



Tuckahoe Creek Service District

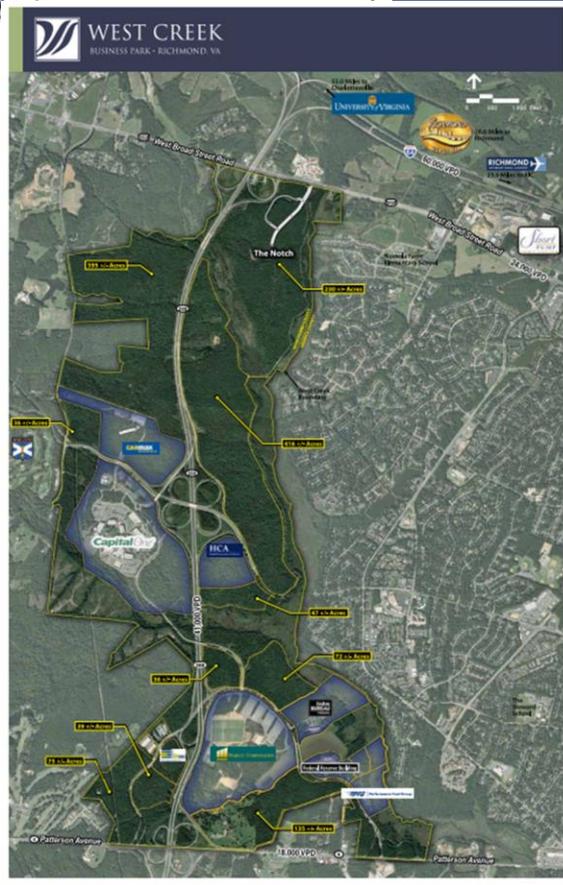
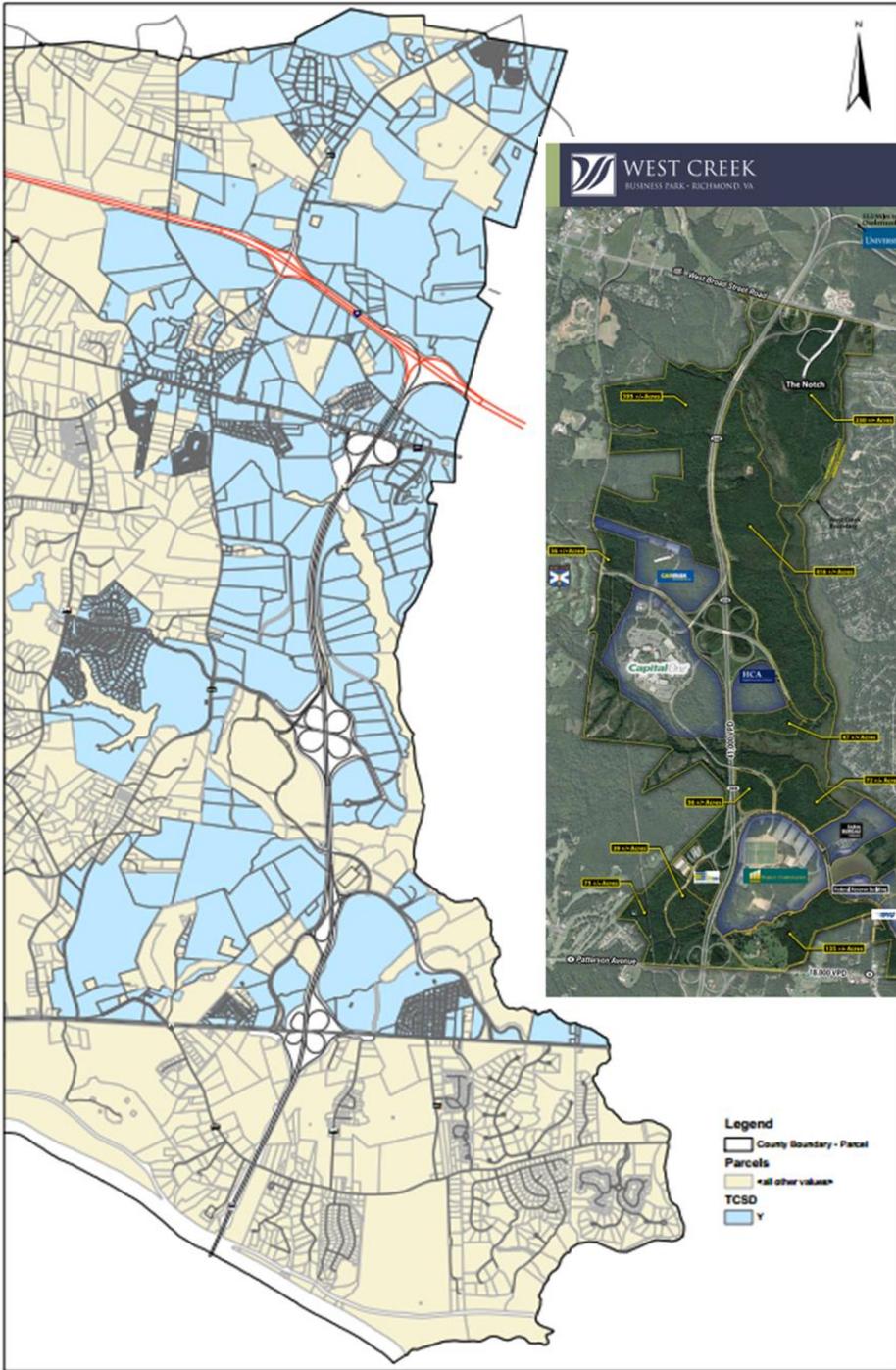
FAQ's

