

Town of Lovettsville

March 27, 2014

Mayor and Town Council
Town of Lovettsville
6 East Pennsylvania Avenue
Lovettsville, Virginia 20180

Subject: Town Manager's Recommended Fiscal Year 2015–2019 Capital Improvement Plan

Dear Mayor and Town Council:

The attached document is the FY 2015–FY 2019 Five-year Capital Improvement Plan (CIP) to be presented to the Mayor and Town Council for their consideration and approval in conjunction with the FY 2015 Operating and Capital Budget.

BACKGROUND

A Five Year CIP is an actual Plan as the title suggests. Capital projects included in the CIP are defined as physical improvements that are planned for the Town. Capital improvements are also defined as infrastructure improvements, although infrastructure improvements more often refer to “in ground” improvements such as water and sewer distribution lines. The CIP identifies specific projects that are planned and prioritized over a five year period for planning, design, engineering and construction. The costs associated with each project are estimated and may very well change as projects are actually designed and bid for construction.

Each year the CIP is revised to reflect the current status of projects. The first year of the CIP is FY 2015 and the most significant year as it identifies both costs and actual sources of funds that are authorized to be spent in FY 2015 on approved projects. The adoption of this CIP for the “out years”, FY 2016-2019 represents a “different type of commitment” in that funds for the out years are not actually authorized. Funding for projects identified in the CIP that are to be completed in the out years or begin in the out years require a commitment to identify and seek funding in those years before actual implementation of projects.

The CIP is organized into Project Summaries, each of which is contained on a separate page. Key to the effectiveness of this CIP is that for each project there is a series of information that is compiled which describes the project in considerable detail. This information includes:

- Identification of each project with a project number
- Cost estimate of each project
- Identification of actual sources of funding for each project to begin in FY 2015

- Identification of possible sources of funding for projects that are carried over from FY 2015 or are to begin in the out years
- Timing of each project over five years
- Identification of the person/persons responsible for the implementation of each project

In summary, the CIP should be used as a planning document. It contains sufficient flexibility that allows for change as new information is gathered. All projects that are identified in the CIP are subject to Town Council approval prior to implementation. At the time that projects are forwarded to the Town Council for approval, staff will provide updates and provide the most current information and present staff recommendations.

ANALYSIS OF PROJECTS and FUNDING

The FY 2015-2019 Five Year CIP is \$8,983,000 compared to the FY 2014-2018 of \$7,821,000. The proposed CIP for FY 2015 is \$2,008,000 compared to last year's CIP first year funding of \$1,613,000.

Over the past several years the Town has been working on several critical capital projects, some of which remain in the CIP, while others have been completed. The most expensive of these projects was the expansion of the Wastewater Treatment Plan at a cost of over \$3.6 million. The Town also completed nearly \$500,000 of Inflow and Infiltration repairs to the Wastewater collection system throughout the community. Both of these projects will require ongoing funding and support. It is hoped that annual allocations in the Operating Budget will address many of these needs. Now that the Town has contracted with Utility Services to provide elevated Tank maintenance, the major capital expenditure of one time-painting and repairs has been removed. The costs for this service have been broken down over the life of the contract, allowing the costs to be shown in the annual Operational Maintenance Budget. Only the addition of the new water mixer has remained in the Capital Budget and the Town will make the final payment on this device in FY15.

As with last year, the Lovettsville economy is showing signs of improvement after several years of depressed revenue. Real estate assessments showed positive gains in 2014 however the commercial tax base has not expanded over the past year. The Town must work to generate as much operating surplus as possible to be available for transfer to Capital Projects and debt retirement for FY 2015. My recommended budget shows a surplus of approximately \$23,196 in the Town's General Operating Budget. It should be noted that for the four year, revenue from the Meals and Cigarette Tax are being directly accounted for in the General Capital Budget rather than being transferred from the Operating Budget. I am projecting a similar surplus of \$38,193 for the Utility Fund, primarily from water and sewer connection fees and new user accounts. Much of this surplus will need to be directed towards the Town's debt retirement needs.

There are several major projects being proposed for FY 2015 that are outlined in this Plan and described in the Project Descriptions below. Most of note is the Streetscape Improvements for East Broad Way, the Bicycle and Pedestrian Path along Berlin Pike, the further development of the Quarter Branch Park and Support Facility (the Barn), improvements to the Storm Water ditch north of the Town Square, Water Line replacement in

conjunction with the East Broad Way Streetscape project and improvements to the Wastewater Treatment Plant.

