

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
AGENDA**

June 14, 2016

6:00 p.m.

**Loudoun County Government Center
1 Harrison Street, S.E., Leesburg, VA
Board Room**

Committee Members:

Matthew Letourneau, Chair

Phyllis Randall - Tony Buffington - Ralph Buona - Koran Saines

**Proposed for Consent*

- 1. Monthly Department of Economic Development Report (Information)**
Election District: Countywide
Staff Contacts: Buddy Rizer, Economic Development
- 2. Nighttime Economy Ad-Hoc Committee (NEAC) Report (Action)**
Election District: Countywide
Staff Contact: Buddy Rizer, Economic Development
Gwen Kennedy, County Administration
- 3. Loudoun County-Washington Redskins Marketing Agreement Update (Information)**
Election District: Countywide
Staff Contacts: Buddy Rizer, Economic Development
- 4. Overview of Loudoun's Sister City Program and Recommendations for Future Administration (Action)**
Election District: Countywide
Staff Contacts: Buddy Rizer, Economic Development
Rick Morris, Economic Development
Bob McCollar, Economic Development
Caleb Weitz, County Administration
- 5. CONTRACT AWARD/Utilities Relocation for Claiborne Parkway – Columbia Gas Transmission, LLC (Action)**
Election District: Dulles
Staff Contacts: Melissa Tello, Transportation and Capital Infrastructure
Joe Kroboth, Transportation and Capital Infrastructure
Cheryl Middleton, Finance and Procurement
Belkys Escobar, Assistant County Attorney

- 6. *CONTRACT AWARD/Youth Shelter Renovation (Action)**
Election District: Catoctin
Staff Contacts: Joe Kroboth, Transportation and Capital Infrastructure
Mark Hoffman, Transportation and Capital Infrastructure
Christopher Bresley, Finance and Procurement
- 7. *CONTRACT RENEWAL/Job Order Contract (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure (Action)**
Election District: Countywide
Staff Contacts: Ernest Brown, General Services
Tom Trask, General Services
Christopher Bresley, Finance and Procurement
- 8. *CONTRACT RENEWAL/Property, Liability and Automobile Coverage (Action)**
Election District: Countywide
Staff Contacts: Nelia Larson-Mann, Human Resources
Jeanette Green, Human Resources
Cheryl Middleton, Finance and Procurement
- 9. *CONTRACT RENEWAL/Verizon Telecommunications Services (Action)**
Election District: Countywide
Staff Contacts: Wendy Wickens, Information Technology
Marilee Ciehoski, Information Technology
Sandra Lineberry, Finance and Procurement
- 10. *CONTRACT RENEWAL/ Telephone Platform Solution and Backbone Network Equipment & Services (Action)**
Election District: Countywide
Staff Contacts: Wendy Wickens, Information Technology
Marilee Ciehoski, Information Technology
Sandra Lineberry, Finance and Procurement
- 11. *AWARD AUTHORITY INCREASE/Financial and Compliance Audit Services (Action)**
Election District: Countywide
Staff Contacts: Janet Romanchyk, Finance and Procurement
Cheryl Middleton, Finance and Procurement
John Sandy, County Administration
- 12. Capital Project Procurement and Process (Information)**
Election District: Countywide
Staff Contacts: Cheryl Middleton, Finance and Procurement
Mark Hoffman, Transportation and Capital Infrastructure
Melissa Tello, Transportation and Capital Infrastructure

Joe Kroboth, Transportation and Capital Infrastructure

13. Revision of the Restricted Use Transient Occupancy Funding Policy (Action)

Election District: Countywide

Staff Contacts: Kenny Young, County Administration
Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

14. Revision and Renewal of the Memorandum of Understanding with Visit Loudoun (LCVA, Inc.) (Action)

Election District: Countywide

Staff Contacts: Kenny Young, County Administration
Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

15. Advancement of Projects Included in General Obligation Referenda/November 2016 Bond Referendum (Action)

Election District: Countywide

Staff Contacts: John Sandy, County Administration
Penny Newquist, Finance and Procurement
Janet Romanchyk, Finance and Procurement
Nicole Bradley, Finance and Procurement
Courtney Sydnor, County Attorney's Office

16. Board Member Initiative: Board District Budget Adjustments (Action)

Election District: Countywide

Staff Contacts: Monica Filyaw, Aide to Supervisor Matthew Letourneau

17. AWARD AUTHORITY INCREASE/Business Transformation Office Management (Action)

Election District: Countywide

Staff Contacts: Wendy Wickens, Information Technology
Robert Middaugh, County Administration
Cheryl Middleton, Finance and Procurement

18. Monthly Report/Implementation of the Enterprise Resource Planning (ERP) System (Information)

Election District: Countywide

Staff Contacts: John Sandy, County Administration
Robert Middaugh, County Administration
Wendy Wickens, Information Technology
Penny Newquist, Finance and Procurement
Vince Marchesano, Vivad Technologies, LLC

Next Regular Meeting: July 12, 2016

If you require a reasonable accommodation for any type of disability in order to participate in the Finance/Government Operations and Economic Development Committee Meeting, please contact the Office of the County administrator at 703-777-0200/TTY-711. At least one business day of advance notice is requested; some accommodations may require more than one day of notice. FM Assistive Listening System is available at the meeting.

**BOARD OF SUPERVISORS
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ECONOMIC DEVELOPMENT COMMITTEE
AGENDA SUMMARY**

June 14, 2016

6:00 p.m.

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Board Room**

Committee Members:

Matthew Letourneau, Chair

Phyllis Randall - Tony Buffington - Ralph Buona - Koran Saines

**Proposed for Consent*

1. Monthly Department of Economic Development Report (Information)

The Department of Economic Development's monthly statistical report shows leading economic indicators for Loudoun County, and key department performance indicators. The executive director will also report on key economic development activities that have occurred since the May 2016 meeting.

Election District: Countywide

Staff Contacts: Buddy Rizer, Economic Development

2. Nighttime Economy Ad-Hoc Committee (NEAC) Report (Action)

On May 18, 2015, the Board's Economic Development Committee endorsed the Economic Development Advisory Commission's (EDAC) goals related to the Nighttime Economy Ad-Hoc Committee (NEAC). The NEAC was created as a means to explore the policies and issues needed to improve Loudoun County's nighttime economy in ways that attract workforce and increases employment and economic opportunities, while also enhancing a sense of community throughout the County. During the summer and fall of 2015, NEAC subcommittees completed research and developed a set of draft recommendations for improving the 18-hour economy.

This item presents the NEAC report unanimously approved by the EDAC on May 13, 2016. The NEAC Report highlights the history and structure of the committee, the membership of each subcommittee, community input provided through a community meeting and survey, a set of recommendations by each subcommittee, and proposed next steps. Todd Pearson and Tony Howard, co-chairs of the NEAC, will present the NEAC report to the Committee and will discuss the NEAC's proposal for moving the recommendations forward.

Election District: Countywide

Staff Contact: Buddy Rizer, Economic Development
Gwen Kennedy, County Administration

3. Loudoun County-Washington Redskins Marketing Agreement Update (Information)

Loudoun County has an eight-year marketing agreement with the Washington Redskins that began in 2012. Each year, the team makes certain season assets available to the County for the Department of Economic Development to use for business attraction and retention. On June 14, 2016 a representative from the team will outline the return on the County's investment realized during the football season that ended March 31, 2016.

Election District: Countywide

Staff Contacts: Buddy Rizer, Economic Development

4. Overview of Loudoun's Sister City Program and Recommendations for Future Administration (Action)

The item provides the Finance/Government Operations and Economic Development Committee with information on Loudoun County's Sister City Program and includes a staff recommendation pertaining to the status and administration of the Sister City Program moving forward.

Election District: Countywide

Staff Contacts: Buddy Rizer, Economic Development
Rick Morris, Economic Development
Bob McCollar, Economic Development
Caleb Weitz, County Administration

5. CONTRACT AWARD/Utilities Relocation for Claiborne Parkway – Columbia Gas Transmission, LLC (Action)

The Claiborne Parkway project will construct a new four lane median divided roadway between Ryan Road and Croson Lane. Two gas transmission lines owned by Columbia Gas Transmission, LLC need to be relocated in order for the project to begin construction. This item presents additional information and proposes Contract Award for utility relocation by Columbia Gas Transmission, LLC for the Claiborne Parkway project. Sufficient funding is available in the Claiborne Parkway project to award the contract to Columbia Gas Transmission, LLC for the gas line relocation.

Staff recommends that Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors that the Purchasing Agent be authorized to award a contract for the relocation of utilities for the construction of the Claiborne Parkway project with Columbia Gas Transmission, LLC in the estimated amount of \$1,700,971.

Election District: Dulles

Staff Contacts: Melissa Tello, Transportation and Capital Infrastructure
Joe Kroboth, Transportation and Capital Infrastructure
Cheryl Middleton, Finance and Procurement
Belkys Escobar, Assistant County Attorney

6. *CONTRACT AWARD/Youth Shelter Renovation (Action)

The purpose of this item is to award a contract for the Loudoun County Youth Shelter Renovation. Staff recommends that the Finance/Government Services and Operations Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be

authorized to award a contract for the Loudoun County Youth Shelter Renovation to the Sorensen Gross Company, in the estimated amount of \$1,444,000. Invitation for Bid Number 332 was issued on April 11, 2016 for the Loudoun County Youth Shelter Renovation. Six (6) Bids were received on May 12, 2015 with the Sorensen Gross Company being the lowest responsive and responsible bidder in the amount of \$1,444,000.

The Scope of Work includes exterior and interior renovation with a minimal expansion for a new entry vestibule and new toilet as well as a replacement mechanical screen wall. The building is an existing one (1) story, 8,000 square foot, seven (7) bedroom residence with a multipurpose living space, laundry room, infirmary, staff offices and conference room. Site work is minimal and includes no paving. The Project involves the complete interior renovation in a single story existing building with a double height central multipurpose room. New exterior siding and trim, windows, doors, plumbing and light fixtures, HVAC, drywall, finishes, millwork, and low voltage are included in the Scope of Work. Sufficient funding is appropriated in the Youth Shelter Renovation capital project account to award the construction contract.

Election District: Catoclin

Staff Contacts: Joe Kroboth, Transportation and Capital Infrastructure
Mark Hoffman, Transportation and Capital Infrastructure
Christopher Bresley, Finance and Procurement

7. *CONTRACT RENEWAL/Job Order Contract (JOC) for the Maintenance and Repair and Replacement of Mechanical Infrastructure (Action)

The purpose of this item is to renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure. Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure to Adrian L. Merton, Inc., Riddleberger Brothers, Inc., and the Paschen Johnson Joint Venture in the estimated amount of \$4,000,000.

A JOC is a competitively bid, firm fixed priced, indefinite quantity contract. The work includes a collection of tasks and related technical specifications that have pre-established unit prices. The contracts are to be used for mechanical infrastructure maintenance, repair and replacement work by means of individual job orders issued under the contracts and related to discrete projects, such as the replacement of aging heating, ventilation and air conditioning (HVAC) components in major County facilities. Staff is requesting the award of the first renewal option. Renewal contract awards are only provided to those contractors with satisfactory performance. Funding for this contract is contained in the operating budgets of the Department of General Services, the Department of Parks, Recreation and Community Services, and the Department of Transportation and Capital Infrastructure, the Capital Asset Preservation Program, and the Capital Improvement Program.

Election District: Countywide

Staff Contacts: Ernest Brown, General Services
Tom Trask, General Services
Christopher Bresley, Finance and Procurement

8. *CONTRACT RENEWAL/Property, Liability, and Automobile Coverage (Action)

On May 20, 2015, the Board of Supervisors authorized the Purchasing Agent to exercise the fourth one year renewal for the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$658,551. The Virginia Association of Counties Group Self-Insurance Risk Pool was established in 1993 at the request of Virginia counties seeking an alternative to the insurance marketplace to provide coverage and risk services to local government entities and school divisions across the Commonwealth. VACo Risk Management Programs, Inc. specializes in providing a variety of coverage to counties, county school systems and county related agencies. This contract provides administration of property, liability and automobile coverage, and risk management services. These include, but are not limited to: claims processing and administration, contract reviews, training, property inspections, OSHA compliance reviews, claims review and consultative services. The current contract period ends June 30, 2016. VACo has been successfully providing this coverage to the County since 1999. Therefore, staff is seeking approval to exercise the final one year renewal under the contract with VACo Risk Management Programs, Inc. for the period of July 1, 2016 through June 30, 2017 in the amount of \$713,644.

Election District: Countywide

Staff Contacts: Nelia Larson-Mann, Human Resources

Jeanette Green, Human Resources

Cheryl Middleton, Finance and Procurement

9. *CONTRACT RENEWAL/Verizon Telecommunications Services

The Department of Information Technology provides data network connectivity to 125 facilities owned or leased by the County located throughout Loudoun. The data network enables staff access to County information systems, the email system, the Internet, personal computer security patches, software upgrades, video conferencing, and telephone/voice mail services. County government facilities that are not connected to the County-owned fiber are provided network access through Verizon services. Since FY 2011, the County has been contracting through the state-wide Network Virginia contract for these services. The intent of this item is to obtain the contracting award authority for the Verizon telecommunication services in the amount of \$1,080,000. Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to use the Network Virginia contract with Verizon/Bell Atlantic for the continued lease, maintenance, and upgrades of existing telecommunication circuits in the estimated amount of \$1,080,000. Sufficient funding for these services is available in the Department of Information Technology's FY 2017 Adopted budget.

Election District: Countywide

Staff Contacts: Wendy Wickens, Information Technology

Marilee Ciehoski, Information Technology

Sandra Lineberry, Finance and Procurement

10. *CONTRACT RENEWAL/Telephone Platform Solution and Backbone Network Equipment & Services

At the November 15, 1995 Board of Supervisors business meeting, the Board authorized the Purchasing Agent to negotiate and award a ten (10) year contract for Data and Telecommunications Equipment and Services to Avaya, Inc. (formerly Nortel) as a result of Request for Proposal (“RFP”) No. QQ-00343. Since then, the County’s Avaya telephone system has been kept usable and current through the purchase of additional components to service new facilities and the periodic upgrade of selective components. The County utilizes Fairfax County’s competitively bid contract with Avaya, Inc. to procure equipment and services. The Fairfax County contract is negotiated and awarded and has been renewed through June 30, 2017. As part of the annual renewal, the Fairfax County contract has been extended to include Avaya backbone network equipment and services. The County uses backbone network equipment (routers, switches, hubs, etc.) manufactured by Avaya on the County Wide Area Backbone Network. The network connects 100+ County buildings and facilities to the County network, the Internet, and State and Federal computer systems and networks. The intent of this item is to obtain contract renewal authority for annual equipment maintenance for both telephone platform and backbone network equipment as well as the anticipated equipment purchases for all telephone and backbone network needs within and between the County facilities through June 30, 2017. Sufficient funding in the amount of \$2,100,000 for the equipment and services is included in the FY 2017 Adopted Budget appropriation. Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend to the full Board of Supervisors (Board) that the Purchasing Agent be authorized to renew a one (1) year contract for the Telephone Platform Solution and Backbone Network Equipment and Services to Avaya, Inc. in the amount of \$2,100,000.

Election District: Countywide

Staff Contacts: Wendy Wickens, Information Technology
Marilee Ciehoski, Information Technology
Sandra Lineberry, Finance and Procurement

11. *AWARD AUTHORITY INCREASE/Financial and Compliance Audit Services (Action)

On September 21, 2011, staff issued Request for Proposal (RFP) No. QQ-01677 for financial and compliance audit services. The intent of the RFP was to seek proposals from qualified independent certified public accountants or accounting firms to provide financial and compliance auditing and business consulting services. On February 12, 2014 the Board of Supervisors (Board) authorized the Purchasing Agent to award a five (5) year contract to Cherry Bekaert, LLP. The original contract award included fixed fees for each of the annual audits included in the initial five year term that totaled \$1,086,450. However, during the current contract term, staff has engaged Cherry Bekaert, LLP to perform the additional audits and reviews in addition to the annual financial audits for engagements such as limited internal control of selected Volunteer Fire and Rescue companies and post implementation audits for the new Computer Assisted Mass Appraisal System and Phase 1 and 3 of the new ERP system. Because of these addition audits, staff has allocated the entire amount of the original award

authority granted by the Board plus an additional 25% increase under staff authority as permitted per the Procurement Resolution. To date, staff has obligated \$1,343,518 under this contract. The cost for the FY 2016 audit is \$230,550 and was negotiated as part of the original contract award. Staff needs additional award authority to cover the FY 2016 annual financial audit as well as to allow for any additional required audits that may be needed between now and the end of the contract term, which expires on March 31, 2017. Therefore, staff is requesting that the FGOEDC authorize the Purchasing Agent to increase the award authority by \$330,550 for a new contract total of \$1,674,068. No additional funding is needed for this award authority increase.

Election District: Countywide

Staff Contacts: Janet Romanchyk, Finance and Procurement
Cheryl Middleton, Finance and Procurement
John Sandy, County Administration

12. Capital Project Procurement and Process (Information)

On April 12, 2016, the Finance Government Operations and Economic Development Committee requested staff provide an overview of the process associated with the procurement of architectural and engineering (A/E). However in order to more fully illustrate the length of time and all required steps, staff is providing a detailed summary of the process to develop a capital project, including the specific procedures for the procurement of A/E services, construction, and related contracts.

Election District: Countywide

Staff Contacts: Cheryl Middleton, Finance and Procurement
Mark Hoffman, Transportation and Capital Infrastructure
Melissa Tello, Transportation and Capital Infrastructure
Joe Kroboth, Transportation and Capital Infrastructure

13. Revision of the Restricted Use Transient Occupancy Funding Policy (Action)

The Restricted Use Transient Occupancy Tax (TOT) Funding Policy was adopted by the Board of Supervisors in 2005 and last revised in 2011. This policy sets the rules for how Restricted Use TOT funds are to be allocated by the Board.

This item will bring before the Finance/Government Operations and Economic Development Committee for consideration certain issues, revisions, and staff recommendations contained in the Funding Policy. Revisions for the Committee's consideration include the process by which tourism programs, events, and agreements are considered and selected for funding during the budget process, how funds can be leveraged for international travel and international economic agreements, and the mechanism through which the Board will exercise oversight on results generated from the allocation of Restricted Use TOT funds.

While there is no immediate fiscal impact in revising the Funding Policy, recommendations made by the Committee and decisions taken by the Board will impact how Restricted TOT funding opportunities are evaluated and how Restricted Use TOT funds are allocated during future budget processes.

Election District: Countywide

Staff Contacts: Kenny Young, County Administration

Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

14. Revision and Renewal of the Memorandum of Understanding with Visit Loudoun (LCVA, Inc.) (Action)

Visit Loudoun is the primary programmatic element of Loudoun County's travel and tourism promotion efforts and is funded in large part by the Restricted-use portion of the Transient Occupancy Tax (TOT). The County's current Memorandum of Understanding (MOU) with Visit Loudoun guides the relationship between the County and Visit Loudoun by providing the appropriate processes for funding, reporting, and projecting future revenues. This MOU was last updated in 2011 and expires June 30, 2016.

This item will bring before the Finance/Government Operations and Economic Development Committee for consideration certain issues, revisions and staff recommendations contained in the new MOU, including the term of the MOU, the funding mechanism through which Visit Loudoun's annual funding levels are set, performance measurement and reporting, and the potential enhancement of the organization's operating reserve and the definitions of "Core Tourism Services" provided in attachment to the revised MOU.

Election District: Countywide

Staff Contacts: Kenny Young, County Administration
Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

15. Advancement of Projects included in General Obligation Referenda/November 2016 Bond Referendum (Action)

As part of the FY 2017 Adopted Budget, the Board of Supervisors approved various capital projects which require the issuance of General Obligation (GO) bonds. GO bonds are secured by the full faith and credit and taxing authority of the County, and require a voter referendum. Virginia Code § 15.2-2610 governs the request for, and ordering of, a referendum to gain voter approval to sell general obligation bonds through a special election.

Current practice is to bring forward newly approved projects funded by GO bonds to referendum in November. With the adoption of the Capital Improvement Program, the appropriation for these projects begin on July 1st. Advancing projects to referendum prior to appropriation would ensure GO funding for these projects receive voter approval prior to spending. This item presents the debt-financed projects staff recommends the Board place on the November 2016 referendum and the questions that are to appear on the ballot. Options to advance FY 2018 projects to the November 2016 referendum are included for consideration.

Election District: Countywide

Staff Contacts: John Sandy, County Administration
Penny Newquist, Finance and Procurement
Janet Romanchyk, Finance and Procurement
Nicole Bradley, Finance and Procurement
Courtney Sydnor, County Attorney's Office

16. Board Member Initiative: Board District Budget Adjustments (Action)

Supervisor Letourneau is proposing a July 2016 budget adjustment of \$270,000 (\$30,000 for each office) to Board Office Budgets.

Election District: Countywide

Staff Contacts: Monica Filyaw, Aide to Supervisor Matthew Letourneau

17. AWARD AUTHORITY INCREASE/Business Transformation Office Management

(Action)

Since May 9, 2016 Oracle Consulting Services (OCS) has been onsite assisting both Loudoun County Government (County) and Loudoun County Public Schools (LCPS) with the reimplementation of Phase 2 of the ERP system. OCS is specifically focused on the completion of the Human Resources and Payroll modules. The OCS approach to successfully completing the Phase 2 implementation is based on the use of Oracle's Unified Method (OUM - Oracle's methodology for deploying Oracle-based business solutions). To maximize efficiencies, OCS further structured this effort into two distinct sub-phases – Phase 2 A: Inception and Elaboration and Phase 2B: Construction, Transition, and Production. Phase 2A activities include the review of business requirements as specified in the original request for proposal (RFP) and aligning those requirements with out of the box functionality. Where current mandated processes do not align with out of the box functionality, OCS will either provide a system customization or recommend a modification in the current business process. Phase 2B activities focus on the construction of the new system as well as testing and launch of the new system. The County has redefined its Phase 2 organizational structure, and is currently implementing a new structure comprised of three offices with distinct functions: Business Transformation Office (BTO), Client Management Office, and Independent Verification and Validation Office (IV&V). The BTO will provide operational and strategic management for the ERP Project throughout the reimplementation, for approximately twelve months. Since Phase 2 has already restarted, a manager is needed immediately for the BTO. Currently, there are no staff resources available to fulfill this role. Staff recommends that the Finance/Government Operations and Economic Development Committee authorize the Purchasing Agent to award a contract for the BTO Manager with Yahya Technologies, LLC (Y-Tech) in the amount of \$601,839.

Election District: Countywide

Staff Contacts: Wendy Wickens, Information Technology
Robert Middaugh, County Administration
Cheryl Middleton, Finance and Procurement

18. Monthly Report/Implementation of the Enterprise Resource Planning (ERP) System

(Information)

The Loudoun County Government and Loudoun County Public Schools began implementation of a new ERP System in January 2012. On December 4, 2013, the Board of Supervisors appropriated additional funds to complete implementation of all three phases of the System.

Phase 2, the Human Resources and Payroll modules of the ERP Project, was restarted on Monday, May 9, 2016, and an update will be provided during the June meeting.

Election District: Countywide

Staff Contacts: John Sandy, County Administration
Robert Middaugh, County Administration
Wendy Wickens, Information Technology
Penny Newquist, Finance and Procurement
Vince Marchesano, Vivad Technologies, LLC

Next Regular Meeting: July 12, 2016

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Date of Meeting: June 14, 2016

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**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS
AND ECONOMIC DEVELOPMENT COMMITTEE
INFORMATION ITEM**

SUBJECT: Monthly Department of Economic Development Report

ELECTION DISTRICT: Countywide

STAFF CONTACT: Buddy Rizer, Executive Director, Economic Development

PURPOSE: The purpose of this item is for the Department of Economic Development (DED) to report on leading economic indicators, key performance indicators, and DED initiatives.

BACKGROUND: Each month, DED submits a report which shows leading economic indicators and key performance indicators. At the Finance/Government Operations and Economic Development Committee meeting, staff will provide a verbal briefing of DED activities. Below are selected highlights.

DED enjoyed very successful business recruitment meetings in Germany, South Korea and China during the month of May. This activity has resulted in more than twelve prospects being added to the pipeline, including several that the department hopes to be able to announce in the next few months.

While in China with Chair Randall, DED participated in the signing of a marketing agreement between Washington-Dulles International Airport and Beijing Capital International Airport. The airport partnership was initiated by DED and Visit Loudoun as a direct result of last year's trade mission to China. As part of the agreement, images of Loudoun and Dulles will be displayed in Beijing Airport, which had almost 90 million passengers in 2015, making it the second busiest airport in the world in passenger volume. This airport marketing partnership will help raise awareness of Loudoun County as a business location and tourist destination.

On May 11, 2016 DED cosponsored BisNow's third annual "Loudoun County State of the Market" event at SmokeHouse Live. BisNow reported a 10 percent increase in ticket sales from last year, and estimates that almost 350 people braved the cold rain to attend the event. Major developers spoke about Loudoun projects, including representatives from Lerner, Rappaport, B.F. Saul and the Peterson Companies.

May 16-22 was Loudoun's 5th annual Small Business Week. It featured nearly 20 networking and educational events for startups and entrepreneurs, and ended by promoting small businesses in western Loudoun with the Spring Farm Tour. DED especially thanks all the Board members who

personally visited small businesses the following week to celebrate the important contributions they make to Loudoun's economy.

Finally, DED has been pleased to participate in several significant groundbreakings and grand openings recently. On May 24, St. John Properties broke ground on another spec office/flex building in Ashburn; this follows their construction of two spec buildings in Ashburn in 2013. Also on May 24, Sabey broke ground on one million square feet of new data center space. On June 8, K2M celebrated the grand opening of their new facility in Leesburg; DED has also participated in three other ribbon-cuttings to date in June 2016 including ribbon cuttings at Wishing Tree, Mathnasium and The Joint Chiropractic.

ISSUES: There are no issues associated with this Information Item.

FISCAL IMPACT: There is no fiscal impact associated with this Information Item.

ATTACHMENT:

1. April FY 2016 Monthly Statistical Report



Investment

| | |
|-------------------------------|----------|
| FY16 Wins | 60 |
| Estimated Investment by Wins | \$2.15 B |
| Jobs Created/Retained by Wins | 2,335 |



Visits to Existing Businesses

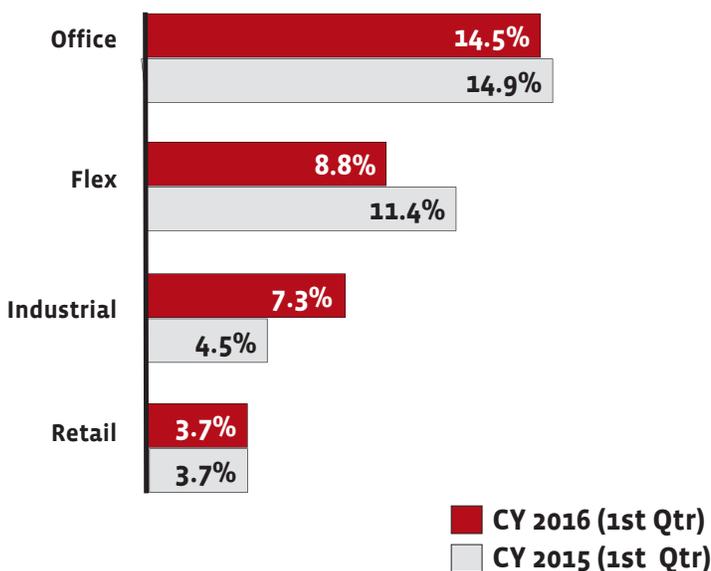


Internet Activity

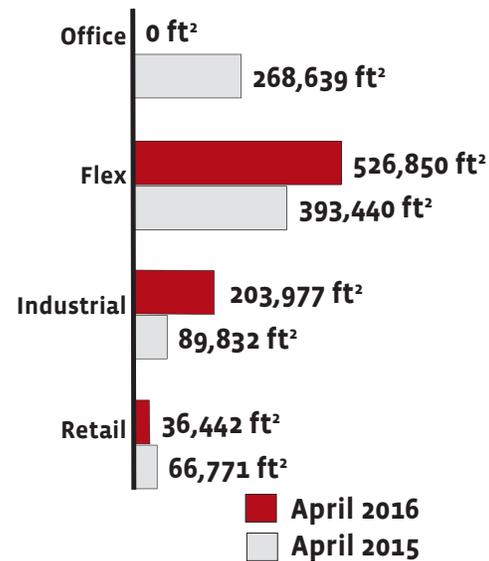
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| Website Visits FY16 (DED) | 33,397 | DED Facebook Subscribers | 8,250 |
| FY16 Goal | 37,000 | Loudoun Farms Facebook Subscribers | 10,369 |
| FY16 Goal Attainment | 90.3% | DED Twitter Followers | 5,016 |
| Website Visits FY16 (Loudoun Farms) | 45,730 | Loudoun Farms Twitter Followers | 3,111 |
| FY16 Goal | 50,000 | Loudoun Small Biz Twitter Followers | 2,840 |
| FY16 Goal Attainment | 91.5% | DED LinkedIn Subscribers | 781 |



Commercial Vacancy Rates



Commercial Building Permits



Source: Costar; Loudoun County Dept. Bldg. and Dev.



Hotel Revenue



Source: Visit Loudoun



Retail Sales



Source: Virginia Dept. Taxation



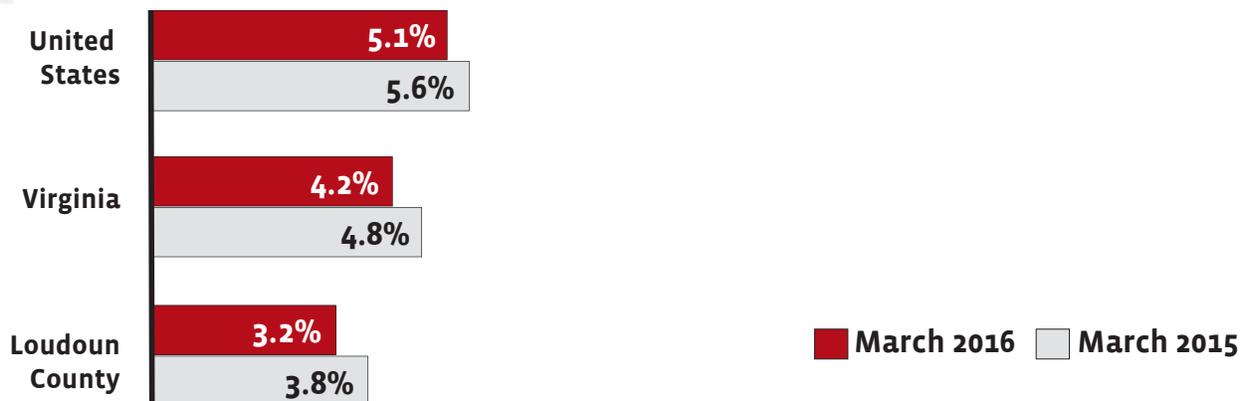
Dulles International Airport



Source: Metropolitan Washington Airports Authority



Unemployment Rates



Source: Virginia Employment Commission

Date of Meeting: June 14, 2016

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**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Nighttime Economy Ad-Hoc Committee Report

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: At the pleasure of the Board

STAFF CONTACTS: Buddy Rizer, Executive Director, Economic Development
Gwen Kennedy, County Administration

PURPOSE: The purpose of this item is to present the Nighttime Economy Ad-Hoc Committee (NEAC) Report for acceptance by the Board of Supervisors (Board) and request direction to address the report's recommendations.

RECOMMENDATIONS:

Economic Development Advisory Commission (EDAC): The EDAC recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC):

1. Accept the report and recommend it to the full Board for adoption;
2. Recommend that the report be referred to the Transportation and Land Use Committee (TLUC) where the Committee can further evaluate the resources needed to implement the subcommittee recommendations; and
3. Recommend that a seat be reserved on the New Comprehensive Plan Stakeholders Steering Committee for NEAC representation.

Staff: Staff concurs with EDAC's recommendations 1 and 2.

BACKGROUND: On May 18, 2015, the Board's Economic Development Committee endorsed the Economic Development Advisory Commission's (EDAC) goals related to the Nighttime Economy Ad-Hoc Committee (NEAC). The NEAC was created as a means to explore the policies and issues needed to improve Loudoun County's nighttime economy in ways that attract workforce and increases employment and economic opportunities, while also enhancing a sense of community throughout the County.

Over 50 members of the business community, non-profit community, and government participated on subcommittees focused on seven core elements of a nighttime economy:

1. entertainment,
2. public space and amenities,
3. housing affordability and diversity,
4. economic development initiatives/incentives,
5. transportation,
6. public safety, and
7. compliance.

During the summer and fall of 2015, the subcommittees completed research and developed a set of draft recommendations for improving the nighttime economy. These recommendations were presented to the public for input at a community meeting on March 14, 2016 and are highlighted in the NEAC Report (Attachment 1). All work completed by NEAC is documented at www.loudoun.gov/nighttime-economy.

The NEAC Report highlights the history and structure of the committee, the membership of each subcommittee, community input provided through a community meeting and survey, a set of recommendations by each subcommittee, and proposed next steps. The EDAC approved the NEAC report unanimously on May 13, 2016. Todd Pearson and Tony Howard, co-chairs of the NEAC, will present the NEAC report to the FGOEDC and will discuss the NEAC's proposal for moving the recommendations forward. A copy of their presentation can be found in Attachment 2.

ISSUES: The set of subcommittee recommendations outlined in the NEAC report provide a framework for improving the nighttime economy. The NEAC envisions that the recommendations would be implemented within the next couple of years in preparation for Metro Rail Service to Loudoun County. Many of the recommendations are focused on making improvements throughout the entire County in an effort to implement principles and policies that could be extended to the areas surrounding Metro. The Committee also envisions that the recommendations would be used to develop policies and procedures needed to create more walkable, amenity rich environments that will attract commercial investment, businesses, visitors and workers of all ages. Some of the recommendations outlined in the report include:

Entertainment Subcommittee Recommendations

- Determine the feasibility and value of creating Arts, Entertainment and Cultural Districts in the County;
- Make the government process for opening and operating an entertainment business easier and more collaborative; and
- Create a strategic public/private sector partnership to better market dining and entertainment options in Loudoun.

Public Space and Amenities Subcommittee Recommendations

- Encourage communities and towns to create public spaces for socialization and interaction;
- Adopt guidelines to activate these spaces through design elements that encourage use by all age groups; and
- Support density in urban walkable environments and provide flexibility to achieve open public spaces in innovative ways.

Housing Diversity and Affordability Subcommittee Recommendations

- Prioritize housing diversity and affordability as a strategic objective for the Board and County Staff;
- Make housing diversity and affordability a top priority in all County policies, plans and zoning, including the New Comprehensive Plan; and
- Align transportation policies with our housing policies, to ensure all workforce and customers can access jobs and other activity centers.

Economic Development Initiatives & Incentives Subcommittee Recommendations

- Create an environment where the government and private sectors can collaborate as partners to achieve our economic and development goals; and
- Allow more flexibility in the development process that allows property owners to adjust to changing market conditions, trends and consumer demands.

Transportation Subcommittee Recommendations

- Apply innovative, technology enabled solutions to publicize transportation options to, from and within activity centers;
- Incorporate and publicize safe transportation access for ridesharing, car services, safe rides;
- Expand multi-modal options and alternatives to cars; and
- Align County's transportation plan with development objectives.

Compliance Subcommittee Recommendations

- Make it easier to stage special events by creating an effective, customer-focused strategy for planning and executing these events;
- Create partnerships with law enforcement to establish best practices to ensure public safety at special events and nightlife areas; and
- Create a simplified, unified and easily enforceable noise standard in the County.

Public Safety Subcommittee Recommendations

- Public safety issues should be treated as a priority in advance of planning new activity centers, including the future metro stations; and
- County and development community should work together to adopt Crime Prevention through Environmental Design (CPTED) strategies to address known public safety threats through project development.

A preliminary review of the recommendations shows that many of the items are related to land use. Therefore, staff recommends sending the report to the TLUC where staff can evaluate the resources needed to address the recommendations through a work plan. The evaluation will determine which recommendations are or could be incorporated within current processes being completed by the County, including current planning efforts such as the New Comprehensive Plan and the Silver Line Small Area Plan. In addition, staff will evaluate the coordination requirements among County agencies and the private sector. Some of the recommendations will require participation by multiple County agencies, with some of them being best implemented in partnership with the private sector. It is important to note the private sector has already made efforts to incorporate the NEAC recommendations into their work plans. Visit Loudoun has incorporated some of the NEAC recommendations into their Draft 2017-2019 Strategic Plan. Further integrating the NEAC recommendations within the private sector will be crucial to its success.

The New Comprehensive Plan (Plan) Charter adopted by the Board (9-0) on April 21, 2016 includes a stakeholder steering committee which will serve as an advisory group to the Board and the Planning Commission to assist in the Plan's development. EDAC recommends that a seat be reserved for a NEAC representative to ensure that recommendations are included in the New Comprehensive Plan process. The current stakeholder steering committee, made up of 26 members, includes fifteen interest specific stakeholder representatives. EDAC currently holds a seat as a stakeholder representative. Although staff understands the importance of having NEAC representation, EDAC has chosen a co-chair of the NEAC to serve as their representative on the committee. Therefore staff believes NEAC will have adequate representation through the EDAC representative.

FISCAL IMPACT: There is no fiscal impact at this time. Staff will evaluate the resources needed to implement the recommendations if directed by the Board.

ALTERNATIVES:

1. The FGOEDC could recommend that the Board adopt the NEAC report and refer it to the TLUC where staff can evaluate resources and develop a work plan.
2. The FGOEDC could recommend that the Board adopt the NEAC report and not refer it to TLUC for further evaluation.
3. The FGOEDC could recommend that the Board not adopt the NEAC report.
4. The FGOEDC could recommend adding an additional member to the Stakeholder Steering Committee representing NEAC.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors adopt the Nighttime Economy Ad-Hoc Committee Report.

AND

I further move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the report be referred to the Transportation and Land Use Committee for staff to evaluate the resources needed to implement the Nighttime Economy Ad-Hoc Committee recommendations and develop a work plan for review by the Committee.

OR

2. I move and alternate motion.

ATTACHMENTS:

1. Nighttime Economy Ad-Hoc Committee Report
2. NEAC Report Presentation

Economic Development Advisory Commission

NIGHTTIME ECONOMY AD-HOC COMMITTEE REPORT

July 2016



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Letter from the NEAC Co-Chairs

Members of the Loudoun County Board of Supervisors:

It is our privilege to present to you the final report of the Nighttime Economy Ad-Hoc Committee (NEAC).

This report, and the work that went into it, was necessitated by the reality that Loudoun County finds itself at an economic crossroads. In order to maintain the prosperity and quality of life that Loudoun enjoys today, we have to accept the reality that the competition for commercial investment, jobs and talent is both fierce and driven by market forces that Loudoun has yet to adapt to.

Of course, Loudoun County has much to be proud of. Our community enjoys a robust economy and what many consider a world class quality of life – fine schools, good jobs, beautiful scenery, an international airport and access to the nation’s Capital.

But Loudoun’s future prosperity cannot be secured by employing the strategies that worked in the past. We need new, forward-thinking ideas for a changing marketplace. Failing to do so imperils our competitiveness and ability to pay for the schools, roads and public safety our citizens demand.

As part of our Committee’s work, we examined the historic changes in how Americans want to live, work and play. We found that these changes are driving economic investment and growth, not only in America but in the world. Logically, businesses and commercial investment are going to where the customers and talent are.

So what do we do about it? We adapt!

If many residents of ALL ages and incomes prefer to live, work and play in walkable environments with rich recreational and entertainment amenities, Loudoun needs growth policies, in a number of areas, which reflect that reality.

This report of the Nighttime Economy Ad Hoc Committee proposes several policy changes that would improve Loudoun’s future competitiveness for jobs, investment and talent. Among these are:

- Allowing projects more flexibility to adapt to changing market conditions;
- Having the County prioritize housing diversity and affordability as a strategic objective;
- Creating public/private partnerships to market Loudoun's dining and entertainment options;
- Make it easier to stage special events in Loudoun County;
- Better use of technology to make travel between activity centers safer and more reliable;
- Focusing on public space and public safety as part of our future growth plans.

This report is the product of the many hours, energy and hard work invested by the Nighttime Economy Committee. It also benefitted from the input offered by the many citizens that attended the NEAC's March 13 public input meeting and the more than 1,100 individuals that completed our online survey.

We thank the Board of Supervisors for your willingness to support this effort. We also thank County staff for their outstanding work and support, particularly chief staff liaison, Gwen Kennedy of the County Administrators staff. The quality of this final report benefitted greatly from her contributions.

Now that the Nighttime Economy Ad Hoc Committee's work has concluded, the real work begins. On behalf of our Committee, we pledge our continued commitment to see our recommendations further developed and made into reality. We thank you for your support of that endeavor.

Sincerely,



D. Todd Pearson
NEAC Co-Chair



Tony Howard
NEAC Co-chair

The History and Structure of the Committee

In 2015, the Board of Supervisors Economic Development Committee directed EDAC to create an ad-hoc committee focused on developing and proposing ideas to improve Loudoun County's nighttime economy, and to help attract and retain businesses, visitors and a workforce at all age levels. EDAC created the Nighttime Economy Ad-Hoc Committee (NEAC) as a means to explore the policies and issues needed to improve Loudoun's entertainment, cultural and retail experiences in ways that attract workforce, and increase employment and economic opportunities, while also enhancing the sense of community throughout the County.

***Vision:** To develop creative place making opportunities and sensible policies which encourage an increased nighttime social life for residents, employees, and visitors of all ages and cultural backgrounds.*

***Mission:** The Nighttime Economy Ad Hoc Committee will examine policies, resources, and amenities that address Loudoun County's nightlife offerings. Specifically, the Committee will address policies that can boost entertainment offerings throughout the County and increase financial prospects for employment and business development while also helping to enhance the sense of community throughout the diverse areas that comprise our County.*

EDAC developed subcommittees focused on seven core elements of a nighttime economy: entertainment, public space and amenities, housing affordability and diversity, economic development initiatives/incentives, transportation, public safety and compliance. Over 50 people from the business community, non-profit community, and government agencies participated on a committee. From May 2015- March 2016, the committees researched their respective topic areas and developed recommendations for improving the 18-hour economy in the County. All the work completed by the committees is documented at www.loudoun.gov/nighttime-economy. A documented meeting schedule can be found in **Appendix I**.

The NEAC solicited input from the community through a public input meeting and community survey. The public input meeting was held from 6-8 pm on March 14, 2016 at the BLVD in Loudoun Station. Seventy-five members of the community, including residents and businesses, attended the public input session. Members of the public were asked to comment on the draft recommendation drafted by each subcommittee. Public input was also provided through a community survey conducted from January to March 2016. The purpose of the survey was to determine the types of places Loudoun Residents visited after work and on the weekend, and where they most often visited these venues (inside or outside the County). The survey asked residents what would make Loudoun County a more popular destination for entertainment, cultural, shopping and dining experiences. The survey also looked at venues visited by Non-Loudoun County residents, and asked how often they come to Loudoun after work or on the weekends for recreation and entertainment activities. Over 1,000 people completed the survey.

The committee recognizes that implementing the recommendations will take resources from the County and its partners. Therefore, NEAC recommends that the report recommendations be

forwarded to the Transportation and Land Use Committee where the committee can further evaluate the resources needed to implement the recommendations. NEAC believes that some of the recommendations could be incorporated into current processes and efforts by the County, including the New Comprehensive Plan process and the Silver Line Small Area Plan that the Board has initiated. NEAC recommends that a member of the committee serve on the New Comprehensive Plan Stakeholders Committee that has been established by the Board. Implementation of the recommendations should be completed as soon as practical to ensure the County has the policies and structures in place to create a successful nighttime economy around the metro stations.

NEAC Membership

NEAC Co-Chairs

| Membership | Affiliation |
|-----------------|--|
| D. Todd Pearson | VP, B.F. Saul Company |
| Tony Howard | President & CEO, Loudoun Chamber of Commerce |

Compliance Subcommittee

| Membership | Affiliation |
|---------------------------|--|
| Brent George (chair) | President & CEO, Buddha George Consulting Inc. |
| Andrew Painter (co-chair) | Walsh Colucci |
| Eric Demetriades | Laurel Brigade Law Group |
| Bill May | Miller and Smith, One Loudoun |
| DFC James Spurlock | Loudoun County Sheriff's Office |

Economic Development Initiatives/Incentives Subcommittee

| Membership | Affiliation |
|---------------------------|---|
| Chuck Claar (chair) | Branch Associates |
| Colleen Gillis (co-chair) | Partner, Cooley LLP |
| Mark Hassinger | West Dulles |
| Miguel Salinas | Loudoun County Department of Economic Development |

Entertainment Subcommittee

| Membership | Affiliation |
|------------------------------|--|
| Beth Erickson (chair) | President & CEO, Loudoun Convention & Visitors Association |
| Kristopher Diemar (co-chair) | President, Pitmaster Hospitality- Smokehouse Live |
| Marantha Edwards | Town of Leesburg |
| Tiffany Grygo | Fortessa |
| Katie Hammler | Town of Leesburg |
| Joanna Theurich | Janelia Research Campus |
| Kyle Tsao | Loudoun Resident |

Housing Diversity & Affordability Subcommittee

| Membership | Affiliation |
|----------------------------|--|
| Chauvon McFadden (chair) | Principal, Crimson Wealth Strategies |
| Paula Harper (co-chair) | George Washington University |
| Michele Frank | Independent Consultant |
| Kindra Harvey | Town of Leesburg |
| Amy Owen | Community Foundation of Loudoun and Northern Fauquier Counties |
| Joe Paciulli | Paciulli Simmons & Associates |
| Keith Segerson | EDAC |
| Christine Windle | Dulles Area Association of Realtors |
| Ara Bagdasarian (advisory) | CEO & Co-founder, Omnilert |
| Kim Hart (advisory) | Windy Hill Foundation |
| Stacey Miller (advisory) | Inova Health Foundation |
| Ann Orem (advisory) | Clarke-Hook Real Estate |
| Rick Pearson (advisory) | Neustar |

Public Safety Subcommittee

| Membership | Affiliation |
|-------------------------------|---|
| Tyiesha Thaxton (chair) | Lansdowne Resort |
| Ted Lewis (co-chair) | Principal, GeoConcepts Engineering Inc. |
| Will Peart | Gordon |
| Linda Hale (advisory) | Fire Marshal's Office, Dept of Fire, Rescue & Emergency Management (FREM) |
| Keith Johnson (advisory) | Operations, FREM |
| Kevin Johnson (advisory) | Office of Emergency Management, FREM |
| DFC James Spurlock (advisory) | Loudoun County Sheriff's Office |

Public Space & Amenities

| Membership | Affiliation |
|-----------------------|--|
| Scott Loftis (chair) | Loudoun Chamber of Commerce, Young Professionals |
| Jeff Tarae (co-chair) | Newmark Grubb Knight Frank |
| John Bischoff | George Washington University |
| Asia Jones | Loudoun County Public Schools |
| Zach Kendall | Kim Kendall Interiors |
| Maggie Parker | Comstock |
| Brad Pierce | Stanmyre + Noel Architects |
| Hans Punia | Loudoun Resident |
| Connor Wilson | CBRE |
| Samuel Yoffe | Neustar |

Transportation

| Membership | Affiliation |
|--------------------------|---|
| Mark Baker (chair) | Bowman Consulting |
| Keith Wallace (co-chair) | Leasing Representation, Merritt Properties |
| Bill Junda | Gordon |
| Michael Lo Presti | President, Presti & Company, Inc. |
| Ken Theurich | Civil Engineer, Loudoun Resident |
| Casey Veatch | Veatch Commercial Real Estate |
| Bob Brown (advisory) | Loudoun Department of Transportation & Capital Infrastructure |
| Lou Mosurak (advisory) | Loudoun Department of Transportation & Capital Infrastructure |

Staff Support:

Office of the County Administrator: Gwen Kennedy and Kenny Young

Department of Economic Development: Lois Kirkpatrick, Brian Tinsman, Amy Mugford, James David, Alex Gonski

Department of Family Services: Sarah Etro, Kelly Marrocco, Brian Reagan

Department of Planning and Zoning: Ricky Barker, John Merrithew, Rich Klusek, Theresa Stein

Office of Emergency Management: Terra Capps

Department of Fire, Rescue and Emergency Management: Jerome Swaine

What Does the Community Want?

Community input was solicited through a public input meeting and a community survey.

Public Input Meeting@ the BLVD

The public input meeting was held from 6-8 pm on March 14, 2016 at the BLVD in Loudoun Station. Seventy-five members of the community, including residents and businesses, attended the public input session.

After presenting the background and general work of the NEAC, members of the public were able to comment on draft recommendations drafted by each sub-committee.

Comments by the Community supported draft recommendations and included:

- The County needs more activities for all generations, including millennials and empty nesters;
- Additional venue spaces are needed to hold entertainment activities, music performances, and arts productions related to dance and theatre;
- The types of activities offered in the County should be expanded. This would include the expansion of restaurants, music venues, nightclubs, and the expansion of outdoor spaces for the public to gather.
- Housing needs to be closer to entertainment and should include transportation options;
- The County needs more apartment and condos at multiple price points, densities, and locations;
- The County should focus on multi-modal means of transportation, and should offer alternative commuter bus routes directly to and between communities and towns; and
- The County should expand awareness of all transportation options through the use of technology.

Comments provided during the public input session and through written correspondence can be found in **Appendix II**.



Entertainment Subcommittee Co-Chair, Beth Erickson, speaks with a member of the community at the public input meeting.

Nighttime Economy Community Survey

Public input was also provided through a community survey conducted from January to March 2016. The purpose of the survey was to determine the types of places Loudoun Residents visited after work and on the weekend, and where they most often visited these venues (inside or outside the County). The survey asked residents what would make Loudoun County a more popular destination for entertainment, cultural, shopping and dining experiences. The survey also looked at venues visited by Non-Loudoun County residents, and asked how often they come to Loudoun after work or on the weekends for recreation and entertainment activities. Over 1,000 people completed the survey. Of those participants, 89% were Loudoun County residents.

Survey Analysis on Age Cohorts

Staff from the Department of Economic Development completed an analysis on survey responses by age group. The goal of the analysis was to inform the strategy to attract needed cohorts (such as millennials and empty nesters) to Loudoun, which will bolster available workforce, and increase local spending and consumption.

The sample size for the analysis was 1,099 respondents. These respondents were categorized into age cohorts as follows:

| Name of Cohort | Age Definition | # of Respondents |
|----------------|---------------------|------------------|
| Millennials | 35 years or younger | 353 |
| Generation X | 36-55 years of age | 647 |
| Baby Boomers | 56 years or older | 99 |

There were many observed similarities among age groups, and a few key differences when breaking the analysis down even further to whether or not respondents had children:

1. Every age cohort chose **movie theatres** as the top place they visit after work or on weekends, and those with kids felt the strongest about it.
2. **Outdoor recreation venues** and **sports facilities** were ranked as top four visited places by all age cohorts with kids, but were not highly ranked by age cohorts without kids.
3. **Live performance venues** was ranked as a top four visited place by all age cohorts without kids, but was not as highly ranked by age cohorts with kids.
4. Millennials and empty nesters ranked their top three visited places in the same order: **(1) movie theatres, (2) wineries/breweries, (3) live performance venues.**

Survey Results

www.loudoun.gov/nighttime-economy/survey

1,100 Participants

- 89% from Loudoun
- 11% Non-residents

Loudoun residents that responded by area:

- 40% Ashburn
- 25% Leesburg
- 15% West of 15
- 10% Sterling
- 6% Aldie/Stoneridge
- 4% Chantilly/South Riding

What type of places do Loudoun Residents visit?