Updated 4/3/19

What is the Tuckahoe Creek Service District (TCSD)?

- A water and sewer service district
- Created in 2002 to provide core infrastructure for access to water and sewer for certain areas and to provide a mechanism for payment.
- Intended to primarily benefit the landowners within the district, and as an ancillary matter, all the citizens of Goochland County by spurring businesses and creating economic development within the district.





West Creek is generally consistent with the TSCD, however, the TCSD covers properties in addition to West Creek

My real estate tax bill has an additional Ad Valorem tax on my property. What is an Ad Valorem tax?

- Goochland County's Ad Valorem tax is an additional tax assessed to properties located within the Tuckahoe Creek Service District (TCSD).
- Pursuant to Section 15.2-2400 of the Code of Virginia of 1950, as amended, the Goochland Board of Supervisors may impose an ad valorem special tax on the assessed values of the tax map parcels in the service district to pay the costs of the district under the plan. All taxes levied and collected are pledged to finance the costs of the TCSD.



What is the Ad Valorem tax rate?

The current ad valorem rate has been \$0.32 per \$100 value since 2012. This tax is in addition to real estate tax. The real estate tax rate is currently set at \$0.53 per \$100 value (2017).

Example: If a parcel of land is assessed at \$100,000

The real estate tax would be calculated:

