



Town
of
Purcellville
Virginia



State of the Town Address



Purcellville's Vision and Mission



VISION – “Purcellville - your small Town, where history and progress intersect and people prosper.”

MISSION - To provide leadership, stewardship, and policies that produce a vibrant community where residents delight in living, participating and welcoming visitors.



Welcome



Thank you for the opportunity to present this State of the Town Address.

Over the past eight years, I have been honored to convey to our citizens and businesses the accomplishments, challenges, and visions for Purcellville. In eight years we have delivered on a slow growth strategy that has resulted in high property values and making Purcellville one of the most desirable communities in our nation. We have also welcomed hundreds of new businesses, with 98 new businesses in 2021 and 83 in 2022 year to date, we continue to lower our overall debt, maintain our stellar credit ratings, and embrace innovation for economic and social value. In 2021, we received the Virginia Municipal League Innovation Award for Environmental Quality for the planting of over 100,000 trees to create the largest nutrient credit bank on municipal owned land in Virginia. We received over \$900,000 in net revenue an 800% Return on Investment from the nutrient credit bank.

As I stood before you last year I recommended that we empty our glass so they may be refilled. This was said in anticipation of federal funds from the American Rescue Plan Act flowing to our community. As a result, our Town received \$10.5 million, with the majority being invested in strengthening our water and sewer infrastructure with value for decades to come and enabling the long needed renovation of our police station. We are reminded that these funds did not magically appear but were a result of our advocacy through the National League of Cities, representing over 19,000 cities, towns, and villages across the United States, to bring needed dollars back to our communities following the COVID-19 pandemic.



The State of Our Town

Collectively, the commitment and dedication from our Town Council, Operational Team, Committees, Commissions, and Boards, and our citizens as well as the business community have brought us to this moment of declaration that **the state of our town is STRONG and is the strongest it has been in eight years.**

We recovered from the pandemic which tested and strengthened our community and we now remain committed to deliver what we promised, to create and to preserve value, and to efficiently manage our assets to ensure prosperity for every citizen.

Kwasi A. Fraser

MAYOR, TOWN OF PURCELLVILLE

Eight years of Slow Growth, Low Taxes, Innovative Solutions, and Decreasing Debt Burden



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The Challenge We Accepted

I ran for Mayor because I believed I could best represent the interest of our citizens and our town.

July 1, 2014:

- Christian Sierra's death on May 24, 2014
- Pending Legal Action for eminent domain that resulted in a road being built through Crooked Run Orchard
- Town sued Loudoun County over Woodgrove High School being built
- Autumn Hill Brookfield Mayfair development initiated – \$12 Million advanced availabilities into reserves
- Vineyard Square approved by prior Town Council
- Total Outstanding Debt of \$61 Million
- Wastewater and Water debt with prepayment penalty and interest only
- Balloon Debt Payments of \$2.9 Million annually from 2020 to 2030 in the Wastewater Fund
- Residential Annexation Pressure even with Go Carts
- 21st Street renovation phase 1
- 189 Acres of Town owned land purchased for wells but rented as a small crop farm
- Dilapidated old maintenance facility with no economic or social value to the Town



