section 7: City Status Limitation
  - ◆ Section 8: Adverse Annexation Limitation

# Voluntary Settlement Agreement

- ▶ Section 4: Annexation
  - ▶ § 4.1. Annexation
    - ▶ Compass Creek annexed into Town

# Voluntary Settlement Agreement

- ▶ Section 4: Annexation
  - ▶ § 4.2. Property Owner Consents
    - ▶ At Home
      - ◆ November 3, 2020
    - ▶ Walmart
      - ◆ May 7, 2021
    - ▶ CC Outparcel
      - ◆ May 25, 2021
    - ▶ STACK
      - ◆ March 13, 2023
    - ▶ Microsoft
      - ◆ February 19, 2024
    - ▶ Leesburg Commercial (Vernal Pool)
      - ◆ March 24, 2024

# Voluntary Settlement Agreement

- ▶ Section 5: Utilities
  - ▶ § 5.1. Town to provide water and sewer service to Compass Creek
    - ◆ Town already serves Compass Creek
  - ▶ § 5.2. Microsoft has option to use Loudoun Water for future development.

# Voluntary Settlement Agreement

- ▶ Section 5: Utilities
  - ▶ § 5.4. Town to charge same utility rates for all customers
- ▶ Section 6: Financial provisions
  - ▶ § 6. Economic Development Incentive Payment program

# Voluntary Settlement Agreement

- ▶ Section 7: City Status Limitation
- ▶ § 7. Limitation on City Status
  - ◆ Moratorium since 1987
  - ◆ Current moratorium ends 2032
  - ◆ Additional 25 years limitation



# Voluntary Settlement Agreement

- ▶ Section 8: Adverse Annexation Limitation
- ▶ § 8. Limitation on Annexations
  - ◆ 25 years limitation
  - ◆ Allows agreed boundary adjustments

# Best Interests of Town

- ▶ Expand & Diversify Tax Base
- ▶ Adequate Utility Capacity
- ▶ Marginal Impact on Utility Revenue
- ▶ Additional Vacant Land
- ▶ Implements long-standing provisions of Town Plan

# Best Interest of Town

- ▶ Expand & Diversify Tax Base
  - ◆ Leesburg participates in growth of local tax resources it helped to create

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>BPOL</b>	<b>Meals</b>	<b>Total</b>
2025	\$548,088	\$1,639,235	\$328,896	\$131,036	\$2,647,254
2026	\$883,091	\$2,944,579	\$381,988	\$131,036	\$4,340,694
2027	\$1,133,453	\$5,109,730	\$381,988	\$131,036	\$6,756,207
2028	\$1,152,880	\$9,295,330	\$381,988	\$131,036	\$10,961,234
2029	\$1,172,695	\$13,239,398	\$381,988	\$131,036	\$14,925,117
2030	\$1,192,898	\$18,817,368	\$381,988	\$131,036	\$20,523,290
2031	\$1,213,488	\$16,886,828	\$381,988	\$131,036	\$18,613,339
2032	\$1,234,535	\$14,251,566	\$381,988	\$131,036	\$15,999,125
2033	\$1,255,980	\$13,325,614	\$381,988	\$131,036	\$15,094,618
2034	\$1,277,853	\$13,594,517	\$381,988	\$131,036	\$15,385,393
2035	\$1,300,164	\$14,148,906	\$381,988	\$131,036	\$15,962,094