- 80% movie theatres
- 67% wineries/breweries
- 64% outdoor rec venues

Do non-residents come to Loudoun after work or on weekend for rec and entertainment activities?

- 76% Yes
- 24% No

5. All age groups that reside in Loudoun chose **Loudoun County** as the top destination for activities after work and on the weekends.
 - a. The majority chose Fairfax and D.C. as their second and third destinations.
 - b. Millennials without kids were the exception, choosing Arlington and Alexandria second and third. Understanding the draw of these locations may help inform a strategy to attract and/or retain this cohort.
6. Every age cohort chose “*Having a wide variety of places to shop, eat, socialize and enjoy art, sports and entertainment*” as the most important issue for building a strong entertainment, cultural and retail economy in Loudoun County.

A complete analysis by cohort can be found in **Appendix III**. A complete copy of the community survey results can be found at www.loudoun.gov/nighttime-economy/survey

Nighttime Economy Ad-Hoc Committee Recommendations

Entertainment Subcommittee Recommendations

The Nighttime Economy Sub-Committee examined the policies, resources and amenities that address Loudoun County's nightlife offerings. Specifically, the Committee reviewed and addressed policies that can boost entertainment offerings throughout the County and increase financial prospects for employment and business development while also helping to enhance the sense of community throughout the diverse areas that comprise Loudoun County.

The committee developed both transportation and compliance recommendations and, working in conjunction with those committees, has ensured that those recommendations have been included in the respective sections.

- *Arts, Cultural, and Entertainment (ACE) Districts*- Direct the County to ask for the authority to designate Arts, Cultural and Entertainment (ACE) districts; allowing the County the same authority as towns.
 - Determine the feasibility of designating ACE Districts as a marketing/branding opportunity throughout the county.
 - Charge the Department of Economic Development with making information and resources available to property owners and artists ACE Districts.
 - Fund a dedicated staff position at the county level to expand the number of ACE Districts and create linkages to encourage the development and marketing of ACE Districts within the county.
 - Non-profit partnering with local government; incentive fund with general appropriations.
 - Facilitate and provide incentives to create a "Catalyst" project, such as a performing arts center.
 - Simplify and streamline the process businesses must go through in order to open an arts and entertainment venue or hold an arts and entertainment event.
 - Professionally manage and maintain public spaces through the private sector or through public-private partnerships.
 - Build capacity with a dedicated revenue stream to effectively manage marketing and execution of large-scale, public, free, hospitality zone-wide events and initiatives.
 - Develop and implement a busker (street performer) program to provide entertainment.

What does the Community Want?

54% of survey respondents felt that additional **entertainment** options will make Loudoun a more popular destination.

"An entertainment hub vs. entertainment venues spread throughout the county. I think One Loudoun is well on its way, but placing emphasis on the nightlife component vs. just being a bar in a restaurant. Give everyone a reason to want to go out at night and market it that way."

-NEAC Survey, 2016

- *Coordinate Marketing Efforts*- Create a standing committee comprised of the directors of marketing from Visit Loudoun, Loudoun County Chamber of Commerce, Loudoun County Economic Development, Loudoun County EDAC, Town of Leesburg, Town of Purcellville, etc. to work on specific campaigns; utilizing shared assets and reinforcing branding. The chair of this committee would rotate between the organizations on an annual basis. The committee further recommends that the first project undertaken would be a “Teach Loudoun to Lunch and Dine” campaign.
- *Streamline Processes*- Create a concierge service that promotes positive customer service, assists with streamlining the planning and permitting process, and facilitates working relationships with multiple departments for the business consumer. (We have the Business Assistance Team, but is there one “concierge” that interfaces w/the business consumer?)
- *Ordinance Cooperation*- Direct the County to work with the towns and law enforcement to bring the disparate zoning and codified ordinances into agreement, encourage cooperation and solution-driven action steps.

Public Space & Amenities Subcommittee Recommendation

The committee focused on identifying the types of public space and amenities found throughout the County, successful uses of public space and amenities, and challenges that may exist. Public spaces are social spaces that are generally open and accessible to the public, with amenities consisting of resources, conveniences, facilities or benefits that are continually offered to the general public for their use and/or enjoyment.

Understanding that each area within Loudoun County is unique, the Public Space and Amenities Sub-Committee have made several recommendations of what the optimal use of Public Space and Amenities would include. These recommendations would encourage increased usage of all Public Spaces and Amenities within Loudoun County. This in turn would strengthen the county not only economically but socially. Loudoun will be looked at as a progressive county which has taken a proactive approach to how its citizens, visitors, businesses, and government interact for the greater good and future of the County.

What does the Community Want?

The **top 2** improvements that survey respondents felt will make Loudoun a more popular destination were additional **entertainment** options and more **walkable communities**.

Of the responses focused on walkability, 22% singled out **public gathering spaces** as most important, and 22% felt more **mixed-use developments** will improve Loudoun.

“More walkable locations like Reston Town Center and Ballston. We need 15-20 story office/condo units.”
-NEAC Survey, 2016

- *Community Social Spaces*- Encourage existing and future communities & towns to provide their citizens public spaces to socialize and interact with each other. This space would be safe, open, well lit, and visible and allow for multiple social uses with convenient parking and pedestrian access. Spaces should include a diversity of sizes, uses and types, ranging from large central plazas to smaller, more intimate parks.

- *Develop Public Space Guidelines* – Create public space guidelines to activate the spaces through design elements to enhance the greater community, and foster multiple uses to appeal to a range of demographics at different times.

- *Place Management* – Professionally maintain and manage the public spaces through the private sector or public private partnerships (similar to Business Improvement Districts or Urban Partnerships).

- *Density* – Support density in the County’s more urban walkable environments to foster a nighttime economy.

- *Flexibility* – Amend zoning ordinances to provide flexibility to meet public use space and open space requirements in innovative ways.

Case studies outlining successful uses of public space and interview information can be found in **Appendix IV**.

Housing Diversity & Affordability Subcommittee Recommendations

The committee focused on examining the policies and resources that affect the diversity, density and accessibility of housing options in key areas within Loudoun County, including the metro stations. The committee addressed policies that can impact the attraction and retention of a multi-generational group that will support Loudoun’s growing commercial and public sectors. Recommendations involve housing strategies that can be implemented in a variety of settings throughout the County.

What does the Community Want?

Over half of survey responses about housing focused on **affordability and density** as key issues.

“Affordable housing or metro access adjacent to bars, restaurants and entertainment venues to attract more young people to live and play in the County. When you do go out here it feels like everyone is 40 and older. Young people want to be around other younger people. Most can't afford to live in the apartments currently being constructed near the new mixed-used developments. Instead of building "luxury" units consider building smaller units with multiple bedrooms which would attract younger people with roommates.”

-NEAC Survey, 2016

- *Defining Housing Diversity* – In order to insure the future success of the County as both an urban and suburban economy, Housing Diversity should be defined in the broadest sense to include a variety of types, densities, heights, and price structures. Housing diversity should include special emphasis on millennials and empty-nesters which will drive a significant portion of the commercial and retail tax base, as well as “affordable” housing for all sectors of the population.

- *Prioritization of Housing-* Adopt housing diversity and affordability as a top priority of the Board of Supervisors in the County’s strategic planning, operations and economic development.

- *Comprehensive Plan Rewrite-* Undertake a full review and rewrite of the Comprehensive Plan that recognizes housing as the linchpin to commercial economic development success. Planning and zoning ordinances will account for significant density and diversity in specific areas including, but not limited to, Loudoun’s two metro stations and key economic sectors.

- *Policies and Strategies Supporting Live/Work/Play-* Embrace the concept of “Live Work and Play” into all practices by establishing planning and zoning policies and comprehensive plan strategies that support a vibrant – and viable – balance of retail, office and housing with multiple density, height and pricing options.
- *Future Research-* Research and address appropriate business practices, policies and staffing models that support the success of developing and maintaining housing diversity.
- *Transportation Options-* The County will foster, either directly or through public private partnerships, multi-model transportation options that connect retail areas and housing of all types: urban, suburban, and rural.

- *Development Proffers*- In 2016 legislation was passed by the Commonwealth to restrict the use of development proffers. Development proffers have been a critical tool used in establishing neighborhoods in Loudoun County. Loudoun must find effective ways to work with developers to ensure a diverse housing portfolio without the use of proffers.

Economic Development Initiatives/Incentives Subcommittee Recommendations

The committee focused on identifying existing and potential initiatives and incentives that could support and encourage development and business that promotes a vibrant, thriving nighttime and weekend economy. Recommendations by the committee include:

- *Public Private Partnership Opportunities*- Identify opportunities for public private partnership to promote and support the infrastructure and public facilities necessary for mixed-use developments and a vibrant nighttime economy.
- *Flexibility*- Allow developers, landowners and businesses to quickly and easily make changes in response to the economy and demands of the market place. Greater development flexibility will result in more economic opportunities and will enable the County to take advantage of changing market conditions to maximize revenue. Maximum flexibility can be achieved by:
 - Incorporating flexibility within the County’s land use plans and zoning;
 - Allowing flexibility for innovative uses that will attract businesses and residents by contributing to the vibrancy of the location and creating a sense of destination;
 - Relaxing development phasing requirements to allow greater responsiveness to market demands;
 - Encouraging additional density in mixed use settings to create a sense of community and place;
 - Allowing the business community to act quickly to the market in order to keep pace with changes of the economy and demands of the market place; and
 - Providing flexible policies that add to the affordable housing stock and place residents near nodes for night time activity.
- *Problem Solving/Facilitation*- Foster an environment to allow business and government to work as a team to resolve issues that add time and expense to the process. The subcommittee recommends that the county continues its initiatives such as the ‘Business Assistance Team’ and outreach with Loudoun Water, while fostering and promoting additional programs that engage regulatory agencies as partners in economic development.

What does the Community Want?

The majority of survey responses about improving government process focused on **additional flexibility** in codes and ordinances.

“Have venues that are open later in multi-use communities. Have reasonable noise ordinances in LoCo and incorporated towns. Really begin to develop the nighttime economy in Oldtown Leesburg with retail, restaurants, and bars open later.”

-NEAC Survey, 2016

Transportation Subcommittee Recommendations

The committee focused on researching and defining challenges and opportunities related to different modes of transportation used in the County and the region, connectivity between and from activity centers, safety considerations, parking, and public awareness.

The following recommendations were developed in coordination with other sub-committees of the Nighttime Economy Advisory Committee (NEAC).

- *Resource Development*- Improve awareness of transportation options by developing mobile apps, resource, maps, webpages, and links to existing resources to communicate locations for various parking and transportation facilities, routes, and transit options to various events and Regional Activity Centers nodes (e.g. Towns, Metro Stations, and Activity Centers within the County).
- *Stakeholders/Partners Group*- Organize a group of key shareholders in the community to work with the newly established Transit Advisory Board and the County's Commuter/Transit Services division to develop strategies, identify funding mechanisms, and facilitate public awareness of transportation options; encourage collaboration between businesses for private transportation (i.e. Developers, retailers, large businesses, universities, etc.); and expand workforce and para-transit options.
- *Queuing Areas*- Provide safe, well-lit areas for pick up/drop off, and queuing for families, Uber, taxi, and/or other public and private means of transportation.
- *Overnight Parking Options*- Encourage private parking facilities and those maintained by County or townships to post signs allowing patrons of businesses to leave their car over night for pick up next morning before towing is enforced. Set parameters or standards for towing and notification by way of signage to inform patrons of rules.
- *Private Transit Options between Centers of Activity*- Expand opportunities for private circulator service within and between Regional Activity Centers. Encourage private businesses to collaborate in co-located centers to provide private transit services to and from Metro stations and other locations, for workforce and patrons. Example: Private transportation companies could provide these connections between centers.

What does the Community Want?

The majority of survey responses about transportation focused on improving **alternatives to cars**.

“There are 40 vineyards, plus rural and town breweries and distilleries and very little readily available cabs or ubers. That is nuts. Loudoun County should try to attract way more public transit like ubers and cabs, not just metro for people's commute or to get to DC.”

-NEAC Survey, 2016

- *Safe Ride Programs*- Publicize and expand late night safe rides home. Using existing services such as Sober Ride as an example, establish other subsidized safe ride home transportation services through privately organized businesses.
- *Paratransit and School Resources*- Expand and fund existing transportation resources for the disabled, elderly, and high school aged students to accommodate the County's nighttime work force.
- *Investment and Funding*- Continue existing investment and identify more permanent sources for overall funding to support transit and transportation needs within Loudoun County that promotes the Nighttime Economy.
- *Bike and Pedestrian Alternatives*- Continue to develop new connections and missing links currently under study by DTCI for bike/pedestrian alternatives, with regular updates to the Bicycle and Pedestrian master plan and trail network outlined on the County's website. Prioritize connectivity to Metro Stations, followed by W&OD and other trail connectivity and widening of existing streets to accommodate bicyclists.
- *Comprehensive Plan Update*- Recommendations for updating the County's Comprehensive Plan should include missing links, connectivity, and alternative solutions for all modes of transportation as identified in the County-wide Transportation Plan (CTP) for the Nighttime Economy.

Public Safety Subcommittee Recommendation

The committee focused on developing public safety recommendations and policies that encourage and supports the nighttime economy in higher density mixed use environments which will benefit residents, employees, and visitors to Loudoun County. Recommendations by the committee include:

- *Evaluation of Public Safety Procedures*- Current public safety staffing procedures should be evaluated to determine if they are providing the most effective and efficient use of Loudoun County's Public Safety staff. The Board of Supervisors should review the public safety operations of neighboring jurisdictions that have been impacted by the opening of new metro stations and adopt those best practices of those jurisdictions for the opening of Metro and the increase of mixed use developments where activities extend into evening hours.
- *Extend Loudoun County Presence at Metro Stations*- At Loudoun County's future metro stations, times of peak ridership and criminal activity is when public safety services will be most needed. The Loudoun County Sheriff's Office should extend its presence at the county's Metro stations during these peak periods.
- *Implementation of CPTED*- Crime Prevention through Environmental Design (CPTED) is a proven methodology that incorporates built-in crime prevention measures that are aesthetically pleasing while creating an environment that deters would-be criminals. CPTED principles include natural surveillance, natural access control, territoriality, activity support, and maintenance. This strategy is utilized in architectural design as well as site and urban design. See **Appendix V** for more information planning policies related to CPTED.

Compliance Subcommittee Recommendations

The committee focused on the “Compliance” Core Element policies, resources, and amenities, and other areas for improvement in order to boost the aspects of a vibrant and rich nighttime economy. The areas investigated and addressed included: liquor laws, safety plans, server training, security training, patron behavior, age identification, zoning, safety alliances, & noise.

Recommendations related to Special Events in Loudoun County

- *Special Events Ordinance*- Create a Special Events Ordinance that is the master permits process for final approval in order to hold a Special Event. This master permit will require the completion of all associated permits that are necessary for the safe and efficient holding of a Special Event. This ordinance would additionally give the Special Events office the authority to correct an event in process or shut it down if required.
- *Additional Staff*- Add additional staff with associated increase in Special Events budget to handle increased workload in coordinating events and attendance at field events.
- *New User Guide*- Create a “Special Events User Guide” that can be posted online and captures all the interfaces and points of contact that are usually handled manually by the Special Events Coordinator. This would include a checklist of steps that are necessary to efficiently and effectively request and coordinate the different types of special events in Loudoun County. This knowledge management repository would capture the years of expertise and types of special event requests that have been developed and showcase that Loudoun County knows how to successfully plan and coordinate special events.

What does the Community Want?

22% of survey respondents felt that additional **special events** will make Loudoun a more popular destination for entertainment and culture.

“I think once a month, during warm months, the main streets should be shut down on Saturday nights to allow foot traffic and encourage people to eat/drink/shop downtown.”
-NEAC Survey, 2016

Recommendations related to the Loudoun County Sheriff's Office

- *Best Practice Symposiums*- Create a quarterly cycle of “Best Practices Symposiums” held at various locations within Loudoun County to discuss the latest situations and issues that have been handled by the LCSO and to better educate communities, residents, restaurant and bar owners, and staff, and be a visual face to Loudoun County. This will provide necessary and beneficial information on how to best and most efficiently interface with the LCSO and the services they can and will provide. This will have the benefit of showing that the LCSO is proactive and a partner within the community to make

Loudoun County strong. This will be essential as the nighttime economy is growing and more businesses are drawn to Loudoun County.

- *Knowledge Management Repository*- Create a knowledge management repository that can be posted online and captures all the interfaces and points of contact that are usually handled manually by the LCSO. This would include scenario-based information to inform residents and businesses on how best to engage with the LCSO during different situations and issues. This knowledge management repository would capture the years of expertise and types of scenarios that have been encountered by the LCSO. This will showcase that the LCSO is reaching out, is available, and is partnering with the community.

Recommendations related to Noise

- *Unified Noise Ordinance*- Recommend Loudoun County develops and incorporates enforceable and predictable noise standards and enforcement methods for both the Zoning Ordinances and Codified Ordinances. Ideally one overarching noise ordinance that has precedence over both the Zoning Ordinance and the Codified Ordinance will be created. Accordingly, the proposed Zoning Ordinances text amendment presently under consideration (ZOAM 2014-0006 (“Noise Standards”)) should be considered in relation to the Codified Ordinances amendment process. This will provide predictability to Loudoun County residents and will permit Loudoun’s zoning and law enforcement staff a consistent approach to measuring noise.
- *Noise Hotline Phone Number*- Create one Loudoun County noise hotline number to allow for the lodging of a noise complaint regardless of whether it is within the Zoning Ordinance or Codified Ordinance jurisdictions. This will eliminate the ambiguity of who to call based on each noise situation.

Next Steps

The NEAC believes that the recommendations developed in this report will assist the County in improving and creating a successful 18-hour economy in Loudoun, and will be critical to taking advantage of rail and the economic development opportunities it provides. The recommendations outline changes that could be made to policies, processes and structure both within the County Government and within the private sector. Partnerships between the County and the private sector will be vital to moving the recommendations forward.

The committee recognizes that implementing these recommendations will take resources from the County and its partners. Therefore, NEAC recommends that the report recommendations be forwarded to the Transportation and Land Use Committee where the committee can further evaluate the resources needed to implement the recommendations. NEAC believes that some of the recommendations could be incorporated into current processes and efforts by the County, including the New Comprehensive Plan process and the Silver Line Small Area Plan that the Board has initiated. NEAC recommends that a member of the committee serve on the New Comprehensive Plan Stakeholders Committee that has been established by the Board. Implementation of the recommendations should be completed as soon as practical to ensure the County has the policies and structures in places to create a successful nighttime economy around the metro stations.

Appendix I

NIGHTTIME ECONOMY AD-HOC COMMITTEE COMMITTEE SCHEDULE

| Date | Committee | Location | Start Time |
|------------|-------------------------------------|--|------------|
| 6/2/2015 | Full NEAC Committee | Government Center | 8:10 AM |
| 6/23/2015 | Sub-Committee Chairs | Leesburg Room, Government Center | 8:10 AM |
| 7/8/2015 | Compliance | Purcellville Room, Government Center | 2:30 PM |
| 7/14/2015 | Economic Dev Initiatives/Incentives | Purcellville Room, Government Center | 8:30 AM |
| 7/15/2015 | Public Safety | Purcellville Room, Government Center | 8:15 AM |
| 7/17/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 7/21/2015 | Compliance | Purcellville Room, Government Center | 1:00 PM |
| 7/27/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 2:00 PM |
| 7/28/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 7/28/2015 | Public Space & Amenities | Hamilton Room, Government Center | 8:15 AM |
| 7/30/2015 | Economic Dev Initiatives/Incentives | Purcellville Room, Government Center | 10:30 AM |
| 8/4/2015 | Compliance | Purcellville Room, Government Center | 1:00 PM |
| 8/5/2015 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 8/12/2015 | Economic Dev Initiatives/Incentives | Cooley, 11951 Freedom Dr, 15th Floor, Reston | 1:00 PM |
| 8/17/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 8/17/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 3:00 PM |
| 8/18/2015 | Compliance | Purcellville Room, Government Center | 8:15 AM |
| 8/18/2015 | Public Space & Amenities | Hamilton Room, Government Center | 8:15 AM |
| 8/19/2015 | Public Safety | Lansdowne Resort, Board Room | 8:00 AM |
| 8/21/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 8/28/2015 | Economic Dev Initiatives/Incentives | Cooley, 11951 Freedom Dr, 15th Floor, Reston | 12:00 PM |
| 9/1/2015 | Compliance | Purcellville Room, Government Center | 1:00 PM |
| 9/2/2015 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 9/3/2015 | Housing Diversity & Affordability | Lansdowne Room, 102 Heritage Way, Leesburg | 8:15 AM |
| 9/14/2015 | Compliance | Uncle Julio's, One Loudoun | 1:00 PM |
| 9/14/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 5:30 PM |
| 9/15/2015 | Public Space & Amenities | Hamilton Room, Government Center | 8:15 AM |
| 9/16/2015 | Public Safety | GeoConcepts | 8:00 AM |
| 9/17/2015 | Economic Dev Initiatives/Incentives | Middleburg Room, Government Center | 10:30 AM |
| 9/18/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 9/22/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 9/23/2015 | Economic Dev Initiatives/Incentives | Cooley, 11951 Freedom Dr, 15th Floor, Reston | 10:00 AM |
| 9/29/2015 | Compliance | Purcellville Room, Government Center | 1:00 PM |
| 10/1/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 3:00 PM |
| 10/7/2015 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 10/13/2015 | Compliance | Purcellville Room, Government Center | 1:00 PM |
| 10/16/2015 | Public Safety | Vienna/Fairfax GMU Metro Stop | 10:00 AM |
| 10/16/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 10/20/2015 | Public Space & Amenities | Hamilton Room, Government Center | 8:15 AM |
| 10/21/2015 | Public Safety | GeoConcepts | 8:00 AM |
| 10/27/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 10/29/2015 | Economic Dev Initiatives/Incentives | Cooley, 11951 Freedom Dr, 15th Floor, Reston | 12:00 PM |
| 11/3/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 5:30 PM |
| 11/4/2015 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 11/16/2015 | Marketing Meeting | Leesburg Room, Government Center | 9:30 AM |
| 11/16/2015 | Entertainment | Smokehouse Live, Village of Leesburg | 5:30 PM |

**NIGHTTIME ECONOMY AD-HOC COMMITTEE
COMMITTEE SCHEDULE**

| Date | Committee | Location | Start Time |
|-------------|-------------------------------------|--|-------------------|
| 11/17/2015 | Public Space & Amenities | Hamilton Room, Government Center | 8:15 AM |
| 11/17/2015 | Economic Dev Initiatives/Incentives | Cooley, 11951 Freedom Dr, 15th Floor, Reston | 9:00 AM |
| 11/20/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 11/20/2015 | Entertainment and Compliance | Round Hill Room, 3rd Floor, Gov Center | 2:30 PM |
| 11/30/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 12/1/2015 | Compliance | Leesburg Room, Government Center | 1:00 PM |
| 12/9/2015 | Sub-Committee Chairs | Lovettsville Room, Government Center | 2:00 PM |
| 12/17/2015 | Housing Diversity & Affordability | Purcellville Room, Government Center | 8:15 AM |
| 12/18/2015 | Transportation | Chamber of Commerce, Lansdowne | 1:00 PM |
| 12/18/2015 | Economic Dev Initiatives/Incentives | Purcellville Room, Government Center | 3:30 PM |
| 1/6/2016 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 2/3/2016 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 3/2/2016 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |
| 3/14/2016 | Public Input Meeting | Bldv, 43805 Central Station Drive, Ashburn | 6:00 PM |
| 4/6/2016 | Sub-Committee Chairs | Lovettsville Room, Government Center | 8:10 AM |

Appendix II

NIGHTTIME ECONOMY AD HOC COMMITTEE PUBLIC INPUT MEETING MINUTES

| | |
|---|--------------------------------|
| Date of Meeting: March 14, 2016 | Time of Meeting: 6-8 pm |
| Location of Meeting: BLVD, 43805 Central Station Dr, Ashburn, VA 20147 | |

| Members in Attendance (check if present) | | | | | |
|---|---|-------------------|---|------------------|---|
| Todd Pearson (co-chair) | Y | Kindra Harvey | N | Stacey Miller | N |
| Tony Howard (co-chair) | Y | Mark Hassinger | N | Rick Pearson | N |
| Bob Brown | N | Keith Johnson | N | Will Peart | Y |
| Chuck Claar | Y | Kevin Johnson | N | Brad Pierce | Y |
| Ara Bagdasarian | N | Asia Jones | Y | Hans Punia | Y |
| Mark Baker | Y | Bill Junda | N | Miguel Salinas | Y |
| John Bischoff | N | Zach Kendall | Y | Keith Segerson | N |
| Eric Demetriades | N | Ted Lewis | Y | James Spurlock | Y |
| Kristopher Diemar | Y | Scott Loftis | Y | Jeff Tarae | Y |
| Marantha Edwards | Y | Michael Lo Presti | N | Tyiesha Thaxton | N |
| Beth Erickson | Y | Bill May | Y | Joanne Theurich | N |
| Michelle Frank | N | Chauvon Mcfadden | Y | Ken Theurich | N |
| Brent George | Y | Lou Mosarack | Y | Kyle Tsao | N |
| Colleen Gillis | N | Amy Owen | Y | Casey Veatch | N |
| Tiffany Grygo | Y | Ann Orem | N | Keith Wallace | Y |
| Linda Hale | N | Andrew Painter | N | Connor Wilson | N |
| Katie Hammler | N | Joe Paciulli | N | Christine Windle | N |
| Paula Harper | Y | Maggie Parker | Y | Samuel Yoffe | N |

| Meeting Summary (includes matters proposed, deliberated or decided and votes taken) |
|---|
| <p>Staff Present: Gwen Kennedy, Lois Kirkpatrick, Brian Tinsman, Amy Mugford, Kenny Young, Ricky Barker, Terra Capps, Rick Morris, James David</p> <p>Seventy-six (76) members of the public were in attendance</p> <p>Todd Pearson and Tony Howard gave a presentation on the background, action plan and draft recommendations of the Committee.</p> <p>A majority of the meeting allowed members of the public to talk and provide comments to members of the committee. Discussion on subcommittee recommendations and topics included:</p> |

Meeting Summary (includes matters proposed, deliberated or decided and votes taken)**Compliance**

- Noise ordinance enforcement in Town of Leesburg for entertainers- have longer hours on Friday & Saturday nights for events without getting multiple noise complaint violations because music being played.
- Advertise and disseminate information with regard to special events so public will know when noisy events will be coming in Loudoun County
- Enforce noise compliance with regard to Data Centers, especially those adjacent to residential communities. Ensure they are permitted zoning noise levels for all times of the day and night.
- Need larger outside/inside venues for special events: concerts, MMA, cage fighting, music.
- Need additional venue spaces in conjunction with wineries and breweries to hold entertainment activities & music performances.

Economic Development Initiatives & Incentives

- Non-profits partnering with local government (relating to cultural); incentive fund with general appropriations
- State laws requiring/disallowing lounge bars. If a certain percentage of sales have to be in food sales (vs. alcohol), it disincentives a place for people to “hang out”
- Flexibility options

Entertainment

*Video source signifies comments that were recorded by video

- Need more activities for all generations, including millennials and more adult activities
- Need to focus on more than just millennials, including empty nesters that have more disposable income (video source)
- Do not have enough people to actually “fill or do” the activities we already have available. Focus on getting more people to leave here to help support the nighttime economy (video source).
- Promote the arts. Interested in professional theatres and venue for the arts (dancing, theatre production) and opportunity to bring more to the residents of Loudoun (video source).
- Integration to make it a one stop shop between all different types of activities (video source).
- Need more restaurants, music venues, and nightclubs
 - Double as banquet space during the day
 - Need to ensure there are live music venues with adequate space. Don’t know of any in Ashburn (video source).
- Need to expand types of activities offered
 - One participant spoke about opening a dinner theatre, and cited zoning as an issue. “I can’t have catering and parking” in an already existing built environment. Wants to expand choices overall.
 - Create more public gathering spaces like ice skating, outdoor theatre in high density areas. Like to see parks that have amenities.
 - Wants to see more non-sports outdoor activities
 - Integration between sports/technology and entertainments. Wants an indoor sportsplex.
 - Cultural centers and lounges that are open late similar to New York City. There is no consistency in the diversity of the music venues. Smoke House Live is all country. Bungalow Lakehouse primarily has a DJ. Tally Ho primarily has cover bands.

Meeting Summary (includes matters proposed, deliberated or decided and votes taken)

- Discussion related to the Town of Leesburg
 - Help to develop “arts and culture” on a for profit and a non-profit in Downtown Leesburg- Art Co Ops
 - “Downtown Leesburg noise ordinance is a disaster. More liberal restrictions county and town wide for music inside and outdoors.”
 - Too much empty real estate in Downtown Leesburg. Get with landlords to show art in the windows or something to make it not look as desolate.

Housing Diversity and Affordability

- The county needs more apartments and condos at multiple price points, densities, and locations.
- Housing is too expensive.
- How will the county work with developers under the new proffer law?
- We need housing that’s closer to entertainment and transportation.
- I don’t want to pay \$2500.00 a month for apartment rent when I can buy a house for that amount of money, but I don’t want to buy a house without a family.
- Will the county build more apartments and condos?

Public Safety

- Participants were extremely interested and positive about the use of Crime Prevention through Environmental Design (CPTED). Participants commented the CPTED is something that makes sense and would Loudoun a better place if CPTED principles were utilized in design.

Public Space and Amenities

- Outdoor Music Venue – Amphitheatre
- Lack of outdoor spaces for Teenagers use
- Lack ability to walk from parks to active environments.
- Lack of international theme evenings/event
- Lack of bike lanes
- Outdoor fitness area – hold classes
- Bi-lingual – signage/outreach
- Transportation to parks
- Incorporate insourcing options to encourage places for students to work, live, and play through educational and entrepreneurial opportunities. Use of a west coast philosophy to promote critical thinking. (Nick Savage – mercuryspeed@hotmail.com)

Transportation

- Can we connect Loudoun to the last Metro station through public transportation?

Answer: Currently Loudoun Connector has a route to Wiehle Avenue, Reston, VA.

- Can we co-locate rail type method of transportation along the W&OD trail as an alternate route for commuting (future). Consider other rail options from Metro to destination spots (i.e. One Loudoun, etc.)?
- Consider alternative commuter bus routes directly to communities
- Consider more multi-modal means of transportation
- Program commuter routes to connect towns
- Connections for sight-seeing tours and awareness
- Create more awareness/apps/website

Meeting Summary (includes matters proposed, deliberated or decided and votes taken)

- Buses to colleges/universities
- Seek vendor sponsorships for free rides home from festivals and events where drinking offered (wine/beer festivals). Often companies are willing to sponsor free rides.
- Greater focus on Sterling commuter needs – preserving the network (potential source for workforce)
- Temporary closures of main block in downtown Leesburg for events
- Expand the bicycle master plan to include accessibility for bike riders into Sterling

Comment Cards

| Participant | Comment |
|---|--|
| Jay Tamawgari rogue.crayon99@gmail.com | College Town |
| Alan Hansen ahansen@dbia.com | <ol style="list-style-type: none"> 1. Do you have hour by hour income figures on Lansdowne, One Loudoun, Village at Leesburg and Dulles Town Center? Would like to focus on evening activities. 2. Has anyone tapped Montgomery County or Arlington County on cost of emergency services (fire, rescue, police) in evening/night? 3. Is the economy greater for food and drink? Clothing, it sales etc? 4. Agree that nighttime activities must be choreographed- Leesburg 4th of July and car show in June/July- bring in overwhelming crowds! |
| Not identified | Music Festival. There is no music festival between Delaware and Arlington, VA |
| Not identified | <ol style="list-style-type: none"> 1. Stations need to have recommendations displayed on boards 2. Comment cards should be made available at each station 3. Hard to have conversation |
| Not identified | Create family opportunities where the adults can have fun, but know their children are safe nearby |
| Not identified | Data centers are good to have. But in order to generate employment, we need IT Business Parks. Loudoun will need to attract big business like Verizon to establish offices and hire local talent. |
| Not identified | Better collaboration with County and Towns. All of this great work needs to be addressed at the town level as well. If the County has a set noise level for concerts, the town should follow . Leesburg needs to not stop at 9 or 10 in the evening. |

At 7:30, each subcommittee provided an overview of what they had learned from discussions.

Comments were also provided via email by Tom Loftus, President of the Equitable Housing Institute (EHI) in February and March. A copy of these comments can be found here- [EHI Comments](#).

Appendix III

Analysis completed by the Loudoun County Department of Economic Development Strategic Initiatives Team on April 18, 2016

Objective

Analyze survey responses according to age groups. This will help inform the strategy to attract needed cohorts (such as millennials) to Loudoun, which will bolster available workforce, and increase local spending and consumption.

Sample Size

There were 1,099 survey respondents; 353 respondents were 35 years or younger (Millennials), 647 respondents were 36-55 years old (Generation X), and 99 respondents were 56 or older (Baby Boomers).

Millennials (35 years old or younger)

Millennial Survey Respondents (353)

| Demographics | # |
|-------------------------|-----|
| Loudoun millennials | 318 |
| w/o kids | 170 |
| w/ kids | 144 |
| did not specify | 4 |
| Non-Loudoun millennials | 35 |
| w/o kids | 25 |
| w/ kids | 10 |

Here is a quick snapshot of what millennials w/o kids are saying:

1. The top places they visit after work or on weekends are **movie theatres, wineries/breweries, clubs/bars and live performance venues.**
2. The top location that resident millennials w/o kids visit these venues is **Loudoun (52%)**.
 - a. Second is Arlington (16%); Third is Alexandria (13%).

Comparatively, here is a snapshot of what millennials w/ kids are saying:

1. The top places they visit after work or on weekends are **movie theatres, outdoor recreation venues, wineries/breweries and sports facilities.**
2. The top location that resident millennials w/ kids visit these venues is **Loudoun (60%)**.
 - a. Second is Fairfax (13%); Third is D.C. (11%).

Responses from Loudoun millennials were generally the same as non-Loudoun millennials, with one exception:

1. Non-Loudoun millennials selected *“Having transportation options...to make it safe and easy to get to and from entertainment venues”* more often as an important issue for building a strong entertainment, cultural and retail economy.

Generation X (36 to 55 years old)

Generation X Survey Respondents (647)

| Demographics | # |
|-------------------|-----|
| Loudoun Gen X | 592 |
| w/o kids | 177 |
| w/ kids | 409 |
| did not specify | 6 |
| Non-Loudoun Gen X | 55 |
| w/o kids | 30 |
| w/ kids | 24 |
| did not specify | 1 |

Here is a quick snapshot of what Generation X w/o kids are saying:

1. The top places they visit after work or on weekends are **movie theatres, live performance venues, wineries/breweries** and **clubs/bars**.
2. The top location that resident Gen X w/o kids visit these venues is **Loudoun (59%)**.
 - a. Second is D.C (15%); Third is Fairfax (12%).

Comparatively, here is a quick snapshot of what Generation X w/ kids are saying:

1. The top places they visit after work or on weekends are **movie theatres, outdoor recreation venues, wineries/breweries** and **sports facilities**.
2. The top location that resident Gen X w/ kids visit these venues is **Loudoun (56%)**.
 - a. Second is D.C (16%); Third is Fairfax (13%).

There were no significant differences in responses between Loudoun Generation X respondents and non-Loudoun Generation X respondents.

Baby Boomers (56 years old or older)

Baby Boomer Survey Respondents (99)

| Demographics | # |
|--------------------------|----|
| Loudoun Baby Boomers | 82 |
| w/o kids | 73 |
| w/ kids | 8 |
| did not specify | 1 |
| Non-Loudoun Baby Boomers | 17 |
| w/o kids | 17 |

Here is a quick snapshot of what baby boomers w/o kids (i.e. empty nesters) are saying:

1. The top places they visit after work or on weekends are **movie theatres, wineries/breweries, live performance venues** and **museums/galleries**.
2. The top location resident baby boomers w/o kids visit these venues is **Loudoun (57%)**.
 - a. Second is Fairfax (14%); Third is D.C. (9%).

Comparatively, here is a quick snapshot of what baby boomers w/ kids are saying:

1. The top places they visit after work or on weekends are **movie theatres, outdoor recreation venues, wineries/breweries and sports facilities.**
2. The top location resident baby boomers w/ kids visit these venues is **Loudoun (75%).**
 - a. Second is D.C (13%); Third is Alexandria (13%).

There were no significant differences in responses between baby boomer respondents that reside in Loudoun and baby boomers that do not reside in Loudoun.

Conclusion

There were many observed similarities among age groups, and a few key differences when breaking the analysis down even further to whether or not respondents had children:

7. Every age cohort chose **movie theatres** as the top place they visit after work or on weekends, and those with kids felt the strongest about it.
8. **Outdoor recreation venues** and **sports facilities** were ranked as top four visited places by all age cohorts with kids, but were not highly ranked by age cohorts without kids.
9. **Live performance venues** was ranked as a top four visited place by all age cohorts without kids, but was not as highly ranked by age cohorts with kids.
10. Millennials and empty nesters ranked their top three visited places in the same order: **(1) movie theatres, (2) wineries/breweries, (3) live performance venues.**
11. All age groups that reside in Loudoun chose **Loudoun County** as the top destination for activities after work and on the weekends.
 - a. The majority chose Fairfax and D.C. as their second and third destinations.
 - b. Millennials without kids were the exception, choosing Arlington and Alexandria second and third. Understanding the draw of these locations may help inform a strategy to attract and/or retain this cohort.
12. Every age cohort chose *“Having a wide variety of places to shop, eat, socialize and enjoy art, sports and entertainment”* as the most important issue for building a strong entertainment, cultural and retail economy in Loudoun County.

Appendix IV

Successful Use of Public Space and Amenity Integration

Case study #1 - The Walmart AMP (Arkansas Music Pavilion, the AMP)

This venue is known as Northwest Arkansas' premiere outdoor concert venue. The Arkansas Music Pavilion (AMP) is the largest outdoor music venue in the state with a capacity of 10,000 attendees. The AMP started out as a temporary, tented venue that was only used seasonally for music concerts. A few years ago, the AMP was acquired by the Walton Arts Center, a leading non-profit organization whose mission is to enhance the cultural life of Arkansas residents through music and the performing arts. Based on extensive community outreach and research, the Walton Arts Center determined that the AMP could be a valuable multi-use outdoor venue for the entire region and formed a public-private sector initiative to build a world-class amphitheater. Private sector companies donated land and made contributions to the building campaign and Arkansas based Walmart acquired long-term naming rights to the venue.

The \$11 million facility now hosts year-round music concerts, charity engagements, private events and corporate meetings.





Lessons Learned

Describe benefits of public-private partnership when operating a public amenity.

Case Study #2 – Bryant Park

Bryant Park, located in midtown Manhattan is publicly owned, privately managed, and financially self-supporting. The eight-acre park abuts the New York Public Library and serves as a haven for office workers from the nearby highrise buildings. In the 1970's, however, the park was suffering from deferred maintenance by a beleaguered City Parks Department, and had deteriorated into a haunt of drug dealers and users. Beginning in 1980, the park underwent extensive re-design and restoration, and is now one of the most active and loved spaces in New York City. It features a great lawn, framed by flowers, trees, and a gravel walkway; among its amenities are benches, movable chairs, six kiosks, 11 entrances, ornate lighting, two monuments, restrooms, tables for chess and backgammon, a petanque area (boules), and the historic Josephine Shaw Lowell Fountain. The park also has two restaurants, one of which is located on a terrace.

Capital investment: The \$18 million park redesign/restoration was completed in 1995, after almost 15 years of planning. It was funded from a combination of grants, BID assessments, state bond funds, city capital funds, and private venture capital. More recent improvements of the park include a \$160,000 restroom renovation and a \$5 million investment in construction of the Bryant Park Grill. On a yearly basis, 400 chairs must be replaced from wear-and-tear, as well as the 6-8 that are stolen. BPRC keeps the number of chairs in the park stable at around 2,000. In

addition, it has also undertaken the task of improving park elements long left in disrepair, including sidewalks, bluestone paths, limestone balustrade, etc.

LESSONS LEARNED

Given the right location and design, a public space with professional programming and management can be self-supporting and profitable.



Interviews Conducted

Leesburg

1. Marantha Edwards, Town of Leesburg, Director of Economic Development 8/7/15
2. Gwen Pangle, Pangle and Associates Real Estate 8/12/15
3. President of the Leesburg Downtown Business Association
4. Ex-officio member of the Loudoun County Chamber of Commerce

Brambleton

1. Rick Stone (General Manager: Brambleton Community Association, longtime Brambleton resident)
2. Restaurant staff/management in Brambleton Town Center including:
3. Blue Ridge Grill management (outdoor dining amenity with unique candle lighting)
4. Regal Cinemas and Fox 16 & IMAX staff

5. Papa Tony's Trattoria staff
6. Sweet Frog staff
7. ABC staff
8. Cold Stone Creamery staff
9. Brambleton Golf Course staff
10. Northern Virginia Regional Parks Authority staff/NOVA Parks Staff

Purcellville

1. Mayor Fraser

Middleburg

1. 9 business leaders, owners, and a member of Economic Development (Cindy Pearson)

Phase II Developments

1. Interviewed various stakeholders including merchants, owners, residents and residential neighbors

Appendix V

Loudoun Nighttime Economy Adhoc Committee Public Safety Sub-Committee CPTED Planning Recommendations

Background: Crime and fear are the important issues that will affect the quality of life and success of the nighttime activities around Loudoun's proposed stations or in its mixed use centers. People will avoid going out at night or stay away from these areas if they feel unsafe. This has important economic consequences to the surrounding businesses, and ultimately to Loudoun County if the businesses are not successful.

Crime Prevention Through Environmental Design (CPTED) is an industry recognized design strategy to reduce crime. CPTED is especially well-suited for Loudoun's proposed metro stations and mixed use centers where there is a mix of residences, workers, and night time activities. This technique, if employed correctly, has been demonstrated to enhance law enforcement, reduce the costs of physical security, and provide safer and more desirable areas for people to work, live and play.

Current Conditions: New transit lines are often viewed by affluent neighborhoods as crime generators. Criminologists agree that public transit tends to frame opportunity for crime, as it moves large proportions of high-risk population around the city, along a limited number of paths and destination points⁽¹⁾. It also contributes to the regional spread of crime⁽²⁾. In addition to actual crime, literature confirms there is a fear of crime among transit users⁽³⁾.

Stations and bus stops are more vulnerable than on trains and buses themselves^(4,5). This is because passengers are tired, preoccupied, carrying packages, or are distracted by young kids⁽⁶⁾.

Most of the crime happens afterhours while less serious incidents occur during rush hours⁽⁷⁾. Crowded areas allow pickpockets and purse snatchers an opportunity to hide and rapidly escape. Rape, homicide, and robbery usually occur in areas with low pedestrian activity, limited surveillance, and concealment (dark corners, elevators, restrooms)⁽⁸⁾.

Particular land uses (e.g., schools, bars, liquor stores) tend to attract crime⁽⁹⁾. There are also subtle relationships between the sociodemographic and the urban form characteristics of the station neighborhood and the station design⁽¹⁰⁾. The combination of service businesses i.e. check cashing, liquor sales, vacant lots and parking lots create an "oasis of potential targets."

Despite the above criminology research findings, the Washington Metropolitan Area Transit Authority (WMATA) has been generally crime free. Three factors contribute to Metro's record of safety: architectural design, a vigilant maintenance policy, and stringent rules and enforcement. WMATA integrates design elements with enforcement strategies to reduce the incidence of crime⁽¹¹⁾.

Optimal Conditions: The County's objective is to create a bustling and diverse night-life environment, such as that in downtown Silver Spring, Md, to attract new residents, metro

patrons, and business customers. The proposed metro stations and their surrounding mixed use development should not only be physically safe, but perceived to be safe.

The effective use of CPTED will require coordination between various County departments as some current requirements conflict with CPTED principles. A good example is landscape requirements for parking lots, where trees and shrubs are required to in effect “hide” the parking lot. This limits visibility by police and passers-by on the street. A balanced approach would be to screen the parking areas while allowing sufficient “windows” for surveillance. A comprehensive review of the site plan and architectural review process will enhance proper CPTED implementation.

Implementation of CPTED principles into the Loudoun County design process will increase the safety of Loudoun residences, improve the quality of life of Loudoun’s places, and create desirable places to live, work, and play. The strategy will also have marketing benefits. Many jurisdictions have acknowledged the use of CPTED to increase safety and quality of our communities. The practice is mandatory in some States such as Florida, Arizona, and California. However, few jurisdictions in the Commonwealth have committed to mandatory compliance to the CPTED design principles. We strongly recommend Loudoun lead the way and make CPTED a required design component, and then capitalize on the resulting safer communities by marketing strategies.



Nighttime at Silver Spring, Md.

Recommendations:

(1) Crime Prevention Through Environmental Design.

CPTED is a proven methodology that incorporates built-in crime prevention measures that are aesthetically pleasing while creating an environment that deters would-be criminals. CPTED principles include natural surveillance, natural access control, territoriality, activity support, and maintenance. This strategy is utilized in architectural design as well as site and urban design. Well-placed windows of a building or kiosk, or the use of a transparent enclosure for a bicycle storage area provides a crime deterrent because criminals perceive they may be seen. Parking structures with light colored graffiti-resistant wall coatings reduce electricity cost by better light distribution, increase the perception of safety by transit users,

and deter vandals because the area seems well maintained. CPTED applications extend beyond the station. Safe routes to and from the parking area, along pedestrian paths and bike trails, and along the street in the adjacent development enhances the desirability and use of the transit services. CPTED is particularly applicable to Metrorail Station Planning (12).



Wiehle-Reston East Metro Station

Strategies to implement CPTED include:

- **CPTED Ordinance.** A CPTED Ordinance has been established in some jurisdictions to inform the design team of the requirements. Examples of the Ordinance content include but is not limited to required lighting levels, landscape guidelines, architectural design guidelines such as avoiding hiding places created by recessed area of a façade as well as the location of doors and windows. CPTED is applicable to a range of new and renovated projects in addition to the future metro station developments. For example, CPTED has been adopted by government agencies, schools, and hospitals. The application is also applicable to commercial/retail establishments, i.e., provisions to limit the percentage of window displays such as advertisement posters that block visibility to and from the street and sidewalk.



Banners Blocking Visibility at a Commercial Establishment

- CPTED Plan Review. A CPTED Plan Review has been incorporated as a planning process requirement in some jurisdictions as a means to verify CPTED compliance. For example, Fairfax County establishes this requirement in its Request for Proposals (RFPs) to alert design teams of the need for CPTED practices.
- CPTED Guidelines. Although CPTED roots date to the 1960s, its familiarization by design professionals remains limited. The procedures are well-known by many police departments and Certified CPTED Consultants. Many jurisdictions such as Chesterfield and Prince William Counties have published CPTED guidelines as a means to inform designers.

(2) Mutual Aid Agreement

Metro Transit Police Department (MTPD) is the policing agency of WMATA for crimes that occur on or against Metro facilities. Uniformed and plain clothes officers patrol the Metrorail system and the metro buses while MTPD detectives conduct investigative support. The MTPD has jurisdiction and arrest powers for crimes that occur on Transit Authority facilities or within 150 feet of a Metro bus stop. According to a 5-year Crime Report published by MTPD, the majority of the crimes between 2010 and 2014 include Larceny (790 yearly average), Larceny by Snatch/Pickpocket (566 yearly average), Robbery (644 yearly average), and Aggravated Assault (112 yearly average). The primary location for the incidents has been in parking lots. The report states that there were over 72,000 calls for service during the period. Crime in Metro is generally a reflection of crime in adjoining neighborhoods, but as reported in the Metropolitan Washington Council of Governments Annual Report of Crime, usually lower. A 2013 crime report stated that the majority of the thefts were cell phones or bicycles.

- Mutual aid agreements should be established to identify police, fire, and emergency response commitments so that associated funding and budgets can be established.
- Public-private partnership programs should be encouraged, such as a Nighttime Champion Committee that would meet regularly to discuss the crime issues and strategies to reduce crime and disorder in the nighttime areas. Membership should seek to involve representation from the local police, fire, and EMS, MTPD, residents, business owners, and the County Department of Economic Development. This committee would establish a central collection point for collecting, assessing, and distributing information on crime issues, education and recommended prevention strategies. The group would encourage regular and open conversation among residents, management, and police to establish community cohesion and trust.

(3) Station Site Planning

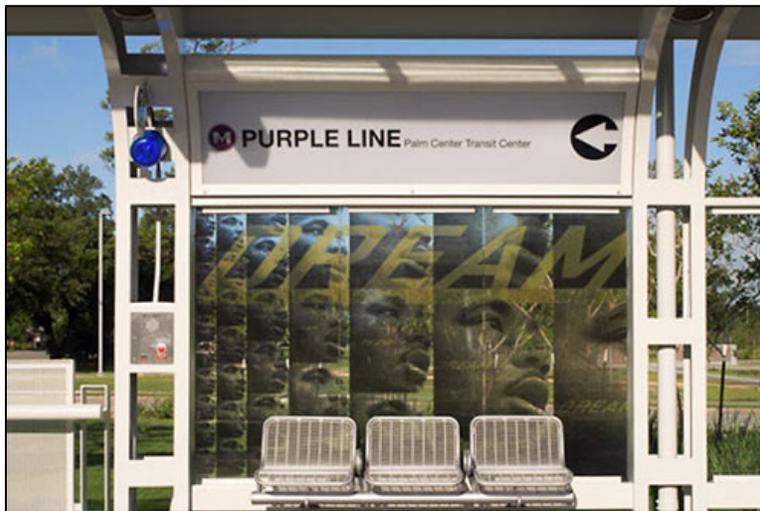
WMATA's Station Site and Access Planning Manual (SSAPM) provides design guidelines for station site and access planning for use by local jurisdictional planners with interest in planning transit facilities at new Metrorail stations or proposing development at stations. The Manual illustrates how station site facilities should be planned to optimize pedestrian and vehicular access to the station for all modes of arrival, with focus on physical design and operational issues. The SSAPM recognizes that a station environment, which is perceived as

safe and secure, enhances patrons' comfort and is necessary to maintain and improve transit ridership. The manual cites CPTED as "particularly applicable to Metrorail site planning," and lists some guidelines. A favorable image of the Metro facility such as at the Largo Station contributed to the perception of territoriality and thus safety.



Largo Town Center Metro Station

Transit Planning should extend beyond the station to ensure the citizen has the ability to walk from home or work to the transit stop without the fear of being victimized. A walkable urban place that will serve as a successful destination environment as requires close attention to details, including the relationship of buildings to streets, flexible mixed uses, building types, and streetscapes (13). Additionally, pedestrian and bike connectivity is important. For example, bus shelters should be constructed of durable materials that provide good visibility for patrons, while seat selection deters undesirable uses such as sleeping that promotes a less than pleasing environment.



Bus Shelter

Surface parking lots should be provided close to the stations to allow for future transformation of this valuable real estate to tax-generating private development over time. Parking structures should be located to facilitate different uses including traditional commuters as well as evening and weekend parking for restaurants, movies, and other nighttime activities (13). The Public Safety Committee visited a new station in Fairfax County that is utilizing the same objective. The Wiehle Metro Station plans incorporated structural design in its public garage at the station to facilitate future high-rise development by private entities.