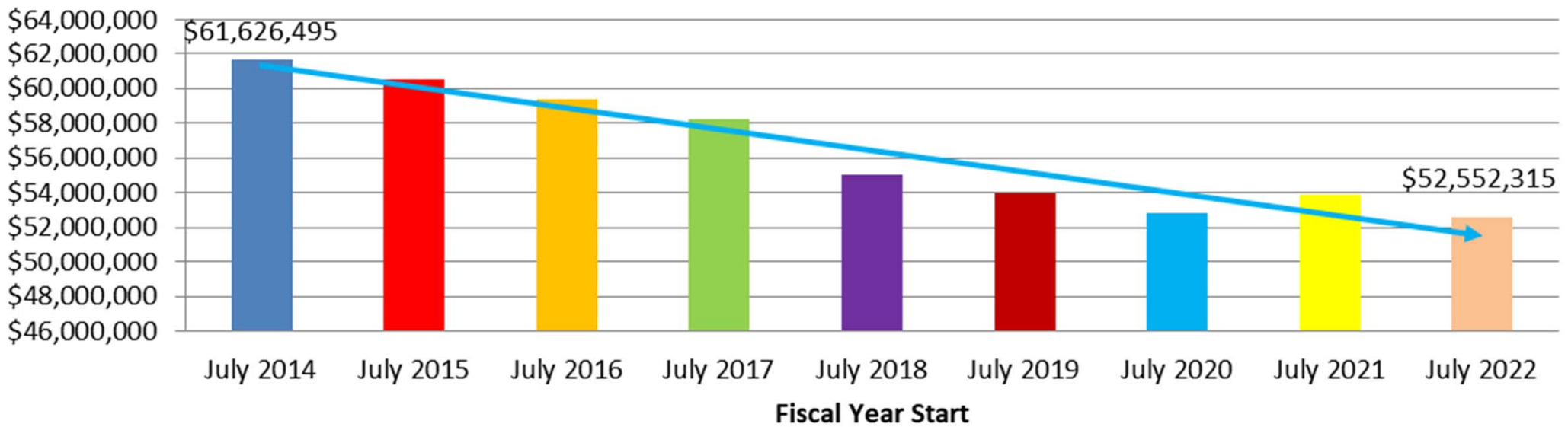
The Path Taken and Accomplishments

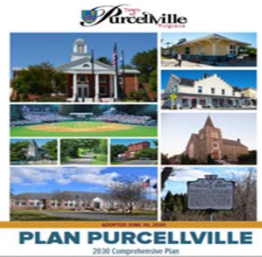
Putting Citizens First.

Present:

- Rejected two annexations by listening to our citizens
- Initiated, completed, and adopted revised Town's Comprehensive Plan
- Promote and embrace innovation
- Virginia's largest nutrient credit bank on municipal land with over \$900,000 net revenue to town and 800% ROI
- Bike park majority funded from private sources and not town taxes
- Community health monitoring – wastewater based epidemiology
- Community Makerspace, welding, metal and woodwork, and robotics
- Reduced debt by \$9 million and remove prepayment penalties
- Retained AAA credited rating throughout eight years
- Never Raised Tax we lowered the Fireman's Field District Tax
- Restructured debt and prevented \$2.9 Million per year balloon payment between 2020-2030 in wastewater fund
- Built a culture of transparency that puts the citizens first - OpenGov Financial Portal and live stream video recorded meetings
- Highest cash reserves ever and receiving optimal interest rates available
- Welcome hundreds of new businesses and multiple business expansions (Giant, Catocin Creek Distillery, McDonald's, Southern States) – 98 new businesses in 2021 and 83 YTD 2022
- Double Meals Tax revenue, without increasing taxes
- Completed 21st road and utility construction project
- Completed multiple road, sidewalks, and utility infrastructure projects
- \$8 Million water and sewer infrastructure replacement and enhancement using American Rescue Plan Act funds
- Recurring revenue streams from fiber optics in Town ROW and cell tower leases
- Empowered and encourage entrepreneurial citizens and business owners - Painted benches, painted barrels, Town Mural, Town-wide Tag Sale, etc.

Purcellville Outstanding Debt Balance





Known Predictable and Manageable Debt

General Fund Debt

- Between 2014 to 2021 we have paid affordably \$1.18 million on average annually.
- From 2022 to 2034 we will be paying on average annually \$992,000
- There is no issue with the Town being able to afford this debt payment and it will retire in 2034 (12 Years to retire)

Parks and Recreation

- Between 2022 to 2027 we will be paying \$106,865 on average annually. Prior to 2017 we were paying on average \$268K per year.
- Between 2028 to 2037 it will decrease to 82,701 on average annually
- Debt is on target to retire in 2037 with significantly lower payments. (15 years to retire)
- Fireman's Field Debt will retire in five years.

The Road Ahead

Slide 1 of 3

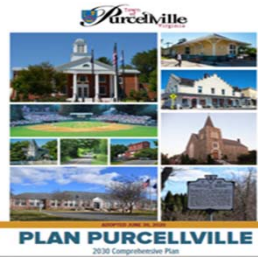
Water Treatment

- In 2014 the concern was that from 2021 to 2033 annual **water debt** payment would rise from the affordable \$782,000 to \$932,000 on average per year for the next 13 years
 - We restructure in 2017, preventing that \$932,000 per year for 13 years starting in 2021
- We are now at an average annual payment of \$686,000 from 2022 to 2038. Keep in mind in 2014 we were affordably paying \$782,000.
- There is no issue with the Town being able to afford this debt payment and it will retire in 2038.

With current 3% rate increases the annual revenue is 4.18 times the average annual debt payment between 2023 and 2038.



