



**RESOLUTION #R- 2026-459**  
**RESOLUTION AUTHORIZING EXECUTION OF AN UPDATED LEASE**  
**AGREEMENT WITH THE RIVANNA WATER AND SEWER AUTHORITY**  
**FOR THE SUGAR HOLLOW RESERVOIR MANAGEMENT AREA**

**WHEREAS**, the City of Charlottesville (the “City”) owns a 797.007-acre property in Albemarle County known as Sugar Hollow, identified in the Forest Legacy Program (“FLP”) as the Sugar Hollow tract of the Shenandoah Borderlands Project; and

**WHEREAS**, in 2023, the Virginia Department of Forestry (“DOF”) was awarded \$1,575,000 in federal funding through the USDA Forest Service Forest Legacy Program (Grant #23-DG-11083151-002) to acquire a permanent open-space easement on the Property, and City staff has been working for over two years to complete the acquisition process in partnership with DOF; and

**WHEREAS**, the Sugar Hollow Reservoir, located at the center of the Property, serves as a community water supply and is managed by the Rivanna Water and Sewer Authority (“RWSA”), and DOF has agreed to exclude the RWSA leased area from the open-space easement in order to avoid complicating RWSA’s continued operation of the Reservoir; and

**WHEREAS**, City staff and RWSA have negotiated an updated lease agreement to better define the boundaries of the RWSA management area around the Reservoir, and removal of that management area from the Albemarle County tax map parcel must be legally referenced in the property description within the DOF deed of easement before the easement may be finalized; and

**WHEREAS**, by letter dated July 21, 2026, DOF’s State Forester established an absolute end date of November 20, 2026; and

**WHEREAS**, an independent appraisal, reviewed for compliance with the Uniform Appraisal Standards for Federal Land Acquisitions, established the market value of the open-space easement at \$4,390,000, and pursuant to an Amicable Agreement executed by the City on August 7, 2026, the City has agreed to a voluntary sale of the easement to DOF for \$1,575,000, equal to the full FLP acquisition grant amount; and

**WHEREAS**, execution and recordation of the updated Lease Agreement with RWSA is necessary to allow the City to proceed toward final approval and recordation of the DOF open-space easement and to preserve the \$1,575,000 in federal conservation funding awarded for this project;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the City of Charlottesville, Virginia, that the City Manager, or designee, is hereby authorized to execute an updated lease agreement with the Rivanna Water and Sewer Authority defining the RWSA lease boundaries with respect to Sugar Hollow Reservoir; and

**BE IT FURTHER RESOLVED**, that City staff are authorized to finalize and execute all documents necessary to record the lease agreement in the Albemarle County Clerk's Office and to proceed with the final approval and recordation of the Forest Legacy Program open-space easement on the Sugar Hollow property, consistent with the terms described above.

Date Introduced:

Date Adopted:

Certified:

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Clerk of Council