Future Development at Wiehle Metro Station

(4) **Pedestrian Oriented Streets**

Pedestrian-oriented streets with stores, service and entertainment businesses, and restaurants are essential to a vibrant and diverse street environment. Bustling streets contribute to the CPTED principles of natural surveillance and territoriality, as well as create community vitality.



A Pedestrian-Friendly Street

Examples of design elements to promote this environment include, but is not limited to:

- First-floor pedestrian-oriented uses and offices/businesses that have staggered closing times
- Clear wayfinding
- Pedestrian-scale lighting
- Traffic calming measures
- Streetscape design – width of walkways, absence of blind corners
- Street furniture, outdoor restaurant seating, street vendors
- Bike lanes and facilities
- Landscape without creating hiding places
- Building orientation/set back, window placement, reception areas that allow routine observation , fenestration that adds life to the outdoors rather than blank walls
- Territoriality enhancements such as a mural art program, defined spaces through low and/or translucent fencing, hedges, or pavement design
- Safe activities to overwatch conflicting activities such as smoking areas or dog park with line of sight to parking areas
- Direct connections between pedestrian routes and destinations
- Venues for street vendors, artists, performers, etc.



Figure 19: Direct connection through a parking lot near the Prince George's Plaza Metrorail Station

Pedestrian Connection at Prince George Plaza Station



Outdoor Dining

(5) **Crowd Control**

Nighttime attractions often include restaurants, hotels, theaters, shops, and cultural facilities, as well as bars, taverns, and night clubs. These latter establishments typically mix crowds, noise, and alcohol that can be a formula for aggression, fights, disorderly conduct, and property damage such as vandalism. Mitigation of actual or perceived crowd/alcohol related crime zones is essential to maintain desirable patronage.



Crowd Control at Night Club

Strategies to promote crowd control include, but are not limited to:

- Enforcement of occupancy loads and liquor laws
- Encouraging business owners to operate well controlled venues that avoid serving intoxicated patrons, safe ride programs, and food availability
- Provide late night alternative transportation such a buses, taxi
- Budget for dedicated public safety resources to patrol nighttime activity areas
- Encourage volunteer to escort patrons upon their request and/or shuttle services.

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- (1) Brantingham, et al, 1991
- (2) Block and Davis, 1996
- (3) Kenney, 1987
- (4) DeGeneste and Sullivan, 1994
- (5) Loukaaitou-Sideris, 1999
- (6) Myhre and Rooso, 1996
- (7) Shellow et. al, 1974, Pearlstein and Wachs, 1982, Levin, Wachs, Shirazi, 1986, Loukaaitou-Sideris, 1999
- (8) Harris, 1971, Clarke et al, 1996
- (9) Block and Block, 1995 and 2000; Byrne, 1986; Greenberg, 1986
- (10)Loukaitou-Sideris, Liggett, and Hiseki, undated
- (11)Safe Transport: Security by Design on the Washington Metro, Nancy G. LaVigne U.S. National Institute of Justice
- (12)WMATA Station Site and Access Planning Manual (SSAPM) (May 2008).
- (13)Harvesting the Value of Metrorail in Loudoun County, Virginia, Urban Land Institute, 2014

Nighttime Economy Ad Hoc Committee (NEAC)

FGOEDC MEETING- JUNE 14, 2016

Good News

Loudoun has a vibrant daytime economy that contributes to our quality of life and sense of community.

- Unemployment rate – 2.7%; Poverty rate – 3.6%
- Happiness Index – Tops in U.S.*
- 26 companies on Inc. Magazine's 5,000 fastest growing firms
- \$1.39 billion in commercial investment in 2014-2015**
- Median Income - \$119,134
- AAA Bond Ratings - Moody's, Standard and Poor's, and Fitch

*Smart Asset; July 29, 2015

** Loudoun Department of Economic Development

Changing Economic and Cultural Trends

Cultural shifts driving economic growth will impact Loudoun's future

- Trend toward urban, walkable, amenity-rich places where residents, visitors attend to daily tasks without needing a car
- Reversing century old trend, urban areas grew <20% faster than rest U.S. from 2000-2010
- As workforce moves to urban walkable areas, employers, retail, restaurants, services follow

RESEARCH SHOWS THAT URBAN WALKABLE PLACES WITH STRONG AMENITY OPTIONS ARE DRIVING THE REAL ESTATE INDUSTRY AND ECONOMY... (THE) WASHINGTON, D.C. REGION IS A NATIONAL PIONEER IN WALKABLE URBAN PLACES.

Professor Chris Leinberger,
Center for Real Estate and Urban Analysis, George Washington University

Changing Economic and Cultural Trends

Evolution of the Workforce

- In 2015 millennials became the majority of the workforce; BY 2030 millennials will comprise 75% of the workforce.

The talented young workforce that every region is trying to recruit expects to live in places where they can find walkable neighborhoods with convenient access to public transportation. Providing those travel and living options will be the key to future economic success.

James Corless, Director, Transportation for America

Changing Economic and Cultural Trends

What one major employer is saying:

In order to attract the best talent I need a location that will appeal to young workers ... I think our younger folks are more inclined to be metro-accessible and more urban. That doesn't necessarily mean we will move to downtown Washington, but we will move someplace.

*Arne Sorenson
CEO, Marriott International*

Loudoun's Future

To compete for talent and commercial investment, Loudoun must develop vibrant, walkable communities with attractive entertainment, cultural and recreational amenities.

80% of the development in the (D.C.) Region is happening in urban walkable environments Office parks are dead!

Professor Chris Leinberger,
Center for Real Estate and Urban Analysis, George Washington University

Background

In May 2015, the Board of Supervisors' Economic Development Committee directed the Economic Development Advisory Commission (EDAC) to create an ad-hoc committee focused on developing and proposing ideas to improve Loudoun's nighttime economy, and to attract and retain businesses, visitors and a workforce at all ages.

To fulfill this direction, EDAC formed the Nighttime Economy Ad Hoc Committee (NEAC), to analyze the relevant issues and make recommendations to advance Loudoun's nighttime economy.

Committee Structure

Co-Chairmen: Todd Pearson (B.F. Saul Company) and Tony Howard (Loudoun Chamber)

Seven subcommittees focused on individual components of a thriving nighttime economy:

1. Entertainment – dining, performance venues, special events, mix of uses.
2. Public Space & Amenities – outdoor spaces and dining, community/project design.
3. Housing Diversity & Affordability – various housing types, housing affordability.
4. Transportation – multi-modal systems, safe & shared rides, parking, taxi services.
5. Public Safety – crime & DUI prevention, closing times, crowd and parking safety.
6. Compliance – ABC laws, noise, safety/security, server training, patron behavior, zoning.
7. Economic Development Initiatives/Incentives – marketing, business incentives.

What the Community Wants

- All NEAC Committee and subcommittee meetings were open to the public and several citizens joined a subcommittee
- Opinion survey created to gain community input on issues NEAC was analyzing
- Survey completed by more than 1,100 residents and visitors
- >90% of respondents are Loudoun residents
- Public input meeting held March 14; 75 attendees, plus 23 NEAC members

What the Community Wants

- More activities for residents of all ages, from nightclubs to outdoor spaces where the public can interact
- More entertainment venues for musical and theatrical productions
- Housing situated closer to activity centers
- Apartment and condos at multiple price points, densities, and locations
- More transportation options, including transit between communities and towns
- Expand awareness of transportation options through technology

Draft Recommendations

The Subcommittees, addressing each work plan area, developed a set of draft recommendations based on research, interviews, presentations by subject matter experts, with guidance by Loudoun County's professional staff.

Entertainment

- Determine the feasibility and value of creating Arts, Entertainment and Culture Districts in the County
- Make the government process for opening and operating an entertainment business easier and more collaborative.
- Create a strategic public/private sector partnership to better market dining and entertainment options in Loudoun

Public Space and Amenities

- Encourage communities and towns to create public spaces for socialization and interaction
- Adopt guidelines to activate these spaces through design elements that encourage use by all age groups
- Support density in urban walkable environments and provide flexibility to achieve open public spaces in innovative ways

Housing Diversity and Affordability

- Prioritize housing diversity and affordability as a strategic objective for the Board of Supervisors and County staff
- Make Housing Diversity and Affordability a top priority in all County policies, plans and zoning, including the new Comprehensive Plan
- Align transportation policies with our housing policies, to ensure all workforce and customers can access jobs and other activity centers

Economic Development Initiatives & Incentives

- Create an environment where the government and private sectors can collaborate as partners to achieve our economic and development goals
- Allow more flexibility in the development process that allow property owners to adjust to changing market conditions, trends and consumer demands, etc.

Transportation

- Apply innovative, technology enabled solutions to publicize transportation options to, from and within activity centers
- Incorporate and publicize safe transportation access for ridesharing, car services, safe rides, etc.
- Expand multi-modal options and alternatives to cars
- Align County's transportation plan with our development objectives

Compliance

- Make it easier to stage special events by creating an effective, customer-focused strategy for planning and executing these events
- Create partnerships with law enforcement to establish best practices to ensure public safety at special events, nightlife areas
- Create a simplified, unified and easily enforceable noise enforcement standard in the County

Public Safety

- Public safety issues should be treated as a priority in advance of planning new activity centers, including the future Metro stations
- County and development community should work together to adopt Crime Prevention through Environmental Design (CPTED) strategies to address known public safety threats through project development

Next Steps

NEAC respectfully asks the Finance/Government Operations & Economic Development Committee to:

- 1) Accept this report and commend it to the full Board of Supervisors for adoption.
- 2) Refer this report to the Transportation and Land Use Committee where the committee can further evaluate the resources needed to implement the recommendations. As part of the evaluation, the Committee recommends
 - The Board of Supervisors develop these recommendations to become the policies and processes needed to create more walkable, amenity rich environments, to attract and retain commercial investment, businesses, visitors and a workers of all ages.
 - Direct staff to consider how these recommendations can be incorporated into current planning efforts, including the Comprehensive Plan review and Silver Line Small Area Plans.
- 3) Reserve a seat for NEAC on the New Comprehensive Plan Stakeholders Steering Committee

Next Steps

For more information, please visit our webpage:
<http://www.loudoun.gov/nighttime-economy>

Date of Meeting: June 14, 2016

3

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
INFORMATION ITEM**

SUBJECT: Loudoun County-Washington Redskins Marketing Agreement Update

ELECTION DISTRICT: Broad Run

STAFF CONTACT: Buddy Rizer, Executive Director, Economic Development

PURPOSE: This item provides information with regard to the County's eight-year marketing agreement with the Washington Redskins National Football League (NFL) franchise that began in 2012. As part of the agreement, the franchise makes certain season assets annually available for Loudoun Economic Development's use for business attraction and retention. LaRhonda Burley, Partnership Marketing Senior Director for the Washington Redskins and Jane Rodgers, Executive Director of the Washington Redskins Charitable Foundation will be present to outline the market reach of the Washington Redskins, their civic and charitable investments in Loudoun County and the region and the current return on the County's investment realized during the Redskins NFL football season that ended March 31, 2016.

BACKGROUND: On June 19, 2012, the Loudoun County Board of Supervisors approved an eight-year marketing agreement between Loudoun County and the Redskins. This agreement is part of a larger multi-pronged package, which includes a \$4 million grant from the Commonwealth of Virginia and a \$6 million contribution from the Virginia State Lottery. These investments helped retain and expand the Redskins' headquarters and training facility in Loudoun County.

The agreement cost \$2 million over the first four years of the agreement, or approximately \$500,000 per year. The County expects to receive more than \$8 million in total value over the term of the contract, or more than \$1 million per year. This is approximately four times the County's investment. Additionally, the return on investment from the marketing agreement and the operation of Redskins Park in Ashburn has created an annual statewide economic impact of an estimated \$31.2 million (source: the Virginia Economic Development Partnership). The marketing agreement was funded solely from the restricted use portion of the Transient Occupancy Tax (TOT) Fund with no local tax funds, or General Fund monies.

TOT revenues are generated by levying a 7 percent lodging bill tax for customers of hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out

for continuous occupancy for fewer than 30 consecutive days. The revenue generated by the 7 percent lodging tax includes the Restricted TOT portion, or 3 percent, which may be used for promoting tourism, travel, or business that generates tourism or travel in the County. The remaining 4 percent portion, or Unrestricted TOT, may be used for local and regional transportation projects (2 percent) and the General Fund (2 percent).

The partnership with the team gives Loudoun County the ability to leverage the significant national and regional marketing reach of the Redskins NFL franchise for business attraction in ways that the County is unable to obtain within Loudoun Economic Development's limited marketing budget. Some of the key benefits from the marketing agreement in the 2015 season included:

- Various economic development messages through logo presence and full page color ads in team printed and electronic publications;
- Pre-game promotions on print, television and radio media that promotes Loudoun County's sponsorships of games and the benefits of doing business in Loudoun County;
- Loudoun County game day presenting sponsor, including an economic development video in the stadium, during the team's annual alumni homecoming game;
- On-site promotion of Loudoun Economic Development at FedExField games on LED ribbon boards, concourse dioramas and the HD Video Board;
- Multiple mentions of Loudoun County in every broadcast originating from the Redskins Broadcast Network;
- Prominent regional and national exposure through the use of the Loudoun Economic Development's logo on the team backdrop during press conferences held at Redskins Park and official digital platforms such as Facebook, Twitter, Google Plus and Instagram;
- Use of a FedEx Field premium suite for two soccer matches, and tickets to five games per season, for Loudoun County business prospects and clients; and
- Exclusive sponsorship by Loudoun Economic Development at the open-practice Loudoun County Fan Appreciation Day.

Key benefits in earlier seasons offered through the marketing agreement with the Redskins included Loudoun County sponsorship at special events such as the Redskins Welcome Home open practice and luncheon, VIP Meet and Greets with prospective clients and hospitality opportunities at FedExField special sporting events.

DED's mission is to attract and retain businesses in our target industries. To attract businesses, we work to raise the visibility of Loudoun as a prime business location to regional and national companies. The Redskins partnership has been instrumental in accomplishing that goal. For example, our logo displayed on the Redskins press conference backdrops reaches more than 18 million viewers and is worth more than \$1.5 million per 30 seconds. Just that one asset is equivalent to almost 50 percent of our entire department's operating budget, and far exceeds anything we could achieve through our limited advertising budget. On top of that, the team included Loudoun information in 20 NBC TV commercials and 20 ESPN radio ads, representing thousands of dollars of media exposure to the key national capital market. Print ads in the Washington Post and the Washington Times further extended our marketing reach in publications during the past five years. The team also gave Loudoun Economic Development the entire inside front cover of the October 25th game day magazine, along with signage around the stadium and a

commercial aired on the stadium Jumbotron. These are unique marketing platforms that raise awareness of the Loudoun brand with business leaders, entrepreneurs, investors, developers and C-Level Executives.

In addition, business retention is a key component of Loudoun Economic Development's mission as Loudoun County companies employ thousands of local residents and pay millions in local taxes. As such, hosting companies at events through the marketing agreement demonstrates our commitment to supporting their success here in Loudoun County, recognizes them as valuable members of our business community and provides tremendous networking opportunities for business collaboration within their clusters.

ISSUES: There are no issues associated with this item.

ATTACHMENT:

1. Executed Washington Redskins Sponsorship Agreement



SPONSORSHIP AGREEMENT

SPONSORSHIP AGREEMENT (this "Agreement") dated as of the ^{18th} day of ^{July} ~~June~~, 2012, among WFI STADIUM, INC., ("Stadium Company"), and PRO-FOOTBALL, INC., doing business as the Washington Redskins (the "Team" and, together with the Stadium Company, collectively referred to as the "Companies"), each with offices located at 21300 Redskin Park Drive, Ashburn, Virginia, 20147, and LOUDOUN COUNTY, VIRGINIA, political subdivision of the Commonwealth of Virginia ("Sponsor"), with offices located at 1 Harrison Street, S. E., Leesburg, VA 20175. (The Companies and Sponsor are collectively referred to herein as the "Parties".)

In consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound, hereby agree as follows:

1) TERM

- a) The term of this Agreement (the "Term") shall commence as of the date hereof and end on December 31, 2020. A "Football Season" as used herein means the twelve (12) month period beginning April 1 of each calendar year and ending on the immediately following March 31 or, if earlier, the expiration of the Term.

2) MARKETING RIGHTS

- a) Each Football Season, during the Term, the Companies shall provide Sponsor with the following marketing elements (the "Marketing Elements"):
 - i) Media
 - (1) Team Controlled Media
 - (a) On-Air Mentions
 - (i) In all Team controlled media originating from Redskins Park, the on-air talent will make regular references to Sponsor, such as: "Welcome to this edition of the Redskins Nightly News, live from Redskins Park in the heart of Loudoun County...". Such on-air mentions shall be of a quantity and frequency determined by the Companies in their reasonable discretion.
 - (2) E-mail
 - (a) Sponsor shall receive the opportunity to place a special value based fan-related offer/marketing message in four (4) Team e-mail communications to fans on Team e-mail list(s).

(3) Internet

- (a) Sponsor shall receive one (1) rotational run-of-the-site banner advertisement on the Companies' website (www.redskins.com) to be used by the Sponsor to promote Loudoun County as the Corporate Home of the Washington Redskins. Such banner advertisement shall rotate through the sub-category pages of the Companies' website on a pro-rata basis with other third-party sponsors receiving such banner advertisements.

(4) Press Releases

- (a) In Team-controlled press releases originating from Redskins Park (approximately 300 per year), Team will reference Loudoun County as the originating point of the press release (e.g. "Redskins Park – Loudoun County, Virginia").

(5) Press Backdrop

- (a) During the Term, the Sponsor's logo for "Loudoun County-Corporate Home of the Washington Redskins" will be showcased on the Official Redskins Park press backdrop on a rotational basis with other sponsors.

ii) Non-Game Day Hospitality

(1) Redskins Park Event

- (a) One (1) time per year during the Term on a non-practice day (when the Redskins Park facility ("facility" or "Redskins Park")) is open to outside guests), Sponsor shall receive the right to use the Redskins Park facility for one (1) event:
 - (i) up to two hundred (200) people shall be permitted to attend the event;
 - (ii) the event shall include a tour of Redskins Park (not including restricted areas) and use of mutually agreed upon indoor and outdoor meeting spaces (which may include a large tented area outside the indoor practice facility);
 - (iii) the Companies shall provide Sponsor with on-site parking, standard utilities, basic audio-visual support, and standard cleaning service in connection with such event. All other event expenses and services shall be at Sponsor's sole cost and expense;
 - (iv) the Companies shall cause a Team executive, coach or member of the player personnel department to appear at the event with all details of such appearance to be subject to the Companies' prior written approval.
 - (v) Sponsor shall be required to obtain separately from the Companies' designated concessionaire any food or beverage for the event, the costs of which are not included in the Marketing Fee;
 - (vi) Sponsor may enter into a separate agreement with the Washington Redskins cheerleaders, alumni and/or players to attend the event, on such terms as the parties may agree with Sponsor. The expenses and fees

relating to such appearances are not included in the Marketing Fee.

(vii) Team personnel shall be permitted to attend the event and orally solicit Sponsor's invitees.

(viii) All details of the event shall be subject to the Companies' prior written approval.

(b) Up to five (5) times on non-practice days (when the facility is open to outside guests) per calendar quarter and up to five times per year during the Term, Sponsor shall receive the right to schedule corporate guest tours at Redskins Park (not including restricted areas). Up to ten (10) people shall be permitted to attend each tour.

(c) Sponsor will be permitted to utilize Redskins Park, on a non-practice day (when the facility is open to outside guests), once each calendar quarter and up to four (4) times per year during the Term with potential economic development business prospects or VIP meetings.

(i) up to ten (10) people shall be permitted to attend each event;

(ii) each event shall include a tour of Redskins Park (not including restricted areas);

(iii) the Companies shall provide Sponsor with on-site parking, standard utilities, basic audio-visual support, and standard cleaning service in connection with such event. All other event expenses and services shall be at Sponsor's sole cost and expense;

(iv) Sponsor shall be required to obtain separately from the Companies' designated concessionaire any food or beverage for the event, the costs of which are not included in the Marketing Fee;

(v) Sponsor may enter into a separate agreement with the Washington Redskins cheerleaders, alumni and/or players to attend each event, on such terms as the parties may agree with Sponsor. The expenses and fees relating to such appearances are not included in the Marketing Fee.

(2) Practice Facility

(a) Sponsor will be permitted to utilize the Redskins Park indoor practice facility/performance bubble, on a non-practice day, once each calendar quarter and up to four (4) times per year during the Term for recreational/sporting events.

(i) The Companies shall provide Sponsor with on-site parking, standard utilities, and standard cleaning service in connection with such event. All other event expenses and services shall be at Sponsor's sole cost and expense.

(ii) Sponsor shall be required to obtain separately from the Companies' designated concessionaire any food or beverage for the event, the costs of which are not included in the Marketing Fee.

(iii) Sponsor may enter into a separate agreement with the Washington Redskins cheerleaders, alumni and/or players to attend the event, on such terms as the parties may agree with Sponsor. The expenses and fees relating to such appearances are not included in the Marketing Fee.

(iv) All details of the event shall be subject to the Companies' prior written approval.

(3) Loudoun County Chamber Event

(a) The Companies shall cause a Redskins Team executive, coach or member of the player personnel department to appear and address event attendees at one (1) Loudoun County Chamber event and make themselves available for a meet and greet afterwards.

(4) The date of the events referred to in subsections (1), (2) and (3) above shall be selected by Sponsor, subject to availability and prior bookings. The Companies reserve the right to reschedule the date upon thirty (30) days notice to the Sponsor.

(5) Sponsor will receive one (1) table (approximately 8 to 10 people) at each Welcome Home Luncheon presented by the Washington Redskins Charitable Foundation each year during the Term.

iii) Washington Redskins Training Camp

(1) Training Camp Display

(a) Sponsor shall have the right to distribute Team-approved materials from a fixed location at training camp during all public sessions. The location of such distribution and dates of such session(s) shall be determined by the Companies in their sole discretion.

(2) Training Camp Mentions

(a) In all Team media and advertising promoting Training Camp, Team shall use commercially reasonable efforts to reference that training camp takes place in Loudoun County, Virginia (i.e. "Redskins Training Camp, hosted in Loudoun County, Virginia ...")

(3) Hospitality Packages

(a) Sponsor shall be permitted to develop hospitality packages based on the Washington Redskins Training Camp, which may include local hotel, restaurant and tourist properties; provided, however, all entities receiving inclusion in such packages and the specific terms of such packages shall in all cases be subject to the Companies' prior written approval.

(4) Sponsor understands that at some time during the term of this agreement the Summer Training Camp may relocate to another city and/or county in the State of

Virginia. If that occurs, the Sponsor and the Companies shall renegotiate the provisions of this agreement related to the Training Camp, such that the Sponsor receives deliverables of equal value.

iv) Sponsor Events

- (1) To the extent the Companies host Sponsor Events for Team sponsors collectively (as opposed to events limited to select Team sponsors), a mutually agreed upon number of Sponsor personnel and guests shall receive invitations for such events. The type, frequency, scheduling, duration and nature of such events shall be determined by the Companies in their sole discretion.
- (2) For purposes hereof, "Sponsor Events" means the Redskins Corporate Partner Golf Outing, all team sponsor day at Training Camp / Mini Camp and similar events for corporate sponsors, but shall not include public ticketed events at the Stadium such as concerts or non-NFL football sporting events, such as soccer or NCAA football.

v) Trademark

- (1) Sponsor shall be permitted to use the Team's trademarks, logos and colors in the Marketing Elements and in certain other materials, in all cases subject to the Team's prior written approval and Sponsor shall be permitted to refer to itself as the "Corporate Home of the Washington Redskins."

vi) FedEx Field

- (1) Sponsor shall receive Presenting Sponsor Status for a Washington Redskins regular season home game during each Football Season of the Term. In connection with this entitlement, Sponsor will receive
 - (a) FedEx Field HD Videoboard and audio mentions;
 - (b) Team-controlled media campaign, including internet, email and print; and
 - (c) One (1) private suite for the game which includes twenty four (24) tickets and six (6) parking passes. Food and Beverage are responsibility of Sponsor, the costs of which are not included in the Marketing Fee.
- (2) Sponsor shall receive four (4) Club-level tickets, four (4) pre-game Field Passes and two (2) premium parking passes for four (4) regular season home games [each Football Season during the Term].

vii) Additional Partnership Assets

- (1) Team shall produce a custom video message in collaboration with Sponsor promoting Sponsor's messaging and will include a personalized greeting and message from the Team owner or General Manager.
- (2) Team will provide a letter of endorsement for Sponsor written by a Team executive.
- (3) The Companies shall provide unique opportunities for Loudoun County, Virginia residents, businesses and their employees to buy tickets for non-NFL events at

FedExField before the general public. Companies and Sponsor shall develop the details and processes for these opportunities within six (6) months of execution of this Agreement.

3) CONSIDERATION

- a) The Cash Fee as defined herein, shall be collectively referred to as the "Marketing Fee".
- b) Pre-season, Regular Season & Off-Season
 - i) the Marketing Fee shall be paid by Sponsor to the Companies for the first four (4) Football Seasons during the Term. All Marketing Fee payments are net of any and all agency or third party commissions or fees. The total Marketing Fee shall both be due and payable as follows: The 2012 Cash Fee shall be due within 30 days of execution of this Agreement; the 2013 Cash Fee shall be due in full no later than April 1, 2013; the 2014 Cash Fee shall be due no later than April 1, 2014; and, the 2015 Cash Fee will be due no later than April 1, 2015.
 - (1) Marketing Fee for 2012 Football Season: Five Hundred Thousand Dollars (\$500,000).
 - (2) Marketing Fee for 2013 Football Season: Five Hundred Thousand Dollars (\$500,000).
 - (3) Marketing Fee for 2014 Football Season: Five Hundred Thousand Dollars (\$500,000).
 - (4) Marketing Fee for 2015 Football Season: Five Hundred Thousand Dollars (\$500,000).

The Companies shall provide the Marketing Elements in this Agreement for no additional fees for the 2016, 2017, 2018, and 2019 Football Seasons.

Failure of the Companies to provide the Marketing Elements during each year of the Term (including but not limited to the 2016, 2017, 2018 and 2019 Football Seasons) shall be deemed a default by the Companies. The Companies shall be jointly and severally responsible to the Sponsor for liquidated damages in the amount of \$250,000.00 for each year during the Term, or any portion of a year, that the Companies fail to provide the Marketing Elements. In addition, the Sponsor shall have the right to pursue any and all remedies available under Virginia law.

4) AGREEMENT TERMS AND CONDITIONS

A. Procedures

The extent and character of the services to be performed by the Companies shall be subject to the general control and approval of the Director , (title) or his/her authorized representative(s). The Companies shall not comply with requests and/or orders issued by other than the (title) or his/her authorized representative(s) acting within their authority for the County. Any change to the Agreement must be approved in writing by the Purchasing Agent and the Companies.

B. Business, Professional, and Occupational License Requirement

All firms or individuals located or doing business in Loudoun County are required to be licensed in accordance with the County's "Business, Professional, and Occupational Licensing (BPOL) Tax" Ordinance during the initial term of the Agreement or any renewal period.

Wholesale and retail merchants without a business location in Loudoun County are exempt from this requirement. Questions concerning the BPOL Tax should be directed to the Office of Commissioner of Revenue, telephone (703) 777 0260.

C. Payment of Taxes

All Companies located or owning property in Loudoun County shall assure that all real and personal property taxes are paid.

The County will verify payment of all real and personal property taxes by the Companies prior to the award of any Agreement or Agreement renewal.

D. Insurance

1. The Companies shall be responsible for its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection therewith. The Companies assumes all risk of direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Agreement.

2. The Companies and all subcompanies shall, during the continuance of all work under the Agreement provide the following:

(a) Workers' compensation and Employer's Liability to protect the Companies from any liability or damages for any injuries (including death and disability) to any and all of its employees, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia.

(b) Comprehensive General Liability insurance to protect the Companies, and the interest of the County, its officers, employees, and agents against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the Agreement or in connection with the contracted work. The General Liability insurance shall also include the Broad Form Property Damage endorsement, in addition to coverage for explosion, collapse, and underground hazards, where required.

(c) Automobile Liability insurance, covering all owned, non owned, borrowed, leased, or rented vehicles operated by the Companies.

3. The Companies agree to provide the above referenced policies with the following limits. Liability insurance limits may be arranged by General Liability and Automobile policies for the full limits required, or by a combination of underlying policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.

(a) Workers' Compensation:

Coverage A: Statutory

Coverage B: \$100,000

(b) General Liability:

| | |
|--------------------------------|-----------------------|
| Per Occurrence: | \$1,000,000 |
| Personal/Advertising Injury: | \$1,000,000 |
| General Aggregate: | \$2,000,000 |
| Products/Completed Operations: | \$2,000,000 aggregate |
| Fire Damage Legal Liability: | \$100,000 |

GL Coverage, excluding Products and Completed Operations, should be on a Per Project Basis

(c) Automobile Liability:

| | |
|------------------------|-------------|
| Combined Single Limit: | \$1,000,000 |
|------------------------|-------------|

4. The following provisions shall be agreed to by the Companies:

(a) The Companies shall secure replacement coverage and furnish a new certificate prior to any change or cancellation of existing insurance coverage. The failure of the Companies to deliver a new and valid certificate will result in suspension of all payments until the new certificate is furnished.

(b) Liability Insurance "Claims Made" basis: The liability insurance purchased by the Companies shall be issued on an "occurrence" basis

(c) The Companies must disclose the amount of deductible/self-insured retention applicable to the General Liability and Automobile Liability. The County reserves the right to request additional information to determine if the Companies has the financial capacity to meet its obligations under a deductible/self-insured plan. If this provision is utilized, the Companies will be permitted to provide evidence of its ability to fund the deductible/self-insured retention.

(d) i. The Companies agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A:VII.

ii. European markets including those based in London, and the domestic surplus lines market that operate on a non admitted basis are exempt from this requirement provided that the Companies' broker can provide financial data to establish that a market's policyholder surpluses are equal to or exceed the surpluses that correspond to Best's A:VII Rating.

e. i.. The Companies will provide an original signed Certificate of Insurance and such endorsements as prescribed herein.

11. Any certificates provided shall indicate the Agreement name and number.

f. The County, its officers and employees shall be named as an "additional insured" on the Automobile and General Liability policies and it shall be stated on the Insurance Certificate with the provision that this coverage "is primary to all other coverage the County may possess." (Use "loss payee" where there is an insurable interest).

g. Compliance by the Companies with the foregoing requirements as to carrying insurance shall not relieve the Companies of their liabilities provisions of the Agreement.

5. Precaution shall be exercised at all times for the protection of persons (including employees) and property.

6. The Companies is to comply with the Occupational Safety and Health Act of 1970, Public Law 91 956, as it may apply to this Agreement.

7. If an "ACORD" Insurance Certificate form is used by the Companies' insurance agent, the words "endeavor to" and ". . .but failure to mail such notice shall impose no obligation or liability of any kind upon the company" in the "Cancellation" paragraph of the form shall be deleted.

8. The Companies agrees to waive all rights of subrogation against the County, its officers, employees, and agents.

F. Hold Harmless Clause

The Companies shall, indemnify, defend, and hold harmless the County from loss from all suits, actions, or claims of any kind brought as a consequence of any negligent act or omission by the Companies. The Companies agrees that this clause shall include claims involving infringement of patent or copyright. For purposes of this paragraph, "County" and "Companies" includes their employees, officials, agents, and representatives. "Companies" also includes sub-companies and suppliers to the Companies. The word "defend" means to provide legal counsel for the County or to reimburse the County for its attorneys' fees and costs related to the claim. This section shall survive the Agreement. The County is prohibited from indemnifying Companies and/or any other third parties.

G. Safety

All Companies and sub-companies performing services for the County of Loudoun are required to and shall comply with all Occupational Safety and Health Administration (OSHA), State and County Safety and Occupational Health Standards and any other applicable rules and regulations. Also, all Companies and sub-companies shall be held responsible for the safety of their employees and any unsafe acts or conditions that may cause injury or damage to any persons or property within and around the work site area under this Agreement.

H. Notice of Required Disability Legislation Compliance

Loudoun County government is required to comply with state and federal disability legislation: The Rehabilitation Act of 1973 Section 504, The Americans with Disabilities Act (ADA) for 1990 Title II and The Virginians with Disabilities Act of 1990.

Specifically, Loudoun County, may not, through its contractual and/or financial arrangements, directly or indirectly avoid compliance with Title II of the Americans with Disabilities Act, Public Law 101-336, which prohibits discrimination by public entities on the basis of disability. Subtitle A protects qualified individuals with disability from discrimination on the basis of disability in the services, programs, or activities of all state and local governments. It extends the prohibition of discrimination in federally assisted programs established by the Rehabilitation Act of 1973 Section 504 to all activities of state and local governments, including those that do not receive federal financial assistance, and incorporates

specific prohibitions of discrimination on the basis of disability in Titles I, III, and V of the Americans with Disabilities Act. The Virginians with Disabilities Act of 1990 follows the Rehabilitation Act of 1973 Section 504.

I. Ethics in Public Contracting

The provisions contained in Sections 2.2 4367 through 2.2 4377 of the Virginia Public Procurement Act as set forth in the 1950 Code of Virginia, as amended, shall be applicable to all Contracts solicited or entered into by the County. A copy of these provisions may be obtained from the Purchasing Agent upon request.

The above-stated provisions supplement, but do not supersede, other provisions of law including, but not limited to, the Virginia State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.), the Virginia Governmental Frauds Act (§ 18.2 498.1 et seq.) and Articles 2 and 3 of Chapter 10 of Title 18.2. The provisions apply notwithstanding the fact that the conduct described may not constitute a violation of the Virginia State and Local Government Conflict of Interests Act.

J. Employment Discrimination by Companies Prohibited

Every Agreement of over \$10,000 shall include the following provisions:

1. During the performance of this Agreement, the Companies agrees as follows:

(a). The Companies will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Companies. The Companies agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

(b). The Companies, in all solicitations or advertisements for employees placed by or on behalf of the Companies, shall state that such Companies is an equal opportunity employer.

(c). Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient to meet this requirement.

2. The Companies will include the provisions of the foregoing paragraphs, a, b, and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each sub-companies or vendor.

K. Drug-Free Workplace

Every Agreement over \$10,000 shall include the following provisions

During the performance of this Agreement, the Companies agrees to (i) provide a drug-free workplace for the Companies' employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Companies' workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or

advertisements for employees placed by or on behalf of the Companies that the Companies maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each sub-companies or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Companies in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the Agreement.

L. Faith-Based Organizations

Loudoun County does not discriminate against faith-based organizations.

M. Immigration Reform and Control Act of 1986

By entering this Agreement, the Companies certifies that it does not and will not during the performance of this Agreement violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens.

N. Substitutions

NO substitutions or cancellations are permitted after Contract award without written approval by the Division of Procurement. Where specific employees are proposed by the Companies for the work, those employees shall perform the work as long as those employees work for the Companies, either as employees or sub-companies, unless the County agrees to a substitution. Requests for substitutions shall be reviewed and may be approved by the County at its sole discretion.

O. Exemption from Taxes

Pursuant to Va. Code § 58.1-609.1, the County is exempt from Virginia State Sales or Use Taxes and Federal Excise Tax, therefore the Companies shall not charge the County for Virginia State Sales or Use Taxes or Federal Excise Tax on the finished goods or products provided under the Agreement. However, this exemption does not apply to the Companies, and the Companies shall be responsible for the payment of any sales, use, or excise tax it incurs in providing the goods required by the Agreement, including, but not limited to, taxes on materials purchased by a Company for incorporation in or use on a construction project. Nothing in this section shall prohibit the Companies from including its own sales tax expense in connection with the Agreement in its Agreement price.

P. Payments to Subcompanies

Within seven (7) days after receipt of amounts paid by the County for work performed by a subcompany under this Agreement, the Companies shall either:

1. Pay the sub-companies for the proportionate share of the total payment received from the County attributable to the work performed by the sub-companies under this Agreement; or

2. Notify the County and sub-companies, in writing, of his intention to withhold all or a part of the sub-companies' payment and the reason for non-payment.

The Companies shall pay interest to the sub-companies on all amounts owed that remain unpaid beyond the seven (7) day period except for amounts withheld as allowed in item B. above.

Unless otherwise provided under the terms of this Agreement, interest shall accrue at the rate of one percent (1%) per month.

The Companies shall include in each of its subcontracts a provision requiring each sub-companies to include or otherwise be subject to the same payment and interest requirements as set forth above with respect to each lower-tier sub-companies.

The Companies' obligation to pay an interest charge to a subcompany pursuant to this provision may not be construed to be an obligation of the County.

Q. Assignment of Agreement

The Agreement may not be assigned in whole or in part without the written consent of the Purchasing Agent.

R. Termination

This Agreement may be terminated by the County only in the circumstances provided below; but if any work or service hereunder is in progress, but not completed as of the date of termination, then the Agreement may be extended upon written approval of the County until said work or services are completed and accepted.

1. Termination for Cause

In the event of any default by either the Companies or the County, respectively, in the performance of the obligations of such party hereunder, which default is not cured within a period of ten (10) business days following notice thereof to such party by the other party hereto, this Agreement may be terminated by the non-defaulting party by notice to the defaulting party, and the non-defaulting party shall be relieved of any further obligations hereunder, without limitation to such party's rights at law or in equity as a consequence of the other party's breach.

2. Termination Due to Unavailability of Funds in Succeeding Fiscal Years

If funds are not appropriated to support continuation of the performance of this Agreement in a subsequent fiscal year, the Sponsor will provide notice of non-appropriation to the Companies no later than August 1 of the immediately preceding year. This Agreement will then be terminated by such notice to the Companies by the Sponsor as of the end of the then current calendar year. The Agreement is pro rated to \$250,00.000 per year for 8 years. If the Agreement is terminated due to unavailability of funds as provided herein, the Sponsor is entitled to \$250,000.00 per year for each year remaining in the term of the Agreement. If, however, termination due to unavailability of funds occurs during the first 4 years, the Sponsor is entitled to the amount it as paid to that time, minus the number of years already performed.

3. Termination for Convenience

In addition to the foregoing, (i) this Agreement may be terminated by the Sponsor by notice to the Companies at any time if the Companies no longer maintain their principal corporate offices and headquarters in Loudoun County, Virginia, and (ii) this Agreement may be

terminated by the Companies for convenience at any time upon not less than 30 days' prior notice to the County. The Agreement is pro rated to \$250,000.00 per year for 8 years. If the Agreement is terminated for convenience as provided above, the Sponsor is entitled to \$250,000.00 per year for each year remaining in the term of the Agreement. If, however, termination for convenience occurs during the first 4 years, the Sponsor is entitled to the amount it as paid to that time, minus the number of years already performed.

S. Contractual Disputes

The Companies shall give written notice to the Purchasing Agent of intent to file a claim for money or other relief within ten (10) calendar days of the occurrence giving rise to the claim or at the beginning of the work upon which the claim is to be based, whichever is earlier.

The claim, with supporting documentation, shall be submitted to the Purchasing Agent by US Mail, courier, or overnight delivery service, no later than sixty (60) days after final payment. The Companies shall submit its invoice for final payment within thirty (30) days after completion or delivery. If the claim is not disposed of by agreement, the Purchasing Agent shall reduce his/her decision to writing and mail or otherwise forward a copy thereof to the Companies within thirty (30) days of the County's receipt of the claim.

The Purchasing Agent's decision shall be final unless the Companies appeals within thirty (30) days by submitting a written letter of appeal to the County Administrator, or his designee. The County Administrator shall render a decision within sixty (60) days of receipt of the appeal. Each party shall bear its own costs and expenses resulting from any litigation, including attorney's fees.

T. Severability

In the event that any provision shall be adjudged or decreed to be invalid, such ruling shall not invalidate the entire Agreement but shall pertain only to the provision in question and the remaining provisions shall continue to be valid, binding and in full force and effect.

U. Applicable Laws/Forum

This Agreement shall be governed in all respects by the laws of the Commonwealth of Virginia. Any judicial action shall be filed in the Commonwealth of Virginia, County of Loudoun. Companies expressly waives any objection to venue or jurisdiction of the Loudoun County Circuit Court, Loudoun County, Virginia. Companies expressly consents to waiver of service of process in an action pending in the Loudoun County Circuit Court pursuant to Virginia Code Section 8.01-286.1.

V. Licensure

To the extent required by the Commonwealth of Virginia (see e.g. 54.1-1100 et seq. of the Code of Virginia) or the County of Loudoun, the Companies shall be duly licensed to perform the services required to be delivered pursuant to this Agreement.

W. Authority to Transact Business in Virginia

A Companies organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business

entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described herein that enters into a Agreement with the County pursuant to the Virginia Public Procurement Act 2.2-4300 et seq. shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50 of the Code of Virginia, to be revoked or cancelled at any time during the term of the Agreement. The County may void any Agreement with a business entity if the business entity fails to remain in compliance with the provisions of this section.

X. Confidentiality

The Companies acknowledges and understands that its employees may have access to proprietary, business information, or other confidential information belonging to the County of Loudoun. Therefore, except as required by law, the Companies agrees that its employees will not:

1. Access or attempt to access data that is unrelated to their job duties or authorizations as related to this Agreement.
2. Access or attempt to access information beyond their stated authorization.
3. Disclose to any other person or allow any other person access to any information related to the County or any of its facilities or any other user of this Agreement that is proprietary or confidential. Disclosure of information includes, but is not limited to, verbal discussions, FAX transmissions, electronic mail messages, voice mail communication, written documentation, "loaning" computer access codes and/or another transmission or sharing of data.

The Companies understands that the County, or others may suffer irreparable harm by disclosure of proprietary or confidential information and that the County may seek legal remedies available to it should such disclosure occur. Further, the Companies understands that violations of this provision may result in termination of the Agreement.

The Companies understands that information and data obtained during the performance of this agreement shall be considered confidential, during and following the term of this Agreement, and will not be divulged without the Purchasing Agent's written consent and then only in strict accordance with prevailing laws. The Companies shall hold all information provided by the County as proprietary and confidential, and shall make no unauthorized reproduction or distribution of such material.

Y. Counterparts

This Agreement and any amendments or renewals hereto may be executed in a number of counterparts, and each counterpart signature, when taken with the other counterpart signatures, is treated as if executed upon one original of this Agreement or any amendment or renewal. A signature by any party to this Agreement provided by facsimile or electronic mail is binding upon that party as if it were the original.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

LOUDOUN COUNTY, VIRGINIA

By: 
Title: Purchasing Agent



Title: **CMO**

PRO-FOOTBALL, INC.

By: 
Title: CMO

The Parties shall also each initial the attached Terms and Conditions in the space provided on the each page of the Terms and Conditions. Failure to do so, however, by either or both Parties shall not in any way affect the validity or enforcement of such Terms and Conditions or the Agreement in its entirety once the Agreement has been fully executed by the Parties in the space provided above.

Sponsor Contact Information:

Name: _____

Mailing Address: _____

Business Phone: _____

Business Fax: _____

ASSIS COUNTY AITORNB Y

Date of Meeting: June 14, 2016

4

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Overview of Loudoun's Sister City Program and Recommendations for Future Administration

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Buddy Rizer, Executive Director, Economic Development
Rick Morris, Business Development Officer
Bob McCollar, International Business Development Manager
Caleb Weitz, County Administration

PURPOSE: The item provides the Finance/Government Operations and Economic Development Committee (FGOEDC) with information on Loudoun County's Sister City Program and includes a staff recommendation pertaining to the status and administration of the Sister City Program moving forward.

RECOMMENDATIONS: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that it adopt the plan for administration of the Sister Cities program as outlined in the item below.

BACKGROUND: In 2008, the Board approved a Department of Economic Development (DED) International Program, funded through Transient Occupancy Tax revenues, for international business development efforts. The primary objective of Loudoun's international business attraction efforts is to promote Loudoun County as a global gateway and trade destination center in order to attract international investment to the County. Since then, DED has taken an active role in capturing international investment. One of the key strategies has been international business development trips centered in the County's Sister City locations. By establishing relationships with communities in proximity to key technology and international airport-centric locations such as Frankfurt, Seoul and Beijing, DED has been able to gain a foothold in these regions and attract foreign firms and investiture to the County in addition to growing a number of international firms in its pipeline.

In September 2014, DED began an effort to examine and update its strategy guiding its international attraction efforts. One key to this strategy is to further leverage the Sister City partnerships for business development. Sister City partnerships begin for a variety of reasons. Generally, Sister City partnerships share similar demographics and size. Partnerships may arise

from business connections, travel, similar business clusters and industries, or shared history. Sister City relationships are typically formalized when the two highest elected or appointed officials from each city/jurisdiction sign a memorandum of understand establishing the relationship. When researching countries and cities that would be ideal for Sister City relationships, Loudoun County looks to achieve several goals:

- Develop municipal partnerships between U.S. cities, counties, states and similar jurisdictions in other nations through which cultural, educational, business, and technical exchanges take place.
- Provide opportunities for city officials and citizens to experience and explore other cultures through long-term community partnerships.
- Create an atmosphere in which economic and community development can be implemented and strengthened.
- Stimulate environments through which communities will creatively learn, work and solve problems together through reciprocal cultural, educational, municipal, business, professional and technical exchanges and projects.
- Collaborate with organizations in the United States and other countries which share similar goals.
- Other criteria as determined by the Board of Supervisors.

Currently, Loudoun County has Sister City partnerships with the county of Main-Taunus-Kreis in Germany; Goyang City in South Korea; the city of New Taipei, Taiwan; Shunyi District of Beijing, China; and Karsiyaka Municipality in Turkey; and a friendship agreement with Gangneung City in South Korea. These partnerships promote economic, cultural and student exchange, and staff exchange programs. When looking for ideal Sister City relationships, it has been important to find cities and districts with economic, geographic, and cultural commonalities to Loudoun County. These include: a Major International Airport, a robust economy, a strong Information/Technology presence, and a thriving agricultural industry.

The County has been successful in finding the following commonalities with our Sister Cities:

- **Main-Taunus-Kreis, Germany** has a population of around 230,000 and lies within the greater Frankfurt metropolitan region. Sixty-percent of Main-Taunus-Kreis is agricultural and forest land and has active agricultural sectors including fruit, wine, and cheese production. In addition, with its close proximity to major German transport hubs (Frankfurt Airport, the Frankfurter Kreuz interstate interchange, and Frankfurt Central Station), it also has a commercial sector with 17,300 registered companies and is home to global operations of companies like Coca-Cola, Procter & Gamble, Samsung, and Deutsche Bank. Educational, cultural and staff exchange programs have taken place with Main-Taunus-Kreis.
- **Goyang City, South Korea** has a population of around one million residents and is located north of Seoul, the capital of Korea. Goyang City has a thriving agricultural economy and growing tourism industry. Additionally, Goyang is home to Korean broadcasting

companies. Goyang City is also proximate to the upcoming 2018 Winter Olympics. Educational and staff exchange programs have taken place with Goyang City.

- **Gangneung City, South Korea** is a port city on the east coast of South Korea, with a population of 230,000. Gangneung is the economic center of the Yeongdong region of Gangwon Province. The Korean Air Force is based in Gangneung, and the air base formerly doubled as a civilian airport. Gangneung also will host many of the indoor events at the 2018 Winter Olympics.
- **New Taipei, Taiwan** has an estimated population of over 3.9 million and is situated in the northern part of Taiwan surrounding the country's capital, New Taipei City, Banqiao District. The region's major industries include tourism, technology and government services.
- **Shunyi District, China** is part of the capitol city of Beijing, and has a population of approximately 1,000,000 people. The Beijing Capital International Airport is surrounded by Shunyi, and the primary economic clusters are Aviation, Information Technology, and Agriculture, closely mirroring Loudoun County. Shunyi was also the site of the rowing, canoeing, and kayaking competitions for the 2008 Olympic Games. In May 2016, Loudoun County participated in the signing of a marketing agreement between Washington-Dulles International and Beijing Capital International Airports.
- **Karsiyaka Municipality, Turkey** is located outside the port city of Izmir and has population of approximately 315,000 people. Thus far, this has been primarily a partnership of cultural and municipal exchange with no focused economic development efforts to date. Karsiyaka is what many in the U.S. would consider a suburb of Izmir, with the population largely working in Izmir and living in Karsiyaka. The citizens pride themselves on their high quality education, boasting 1 teacher for every 24 students, and a literacy rate of 92 percent; one of the highest in the Middle East.

Loudoun's established Sister City partnerships have been very helpful to DED's economic development efforts by providing strategic introductions for international relationships and foreign direct investment. As DED continues to fine-tune and deploy its international development strategy, current and future formalized relationships with international jurisdictions will allow the department to focus its limited resources on specific markets. While cultural and municipal exchange is an important aspect of Sister City partnerships, DED will consider future Sister City agreements based on the potential for business development. DED will conduct extensive research and analysis related to trends and projections of countries and locations that are currently economically strong (namely Europe and Asia) but also promising under-represented markets; doing so will yield more direct business development benefits.

ISSUES: With the exception of Shunyi District, China and Goyang and Gangneung Cities in South Korea, Sister City partnerships approved by the Board are mostly focused on cultural, educational and staff exchanges. One example is student exchange programs. Under DED's international economic development strategy, Sister City partnerships are identified based on commonalities between venues such as major international airports, proximity to major seaports, and agricultural and commercial interactions. Future Sister City partnerships will focus on these commonalities and mutual interests.

Logistics for these cultural, educational, and staff exchange programs, which involved the Loudoun County Government, were primarily handled by the former Board Chair's office. An example of this logistical coordination would be the former Chair's office coordinating the visit of a cultural exchange delegation to tour Loudoun County.

Future Administration of the Sister City Program

Staff recommends that the Board provide additional guidance on the Sister City Program. First, staff recommends that the Board adopt criteria for active Sister City relationships. Second, staff recommends that the Board provide direction to the County Administrator to designate a primary point of contact with Loudoun's Sister Cities. The point of contact will be responsible for evaluating and disseminating information to the Board and appropriate staff based off recommended criteria outlined below. Establishing this framework will help the Board and staff to consistently manage Sister City relationships.

Active Sister City Relationships

While Loudoun currently has six identified Sister City relationships, staff recommends that the Board designate certain Sister City relationships as active. The criteria for active Sister Cities would include one or more of the following elements:

- Recent or planned delegation visits of elected officials.
- Recent or planned student exchanges.
- Recent or planned cultural exchanges.
- Current collaboration on economic development prospects or leads.
- Staff exchanges or other collaborative information sharing.

Following Board adoption of the criteria outlined above, staff would return to the FGOEDC with recommendations to designate qualifying Sister Cities as active. Staff recommends that the active status of Sister Cities be reviewed by the FGOEDC on an annual basis.

Primary Point of Contact

The County Administrator will designate a primary point of contact who will serve as the liaison with Loudoun's active Sister Cities. This primary point of contact will maintain regular contact with the active Sister Cities to communicate about issues of mutual interest, such as delegation

visits, staff communication, economic development inquiries, and educational and cultural exchanges. The primary point of contact will facilitate appropriate communication between officials in Sister Cities, Board Members or staff as appropriate.

Process for Handling Requests from Sister Cities

Sister Cities often make requests of Loudoun County to provide information, perform certain actions or host various events. To handle these requests, staff recommends that two broad definitions be established for the types of requests: "functional" and "ceremonial." The matrix in Table 1 below highlights the purpose of the staff recommendation and includes the recommended roles and responsibilities of Board offices and staff for each type of request.