# Best Interest of Town

► Expand & Diversify Tax Base

- ◆ Better & Increased Services
- ◆ Fund CIP projects

Table 7: Unfunded Capital Improvement Plan Projects			
Dept.	Project Number	Description	Future Funding Needed
Parks & Rec.	24201	Adding and replacing playground equipment and surfaces	\$223,000
Streets & Highways	20004	Construction of new interchange between Route 15 (Leesburg Bypass) and Battlefield Parkway	\$57,230,000
	22302	Construction of right turn lane on East Market Street	\$15,000
	28301	Improvements to North Street	\$1,461,000
	27303	Improvements to South King Street	\$1,170,000
	29301	Construct new traffic signal at intersection of Fieldstone Drive and Battlefield Parkway	\$1,033,000
Airport	29001	Rehabilitate paving around airport hangars	\$5,120,000
	22001	Purchase airport FBO hangar	\$3,400,000
	23002	Relocate parallel taxiway	\$20,000
	24001	Prepare south end site for hangar land lease	\$3,160,000
	25001	Study to examine development of west side of airport	\$20,000
Utilities	29503	Water Pollution Control Facility aeration improvements	\$1,510,000
	25502	Water Pollution Control Facility solids processing improvements	\$4,000,000
	29504	Water Treatment Plant gravity thickener replacement	\$750,000
Total Unfunded CIP Projects			\$81,114,000