$$\$100,000/\$100 = \$1,000 \times \$0.53 = \$530$$

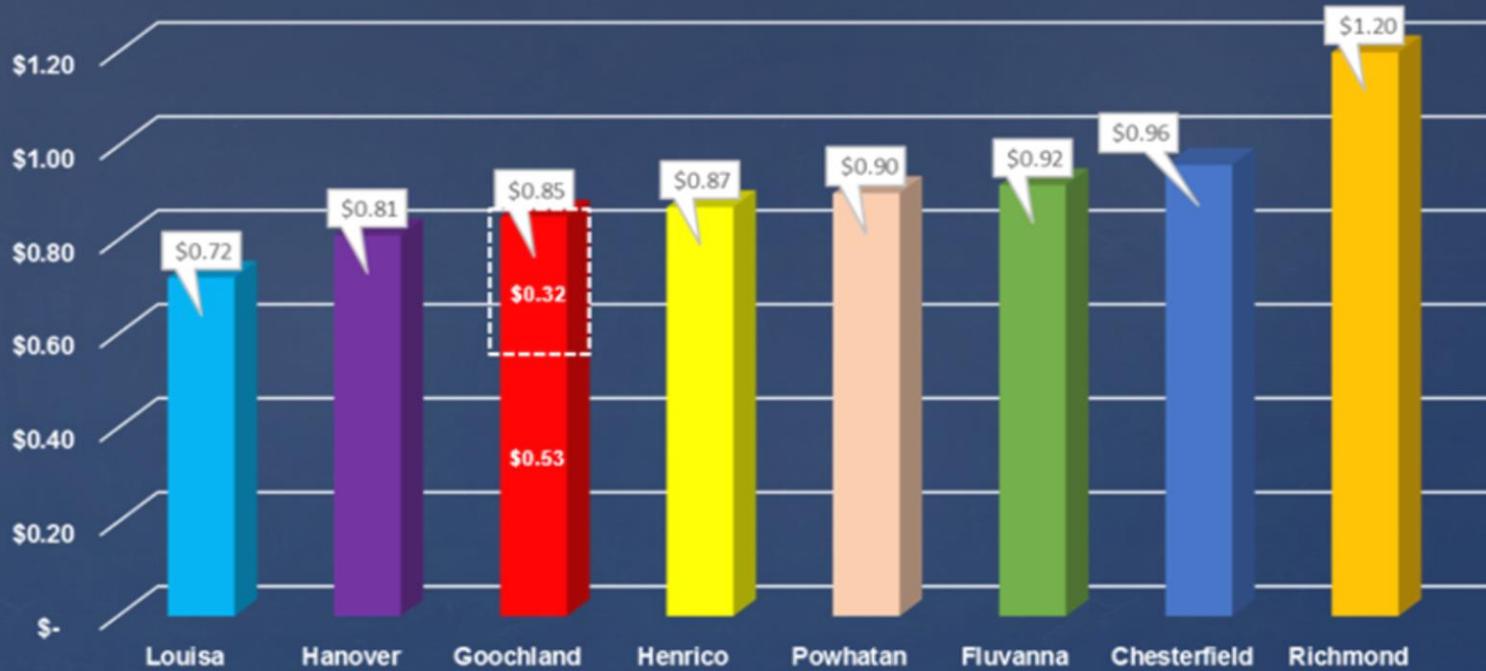
The ad valorem tax would be calculated:

$$\$100,000/\$100 = \$1,000 \times \$0.32 = \$320$$

Total real estate and ad valorem tax = \$850



Combined Tax Rates for those in TCSD



Will the Ad Valorem rate ever change?

- The Goochland Board of Supervisors sets the ad valorem rate annually to meet the debt and operational obligations related to infrastructure and operations of the utility operations within the TCSD.
- Assuming moderate growth and economic development within the TCSD, the ad valorem rate is expected to remain static until the property values and other revenues of the TCSD exceed the obligations on the system.



Why/how did my property get into the TCSD?

- Before the TCSD was formed, every landowner in the proposed district was given an opportunity to opt-into the district or opt-out of the district.
- Since that time, many parcels have changed ownership or been subdivided. Even though new parcels are created through subdivisions, the subdivided parcels are considered to be in the TCSD.



How long will properties in the TCSD be required to pay the Ad Valorem tax?

- The debt, as paid by the Ad Valorem tax, will not be paid in full until 2042 so the tax will remain in place until the debt and other obligations are met.



How much Ad Valorem tax has the County collected over the past several years?

Fiscal Year	Ad Valorem	55% Revenue Sharing	Total Property Tax
FY2012	\$2,225,275	\$857,022	\$3,082,297
FY2013	\$2,245,615	\$883,174	\$3,128,789
FY2014	\$2,364,542	\$938,204	\$3,302,746
FY2015	\$2,552,366	\$1,097,900	\$3,650,266
FY2016	\$2,835,000	\$1,124,633	\$4,083,633
FY2017	\$3,032,465	\$1,335,690	\$4,368,155
FY2018	\$3,162,091	\$1,383,885	\$4,545,976

What additional revenue is contributed to meeting the TCSD Debt obligation?