Table 1 – Definitions, Roles and Responsibilities for Functional and Ceremonial Requests

| | Functional Request | Ceremonial Request |
|------------------------------|--|---|
| <i>Definition:</i> | Requests for information of a programmatic nature that can be handled by staff. | Visits and communication involving elected officials that is most appropriate for elected-official-to-elected-official interaction. |
| <i>Example(s):</i> | A Sister City requests information about conducting business in Loudoun, or requests use of a county facility. | Sister City delegation visits to Loudoun County/invitations to visit Sister Cities. |
| <i>Board Office(s) Role:</i> | None; however, the primary point of contact will assure the Board's situational awareness as appropriate. | A Board office or offices will be required to sponsor a ceremonial event. For example, for a delegation visit to Loudoun County, the sponsoring Board office would hold primary responsibility for the development of events, an itinerary and welcoming the delegation. Additionally, the sponsoring Board office(s) would be responsible for coordinating funding for logistics such as meals or lodging. |

| | Functional Request | Ceremonial Request |
|---|---|--|
| <i>Staff Primary Point of Contact Role:</i> | The Primary Point of Contact will evaluate the request and route it to appropriate staff, such as DED if appropriate, or to an outside organization, such as the Loudoun County Public Schools, and ensures closure on the inquiry. | The staff primary point of contact will forward ceremonial requests to the entire Board to gauge Board Office sponsorship interest. The primary staff point of contact will also provide needed appropriate logistical assistance, such as reserving County facilities for official functions; facilitating staff presentations; and coordinating transportation on County vehicles. If no Board office is willing to sponsor the ceremonial request, the staff primary point of contact will inform the Sister City as appropriate. |

FISCAL IMPACT: The Sister City Program can be administered as outlined in this item without additional staff resources. Future Sister City additions may require additional staff resources to be identified.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Sister Cities program be administered as outlined in the June 14, 2016 Action Item.

AND

I further move that Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that staff return to the Finance/Government Operations and Economic Development Committee with a recommendation to designate qualifying Sister Cities as active.

OR

2. I move an alternate motion.

Date of Meeting: June 14, 2016

5

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT AWARD/Utilities Relocation for Claiborne Parkway – Columbia Gas Transmission, LLC**

ELECTION DISTRICT: Dulles

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Melissa Tello, Transportation and Capital Infrastructure
Joe Kroboth, Transportation and Capital Infrastructure
Cheryl Middleton, Finance and Procurement
Belkys Escobar, Assistant County Attorney

PURPOSE: To award a utilities relocation contract to Columbia Gas Transmission, LLC (CGT) for the Claiborne Parkway project.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors (Board) authorize the Purchasing Agent to award a contract for the relocation of utilities for the construction of the Claiborne Parkway project to CGT in the estimated amount of \$1,700,971.

BACKGROUND: The Claiborne Parkway project will construct a new four lane median divided roadway between Ryan Road and Croson Lane. At their September 20, 2011 Business Meeting the Board appropriated and transferred \$585,595 in cash proffers to be used for the design of Claiborne Parkway. On April 17, 2012, the Board approved the contract award for Roadway and Civil Design Services for Claiborne Parkway to Bowman Consulting Group, Ltd. In September 2013, the County and Virginia Department of Transportation (VDOT) executed a Programmatic Project Administration Agreement for the revenue sharing of the design and construction of Claiborne Parkway. On September 17, 2014, the Board appropriated and transferred an additional \$400,000 in cash proffers to the Claiborne Parkway project.

The design of the Claiborne Parkway roadway project was approved by the VDOT and Department of Building and Development in 2014. There are two (2) Columbia Gas Transmission (CGT) natural gas transmission lines (26" diameter each) that cross the alignment for the future Claiborne Parkway project. CGT maintains a fifty (50) feet wide easement (25' on either side) for each gas line. CGT was originally engaged by the Department of Transportation and Capital Infrastructure (DTCI) for coordination of the construction phase and for a preliminary engineering assessment

of the condition of the gas lines. Through the course of that coordination process, it was confirmed that due to the design elevation of the roadway, the maximum coverage permitted by CGT would be exceeded; therefore, requiring a vertical relocation of the lines and that CGT would require the project to bear that cost.

The County's design consultant initiated discussions with CGT in May 2012 to outline the roadway project scope and discuss the impacts, if any, on adjacent utilities. At that time, staff and our design consultant requested technical design information relative to the gas line and its relationship to the road project. In February and March 2013 on-site coordination meetings were held with the CGT. In May 2013, the County's design consultant was notified that CGT had determined that the gas transmission lines did not need to be relocated due to the Claiborne Parkway project. CGT indicated they would had initiated an engineering analysis of the transmissions lines in anticipation of CGT completing a transmission line replacement project that included the lines in the area of Claiborne Parkway. CGT advised they would issue a "no objection" letter and their specifications for work adjacent to the existing lines (to date the County has not received written confirmation of this determination). CGT continued with the engineering analysis of the lines to support their replacement project. At some point in calendar year 2014, they discontinued their efforts to replacement the existing lines. The County's design consultant continued to attempt coordination with CGT, leaving several messages and requests for updated information through August 2015.

Following the coordination of the CGT transmission line conflicts on the Mooreview Parkway project, and recognizing the CGT had not issued the "no objection" determination letter, county staff consulted again with CGT to re-affirm their position and obtain clearance to move toward construction. CGT advised a new engineering analysis of the transmission lines would be required. On March 8, 2016, DTCI contracted with CGT to deliver a Preliminary Engineering Study. DTCI received the Preliminary Engineering Study on April 29, 2016 and subsequently a project schedule on May 13, 2016 (Attachment 1). CGT has identified a relocation cost of \$1,700,971 (Attachment 2). From the Preliminary Engineering Study, CGT, developed a Scope of Work and Special Conditions (VB Line Attachment 3, VB Loop Line Attachment 4) and engineering drawings (Attachment 5) describing the relocation work to be completed.

The CGT requires the County to enter into a "Pipeline Relocation and Reimbursement Agreement" prior to the execution of any gas line relocation work. CGT developed a proposed project schedule and delivered the schedule to the County on May 13, 2016. The proposed agreement (Attachment 6) requests payment of one-half of the initial cost estimate prior to the scheduling of the work. The remaining balance of the cost estimate is to be paid within ten (10) days of completion of the first crossing. Following the completion of the second transmission line crossing, a reconciliation of actual costs will be invoiced, if any. This cost includes the vertical relocation of both 26-inch diameter transmission lines. The requested contract award is a sole source contract because CGT, as the owner of the utility, is the only firm that may relocate its assets.

ISSUES: In recent weeks, the terms of the Agreement with CGT for their relocation work has been in review. County staff submitted several comments and questions to CGT relating to the Scope of Work and Special Conditions, Cost Estimate, design drawings, and relocation schedule

and draft Agreement. The CGT response is provided as Attachment 7. Upon execution of the Agreement, CGT plans to complete the relocation work by November 2016; however, this commitment is weather permitting particularly as CGT has alerted the relocation project may be delayed in the period from October to February, which is the high demand heating season. Staff will continually monitor the activity of CGT and plans to advertise the Invitation for Bid for the construction of the Claiborne Parkway project shortly after CGT initiates relocation work for the first transmission line. The utility relocation work for both conflicting lines must be completed before the County can issue a Notice to Proceed to the County's contractor, and based on the duration of the CGT relocation work, it is likely that the road construction will not begin until spring 2017. If for some reason, CGT is delayed and unable to complete one or both line relocations in calendar year 2016, CGT will reschedule their work for some time after February 2017 through October 2017. If this occurs, the Claiborne Parkway project will experience an additional 12 – 15 month delay. Once roadway construction begins, the estimated time to complete the road construction is 16 months.

FISCAL IMPACT: The current available balance of the Claiborne Parkway project in the Capital Fund is \$6,127,034.70. Sufficient funding is available in the Claiborne Parkway project to award the contract to CGT for the natural gas transmission line relocation in the estimated amount of \$1,700,971. Typically an additional 10% is budgeted for unforeseen conditions and listed as a contingency (assumed at \$170,000, see Table 1 below). If approved by the Board, the purchase order will be issued for the original estimate amount. Following award of the gas line relocation contract, the available balance in the project will be \$4,256,063.70.

The current construction cost estimate¹ for the Claiborne Parkway project is summarized as follows:

Table 1 - Summary of Construction Cost Estimate for Claiborne Parkway:

| Cost Component | Cost Value |
|---|-----------------------|
| Engineer's construction cost estimate (as of May 5, 2016) | \$5,344,022.40 |
| Construction contingency (@ 10% rounded) | \$535,000.00 |
| Third party construction engineering and VDOT acceptance | \$665,000.00 |
| Sub-total for Construction | \$6,544,022.40 |
| Columbia Gas Transmission relocation estimate (as of April 29, 2016) | \$1,700,971.00 |
| Columbia Gas Transmission relocation, contingency (@ 10% rounded) | \$170,000.00 |
| Sub-total for Gas Line Relocation | \$1,870,971.00 |
| Cost estimate for roadway construction and gas line relocation | \$8,414,993.40 |

¹ The roadway construction cost estimate has been adjusted based on more recent information. The prior estimate was \$6,967,850 as previously reported in Capital Projects Quarterly Reports.

Because the available balance on the project will be \$4,256,063.70 after award of the contract for gas line relocation, supplemental funding in the amount of \$2,287,958.70 will be required to award the future construction contract. Staff is currently researching options for supplemental funding to be presented with the contract award for the construction of Claiborne Parkway following the project's bid.

This project is funded partially by VDOT Revenue Sharing funds. As such, the project must be completed in accordance with the VDOT Locally Administered Projects Manual and VDOT policies. The utility relocation work is eligible for the VDOT reimbursement as the utility is directly impacted by the road project.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to award a contract to CGT in the estimated amount of \$1,700,971 for the Claiborne Parkway project.

OR

2. Do not recommend award of contract and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance, Government Operations and Economic Development Committee recommend that the Board of Supervisors authorize the Purchasing Agent to award a contract to Columbia Gas Transmission, LLC in the estimated amount of \$1,700,970.95 for the Claiborne Parkway project.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Columbia Gas Transmission's proposed project schedule, dated May 9, 2016, submitted to County on May 13, 2016.
2. Columbia Gas Transmission estimate of cost.
3. Columbia Gas Transmission, Scope of Work and Special Conditions for the relocation of the VB East Line natural gas transmission line, dated April 12, 2016, submitted to the County on April 29, 2016.
4. Columbia Gas Transmission, Scope of Work and Special Conditions for the relocation of the VB Loop Line natural gas transmission line, dated April 12, 2016, submitted to the County on April 29, 2016.

5. Columbia Gas Transmission, VB East & VB Loop, Design Drawings – Mechanical, dated April 18, 2016, Submitted to the County on April 29, 2016.
6. Draft Pipeline Relocation and Reimbursement Agreement between Loudoun County and Columbia Gas Transmission, LLC
7. Columbia Gas Transmission’s response to County staff generated comments and questions, dated June 2, 2016, Submitted to County on June 7, 2016.

| CHARLESTON - 2016 VIRGINIA RELOCATION PROGRAM SCHEDULE | | 22306 - CLAIBORNE PARKWAY EXTENSION - VB / VB LOOP | | | DATA DATE: 09-May-16 PRINT: 13-May-16 11:51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-------------|-------------|--|------|------|--------|-----------|---------|----------|----------|---|----|---|---|----|---|---|----|---|---|----|---|----|---|---|----|---|---|----|---|----|---|---|----|---|---|----|---|
| Activity ID | Activity Name | Remaining Duration | Start | Finish | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | May | June | July | August | September | October | November | December | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22306 - VIRGINIA RELOCATION - CLAIBORNE PARKWAY EXTENSION - VB / VB LOOP | | | | | 2 | 01 | 0 | 1 | 22 | 2 | 0 | 12 | 1 | 26 | 0 | 1 | 17 | 2 | 3 | 07 | 1 | 2 | 28 | 0 | 11 | 1 | 2 | 02 | 0 | 1 | 23 | 3 | 06 | 1 | 2 | 27 | 0 | 1 | 18 | 2 |
| | | 129 | 08-Mar-16 A | 08-Nov-16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 81 | 08-Mar-16 A | 31-Aug-16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2570 | DEVELOP SCOPE OF WORK / BID PACKAGE - CLAIBORNE PARKWAY EXTENSION | 26 | 08-Mar-16 A | 14-Jun-16 | DEVELOP SCOPE OF WORK / BID PACKAGE - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CON2080 | PLACE MATERIAL ORDER - CLAIBORNE PARKWAY EXTENSION | 0 | 25-Apr-16 A | 25-Apr-16 A | PLACE MATERIAL ORDER - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2480 | DEVELOP ENGINEERING REPORT - CLAIBORNE PARKWAY EXTENSION | 0 | 25-Apr-16 A | 29-Apr-16 A | DEVELOP ENGINEERING REPORT - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CON2090 | PROCURE / DELIVER MATERIAL - CLAIBORNE PARKWAY EXTENSION | 34 | 25-Apr-16 A | 24-Jun-16 | PROCURE / DELIVER MATERIAL - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2580 | BID PROCESS - CLAIBORNE PARKWAY EXTENSION | 10 | 15-Jun-16 | 28-Jun-16 | BID PROCESS - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2590 | REVIEW / EVALUATE / RECOMMEND BIDS - CLAIBORNE PARKWAY EXTENSION | 4 | 29-Jun-16 | 05-Jul-16 | REVIEW / EVALUATE / RECOMMEND BIDS - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2600 | CREATE / AWARD INSTALLATION PO - CLAIBORNE PARKWAY EXTENSION | 4 | 06-Jul-16 | 11-Jul-16 | CREATE / AWARD INSTALLATION PO - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CON2210 | EXECUTE SOW - MOOREVIEW PARKWAY - VB / VB LOOP [TENTATIVE] | 30 | 21-Jul-16* | 31-Aug-16 | EXECUTE SOW - MOOREVIEW PARKWAY - VB / VB LOOP [TENTATIVE] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| STRADDLE AGREEMENT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2650 | LOUDOUN COUNTY APPROVE STRADDLE AGREEMENT FOR EARLY PERMITTING - CLAIBORNE PARKWAY EXTENSION | 1 | 17-May-16* | 17-May-16 | LOUDOUN COUNTY APPROVE STRADDLE AGREEMENT FOR EARLY PERMITTING - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PER1760 | DEVELOP / REVIEW / APPROVE ENVIRONMENTAL MANAGEMENT & CONSTRUCTION PLAN [EM&CP] | 65 | 18-May-16 | 18-Aug-16 | DEVELOP / REVIEW / APPROVE ENVIRONMENTAL MANAGEMENT & CONSTRUCTION PLAN [EM&CP] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CON2110 | EXECUTE SOW - CLAIBORNE PARKWAY EXTENSION | 30 | 19-Aug-16 | 30-Sep-16 | EXECUTE SOW - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RELOCATION AGREEMENT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENG2660 | LOUDOUN COUNTY APPROVE / REJECT RELOCATION AGREEMENT - CLAIBORNE PARKWAY EXTENSION | 1 | 24-Jun-16* | 24-Jun-16 | LOUDOUN COUNTY APPROVE / REJECT RELOCATION AGREEMENT - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PER1850 | DEVELOP / REVIEW / APPROVE ENVIRONMENTAL MANAGEMENT & CONSTRUCTION PLAN [EM&CP] | 65 | 27-Jun-16 | 27-Sep-16 | DEVELOP / REVIEW / APPROVE ENVIRONMENTAL MANAGEMENT & CONSTRUCTION PLAN [EM&CP] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CON2200 | EXECUTE SOW - CLAIBORNE PARKWAY EXTENSION | 30 | 28-Sep-16 | 08-Nov-16 | EXECUTE SOW - CLAIBORNE PARKWAY EXTENSION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ASSUMPTIONS AND QUALIFICATIONS:

- * ASSUMES IFB PACKAGE FROM 3RD PARTY ENGINEERING BY JUNE 14, 2016
- * ASSUMES LOUDOUN COUNTY AGREES TO & SIGNS STRADDLE AGREEMENT BY MAY 17, 2016
- * ASSUMES LOUDOUN COUNTY APPROVES / REJECTS RELOCATION AGREEMENT BY JUNE 24, 2016
- * ASSUMES GAS MARKET WILL ALLOW OUTAGE DURING THESE PROPOSED TIME FRAMES

█ Actual Work █ Critical Remaining Work
█ Remaining Work ◆ Milestone

TENTATIVE PROJECT SCHEDULE - FOR REVIEW ONLY
PAGE 1 OF 1

CONFIDENTIAL
FOR INTERNAL USE ONLY

Estimate Summary Report

| | | | |
|----------------------|---|----------------------|-----------------|
| PROJECT NAME: | Claiborne Relocation VB / VB Loop | REVISION NO. | |
| SCOPE NAME: | | GATE | +40/-20% Gate 1 |
| SCOPE OF WORK | Relocation of line VB / VB loop at Claiborne Parkway, in Loudoun County, VA | | |
| | | ESTIMATE DATE | 4/13/2016 |

| | | Estimate | % of total |
|----------------------|--------------------------------------|-----------------------|-----------------|
| Direct Cost | | | |
| 1 | Environmental | \$48,894.08 | 2.87 % |
| 2 | Legal/ Government Affairs & Outreach | \$12,774.40 | 0.75 % |
| 3 | Right of Way | \$82,387.20 | 4.84 % |
| 3a | Land Acquisiton/ROW | \$7,387.20 | |
| 4 | Engineering | \$93,387.68 | 5.49 % |
| 4a | Engineering | \$68,387.68 | |
| 4b | Survey | \$25,000.00 | |
| 5 | Material | \$104,240.00 | 6.13 % |
| 5a | Pipe, Valve & Fitting | \$79,840.00 | |
| 5b | Engineering Items | \$0.00 | |
| 5c | Other Material | \$24,400.00 | |
| 6 | Removal / Demolitions | \$0.00 | 0.00 % |
| 7 | Installing & Maintaining | \$984,275.03 | 57.87 % |
| 7a | Prime Construction | \$947,945.84 | |
| 7b | Other Construction | \$0.00 | |
| 7c | Other Cost | \$25,140.55 | |
| 7d | Project Mgt & Controls | \$9,588.64 | |
| 8 | Inspection | \$125,593.28 | 7.38 % |
| 8a | Construction Inspection | \$72,593.28 | |
| 8b | X-Ray Inspection | \$25,000.00 | |
| 8c | Environmental Inspection | \$28,000.00 | |
| 9 | Commissiioning | \$0.00 | 0.00 % |
| | Total Direct Cost | \$1,451,551.67 | 85.34 % |
| Indirect Cost | | | |
| 10a | AGSEO | \$98,995.82 | 5.82 % |
| 10b | AFUDC/IDC Overheads | \$5,268.29 | 0.31 % |
| 11a | Contingency | \$145,155.17 | 8.53 % |
| 11b | Escalation | \$0.00 | 0.00 % |
| 12a | Reimbursements | \$0.00 | 0.00 % |
| 12b | Tax Gross UP | \$0.00 | 0.00 % |
| | Total Indirect Cost | \$249,419.28 | 14.66 % |
| | Total Cost Estimate | \$1,700,970.95 | 100.00 % |

Estimate Summary Report

| | | | |
|----------------------|---|----------------------|-----------------|
| PROJECT NAME: | Claiborne Relocation VB / VB Loop | REVISION NO. | |
| SCOPE NAME: | LINE VB LOOP LOUDOUN COUNTY VA CLAIBORNE | GATE | +40/-20% Gate 1 |
| SCOPE OF WORK | Relocation of line VB / VB loop at Claiborne Parkway, in Loudoun County, VA | | |
| | | ESTIMATE DATE | 4/13/2016 |

| | | Estimate | % of total |
|----------------------|---|---------------------|-----------------|
| Direct Cost | | | |
| 1 | Environmental | \$24,447.04 | 2.89 % |
| 2 | Legal/ Government Affairs & Outreach | \$6,387.20 | 0.76 % |
| 3 | Right of Way | \$41,193.60 | 4.88 % |
| 3a | Land Acquisiton/ROW | \$3,693.60 | |
| 4 | Engineering | \$46,693.84 | 5.53 % |
| 4a | Engineering | \$34,193.84 | |
| 4b | Survey | \$12,500.00 | |
| 5 | Material | \$51,240.00 | 6.07 % |
| 5a | Pipe, Valve & Fitting | \$39,040.00 | |
| 5b | Engineering Items | \$0.00 | |
| 5c | Other Material | \$12,200.00 | |
| 6 | Removal / Demolitions | \$0.00 | 0.00 % |
| 7 | Installing & Maintaining | \$488,117.23 | 57.78 % |
| 7a | Prime Construction | \$469,847.92 | |
| 7b | Other Construction | \$0.00 | |
| 7c | Other Cost | \$12,674.99 | |
| 7d | Project Mgt & Controls | \$4,794.32 | |
| 8 | Inspection | \$62,796.64 | 7.43 % |
| 8a | Construction Inspection | \$36,296.64 | |
| 8b | X-Ray Inspection | \$12,500.00 | |
| 8c | Environmental Inspection | \$14,000.00 | |
| 9 | Commissiioning | \$0.00 | 0.00 % |
| | Total Direct Cost | \$720,875.55 | 85.34 % |
| Indirect Cost | | | |
| 10a | AGSEO | \$49,163.71 | 5.82 % |
| 10b | AFUDC/IDC Overheads | \$2,616.36 | 0.31 % |
| 11a | Contingency | \$72,087.56 | 8.53 % |
| 11b | Escalation | \$0.00 | 0.00 % |
| 12a | Reimbursements | \$0.00 | 0.00 % |
| 12b | Tax Gross UP | \$0.00 | 0.00 % |
| | Total Indirect Cost | \$123,867.63 | 14.66 % |
| | Total Cost Estimate | \$844,743.18 | 100.00 % |

Estimate Summary Report

| | | | |
|----------------------|---|----------------------|-----------------|
| PROJECT NAME: | Claiborne Relocation VB / VB Loop | REVISION NO. | |
| SCOPE NAME: | LINE VB LOUDOUN COUNTY VA CLAIBORNE | GATE | +40/-20% Gate 1 |
| SCOPE OF WORK | Relocation of line VB / VB loop at Claiborne Parkway, in Loudoun County, VA | | |
| | | ESTIMATE DATE | 4/13/2016 |

| | | Estimate | % of total |
|----------------------|---|---------------------|-----------------|
| Direct Cost | | | |
| 1 | Environmental | \$24,447.04 | 2.86 % |
| 2 | Legal/ Government Affairs & Outreach | \$6,387.20 | 0.75 % |
| 3 | Right of Way | \$41,193.60 | 4.81 % |
| 3a | Land Acquisiton/ROW | \$3,693.60 | |
| 4 | Engineering | \$46,693.84 | 5.45 % |
| 4a | Engineering | \$34,193.84 | |
| 4b | Survey | \$12,500.00 | |
| 5 | Material | \$53,000.00 | 6.19 % |
| 5a | Pipe, Valve & Fitting | \$40,800.00 | |
| 5b | Engineering Items | \$0.00 | |
| 5c | Other Material | \$12,200.00 | |
| 6 | Removal / Demolitions | \$0.00 | 0.00 % |
| 7 | Installing & Maintaining | \$496,157.80 | 57.95 % |
| 7a | Prime Construction | \$478,097.92 | |
| 7b | Other Construction | \$0.00 | |
| 7c | Other Cost | \$12,465.56 | |
| 7d | Project Mgt & Controls | \$4,794.32 | |
| 8 | Inspection | \$62,796.64 | 7.33 % |
| 8a | Construction Inspection | \$36,296.64 | |
| 8b | X-Ray Inspection | \$12,500.00 | |
| 8c | Environmental Inspection | \$14,000.00 | |
| 9 | Commissiioning | \$0.00 | 0.00 % |
| | Total Direct Cost | \$730,676.12 | 85.34 % |
| Indirect Cost | | | |
| 10a | AGSEO | \$49,832.11 | 5.82 % |
| 10b | AFUDC/IDC Overheads | \$2,651.93 | 0.31 % |
| 11a | Contingency | \$73,067.61 | 8.53 % |
| 11b | Escalation | \$0.00 | 0.00 % |
| 12a | Reimbursements | \$0.00 | 0.00 % |
| 12b | Tax Gross UP | \$0.00 | 0.00 % |
| | Total Indirect Cost | \$125,551.65 | 14.66 % |
| | Total Cost Estimate | \$856,227.77 | 100.00 % |



SCOPE OF WORK AND SPECIAL CONDITIONS

COLUMBIA PIPELINE GROUP PROJECT B18738

**Claiborne Parkway
Line VB
Loudoun County, VA**

Prepared by:



April 12, 2016

**SCOPE OF WORK AND SPECIAL CONDITIONS
COLUMBIA PIPELINE GROUP
LINE VB - LOUDOUN COUNTY, VA
CLAIBORNE PARKWAY
PROJECT B18738**

Scope of Work

The Virginia Department of Transportation and Loudoun County, Virginia, will construct a new section of highway to connect the existing portion of Claiborne Parkway with Ryan Road (VA Route 772) once the CPG replacement is complete. The highway construction will impact the Columbia Pipeline Group pipeline easement for Line VB at approximate inventory stations 3936+75 to 3938+07 within Valve Section 10186. The existing Line VB is 26.00" OD, 0.281" WT, Grade X-52, A.O. Smith pipe with coal tar coating and was constructed in 1950. The pipeline at this location is in a Class 3 Location and is considered High-Consequence Area due to the population density. The established MAOP of the Line VB pipeline system is 674 psi, which is 60% SMYS for the existing pipe.

Remediation measures are necessary to accommodate the planned highway construction and to continue to operate and maintain a safe pipeline system. Remediation will be accomplished by replacing the existing pipe within the proposed limits of the highway right-of-way (ROW), using the lift-and-lay procedure. This procedure is performed by lifting the existing pipe and laying new pipe in the same trench. It is proposed that the existing pipe be replaced with 26.00" OD, 0.375" WT, Grade X-65 pipe. The new pipe section will be prefabricated on site. All welds will be nondestructively inspected, the weld areas coated, all coating holidays repaired, and the pipe section hydrostatically tested prior to removal of the existing pipe.

Line VB will be shut in and the gas evacuated from the Mainline Valve at Loudoun Compressor station to the Mainline Valve at Shellhorne Road. Gas flow will be diverted to the adjacent pipeline, Line VB Loop. During the planned construction season, this configuration will supply the volume of gas required to meet market demands.

When all systems are ready, the existing pipe will be excavated, separated on each side of the highway ROW, and lifted from the trench. The trench will then be re-graded to assure the proper depth and profile for the new pipe section.

The new pipe section will be positioned in the trench and tied in to the existing pipe on each end. All new welds will be nondestructively inspected and coated. When the tie-ins are completed and the pipeline is properly supported, Double Sack Breakers will be installed at each edge of the highway. The trench between the sack breakers will be backfilled with an approved backfilling procedure to the original ground level. The trench outside the breakers will be backfilled with select fill and compacted in accordance with CPG pipeline construction specifications.

Line VB will then be returned to service by purging and loading from Loudoun Compressor Station to Shellhorne Road and opening the mainline valves.

All disturbed areas outside the highway ROW will be cleaned up, seeded, fertilized, and mulched. Contractor shall stabilize the disturbed work area per the EM&CP.

It is assumed that Loudoun County contractors will remove existing trees and brush within the LOD.

All work performed on this project will be conducted in compliance with the Columbia Gas Transmission Construction Specifications.

Special Conditions

1. Access to the construction site will be from Early Light Place, North of the existing pipeline easement, to the Claiborne Parkway Highway ROW.
2. The construction work space consists of the existing 50' pipeline easement, an extra 25' of temporary construction easement, and the area between the two existing CPG ROWs. The pipeline easement and the extra temporary work space will be staked and cleared by the Pipeline Contractor, subject to CPG approval.
3. Temporary woven wire and post fencing will be installed along the easement boundaries to prevent the inadvertent encroachment of construction vehicles and equipment onto neighboring property.
4. Access to and from Early Light Place should be protected by installing a geotextile fabric and a minimum of 6" of 1-1/2" crusher run stone, or other approved stone size, approximately 25' wide by 50' long abutting Early Light Place and within the Loudon County limit of disturbance. The actual size of the pad may be determined by the width and length required for heavy trucks to unload construction equipment and material and to turn around. All material and installation cost of the stone access pad will be the responsibility of the Contractor. All stone and fabric will be removed and disposed of on final cleanup.
5. Material, including pipe, fittings (if required), line markers, etc., will be purchased by CPG to be delivered to a warehouse location in the vicinity (TBD) for temporary storage. The Pipeline Contractor will unload and store the material as directed by CPG. The Contractor will then load and haul material to job site as needed.
6. This construction will involve the operation of heavy equipment and excavation near or above Columbia's high-pressure pipelines. Each pipeline in the vicinity of planned excavation activities and equipment crossing locations shall be exposed and marked. Visible marking shall be maintained throughout the course of construction. Extra protection shall be provided to avoid damage to the existing pipelines, including the use of additional fill over the pipelines or swamp mats, if determined to be necessary by CPG's authorized representative. A line crossing permit will be required prior to commencement of construction activities.
7. Typical erosion and sediment control devices, as related to pipeline construction activities (consisting primarily of safety fence, silt fence, straw bales, and crushed stone), will be

installed and maintained by the Pipeline Contractor. Silt filtration bags may be required for trench dewatering incidents. Refer to the Sediment and Erosion Control Plan prepared specifically for this project.

8. All pipeline welds will be nondestructively inspected. All nonconforming defects will be repaired or replaced as specified in Columbia Gas Transmission Welding Specifications.
9. The Pipeline Contractor is responsible for measuring, engineering, fabricating, and installing the new road section to fit the existing pipe and maintain the existing depth. The tie-ins are to be completed with a minimum number of welds. No pipe or fittings are to be installed to complete tie-ins that have not been tested and approved. Extra pipe and fittings should be pre-tested with the road section to be available if needed for tie-ins.
10. The pipeline will cross under the planned location of a 30" storm sewer within the roadway and must be installed at a depth that will provide a minimum of 2' vertical clearance between the pipeline and the 30" RCP storm sewer.
11. The new pipe section will be hydrostatically tested to a minimum of 1,500 pounds per square inch gauge (psig) for a minimum of eight hours. The Pipeline Contractor shall be responsible for providing all instruments, equipment, and facilities necessary to conduct and properly document the test and to dewater and dispose of the test water. All gauges and deadweights must be accompanied with a recent calibration certificate.
12. The Pipeline Contractor will be responsible for acquiring and disposing of hydrostatic test water in compliance with Loudoun County environmental regulations.
13. When the pipeline has been isolated and purged, it will be separated from the existing pipe and lifted from the trench, cut into joint-size lengths, and removed from the ROW. Asbestos mitigation measures may be required when removing existing coating from the pipe to make the cuts.
14. The Pipeline Contractor will take possession of the removed pipe and is expected to sign a legal document absolving CPG from any and all liability regarding the future use of the pipe. The "Pipe Removal" pay item may reflect a credit to CPG for the value of the used 26" pipe minus the removal cost.
15. When tie-ins are complete and the pipe section is properly supported, Double Sack Breakers will be installed at each edge of the highway. The trench between the Double Sack Breakers will be backfilled with no less than 2-feet of flowable fill over top of the pipe and compacted backfill, per the VDOT specification, to the original ground level. The trench outside the breakers will be filled with select backfill material and compacted with mechanical tampers.
16. The Pipeline Contractor will install permanent line markers and cathodic test stations as required and directed by CPG.



SCOPE OF WORK AND SPECIAL CONDITIONS

COLUMBIA PIPELINE GROUP PROJECT B18738

**Claiborne Parkway
VB Loop
Loudoun County, VA**

Prepared by:



April 12, 2016

**SCOPE OF WORK AND SPECIAL CONDITIONS
COLUMBIA PIPELINE GROUP
VB LOOP - LOUDOUN COUNTY, VA
CLAIBORNE PARKWAY
PROJECT B18738**

Scope of Work

The Virginia Department of Transportation and Loudoun County, Virginia, will construct a new section of highway to connect the existing portion of Claiborne Parkway with Ryan Road (VA Route 772) once the CPG replacement is complete. The highway construction will impact the Columbia Pipeline Group pipeline easement for Line VB Loop at approximate inventory stations 3920+94 to 3922+19 within Valve Section 10186. The existing Line VB Loop is 26.00" OD, 0.281" WT, Grade X-52, A.O. Smith pipe with coal tar coating and was constructed in 1954. The pipeline at this location is in a Class 3 Location and is considered a high-consequence area due to the population density. The established MAOP of the Line VB Loop Pipeline system is 674 psi, which is 60% SMYS for the existing pipe.

Remediation measures are necessary to accommodate the planned highway construction and to continue to operate and maintain a safe pipeline system. Remediation will be accomplished by replacing the existing pipe within the proposed limits of the highway right-of-way (ROW) using the lift-and-lay procedure. This procedure is performed by lifting the existing pipe and laying new pipe in the same trench. It is proposed to replace the existing pipe with 26.00" OD, 0.375" WT, Grade X-65 pipe. The new pipe section will be prefabricated on site. All welds will be nondestructively inspected, the weld areas coated, all coating holidays repaired, and the pipe section hydrostatically tested prior to removal of the existing pipe.

Line VB Loop will be shut in and the gas evacuated from the Mainline Valve at Loudoun Compressor Station to the Mainline Valve at Shellhorne Road. Gas flow will be diverted to the adjacent pipeline, Line VB Loop. During the planned construction season, this configuration will supply the volume of gas required to meet market demands.

When all systems are ready, the existing pipe will be excavated, separated on each side of the highway ROW, and lifted from the trench. The trench will then be re-graded to assure the proper depth and profile for the new pipe section.

The new pipe section will be positioned in the trench and tied in to the existing pipe on each end. All new welds will be nondestructively inspected and coated. When the tie-ins are completed and the pipeline is properly supported, Double Sack Breakers will be installed at each edge of the highway. The trench between the sack breakers will be backfilled with an approved backfilling procedure to the original ground level. The trench outside the breakers will be backfilled with select fill and compacted in accordance with CPG pipeline construction specifications.

Line VB will then be returned to service by purging and loading from Loudoun Compressor Station to Shellhorne Road and opening the mainline valves.

All disturbed areas outside the highway ROW will be cleaned up, seeded, fertilized, and mulched. Contractor shall stabilize the disturbed work area per the EM&CP.

It is assumed that Loudoun County contractors will remove existing trees and brush within the LOD.

All work performed on this project will be conducted in compliance with the Columbia Gas Transmission Construction Specifications.

Special Conditions

1. Access to the construction site will be from Early Light Place, North of the existing pipeline easement, to the Claiborne Parkway Highway ROW.
2. The construction work space consists of the existing 50' pipeline easement and the area between the two existing CPG ROWs. The pipeline easement outside of Loudon County limit of disturbance will be staked and cleared by the Pipeline Contractor subject to CPG approval.
3. Temporary woven wire and post fencing will be installed along the easement boundaries to prevent inadvertent encroachment of construction vehicles and equipment onto neighboring property.
4. Access to and from Early Light Place should be protected by installing a geotextile fabric and a minimum of 6" of 1-1/2" crusher run stone, or other approved stone size, approximately 25' wide by 50' long abutting Early Light Place and within the Loudon County limit of disturbance. The actual size of the pad may be determined by the width and length required for heavy trucks to unload construction equipment and material and to turn around. All material and installation cost of the stone access pad will be the responsibility of the Contractor. All stone and fabric will be removed and disposed of on final cleanup.
5. Material, including pipe, fittings (if required), line markers, etc., will be purchased by CPG to be delivered to a warehouse location in the vicinity (TBD) for temporary storage. The Pipeline Contractor will unload and store the material as directed by CPG. The Contractor will then load and haul material to the job site as needed.
6. This construction will involve the operation of heavy equipment and excavation near or above Columbia's high-pressure pipelines. Each pipeline in the vicinity of planned excavation activities and equipment crossing locations shall be exposed and marked. Visible marking shall be maintained throughout the course of construction. Extra protection shall be provided to avoid damage to the existing pipelines, including the use of additional fill over the pipelines or swamp mats, if determined to be necessary by CPG's authorized representative. A line crossing permit will be required prior to commencement of construction activities.
7. Typical erosion and sediment control devices, as related to pipeline construction activities (consisting primarily of safety fence, silt fence, straw bales, and crushed stone), will be installed and maintained by the Pipeline Contractor. Silt filtration bags may be required for trench dewatering incidents. Refer to the Sediment and Erosion Control Plan prepared specifically for this project.

8. All pipeline welds will be nondestructively inspected. All nonconforming defects will be repaired or replaced as specified in Columbia Gas Transmission Welding Specifications.
9. The Pipeline Contractor is responsible for measuring, engineering, fabricating, and installing the new road section to fit the existing pipe and maintain the existing depth. The tie-ins are to be completed with a minimum number of welds. No pipe or fittings are to be installed to complete tie-ins that have not been tested and approved. Extra pipe and fittings should be pre-tested with the road section to be available if needed for tie-ins.
10. The pipeline will cross under the planned location of a 45" by 29" Elliptical Storm Sewer within the roadway and must be installed at a depth that will provide a minimum of 2' vertical clearance between the pipeline and the 45" by 29" elliptical concrete pipe.
11. The new pipe section will be hydrostatically tested to a minimum of 1,500 pounds per square inch gauge (psig) for a minimum of eight hours. The Pipeline Contractor shall be responsible for providing all instruments, equipment, and facilities necessary to conduct and properly document the test and dewater and dispose of the test water. All gauges and deadweights must be accompanied with a recent calibration certificate.
12. The Pipeline Contractor will be responsible for acquiring and disposing of hydrostatic test water in compliance with Loudoun County environmental regulations.
13. When the pipeline has been isolated and purged, the pipe to be removed will be separated from the existing pipe and lifted from the trench, cut into joint-size lengths, and removed from the ROW. Asbestos mitigation measures may be required when removing existing coating from the pipe to make the cuts.
14. The Pipeline Contractor will take possession of the removed pipe and is expected to sign a legal document absolving CPG from any and all liability regarding future use of the pipe. The "Pipe Removal" pay item may reflect a credit to CPG for the value of the used 26" pipe minus the removal cost.
15. When tie-ins are complete and the pipe section is properly supported, Double Sack Breakers will be installed at each edge of the highway. The trench between the Double Sack Breakers will be backfilled with no less than 2-feet of flowable fill over top of the pipe and compacted backfill, per the VDOT specification, to the original ground level. The trench outside the breakers will be filled with select backfill material and compacted with mechanical tampers.
16. The Pipeline Contractor will install permanent line markers and cathodic test stations, as required and directed by CPG.

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| ISSUE | DRAWING NUMBER |



VB EAST & VB LOOP

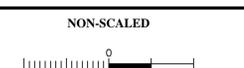
CLAIBORNE PKWY RELOCATION
 ENGINEERING SERVICES - DESIGN - PROJECT # 22306 / 22307
 DESIGN DRAWINGS - MECHANICAL

DESIGN DRAWINGS

- | | |
|---------------|---------------------------------------|
| TD-7062-COVER | COVER SHEET |
| TD-7062-NOTES | GENERAL NOTES |
| TD-7062-100 | OVERALL ROUTE MAP |
| TD-7062-1103 | 26" VB EAST PIPELINE - PLAN & PROFILE |
| TD-7062-1104 | 26" VB LOOP PIPELINE - PLAN & PROFILE |

ATTACHMENT 5

PRELIMINARY
DATE: 4/27/2016



DESIGN PRESSURE _____ PSIG AT _____ °F (_____ DESIGN FACTOR); MAXIMUM HOOP STRESS LEVEL _____
 AT _____ PSIG _____ % SMYS, BASED ON _____
 MAOP OF _____ PSIG AT _____ °F IS LIMITED BY _____
 MINIMUM TEST PRESSURE _____ PSIG; MAXIMUM TEST PRESSURE _____ PSIG.
 TEST LIMITED BY _____ TEST PERIOD _____ HOURS.
 TEST MEDIUM _____ SERVICE _____
 NONDESTRUCTIVE INSPECTION REQUIREMENTS _____

PROJECT DELIVERY
 PROJECT ENGINEERING
 P.O. BOX 1273 CHARLESTON, WV 25325-1273
 1700 MACCORKLE AVENUE SE, CHARLESTON, WV 25314

TITLE
 CLAIBORNE PKWY RELOCATION
 COVER SHEET
 LOUDOUN COUNTY, VA

| | | | | | |
|-----------------|---------------|-------|---------|----------------|-------|
| DRAWN BY: | ENSITEUSA | DATE: | 4/18/16 | DRAWING NUMBER | ISSUE |
| PROJECT NUMBER: | 22306 / 22307 | | | TD-7062-COVER | P |
| W.O. NUMBER: | - | | | | |

CERTIFICATE
 TO THE BEST OF MY KNOWLEDGE, ALL COMPONENTS OF THIS DRAWING ARE DESIGNED IN ACCORDANCE WITH APPLICABLE COLUMBIA GUIDELINES AND SPECIFICATIONS.

 DESIGN ENGINEER DATE _____
 NOTE: ANY CHANGES TO THE DESIGN SHOWN ON THIS DRAWING MUST BE APPROVED BY THE DESIGN ENGINEER.

DWG. NO. REFERENCE

DWG_PATH_NAME USERNAME SAVE_DATE_TIME

| | | | | | |
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| Δ | | | Δ | | |
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| NO. | REVISIONS | BY APPROVED | DATE | NO. | REVISIONS |
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| Δ | PRELIMINARY | | |
| BY | DATE | BY | DATE |
| ENITEUSA | 04/27/16 | | |
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| SECTION-NOTES | 1D-7062-NOTES |
| ISSUE | DRAWING NUMBER |

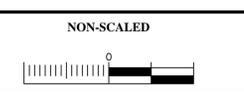
| STANDARD GRADING NOTES | |
|------------------------|--|
| A | APPLICABLE CODES AND STANDARDS: |
| 1 | ASSOCIATION OF STATE HIGHWAY TRANSPORTATION OFFICIALS (AASHTO) |
| 2 | AMERICAN CONCRETE INSTITUTE – "BUILDING CODE REQUIREMENTS FOR REINFORCED CONCRETE", (ACI-318-02). |
| B | MATERIALS |
| 1 | AASHTO #57 STONE |
| 2 | GEOTEXTILE FABRIC, WEED BARRIER, TYPE AR 3201 OR APPROVED EQUAL (IF APPLICABLE TO BE DETERMINED BY ENGINEER) |
| C | INSTALLATION |
| 1 | EXCAVATE TO PROPER ELEVATION AND GRADE. |
| 2 | AFTER SUBGRADE GRADING HAS BEEN COMPLETED A GEOTEXTILE FABRIC FOR WEED CONTROL SHALL BE INSTALLED. |
| 3 | AFTER THE INSTALLATION OF THE GEOTEXTILE HAS BEEN COMPLETED, BACKFILL AND COMPACT STONE IN SIX-INCH LIFTS. |

| STANDARD CONCRETE NOTES | |
|-------------------------|--|
| 1 | CONCRETE AND REBAR SPECIFICATIONS PER COLUMBIA SPECIFICATION CON-101. |
| 2 | ALL CONCRETE SHALL BE PROTECTED BY ONE OR MORE CURING MATERIALS, POLYETHYLENE SHEETING WILL BE PERMITTED AS CURING ONLY ON AREAS WHERE INTIMATE CONTACT WITH THE CONCRETE SURFACE CAN BE OBTAINED AND MAINTAINED FOR AT LEAST SEVEN DAYS. MEMBRANE FORMING CURING COMPOUND MAY BE USED IF IMMEDIATELY APPLIED AFTER ACCEPTANCE OF THE CONCRETE FINISH. |
| 3 | ALL FOUNDATIONS SHALL BE PLACED ON FIRM UNDISTURBED SOIL FREE OF FROST AND NOT FROZEN, BOULDERS, SOFT SPOTS, EXCESSIVE WATER AND ORGANIC MATERIALS. IF UNSUITABLE CONDITIONS ARE ENCOUNTERED, NOTIFY THE COLUMBIA PIPELINE GROUP ENGINEER BEFORE PROCEEDING. |
| 4 | ALL EXPOSED CONCRETE SURFACES SHALL BE A FLOAT FINISH AND STEEL TROWELED TO PRODUCE A SMOOTH, UNIFORM SURFACE. UPON REMOVAL OF FORMS ALL FINS AND IRREGULAR PROJECTIONS SHALL BE REMOVED. CAVITIES PRODUCED BY FORM TIES AND OTHER HOLES, HONEYCOMB SPOTS, BROKEN CORNERS OR EDGES AND OTHER DEFECTS SHALL BE REPAIRED AND THEN RUBBED. |
| 5 | ALL CORROSION CONTROL WORK TO BE PERFORMED PER THE REFERENCED PROCEDURE / SPECIFICATION. |

| STANDARD STRUCTURAL STEEL NOTES | |
|---------------------------------|---|
| 1 | CONTRACTOR SHALL VERIFY ALL DIMENSIONS PRIOR TO FABRICATION. |
| 2 | ALL STRUCTURAL STEEL SHALL BE FABRICATED, AND TESTED IN ACCORDANCE WITH ALL APPLICABLE CODES AND SPECIFICATIONS OF THE AMERICAN INSTITUTE OF STEEL CONSTRUCTION (AISC). |
| 3 | UNLESS OTHERWISE SPECIFIED OR APPROVED BY COMPANY'S CERTIFYING ENGINEER, STRUCTURAL STEEL WIDE-FLANGES AND WT SHAPES SHALL CONFORM TO ASTM A992. ALL OTHER SHAPES AND PLATES SHALL CONFORM TO ASTM A36. |
| 4 | STRUCTURAL BOLTS AND NUTS SHALL CONFORM TO ASTM A 325. |
| 5 | ALL STRUCTURAL WORK ON THIS PROJECT SHALL CONFIRM WITH COLUMBIA PIPELINE GROUP "COMPRESSOR STATION CONSTRUCTION SPECIFICATION NO. CSC-101" |
| 6 | ALL STEEL ITEMS FABRICATED BY THE CONTRACTOR SHALL BE HOT DIPPED/GALVANIZED. |

| STANDARD PIPING CORROSION NOTES | |
|---------------------------------|--|
| 1 | FIELD COATING AND ASSOCIATED SURFACE PREPARATION SHALL BE APPLIED PER PROCEDURE 70.001.026 EXTERNAL COATING – UNDER GROUND FACILITIES – NEW CONSTRUCTION OR MAINTENANCE APPLICATION FOR BELOW GROUND COATING, 70.001.029 FOR ABOVEGROUND COATING, AND 70.001.040 FOR STANDARD PAINT COLORS. |
| 2 | THE BELOW TO ABOVE GROUND TRANSITION PIPING SHALL BE COATED WITH DENSO 7200 TWO-PART EPOXY. THE EXISTING MILL-APPLIED FBE WILL BE OVERCOATED WITH AN ADDITIONAL 20-40 MIL AND WILL BE APPLIED 18" ABOVE GRADE TO 18" BELOW GRADE, AS DETAILED IN PROCEDURE 70.001.032. ALL FBE OR TWO-PART EPOXY REMAINING ABOVE GRADE, INCLUDING 18" BELOW GROUND, WILL NEED COATED PER PROCEDURE 70.001.029. |
| 3 | ALL STUD BOLTS AND NUTS FOR FLANGES ARE TO BE TEFLON OR ZINC-COATED PER MS.50.001 BOLTS, NUTS AND WASHERS MATERIAL SPECIFICATION. |
| 4 | ALL FLANGES ARE TO BE FILLED WITH AN APPROVED DIELECTRIC FLANGE FILLER AND THE FLANGES COVERED WITH AN APPROVED FLANGE PROTECTOR PER PROCEDURE 70.001.041. |
| 5 | STEEL PIPE CLAMPS SHALL COME WITH A 1/8" THICK VIBALON LINER ATTACHED TO THE PIPE CLAMP. THE SHIM BLOCKS MAY BE OF THE EPOXY TYPE OR THE STEEL TYPE WITH A 1/8" PVC LINER. ALTERNATIVES TO THE STEEL PIPE CLAMP ARE CABLES OR U-BOLTS. A VIBALON SHEATH MAY BE ORDERED FOR EITHER THE CABLES OR U-BOLTS AS REQUIRED. |
| 6 | COATED U-BOLTS ARE REQUIRED FOR ALL HOLD DOWN U-BOLTS. |
| 7 | ALL INSTALLATIONS SHALL BE PER THE APPLICABLE CORROSION CONTROL PLAN OR PROCEDURE. SEE 70.001.045 CORROSION CONTROL STANDARD DRAWING FOR A LISTING OF THE STANDARD DRAWINGS. |
| 8 | DURING INSTALLATION ANY BARE PIPE SHALL BE ABRASIVE BLASTED AND COATING SHALL BE DONE IN ACCORDANCE WITH THE PROCEDURE 70.001.029 EXTERNAL COATING – ABOVE GROUND FACILITIES – NEW CONSTRUCTION & SYSTEM REHABILITATION COATING REGARDLESS OF WHETHER THE PIPE WAS SHOP OR FIELD FABRICATED. |
| 9 | ALL ABRASIVE BLASTING AND COATING SHALL BE APPLIED IN ACCORDANCE WITH THE APPROPRIATE PROCEDURE AND IN THE PRESENCE OF THE CORROSION CONTROL INSPECTOR. |
| 10 | ALL BELOW GRADE PIPING SHALL BE THOROUGHLY JEEPED IN ACCORDANCE WITH PROCEDURE 70.001.013 PIPE COATING – HOLIDAY DETECTION PROCEDURE; 1) TO LOCATE HOLIDAYS, 2) AFTER HOLIDAYS ARE PATCHED, AND 3) JUST BEFORE BACK FILLING BEGINS. |
| 11 | HOT-TAP FULL ENCIRCLEMENT REINFORCING SLEEVES MUST BE GREASED AND COATED AS PER PROCEDURE 70.001.042 CORROSION PROTECTION UNDER ENCIRCLEMENT TYPE REINFORCING SLEEVES |
| 12 | THE ABOVE GROUND PIPE SUPPORTS WILL BE CONSTRUCTED OF ALUMINUM OR STEEL WITH MINIMUM 1/8" FRP PAD OR OTHER APPROVED DIELECTRIC MATERIAL BONDED TO THE SUPPORT DEVICE. STEEL PIPE STRAPS WILL HAVE MINIMUM 1/8" FRP PAD OR OTHER APPROVED DIELECTRIC MATERIAL BONDED TO THE SURFACE FACING THE PIPE. DIELECTRIC PADS SHOULD NEVER BE BONDED TO THE PIPELINE. |
| 13 | ABOVE OR BELOW GRADE PIPING RESTING ON CONCRETE SUPPORTS OR PIPE SUPPORTS SHALL BE COATED PER PROCEDURE 70.001.026 EXTERNAL COATING – UNDER GROUND FACILITIES – NEW CONSTRUCTION OR MAINTENANCE APPLICATION WITH 40 MILS DFT OF TWO-PART EPOXY COMPLETELY AROUND THE CIRCUMFERENCE OF THE PIPE FOR A LENGTH OF 6" PAST EACH END. IF THE PIPE WAS MILL COATED WITH FBE, APPLY AND ADDITIONAL 30 MILS DFT PER PROCEDURE 70.001.032 EXTERNAL COATING – UNDERGROUND FACILITIES – OVER-COATINGS AND OVERWRAPS FOR PROTECTING COATED PIPE DIRECTLY OVER TOP OF THE FBE COMPLETELY AROUND THE CIRCUMFERENCE OF THE PIPE FOR A LENGTH 6" PAST EACH END. ABOVE GRADE PIPING SHALL BE PAINTED PER PROCEDURE 70.001.029 EXTERNAL COATING – ABOVE GROUND FACILITIES – NEW CONSTRUCTION & SYSTEM REHABILITATION COATING TO PROTECT FROM UV BREAKDOWN. |

PRELIMINARY
DATE: 4/27/2016



| | | | | |
|--|---------|-----------------------|---------------------------|--|
| DESIGN PRESSURE | PSIG AT | °F (DESIGN FACTOR) | MAXIMUM HOOP STRESS LEVEL | |
| AT | PSIG | % SMYS, BASED ON | | |
| MAOP OF | PSIG AT | °F IS LIMITED BY | | |
| MINIMUM TEST PRESSURE | PSIG | MAXIMUM TEST PRESSURE | PSIG | |
| TEST LIMITED BY | | TEST PERIOD | HOURS | |
| TEST MEDIUM | | SERVICE | | |
| NONDESTRUCTIVE INSPECTION REQUIREMENTS | | | | |

CERTIFICATE
TO THE BEST OF MY KNOWLEDGE, ALL COMPONENTS OF THIS DRAWING ARE DESIGNED IN ACCORDANCE WITH APPLICABLE COLUMBIA GUIDELINES AND SPECIFICATIONS.