In December of 2010 the Town Council borrowed \$2,000,000 through the VML/VACo Bond Pool to secure a portion of the needed funding for Capital Projects, first and foremost, the East Broad Way Streetscape Improvements. The financing was designed to allow for any additional funds to be used for other critical improvements needed in the Town. The Town will rely on these bond proceeds over the next several years at the East Broad Way streetscape improvements come to fruition.

The following is a summary of Project Descriptions contained in the CIP.

GENERAL FUND PROJECTS

1. Broad Way Streetscape Improvements: Phase 1 – Park Place to Community Center:

To provide pedestrian accessibility and enhance overall aesthetics, streetscape improvements are needed along East Broad Way. The Streetscape Master Plan for E. Broad Way and S. Loudoun Street was completed in 2009. Phase I will involve streetscape improvements for East Broad Way between Park Place and the Lovettsville Community Center, including curb, gutter and underground storm sewers, sidewalk on the north side of the road, and street trees, lighting, limited on-street parking and underground conduit for future underground of utilities to homes on the north side of the street. The project will also include replacement of the Transite water line at the time of construction (this cost is reflected in the separate Water Line Replacement Project). FY 14 has been devoted to obtaining all necessary easements and developing the bids and specs. The utility poles will be relocated at the cost of the utility companies. In December of 2010 the Town Council borrowed money through the VML/VACo bond pool to fund this project. Based on current estimates the loan amount may just be sufficient to complete this phase.

2. Broad Way Streetscape Improvements: Phase II – Park Place to Town Center:

To provide pedestrian accessibility and enhance overall aesthetics, streetscape improvements are needed along East Broad Way. The Streetscape Master Plan for E. Broad Way and S. Loudoun Street was completed in 2009. Phase II will involve streetscape improvements for East Broad Way between Park Place and the Town Square. Phase II improvements will include curb, gutter and underground storm sewers, sidewalk on the north side of the road, and street trees, lighting and limited on-street parking. The project will also include replacement of the Transite water line but cost is shown under Water Line Replacement Project. The project will require easements and/or right of way from properties along the road way. Some of the utility poles will also require relocation. New funding will be required to complete this project.

3. Streetscape Improvements – South Loudoun Street:

To enhance pedestrian accessibility and overall aesthetics, improvements are needed along South Loudoun Street. Storm water drainage, sidewalks, and lighting are all items that will be included in this streetscape improvement project. In 2008, the Town funded preliminary planning and design work for the South Loudoun Street corridor.

The Streetscape Plan was endorsed in 2009. This plan will serve as the platform to develop engineered construction drawings to be put out for bid. Limited funding for sidewalk construction is available through developer proffers. Total project cost is estimated in the Streetscape Master Plan in year 2009 at \$1,780,000 but this total cost does not show up because the project is not slated to begin until after the East Broad Way streetscape improvements are completed. An updated cost estimate will be needed.

4. Bicycle / Pedestrian Path:

To construct a multi-purpose, 8 foot wide bicycle path, curb and gutter and underground storm management along the west side of Route 287 from the south end to the north end of Town. To date, \$1,524,970 in funding has been acquired from matching grants from the Federal Highway Administration / Virginia Department of Transportation (VDOT), and Loudoun County Gas Tax Revenue allocation to the Town. The entire project completed the Public Hearing process in April, 2012 and is now considered to be "shovel ready". Phase I construction from the south end of Town to the Town Square entered ROW Acquisition stage in January, 2014 and is scheduled for advertising in June, 2014. VDOT has verbally promised to obtain any additional funding that may be necessary to complete construction of Phase I. Phase II work will be contingent on obtaining the necessary funding and existing cost estimates are likely too low.

5. South Church Street Improvements:

S. Church Street, between E. Broad Way and E. Town Center Drive is in need of improvements to match the previous work performed by the Town Center development to the south and by the United States Post Office's extension of Church Street to the north, across E. Broad Way. With new businesses and the extension of N. Church Street, it is anticipated that this section of road will continue to see increased traffic volumes. This project would design sidewalk, storm water drainage, a possible turn lane at the intersection of S. Church Street and E. Broad Way, and limited road widening to accommodate increased pedestrian and vehicular demands. In FY 14, the project was budgeted for initial engineering when the Town Office was anticipated to expand at its current location and would require a storm management system to transfer water from the Town Office location to discharge on E. Broad Way. Evaluation of different Town Office locations reduces the priority to complete this project quickly.