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Known Predictable and Manageable Debt

The Road Ahead Slide 2 of 3

Wastewater Treatment

- ❑ In 2014 the concern was that from 2020 to 2030 annual **wastewater debt** payment would rise from the affordable \$1.2 Million to \$2.9 Million on average per year for the next 10 years
 - We restructure in 2017, preventing that \$2.9 Million per year for ten years starting in 2020
- ❑ In 2020 we knew that from 2025 to 2040 annual wastewater debt payment would rise from an extremely affordable \$1 million on average per year between 2020 to 2024 to \$2.4 million on average per year
- ❑ Remember in 2014 we comfortably paid \$1.2 Million, by 2025 with the rate increases we have had over the years we would be able to affordably pay \$1.4 million. So the shortfall in annual average payment between 2025 to 2040 is actually
 - \$2.4 million minus \$1.4 million = \$1 million and not the fearmongering \$2.4 minus \$870,000 = \$1.5 million
 - The \$870,000 low payment was from the restructuring which allowed us to increase our reserves between 2022-2024
 - If someone tells you that restructuring is just kicking the can down the road just ask them two questions
 - Where would they have gotten \$1.7 million per year from between 2020-2030 to pay the wastewater plant debt and second do they understand the investment concept of time value of money

How to Pay the \$1 million annual shortfall: Use portion of the \$2 million meals tax, use the \$900k from the nutrient credits, pursue stream and wetland credits at the 1,200 acres watershed property, a heavy sewer and water user such as an aquatic and recreational center, reduce operational expense such as chargebacks, with current 5% rate increases the annual revenue is 2.46 times the average annual debt payment between 2023 and 2040.

Purcellville



PLAN PURCELLVILLE
2030 Comprehensive Plan

The prosperity of a community is measured by how long it takes a dollar to leave that community.

The Road Ahead Slide 3 of 3

Building the Future on a Solid Foundation

- Over 8 Million invested in infrastructure maintenance and enhancement for the future
- Comprehensive Plan anchor in your desire to preserve Purcellville small town charm and character
- Transparent Government

Strong Economic Base – Western Loudoun County Economic Hub

- Year over Year business and revenue growth
- Vacancy rate dropped from 8% to 6.1 percent in a quarter
 - We have less than 45,000 SqFt available.
 - Former BB&T bank building at about 9,600 SqFt – Vacancy due to a merger.
 - 20,000 SqFt Climate Control Storage company opened last month
 - ACE Hardware, White Palace, and the Former Dragon Hops building are going to reduce our vacancy rates further

Strong Advocacy at the Federal, State, and Local level to bring dollars back to our community

- Future CIP Projects Funding
 - Billions of dollars in Bipartisan Infrastructure Law and Inflation Reduction Act dollars
 - Invest in resources to pursue and capture these dollars for our future CIP projects
 - Don't tell us it cannot be done – Our road projects are funding by VDOT Grants
- Pursue opportunities to generate non tax revenue from our assets
 - Industrial, agricultural, academic, energy, or environmental projects



Conclusion

The charm and small-town character of Purcellville is one of our competitive advantages, and the wellspring of our economic vitality. It is what makes tourists driving past other places, stop and enjoy the sights, sounds, flavors, and activities of Purcellville.

We continue to focus on delivery of exceptional services to our citizens, and to remain the economic hub of western Loudoun. We will achieve this by wisely investing precious tax dollars, and to continue to pursue ways to generate non-tax revenue that will not compromise the character and charm of our Town.

Our strategy of slow growth – and rejection of annexation with high density residential development – is paying dividends by making our community inviting, and highly-desirable, and our residents are seeing this with ever increasing property values.

To our new residents; we know you paid a premium price to live in this community, you must join the cause to reject high density residential annexations in order to protect the value of our homes.

To conclude, there are challenges ahead of us but we are prepared to meet them and prevail as a town and a nation.

We have a staff that is committed to maintaining the safe, healthy quality of life, small town atmosphere, and positive values that we want for this place we call home.

The State of the Town is Strong.

Thank You

Thank you again for the opportunity to serve you over these past eight years and to present my final State of the Town Address. It has been my pleasure to listen to your ideas and concerns and to work with the staff, committees, commissions, boards, and council to make Purcellville an exemplary community rooted in small town character, economic strength, operational resiliency, and strategic determination.

To my wife, Angela, and our children Darius, Naomi, and Jeremy, I greatly appreciate your patience, prayers, love, and support. You have been the constant and faithful as the morning sun throughout my four terms as Mayor of Purcellville. Thank you for sharing me with this great town.

I thank our entire staff, past and present for their professionalism, dedicated service, and patience throughout my time as Mayor.

To those of you who have sat through meetings, have volunteered at events, and have given tireless hours to accomplish the mission for the citizens of this great town, thank you for your generosity.