- In addition to the Ad Valorem Tax, 55% of the increase in general real estate levy revenues from taxation on land and improvements of non-residential properties, with exception of Kinloch, is dedicated to meeting the repayment obligations.
- The 2002 value of taxable non-residential land and improvements in TCSD serves as the base from which increases are calculated. These General Funds must be dedicated to the debt obligation until paid in full and cannot be utilized for other General Fund obligations.



What is the total assessed value of property in the TCSD?

Year	Assessed Value	Percent Change
2003	\$233,087,900	
2004	\$244,616,300	4.95%
2005	\$356,233,800	45.63%
2006	\$412,812,200	15.88%
2007	\$660,606,500	60.03%
2008	\$701,712,400	6.22%
2009	\$777,373,006	10.78%
2010	\$715,752,500	-7.93%
2011	\$715,752,500	-2.99%
2012	\$694,329,600	-1.59%
2013	\$683,264,693	2.63%
2014	\$701,257,546	7.50%
2015	\$753,837,392	6.70%
2016	\$804,350,120	15.37%
2017	\$928,005,234	0.18%
2018	\$929,707,840	9.62%

Note: Total assessed value is a combination of new construction and growth in the value of existing properties

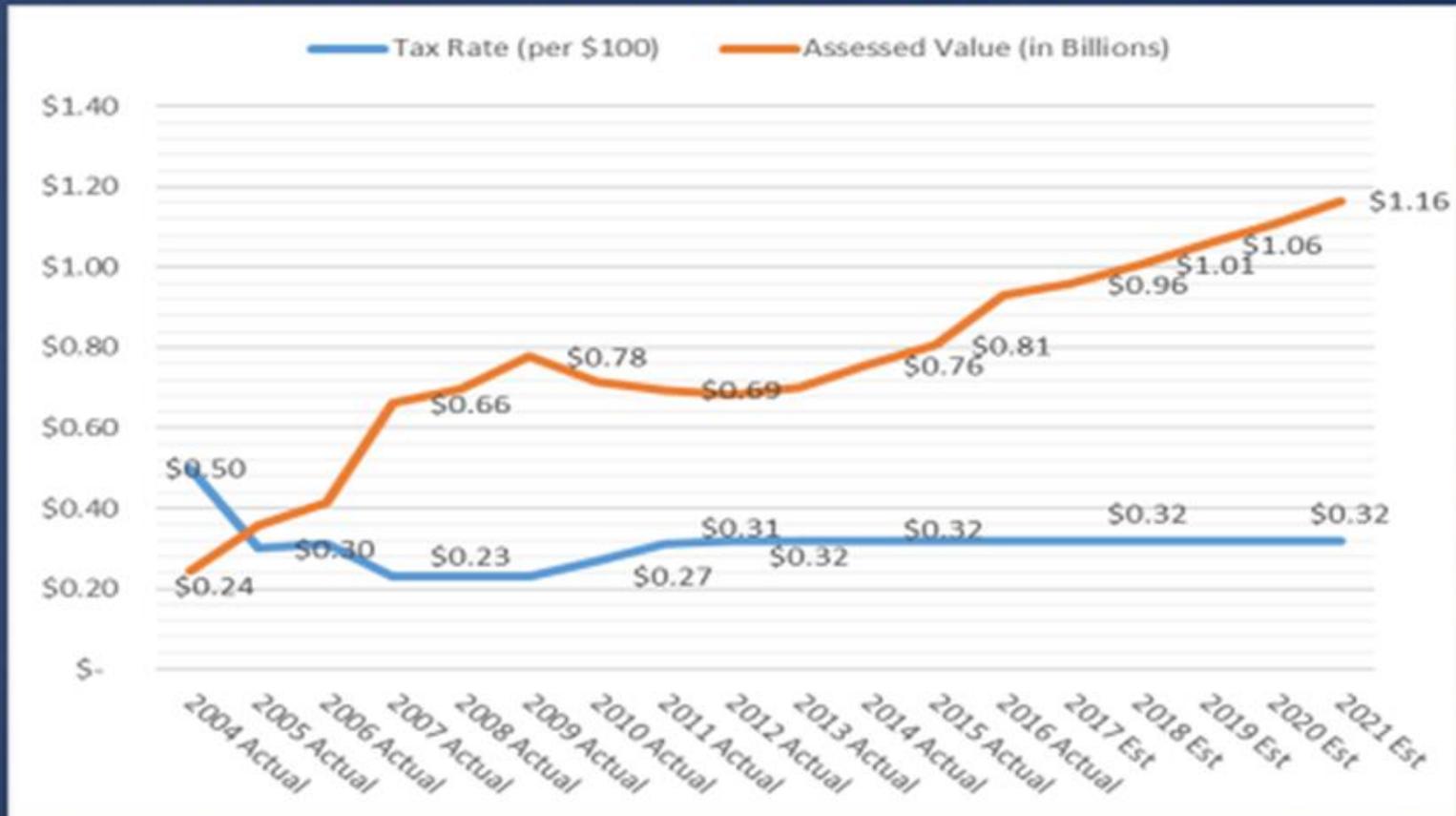


How much of the 55% revenue sharing taxes has the County transferred to the TCSD over the past several years?

FISCAL YEAR	AD VALOREM	55% REVENUE SHARING	TOTAL PROPERTY TAX
2012	\$2,225,275	\$857,022	\$3,082,297
2013	\$2,245,615	\$883,174	\$3,128,789
2014	\$2,364,542	\$938,204	\$3,302,746
2015	\$2,552,366	\$1,097,900	\$3,650,266
2016	\$2,835,000	\$1,124,633	\$4,083,633
2017	\$3,032,465	\$1,335,690	\$4,368,155
2018	\$3,162,091	\$1,383,885	\$4,545,976
Updated October 2018			



Ad Valorem Rate Versus TCSD Assessed Values



Note: assumes \$0.32 Ad Valorem rate and 5% annual growth in taxable values



How much did the County borrow to create the TCSD?