6. Lovettsville Town Hall:

The Town has identified an overdue need for an expanded Town Hall to include offices for Town Staff, a larger separate Council Chamber that will also function as community meeting space, conference rooms, suitable file storage rooms and other support facilities. The Town's Architect has estimated the size of the expanded Town Hall could range between 6,000 and 7,000 square feet. Initial evaluation of the locations and size of the facility have been completed and it has been determined that a new location for the building may be necessary. The location and style of the building have yet to be determined. Funding must be found for this project.

7. Quarter Branch Park/Support Facility:

Almost 7 acres of land was gifted to the Town as part of the New Town Meadows Development. A Concept Plan was finalized in June, 2012. The Park will be passive in nature with elements including walking/fitness trail, gardens, play and activity area, art display area and nature preserve. The Barn was completed in Spring of 2014 by CB Structures, Inc. (Doubletree). The proposed budget for FY15 will finish the inside of the Barn to include bathrooms, office and storage space complete with walls, water & sewer service and HVAC. Also budgeted in FY15 is the construction of an ADA gravel walking trail. Later funding is intended to begin installing fitness trail equipment. Additional improvements such as entrance, fencing, materials pad sites in storage area may be included if budget is permits.

8. Town Square Development:

In February, 2009 the Town completed a Concept Plan for the development of this park which ultimately includes a water feature, memorial wall and patio area, shade trees, benches, and rain garden area. Four benches were added in FY 2011. The Veterans Memorial was constructed in FY12. Sixty-six engraved pavers were added in 2012 and another 25 in 2013 resulting in a revenue of over \$13,000. Additional pavers will be installed each Veterans Day as long as interest continues in the program. Space for many more pavers is available. A sidewalk along the southern end of the square was installed in FY14 to connect the Old Town to the Town Green. Funding in Year 3 will involve evaluation of water feature options.

9. Town Green Development:

In February, 2009 the Town completed a Concept Plan for the development of this park which ultimately includes a band stand, picnic area, shade trees, berming, child play area, restroom/refreshment stand and rain garden area. Power was brought to the Park and conduit laid around the perimeter of the park for later power supply in FY 10. In FY 11 benches, picnic tables and waste cans were added. In FY 12, design was completed for the Pavilion and power was supplied to one of the conduit locations for use during the first MayFest. In the spring of FY13 the Pavilion was constructed. In FY14 a yard hydrant was installed to provide water to users of the Pavilion. Future year activities include installation of a patio in front of the Pavilion offering vehicle access from the street. Berming and architectural programming for the restroom/refreshment facility can also be considered for following years but may need to be reevaluated and revised if the new Town Office location is near the Town Green.

10. Storm Ditch Improvements North of Town Square:

Across from the north end of the Town Square, several storm water pipes converge in a large deep ditch area before crossing underneath Berlin Pike. This project will design the appropriate underground storm vault to transition the open pipes to the discharge line under Berlin Pike, allowing the ditch area to be filled in. The project will include a sidewalk connection to link the businesses along North Berlin Pike with the existing sidewalk along East Broad Way, and possibly landscaping for beautification. This project will improve the safety for vehicles as well as pedestrians while also making the area more attractive. FY14 effort involved obtaining a scope of services from Dewberry (one of the Town's on-call engineers which revealed that original budget for

engineering was much too low. Higher costs which are still below the proposed Dewberry scope are provided in the hopes that the Town can negotiate a better price with them or another engineer.

11. Storm Water Management Plan:

The Town has a number of storm sewer and drainage issues that have been identified as issues in the past but without a master plan it is difficult for the Town to prioritize and fund the issues. Many of these issues become apparent after severe weather related events. In anticipation of undertaking long term storm sewer and drainage improvements in the Town, a Storm Sewer Plan is proposed to be undertaken that will map the current storm sewer network and drainage areas and develop a long range plan for managing storm water runoff for the Town. This Plan will include locations for future storm sewer piping and locations for storm water management areas.

12. Downtown Parking Lot:

The Streetscape Master Plan identified a need for additional parking for the downtown area along Broad Way. As the residences switch to commercial uses, the need for additional parking will be much more critical. One possible location for the parking could be the site next to the existing Town Office. Installation of a parking lot will increase the storm runoff and will trigger needs for storm conveyance as well as detention and treatment for quality and may necessitate the need to complete the S. Church Street Improvements design. The Planning phase will evaluate that the location is indeed suitable and will be used by the public. It will also evaluate the costs involved for the site improvements needed. Expense already accrued to the project include the cost to purchase the land at 8 Pennsylvania Avenue and demolish the building.