DESIGN ENGINEER: _____ DATE: _____
BY: _____ DATE: _____
APPROVED: _____ DATE: _____

NOTE: ANY CHANGES TO THE DESIGN SHOWN ON THIS DRAWING MUST BE APPROVED BY THE DESIGN ENGINEER.

PROJECT DELIVERY
PROJECT ENGINEERING
P.O. BOX 1273 CHARLESTON, WV 25325-1273
1700 MACCORKLE AVENUE SE, CHARLESTON, WV 25314

Columbia Gas Transmission

TITLE
CLAIBORNE PKWY RELOCATION
GENERAL NOTES
LOUDOUN COUNTY, VA

| | | | | | | | |
|-----------------|---------------|-------|----------|----------------|-------------|---------------|---|
| DRAWN BY: | ENSITEUSA | DATE: | 04/18/16 | DRAWING NUMBER | | ISSUE | |
| PROJECT NUMBER: | 22306 / 22307 | | | TD-7062-COVER | COVER SHEET | | |
| W.O. NUMBER: | - | | | | | TD-7062-NOTES | P |

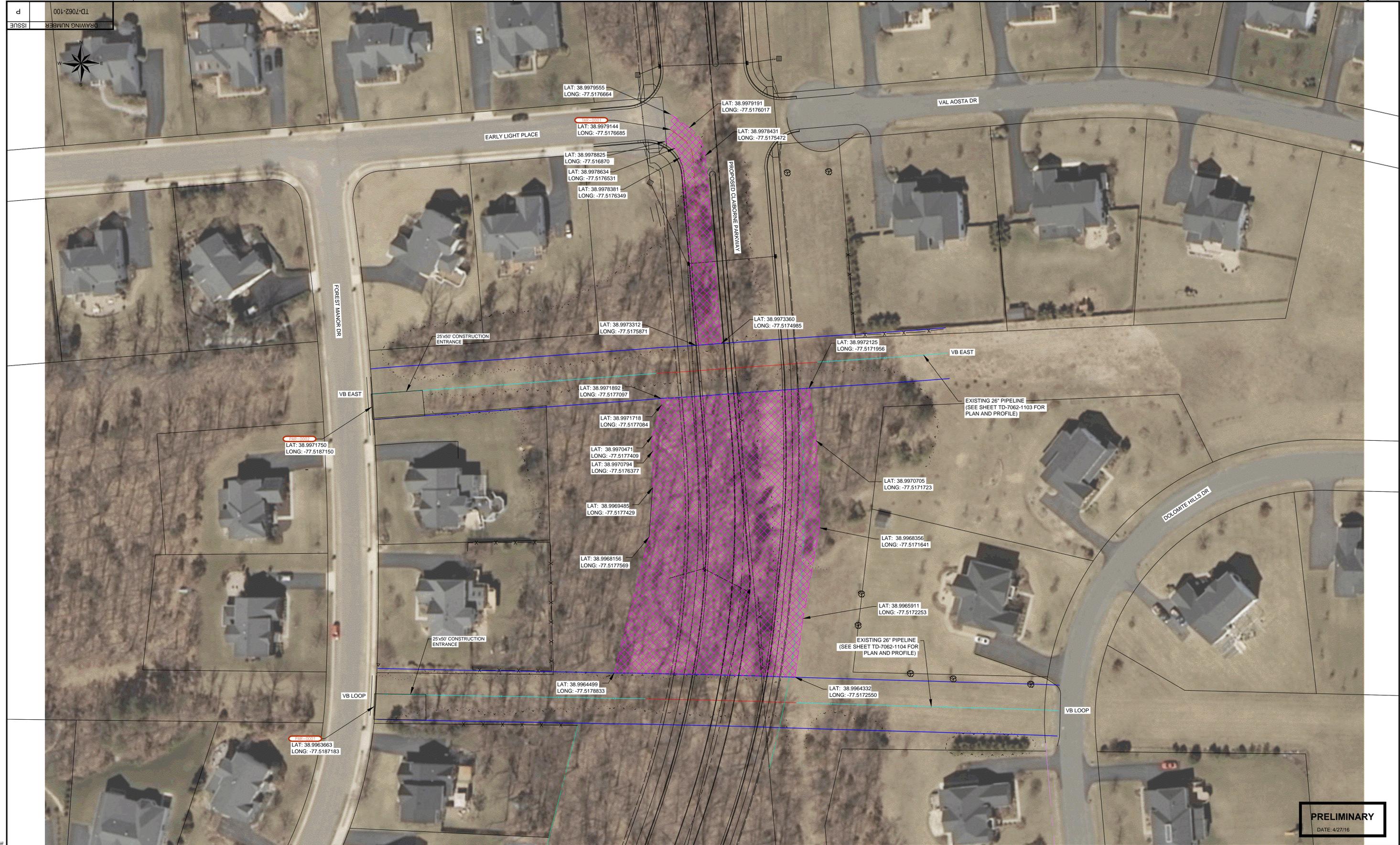
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SAVE_DATE_TIME

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| NO. | REVISIONS | BY | DATE | APPROVED | DATE |
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| NO. | REVISIONS | BY | DATE | APPROVED | DATE |
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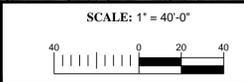
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| d | 000 | TD-7062-100 |
| ISSUE | | DRAWING NUMBER |

A
B
C
D
E
F
G

PRELIMINARY
DATE: 4/27/16



DESIGN PRESSURE _____ PSIG AT _____ °F (_____ DESIGN FACTOR) MAXIMUM HOOP STRESS LEVEL _____
 AT _____ PSIG _____ % SMS, BASED ON _____
 MAOP OF _____ PSIG AT _____ °F IS LIMITED BY _____
 MINIMUM TEST PRESSURE _____ PSIG MAXIMUM TEST PRESSURE _____ PSIG
 TEST LIMITED BY _____ TEST PERIOD _____ HOURS
 TEST MEDIUM _____ SERVICE _____
 NONDESTRUCTIVE INSPECTION REQUIREMENTS _____

CERTIFICATE
 TO THE BEST OF MY KNOWLEDGE, ALL COMPONENTS OF THIS DRAWING ARE DESIGNED IN ACCORDANCE WITH APPLICABLE COLUMBIA GUIDELINES AND SPECIFICATIONS.
 _____ DESIGN ENGINEER DATE _____
 NOTE: ANY CHANGES TO THE DESIGN SHOWN ON THIS DRAWING MUST BE APPROVED BY THE DESIGN ENGINEER.

PROJECT DELIVERY
 PROJECT ENGINEERING
 P.O. BOX 1273 CHARLESTON, WV 25305-1273
 1700 MACCORRIE AVENUE SE, CHARLESTON, WV 25314

CLAIBORNE PKWY RELOCATION
 TITLE OVERALL ROUTE MAP
 LOUDOUN COUNTY, VA

| | | | |
|-------------------------------|----------------|----------------|-------|
| DRAWN BY: ENSITEUSA | DATE: 04/18/16 | DRAWING NUMBER | ISSUE |
| PROJECT NUMBER: 22306 / 22307 | | TD-7062-100 | P |
| W.O. NUMBER: | | | |

DWG PATH NAME USERNAME

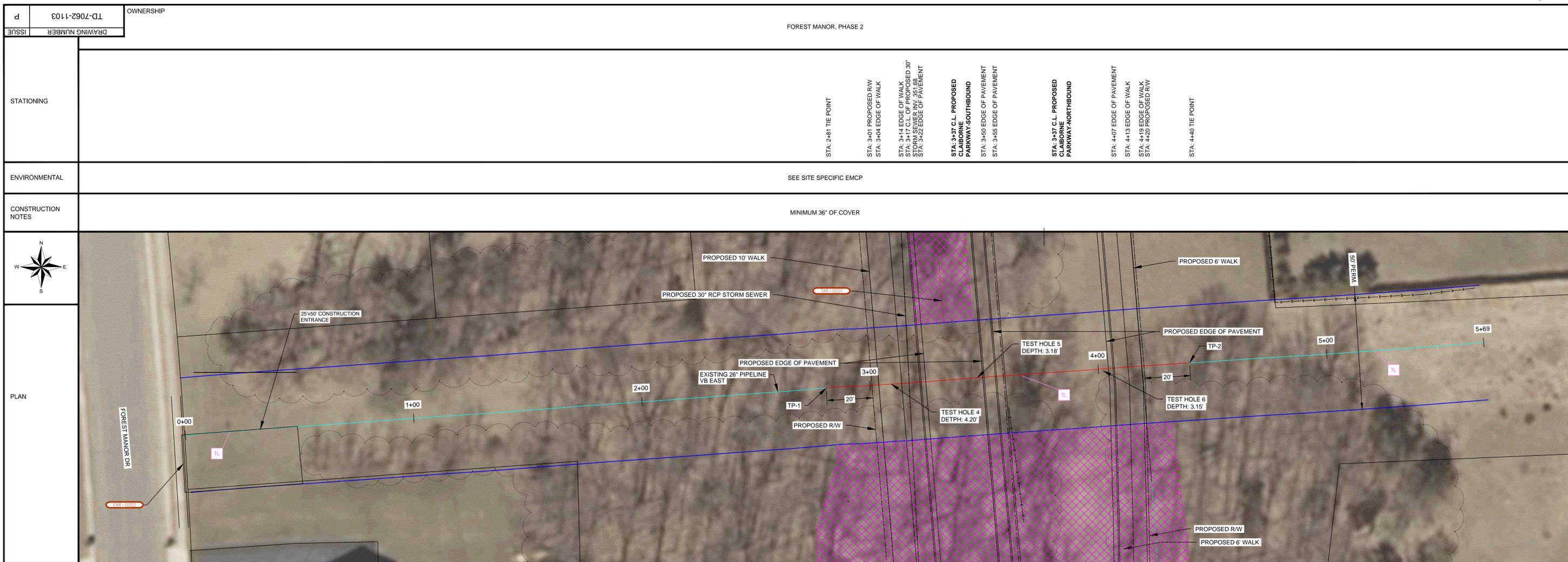
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| NO. | REVISIONS | BY | DATE | NO. | REVISIONS | BY | DATE |
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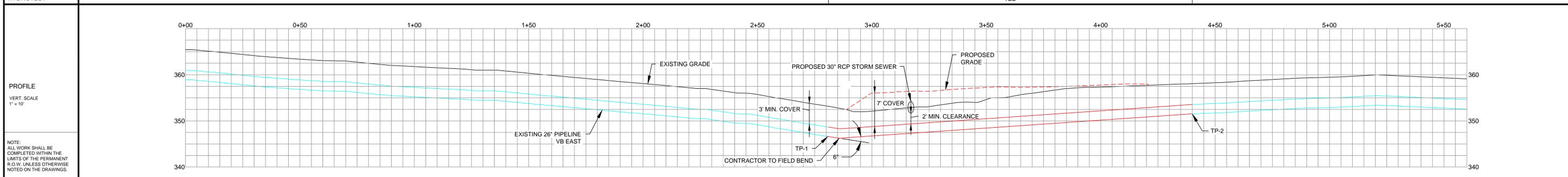
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|-----|-----------|----|------|
| NO. | REVISIONS | BY | DATE |
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| | | | | | |
|----------|---|------|---|------|---|
| MATERIAL | ② | 2+81 | ① | 4+40 | ② |
|----------|---|------|---|------|---|

| | |
|----------------|---------|
| CLASS LOCATION | CLASS 3 |
| DESIGN FACTOR | 0.50 |
| HYDROTEST | TBD |



| MATERIALS | | | | | | | COATING | | | | | | | CASING | | | | | | | INDUCTION BENDS & SEGMENTABLE ELBOWS | | | | | | |
|-------------|----------------|------------------|----------------|-------|--------------|------|-------------|------|----------|-------------|----------------|------------------|----------------|--------|--------|--------|---------|-------|--|--|--------------------------------------|--|--|--|--|--|--|
| ITEM NUMBER | INSERVICE DATE | OUTSIDE DIAMETER | WALL THICKNESS | GRADE | MANUFACTURER | ITEM | DESCRIPTION | ITEM | DIAMETER | ITEM NUMBER | INSERVICE DATE | OUTSIDE DIAMETER | WALL THICKNESS | GRADE | DEGREE | RADIUS | COATING | BEVEL | | | | | | | | | |
| 1 | TBD | 26" | 0.375" | X-65 | - | - | | | | | | | | | | | | | | | | | | | | | |
| 2 | | 26" | 0.281" | X-52 | - | - | | | | | | | | | | | | | | | | | | | | | |

NOTES

PRELIMINARY - NOT FOR CONSTRUCTION

TP-1
LAT: 38.9972572
LONG: -77.5177251

TP-2
LAT: 38.9972825
LONG: -77.5171659

LEGEND

- EXISTING COLUMBIA PIPELINE
- PERMANENT ROW
- FENCE
- TEST LEAD (TYPE)
- ADDITIONAL TEMPORARY WORKSPACE
- ACCESS ROAD NUMBER

SCALE: 1" = 20'

PRELIMINARY

DATE: 4/27/2016

| No. | REVISIONS | APPROVED BY | DATE | No. | REVISIONS | APPROVED BY | DATE | No. | REVISIONS | APPROVED BY | DATE |
|-----|-----------|-------------|------|-----|-----------|-------------|------|-----|-----------|-------------|------|
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DWG. NO.

REFERENCE

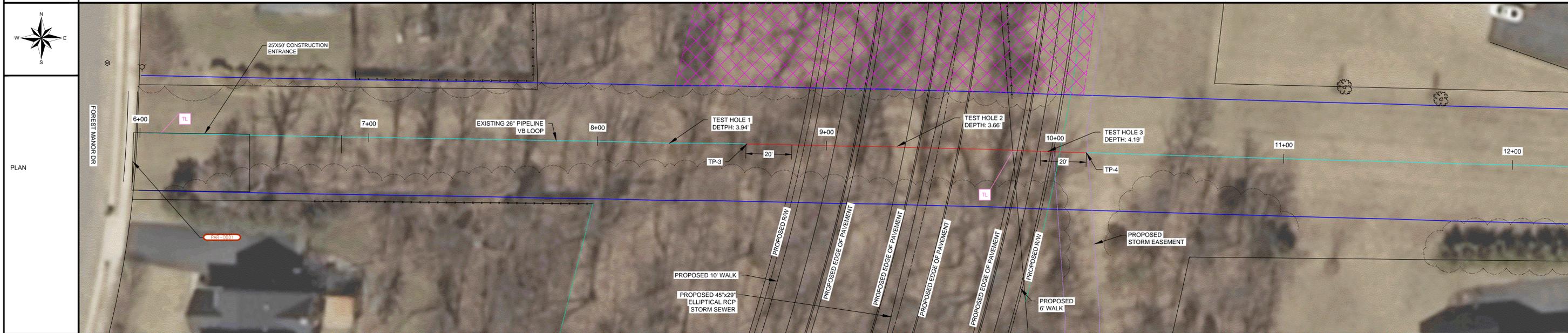
PROJECT DELIVERY
PROJECT ENGINEERING
5101 SAN FELIPE, SUITE 2400, HOUSTON, TX 77056

Columbia Gas Transmission

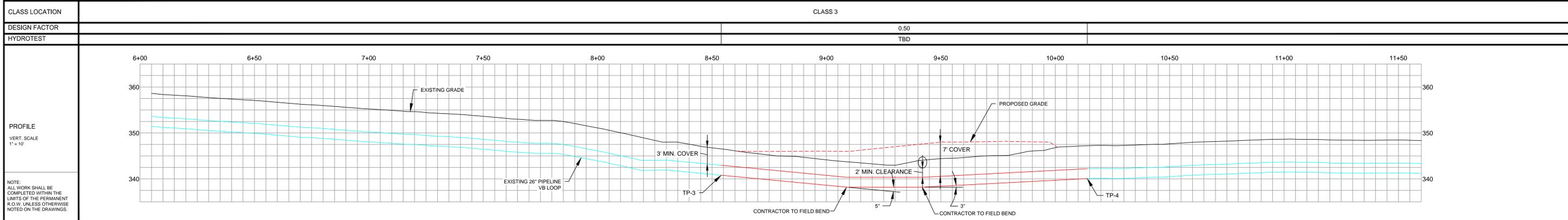
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|----------------|-------|----------------|--------------|----------------|--------|----------------|--------------|
| PROJECT NUMBER | 22306 | DRAWING NUMBER | TD-7062-1103 | SHEET | 1 OF 2 | ISSUE | P |
| DRAWN BY | RMM | DATE | 11/17/15 | PROJECT NUMBER | 22306 | DRAWING NUMBER | TD-7062-1103 |

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| | | | |
|--------------------|----------------|-----------|--|
| ISSUE | DRIVING NUMBER | OWNERSHIP | FOREST MANOR, PHASE 2 |
| STATIONING | | | STA. 8+45 PROPOSED EDGE OF WALK STA. 8+65 PROPOSED EDGE OF WALK STA. 8+85 PROPOSED EDGE OF WALK STA. 9+05 PROPOSED EDGE OF WALK STA. 9+25 PROPOSED EDGE OF WALK STA. 9+45 PROPOSED EDGE OF WALK STA. 9+65 PROPOSED EDGE OF WALK STA. 9+85 PROPOSED EDGE OF WALK STA. 10+05 PROPOSED EDGE OF WALK STA. 10+14 TIE POINT |
| ENVIRONMENTAL | | | SEE SITE SPECIFIC EMCP |
| CONSTRUCTION NOTES | | | MINIMUM 36" OF COVER |



| | | | | | |
|----------------|---------|------|---|-------|---|
| MATERIAL | ② | 8+54 | ① | 10+14 | ② |
| CLASS LOCATION | CLASS 3 | | | | |
| DESIGN FACTOR | 0.50 | | | | |
| HYDROTEST | TBD | | | | |



| ITEM NUMBER | INSERVICE DATE | MATERIALS | | | MANUFACTURER | ITEM | COATING | | CASING | | INDUCTION BENDS & SEGMENTABLE ELBOWS | | | | | | | |
|-------------|----------------|------------------|----------------|-------|--------------|------|-------------|------|----------|-------------|--------------------------------------|------------------|----------------|-------|--------|--------|---------|-------|
| | | OUTSIDE DIAMETER | WALL THICKNESS | GRADE | | | DESCRIPTION | ITEM | DIAMETER | ITEM NUMBER | INSERVICE DATE | OUTSIDE DIAMETER | WALL THICKNESS | GRADE | DEGREE | RADIUS | COATING | BEVEL |
| 1 | TBD | 26" | 0.375" | X-65 | - | - | | | | | | | | | | | | |
| 2 | | 26" | 0.281" | X-52 | - | - | | | | | | | | | | | | |

NOTES

PRELIMINARY - NOT FOR CONSTRUCTION

TP-3
LAT: 38.963791
LONG: -77.5177749

TP-4
LAT: 38.9963644
LONG: -77.517516

LEGEND

- EXISTING COLUMBIA PIPELINE
- PERMANENT ROW
- FENCE
- TEST LEAD (TYPE)
- TEMPORARY WORKSPACE
- CONTRACTOR / PIPE YARD
- ADDITIONAL TEMPORARY WORKSPACE
- ACCESS ROAD NUMBER

SCALE: 1" = 20'

REVISIONS

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|-----|-----------|-------------|------|
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REVISIONS

| No. | REVISIONS | APPROVED BY | DATE |
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REVISIONS

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REVISIONS

| No. | REVISIONS | APPROVED BY | DATE |
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REVISIONS

| No. | REVISIONS | APPROVED BY | DATE |
|-----|-----------|-------------|------|
| | | | |

DWG. NO.

REFERENCE

PROJECT DELIVERY
PROJECT ENGINEERING

5101 SAN FELICE, SUITE 2400, HOUSTON, TX 77056

Columbia Gas Transmission

TITLE

CLAIBORNE PKWY RELOCATION

26" VB LOOP PIPELINE - PLAN & PROFILE

LOUDOUN COUNTY, VA

PROJECT NUMBER: 22307

DATE: 4/21/16

DRAWING NUMBER: TD-7062-1104

SHEET: 2 OF 2

ISSUE: P

PROJECT NUMBER: 22307

DATE: 4/21/16

DRAWING NUMBER: TD-7062-1104

SHEET: 2 OF 2

ISSUE: P

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PRELIMINARY
DATE: 4/27/2016

EnSiteUSA

Columbia Gas Transmission

PIPELINE RELOCATION AND REIMBURSEMENT AGREEMENT

THIS PIPELINE RELOCATION AND REIMBURSEMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2016, by and between Columbia Gas Transmission, LLC, a Delaware limited liability company authorized to do business in the Commonwealth of Virginia (“Company”) and County of Loudoun, Virginia, a political subdivision of the Commonwealth of Virginia (“Owner”, and together with Company, the “Parties”).

WITNESSETH

WHEREAS, Owner has proposed the construction of the Claiborne Parkway (“Claiborne Parkway” or the “Project”), a four lane divided road in the vicinity of, across or above certain pipelines owned by Company in Loudoun County, Virginia; and

WHEREAS, Company owns and operates two (2) 26-inch natural gas pipelines designated as Line VB (the “VB Pipeline”) and Line VB-Loop (the “VB-Loop Pipeline”, and together with the VB Pipeline, the “Pipelines”) and other facilities located in Loudoun County, Virginia; and

WHEREAS, Company has been granted valid right(s) of way and/or easement(s) to install, own and operate the Pipelines (collectively, the “Company Easements”); and

WHEREAS, certain portions of the Pipelines are located within the perimeter of Owner’s proposed construction limits of the Project; and

WHEREAS, in order to enable Owner to construct the Claiborne Parkway and/or to conduct excavation activities in the vicinity thereof, Owner has requested that Company relocate approximately 180 feet of the VB-Loop Pipeline (the “VB-Loop Relocation Segment”) and approximately 160 feet of the VB Pipeline (the “VB Relocation Segment”, and together with the VB-Loop Relocation Segment, each, a “Relocation Segment”) and together, the “Relocation Segments”); and

WHEREAS, Company has agreed, subject to the terms and conditions of this Agreement, to temporarily remove the Pipelines from service, to relocate the Relocation Segments during the period that the Pipelines are out of service and to perform the Work, as the term is defined in section 1 of this Agreement, to allow construction of Claiborne Parkway; and

WHEREAS, in connection with the Work (as hereinafter defined), Company engaged Ensite USA to perform field inspection(s), an engineering design, plan review, and site preparation services, and to prepare an engineering study related thereto, a copy of which is attached hereto as Exhibit A and incorporated herein by reference (the “Engineering Study”), in which the project for the relocation of the Relocation Segments is identified Columbia Pipeline Group Project #B18738

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties hereto, intending to be legally bound, hereby promise and agree as follows:

1. The work contemplated by this Agreement (the “Work”) consists of (a) taking the Pipelines out of service during the removal and relocation of the Relocation Segments; (b) excavating and removing the Relocation Segments; (c) relocating the Relocation Segments to the location(s) indicated on the Engineering Study, which shall include but not be limited to work on the Relocation Segments to add and/or exchange necessary new material, actual relocation, filling of necessary spaces below

and above the Relocation Segments resulting from removal and relocation, and provision of adequate height of fill compacted; (d) performing all engineering and other work necessary for the removal and relocation of the Relocation Segments, including but not limited to removal of spoils or unused material from the site; and (e) obtaining all necessary land rights and governmental permits and approvals necessary for the removal and relocation of the Relocation Segments. Performance of the Work by Company shall be in accordance with paragraph 13 below.

2. The Parties agree that \$1,700,970.95 is a fair estimate of the cost of the Work (the “Initial Cost Estimate”), as itemized on Exhibit B attached hereto and incorporated herein by reference, which estimate does not include the \$75,000 previously paid to Company by Owner for the replacement pipe required by the Project. The Parties agree that the Initial Cost Estimate is only a good faith estimate of the cost of the Work, and that actual cost could be higher or lower, as the case may be, than the Initial Cost Estimate. Owner agrees to pay one hundred percent (100%) of all actual costs and expenses incurred by Company in connection with the Work (collectively, the “Cost” or “Costs”, as applicable), even if such actual Costs exceed the Initial Cost Estimate. Owner agrees that it shall reimburse Company for all Costs in accordance with paragraph 3 of this Agreement.
3. Contemporaneous with the execution of this Agreement and in advance of any commencement of the Work by Company, Owner shall issue a purchase order for the Work (“Purchase Order”) based on the \$1,700,970.95 Initial Cost Estimate and shall pay Company, in good and available funds, the amount of \$850,485.48, which represents one-half of the Initial Cost Estimate. Within ten (10) business days of completion (which shall mean the ability of the completed Relocation Segment to flow gas) of one of the Relocation Segments, Company shall provide to Owner an invoice manually generated by Company setting forth the Costs of the completed Relocation Segment (“Company Invoice”). Company shall continue working on the relocation of the second Relocation Segment that has yet to be completed. Within twenty (20) business days of receiving the Company Invoice for the Cost of the completed Relocation Segment, Owner shall pay Company, in good and available funds, the amount of \$850,485.48, which represents the other half of the Initial Cost Estimate. Within ten (10) business days of completion (which shall mean the ability of the completed Relocation Segment to flow gas) of the second Relocation Segment, Company shall provide to Owner a Company Invoice for the Cost of the second completed Relocation Segment. Within sixty (60) days of completion of the second Relocation Segment, Company shall provide Owner with copies of documentation supporting the said Costs of the Relocation Segments, including paid invoices, executed bills of sale, executed sale orders, affidavit of Company’s actual overhead attributable to performing the Work, or affidavits of stored materials (the “Supporting Documentation”), all to the extent in Company’s possession at such time.
4. Should Company anticipate that the Costs will exceed the Initial Cost Estimate, Company will notify Owner of the condition or other cause that originate the additional cost no later than seven (7) days following commencement of such condition or other cause. If the additional cost results from an increase in price by a provider other than the Company, the Company may provide to the Owner the additional invoice no later than thirty (30) days of receiving it from provider. Within twenty (20) days of the notice of additional cost to the Owner, Company will provide Owner with approved bills of sale, approved change orders, approved work orders, affidavit of stored materials or a new written estimate containing a description of, the justification for the additional Costs of the Work, and an itemized description of the additional costs (the “Additional Cost Estimate”, and together with the Initial Cost Estimate, the “Cost Estimates”), The Additional Cost Estimate may include the actual overhead of the Company that was not included in the Initial Cost Estimate so far as it is attributable to performing the Work, but shall not include any profit of the Company. Owner will have twenty (20) business days after receiving the Additional Cost Estimate to submit the Additional Cost Estimate for approval or rejection, which review shall be done by Owner using

commercially reasonable discretion. Within twenty (20) business days of receiving the Company Invoice for the Cost of the by then completed Relocation Segment(s), Owner shall pay Company, in good and available funds, the amount of the approved Additional Cost Estimate for each completed Relocation Segment(s) (which shall mean the ability of the completed Relocation Segment to flow gas). Within sixty (60) days of the completion of both Relocation Segments, Company shall provide Owner with copies of the Supporting Documentation.

5. In the event that Owner disputes any Cost ("Disputed Cost"), Owner shall provide written notification to Company specifying in reasonable detail any objection and the basis therefor. Company and Owner shall work in good faith to resolve any such disputes. If Company and Owner are unable to resolve any such dispute within thirty (30) days of the receipt by Company of the foregoing written notice, then Company shall submit the unresolved dispute to the County Administrator, or his designee. The County Administrator shall render a decision within sixty (60) days of receipt of the appeal. Each party shall bear its own cost and expenses resulting from any litigation, including attorneys' fees. Notwithstanding the finding of the County Administrator, the parties retain all rights and remedies at law and in equity.
6. Once any open cut has occurred in connection with the Work, the Company shall not interrupt or suspend the Work solely because a Disputed Cost or a rejection of an Additional Cost Estimate have arisen if such interruption or suspension would create a public safety issue.
7. Company may utilize subcontractors to perform all or any part of the Work. Company shall either (i) pay the subcontractor for the proportionate share of the total payment received attributable to the Work performed by the subcontractor, or (ii) notify Owner and subcontractor, in writing, of Company's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. With regard to this Agreement, Company shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements as set forth above with respect to each lower-tier subcontractor. Company's obligation to pay an interest charge to a subcontractor pursuant to this provision may not be construed to be an obligation of Owner. The Company shall keep the land above and under the Relocation Segments free from any liens arising from the Work performed, materials furnished or obligations incurred by the Company. All persons either contracting with the Company or furnishing or rendering labor and materials to the Company shall be notified in writing by the Company that they may look only to the Company for payment of any labor or materials. If any lien is filed against the land above and under the Relocation Segments as a result of any acts or omissions of the Company, the Company shall discharge it by paying the creditor lien the amount of the lien within fifteen (15) days after the Company learns that the lien has been filed.
8. In the event that Owner cancels or indefinitely postpones the Work, then Owner shall notify Company in writing and Company, in its commercially reasonable discretion, shall advise Owner in writing whether the Work needs to be completed or, in the alternative, the Work that had been completed shall be restored to the original condition. In either case, Owner agrees that Company shall be reimbursed for all actual Costs expended by Company or for which Company remains obligated at the time of the notice of cancellation or indefinite postponement, plus any incremental Costs incurred by Company resulting from the completion of the Work or the restoration of the Work that had been completed, if reasonably needed.
9. If Company determines that new rights of way or easements on Owner's property are required to perform the Work, Owner agrees to grant to Company right of way agreements, free and clear of all liens and encumbrances. If the necessary rights of way or easements free and clear of all liens and encumbrances cannot be acquired, then Company may cancel the Work and all funds paid to

Company shall be reimbursed to Owner less any actual Costs expended by Company. Within thirty (30) days of cancellation, the Company shall present the Supporting Documentation of the Costs it already expended to the Owner and refund the funds paid to Company, less actual Costs.

10. Company agrees to complete relocation of the Relocation Segments no later than six (6) months after the full execution of this Agreement; provided, however, in the event that such six (6) month timeframe encompasses the months of October through February, then the relocation of the Relocation Segments shall be delayed as required by weather. If the necessary permits or regulatory clearances cannot be obtained, Company may cancel the Work, and all funds paid to Company shall be reimbursed to Owner less any actual Costs expended by Company. Within thirty (30) days of cancellation, the Company shall present the Supporting Documentation of the Costs it already expended to the Owner and refund the funds paid to Company, less actual Costs.
11. Company shall notify Owner as soon as reasonably possible, but not later than seven (7) days upon Company's knowledge and/or determination of the commencement of a condition or cause for delay, that the deadline stated in paragraph 10 above cannot be met. Company's notice should include the justification for the delay. Company shall not be liable to Owner for such delay, unless Company's own actions are the cause of the delay.
12. Owner agrees that, prior to the relocation of the Relocation Segments, no permanent and/or temporary structures shall be erected over or within twenty-five (25) feet of either side of the permitted work space as shown on Exhibit A.
13. Within five (5) days from completion of the Work, Company will provide Owner with a notice that Company has substantially completed the Work, which shall mean the ability of the Relocation Segments to flow gas, and will authorize the Owner to initiate construction of Claiborne Parkway. Company and Owner will work together with respect to coordinating the commencement of Owner's construction of the Claiborne Parkway. The Parties shall observe the requirements of Company's current *Minimum Guidelines for Construction Activities in the Vicinity of Natural Gas Pipelines*, the current version of which is attached hereto as Exhibit C and incorporated herein by reference.
14. Within one hundred eighty (180) days from completion of the Work, the Company shall provide to Owner all final paid invoices and any Supporting Documentation not previously delivered for the Costs that were previously paid by Owner ("Final Amount"). In the event that the Company does not present Supporting Documentation or final paid invoices to support the funds previously anticipated by the Owner, then Company shall reimburse to Owner the difference between the Original Cost Estimate plus any approved Additional Cost Estimate paid by the Owner to the Company and the Final Amount, within thirty (30) days after the one hundred eighty (180) from completion of the Work.
15. To the extent of its Comprehensive Liability Insurance, Owner will be responsible for any damages to the Pipelines and injury to persons caused by Owner during construction above the Pipelines by Owner, and/or its agents, designees, successors, and assigns. To this effect the Owner shall (i) obtain and maintain comprehensive liability insurance against claims for bodily injury, death or property damage related to any and all work on the Project in a combined limit of at least \$1,500,000, (ii) name Company as an additional insured under such insurance policy, (iii) not cancel or rescind any such insurance policy without thirty (30) days' prior written notice to the Company, and (iv) deliver to Company a certificate of its insurance that provides that such insurance policy may not be cancelled or rescinded without thirty (30) days' prior written notice to the Company. Prior to its expiration, Owner shall replace any expiring policies of insurance covered

by this paragraph 15 and shall provide replacement certificates of insurance to Company related thereto. The Owner shall require its contractors for the execution of the Project to carry workers' compensation insurance and adequate liability insurance in conformity with procurement practice of the Owner, including contractors to carry builder's risk coverage during construction of the Project, naming the Owner and the Company as additional insured.

16. The Parties represent and warrant that each has all corporate and other authority to enter into this Agreement and that the individual executing this Agreement on each Party's behalf is the duly authorized representative of Owner or Company, as applicable, with full authority to bind.
17. This writing contains the entire agreement of the Parties, and all agreements entered into prior to or contemporaneously with the execution of this Agreement are excluded, whether oral or written. This Agreement cannot be amended without the written consent of the Parties.
18. All notices, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to be made or given when personally delivered or three (3) business days after being mailed by registered or certified United States mail, postage prepaid, return receipt requested, or one (1) business day after being sent by Federal Express or other recognized courier guaranteeing overnight delivery, postage prepaid, or on the day sent by electronic mail to the Parties at the following respective addresses, or at such other address as a respective Party may designate from time to time pursuant to a notice duly given hereunder to the other Party:

If to Company:

Columbia Gas Transmission, LLC
1700 MacCorkle Avenue, SE
Charleston, WV 25314
Attn: Scott Johns and Jerry Fishel
sjohns@cpg.com
jfishel@cpg.com

With a required copy to:

Columbia Pipeline Group
300 Woodcliff Drive
Canonsburg, PA 15317
Attn: Lisa Pampena, Esq.
(724) 743-6530
lpampena@cpg.com

If to Owner:

County of Loudoun
Division of Procurement
1 Harrison Street, SE
Fourth floor
P.O. Box 7000
Leesburg, VA 20177-7000

Attention: Cheryl Middleton
Purchasing Agent
703-737-8998
Cheryl.Middleton@loudoun.gov

With additional copy to

County of Loudoun, Virginia
Loudoun County Department of Transportation
And Capital Infrastructure
801 Sycolin Rd.
SE. Suite 310
Leesburg, VA 20175
Attention: Gary Pozzouli, *Construction Project Manager*
571-289-0754
Gary.pozzouli@loudoun.gov

19. The terms of this Agreement shall be kept confidential by the Parties hereto, except to the extent that any information must be disclosed to a third party to comply with regulatory requirements or to comply with the valid order or subpoena of any court, legislative or executive body or regulatory agency having valid jurisdiction, including the Virginia Freedom of Information Act §§ 2.2-3700 *et seq.*
20. This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of the executed signature pages by facsimile transaction will constitute effective and binding execution and delivery of this Agreement.
21. This Agreement may not be assigned by either Party without the prior written consent of the other Party, which may be withheld in Owner's or Company's sole discretion, as applicable.

This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the laws of the Commonwealth of Virginia, without regard to any choice of law or conflicts of law rules that would direct the laws of another jurisdiction. The Parties agree to submit to the exclusive jurisdiction of, and venue in, state and federal courts of competent jurisdiction within the Commonwealth of Virginia in any dispute arising out of or related to this agreement.

22. Additional Terms and Conditions:

22.1. Notice of Required Disability Legislation Compliance: Owner is required to comply with state and federal disability legislation. The Rehabilitation Act of 1973 Section 504, The Americans with Disabilities Act (ADA) for 1990 Title II and The Virginians with Disabilities Act of 1990. Specifically, Loudoun County may not, through its contractual and/or financial arrangements, directly or indirectly avoid compliance with Title II of the Americans with Disabilities Act, Public Law 101-336, which prohibits discrimination on the basis of disability by public entities. Subtitle A protects qualified individuals with disability from discrimination on the basis of disability in the services, programs, or activities of all State and local governments. It extends the prohibition of discrimination in federally assisted programs

established by the Rehabilitation Act of 1973 Section 504 to all activities of State and local governments, including those that do not receive Federal financial assistance, and incorporates specific prohibitions of discrimination on the basis of disability in Titles I, III and V of the Americans with Disabilities Act. The Virginias with Disabilities Act of 1990 follows the Rehabilitation Act of 1973 Section 504.

- 22.2. Ethics in Public Contracting: The provisions contained in §§ 2.2-4367 through 2.2-4377 of the Virginia Public Procurement Act as set forth in the 1950 Code of Virginia, as amended, shall be applicable to all contracts solicited or entered into by the Owner. A copy of these provisions may be obtained from Owner upon request. The above-stated provisions supplement, but do not supersede, other provisions of law including, but not limited to, the Virginia State and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.), the Virginia Governmental Frauds Act (§ 18.2-498.1 et seq.) and Articles 2 and 3 of Chapter 10 of Title 18.2. The provisions apply notwithstanding the fact that the conduct described may not constitute a violation of the Virginia State and Local Government Conflict of Interests Act.
- 22.3. Immigration Reform and Control Act of 1986: By entering this Agreement, Company certifies that it does not and will not during the performance of this Agreement violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens.
- 22.4. Faith Based Organizations: Owner does not discriminate against faith-based organizations.
- 22.5. Payment of Taxes: To the extent that Company is located in or owns property in Loudoun County, Company shall assure that all real and personal property taxes, due to date, are paid. Owner will verify payment of all real and personal property taxes by Company prior to the award of this Agreement or renewal thereof.
- 22.6. Business, Professional and Occupational License Requirement: By entering this Agreement, Company agrees to conform to local business license tax liabilities where and to the extent applicable.
- 22.7. Exemption from Taxes: Pursuant to Va. Code § 58.1-609.1, Owner is exempt from Virginia State Sales or Use Taxes and Federal Excise Tax. Therefore Company shall not charge Owner for Virginia State Sales or Use Taxes or Federal Excise Tax on the finished goods, products or services provided under this Agreement. To the extent required under applicable law, Company shall be responsible for the payment of any sales, use, or excise tax it incurs in providing the goods or services required by this Agreement; provided, however, that Owner shall provide reimbursement therefor in accordance with paragraphs 2 through 6 hereof. Nothing in this section shall prohibit Company from including its own sales tax expense in connection with this Agreement in its contract price.
- 22.8. Authority to Transact Business in Virginia: Company shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50 of the Code of Virginia, to be revoked or cancelled at any time during the term of the Agreement. Owner may void this Agreement if Company fails to remain in compliance with the provisions of this section.
- 22.9. Employment Discrimination by Company Prohibited:

- A. During the performance of this Agreement, Company agrees as follows:
 - 1. Company will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bone fide occupational qualification reasonably necessary to the normal operation of the Company. Company agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - 2. The Company, in all solicitations or advertisements for employees placed by or on behalf of the Company, shall state that such Company is an equal opportunity employer.
 - 3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient to meet this requirement.

- B. Company will include the provisions of the foregoing subparagraphs 1, 2 and 3 in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

22.10. Drug-free Workplace:

During the performance of this Agreement, Company agrees to (i) provide a drug-free workplace for the Company's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Company's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of Company that Company maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the Agreement.

23.11 In the event that a court of competent jurisdiction rules or an administrative decision of a competent federal agency determines (each on a non-appealable basis), that the Company was required to perform the Work, or a portion of it, in order to be in compliance with applicable federal statutes or federal government regulations, then Company shall reimburse Owner for all actual Costs paid by Owner attributable to such Work, or portion of it.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the date here above written.

County of Loudoun, Virginia

By: _____

Name:

Title: Contracting Officer

Date: _____

Columbia Gas Transmission, LLC

By: _____

Name:

Title:

Date: _____

**RESPONSES TO LOUDOUN COUNTY, VIRGINIA MEMORANDUM
MEMORANDUM DATED MAY 17, 2016**

- I. Based on the review of "Exhibit A Drawing Package", please address the following comments: **CPG RESPONSES IN RED**
1. The profile on drawing TD-7062-1103 shows the gas pipe slightly higher than it should be upon coordination with the County's approved road construction plans (CPAP). Based on 2' of clear to the bottom of the 30" storm sewer, the top of pipe should be at an elevation no higher than 349.41. (Storm invert is 351.70 and pipe thickness is 3.5", so bottom of storm is 351.41.) The County recommends adjusting the profile to ensure clearance is met. The CPG Scope of Work and Special Conditions document requires the CPG Pipeline Contractor to provide the 2' clear, but that spot on the profile should be as close as possible to the desired elevation.
 - a. **Acknowledged, this will be confirmed and represented on the revised set of drawings.**
 2. Same as above on TD-7062-1104. The top of the gas pipe should be no higher than 339.93. (Invert of storm is 342.30 and pipe thickness is 4.5" so bottom of storm is 341.93). The County recommends adjusting the profile to ensure the clearance is met.
 - a. **Acknowledged, this will be confirmed and represented on the revised set of drawings.**
 3. Please clarify the intent of the area shaded in "purple" and the scope of work that Columbia Pipeline Group or the CPG Pipeline Contractor will perform relative to clearing and grubbing.
 - a. **This area will be used as a staging area and a laydown area as well as access between the two lines. No clearing or grubbing will be completed by Columbia Pipeline Group or Columbia Pipeline Group Contractor(s) outside of Columbia Pipeline Group existing 50-ft right-of-way.**
 4. The draft Reimbursement Agreement requires the County to obtain any right-of-way or easements needed to do their work (item #9 in the agreement). The Drawing Package shows the extents of temporary workspace needed, which coincides with the temporary easements shown on the County's roadway CPAP, and which corresponds with easements the County has already obtained. Are there any new easements required by Columbia Pipeline Group?
 - a. **Temporary access will be acquired from Val Aosta drive to Line VB.**
- II. Based on the review of "Exhibit B Estimate Summary Report", please provide a breakdown and provide explanation of the following items: **CPG RESPONSES IN RED**
- 1 thru 4 cost can be identified in greater detail after project is funded and or after reconciliation.**
1. T Line 1. Please explain Environmental costs. Please specifically address the \$40,000 already identified in the "straddle" agreement and provide explanation of the costs noted.
 2. Line 2. What legal/government affairs and outreach has been done? Please provide detailed explanation.
 3. Line 3. Explain right of way costs? Specifically, please confirm locations of ROW costs noted.
 4. Line 4. Engineering - Please provide consultant fees as breakdown. Please provide explanation of additional engineering beyond the Preliminary Engineering Report package received by the County.
 5. Line 5. Provide additional breakdown of materials. Please specifically address the \$75,000 already identified by CPG and paid for by the County. **Once we go through reconciliation all charges will be identified. Remaining funds will be refunded.**
- 6&7 AGSEO (Administrative, General, Supervision and Engineering Overheads)**

The rate is determined by dividing the estimated associated labor and expenses by the expected construction program dollars for the year. The allocation rate is applied to construction work orders based on actual monthly construction expenditures charged to those work orders. All eligible construction projects utilize the same rate for allocation purposes.

Below in the section on AFUDC from the FERC CFR Gas Plant Instructions #3 (Components of Construction Cost).

(17) "Allowance for funds used during construction" includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, not to exceed without prior approval of the Commission allowances computed in accordance with the formula prescribed in paragraph (a) below, except when such other funds are used for exploration and development or leases acquired after October 7, 1969, no allowance on such other funds shall be included in these accounts. No allowance for funds used during construction charges shall be included in these accounts for expenditure.

The formula and elements for the computation of the allowance for funds used during construction shall be:

$$A_i = s \left(\frac{S}{W} \right) + d \left(\frac{D}{D+P+C} \right) \left(1 - \frac{S}{W} \right)$$

$$A_e = \left[1 - \frac{S}{W} \right] \left[p \left(\frac{P}{D+P+C} \right) + c \left(\frac{C}{D+P+C} \right) \right]$$

[View or download PDF](#)

A_i = Gross allowance for borrowed funds used during construction rate.

A_e = Allowance for other funds used during construction rate.

S = Average short-term debt.

s = Short-term debt interest rate.

D = Long-term debt.

d = Long-term debt interest rate.

P = Preferred stock.

p = Preferred stock cost rate.

C = Common equity.

c = Common equity cost rate.

W = Average balance in construction work in progress less asset retirement costs (See General Instruction 24)

(b) The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity.

III. Based on the review of "Exhibit C Scope of Work and Special Conditions – Claiborne Parkway Line VB" and "Exhibit D Scope of Work and Special Conditions – Claiborne Parkway VB Loop", please address the following comments: **CPG RESPONSES IN RED**

1. Please confirm that the term "Contractor" used throughout the documents refer to the CPG Pipeline Contractor and replace, as required, to clarify. The term "Pipeline Contractor" is used in some instances but not all.
 - a. **The "Contractor" term will be clarified appropriately.**
2. Please clarify if any additional ROW or easements are required by CPG for performance of their work. The Scope of Work indicates that the replacement is "within the proposed limits of the highway right-of way (ROW)", however the cost estimate and draft Agreement note ROW/land acquisition requirements.
 - a. **Temporary access will be acquired from Val Aosta drive to Line VB. No new permanent ROW will be required.**
3. Please confirm that the CPG Pipeline Contractor will perform the work noted by the following statement in the Scope of Work: *"All disturbed areas outside of the highway ROW will be cleaned up, seeded, fertilized, and mulched. Contactor shall stabilize the disturbed work area per the EM&CP."*

-
- a. The impacted area due to construction will be required to be cleaned up and stabilized per the site specific EM&CP (Environmental Management & Construction Plan) by the CPG Contractor(s).
 4. As noted in Comment 3 on the Drawings above, please clarify the scope of work that CPG is performing relative to clearing and grubbing. The Scope of Work indicates: *"It is assumed that Loudoun County contractors will remove existing trees and brush within the LOD."* Additionally, the Special Conditions, Item 2 in part notes: *"The pipeline easement and the extra temporary work space will be staked and cleared by the Pipeline Contractor, subject to CPG approval."*
 - a. The CPG Contractor(s) will be responsible for any clearing and grubbing required within the existing 50-ft wide Columbia Pipeline Group Right-Of-Way. The required workspace between Columbia Pipeline Group Right-Of-Way was assumed to be cleared by Loudoun County contractors.
- IV. Based on the review of "Exhibit E 22306 – Virginia Relocation – Claiborne Parkway Extension – VB/VB Loop Schedule" received May 14, 2016, please address the following comments: **CPG RESPONSES IN RED**
- The schedule we provided to you was a courtesy our schedule is subject to change.**
1. Please explain the connection of Schedule Item CON2210 Execute SOW – Mooreview Parkway – VB/VB Loop (Tentative) from July 21, 2016 – August 31, 2016 as it relates to the performance of the work for Claiborne Parkway. If that task is the construction of the relocation of the pipelines at Mooreview Parkway and Schedule Item CON2200 Execute SOW – Claiborne Parkway Extension is the construction of the relocation of the pipelines at Claiborne Parkway, it appears that there is approximately a one month gap between the completion of Mooreview and the start of Claiborne. Please confirm.
 2. Please clarify the last Assumption noted as follows: *"Assumes gas market will allow outage during these proposed time frames."* Is the proposed time frame for the Schedule Item CON2200 within the typically allowable time frame? Will completion be November 8, 2016 be possible?
- V. In general, has Columbia Pipeline Group explored any other potential alternatives (i.e. increase fill/cover, adding split casing, or concrete protective slab)? Please provide explanation as to why not these are not a viable alternatives.
- a. No other alternatives are viable based upon the circumstances and conditions of this project.

Date of Meeting: June 14, 2016

6

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: CONTRACT AWARD/Youth Shelter Renovation

ELECTION DISTRICT: Catoctin

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Joe Kroboth, Transportation and Capital Infrastructure
Mark Hoffman, Transportation and Capital Infrastructure
Christopher Bresley, Finance and Procurement

PURPOSE: To award a contract for the Youth Shelter Renovation.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to award a contract for the Youth Shelter Renovation to Sorensen Gross Company in the estimated amount of \$1,444,000.

BACKGROUND: Invitation for Bid No. 332 was issued on April 11, 2016 for the Youth Shelter Renovation. Six (6) bids were received on May 12, 2016 with Sorensen Gross Company being the lowest responsive and responsible bidder in the amount of \$1,444,000. The other five bids were as follows:

| Name | Bid Price |
|-------------------------------------|-------------|
| Structural Engineering Group | \$2,421,470 |
| FHP Tectonics Corporation | \$2,028,000 |
| Biscayne Contractors Inc. | \$1,982,335 |
| Madigan Construction | \$1,660,470 |
| Hammerhead Construction of Virginia | \$1,579,000 |

The scope of work includes exterior and interior renovation with a minimal expansion for a new entry vestibule and new toilet as well as a replacement mechanical screen wall. The building is an existing one (1) story, 8,000 square foot, seven (7) bedroom residence with a multipurpose living space, laundry room, infirmary, staff offices and conference room. Site work is minimal and includes no paving. The project includes the complete interior renovation of the existing building

as well as new exterior siding and trim, windows, doors, plumbing and light fixtures, HVAC, drywall, finishes, millwork, and low voltage systems.

ISSUES: This building is the original Youth Shelter building for Department of Family Services (DFS). Constructed in 1988, this building has never been renovated or received an addition. This renovation will correct several operational issues that have been problematic for DFS. Issues to be corrected include replacing interior drywall in youth areas with impact resistant drywall, infilling the “sunken living room” which is a tripping hazard and ADA violation, removing the large freestanding fireplace in the living room that cannot be used and provides hiding places for youth, updating the building envelope with new energy efficient windows and new cementitious siding, installing handicapped-accessible toilets and shower rooms, and adding an entry vestibule which is visually consistent with the other Youth Shelter campus buildings while serving as a lobby and waiting room.

FISCAL IMPACT: Sufficient funding is appropriated in the Youth Shelter Renovation project in the Capital Fund to award the construction contract to Sorensen Gross Company in the estimated amount of \$1,444,000. This project is funded using \$2,000,000 in lease revenue financing. After taking into account design related expenditures and expenses, the remaining balance for the project totals \$1,756,527.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to award a contract for the Youth Shelter Renovation to Sorensen Gross Company in the estimated amount of \$1,444,000.
2. Do not recommend award of contract and direct staff on how to proceed

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to award a contract for the Youth Shelter Renovation to Sorensen Gross Company in the estimated amount of \$1,444,000.

OR

2. I move an alternate motion.

ATTACHMENT:

1. *Capital Improvement Program:* FY 2016 Adopted Fiscal Plan, page 10-27.