- The County borrowed for water and sewer infrastructure through revenue bonds issued through the Virginia Resource Authority (VRA) and made other long term obligations to Henrico County and the City of Richmond related to providing water and sewer

	Originally borrowed	Outstanding Principal	Outstanding accreted interest	Total Outstanding	Debt Service over the Remaining Life of the Bond
2002	\$62,747,167	\$16,207,360	\$16,494,519	\$32,701,879	\$42,925,000
2012	\$56,053,736	\$56,053,735	\$2,796,017	\$58,849,752	\$109,726,433

Information as of 6/30/16



Long Term Obligations of TCSD

- The long term obligations include:

Obligation	Outstanding Principal
VRA: Revenue bonds and accredited interest	\$91,551,631
City of Richmond: Wastewater Treatment	\$25,206,703
General Fund: Loan from 2009	\$2,317,634

Information as of 6/30/16



What is the remaining debt service by year on the bonds until it is paid?

What is the remaining debt service by year on the bond until it is paid off?			
	2002 Bond	2012 Bond	Total debt service
FY19	3,080,000	1,519,540	4,599,540
FY20	3,480,000	1,519,540	4,999,540
FY21	3,480,000	1,519,540	4,999,540
FY22	3,485,000	1,519,540	5,004,540
FY23	3,485,000	1,519,540	5,004,540
FY24	3,955,000	1,519,540	5,474,540
FY25	4,455,000	1,519,540	5,974,540
FY26	4,935,000	1,519,540	6,454,540
FY27	4,935,000	1,519,540	6,454,540
FY28	4,935,000	1,519,540	6,454,540
FY29	-	6,644,743	6,644,743
FY30	-	6,644,743	6,644,743
FY31	-	6,643,035	6,643,035
FY32	-	6,644,575	6,644,575
FY33	-	6,641,273	6,641,273
FY34	-	6,643,131	6,643,131
FY35	-	6,645,145	6,645,145
FY36	-	6,642,312	6,642,312
FY37	-	6,644,630	6,644,630
FY38	-	6,644,475	6,644,475
FY39	-	6,642,031	6,642,031
FY40	-	6,644,791	6,644,791
FY41*	-	6,642,341	6,642,341
FY42*	-	6,644,269	6,644,269
Totals:	40,225,000	108,206,893	148,431,893