UTILITY FUND PROJECTS

13. Upgrades to Existing Water Tower:

The Town has contracted with Utility Services to complete the needed tank maintenance to include repairs and maintenance for the next 12 years. The Tank was painted and received maintenance in September, 2012. Utility Services installed a water mixer to provide constant water circulation to improve water quality and eliminate freezing. The last installment of \$6,000 annual payment is due in FY15. The Town traded the stormpond portion of the Quarter Branch Park property to the HOA for a strip of property between the Water Tank Property and the QBP property. Additional funds in FY15 are proposed to install a curb cut entrance off of Potterfield Drive to supplement the access easement entrance off of QBP.

14. Water Line Replacement:

The older original parts of the Town's Water Distribution system contain 40+ year old Transite pipe. Transite pipe becomes brittle with age, increasing the likelihood of leaks and breaks in the pipe as well as a failure of the original saddles for individual connections. In order to maintain the reliability and quality of the water supply, the

Transite pipe will need to be replaced. This project can be completed over a series of years. The first phases shown in year 1 and years 4 & 5 are the water line replacement needed for Phase I and Phase II of the Broad Way Sidewalk Project.

15. New Elevated Water Tower:

The Town currently has only one elevated storage tank to provide pressure and flow to the Town system. Without this tank, the Town must use variable frequency drives on pumps to maintain pressure which results in water losses as well as much higher electricity requirements. The addition of a second tank would provide more consistent pressure throughout the Town, additional storage capacity and duplicity in the system when maintenance and repairs require taking a tank offline. A 125 foot high tank holding 150,000 gallons is estimated to cost \$1,000,000 including engineering but not land acquisition. With the completion of the first phase of Water Facility Improvements, the need for this project becomes less immediate and the Town may have the option to work with a future developer in the appropriate area to acquire the needed land and/or facilities when the opportunity arises.

16. Water Facility Improvements:

An evaluation of the water system made several recommendations to improve operations and ensure continued supply of water during regular operations and emergencies and when the elevated tank must be offline. Variable Frequency Drives were installed on one pump in each facility and a new transducer at the elevated water tank. The existing Supervisory Control and Data Acquisition (SCADA) system was updated to better utilize new transducer information, however, the existing program is limited and is not sophisticated enough to provide all desired controls. A new SCADA system completed design in FY14 and is proposed for installation in FY14. This project costed much higher than budgeted and a revision to the budget was necessary to complete this work in FY15. Improvements shown in FY16 involve adding two additional variable frequency drives to a booster pump at each facility to provide additional duplicity and efficiency of operations.

17. Wastewater Treatment Plant Improvements:

A 3.6 million dollar expansion to the WWTP was completed in 2011 expanding the capacity of the plant by 125,000 gallons to 375,000 gallons per day. Unfortunately, the plant continues to experience operational challenges, especially during rain events when the flow exceeds 600,000 gallons per day (just half of the designed maximum flow capacity of 1,250,000 gallons per day). Budget has been provided in FY15 to obtain engineering support as necessary to identify the most cost effective improvements and legal support for ongoing discussions with the Design/Build Contractor for the expansion about the poor performance of their design. Place setters (true estimates are unknown at the time of budget development) have also been shown for future years to try to identify the potential needed funds to make improvements to the plant or continue discussions with the Design/Build Contractor on their legal responsibilities to address the plant's poor performance.

IMPLEMENTATION

The Town Council and staff have been working very hard to advance the Town's Capital Projects, and the hard work is paying off. The Town has made significant progress on the East Broad Way streetscape project with nearly all of the right-of-way and easements being acquired by the Town. Utility relocation should begin early in FY 15. The Berlin Pike Bike Path, under the management of VDOT, is also expected to begin construction in FY 15.

The FY 2015-2019 CIP continues these significant projects for the Town. As one can see from reviewing the Capital Budget, the Town has taken responsibility for sizable debt service in order to upgrade the Wastewater Treatment System and repair inflow and infiltration issues on the Utility side and borrowed additional money in December of 2010 to fund the East Broad Way streetscape improvements. For the foreseeable future, the Town's Capital Budget must not only focus on projects but also on funding the Town's debt retirement. For these proposed projects to move forward on the proposed timetable, the Town must be committed to securing the needed revenue to fund these enhancements. The Town Manager, Project Manager, Mayor and Town Council must work together to ensure a successful and timely implementation of the projects outlined in this Plan. I look forward to working with you over the next several months to refine this plan so that it most accurately reflects your priorities for Lovettsville.

Sincerely,

A handwritten signature in black ink, reading "Keith Markel". The signature is written in a cursive style with a large initial "K" and "M".

Keith Markel
Town Manager