Youth Shelter Renovation

Project Description – C02022

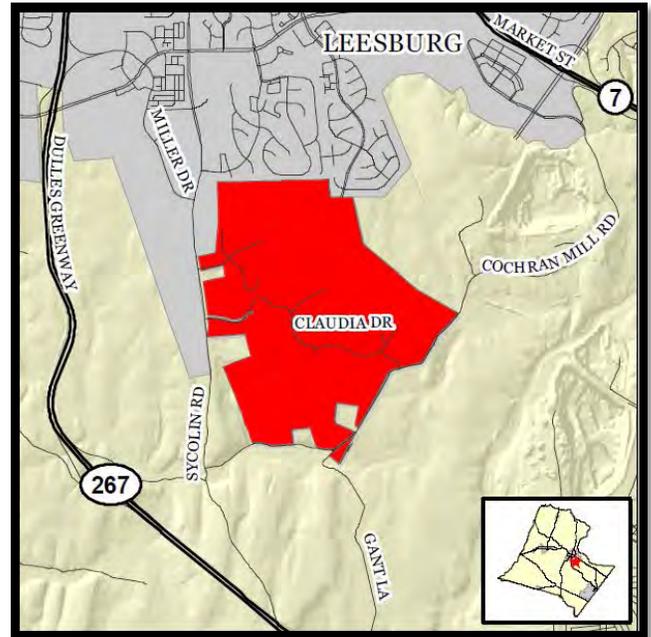
This project provides funding to renovate the interior of the County's original Youth Shelter, located at the Government Support Center site off of Sycolin Road.

The County recently completed construction of a second Youth Shelter. Now that the new shelter is operational, enough program space is available to renovate and update the current Youth Shelter facility. The 8,000 square foot building is dated and in need of many basic renovations in order to meet current life safety and ADA requirements. Additionally, the renovations will allow staff better visual inspection of the living areas of the facility.

Operations and maintenance expenses are already accounted for in the Department of Family Service's operating budget. No additional operating expense will be incurred during the six-year CIP planning period.

Funding Plan

This project is funded using lease revenue financing.



| | Prior | | | | | | | 6 Year | Future | Project |
|---------------------------------------|----------|--------------|-----------|------------|------------|------------|------------|--------------|----------|--------------|
| Capital (\$ in 1000s) | Alloc. | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total | FY's | Total |
| Professional Services | - | - | - | - | - | - | - | - | - | - |
| Construction | - | 1,620 | - | - | - | - | - | 1,620 | - | 1,620 |
| Furniture, Fixtures & Equip | - | 380 | - | - | - | - | - | 380 | - | 380 |
| Total Cost | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Lease Revenue Financing | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Total Financing | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Operating Impact (\$ in 1000s) | | | | | | | | | | |
| | | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total | | |
| O&M | | - | - | - | - | - | - | - | | |
| Debt Service | | 25 | 50 | 198 | 193 | 188 | 183 | 837 | | |
| Total Impact | | 25 | 50 | 198 | 193 | 188 | 183 | 837 | | |

Date of Meeting: June 14, 2016

#7

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT RENEWAL/Job Order Contract (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Ernest Brown, General Services
Tom Trask, General Services
Christopher Bresley, Finance and Procurement

PURPOSE: To renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure.

RECOMMENDATIONS: Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure to Adrian L. Merton, Inc., Riddleberger Brothers, Inc., and the Paschen Johnson Joint Venture in the estimated amount of \$4,000,000.

BACKGROUND: Invitation for Bid No. 189 was issued on April 24, 2015 for Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure. On May 28, 2015, five (5) bids were received. As a result, on July 15, 2015 (Contract Award Authority During Summer Recess), the Board authorized the Purchasing Agent to award contracts to Adrian L. Merton, Inc., Riddleberger Brothers, Inc., and the Paschen Johnson Joint Venture in the estimated amount of \$4,000,000 for the period of August 1, 2015 through July 31, 2016 with up to two additional (2) one-year renewal options. The scope of work of these contracts includes countywide maintenance, repair and replacement of mechanical infrastructure on an as-needed basis at various Loudoun County facilities. Staff is requesting to exercise the first renewal option for the period of August 1, 2016 through July 31, 2017. Contracts are only renewed with those contractors with satisfactory performance.

A JOC is a competitively bid, firm fixed priced, indefinite quantity contract. The work includes a collection of tasks and related technical specifications that have pre-established unit prices. The

contracts are to be used for mechanical infrastructure maintenance, repair and replacement work by means of individual job orders issued under the contracts and related to discrete projects, such as the replacement of aging heating, ventilation and air conditioning (HVAC) components in major County facilities.

The contracts will generally be utilized to accomplish small to medium sized projects with a typical job order value within the range of \$10,000-\$100,000. Typical work is anticipated to include, but not be limited to, projects such as repair, alteration, construction, maintenance, rehabilitation, replacement, demolition and construction of mechanical infrastructure.

This contract renewal requires action by the FGOEDC and Board as it exceeds the staff authority of \$500,000 in accordance with the Procurement Resolution.

ISSUES: The benefits of using a JOC for this type of work is that the County: (1) has a detailed technical specification for each construction task contained in the Construction Task Catalog (CTC); thus establishing a uniform quality standard for all aspects of the work; and (2) has realized cost savings from having pre-established unit prices (i.e. encompassing all materials, labor and equipment) for each construction task.

Prior to the implementation of the JOC Program, staff relied on the contractors to prepare the technical specifications, material costs and quantity of labor and equipment necessary. The County's consultant, The Gordian Group, developed the technical specification and CTC (with localized pricing) in conjunction with County staff. In addition, they trained County staff and the general contractor's staff on the use of JOC management software and assist in the field joint scoping meetings and review of contractor's price proposals. This contract is essential to the repair, maintenance, and renovation of County facilities and the execution of the Capital Asset Preservation Program.

FISCAL IMPACT: The County anticipates spending up to \$4,000,000 for these services from August 1, 2016 through July 31, 2017. Funding is available in the operating budgets of the Department of General Services, the Department of Parks, Recreation and Community Services, and the Department of Transportation and Capital Infrastructure, the Capital Asset Preservation Program, and the Capital Improvement Program.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure to Adrian L. Merton, Inc., Riddleberger Brothers, Inc., and the Paschen Johnson Joint Venture in the estimated amount of \$4,000,000.

OR

2. Do not recommend renewal of the contracts and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to renew the Job Order Contracts (JOC) for the Maintenance, Repair and Replacement of Mechanical Infrastructure to Adrian L. Merton, Inc., Riddleberger Brothers, Inc., and the Paschen Johnson Joint Venture in the estimated amount of \$4,000,000.

OR

2. I move an alternate motion.

Date of Meeting: June 14, 2016

#8

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT RENEWAL/Property, Liability and
Automobile Coverage**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Nelia Larson-Mann, Human Resources
Jeanette Green, Human Resources
Cheryl L. Middleton, Finance and Procurement

PURPOSE: To renew the contract for Property, Liability, and Automobile Coverage.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to renew the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644.

BACKGROUND: On May 20, 2015, the Board of Supervisors authorized the Purchasing Agent to exercise the fourth one year renewal for the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$658,551.

The Virginia Association of Counties Group Self-Insurance Risk Pool was established in 1993 at the request of Virginia counties seeking an alternative to the insurance marketplace to provide coverage and risk services to local government entities and school divisions across the Commonwealth. VACo Risk Management Programs, Inc. specializes in providing a variety of coverage to counties, county school systems and county related agencies. This contract provides administration of property, liability and automobile coverage, and risk management services. These include, but are not limited to: claims processing and administration, contract reviews, training, property inspections, OSHA compliance reviews, claims review and consultative services. The current contract period ends June 30, 2016. VACo has been successfully providing this coverage to the County since 1999. Therefore, staff is seeking approval to exercise the final one year renewal under the contract with VACo Risk Management Programs, Inc. for the period of July 1, 2016 through June 30, 2017 in the amount of \$713,644.

Per §2.2-4345, paragraph 13 of the Code of Virginia, this procurement is exempt from competition. Staff conducted a thorough review of the County's program, including claims data and existing deductibles in 2011. Changes were made based on the County's historical claims experience and recommendations from VACo Risk Management for an entity the size of Loudoun County resulting in a 9% premium reduction for FY 2012. Further review of auto liability coverage due to vehicle aging resulted in a 14% reduction to auto premiums for FY 2013. At the Board's direction, excess liability coverage for Constitutional Officers was added in FY 2014. Staff reviews coverage levels annually to determine if adjustments would be appropriate. No changes are recommended for the upcoming contract year.

FISCAL IMPACT: The value of the one (1) year renewal for the administration of coverage and risk management services is \$713,644, representing an 8.4% increase in premium. The premium increase is attributable to \$32 million in increased property values (8.2%) from last year which includes: the addition of several new county business locations; a 3.1% increase in the number of County vehicles; and the addition of transit buses replacement cost coverage.

A schedule detailing coverages and the associated premiums is provided in Attachment 1. Sufficient funding is available for this contract renewal, which was included in the Department of Human Resources FY 2017 Operating Budget.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to renew the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644.

OR

2. Do not recommend the contract renewal and direct staff how to proceed. This option may result in a coverage lapse.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the full Board of Supervisors that the Purchasing Agent be authorized to renew the contract for Property, Liability and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644 for the period of one (1) year.

OR

2. I move an alternate motion.

ATTACHMENT:

1. Schedule of Property and Liability Insurance



VACORP

2016-2017

Self Insurance Proposal for Property, Liability,
and Automobile Coverage

Proposal to: Loudoun County



For additional information, contact:
Stephanie Heintzleman
1315 Franklin Road SW
Roanoke, VA 24016
Phone: (844) 986-2705

Presented: March 23, 2016

Package coverages, terms, conditions and exclusions are only briefly outlined. For complete provisions please refer to the coverage contract.

ATTACHMENT 1



VACORP

**We provide the most extensive coverage and service
at stable and extremely competitive pricing.**

Why VACORP?

Member-Owned, Member Governed

VACORP provides coverage and risk management expertise to local government entities throughout Virginia. By pooling risks, members enjoy the benefits of comprehensive coverage, cost savings, and price stability. Unlike a commercial carrier, VACORP is governed by a Supervisory Board that is comprised of pool members that have a common interest. As a member governed organization, VACORP knows and understands its members' needs and has a proven record of quickly responding to the changes in state laws and mandates.



Services and Resources

VACORP uses its expertise to custom design services to meet the specific needs of each member, including risk management consultations and on-site trainings.

- Automatic 5% dual program credit when Workers' Compensation coverage added
- Online tools allow our members easy access to claim reporting, claims data, customized loss reports, Certificate of Insurance requests, and changes to Property, Inland Marine, and Auto schedules
- Customized risk management programs designed specifically for each member based on claims/risks
- Hot topic workshops presented in various regions across Virginia
- Contract and lease review to ensure adequate coverage requirements and indemnification language
- Pollution coverage included as part of the general liability coverage
- Property appraisals are completed on a rotating basis at no charge
- Cyber risk coverage provided at no charge
- Case Management services provided by nursing professionals In-House
- Medical Bill Review to ensure cost effective treatment for injured employees
- Nurse triage services available by trained professionals
- Live and recorded training webinars
- Defensive Driver Training with Enhanced On-Site Driving Simulator
- Onsite Law Enforcement Staff Training with continuing education credits
- OSHA Training
- Online SafePersonnel Training Courses



VACORP is pleased to provide this information. Coverage details are provided in the proposal documents. Please let us know if you need additional information.



VACORP

Loudoun County

Contribution Summary Form

| Coverage | Deductible | Contribution |
|--|--|------------------|
| Property: Special Form; Replacement Cost (or stated otherwise); No Coinsurance; Blanket | \$25,000 | \$212,099 |
| Inland Marine: Replacement Cost if Reported, otherwise Actual Cash Value | \$25,000 | Included |
| Computers/Electronic Data Processing (EDP) | \$25,000 | Included |
| Boiler & Machinery | \$1,000 | \$37,207 |
| General Liability: \$2,000,000 Combined Single Limit; Occurrence Form; No Annual Aggregate; Non-Audited | \$250,000 | \$75,250 |
| Public Officials Liability: \$10,000,000 Limit Each Wrongful Act | \$250,000 | \$62,700 |
| Excess General Liability, Law Enforcement and Excess Public Officials Liability – Constitutional Officers: \$3,000,000 Limit Per Wrongful Act and Annual Aggregate | Excess of the limits set forth in §2.2-1839 of the Code of Virginia. | \$67,500 |
| Automobile: \$2,000,000 Liability for Owned Autos; Comprehensive/Collision on Autos \$50,000 and over in value; Automatic Coverage for Additions; Non-Audited ; Replacement Cost \$21,883,071 | \$250,000 Liab. \$5,000 Comp/Coll | \$208,721 |
| Crime: Blanket \$1,000,000 Faithful Performance; In/Out Robbery; Counterfeit; Forgery; Computer Fraud; Telephone Toll Fraud | \$250 | \$4,350 |
| Excess Liability: \$8,000,000 Limit | None | \$45,817 |
| Environmental Liability: \$1,000,000 Limit | \$25,000 | Included |
| Cyber Risk: \$500,000 Limit (<i>Additional quote options provided on page 4</i>) | None | Included |
| Total Annual Contribution | | \$713,644 |
| Dividend Rate Credit | | (\$0) |
| Dual Program Discount, if applicable | | (\$0) |
| Grand Total Annual Contribution | | \$713,644 |

In order to be eligible for VACORP membership, the following coverages must be selected: Property (where applicable), General Liability, Business Auto (where applicable), and Crime. To be eligible for LODA coverage, Workers' Compensation coverage must be in effect.

This proposal is based on information submitted and does not include any additions/deletions made after March 11, 2016. Any additions or deletions reported after March 11th will be reflected in the renewal billing.

Quarterly installment payment terms available for Workers' Compensation and LODA coverages only.



VACORP

Loudoun County
Cyber Risk – Optional Increased Limit
(Response Required)

VACORP provides members an opportunity to increase Cyber Risk coverage. You may elect to increase Cyber Liability and/or Crisis Management, Remediation and Notification Expense. Further explanation of the coverage is outlined below.

Cyber Risk - Increased Liability Coverage Options:

Cyber Risk liability provides coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft).

| | |
|--------------------------------|-----------------------|
| \$1,000,000 Total Limit | Call For Quote |
| \$2,000,000 Total Limit | Call For Quote |
| \$3,000,000 Total Limit | Call For Quote |

Cyber Risk – Increased Expense Sublimit Options:

Crisis Management, Remediation and Notification Expense coverage is for public relations services, expense to determine scope of breach, and notification expense required by law, including mailings and monitoring.

| | |
|---------------------------|-----------------------|
| \$250,000 Sublimit | Call For Quote |
| \$500,000 Sublimit | Call For Quote |

Member Acceptance:

After careful consideration, we select the following optional increased limit for Cyber Risk coverage effective July 1, 2016.

Increased Liability Option:

| | |
|---|--|
| <p>_____ \$1,000,000 Total Limit</p> <p>_____ \$2,000,000 Total Limit</p> | <p>_____ \$3,000,000 Total Limit</p> <p>_____ REJECT Higher Limits, \$500,000 limit will be sufficient</p> |
|---|--|

Increased Expense Sublimit Option:

| | |
|---|---|
| <p>_____ \$250,000 Sublimit</p> <p>_____ \$500,000 Sublimit</p> | <p>_____ REJECT Higher Limits, \$75,000 sublimit will be sufficient</p> |
|---|---|

| | |
|--------------|-------|
| _____ | _____ |
| Printed Name | Title |
| _____ | _____ |
| Signature | Date |

Please return this selection form prior to May 1st.



Property

- VACORP provides members with the most extensive property coverage available.
- Property coverage is Special Form; all perils are covered except those specifically excluded.

Buildings and Contents

| | |
|---|---------------|
| Total Building Values | \$371,499,760 |
| Total Contents Values | \$42,638,690 |
| Business Income/Extra Expense (\$100,000 Automatic or as scheduled) | \$3,000,000 |

Inland Marine

| | |
|------------------------------|--------------|
| Blanket Inland Marine Values | \$27,426,223 |
| Contractors' Equipment | \$5,216,969 |

Coverage Includes: (no additional charge) *

- Architect & Engineering fees for plans, specifications, and supervision included upon replacement
- Back-up of Sewers & Drains: \$1,000,000 Limit
- Debris Removal: \$20,000,000 Pool Limit
- Pollutant Clean-up and Removal: \$500,000 Pool Limit
- Error in Reporting Provision
- Improvements and Betterments to buildings leased by the member
- Newly Acquired Property: \$10,000,000 Limit (up to 120 Days)
 - When timely reported, covered until renewal at no additional charge if under \$500,000 in value; additional charge for new values above \$500,000)
- Property in Transit: \$5,000,000 Pool Limit
- Off Premises Power Failure: \$2,000,000 Pool Limit
- Signs, fences, light poles, antenna, masts, and towers; retaining walls are covered within 1,000 feet of the premises provided their values are included in the schedule
- Building Ordinance/Increased Cost of Construction/Demolition: up to \$20,000,000 Pool Limit
- Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence: up to \$50,250,000 Pool Limit
- Flood (if outside the 100 year flood plain): up to \$50,250,000 Pool Limit

**Does not apply to properties valued at Actual Cash Value (ACV)*

Optional Coverage Available:

Builders' Risk during building construction (Optional - must be reported)

Perils Covered

- Special Form; specifically drafted for local government, all perils are covered except those specifically excluded.
- Flood (if outside the 100 year flood plain) and Earthquake are included.

Valuation

- Building & Contents – Replacement Cost, except vacant property at Actual Cash Value or stated otherwise
- Inland Marine - Replacement Cost if Reported, otherwise Actual Cash Value
- Business Income - Actual Loss Sustained

Other Terms

- Blanket Limit
- No Coinsurance
- Vacant Buildings must be reported. *If vacant building becomes occupied, please notify VACORP to ensure proper coverage is in place.*

Deductibles (Per Occurrence)

- \$25,000 Building & Contents
- \$25,000 Inland Marine
- \$25,000 Flood
- \$25,000 Earthquake

Definitions

- **Replacement Cost:** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.
- **Vacant** means a building that does not contain adequate Covered Property to conduct customary business operations.

Builders' Risk Coverage applies on the following properties:

- **Location 5162.2 – Lndfl L.ate,Frc Mn & SCADA - \$684,000 Building Limit**
(21101 Evergreen Mills Road)
- **Location 6320.1 – L C Comm Corr (leased) - \$38,245 Building Limit**
(107 Loudoun Street)



Computers/Electronic Data Processing (EDP)

- This covers direct physical loss to member-owned computer equipment, fax machines, printers, and copiers.

Basis of Contribution (\$100,000 Automatic Coverage or as scheduled)

| | |
|-------------------------------|--------------|
| EDP Hardware Values (Blanket) | \$20,000,000 |
| EDP Software Values (Blanket) | Included |

Perils Covered

Special Form of direct physical damage loss including electrical and mechanical breakdown

Valuation

Functional Replacement Cost, subject to reporting of 100% replacement values – otherwise Actual Cash Value

Deductible

\$25,000 Per Occurrence

Definitions

- **Replacement Cost:** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.

Boiler and Machinery

- Boiler and machinery is comprehensive equipment breakdown coverage for direct damage to covered equipment. Examples of covered equipment include: air conditioning and refrigeration equipment, boilers and pressure vessels (air tanks, hot water tanks, cookers, and furnaces), communication systems, and electrical equipment (compressors, fans, system motors).
- Coverage includes the expense of inspections and certification of boilers and air compressors as required by the Department of Labor and Industry.

Limits

- \$50,000,000 Limit Per Breakdown; includes Property Damage, Utility Interruption
- \$1,000,000 Business Income and Extra Expense
- \$500,000 Water Damage
- \$250,000 Hazardous Substance
- \$100,000 Ammonia Contamination
- \$250,000 Spoilage Damage
- \$25,000 Data or Media Damage

Coverage

Property losses ranging from air conditioning equipment and HVAC systems to electrical equipment, including system motors, compressors, refrigeration equipment, fans, switchboards, coils, pipes, and air conditioning vessels

Deductibles

- \$1,000 Per Occurrence
- 24 Hours Business Income Loss



General Liability

- VACORP general liability coverage provides the broadest protection for public entities in Virginia.
- VACORP coverage provides protection from claims or suits for personal injury or property damage.
- Defense costs are provided for certain excluded acts or omissions.
- Excess limits available.

Basis of Contribution

| | |
|-----------------------|---------------|
| Net Operating Expense | \$158,386,328 |
|-----------------------|---------------|

Limits

- \$2,000,000 Combined Single Limit for Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate

Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons (Volunteer Fire and Rescue are excluded)
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability
- Drone Liability

Sublimits

- \$500,000 Fire Damage Legal Liability – Real Property
- \$100,000 Care, Custody, and Control of Others' Property
- \$5,000 (Per Person)/\$10,000 (Per Occurrence) - Medical Payments

Deductible

\$250,000 Per Occurrence



Excess General Liability and Law Enforcement – Constitutional Officers

- VACORP Excess General Liability coverage provides protection for Constitutional Officers over the limits provided in §2.2-1839 of the Code of Virginia.
- This excess coverage provides protection from claims or suits for personal injury or property damage.

Basis of Contribution

| | |
|-----------------------|---------------|
| Net Operating Expense | \$158,386,328 |
|-----------------------|---------------|

Limits

- \$3,000,000 per Occurrence and Annual Aggregate in excess of limits set forth in §2.2-1839 of the Code of Virginia

Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability

Deductible

Coverage provided is in excess only of the liability coverage set forth in §2.2-1839 of the Code of Virginia

Special Provisions:

All claims with an expected value in excess of \$500,000, including legal fees, must be reported. In addition, any claim involving a fatality, suicide, brain injury, para or quadriplegia must be reported.

A 5-year VARisk loss history must be submitted at renewal each year.

Carrier can appoint counsel to assist on any claim at its discretion. Carrier agrees not to appoint counsel without providing advance notice to the Sheriff.

Self-Insured endorsement provisions will apply.



Public Officials Liability

- Public Officials Liability provides protection against allegations of wrongful acts, such as sexual harassment and employment practices.
- Defense costs are provided for certain excluded coverages.

Limits

- \$10,000,000 Each Wrongful Act
- \$10,000,000 Annual Aggregate

Policy Form

Occurrence

Coverages

- Governing body and staff, including County Attorney considered covered persons
- Special Enforcement Officers not under the control of Sheriff considered covered persons
- Employment Practices
- Sexual Harassment
- Defense cost in addition to coverage limits

\$100,000 Defense Limit Provided for the Following Excluded Coverages:

- Fraud and Dishonesty
- Profit and Gain
- Violation of Statute
- Failure to Maintain Insurance
- Breach of Fiduciary Duty
- Breach of Contract, other than Failure to Pay
- Land Use/Eminent Domain (subject to \$250,000 Deductible)

Deductible

\$250,000 Per Occurrence



Excess Public Officials Liability – Constitutional Officers

- VACORP Excess Public Officials Liability coverage provides protection for Constitutional Officers over the limits provided in §2.2-1839 of the Code of Virginia.
- This excess coverage provides protection from claims, suits or allegations of wrongful acts, such as sexual harassment and employment practices.

Limits

- \$3,000,000 per Occurrence and Annual Aggregate in excess of limits set forth in §2.2-1839 of the Code of Virginia

Policy Form

Occurrence

Coverages

- Governing body and staff considered covered persons
- Special Enforcement Officers not under the control of Sheriff considered covered persons
- Employment Practices
- Sexual Harassment
- Defense cost in addition to coverage limits

Deductible

Coverage provided is in excess only of the liability coverage set forth in §2.2-1839 of the Code of Virginia

Special Provisions:

All claims with an expected value in excess of \$500,000, including legal fees, must be reported. In addition, any claim involving a fatality, suicide, brain injury, para or quadriplegia must be reported.

A 5-year VARisk loss history must be submitted at renewal each year.

Carrier can appoint counsel to assist on any claim at its discretion. Carrier agrees not to appoint counsel without providing advance notice to the Sheriff.

Self-Insured endorsement provisions will apply.



Business Automobile

- VACORP coverage includes hired and non-owned vehicles.
- Automatic coverage for newly acquired vehicles at no additional charge
- Excess limits available

Basis of Contribution

| | |
|--------------------|-------|
| Number of Vehicles | 1,169 |
|--------------------|-------|

Liability

Limits

- \$2,000,000 Liability Limit for Owned Autos - Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate
- \$5,000 Medical Payments (Per Person)
- \$1,000,000 Non-Owned and Hired Auto Liability (excess over any other collectible insurance)
- Statutory Uninsured Motorist Coverage quoted

Additional Coverages

- Out of State No Fault Coverage provided at the basic minimum limits required by state law
- Newly acquired vehicles covered until renewal at no additional charge
- Unlimited Physical Damage for all owned vehicles; deductible will apply
- Replacement cost coverage can be provided on any vehicle with a replacement cost value in excess of \$50,000:
 - **\$21,883,071 Replacement Cost applies**
 - Must be reported at 100% of replacement cost value
 - Additional charge will apply

Physical Damage

Deductibles

- \$250,000 Liability
- \$5,000 Comprehensive (ACV) – **coverage applies on autos \$50,000 and over in value**
- \$5,000 Collision (ACV) - **coverage applies on autos \$50,000 and over in value**
- \$5,000 Physical Damage to Hired or Borrowed Autos (*up to \$50,000*)

Definitions

- **Replacement Cost (RC):** The Fund will pay the lesser of: (a) the cost of repairing damaged property or replacing damaged or stolen property with the same kind or quality; (b) the cost to replace the damaged or stolen property with comparable new property as of the time of loss; or (c) the Limit of Coverage applicable to the lost, damaged or stolen Covered Auto.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.



Crime

- Crime provides protection from loss of money and securities, as well as, forgery and fraud.
- State-required faithful performance bonds for covered persons are included.
- Coverage is for covered crimes committed by employees and volunteers.
- Constitutional Officers are included for excess over VaRISK only, up to the Limit provided.

Limit

\$1,000,000 Per Occurrence

Coverage Forms

- Employee Theft
- Faithful Performance / Employee Dishonesty
- Blanket Position Bond
 - Constitutional Officers are included for excess over VaRISK only, up to the Limit provided
- Loss Inside and Outside the Premises
- Money Orders and Counterfeit Paper Currency
- Depositors Forgery
- Computer Fraud
- Telephone Toll Fraud

Deductible

\$250 Per Occurrence

Excess Liability**Limits**

\$8,000,000

Coverages

- Applies to Automobile Liability*
- Applies to General Liability

**Does not include Hired & Non-Owned Automobile Liability and Uninsured/Underinsured Motorists Coverage*

Deductible

None

Environmental Liability

- VACORP provides members with liability protection for first and third party environmental liabilities.
- Coverage for third party cleanup involving above ground pollution exposures is included.

Limit

- \$1,000,000 Each Incident and Aggregate - Per Member
- \$2,000,000 Combined Aggregate for all Members

Coverages

- Third Party Clean-up for above ground pollution exposures, such as:
 - Water & Sewer Operations
 - Transfer Stations
 - Spraying of Pesticides and Herbicides
 - Golf Courses
 - Above Ground Storage Tanks

Exclusions*

- Underground Storage Tanks
- Landfills

*VACORP will place coverage for these excluded exposures through a commercial carrier, if requested.

Deductible

- \$25,000 Per Occurrence



Cyber Risk

- VACORP members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.

Limits

- \$500,000 Per Occurrence and Aggregate - Per Member
- \$5,000,000 Combined Aggregate for all Members
- Increased Limit options quoted in this proposal

Coverages

Network and Information Security Liability

- Liability for unauthorized access to personal identifying information such as social security numbers, credit card numbers, etc.
- Liability for transmission of a computer virus
- Includes regulatory defense, crisis management and security breach and notification expenses

Communications and Media Liability

- Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through electronic mail and/or web
- Includes regulatory defense and crisis management expenses

Regulatory Defense Expenses

- Defense expenses for any claim by a state or federal agency resulting from Network and Information Security Liability or Communications and Media Liability

Crisis Management Event Expenses

- Expenses for public relations services recommended as a result of Network and Information Security Liability or Communications and Media Liability
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Security Breach Notification Expenses

- Expenses to determine scope of breach
- Notification expenses required by law, including mailings and monitoring
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Deductible

None

Date of Meeting: June 14, 2016

#9

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT RENEWAL/Verizon Telecommunications Services**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Wendy Wickens, Information Technology
Marilee Ciehoski, Information Technology
Sandra Lineberry, Finance and Procurement

PURPOSE: To obtain award authority approval for Verizon Telecommunications Services.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to use the Network Virginia contract with Verizon/Bell Atlantic for the continued lease, maintenance, and upgrades of existing telecommunication circuits in the estimated amount of \$1,080,000.

BACKGROUND: The Department of Information Technology provides data network connectivity to 125 facilities owned or leased by the County located throughout Loudoun. The data network enables staff access to the following:

- County information systems,
- the email system,
- the Internet,
- personal computer security patches,
- software upgrades,
- video conferencing, and
- telephone/voice mail services.

County government facilities that are not connected to the County-owned fiber are provided network access through Verizon/Bell Atlantic services. Verizon/Bell Atlantic provides service for 65, or 52% of the County's owned or leased County facilities. Since FY 2011, the County has been contracting through the state-wide Network Virginia (NwV) contract for these services through Verizon/Bell Atlantic.

NWV is an initiative led by Virginia Tech in association with Old Dominion University and the Virginia Community College System to develop universal access to advanced digital communications services. Participants include: four-year colleges and universities, the Virginia Community College System, private schools, and K-12 school systems, local governments, and state agencies including the Department of Health, the Virginia Employment Commission, the Department of General Services, the Virginia State Library, the State Police, and the Institute of Marine Science.

The current contract expires on June 30, 2016. The intent of this item is to obtain contract renewal approval for the period July 1, 2016 through June 30, 2017 for Verizon/Bell Atlantic telecommunication services in the amount of \$1,080,000. These services were planned for and included in the FY 2017 Adopted Budget as part of the Department of Information Technology's operational budget.

ISSUES: Failure to provide connectivity to the Internet and the County's remote facilities would have a serious impact upon County-wide government operations, as all County government data and voice communications, plus some video communication are provided through this County network.

FISCAL IMPACT: Sufficient funding for these services is available in the Department of Information Technology's FY 2017 operating budget.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to renew the Network Virginia contract with Verizon/Bell Atlantic for the continued lease, maintenance, and upgrades of existing telecommunication circuits through FY 2017 in the estimated amount of \$1,080,000.

OR

2. Do not recommend the contract award authority approval, however, this alternative is not recommended for the reasons stated above.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to use the Network Virginia contract with Verizon/Bell Atlantic for the continued lease, maintenance, and upgrades of existing telecommunication circuits in the estimated amount of \$1,080,000.

OR

2. I move an alternate motion.

Date of Meeting: June 14, 2016

#10

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT RENEWAL/Telephone Platform Solution
and Backbone Network Equipment & Services**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Wendy Wickens, Information Technology
Marilee Ciehoski, Information Technology
Sandra Lineberry, Finance and Procurement

PURPOSE: To renew a contract for the Telephone Platform Solution and Backbone Network Equipment and Services.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the full Board of Supervisors (Board) that the Purchasing Agent be authorized to renew a one (1) year contract for the Telephone Platform Solution and Backbone Network Equipment and Services to Avaya, Inc. in the amount of \$2,100,000.

BACKGROUND: At the November 15, 1995 Board of Supervisors business meeting, the Board authorized the Purchasing Agent to negotiate and award a ten (10) year contract for Backbone and Telecommunications Equipment and Services to Avaya, Inc. (formerly Nortel) as a result of Request for Proposal No. QQ-00343. Since then, the County's Avaya telephone system has been kept usable and current through the purchase of additional components to service new facilities and the periodic upgrade of selective components.

The County utilizes Fairfax County's competitively bid contract with Avaya, Inc. to procure telephone equipment and services. The Fairfax County contract is negotiated and renewed on an annual term basis and has been renewed through June 30, 2017. Because of its size, the Fairfax County contract was originally bid to include much higher quantities than would be included if the County had issued its own solicitation resulting in lower pricing.

As part of the annual renewal, the Fairfax County contract has been extended and now includes the Avaya backbone network equipment and services. The County uses backbone network equipment (routers, switches, hubs, etc.) manufactured by Avaya on the County Wide Area

Backbone Network. The network connects 100+ County buildings and facilities to the County network, the Internet, and State and Federal computer systems and networks. Avaya provides maintenance services for this equipment on a seven-day-a-week, 24-hour-per-day basis. In the past, the County has utilized the Commonwealth of Virginia's (VITA) competitively bid contract with Avaya, Inc. to procure equipment and services from Avaya, Inc. (formerly Nortel Networks, Ltd.). Since the Fairfax County contract provides higher level discounts on equipment and services than the VITA contract, staff recommends utilizing the Fairfax County contract for both telephone and backbone network equipment and services.

The intent of this item is to obtain contract renewal authority for annual equipment maintenance for both telephone platform and backbone network equipment as well as the anticipated equipment purchases for all telephone and backbone network needs within and between the County facilities through June 30, 2017 as shown in the attachment. This includes software and hardware maintenance services, ad-hoc professional services, and County staff augmentation through the provision of an on-site telecom technician. The proposed contract award also includes equipment for new or renovated/upgraded County facilities and replacement equipment for systems that have reached end-of-life.

ISSUES: The County's current Avaya maintenance for telephone and backbone network equipment contracts expire on June 30, 2016. If the contract is not renewed, Avaya hardware and software support will be terminated placing the County at substantial risk for telephone and network system failure. Only Avaya customers who have valid maintenance and support contracts for services and software support are eligible to receive the following services and products:

- Remote Monitoring,
- Software patches (bug fixes)
- Software Upgrades
- Access to online Avaya support

While Avaya equipment and maintenance services can be purchased from Avaya business partners, a maintenance service contract must still exist with Avaya in order to receive the services and products listed above.

FISCAL IMPACT: Sufficient funding in the amount of \$2,100,000 for the equipment and services is included in the Department of Information Technology's FY 2017 Adopted Budget.

ALTERNATIVES:

1. The County could do its own competitive solicitation for these services and equipment.

This will require substantial lead time and staff resources to accomplish. Regardless of the outcome of such a solicitation, a minimal Avaya maintenance contract will still be required to obtain software fixes, new software releases, and remote monitoring. Staff does not recommend this alternative at this time due to the current staffing demands associated with the implementation of the new ERP system and a new Computer Aided Dispatch System.

The use of the Fairfax County contract allows the benefit of using a contract for equipment and services that exceed the quantities and service levels required solely by the County, resulting in a volume discount.

2. The County could initiate a long-term capital improvement project to replace the entire system at one time through a competitive procurement.

The current telephone system and network have been expanded to include facilities and have been upgraded with new technologies and features through periodic acquisition of new and replacement components. This approach is not recommended by staff because the current system is capable of providing the most current technology and replacing the system would not result in any significant improvement in overall functionality or performance. Additionally, a system replacement would significantly impact day to day County operations for an extended period of time and will not result in a significant savings to the County. This will not alleviate the requirement to purchase additional components for new County facilities or eliminate the need for maintenance and support services. Given the substantial cost of a new system and the number of technology projects currently underway, the fact that the current system is capable of providing the most current technology and the significant impact to day to day operations, staff does not recommend this approach.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the full Board of Supervisors that the Purchasing Agent be authorized to award a one (1) year contract renewal for the Telephone Platform Solution and Backbone Network Equipment & Services to Avaya, Inc., in the amount of \$2,100,000.

OR

2. I move an alternate motion.

ATTACHMENT:

1. FY 2017 Anticipated Expenditures

FY2017 Anticipated Expenditures

| Equipment/Services | Telephone Platform Solution | Network Equipment & Services |
|--|-----------------------------------|------------------------------------|
| Maintenance Services for 100+ Facilities | \$365,000 | \$220,000 |
| Hardware Maintenance | | |
| Software Updates | | |
| Bug Fixes | | |
| Online Support | | |
| On-site Technician | \$265,000 | |
| Professional Services | \$100,000 | |
| Replacement/Upgraded Components | \$270,000 | \$400,000 |
| Major Upgrades/Enhanced Features | \$90,000 | \$40,000 |
| New/Renovated Facilities | \$100,000 | \$100,000 |
| Miscellaneous Components (wireless access points, switch modules, converters, etc.) | \$60,000 | \$60,000 |
| Training | | \$30,000 |
| Total Anticipated Expenditures | \$1,250,000 | \$850,000 |
| Grand Total | | \$2,100,000 |

Date of Meeting: June 14, 2016

#11

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **AWARD AUTHORITY INCREASE/Financial and Compliance Audit Services**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Janet Romanchyk, Finance and Procurement
Cheryl Middleton, Finance and Procurement
John Sandy, County Administration

PURPOSE: To increase the award authority of the Financial and Compliance Audit Services Contract (External Audits).

RECOMMENDATION: **Staff** recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) authorize the Purchasing Agent to increase the award authority for the Financial and Compliance Audit Services contract with Cherry Bekaert LLP by \$330,500 for a new total of \$1,674,068.

BACKGROUND: On September 21, 2011, staff issued Request for Proposal (RFP) No. QQ-01677 for financial and compliance audit services. The intent of the RFP was to seek proposals from qualified independent certified public accountants or accounting firms to provide financial and compliance auditing and business consulting services. On February 12, 2014 the Board of Supervisors (Board) authorized the Purchasing Agent to award a five (5) year contract to Cherry Bekaert, LLP in the estimated amount of \$1,086,450.

The Code of Virginia §15.2-2511 requires the County to have all of its accounts and records, including all accounts and records of its constitutional officers audited annually by an independent certified public accountant in accordance with specific auditing standards. Under this contract, Cherry Bekaert, LLP provides an opinion on Loudoun County Government's and Loudoun County Public School's financial statements, and issue a report on the general purpose financial statements, a report on the internal control structure based on an audit of the general purpose financial statements performed in accordance with *Government Auditing Standards*, and a report on compliance based on an audit of the general purpose financial statements performed in accordance with *Government Auditing Standards* and the Commonwealth of Virginia Auditor of Public Accounts' (APA) *Specifications for Audits of Counties, Cities and Towns* (August 2011

Revision) for the fiscal years ending June 30, 2012 through 2016. Other work to be performed under this contract includes a single audit of federally funded programs, audits of other entities' financial statements, and various other as needed audits and financial reviews.

ISSUES: The original contract award included fixed fees for each of the Annual Financial Audits included in the initial five year term that totaled \$1,086,450. However, during the current contract term, staff has engaged Cherry Bekaert, LLP to perform the additional audits and reviews in addition to the Annual Financial Audits. These audits are listed below.

| Additional Audits Beyond Annual Financial Audit (during contract term) | Cost | Completion Date |
|---|------------------|----------------------------|
| Middleburg Volunteer Fire Targeted and Forensic Audit | \$15,583 | 11/15/2013 |
| Review of internal controls over Procurement and Monitoring of Food Service Contracts | \$19,900 | 01/16/2013 |
| Post implementation audit of the new Computer Assisted Mass Appraisal (CAMA) system | \$8,416 | 01/28/2015 |
| Post implementation audit of the new Enterprise Resource Planning System (ERP) Phases 1 and 3 | \$52,853 | 01/28/2015 |
| Fire and Rescue Stations accounting controls review | \$165,690 | 09/01/2014 |
| Audit of segregation of duties and complementary anti-fraud controls for ORACLE EBS environment | \$32,038 | 01/05/2015 |
| Pre and Post implementation review for Phase 2 of the ORACLE EBS | \$39,688 | Ongoing |
| Review of the Virginia Retirement System census data | \$6,000 | 02/10/2015 |
| Limited internal control maturity assessment of selected Volunteer Fire and Rescue companies | \$63,000 | 10/02/2015 |
| Limited internal control maturity assessment of additional selected Volunteer Fire and Rescue companies | \$58,500 | Ongoing |
| Post implementation audit of the PCI Tax and Collection System | \$28,000 | Ongoing |
| Total | \$489,668 | |

Due to these additional audits coupled with the Annual Financial Audit, staff has allocated the entire amount of the original award authority granted by the Board, plus an additional 25% increase under staff authority as permitted per the Procurement Resolution.

To date, staff has obligated \$1,343,518 under this contract. The cost for the FY 2016 Annual Financial Audit is \$230,550 and was negotiated as part of the original contract award; however, additional award authority is required to pay for the FY 2016 Annual Financial Audit and to allow for any additional audits that may be required between now and the end of the contract term, which expires on March 31, 2017. Therefore, staff is requesting that the FGOEDC authorize the Purchasing Agent to increase the award authority by \$330,550 for a new contract total of \$1,674,068.

FISCAL IMPACT: External audit expenditures are included in the Board's operating budget. Sufficient funds exist in the Board's FY 2017 operating budget for the anticipated Annual Financial Audit and any other external audits.

ALTERNATIVES:

1. Authorize the Purchasing Agent to increase the award authority for the Financial and Compliance Audit Services contract with Cherry Bekaert LLP in the amount of \$330,550.

OR

2. Do not authorize the award authority increase and direct staff how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee authorize the Purchasing Agent to increase the award authority of the Financial and Compliance Audit Services contract with Cherry Bekaert LLP in the amount of \$330,550 for a new total of \$1,674,068.

OR

2. I move an alternate motion.

Date of Meeting: June 14, 2016

#12

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
INFORMATION ITEM**

SUBJECT: Capital Project Procurement and Process

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Cheryl Middleton, Department of Finance and Procurement
Mark Hoffman, Transportation and Capital Infrastructure
Melissa Tello, Transportation and Capital Infrastructure
Joe Kroboth, III, Transportation and Capital Infrastructure

PURPOSE: To provide an overview of the process to develop a capital project from project initiation, procurement, construction, and project close out.

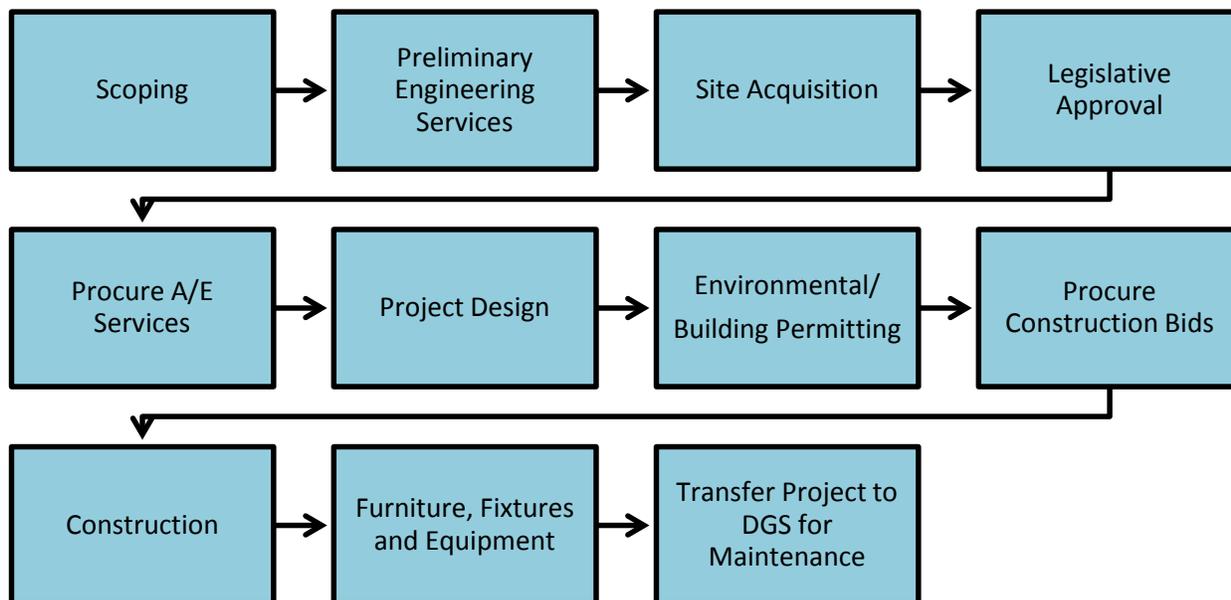
BACKGROUND: On April 12, 2016, the Finance Government Operations and Economic Development Committee (FGOEDC) requested staff provide an overview of the process associated with the procurement of architectural and engineering (A/E). However in order to more fully illustrate the length of time and all required steps, staff is providing a detailed summary of the process to develop a capital project, including the specific procedures for the procurement of A/E services, construction, and related contracts.

Capital project development can generally be categorized in the two following forms:

- **Public Facilities:** Projects such as a fire station, community center, library, sheriff's office, park or multipurpose center.
- **Roadway Projects:** Construction of a highway/road.

Outside of the project development and implementation process is advanced, long-range planning to establish basic community facility and transportation needs. For Public Facilities the planning document is the Capital Needs Assessment (CNA). This document evaluates community needs based on defined capital facility standards adopted by the Board of Supervisors (Board) through a thorough public process. The CNA projects population by planning district to determine the trigger date for the need of the respective public facility. For transportation projects, the planning document is the Countywide Transportation Plan. This document identifies the transportation network needed to move people and goods at an acceptable level of service for traffic operations. The current plan identifies the transportation roadway network necessary for land development anticipated by the year 2030.

The development process for a Public Facility project entails up to eleven phases: These eleven steps are shown in Figure 1 below:



1. Project Scoping and Project Initiation: The project planning and initiation phase includes identification of the project need, prioritization and development of a funding plan. During this process, a project is envisioned as a result of public input, growth in land use and/or basic implementation of the CNA. At this phase, projects are submitted for funding consideration through the County Capital Improvement Program (CIP) budget. Project budget and schedule estimates are developed. These steps may take one year from scoping until CIP approval through the County budget process and then up to six years depending on where in the CIP the project is prioritized.
2. Preliminary Engineering Services: Preliminary engineering services are necessary to determine if a site being considered for acquisition is appropriate for a specific public facility or to develop and process legislative applications before the formal design process. These activities can include site investigations to characterize soil conditions, due diligence research to determine the extent zoning or title encumbrances restrict development, traffic studies, and environmental studies to estimate the presence and extent of wetlands or other environmental features. As part of this task, preliminary facility layouts may be required for legislative applications or to eliminate uncertainty if a facility may potentially encroach into floodplains, wetlands, steep slopes, easements, and buffers. These preliminary engineering services are generally provided by task order consultants utilizing general funds allocated for project development. These services generally take three to five months to complete.

3. Site Acquisition: The land acquisition phase involves the search for suitable parcels capable of supporting the desired public facility within the planned service area, due diligence research, negotiation of sales terms, and transaction settlement. In some cases, land acquisition involves relocation assistance for individuals and businesses displaced by the project, the disposition of surplus or excess properties, and extinguishment of existing easements previously granted. Refer to Attachment 1 for additional information on land acquisition for Capital Projects. The site acquisition generally takes on year to complete.

However, in some cases, the County receives proffered sites. These sites also require, due diligence research and may pose issues of their own, including, but not limited to utility issues and availability, site development and environmental issues that may limit the buildable area, as well as the timing of the property conveyance based on established proffer conditions.

In general, proffered sites are conveyed to the County at pre-determined times outlined in a legislative application's proffer conditions. For example, a developer may be required to convey a parcel to the County at the 200th building permit application for a housing subdivision. Difficulties may arise obtaining the proffered site when a developer's financing or market conditions delay sufficient development to trigger the proffer. Even when the proffer is triggered, development on a proffered site may be restricted if the developer fails to construct required infrastructure (i.e., roads and utilities) in a timely manner. Delays by a developer may delay proffer site development.

The willingness of a developer to proffer land to the County usually indicates the parcel has less development value than the land being developed around it. The proffered parcel may have an irregular shape, may include undevelopable areas such as floodplains or wetlands, may have poor soil or shallow rock, or be encumbered by utilities. Since there is a lag between the approval time of a legislative application and the proffer being triggered, the condition of the proffered site may be different when it is conveyed to the County than its condition at the legislative application approval. There are instances where soil spoils have been placed on a proffer site or additional easements have been placed on the parcel. These potential issues can increase development cost beyond typical norms.

4. Legislative Approvals: Based on zoning requirements, certain facilities must go through legislative processes such as rezoning, special exceptions, commission permits, special use permits, and certificates of appropriateness to obtain development approval. These processes all involve concept plan development, Planning staff review, public information sessions, public hearings, and final votes before the applicable legislative bodies. These processes typically take 9 to 12 months.
5. Procurement of A/E Services: The consultant selection phase includes professional services scoping, identification of consultant qualifications, establishment of the consultant selection committee and process, all leading to a solicitation process whereby a professional services contract is ultimately awarded. For design contracts in excess of \$2.5 million, a Request for Proposals (RFP) must be developed and advertised prior to design

initiation. For those design contracts less than \$2.5 million, task order contracts may be used to complete the services.

The Virginia Public Procurement Act (VPPA) §2.2-4301 classifies A/E services as “professional services” and requires that they are procured through competitive negotiation, otherwise known as a Request for Proposal (RFP) process. The RFP is drafted indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, (including those which are not negotiable), including any unique capabilities or qualifications which will be required of the A/E firm. An RFP for professional services must be based on qualifications or professional competence.

Per the VPPA § 2.2-4302.2, the RFP cannot request that offerors furnish estimates of man-hours or cost for services. The RFP must be publically posted, advertised in a paper of record (Loudoun Times Mirror) for at least 10 days, and includes opportunities for prospective offerors to ask questions at a Pre-Proposal Conference held by the County or by contacting the Contracting Officer in the Division of Procurement (Procurement) during the proposal period. Typically, most A/E RFPs are published for approximately 30 – 40 days, depending on the size and complexity. A proposals opening is held on the date and time the proposals are due; however, only the names of the responding firms are read aloud. Proposals are reviewed initially by a Contracting Officer in Procurement for completeness and to ensure that offerors are currently registered with the State Corporation Commission (SCC) in accordance with §2.2-4311.2. It is important to note that proposals from firms that are not currently registered and whom have not requested a waiver of the requirement must be rejected and removed from further consideration.

Procurement manages and facilitates the proposal evaluation process. Proposals are then distributed to a Proposal Analysis Group (PAG) for review. The PAG is composed of a minimum of three County staff, excluding Procurement staff, in cooperation with the appropriate agency(s) or department(s). PAG members may include, at times, non-staff individuals when additional expertise is needed. Once each member of the PAG has had an opportunity to independently review the proposals received, a PAG meeting is convened to collectively discuss and evaluate the proposals based upon the evaluation criteria included in the RFP. The PAG will then score and rank the proposals, determining which firms to select for the discussion or “shortlist” stage. Shortlisted firms are then scheduled for interviews with the PAG to further discuss their qualifications and understanding of the project. Once the interviews are completed, the PAG reconvenes to review the additional information received during the interviews and rank the shortlisted firms to determine the most qualified firm.

Negotiations then begin with the top ranked firm. If the terms of a contract can be negotiated at a price considered fair and reasonable, the award shall be made to that top ranked firm. However, if negotiations are not successful with the top ranked firm, then negotiations must be formally terminated and then negotiations with the second ranked

firm will begin, and so on until such a contract can be negotiated at a fair and reasonable price. If negotiations are not successful with the second ranked firm, negotiations may not be restarted with the original top ranked firm.