* Paid for with reserves



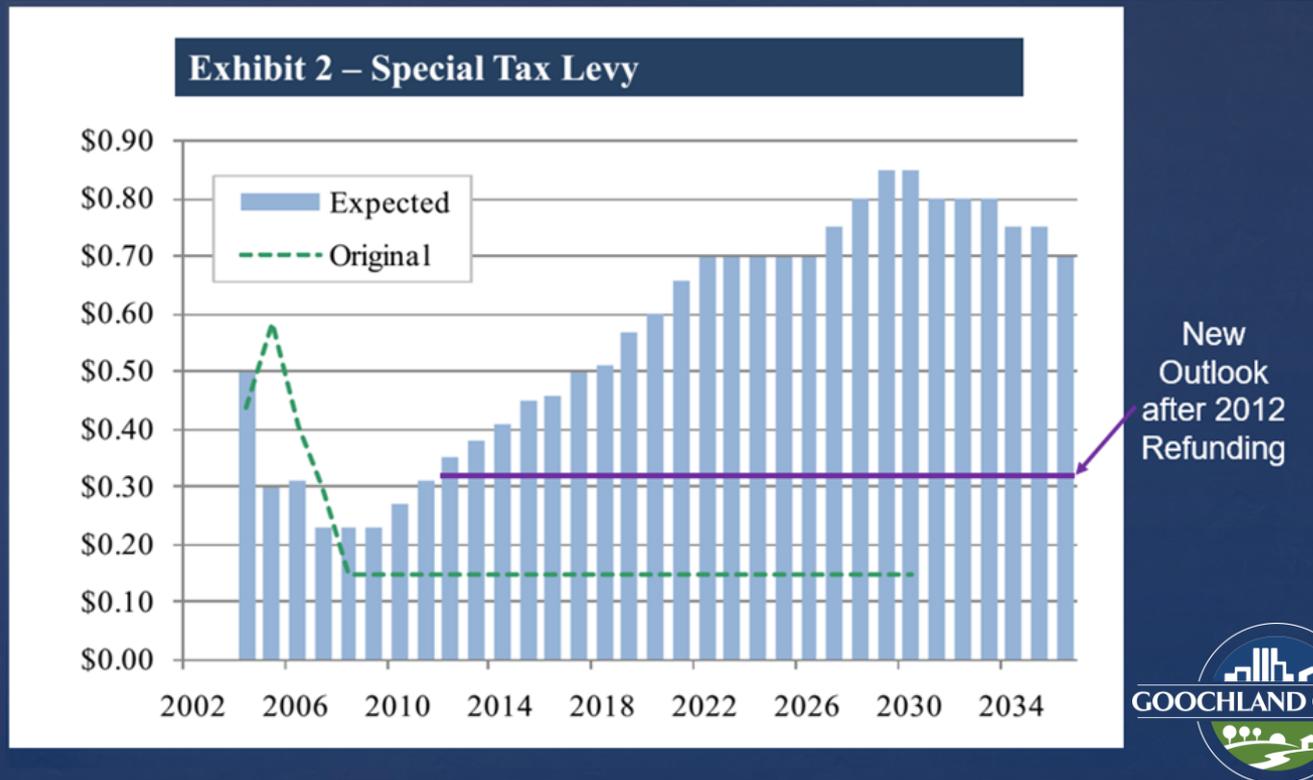
I heard the County got the VRA bonds restructured? What does that mean?

- In 2012, the County was able to take advantage of lower interest rates and restructure the debt payments, which provides additional time for development to occur within the Tuckahoe Creek Service District and stabilize the ad valorem rate at \$0.32.



I heard the County got the VRA bonds restructured? What does that mean?

- Below is a chart that shows the original expected ad valorem tax rate structure vs. the expected tax rate structure prior to the 2012 refinancing vs. the new outlook for the ad valorem rate following the refinancing.



Is there a TCSD reserve? How much is currently in the reserve?

- Yes, the reserves are established for the TCSD and are shown in the chart below:

Reserves as of 6/30/18	
US Bank	\$13,535,851*
General Fund	\$1,000,000

*Cannot be used until final years of the debt repayment per the financing agreement.