# Best Interest of Town

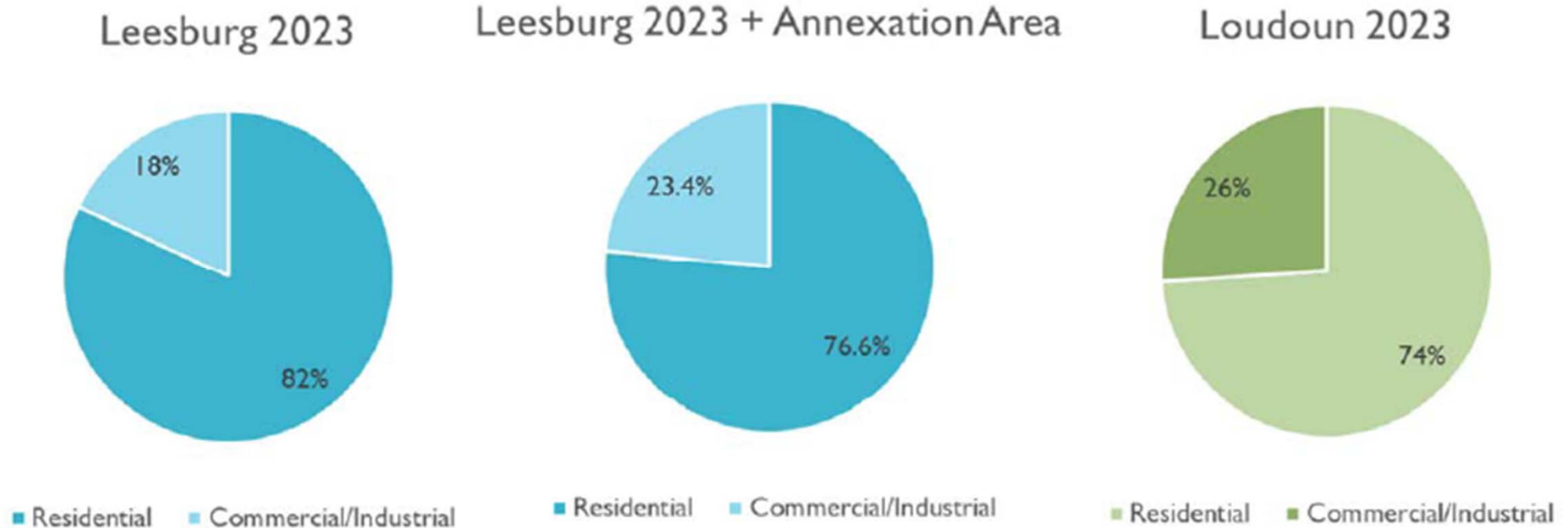
- ▶ Expand & Diversify Tax Base

**Figure 6: Leesburg's Increasing Reliance on Residential Real Estate Taxes**



# Best Interest of Town

- ▶ Expand & Diversify Tax Base



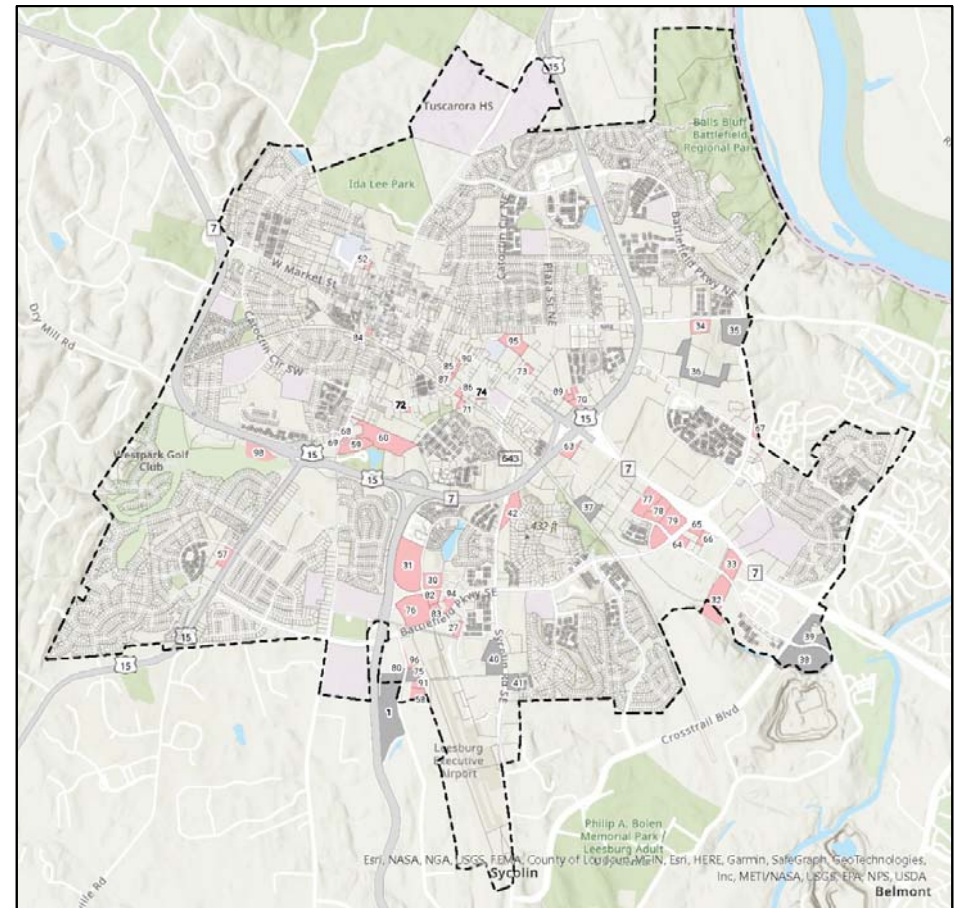
# Best Interest of Town

- ▶ Adequate Utility Capacity
  - ◆ Town has capacity to serve all of Town and Compass Creek at buildout
  
- ▶ Marginal Impact on Utility Revenue
  - ◆ Reduction offset by EDIP program

<b>Table 1: Summary of Town Water Capacity</b>	
<b>Scenario</b>	<b>Max Day Demand (MGD)</b>
Permitted Capacity	12.884
Approved Development	7.995
Microsoft Increase	0.639
Remaining Capacity	4.250

# Best Interest of Town

- ▶ Additional Vacant Land
  - ◆ Town is mostly built out
  - ◆ Few remaining suitable parcels
    - Small size
    - Undesirable configuration
    - Steep slopes
    - Floodplain
  
- ▶ Compass Creek was vacant land when Leesburg initiated BLA/annexation process





# Best Interest of County

- ▶ County already benefits from development at Compass Creek
- ▶ Enhances Town role as County seat and commercial and economic hub
- ▶ Reduced water & sewer rates for out of town customers
- ▶ No adverse impact
  - ◆ Compass Creek remains in the County

# Best Interest of Compass Creek

- ▶ Property owners already benefit:
  - ◆ Town water and sewer services, available when needed
  - ◆ Expedited development timeline
  - ◆ Access through street system
  
- ▶ Property owners consent
  
- ▶ Reduced water & sewer rates
  
- ▶ Full range of Town services
  - ◆ Law Enforcement, particularly large commercial uses
  
- ▶ Leesburg approved Microsoft's increased water/sewer needs

# Best Interest of Commonwealth

- ▶ Resolution of interlocal issues
- ▶ Promote strong and viable units of local government