As part of this process, pricing is only requested from the top ranked firm. The VPPA §2.2-4302.2 states that binding costs can only be requested from the top ranked firm but it does allow the request of *nonbinding* cost estimates from shortlisted firms. However, because these are nonbinding, they provide little value to the process. On the contrary, requesting non-binding estimates from shortlisted firms can actually compromise the integrity of the process. Several years ago, staff did request non-binding estimates from shortlisted firms and cost was considered as part of the evaluation in determining the top ranked firm. Some firms influenced the process by submitting low non-binding estimates which caused their overall score to increase, causing them to be the top ranked firm, although they may not have been the most qualified. Once negotiations began, their pricing dramatically increased above the original non-binding estimate. Many complaints were received from both staff who have to work with these firms along with the A/E vendor community. A decision was made in 2008 to stop requesting non-binding price estimates from shortlisted firms for standalone A/E projects and make the award solely on the basis of qualifications, following the intent of the VPPA. Implementing this process change has resulted in the award of contracts to highly qualified A/E firms with experience specifically tailored to the scope of the project. In addition, more in depth cost negotiations are occurring between staff and the A/E firms resulting in more reasonable costs for the project scope.

The total RFP process from drafting to award can take approximately six months to eight months to complete, depending on the size and complexity of the project. However, some A/E projects can be completed in less time if they are smaller in size and cost. Staff has established term “task order” contracts for as needed A/E services in accordance with §2.2-4303.1 of the VPPA. Task order contracts are established by issuing an RFP and multiple contracts are awarded. There are limits established by the VPPA for both length and value of these contracts. These task order contracts can be up to a year in length with up to four (4) additional one year renewal options. Individual projects cannot exceed \$2.5 million and the annual limit on each contract cannot exceed \$6 million. In order to not expend the annual limit too early within the contract year, staff typically uses task order contracts for design projects expected to be less than \$1.5 million. Using task order design contracts significantly reduces the amount of time it takes to secure a contract for A/E services. If these task order contracts were not in place, staff would have to issue an RFP for every design contract expected to exceed \$60,000, as required by the VPPA. The timeframe to award a contract under the task order contract can be accomplished in one to three months, depending on the complexity of the project.

For projects being funded using general obligation bonds, A/E services cannot be procured until the bond referendum authorizing the debt is approved.

6. Architecture and Engineering Design: The project development phase includes the refining of the project scope, feasibility studies, traffic analysis plan design, development of site

and floor plans, detailed design and engineering, monitoring of budget and schedules, public involvement, plan submittals and approvals. If design-build (DB) is the method of construction contracting, preliminary engineering will be completed during this phase and may include a functional program for the facility, conceptual design and preliminary site development strategies. If the traditional design-bid-build (DBB) construction contracting method is used, this phase includes completing the project design, obtaining construction plan approvals, preparing environmental reports and mitigation strategies, securing the necessary permits from VDOT, DEQ, Health Department, Building & Development, identification of utility conflicts, initiation of utility company coordination, and preparation of legal documents for land acquisition (plats, descriptions and deeds). Depending on the project's scope and complexity, most public facility projects take one to two years to complete design. On occasion, when complex land use entitlements are necessary or budget constraints impact a project, this timeframe can be significantly longer.

7. Environmental and Building Permitting: Applicable permits must be acquired prior to a project going to construction. To acquire environmental permits field assessments are normally required to characterize environmental constraints and to identify the types of permits required. Depending on the type of environmental impacts, permits may be required from Federal, State, and/or Local agencies. Some permits such as stream and wetland permits may require the purchase of mitigation credits through a separate procurement process. When structures are involved, plan review by local building code officials is required before a building permit can be issued. Environmental permits applications can be submitted once the facility layout is established and building permit applications can be submitted upon completion of the building design. Based on the type and complexity of permits, this process can typically take three to six months. Often these tasks can be performed concurrent with architectural and engineering design.
8. Procurement of Construction: Construction for public facilities valued over \$100,000 must be procured by competitive sealed bidding unless a written determination is made that sealed bidding is either not practical or advantageous. The County's typical method to procure construction services for public facility projects is design-bid-build (DBB). In a DBB delivery method, upon completion of the project design, all required permits are obtained and all easements and land acquisition is complete, the procurement of general construction services follows with a publically advertised Invitation for Bid (IFB). The bid process begins when an IFB is publically posted, advertised in a paper of record (Loudoun Times Mirror) for at least 10 days, and includes opportunities for prospective bidders to ask questions at a Pre-Bid Conference held by the County or by contacting the Contracting Officer in Procurement during the bid period. Typically, most projects are out to bid for 30 – 40 days, depending on the size and complexity. A public bid opening is held on the date and time the bids are due. Upon receipt of bids, a bid tabulation is recorded and the apparent low bidder is identified.

Once the apparent low bid is identified, it is evaluated to determine if the bid is both responsive and responsible. A responsive bid is a bid that conforms in all material respects to the IFB and a responsible bid means that the bidder is determined to have the capability, in all respects to perform fully the contract requirements (including verifying references).

Available project funding is confirmed including hard construction costs and soft construction costs which may be construction contingency, third party testing and inspections, utility relocation costs or fees and any construction-related costs that are the County's responsibility. Staff must also verify that the lowest responsive and responsible bidder is currently registered with the SCC in accordance with §2.2-4311.2, as stated in Step 5 above. Full evaluation of the bids and budget may take approximately two to three weeks or longer if there are any bid irregularities (e.g. missing documents, verification of references, SCC determination, etc.).

Once a bid has been determined to be both responsive and responsible and available project funding has been confirmed, a Contract Award item is prepared to the FGOEDC and then to the full Board of Supervisors for approval. Overall, the construction bid process takes approximately three months.

For smaller projects, task order contracts can be used for the execution of construction projects. Construction projects expected to be under \$500,000 can be procured through a Job Order Contract (JOC). JOC contracts are established through an IFB process resulting in multiple awards. There are limits established by the VPPA for both length and value of these contracts. Per § 2.2-4303.2, JOC contracts can be up to a year in length with up to two (2) additional one year renewal options. Individual projects cannot exceed \$500,000 and the annual limit on each contract cannot exceed \$6 million. The JOC program is managed by the Department of General Services.

While not often used for the delivery of public building facility projects in the County, in a design-build (DB) delivery method, a two-step procurement process is initiated for the procurement of design professional services and construction services in one solicitation following the competitive negotiation process in the VPPA. Typically, the project requirements must be identified and preliminary design/engineering is completed. The first step of the procurement process is evaluation of the offerors' qualifications as related to the project requirements and the second step is the evaluation of the price and schedule proposals for offers that the County has previously determined to be qualified. Depending on the size and complexity of the project, this process can take approximately six to eight months.

9. Project Construction: The project implementation and construction phase starts following the contract award by the Board of Supervisors. Regardless of delivery method, a Kick Off Meeting is held with the contractor following the contract award to review all pre-construction and contract requirements. The construction contract outlines all requirements for the delivery of the project including the construction duration, change management process and project completion and closeout requirements.

In a design-bid-build (DBB) delivery method, the general contractor is required to provide acceptable pre-construction submittals within 30 days of contract execution. These submittals include a construction schedule, schedule of values and management plans for quality and safety, among others. Upon successful submission of the pre-construction

submittals, a Pre-Construction Conference is held and Notice to Proceed (NTP) is issued. The NTP starts the clock for the contractor's time as outlined in the contract.

When planning the construction duration of a project normal and customary weather conditions are examined on a seasonal and monthly basis. The construction contracts, managed in calendar days, include these planned weather days within the contract time allocated. Throughout the progression of the work, changes may be required as unforeseen conditions are encountered or design errors and omissions are discovered requiring clarification or revisions. The contractor must present detailed cost and schedule justification for all changes and show that the change impacted the critical path of the project schedule in order to have additional contract time approved. The same is required if the contractor presents a change for additional weather days in a particular month; additional weather days may be approved but are typically with no additional cost to the County. Approved changes, including time, formally modify the contract completion date for the delivery of the project.

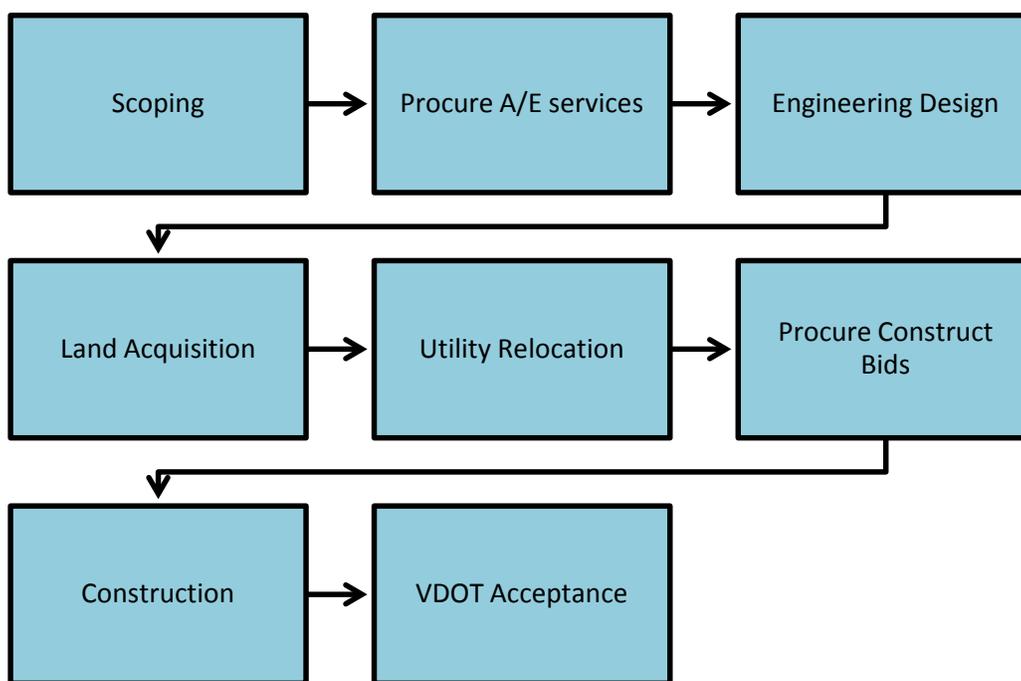
Substantial Completion is achieved when the Certificate of Occupancy for the facility has been issued by the Department of Building and Development, when a punch list has been prepared by the County and the AE team and there are no significant elements of work are incomplete which would prevent the facility from the intended use. Liquidated Damages (LD's) for completion are associated with delays in Substantial Completion. Typically, all punch list items must be completed within 30 days following Substantial Completion in order to achieve Final Completion. Many contracts also contain LD's for delayed punch list completion. Depending on the project's scope and complexity, most public facility projects take between one and two years to construct with larger projects having longer durations.

10. Furniture, Fixtures and Equipment (FFE): Following the achievement of Substantial Completion, the outfitting of the facility will begin to include the installation of furniture, fixtures and equipment. This may include low voltage systems installation in public safety facilities as well as some secure systems and/or audio visual systems. FFE items may be procured through County contracts (office furniture, as an example), ridable contracts from other jurisdictions or through a formal solicitation process depending on the type and quantity of items required. Planning for the procurement of FFE items begins several months in advance of the required delivery date to the project site. Any relocation from an existing facility will occur during this phase as well including moving services and operational "set up" or "burn in" time with the program department that operates the facility. The FFE phase typically requires 90 days after Substantial Completion before a facility can be opened.
11. Project Closeout and Transfer to DGS for Maintenance: The project closeout phase entails final inspections, punch-list resolution, resolution of legal and financial matters, negotiations for construction claims arising from the work and schedule, and turnover of the facility to General Services for operation and maintenance. (Park sites are turned over to Parks, Recreation, and Community Services.) The initial tasks during the closeout phase typically occur within 30 days of Substantial Completion (turn over for operation and

maintenance, final inspections and punch-list resolution). Most public facility construction provides for a one year warranty period and resolution of legal and financial matters can sometimes take up to one year from completion.

Overall, depending on the various issues associated with the Public Facility project, including the size and complexity, the entire project delivery from the point of appropriation in the CIP for a design-bid-build project can take from 60 months to 91 months to complete with full project closeout to follow.

The Evolution of a Highway/Roadway Project: The design and construction of a highway project entails six primary phases. Each of these phases is described below.



VDOT's Project Development Process is included as Attachment 3 for information.

1. **Project Scoping and Project Initiation:** The project planning and initiation phase includes identification of the project need, prioritization and development of a funding plan. During this process a project is envisioned as a result of public input, growth in land use and/or traffic or through basic implementation of the countywide transportation plan. At this phase projects may be submitted for funding consideration through the Virginia Department of Transportation (VDOT), the Northern Virginia Transportation Authority (NVTA), grant programs and/or the County CIP budget using various funding sources. Project budget and schedule estimates are developed. The process timeline for this phase of the project development is unpredictable given the timing when a project enters the capital budget.

Typically the preference is to have projects enter the capital budget in year six and works its way toward the appropriation year. However, often projects are advanced in the budget process and enter the capital budget in the appropriation year or year two of the plan.

2. Procurement of A/E Services: The Consultant Selection phase for transportation projects is identical to the process identified under Step 5. Procurement of Architectural and Engineering (A/E) Services under Public Facilities. The same processes and competitive thresholds apply.
3. Engineering Design: The project development phase includes the refining of the project scope, development of concept plans, feasibility studies, traffic analysis plan design, monitoring of budget and schedules, public involvement, plan submittals and approvals. If design-build (DB) is the method of construction contracting; preliminary engineering will be completed during this phase. Preliminary engineering is generally defined as a design which is approximately 30% complete and includes the establishment of the horizontal alignment, vertical profile and a basic strategy for conveying, treating and storing stormwater. If the traditional design-bid-build (DBB) construction contracting method is used, this phase includes completing the project design, obtaining construction plan approvals, preparing environmental reports and mitigation strategies, securing the necessary permits from VDOT, DEQ, Building & Development, identification of utility conflicts, initiation of utility company coordination, preparation of legal documents for land acquisition (plats, descriptions and deeds). Depending on the project's scope and complexity, most roadway projects take one to two years to complete design.
4. Land Acquisition: The ROW and utility coordination phase involves the acquisition of land for the project; relocation assistance for individuals and businesses displaced by the project; the disposition of surplus or excess properties; extinguishment of existing easements previously granted; and the design and relocation of public utilities in conflict with the project. When state or federal funds are used on a project this phase may not be initiated until the project plans have been formally approved by VDOT. This requirement often creates delays which seem unnecessary but are in fact a reality of the VDOT and Federal process. When projects are funded in part or totally with federal funds, the policies and requirements of the Uniform Act apply. Strict compliance with the Uniform Act is monitored by VDOT personnel. Any deviation from the requirements will prevent the County from receiving funding reimbursement for any phase of the project. For state and federally funded projects; prior to project advertisement, a "ROW Certification Letter" must be completed by the local jurisdiction and submitted to VDOT. This also applies even if no ROW is required for the project. The ROW Certification Letter certifies that all ROW acquisition and relocation activities have been completed. The letter is to be completed prior to, and as a condition of, receiving authorization to proceed to advertise the project for construction. Refer to Attachment 1 for additional information on land acquisition for Capital Projects. Depending on the project, land and ROW acquisition can take a few months or up to several years to complete.
5. Procurement of Construction: As noted under Step 8. Procurement of Construction under Public Facilities above, construction for projects valued over \$100,000 must be procured

by competitive sealed bidding unless a written determination is made that sealed bidding is either not practical or advantageous. The County's typical method to procure construction services for road projects is design-bid-build (DBB). In a DBB delivery method, upon completion of the project design, all required permits are obtained, and all easements and ROW are complete, the procurement of general construction services follows with a publically advertised Invitation for Bid (IFB). The process for construction bid advertisement and evaluation of bids is identical to the steps highlighted in Step 8. Procurement of Construction for Public Facilities above, including the overall construction bid process timeline of approximately three months.

Also like the public facility projects, for smaller projects, task order contracts can be used for the execution of construction projects. Construction projects expected to be under \$500,000 can be procured through a JOC contract. Most commonly, JOC contracts are used for pavement marking and signage type projects in the road project areas. They are not used for signal construction as the JOC contracts generally cover broad construction services and the County requires signal contractors to be pre-qualified with VDOT. Refer to Attachment 2 for detailed description of the overall process for the delivery of a traffic signal. In addition, JOC contracts may not be used for the construction, maintenance, or asset management services for a highway, bridge, tunnel, or overpass pursuant to §2.2-4303.2 F of the VPPA. JOC contracts are used for paving and repair of parking lots and access roads on County property.

As an alternative delivery method for roadway projects, the County has recently successfully awarded its first design-build contract for the Route 772 Transit Connector Bridge. In a design-build (DB) delivery method, a two-step procurement process is initiated for the procurement of design professional services and construction services in one solicitation following the competitive negotiation process in the VPPA. Typically, the project requirements must be identified and preliminary engineering is completed. The first step of the procurement process is evaluation of the offerors' qualifications as related to the project requirements and the second step is the evaluation of the price and schedule proposals for offers that the County has previously determined to be qualified. Depending on the size and complexity of the project, this process can take approximately six to eight months.

6. Project Construction: The project implementation and construction phase for roadway projects follows the same overall process highlighted in Step 9. Project Construction for Public Facilities above including the Kick Off Meeting, Pre-Construction Conference and NTP timelines.

However, in a design-build (DB) contract for a roadway project, following the Kick Off and NTP, a scope validation period of 120 days follows. The purpose of this period is for the DB team to review all contract documents and prepare preliminary project information such as complete site surveys, geotechnical borings and utility investigations to identify any scope of conditions that may differ from that identified in the contract documents since the documents typically only contain very preliminary or conceptual design information.

At the conclusion of the scope validation period, the final scope of the project is agreed upon between the DB team and the County.

Substantial Completion for roadway projects is typically achieved when the work has been completed, when a punch list has been prepared by the County and VDOT and there are no significant elements of work are incomplete which would prevent the roadway from being open for use. Liquidated Damages (LD's) for completion are associated with delays in Substantial Completion. Typically, all punch list items must be completed within 30 days following Substantial Completion in order to achieve Final Completion. Depending on the project's scope and complexity, most roadway projects take between one and three years to construct with larger projects having longer durations.

7. Project Closeout and Acceptance by VDOT: The project close-out phase entails final inspections, punch-list resolution, resolution of legal and financial matters, negotiations for construction claims arising from the work and schedule, and turnover of the facility to VDOT for operation and maintenance. The process for street acceptance following completion of construction requires compliance with the County's Facility Standards Manual (FSM) and VDOT criteria. With as-built information and verifications of completion and compliance from the design consultant, the street acceptance package is first submitted to B&D and then, upon their review, to VDOT for review. This process can take several months (six to nine months) following completion of construction and the opening of the road.

Overall, depending on the various issues associated with a roadway project, including the size and complexity, the entire project delivery from the point of appropriation in the CIP for a design-bid-build project can take from 36 months to 86 months to complete with full project closeout to follow.

ISSUES: There are several variables in the capital project procurement process that can cause significant delays in delivery.

Land/Right of Way Acquisition: On September 17, 2014, the Department of Transportation and Capital Infrastructure (DTCI) presented an item to the Finance, Government Services and Operations Committee on process for acquiring land to construct public facilities and roadway projects. The staff report is attached for reference (Attachment 1). Right of way acquisition is an iterative, multi-step process often involving multiple properties in order to secure land needed to construct a new road segment, widen an existing road, install a signal, or add a trail or sidewalk to an existing road. Since right of way limits are not well defined until at least 60% design completion, the process tends to lag behind the design phase.

To initiate an offer to acquire right of way, a title report for each property is required to identify the property owner and other interests in the property such as a mortgage company or trustee. A plat describing the right of way limits to be acquired must then be developed. Each plat must go through a review and comment process through Building & Development or the local town having jurisdiction over the project. Once the title information is available and the plat is approved, a deed can be prepared by the County Attorney's Office with the acquisition terms. Concurrent with

this process, appraisals needs to be ordered to document the valuation of each property. An appraisal and title report are necessary in order to make a bona fide offer that satisfies the requirements of the Virginia Code.

Typically, staff has employed the following process for right of way acquisition for transportation projects. A written offer is presented to a property owner after the appraisal is received and the deed and plat are prepared. After a written offer is presented, the property owners either accept the offer, present a counter offer, or does not respond. If a property owner makes a counter offer, negotiations associated with compensation terms can take a few weeks to numerous months depending on the property owner's responsiveness and the number of offers and counter offers. In cases where the property owner does not respond, multiple attempts are usually made to contact the land owner. If a property owner fails to respond or the County is unable to come to terms with a land owner, the County has an option to seek the property through eminent domain.

Even when property owners are responsive, there are various circumstances that delay the right of way acquisition process. Properties owned by organization such as churches or homeowner associations often require approval by a board representing the organization. Since these boards only meet periodically, action on an offer is limited to the frequency the organization's board meets. If negotiations over the sale terms involve counter offers, several board meetings may be required to complete the transaction causing the process to last numerous months.

It is not uncommon for legal counsel representing a property owner to request revisions to the County Attorney's Office's draft deed that are not acceptable to the County. In these cases, negotiations over deed language can also last many months until verbiage acceptable to the County is adopted.

Delays are also experienced when third party interests such as mortgage companies and trustees withhold their approval of a deed even when a property owner is agreeable to granting the County right of way. When dealing with mortgage companies, part of the difficulty is contacting the appropriate representative capable of processing the deed. Delays lasting many months are not uncommon when dealing with unresponsive mortgage companies or trustees. Staff from DTCI and the County Attorney's Office are exploring ways to improve the efficiency of the right-of-way acquisition process, including, for example, the use of written contracts with property owners to address some of the issues and delay factors that staff has frequently encountered in the past.

The County has historically used eminent domain sparingly. Therefore, no standard protocol is currently in place for initiating eminent domain. Although it is clear eminent domain is the only strategy for obtaining right of way from unresponsive or recalcitrant land owners unwilling to negotiate, its use for may be appropriate with responsive land owners who intentionally extend the negotiation process to obtain favorable compensation. This strategy has the potential to reduce the right of way acquisition process many months so projects can begin construction sooner.

For road projects, the County is authorized to exercise the power of eminent domain through the "quick take" process, which would allow the County to acquire the necessary right-of-way and start construction even if the County has not yet reached an agreement with all landowner(s)

regarding compensation. Other jurisdictions in Virginia with active road-building programs use the quick take process as a matter of course. Even with the quick take process, the County is required to make a bona fide effort to purchase the property before the Board may approve the use of condemnation. However, if the County's bona fide effort to negotiate a purchase is unsuccessful, the County can acquire title to and possession of the property by filing a certificate of take and depositing the estimated amount of just compensation with the circuit court. After the certificate of take is filed, negotiations with the property owners may continue. In most instances, condemnation cases are settled after a certificate of take is filed without the need for a full trial, but the road project is not delayed while the resolution is pending. Use of the quick take process should result in significant time and cost savings.

Compliance with Laws and Regulations: As with most endeavors, the performance of construction contracts is regulated by law. The difference between construction and other enterprises seems to lie in the fact that there are more jurisdictional agencies involved, and thus more laws and regulations to contend with. Simply stated, it can be said in general that these laws and regulations fall into four major categories:

1. Contract law – those laws and regulations that effect the making of contracts.
2. Laws governing the execution of the work being performed under the contract, including the issuance and conformance to the conditions of the various permits, regulations, ordinances, and other requirements of the authority having jurisdiction.
3. Laws that relate to the settling of differences and disputes that may develop out of the performance of the contract.
4. Licensing laws that govern not only the business practices but also the personal qualifications standards of the various people involved in the design and construction.

Claims and Disputes: Differences that develop during the life of the construction contract result in protests or claims by the contractor to the owner (County). The assigned County construction manager maintains numerous documents and records of the project conditions to protect the County against claims for additional time and money. Often these claims are the result of:

1. Differing site conditions (sometimes called unforeseen conditions),
2. Unusually severe weather conditions,
3. Productivity losses,
4. Failure to agree on change order pricing, and
5. Conflicts in the plans and specifications.

When subsurface or hidden elements of the work that were not easily discernable at the time of bidding the contract are involved in a project, the risk for a claim for differing site conditions can occur. This type of claim generally results in a delay in the project, and increased project costs.

Severe rains or similar weather that prevents work from being done, or which in any way delays the project, may not always be considered an excusable delay. Loudoun County includes provisions in our construction contracts to account for normal and customary weather events. However, when the contractor can demonstrate that the weather conditions have exceeded or

occurred more frequently than what is considered normal and customary or that the site conditions are not conducive for construction activity due to a weather event, the Contractor may be entitled to additional contract days to complete the project. These delays are measured in days, weeks and months.

One of the most common causes of contractor claims occurs during attempts to find agreement on the pricing for project change orders. This is predominantly due to the fact that this pricing is not subject to the competitive process. In these cases, the County contracts include provisions to direct the work to commence, to avoid creating delays in the work, only to resolve the pricing later, which typically occurs in the form of a claim filed by the Contractor. This process is referred to as a “unilateral change order”.

Utilities: Above ground and underground utilities tend to follow right of way corridors. Therefore, the widening of an existing road, installation of a signal, or addition of a sidewalk or path to an existing road will likely encounter existing utilities that may interfere with development plans. Even for new road segments, existing utilities tend to exist at the segment’s termination points. Public utilities of interest are water, sanitary sewer, storm sewer, and natural gas. Private utilities of interest are power and telecommunications. Due to the large number of data centers in the County, private fiber optic lines also tend to be concentrated along existing right of way corridors. When development plans conflict with existing utilities, existing utilities require relocation to facilitate the project.

Private utility locating firms can identify the location of underground utilities using historical drawings in combination with specially design scanning equipment. To determine the depth of utilities potentially in conflict, test borings are dug to measure the exact depth of a utility of interest. Once identified, the specific utility provider are notified of existing utilities that need to be relocated to facilitate the project improvements. When existing utilities are located in the current right of way, the utility provider is generally required to relocate the utility at the provider’s cost. In cases where existing utilities are located in easements outside of the right of way, the County would be responsible to pay for the relocation cost.

Once a section of utility is identified for relocation, the utility provider prepares a relocation design and cost estimate that is forwarded to the County. The time needed to prepare the relocation design and cost estimate is highly variable based on the specific utility. Some utilities take numerous months to prepare their relocation designs and cost estimates. Once accepted, the time for each utility to mobilize relocation crews is also highly variable. In the case of overhead utilities, installation crews are also responsible for repairing storm related damage. Therefore, relocation work can be suspended after a storm occurs until utility service is restored. The relocation costs tend to include higher overhead costs dictated by the utilities.

Coordination with Other Agencies: The delivery of the design and construction of both public facility building projects and roadway projects requires continual coordination and communication amongst multiple entities involved. Where DTIC manages the projects and maintains a prioritization of projects to meet delivery expectations, there is an inherent reliance upon other agencies to meet their obligations or delivery requirements for the project’s development. As

examples, B&D and VDOT are typical review agencies during the design phase of projects as are the public facility operating departments as the eventual users of the facility. DTICI works extensively with B&D and County Attorney's Office through ROW and easement acquisitions required for the projects and with Procurement and the County Attorney's Office for the development of solicitation documents and contracts.

It is critical, to avoid impacts to project scope and schedule, that the expectations of all entities involved in the overall project delivery process are understood and aligned. A process by which priorities are aligned and the necessary resources are dedicated is essential.

Resources: There are two main internal service components related to the design and construction of capital projects: Procurement and the County Attorney's Office.

Procurement is responsible for the acquisition of goods and services for all County departments and agencies, in addition to capital projects. There are currently five (5) Contracting Officers and one (1) Senior Buyer in Procurement who are responsible for handling over 600 active contracts and processing new solicitations. Of those staff, two (2) Contracting Officers are mostly dedicated to managing design and construction related procurements; however due to workload demands from other departments, they are also responsible for procurement related tasks from departments other than DTICI. Because of this, each Contracting Officer must try to balance workload demands and competing priorities from all departments, which sometimes creates delays in project delivery. If additional resources were available, it could alleviate some workload of the two existing Contracting Officers to focus solely on design and construction procurements, which may result in some time savings in the process. However, it must be noted that even with additional staff, the duration of some steps in the above mentioned process may not be shortened due to requirements to fulfill those steps.

Procurement works very closely with the County Attorney's Office in the processing of contracts and solicitations, including those for design and construction. All agreements are required to be approved as to form per Code of Virginia § 15.2-1237. Currently, one (1) paralegal and one (1) Assistant County Attorney are reviewing almost every solicitation, contract, and contract amendment processed by Procurement, including those for design and construction.

For the past year, the County Attorney's Office has also had one attorney dedicated to providing legal work to support the right-of-way acquisition process. This attorney is resident in DTICI's office. His primary responsibilities include reviewing plats and preparing deeds for right-of-way acquisition, drafting and reviewing bona fide offer letters, drafting purchase contracts and right-of-entry agreements, assisting staff in negotiations with landowners or their counsel, resolving title issues, and negotiating with lenders for lien releases. Recently, the County Attorney's Office hired a paralegal (who is also resident at DTICI's office) to assist with routine document preparation and other administrative tasks associated with the acquisition process. It is anticipated that the paralegal will be able to handle most of the routine matters, thereby allowing the attorney to devote the majority of his time to the more complex acquisitions and negotiations.

Supplemental Funding: Based on the overall project delivery timeline, with many projects requiring several years to fully implement design, acquire ROW and complete construction, projects with older appropriations may encounter needs for supplemental funding. A common example is the variation in the length of time and cost to acquire ROW on roadway projects. While the ROW required for the project was identified in early design and costs are estimated, until the roadway plans are approved, acquisition of the ROW and negotiation of actual costs cannot begin. For projects with funding that was appropriated in the adopted CIP years earlier, not only have costs escalated, but the actual market conditions at the time of the original appropriations may have changed significantly. This puts projects with older appropriations at a greater risk for needed supplemental funding, typically at the time of the award of the construction contract. Budget planning models for capital projects do take cost escalation into account to mitigate this risk, however, market conditions can be unpredictable particularly when the appropriation occurred five or more years earlier.

Additionally, supplemental funding may also be required due to construction delays. While project construction contingency is budgeted and verified at the time of the award of the construction contract, the contingency may not be able to fully cover the County construction support services costs due to construction delays. For example, the contingency may cover the added costs of a change order to the contractor for an unforeseen condition and the County may approve additional time associated with that change, however, the project's contingency may not be able to fully cover the additional third party testing and inspection. The same is true if a contractor does not complete a project within their contract time, however, liquidated damages may address those additional costs to the County.

Design-Build as an alternative project delivery method: No one delivery method is best for all projects. The design-build (DB) delivery method is an attractive option for the delivery of certain project types for many owners with possibilities to minimize costs and delivery schedules in some cases. Often using the DB process can accelerate a project delivery. However, this is only holds true if the project is a good candidate for the DB option. Examples of poor choice projects for use of the DB option are summarized as follows:

- Projects where the County wants to have a greater role in the decision making process such as layout, furnishing, functionality, etc. This is typical for libraries, community centers, etc.
- Projects where the County is issuing multiple contracts on the same site or facility. The DB team must have exclusive use of the project site to avoid causing delays.
- Projects where the right of way for the project has not been acquired.
- Projects which involve coordination with utility companies to relocate utilities and the project schedule is dependent upon the relocation of those utilities.
- Projects where functionality cannot be described or defined by performance standards in the project specifications or covered by the applicable codes and industry standards.

Based on the selection process and necessity for A/E firms and contractors to tea-up for a project, less competition is prevalent in the market place.

A key issue to consider with DB projects is the necessity of aligning a project's funding and appropriation schedule with the delivery method. Typically, County projects are planned as design-bid-build deliveries with an appropriation schedule in the CIP that staggers design, ROW and construction funding over a period of several years. A DB project would require full funding appropriations at the onset of the project to award the contract for the combined services.

Federal Funding and Procurement: It is critical to be aware of approved or potential federal funds on a given project at the beginning of a project's development to the extent possible. In addition to differing project administration and reporting requirements, the use of federal funds typically necessitates additional terms and conditions of design and construction contracts including limitation of overhead and mark-up on sub-consultants and direct costs, requirements for Disadvantaged Business Enterprise (DBE) and documentation of DBE goals and efforts, Davis-Bacon wage rate requirements in construction and Buy America requirements. These terms and conditions must be addressed in the design consultant and construction procurement process at the onset and the contracts often necessitate advance review by the sponsoring entity (VDOT, FHWA, etc.). Where project funding agreements require compliance with federal requirements, the funding to the County may be compromised should there be a failure to meet and document all requirements. Additionally, there may be administrative costs from the sponsoring entity for their reviews and monitoring of the project that need accounting in the overall project budget and the time required for the reviews should be planned for in the overall project schedule.

Staff is actively working on strategies to mitigate the issues listed above.

FISCAL IMPACT: There is no fiscal impact to report with this item.

ALTERNATIVES: There are no alternatives to present with this item.

ATTACHMENTS:

1. September 17, 2014 Board of Supervisors Action Item #14i – Land Acquisition for Capital Improvement Projects.
2. Traffic Signal Process
3. VDOT Project Development Process

Date of Meeting: September 17, 2014

14i

BOARD OF SUPERVISORS ACTION ITEM

SUBJECT: FINANCE/GOVERNMENT SERVICES & OPERATIONS
COMMITTEE REPORT: Land Acquisition for Capital
Improvement Projects

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: At the pleasure of the Board

STAFF CONTACTS: Joe Kroboth, Transportation & Capital Infrastructure
Ron Brown, Office of the County Attorney

PURPOSE: To provide the Board with a summary of strategies to acquire land for capital projects and describe barriers impacting the activity.

RECOMMENDATIONS:

Committee: On September 9, 2014, the Finance/Government Services and Operations Committee voted 5-0 to recommend that the Board of Supervisors direct staff to develop a policy for relocation assistance associated with land acquisition activities.

Staff: Staff concurs with the committee's recommendation.

BACKGROUND: Acquiring land for capital improvements can be categorized in the two following forms:

- **Land Acquisition for Public Facilities:** Purchase of complete parcels for public facilities which follow the traditional real estate process (such as a fire station, community center or school and partial acquisitions). In 2008 the Board of Supervisors created a Land Acquisition Matrix Team. This team consists of staff members from both the Loudoun County Public Schools and Loudoun County Government. This team is responsible for reviewing proposed school and general government land site purchases and presenting information to the respective Boards for consideration in their decision making process. Although not the focus of this item, the typical flow process for acquiring land for a facility development project is depicted on Attachment #1.
- **Right of Way for Roadway Projects:** Also referred to as “strip takes” for the construction of a highway/road or utility. A key element in moving a highway construction project forward is the ability to acquire the right-of-way (ROW) in a timely manner. Delay in the acquisition process can lead to major delays to the construction phase. The typical flow process for acquiring land for a highway/road project is depicted on Attachment #2.

Following is an overview of Project Development and Land Acquisition Process.

The Evolution of a Highway/Roadway Project: The evolution of a highway project entails six primary phases. Each of these phases is described below.



1. **Project Planning and Initiation:** The project planning and initiation phase includes identification of the project need, prioritization and development of a funding plan. During this process a project is envisioned as a result of public input, growth in land use and/or traffic or through basic implementation of the countywide transportation plan. At this phase projects are submitted for funding consideration through the Northern Virginia Transportation Authority, grant programs and/or the County Capital Improvement Program budget. Project budget and schedule estimates are developed.
2. **Consultant Selection:** The Consultant Selection phase includes professional services scoping, identification of consultant qualifications, determination of compensation methods, establishment of the consultant selection committee and process, all leading to a request for proposals whereby a professional services contract is awarded. When the fee to prepare the project design is less than \$2 million, task order contracts are used to provide this service. This phase typically requires between two and four months to complete depending on the complexity of the project and availability of task order contracts being in-place. For design contracts in excess of \$2 million, a request for proposals must be developed and advertised prior to design initiation. This process can take four to six months to complete.
3. **Project Development:** The project development phase includes the refining of the project scope, development of concept plans, feasibility studies, traffic analysis plan design, monitoring of budget and schedules, public involvement, plan submittals and approvals. If design-build (DB) is the method of construction contracting; preliminary engineering will be completed during this phase. Preliminary engineering is generally defined as a design which is approximately 30% complete and includes the establishment of the horizontal alignment, vertical profile and a basic strategy for conveying, treating and storing stormwater. If the traditional design-bid-build (DBB) construction contracting method is used, this phase includes completing the project design, obtaining construction plan approvals, preparing environmental reports and mitigation strategies, securing the necessary permits from VDOT, DEQ, Building & Development, identification of utility conflicts, initiation of utility company coordination, preparation of legal documents for land acquisition (plats, descriptions and deeds).
4. **Right of Way and Utility Coordination:** The ROW and utility coordination phase involves the acquisition of land for the project; relocation assistance for individuals and businesses displaced by the project; the disposition of surplus or excess properties; extinguishment of existing easements previously granted; and the design and relocation of public utilities in conflict with the project. When state or federal funds are used on a project this phase may not be initiated until the project plans have been formally approved by VDOT. This requirement often creates delays which seem unnecessary but are in fact a reality of the VDOT and Federal process. When projects are funded in part or totally with federal funds, the policies and requirements of the Uniform Act apply. Strict compliance with the Uniform Act is monitored by VDOT personnel. Any deviation from the requirements will prevent the County from receiving funding reimbursement for any phase of the project. For state and federally funded projects; prior to project advertisement, a "ROW

Certification Letter” must be completed by the local jurisdiction and submitted to VDOT. This also applies even if no ROW is required for the project. The ROW Certification Letter certifies that all ROW acquisition and relocation activities have been completed. The letter is to be completed prior to, and as a condition of, receiving authorization to proceed to advertise the project for construction.

5. **Project Implementation and Construction:** The project implementation and construction phase starts with the procurement of construction bids, review of the bids, and contract award by the Board of Supervisors. If the project is being constructed using the design-build contracting method, the design will be completed, plan reviews conducted and approvals/permits obtained. If the project is being constructed using the tradition design-bid-build method, actual construction is performed, monitoring of progress and environmental conditions are completed as part of this step. Utility relocation coordination may need to continue where coordinated relocation is necessary.
6. **Project closeout:** The project close-out phase entails final inspections, punch-list resolution, resolution of legal and financial matters, negotiations for construction claims arising from the work and schedule, and turnover of the facility to VDOT for operation and maintenance.

DTCI’s Approach for Managing the Land Acquisition Workload: Acquisition is one of the most sensitive aspects of the Department’s activities because it involves direct personal contact with the people affected by the project. Yet, staff believes it is imperative that the County acquire property interests expeditiously to facilitate public improvement construction projects and avoid construction cost escalation and delays. In obtaining the required properties and ROW, our primary goal is to acquire through negotiation rather than through the use of condemnation or quick take authority whenever possible. Acting as an acquisition agent or negotiator, staff plays an important role in achieving this goal.

Until recently the Department of Transportation & Capital Infrastructure (DTCI) relied solely on a single employee to undertake all land acquisition and ROW efforts. In May 2014, with the assistance of the Human Resources Division of Management & Financial Services (MFS), DTCI initiated the recruitment process for a second Land Acquisition Manager position. A second Land Acquisition Manager was hired by the Department and started employment with the County on August 14, 2014. The addition of staff resources will significantly aid in making the initial contacts, providing timely follow-up and negotiating the acquisition.

Given the number of personnel resources other jurisdictions employ to perform land acquisition, Loudoun remains understaffed.

Land Acquisition Staffing (FTE’S) in Other Jurisdictions

| Jurisdiction | FTE's |
|---------------------------|-------|
| Fairfax County, VA | 19 |
| Montgomery County, MD | 16 |
| Henrico County, VA | 7 |
| Prince William County, VA | 2 |

To maintain pace with the Board’s transportation program, staff has determined additional assistance is necessary from consulting firms to meet the workload demand. DTCI has worked with the Procurement Office, within MFS, to scan the Northern Virginia area to determine if any jurisdiction had an existing contract to ride for land acquisition services. The scan proved unsuccessful. Staff from both departments then initiated the development of a Request for Proposals to retain the services of firms to provide additional land acquisition assistance. The procurement process for these services is anticipated to be complete and

ready for contract award by the Board in February 2015. Staff from DTCl and Procurement have initiated discussions to find ways to accelerate this schedule.

Department Negotiation Practices and Establishment of Acquisition Price: The DTCl is fully committed to negotiating the acquisition of land for capital improvement projects in a good faith and a manner fair to all parties (County as the “buyer” and property owner as the “seller”). Staff acknowledges the importance to acquire the needed land at a reasonable price, within a defined project budget and schedule. DTCl equally understands the importance to offer fair compensation to the seller.

A fundamental component to successful negotiations is continued notification and communication with the affected property owners. Initially property owners are identified through the design process and interact with staff through the public involvement and information meetings. At this point staff discusses the project limits of work and any potential property impacts that are known in the early stages of a design. The intention is to continue the lines of communication throughout the life of the project.

The initial offer purchase price for land needed for a transportation project is founded upon a real estate appraisal prepared by a certified-independent real estate appraiser. The County has certain task order contractors available to prepare these appraisals. The appraised land value is established from a combination of factors including:

- Amount of land being acquired;
- The intended purpose of use for the land (i.e. fee simple ownership, perpetual easement, temporary easement, relocation costs, damages, etc.);
- Physical and environmental characteristics of the property;
- Development potential of the property and contribution toward FAR;

The assigned Land Acquisition Manager and County Attorney then prepare a bona fide offer letter discussing the project, with the description of the various easements and/or dedications, if applicable, along with their valuations from the appraisal. A package is then assembled which includes the offer letter, along with the appraisal, plat(s), draft deed(s), and the title report. This package is sent certified mail/return receipt. This commences negotiations with the property owner. Experience has shown various responses. Some property owners are supportive of the project and are in agreement with the initial offer. Others who may also be supportive of the project have an amount in mind for the property value. Some property owners obtain their own appraisal report to assist them with a counteroffer. When secondary appraisals are prepared by a certified appraiser, the County staff reviews the report to determine its reasonableness. If the findings cannot be disputed, the values from both the County prepared and property owner prepared appraisals are considered and a revised offer is presented to the property owner for consideration.

In some circumstances, the property owners have non-monetary concerns. These include relocation of fences, construction of driveways, utility relocations, landscaping, sound attenuation, etc. These items, when requested by property owners, are reviewed and a reasonable value is established to in exchange for monetary compensation.

In some cases, property owners simply are not supportive of the project or are not satisfied with the just compensation offered for the property. When this occurs they refuse to reach agreement and prolong the acquisition process for their own reason. In these cases, the County must evaluate the options available to it under the law. Generally as depicted on Attachment #1 the County may choose to increase its’ offered price, cancel the project due to lack of public support, redesign the project around the unwilling seller or

exercise some form of condemnation, either quick-take or the protracted condemnation process. In all of these scenarios, the property owner can retain an attorney and often does so. This always extends the acquisition process, as there is back and forth between the property owner's attorney and CAO on deed language and conditions. This takes valuable time from the CAO to work out the final language, taxing the County's resources.

ISSUES: Over the past decade, real estate transactions for public projects have become more challenging. Staff has identified 11 issues noteworthy for this item. The following paragraphs describe these issues which create barriers to quickly negotiating a land acquisition.

Uniform Act: Projects whereby the County partners with VDOT to implement often include some source of federal funding. When federal funds are used on any phase of a project, regardless of the amount of funds, their entire project must comply with the federal regulations. Failing to meet these ROW requirements can jeopardize the release of reimbursement funds from VDOT or the federal Highway Administration. Among the most arduous of these regulations is the *Uniform Relocation Assistance and Real Acquisition Policies Act of 1970*, known as the "Uniform Act". This federal regulation provides benefits, protection and payment of just compensation for land acquired for public infrastructure projects. When a project displaces an individual, family, business, farm or non-profit organization additional services and payments are required. The Uniform Act is the primary but not exclusive act for ROW acquisition.

The basic acquisition requirements for land acquisition under the Uniform Act are:

1. The County representative must personally contact each real property owner or the owner's designated representative in order to explain the acquisition process to the property owner, including the right to accompany the appraiser during inspection of the property, and provide the owner with a written notice of the County's intent to acquire.
2. Provide the owner with a written offer of the approved estimate of just compensation for the real property to be acquired and a summary statement of the basis for the offer.
3. Give the property owner an opportunity to consider the offer.
4. Conduct negotiations without any attempt to coerce the property owner into reaching an agreement.
5. Provide at least 90 days written notice of the date by which the move is required.
6. Pay the agreed purchase price before requiring the property owner to surrender possession of the property being acquired.

Mortgage Companies/Banking Regulations/Economics: Following the events of September 11, 2001, the banking regulations changed dramatically and those changes have affected the land acquisition process. These changes, which have increased the review process, time and expenses coupled with the value decline in the real property market have created situations which cause delays with land acquisition. More often our title research identifies multiple lending institutions who have a financial interest in the properties the County is attempting to acquire. It is the property owner themselves who have a relationship directly with the lenders, not the County. Despite our advisement to the property owner, they often fail to forward the proposal documentation to the lending agency until the negotiations are complete. When the documents are finally forwarded to the lender by the property owner, in most cases the lender will require a fee to perform their review of the documents, and they require the fee to be paid in advance. There are often additional documents the lender may require before a decision can be made to release a portion of the property from the mortgage, these include additional land surveys, zoning certificates, etc.

The decline in market value for real estate have created a common situation where property owners owe more for their property than the current market value, commonly known as being “upside-down with their mortgage”. When this occurs, even in cases where the seller is willing to cooperate with the County and a purchase price can be negotiated; when the seller learns that the lender will capture those funds to pay down the principal of the loan, the seller immediately changes their opinion of the project and looks for a higher level of compensation. This change in dynamics of the negotiations often cause unexpected delays.

Open Space Easements: There are generally two different types of open space easements (“OSE”) that are encountered when acquiring property for County road projects. The first and most restrictive is an OSE granted pursuant Virginia Code §10.1-1700 et seq. or the Virginia Open-Space Land Act (the “Act”). The Act allows a property owner to convey an OSE to the County or other public body for the purpose of “retaining or protecting natural or open-space values of real property, assuring its availability for agricultural, forestall, recreational, or open-space use protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural or archaeological aspects to real property” (Virginia Code §10.1-1700). The terms of each individual easement can vary but all prohibit and limit certain uses and types of activities on the property encumbered by the easement. Several of the major County road projects and other smaller projects for the installation of traffic signals and turn lanes have involved property encumbered by an OSE. In each situation the OSE prohibits the property owner from conveying the necessary ROW or easements to the County.

The solution for acquiring property subject to an OSE created by the Act is provided in Virginia Code §10.1-1704, and allows property designated as open-space land to be converted or diverted from open-space land use if certain strict requirements are met. This allows the County to vacate the OSE on the property needed for the road project if substituted land is found to encumber with a new OSE. The substituted land must be, “(a) of at least equal fair market value, (b) of greater value as permanent open-space land than the land converted or diverted and (c) of as nearly as feasible equivalent usefulness and location for use as permanent open-space land as is the land converted or diverted” (Virginia Code §10.1-1704). The statutory requirements regarding replacement property have been resolved in different ways. On a couple occasions property owned by the County has been used as replacement property. On other occasions private property owners who have property in the vicinity of the road project have been contacted and after successful negotiations, have agreed to encumber their property with an OSE. Another issue that adds to the complexity of dealing with an OSE arises when the beneficiary of the OSE is not the County. Some road projects involve an OSE where the beneficiary is a private charitable organization (i.e. the Land Trust of Virginia) or public organization (i.e. the Virginia Outdoors Foundation). These organizations conduct their own internal review to evaluate the OSE swap, and often require formal approval by their board of directors.

The second type of OSE can be created in certain residential zoning districts pursuant to requirements in the Loudoun County Zoning Ordinance and is typically called an Open Space Conservation Easement (“OSCE”). The OSCE by its terms is less restrictive than the OSE created pursuant to the Act. The terms of each individual OSCE can vary but all prohibit and limit certain uses and types of activities on the property encumbered by the easement. An OSCE however, may allow for other uses and activities in the easement area with the written approval of the County and property owner. The required approval can be written into the Deed of Dedication and/or Easement from the property owner to the County and there is no requirement to find replacement property.

Real Estate Appraisals: Real estate appraisals are obtained for all land acquisitions. The appraisal is prepared by an independent vendor under contract by the County. The appraisal establishes a professional opinion as to the market value of the respective land acquisition. Staff from DTCI request an appraisal once the property plats are finalized.

Appraisals are deemed valid for one year. In some instances, if the negotiations lag due to the property owners' unwillingness to execute the DOEs for a variety of reasons, staff has ordered updated appraisals to provide additional confirmation of the values over the year. Sometimes these values adjust only slightly, either upward or downward. Prior to commencing appraisal work on parcels required for the project, the appraiser must provide the owner or the owner's representative a certified letter of intent to enter upon the property for the purpose of inspection and allow them the opportunity to accompany the appraiser on the inspection in accordance with Virginia Code requirements.

Authorization of Conveyance of Real Property by a Non-Profit or Religious Body: Prior to a change in Virginia law in 2005, churches and religious bodies were not permitted to incorporate and were simply unincorporated associations. If a church or religious body chooses to incorporate and title to real estate is properly transferred to the incorporated entity, then a church corporation can convey real estate or grant an easement in the same manner as any other corporation in Virginia. If however, a church has not incorporated, then title to real estate belonging to the religious congregation is held by trustees. Pursuant to Virginia Code §57-8, on the application of the proper authorities of an unincorporated church or religious body, trustees can be appointed ex parte where there are none or in place of former trustees, by the circuit court of the county or city in which the land lies. Except with certain limited exceptions, the sale or encumbrance of real estate belonging to a church or religious body must be authorized by court order. Virginia Code §57-15 provides that properly appointed trustees can file their petition in circuit court asking leave to sell, encumber, improve, make a gift or otherwise convey their land. Upon the presentation of proper evidence the court will issue an order to provide for the action requested by the trustees. After this order has been entered by the court, the trustees are authorized to sign the Deed of Dedication and/or Easement to the County.

These statutory requirements add to the complexity of the acquisition process and often cause delays. Several of the current road projects involve property owned by a church or religious body who do not regularly engage in real estate transactions involving their land. At least two churches have questioned the necessity of having to petition the court to convey the necessary land interests to the County. The County Attorney's Office is prohibited from preparing the court pleadings or providing legal advice to the churches. Some of the churches have expressed frustration with the necessity of hiring an attorney and incurring legal fees for the preparation of the court documents.

Title Reports and Acquiring Clear Title: The County must acquire clear title to the real estate needed for road projects. When the construction plans are around 90% design, a list of the properties impacted by the road project is provided to the County Attorney's Office so that a title search and report can be ordered from an independent examiner. The title report is sent directly to the County Attorney's Office for review. If the title is clear the Deed of Dedication and/or Easement is drafted based on the results of the title report and the plat prepared by the County's consultant. Title issues that arise in the chain of title require additional research of the land records and can also involve further discussions with the property owner, their attorney and mortgage lender. Title issues are unpredictable and can cause significant delays in the land acquisition process. One title issue involving property owned by DC Star Saddle, LLC has impacted the Russell Branch Parkway project and requires the County to file a condemnation action to acquire the property free and clear of the restrictive covenants for Ashburn Community Village Association.

On average it takes 4 to 8 weeks for a title examiner to complete and deliver a title report. It has become more difficult to find title examiners who can take on the volume of work associated with the large road projects and provide a timely turn around. Some road projects will require the County to acquire an entire parcel from a property owner and a real estate settlement company will be used to perform the closing services and provide a title insurance policy to the County. In the near future DTCI would like to follow the procurement process to establish a task order list for title examiners and real estate settlement companies

similar to what exists for real estate appraisal services. This will establish a qualified list of providers who have a willingness to provide timely services to the County.