Does the County have an accurate and complete history of the development of the TCSD, commitments, locations, and issues that is publicly available?

- Yes, all TCSD documents are public documents and available to any resident who wishes to view or have a copy of them. Further, to provide clarity on the TCSD, we created a Frequently Asked Questions (FAQ) section on the County website with the goal of explaining the past, present, and future of the TCSD. Most key documents can be found in these FAQs, and we will continue to add information.



I would like to be able to connect to TCSD water and sewer. What do I need to do?

- Only those parcels located within the TCSD can connect to the water and sewer from the TCSD system. Anyone may petition the Board of Supervisors to gain entry into the TCSD by submitting the 'Application to Enter the TCSD' from the County's website.
- The Board of Supervisors shall consider the request after holding a public hearing in accordance with state law.



Do I have to pay a connection fee to connect to County water and/or sewer?

- Yes, everyone pays connection fees per the Goochland County Code. Please check the Public Utilities website for the most up-to-date fees.



How much water is allocated to the TCSD daily?

- The County has an agreement with Henrico County for 5.25 million gallons of water per day (mgd). The County's ultimate capacity from Henrico County is for 25 mgd.
- In 2018, users averaged 850,000 gallons per day



Do all properties using public water delivered from Henrico pay the same water and sewer rates?

- Yes, all accounts in the Goochland County system are on the same billing rate structure.
- Please check the Public Utilities website for the most up-to-date rates.



Are there properties located within the boundaries of the TCSD that do not pay ad valorem taxes but have public water and sewer services?

Yes, there are legally taxable properties that are not in the TCSD but are within the physical boundaries of the district. These properties have the benefit of water and sewer infrastructure but do not pay the ad valorem tax because they are connected to water and sewer infrastructure built by a private land owner in the early 1990s, before the creation of the TCSD in June 2004. While these properties are within the TCSD boundaries, they are served by the privately built infrastructure and are not part of the TCSD.



Are there properties located within the boundaries of the TCSD that do not pay ad valorem taxes but have public water and sewer services?

While not subject to the ad valorem tax, each of these properties pay capacity charges that are unique to these properties and are not paid by any properties that pay the ad valorem tax.

Accounts	Reserved Capacity (gallons per day, GPD)
Performance Food Group	5,293
Federal Reserve	19,968
Farm Bureau	29,000
Capital One	150,000
Hallmark Youth Care-West	6,525
Manakin Trade Center	6,380
Bristol Apartments	81,834
Brandywine	25,000
West Creek*	76,000
Total:	400,000
* The West Creek account represents unbuilt project(s) entitled to utilize the remainder (76,000) of the reserved capacity.	



What do annual capacity charges pay for?

- The capacity charges are designed to defray the County's cost from Henrico County to purchase its water and sewer capacities. The capacity charge helps to pay for the operational expenses of maintaining the water and sewer infrastructure.
- The capacity charges collected from these properties vary from year to year, but totaled approximately \$93,000 in Fiscal Year 2017.



Do properties that have a reserved capacity continue to pay for it?

- Yes. The capacity charges have been applied to each account since the first agreement signed on December 21, 1990.



Do those properties with capacity charges pay it only if they are connected to the public system?

- No, capacity charges are applied to each account even if it is not connected to the County system.



Are capacity charges deposited in the County's general fund or credited to the ad valorem account?

- No. Capacity charges are not deposited in the general fund or the ad valorem account. The revenue generated from the capacity charges is treated in a similar manner to our regular utility usage fees and are used for the operation and maintenance expenses for the utility system.



Would any of the capacity charge property owners transfer any of their reserved capacity to the TCSD?

- None of those property owners have expressed an interest in transferring any of their reserved capacity; moreover, the capacity for those property owners represents only 412,000 gpd of the 5.25 million gpd capacity the County has reserved with Henrico. If the County needs more, it is entitled to increase its capacity from Henrico to 25 million gpd.



Is the reserved amount of capacity held for the properties part of the capacity reserved for the entire TCSD?

- Yes. Henrico County provides the 5.25 million gpd of capacity without making any distinction between TCSD and capacity charge customers.



Is there an operational and maintenance impact to the County for the properties that do not pay the ad valorem but do pay a capacity charge?

- Once the private infrastructure system was installed, the County department of utilities began to operate and maintain it as part of the overall utility system, thereby incurring some operational expenses. However, most of the properties connected to the system shortly after it was completed and continue to generate utility revenue to offset expenses. User charges help offset the repair and replacement of system components



Is it possible for a property to receive public utility connections using TCSD infrastructure and not pay the ad valorem tax?

- No. Except those properties who pay capacity charges, any property connecting to TCSD infrastructure pays the ad valorem tax.

Accounts	Reserved Capacity (gallons per day, GPD)
Performance Food Group	5,293
Federal Reserve	19,968
Farm Bureau	29,000
Capital One	150,000
Hallmark Youth Care-West	6,525
Manakin Trade Center	6,380
Bristol Apartments	81,834
Brandywine	25,000
West Creek*	76,000
Total:	400,000
* The West Creek account represents unbuilt project(s) entitled to utilize the remainder (76,000) of the reserved capacity.	



Who paid for the water infrastructure from Henrico County line to the properties served by water?

- There are 4 main water connections from Henrico County to Goochland County. The TCSD paid for connections on Broad Street Road and Ridgefield Parkway. Development that pre-existed the TCSD paid for connections on Patterson Avenue and River Road.
- At this time, additional connections between the 4 main connections have been created for the purposes of looping water lines to increase water quality, increase the fire flow demands, and to provide redundancy in the system in case there is a water main break.



How much is paid annually to Henrico for our 5.25 MGD volume?

- The total allocation charge to Henrico County, including the 'capacity charge' accounts, is approximately \$423,300. In FY 2017, approximately \$93,000 was paid by the 'capacity charge' accounts, and approximately \$330,300 was paid by all other customers.



Will new development in West Creek be subject to the ad valorem tax?

- Yes, other than the project(s) that will use the unassigned 76,000 gallons per day of reserved capacity shown in the table in question 21, all legally taxable properties will be subject to the ad valorem tax.

Accounts	Reserved Capacity (gallons per day, GPD)
Performance Food Group	5,293
Federal Reserve	19,968
Farm Bureau	29,000
Capital One	150,000
Hallmark Youth Care-West	6,525
Manakin Trade Center	6,380
Bristol Apartments	81,834
Brandywine	25,000
West Creek*	76,000
Total:	400,000
* The West Creek account represents unbuilt project(s) entitled to utilize the remainder (76,000) of the reserved capacity.	



Are there any other water and sewer systems in the County? Do they pay the ad valorem tax?

- There is a water and sewer system in the Courthouse. The Courthouse system purchases water and sewer capacity from the Department of Corrections and does not use any TCSD infrastructure. The properties that receive Courthouse water and sewer services do not pay the ad valorem. However, they pay the same water and sewer rates and the same connection fees as all utility customers.
- There are also some privately owned and operated water systems in the County. They were not constructed with County funds and they do not pay ad valorem taxes.



I am not connected to water and/or sewer, why do I have to pay the Ad Valorem tax?

- The County's debt structure was based on the cumulative value of all the properties in the TCSD. While the TCSD was established to provide core infrastructure and access to water and sewer to the district, not all parcels in the TCSD are connected to water and sewer at this time.



Is there a way to exit the TCSD?

- The Board of Supervisors will consider requests for removal from the district once every two (2) years beginning in September 2016. The next consideration will be September 2020.



Is there a way to exit the TCSD?

- There are certain requirements that must be met before the Board of Supervisors will consider a request for removal.
 1. The request must be for residential property not currently serviced by water or sewer. If the property is serviced by water and/or sewer from the TCSD, the property must remain in the TCSD.
 2. No such parcel shall be removed from the service district unless such removal is offset by the inclusion of parcel(s) subject to taxation of equal or greater assessed value at the time of inclusion that were added to the district within the preceding two (2) years of the request.
 3. Commercial property is not eligible for exclusion from the TCSD.
 4. In addition, any parcel of land that is removed from the district shall not be eligible for rejoining the district for a period of five (5) years after the request to be entered back into the district.