Unwilling Sellers: Practically every project planned or implemented involves property owners who are inherently opposed to the project. Their opposition can come in numerous forms, they may have an opinion the project is not needed or is a waste of public funds; they may believe the project creates unnecessary environmental impacts; they may be opposed to moving traffic closer to the home; they may have concerns over noise or air pollution; or many other possible impacts. In these cases, no value of compensation is adequate to convince the property owner to sell the needed land to the County for the project.

Likewise, when these situations develop, no matter what level of public involvement the County provides, the property owner simply will not enter into an agreement with the project easily to move it forward. Staff begins the process of informing all property owners of the project at its inception. Staff holds public informational meetings and in some cases depending on the funding source public hearings where citizens can offer public testimony on the project. Staff presents the project scope and plans which are available at any given point in the project development. At these initial meetings, all of the contact information for both County staff and the County's consultant who is designing the project are provided. Property owners are encouraged to contact anyone on the team with any questions on the project or their particular property.

Over the course of the design progressing, staff will periodically hold additional public informational meetings depending on the complexity of the project or time elapsed since the last public meeting. Staff also meets individually to discuss property owner comments and/or questions related to how the project specifically impacts their property. Staff attempts to keep in constant contact with the property owners throughout the entire design process. This contact can be in the form of face to face conversations, telephone conversations, electronic mail or regular mail.

Negotiations commence once the legal documents, plats, and appraisals are delivered via return receipt/certified mail to the property owners. Meetings are then set up, normally at the property, to review the plat and its impacts to the property. Numerous meetings are held in order to make sure that the property owners are comfortable with the project. Often the property owner requests certain project related items be staked out in the field so they can better understand the actual impacts from the project.

Private Law Firms Soliciting Business: Staff understands and respects the right of land owners to obtain independent legal advice regarding their property rights when their land is needed for a public road project. However, staff feels it is worth noting here for the Board's information that there are instances of law firms that specialize in eminent domain obtaining copies of County road project plans pursuant to FOIA requests and sending solicitation letters to the land owners whose land will be impacted by such projects. Often these solicitations are sent to the property owner following the start of negotiations with the property owner.

Home Owners Association (HOA) Requests: HOA officers are required to review and execute the Deed of Easements following approval of their Board. They are required to also provide Staff with their meetings minutes approving the action, along with their certifications of signatory authority.

In most instances, the ROW that is required for the project has already been dedicated to the County from the developer who originally rezoned or improved the overall community that now exists. In this case, there may be none or little additional land that the County needs for the project. If this is the case, no compensation is offered to the HOA. It may be difficult for the HOA to understand that the proffers, which are also presented to them for their review, which allows the County to use this land for the project when the proffer is 'called' for by the Department of Planning and Zoning Department.

Attorneys have been engaged by the HOAs to negotiate for some compensation in the form of monies or landscaping. Staff may need to offer some type of compensation in order to get the HOA to execute the necessary documents in order for the project to move forward. Even though, in most cases, the ROW for the roads have been reserved by the developer of a subdivision, HOAs feel they deserve additional compensation. This impacts the schedule and budget for the project as the County ultimately has to pay off the community for property already reserved.

Relocation Assistance: The County is required to provide relocation assistance to displaced homeowners, tenants and businesses owners. Relocation assistance includes moving expenses and replacement housing assistance. Reimbursable moving expenses include actual reasonable expenses for moving a property or business owner, his family, business, farm operation or other personal property. Such expenses may also include actual tangible losses resulting from the relocation or discontinuation of a business or farm operation, actual expenses incurred to search for a replacement business or farm, and actual expenses incurred to reestablish a business or farm at a new site. (Va. Code § 25.1-406). In lieu of actual expenses, a displaced person could elect to receive a moving expense allowance in an amount determined by a schedule established by the locality. (Va. Code §§ 25.1-407 & 25.1-408). Staff is requesting the Board of Supervisor's direct staff to conduct the appropriate level of research and propose a policy for Board adoption.

Replacement housing assistance requires the locality to pay the costs (in addition to moving expenses) for displaced homeowners and tenants, who had been residing at the subject property for at least 90 days before the County initiated negotiations for acquisition of the property, to find comparable replacement housing. (Va. Code § 25.1-409 & 25.1-410). To be considered comparable, a replacement dwelling must satisfy several criteria. It must be: (i) decent, safe and sanitary; (ii) adequately sized for the occupants; (iii) within the financial means of the displaced person; (iv) functionally equivalent; (v) in an area not subject to unreasonable adverse environmental conditions; (vi) in a location not generally less desirable than the acquired dwelling with respect to public utilities, facilities, services and the displaced person's place of employment. (Code § 25.1-400).

The replacement housing requirements are fairly comprehensive. Generally, displaced homeowners are entitled to replacement housing costs in an amount not to exceed \$31,000. This is in addition to the compensation paid for the acquired dwelling. (Code § 25.1-409). Displaced tenants (including those who *lawfully* reside on the property, but who may not pay rent) are entitled to replacement housing costs in an amount not to exceed \$7,200. This compensation is intended to equal the difference between the rent paid at the acquired dwelling and the rent for a comparable, replacement dwelling, for a period not to exceed 42 months. (Va. Code § 25.1-410).

Notwithstanding the maximum payments described above, the County cannot require a person to move from his dwelling unless the County is satisfied that comparable replacement housing is available. Thus, pursuant to Va. Code § 25.1-414, the County may exceed the maximum payments authorized by Code §§ 25.1-409 and 25.1-410, on a case-by-case basis, if comparable replacement housing cannot be funded at those levels. Pursuant to Va. Code § 25.1-402, the County is authorized to promulgate rules and regulations necessary to carry out its relocation assistance obligations.

Quick Take Process for Right of Way: Quick-take is a form of condemnation that is available for certain types of public projects, including street and road construction. In circumstances when the County is not able to acquire all of the land and easements needed for a particular project through negotiated sale, the County may use the quick-take process to avoid additional delay of the project. The term "quick-take" is relative. The statutory prerequisites applicable to a conventional condemnation proceeding apply to quick-takes as well. The advantage of the quick-take process, however, is that the County can take possession of the subject property and start construction without waiting for a judicial determination of just compensation.

Even when the County initiates the quick-take process, there is still an opportunity for the County and a property owner to agree on the amount of just compensation without the need for a full judicial proceeding.

The steps in the quick-take process are as follows:

1. *Bona fide effort to acquire property by purchase.* Before proceeding with any form of condemnation, the County must make a bond fide effort to acquire the property through a negotiated sale. To satisfy this requirement the County must deliver to the property owner(s) a written offer to acquire the property accompanied by a written statement that: (i) describes the public use for which the locality seeks to acquire the property; (ii) certifies that the acquisition has been reviewed by the locality for compliance with Code § 1-219.1; and (iii) explains the factual basis for the amount of the offer, stating separately the amount offered for just compensation and for damage to the residue, if any. In most cases, the locality must also provide to the property owner(s) a copy of an appraisal and title report obtained by the locality. (Va. Code § 25.1-204).
2. *Public Hearing & Adoption of Ordinance or Resolution.* In all cases, the locality must conduct a public hearing prior to initiating condemnation proceedings. Following the public hearing, the locality must adopt an ordinance or resolution that includes specific information. When a county is pursuing a quick-take, the ordinance or resolution shall:
 - a. approve the proposed public use;
 - b. direct the acquisition of the property for the public use by condemnation or other means;
 - c. state the use to which the property shall be put and the necessity therefore
 - d. declare the governing body's intent to enter and take certain properties for any of the purposes set out in § 15.2-1904(A) (i.e., streets and road);
 - e. state the compensation and damages, if any, offered each property owner; and
 - f. declare the necessity for entering upon and taking such property prior to or during the condemnation proceedings. (Va. Code §§ 15.2-1903 & 15.2-1905(C)).
3. *Certificate Requirements.* Before entering upon and taking possession of the property, the locality shall pay into the court such sum as the governing body estimates to be the fair value of the property taken and damage, if any, done to the residue. Such payment is accompanied by a certificate of take. Alternatively, the Board may file a certificate of deposit in lieu of payment, stating that the sum designated therein shall be paid pursuant to court order. The amount of the certificate of deposit is the same amount that the County would have paid pursuant to a certificate of take. However, when a certificate of deposit is used, the Board will be required to pay interest from the date of the certificate until the date the funds are actually deposited with the court. (Va. Code §§15.2-1904, 25.1-305 & 25.1-310(G)).
4. *Defeasible Title Vests in the County.* Upon filing the certificate, defeasible title in the property vests in the locality. The title remains defeasible until either the County reaches an agreement regarding compensation with the owner, or the amount of just compensation is determined through a judicial proceeding. The owners interest in the property and all liens transfer to the funds on deposit (or represented by the certificate). (Va. Code § 25.1-308). Upon entry of a final

order confirming the award of compensation, the County's title shall become absolute and indefeasible.

5. *Start of Construction/Development.* Construction and development shall be scheduled, to the greatest extent practicable, so that no person lawfully occupying real property shall be required to move from a dwelling (assuming a replacement dwelling will be available) or to move his business or farm operation without at least 90 days' written notice from the state agency of the date by which such move is required. The County is required to provide relocation assistance to property owners and tenants in accordance with Va. Code §§ 25.1-406 through 25.1-416. (See discussion below).
6. *Institution of Condemnation Proceedings.* The County must institute condemnation proceedings any time after a certificate is filed, but no later than 60 days after the construction of the subject improvements has been completed. (Va. Code § 25.1-313). However, the property owner may institute the proceedings if the County either has not completed the improvements within a reasonable time period, or has not instituted the proceedings within 60 days after completing construction. (Va. Code § 25.1-318).
7. *Judicial Determination of Just Compensation.* The parties still have an opportunity to reach an agreement regarding just compensation even after a certificate has been filed. (Va. Code § 25.1-317). If the parties are not able to agree, then the amount of just compensation will be determined through trial by either a jury or a panel of commissioners, at the election of the property owner. If the owner elects to have the case heard by a panel of commissioners, the commissioners will be chosen either by agreement of the parties or by the court from a list of potential commissioners submitted by each party. The panel will consist of either five or nine commissioners. If the property owner fails to make an election, or if the parties agree, just compensation may be determined by the court. (Va. Code §§ 25.1-220 & 25.1-221.2).

FISCAL IMPACT: There is no fiscal impact for this item. However, land and ROW acquisition can be a significant portion of a project's overall budget. Delays with acquisition directly influence the project construction schedule and project cost, which is effected by construction cost escalation.

DRAFT MOTIONS:

1. I move the recommendation of the Finance/Government Services and Operations Committee that the Board of Supervisors direct staff to proceed with the development of a policy for relocation assistance consistent with the laws of the Commonwealth of Virginia and return to the Board of Supervisors for policy adoption.

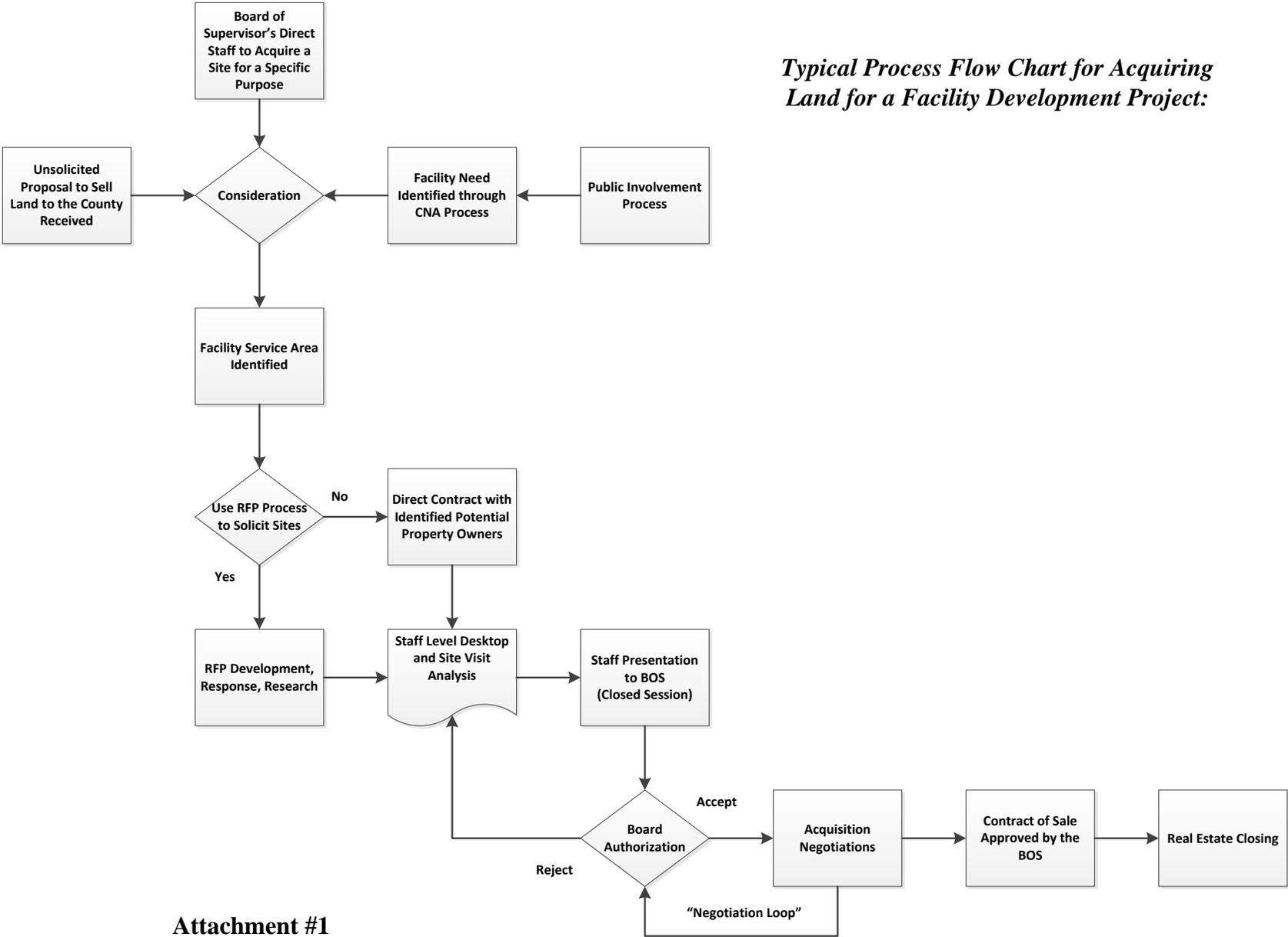
OR

2. I move and alternate motion.

ATTACHMENTS:

1. Typical process flow chart for acquiring land for a facility development project.
2. Typical process flow chart for acquiring right of way for a highway/road project.
3. Legal reference material for the "Quick Take" process.

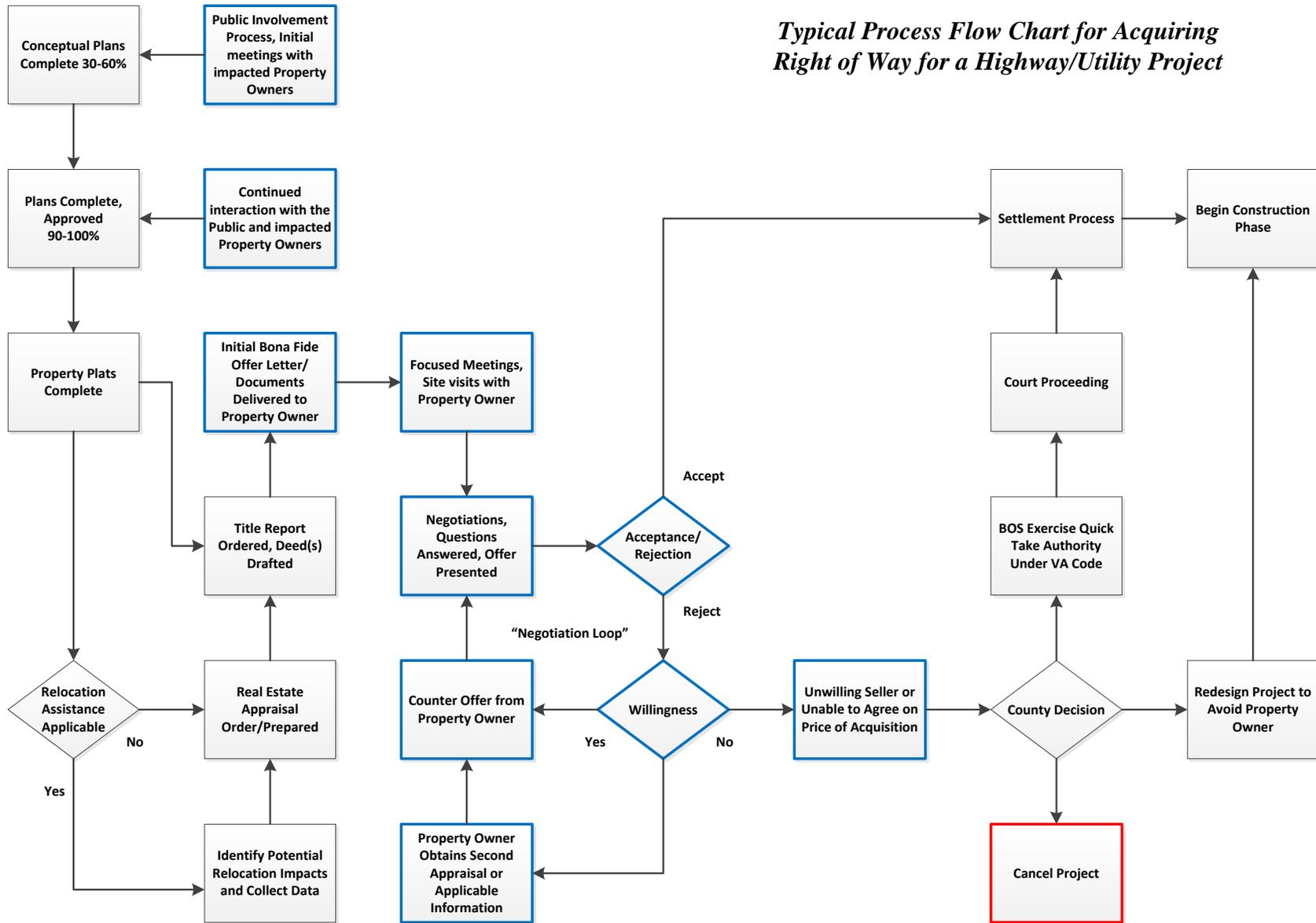
Typical Process Flow Chart for Acquiring Land for a Facility Development Project:



Attachment #1

ATTACHMENT 1

Typical Process Flow Chart for Acquiring Right of Way for a Highway/Utility Project



Attachment #2

Outline of Legal Authorities Governing “Quick Take” Condemnation Procedures

Pertinent Definitions

Authorized condemnor is a condemnor that is specifically authorized to acquire property through the procedures set forth in Chapter 3 of Title 25.1 of the Code of Virginia. (Code § 25.1-300)

Certificate is an instrument that when filed in the circuit court terminates the interest or estate of the owner of the property described therein and vests defeasible title to such property in the authorized condemnor. It includes both a certificate of deposit and a certificate of take. (Code § 25.1-300)

Certificate of deposit is a certificate filed by an authorized condemnor stating that any sum designated therein shall be paid pursuant to court order, and which is filed in lieu of payment of funds into court, as provided by Code § 25.1-305(A)(2).

Certificate of take is a certificate recorded by an authorized condemnor, in connection with which the authorized condemnor has deposited funds with the court as provided in Code § 25.1-305(A)(1).

Condemnor or *petitioner* means any person who possesses the power to exercise the right of eminent domain and who seeks to exercise such power. It includes a state agency. (Code § 25.1-100).

Date of valuation is the date of the lawful taking by the petitioner, or the date of the filing of the petition pursuant to § 25.1-205, whichever occurs first. (Code § 25.1-100)

Person includes, *inter alia*, any city, county, town or other political subdivision. (Code § 25.1-100)

State agency includes, *inter alia*, any local governmental unit or political subdivision of the Commonwealth, or any person who has the authority to acquire property by eminent domain under state law. (Code § 25.1-100)

General Grant of Authority to localities – The governing body of a locality may acquire by condemnation title to land, buildings and structures, etc. for the purpose of opening, constructing, repairing or maintaining a road or for any other authorized public undertaking if, *inter alia*, the terms of purchase cannot be agreed upon. (Code § 15.2-1901.1; *see also* Code § 15.2-1901 for general grant of authority to localities)

Authority for “Quick Take” Procedures

Only land or easements for (i) streets and roads; (ii) drainage facilities; (iii) water supply and sewage disposal facilities; and (iv) water, sewer and governmentally owned utility lines, pipes and related facilities may be condemned using procedures in Chapter 3 of Title 25.1, in accordance with Code §§ 15.2-1904 and 15.2-1905, because such uses are inherently public uses when undertaken by a locality. (Code § 15.2-1902(1))

When condemnation is authorized by Code § 15.2-1901, a locality may enter upon and take possession of property before the conclusion of condemnation proceedings, using the procedures in Chapter 3 of Title 25.1, for public purposes of (i) streets and roads; (ii) drainage facilities; (iii) water supply and sewage disposal systems; (iv) oyster beds and grounds, and for any of the purposes set out in Code § 15.2-1901.1 (Code § 15.2-1904(A))

Appraisal – Must be obtained before the start of negotiations (unless property is valued under \$25,000), and the owner must be given the opportunity to accompany the appraiser during his inspection.. (Code § 25.1-417(A)(2))

Pre-Petition/Pre-Take Inspection (Code § 25.1-203)

(A) In connection with any project wherein the power of eminent domain may be exercised, any locality, acting through its duly authorized officers, agents or employees, may enter upon any property without the written permission of its owner if:

- The petitioner (locality) has requested the owner’s permission to inspect the property as provided in subsection B;
- The owner’s written permission is not received prior to the date the entry is proposed; and
- The petitioner (locality) has given the owner notice of intent to enter as provided in subsection C

(D) Entry pursuant to this section shall be for the purpose of making surveys, tests, appraisals, etc. in order to determine the suitability of the property for the project. It shall not be deemed a trespass.

Effort required to acquire property by purchase – An authorized condemnor is required to comply with § 25.1-204 & § 25.1-417(A)(1) before exercising its authority to acquire property by condemnation using the “quick take” procedure set forth in Chapter 3 of Title 25.1. (Code § 25.1-303)

Requirements of Code § 25.1-204

(A) A condemnor may not institute proceedings until a bona fide but ineffectual effort to purchase has been made. Such an effort is not required under certain enumerated circumstances (i.e., owner is unable to convey legal title, is unknown, or cannot be located within the Commonwealth).

(B) Bona fide effort shall include delivery of (or attempt to deliver) a written offer to acquire the property *accompanied by a written statement to the owner that explains the factual basis for the condemnor’s offer. The written statement shall include a description of the public use that provides the basis for the condemnor’s acquisition and shall contain a certificate that the acquisition has been reviewed by the condemnor for purposes of complying with § 1-219.1.*

(C) If the condemnor obtains an appraisal pursuant to § 25.1-417, the written statement shall include a copy of the appraisal upon which the offer is based.

(D) Prior to making an offer to acquire a fee simple interest, the condemnor shall obtain a title report and provide a copy of the report to the owner.

(E) The amount offered shall not be less than the state agency's appraisal or the current assessed value of the property, whichever is greater – unless there physical change affecting the value. The state agency shall provide the owner with a written statement of, and summary of the basis for the amount it established as just compensation, and a copy of any appraisal(s) obtained before making an offer to acquire or initiating negotiations for the property.

General Requirements for condemnation by localities (Code § 15.2-1903)

(A) Condemnation proceedings may be initiated when:

- The locality and the owner cannot agree on the compensation to be paid or other terms of purchase or settlement;
- The owner is legally incapacitated;
- The owner or his whereabouts are unknown; or
- The owner is unable to convey valid title to the property.

(B) Prior to initiating proceedings, the governing body shall

- Conduct a public hearing; *then*
- Adopt an ordinance or resolution *approving the proposed public use and directing the acquisition of the property for the public use by condemnation or other means*. The resolution or ordinance shall state the use to which the property shall be put *and the necessity therefore*

Special Provisions for Counties – When a county is authorized to use “quick take” procedures, the ordinance or resolution contain the following:

(i) a declaration of the governing body's intent to enter and take certain properties for any of the purposes set out in § 15.2-1904(A); (ii) a statement of the compensation and damages, if any, offered each property owner; and (iii) a declaration of the necessity to enter upon and take such property prior to or during the condemnation proceedings.

Upon the passage of the ordinance or resolution, the county (for such purposes set forth in the ordinance or resolution) may institute and conduct “quick take,” and such proceedings shall be instituted in the name of the governing body of the county.

Certificate Requirements (Code § 15.2-1904 & § 25.1-305)

Pursuant to Code § 15.2-1904(C) & (D), before entering upon and taking possession of the property, the locality shall pay into the court such sum as the governing body estimates to be the fair value of the property taken and damage, if any done to the residue. When a locality uses the procedures in Chapter 3 of Title 25.1, a certificate in lieu of payment [i.e., a certificate of deposit] may be issued by the governing body through its authorized designee, which certificate shall be countersigned by the locality's director of finance or authorized agent for availability of funds.

Pursuant to Code § 25.1-305(B), the amount paid into court (or reflected in the certificate of deposit) shall be based on a bona fide appraisal if required by Code § 25.1-417. However, it shall not be less than the current assessed value of the land for real estate tax purposes, when the entire property for which the assessment has been made is to be acquired.

As soon as practicable after the date of payment of the purchase price or the date of deposit of funds into the court, whichever is earlier, the locality shall reimburse the property owner for the pro rata portion of real property taxes paid for the period subsequent to the date of title vesting in the locality or the effective date of possession by the locality, whichever is earlier. (Code § 15.2-1904(E))

Note: When a certificate of deposit is used, the authorized condemnor will be required to pay interest from the date of the certificate until the date that funds are deposited with the court. (See, e.g., Code § 25.1-310(G))

Notice of Intent to File Certificate – Authorized condemnor must give notice to owner or tenant, if known, by registered mail, that a certificate of take will be filed with respect to such person's property. (Code § 25.1-306)

Certificate contents & recordation -- Code § 25.1-307 sets forth the required contents of a certificate, and prescribes how they should be recorded and indexed.

Effect of recordation of certificate & vesting (Code §§ 25.1-308 & 25.1-314)

Upon recording the certificate:

The interest of the owner terminates; title vests in the authorized condemnor. (Code § 25.1-308(A)(1) & (2); *see also* § 25.1-300)

Owner's interest in the estate transfers to the funds on deposit or represented by the certificate of deposit. All liens against the property are transferred to such funds. (Code § 25.1-308(A)(3) & (4))

The title of the authorized condemnor shall be defeasible until (i) it reaches an agreement with the owner as provided in Code § 25.1-317; or (ii) the compensation for the taking or damage is determined by proceedings as provided in Code § 25.1-313. (Code § 25.1-308(B))

Final order confirming award of compensation shall confirm in the authorized condemnor absolute and indefeasible title to the subject property. The order shall be recorded in the land records where the certificate was recorded. (Code § 25.1-314)

Start of construction/development -- Code § 25.1-417(A)(5) provides that construction and development shall be scheduled, to the greatest extent practicable, so that no person lawfully occupying real property shall be required to move from a dwelling (assuming a replacement dwelling will be available) or to move his business or farm operation without at least 90 days' written notice from the state agency of the date by which such move is required.

Potentially, such notice could be given as part of the notice of intent to file a certificate pursuant to Code § 25.1-306.

Institution of Condemnation Proceedings (timing) – Pursuant to Code § 25.1-313, an authorized condemnor shall institute condemnation proceedings any time after a certificate is filed, but within 60 days after completion of construction of the subject improvements – i.e., if an agreement with owner(s) on compensation cannot be reached.

Agreement regarding compensation – Code § 25.1-317 governs the disposition of a matter if the parties reach an agreement regarding just compensation after a certificate has been filed – either before or after condemnation proceedings have been instituted.

Owner's petition for determination of just compensation

Pursuant to Code § 25.1-318, the owner of property taken by an authorized condemnor pursuant to Chapter 300 of Title 25.1 may petition the court for a determination of just compensation if the parties have not reached an agreement regarding the same, and the authorized condemnor:

- Has not completed construction of the contemplated improvements after a reasonable time for construction has elapsed; or
- Has not instituted condemnation proceedings within 60 days after the completion of construction; or within one year after entering upon and taking the property, regardless whether construction is completed.

Except as set forth in Code § 25.1-318 (as it pertains to notice and certain preliminary findings), the proceedings shall be governed by the procedure prescribed in Chapter 2 of Title 25.1.

Traffic Signal Process

Normal and Customary Timeframe to Complete a Traffic Signal Project: Traffic signal projects are typically initiated by a District Supervisor proposing a Board Member Initiative (BMI) to direct staff to evaluate traffic operations at a particular location based on citizen complaints, high accident occurrence rates or other means. The BMI typically directs staff to seek out the funding source to complete various studies and engineering design, plats and deeds. In some instances, the Board Member or their aide assemble a meeting with County staff and VDOT to define the problem and discuss potential solutions.

The first step in the process is to complete a traffic signal warrant analysis. This analysis is defined by Federal Highway Administration (FHWA) and VDOT criteria. Upon receiving the Board's direction, Staff from the Department of Transportation and Capital Infrastructure (DTCI) develop a general scope of services and contacts one of the various on-call task order consultants to discuss the project. From the initial meeting the consultant develops a scope of services to complete the Board's direction. Often, this time period includes meetings with the District Supervisor and other entities such as the Sheriff's Office and VDOT to fully understand the perceived need and concern. Following agreement on the scope, the Consultant prepares a written price proposal consistent with the on-call contract. The timeframe to complete this portion of the work can be between two to four weeks, depending on the number of times staff needs to review and revise the proposal to accurately reflect the needed scope.

Concurrent with the proposal development, staff is researching the potential funding sources for the project. Often times, proffers are found that may qualify for use on the project, however, a determination from the Zoning Administrator is necessary before DTCI staff can propose the funding for the project. If a zoning determination is needed, a request is drafted and sent to the Zoning Administrator to render an opinion. There is a 30 day appeal period for proffer determinations that must elapse before the funds can be spent. On other occasions, it will be necessary to prepare a budget adjustment to move funding from one project to another. This requires coordination between the project manager, capital budget staff and staff from the Department of Management and Budget. In some special cases using proffers, it may be necessary to seek approval for the alternate use of cash proffer payments. If this is necessary, an advisory memorandum must be requested and obtained from Zoning Administration, and the matter must be considered at a Board of Supervisors public hearing; the process also requires written notification be issued to the party to pay the proffer contribution 30 days before the funds are spent. Depending on the source of funding proposed, and if a zoning determination is needed or not, resolving the funding source for the project could add an additional two to three months to this phase of the project.

Following agreement on the project scope and price; Staff prepares the staff report blurb, full staff report and attachments for presentation to the Finance, Government Operations and Economic Development Committee (FGOEDC). The staff report summarizes the background regarding the project initiation, summarizes the proposed funding sources, and seeks authorization from the Board for the recommended funding source. The time necessary to schedule a staff report item on the agenda, complete the draft, coordinate with County Administration to review comments and revise the draft to a final document. Following a favorable approval from the FGOEDC, staff revises the document to reflect the change in meeting type and resubmits the item for review by County Administration for

inclusion on a subsequent Board Business meeting. This portion of the process can take one to two months.

Upon final approval by the Board, staff processes a purchase order through the Procurement Office for the consultant to complete the traffic signal warrant analysis. Following receipt of the purchase order, a kick-off meeting is held with the consultant, DTCI and VDOT staff and other interested parties, including District Supervisors. Following this meeting, the consultant initiates the study process to prepare a Traffic Signal Warrant Analysis. This process includes the collection of traffic count data, researching the intersection accident history, and compilation of the data. The data is then reviewed and analyzed for the FHWA and VDOT required warrants. VDOT also requires each intersection to be evaluated for installation of a roundabout configuration before authorization to proceed with the traffic signal design is approved. A report is then prepared and sent to the DTCI project manager and VDOT for review and approval. This portion of the process typically takes three to five months, which includes the VDOT review, comment and approval process (and it is dependent on the quality of the report and complexity of the intersection under analysis).

Upon VDOT granting approval of the traffic signal warrant analysis, the consultant proceeds with the signal design. Designs must be completed in accordance with the VDOT procedures and format. The consultant conducts surveys, prepares the engineering plans, and coordinates with utilities to determine if any conflicts exist or will be created by the signal installation. Once the traffic signal plan is approved by VDOT, the plan is valid for a period of one-year. Projects which do not advance to construction within the one-year period must be resubmitted to VDOT prior to advertisement for construction bids to ensure the plan reflects the most up to-date signal standards. The resubmission of a traffic signal plan and subsequent VDOT approval may take one to two months to complete. Land and right-of-way boundaries are established to determine if additional easements or right-of-way is needed to install the traffic signal and its cabinet. A typical timeframe to prepare a traffic signal design and obtain VDOT's approval is four to six months (the turnaround time for VDOT to review signal plan is 45-60 days, which typically requires two plan submittals to achieve plan approval). If turn lanes must be constructed with the signal and if additional right-of-way is needed more time is necessary to prepare survey plats and deeds, and have those documents reviewed and approved by Building and Development and County Attorney Office. The right-of-way plats are not prepared until after the traffic signal plan is approved. This step also requires the County Attorney's Office to order title work. Often times, VDOT will require the construction of turn lanes as part of a traffic signal project. Should this be the case, a construction plan and profile (CPAP) will also need to be prepared. Unlike the traffic signal plans, the CPAP will require both B&D and VDOT's review and approval (the turnaround time for CPAP review is 45-60 days, which typically requires 2 plan submittals to achieve plan approval). These requirements create greater right-of-way needs and increase the project design and construction costs. The consultant prepares an opinion of the costs to construct the project.

While the consultant is developing the design, staff from DTCI continues the search for land acquisition and construction funding based on cost estimates prepared during the design phase. As indicated previously, this effort can include an extensive administrative process to use proffers, flex proffers or move funds from one account to another. If construction funding is not previously approved as part of the capital budget, staff drafts another staff report and attachments for FGOEDC to consider. Following a favorable approval from the FGOEDC, staff revises the document to reflect the change in meeting type and resubmits the item for review by County Administration for inclusion on

a subsequent Board Business meeting. This portion of the process can take one to two months. If extensive land acquisition is necessary, just a few to several months could be added to the timeframe depending on the level of cooperation with the property owners. Typically land acquisition will add six to nine months for a signal project.

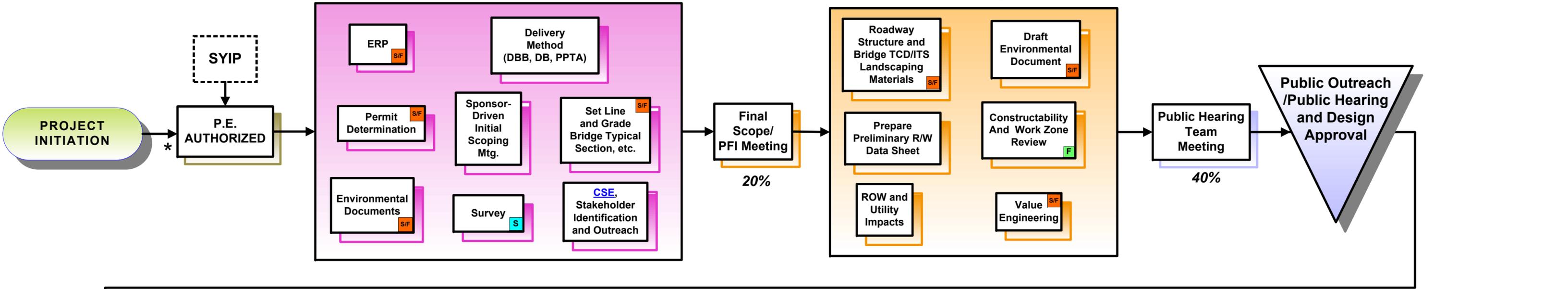
At this point in the process, the project is ready for the invitation for bids (IFB) and construction documents to be compiled for advertisement. Once bids are received, they are reviewed for accuracy and discrepancies. Assuming none are found, the project is scheduled for award by the full Board if the project cost exceeds the Procurement Agent's award authority. Preparing the IFB, legal review, advertisement, review of the bids and establishment of the recommended lowest responsible and responsive bid can typically take four to six months.

Upon award of the contract by the Purchasing Agent or full Board, a purchase order is issued to the successful vendor. Following the award, contracts are executed, pre-construction submittals are requested including a project schedule and a pre-construction conference is scheduled within 30 days following execution of the contract. The actual construction then commences and is completed. A typical traffic signal construction project, depending on the number of turn lanes also associated with the signal can take between six and nine months to complete. The construction timeframe for completion is also impacted by the complexity of the traffic signal design. When large mast arm poles or other unique design features exist, VDOT may take additional time to review the contractor's submittals. In total, depending on the various issues associated with the signal warrant study, design, land acquisition, and construction the entire process can take 24 to 45 months to complete.

Click on the appropriate Phase link for detailed information.

Scoping Phase

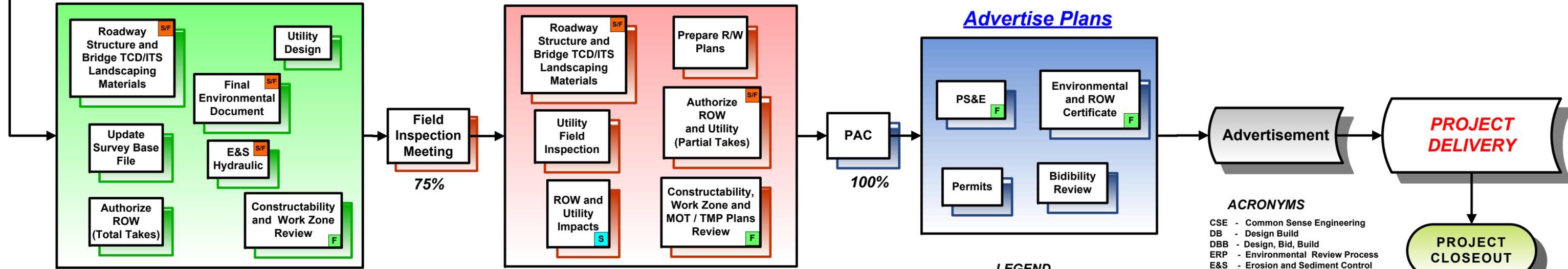
Preliminary Design Phase



Detailed Design Phase

Final Design & ROW Acquisition Phase

Advertise Plans



* Pre-Scoping funds are available for use on Certain pre-design activities. See [IIM-PMO 1.1](#)

[Project Management Policy](#)

CODE REQUIREMENTS

For Applicable State and Federal Code regulations please click on box indicated with S, F or S/F

LEGEND

- S State Required
- F Federal Required
- S/F Federal / State Required

ACRONYMS

- CSE - Common Sense Engineering
- DB - Design Build
- DBB - Design, Bid, Build
- ERP - Environmental Review Process
- E&S - Erosion and Sediment Control
- ITS - Intelligent Transportation Systems
- MOT - Maintenance of Traffic
- PAC - Pre-Advertisement Conference
- PE - Preliminary Engineering
- PFI - Preliminary Field Inspection
- PPTA - Public Private Transportation Act
- PS&E - Plans, Specifications & Estimate
- ROW - Right of Way
- TCD - Traffic Control Device
- TMP - Traffic Management Plans
- USIP - Unified Six Year Improvement Program

Date of Meeting: June 14, 2016

13

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Revision of the Restricted Use Transient Occupancy Tax Funding Policy

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Kenny Young, County Administration
Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

PURPOSE: The purpose of this item is to provide the Finance/Government Operations and Economic Development Committee (FGOEDC) with staff recommendations to update the Restricted Use Transient Occupancy Tax (TOT) Funding Policy.

RECOMMENDATIONS: Staff recommends that the FGOEDC recommend to the Board of Supervisors (Board) that the Restricted Use TOT Funding Policy be adopted as revised in Attachment 1.

BACKGROUND: Transient Occupancy Tax funds are funds received from a 7 percent tax levied on most hotel/motel/bed and breakfast stays in the County. Of the current TOT, 2 percent is sent to the Northern Virginia Transportation Authority (NVTA) for regional transportation projects; 2 percent is “unrestricted” and accrues to the County’s General Fund; and the remaining 3 percent is **restricted** and must be:

designated and spent solely for tourism and travel, marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality.¹

In order to guide the proper use of the 3 percent Restricted Use TOT funds, the Board adopted a Funding Policy for these funds. This policy was first adopted by the Board in 2005 and revised in 2009 and 2011. The current Funding Policy is based on two primary elements that contribute to

¹ Code of Virginia §58.1-3819(A): <http://law.lis.virginia.gov/vacode/title58.1/chapter38/section58.1-3819/>

the overall Tourism Destination Strategy—Core Tourism Services and Strategic Tourism Growth Initiatives. Core Tourism Services are intended to sustain the County’s tourism base and attract visitors and primarily applies to the activities that are Visit Loudoun’s main focus. Strategic Tourism Growth Initiatives are intended to expand tourism through funding high priority projects, events, or other qualifying opportunities.

ISSUES:

Term of the Tourism Destination Strategy: The current Funding Policy requires that the County develop and adopt a five (5)-year Tourism Destination Strategy. Staff recommends adoption of a four (4)-year strategy to coincide with the four (4)-year term of the Board and the newly proposed four (4)-year term of the Memorandum of Understanding (MOU) with Visit Loudoun.

Funding Allocation Process for Core Tourism Services: The Board created and incorporated a process into the Restricted Use TOT Funding Policy by which funds for Core Tourism Services and Strategic Tourism Growth Initiatives are allocated. Because Visit Loudoun is the County’s primary provider of Core Tourism Services, staff recommends eliminating the section dealing with the distribution of funds for Core Tourism Services (section IV E from the Restricted Use TOT Funding Policy Attachment 1) and outlining the process in Visit Loudoun’s MOU.

Staff recommends that the Funding Policy for Core Tourism Services be amended to include the option for the Board to consider specific funding requests for the provision of Core Tourism Services, including one-time events and marketing opportunities that do not entirely meet the criteria for Strategic Growth Initiatives, as a part of the funding process for Strategic Growth Initiatives.

Funding of International Travel and Tourism Initiatives: A transfer from the Restricted Use TOT Fund to the Department of Economic Development offsets the Department’s international cluster activities. This transfer, however, does not adequately offset the full amount of economic development international travel that occurs and often does not consider Board member, or stakeholder travel costs. Staff recommends that a portion of the Restricted Use TOT Fund be allocated to the EDA and to Visit Loudoun to fund international travel and tourism promotion opportunities so that international trips may be better leveraged to generate tourism-interest in Loudoun County. Staff will provide recommendations to the Board on travel amounts to both entities during the annual budget development process.

Funding Allocation Process for Strategic Growth Initiatives: Since the previous Funding Policy was adopted, reduced TOT revenue caused by economic conditions including the effects of federal sequestration, and multi-year funding commitments have prevented the use of an open application process for Restricted TOT revenue. Staff recommends that a revised process similar to the County’s non-profit grant process be implemented to allocate funds beyond the distribution to Visit Loudoun (75 percent of projected revenue) and the required fund reserve (10 percent of projected revenue).

The proposed process, as described in the revised Funding Policy (Attachment 1), would be incorporated into the annual budget process. This allows the Board to first allocate funds to qualifying organizations, or events and then direct staff to administer a competitive application process with a specified amount of the remaining balance. Staff would then advertise for and make recommendations on funding opportunities to the Board with input from subject matter experts which could include organizations such as Visit Loudoun, the Economic Development Authority (EDA), the Economic Development Advisory Committee, and other experts. Staff plans on returning to the FGOEDC in the fall with a developed process for the Committees' review and input.

FISCAL IMPACT: Restricted Use TOT Funds are budgeted each fiscal year based on revenue projections using lodging data and local hotel industry knowledge. While there is no immediate fiscal impact for revising the Restricted Use TOT Funding Policy, recommendations made by the FGOEDC and adopted by the Board will impact how these funds are allocated in the future.

ALTERNATIVES:

1. Recommend that the Board adopt the Restricted Use TOT Funding Policy as revised.

OR

2. Do not recommend that the Board adopt the revised the Restricted Use TOT Funding Policy and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors adopt the Restricted Use Transient Occupancy Tax Funding Policy as revised in Attachment 1 of the June 14, 2016 Action Item.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Revised Restricted Use TOT Funding Policy
2. Revised Restricted Use TOT Funding Policy with Mark-up
3. FY 2017 Adopted Budget Restricted Use TOT Fund Pages

Restricted Use Transient Occupancy Tax (TOT) Funding Policy
Adopted by the Loudoun County Board of Supervisors July 19, 2005
Revised Through June 14, 2016

I. Purpose:

- a. To provide the Loudoun County Board of Supervisors with the opportunity to strategically and proactively impact tourism in Loudoun County through the sustained investment in the provision of core tourism services.
- b. To enable targeted investment in high priority tourism projects that advance Loudoun's strategic tourism objectives.
- c. To maximize tax relief to the general fund by increasing Restricted Transient Occupancy Tax revenues.

II. Funding Guidelines:

- a. Use of funds must meet the purposes set out for the Restricted Transient Occupancy Tax as stated in Section 58.1-3819 of the Code of Virginia (1950), as amended, which is:

"(Any) excess over two percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality." While it is recognized that this is a broad criteria, it will be incumbent on the entity requesting the funds to show how they meet this requirement.

III. Tourism Priorities:

- a. Priorities of funding for the revenues generated by the Restricted Transient Occupancy Tax will be as follows:
 1. **Core Tourism Services** to sustain Loudoun's tourism base and competitively position Loudoun County to attract visitors; and
 2. **Strategic Tourism Growth Initiatives** to expand Loudoun's tourism base by implementing high priority projects that are compatible with the programmatic elements of the Loudoun County Tourism Destination Strategy.

IV. Development of the Loudoun Tourism Destination Strategy:

- a. Loudoun County will develop and adopt a 4-year Tourism Destination Strategy that will guide the marketing, promotion and product development of Loudoun's tourism sector.
- b. The Loudoun Convention and Visitors Association, Inc. (d/b/a "Visit Loudoun"), as the primary programmatic element of Loudoun County's travel and tourism promotion, will coordinate the Tourism Destination Strategy development process.
- c. The development of the Tourism Destination Strategy will include broad participation from tourism industry sectors, citizens, advisory boards (such as Economic Development Commission, Rural Economic Development Council, Parks and Recreation Advisory Board), elected officials, and others.
- d. The Tourism Destination Strategy will be reviewed annually by the Board of Supervisors, with the Economic Development Advisory Commission, Visit Loudoun, and industry partners. This annual review will identify and prioritize Strategic Tourism Growth Initiatives.

V. Funding Policy for Core Tourism Services:

- a. Core Tourism Services will be defined and measured based upon standards recommended by Destination Marketing Association International. The detailed definition will be included as part of the Memorandum of Understanding (MOU) between Loudoun County and Visit Loudoun.
- b. Loudoun County will develop a 4-Year MOU with Visit Loudoun to provide Core Tourism Services as defined therein.
- c. Seventy-five (75) percent of the projected Restricted Transient Occupancy Tax funds will be allocated annually to Visit Loudoun to perform Core Tourism Services.
- d. Visit Loudoun will report twice-annually to the Board of Supervisors, or one of its Committees, regarding its performance in the delivery of Core Tourism Services.
- e. The Board may consider specific funding requests for the provision of Core Tourism Services by organizations other than Visit Loudoun as a part of the funding process for Strategic Tourism Growth Initiatives defined in section VI.

VI. Funding Policy for Strategic Tourism Growth Initiatives:

- a. Projects to be funded as Strategic Tourism Growth Initiatives will be identified and prioritized as a part of the County's annual budget process.
- b. Specified projects may be funded by Board direction, competitive procurement, grants to non-profit entities, or transfers to County agencies or Visit Loudoun.
- c. Unallocated funds may be carried over by the County or grant recipients to the following year to use as a reserve or for multi-year projects.
- d. The Board will maintain a reserve of 10 percent of actual Restricted TOT Revenues, to be adjusted at the end of each fiscal year, for use during years in which revenues received are less than projected.
- e. It is the Board's policy that non-profit entities receiving public funds for a specific project through other means (such as through Visit Loudoun, CDBG, Regional Organizations funding, general fund non-profit grants or other such programs), will not be eligible for Restricted TOT grants.
- f. Visit Loudoun and the Department of Economic Development will work together during the County budget development process to provide the Board with recommendations regarding funds to be allocated to the Economic Development Authority and to Visit Loudoun for travel expenses where local representatives, subject matter experts, or Visit Loudoun staff may provide a strategic benefit.
- g. The funding process for Strategic Tourism Growth initiatives shall be as follows:
 - 1. Funding for Strategic Tourism Growth initiatives will be considered as part of the County budget development process.
 - 2. Upon closing of the financial books for the previous fiscal year, staff will bring a year-end report of the Restricted TOT Fund to the Board of Supervisors, or one of its Committees, for review. Staff will also update the Board on the status of the Restricted TOT Reserve Fund and projected revenues for the upcoming fiscal year. The County Administrator (or designee) will recommend potential uses of the Restricted TOT Fund for the upcoming fiscal year.
 - 3. County staff, in consultation with subject matter experts (e.g. Visit Loudoun) will make funding recommendations as a part of the Proposed Budget based on the guidance provided by the Board.

4. If the Board recommends funding Strategic Tourism Growth Initiatives beyond what is included in the budget, the Board may direct staff to administer a competitive process to develop funding recommendations to be presented to the Board before July 1.
5. Any entity receiving Restricted TOT funding will be required to enter into a MOU/Funding Agreement with the County to guide the use of those funds.

Restricted Use Transient Occupancy Tax (TOT) Funding Policy
Adopted by the Loudoun County Board of Supervisors July 19, 2005
Revised Through June 14, 2016

I. Purpose:

- a. To provide the Loudoun County Board of Supervisors with the opportunity to strategically and proactively impact tourism in Loudoun County through the sustained investment in the provision of core tourism services.
- b. To enable targeted investment in high priority tourism projects that advance Loudoun's strategic tourism objectives.
- c. To maximize tax relief to the general fund by increasing Restricted Transient Occupancy Tax revenues.

II. Funding Guidelines:

- a. Use of funds must meet the purposes set out for the Restricted Transient Occupancy Tax as stated in Section 58.1-3819 of the Code of Virginia (1950), as amended, which is:

“(Any) excess over two percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality.” While it is recognized that this is a broad criteria, it will be incumbent on the entity requesting the funds to show how they meet this requirement.

III. Tourism Priorities:

- a. Priorities of funding for the revenues generated by the Restricted Transient Occupancy Tax will be as follows:
 1. **Core Tourism Services** to sustain Loudoun's tourism base and competitively position Loudoun County to attract visitors; and
 2. **Strategic Tourism Growth Initiatives** to expand Loudoun's tourism base by implementing high priority projects that are compatible with the programmatic elements of the Loudoun County Tourism Destination Strategy.

IV. Development of the Loudoun Tourism Destination Strategy:

- a. Loudoun County will develop and adopt a 54-year Tourism Destination Strategy that will guide the marketing, promotion and product development of Loudoun's tourism sector.
- b. The Loudoun Convention and Visitors Association, Inc. (d/b/a “Visit Loudoun”), as the primary programmatic element of Loudoun County's travel and tourism promotion, will coordinate the Tourism Destination Strategy development process.
- c. The development of the Tourism Destination Strategy will include broad participation from tourism industry sectors, citizens, advisory boards (such as Economic Development Commission, Rural Economic Development Council, Parks and Recreation Advisory Board, ~~Loudoun PLACES~~), elected officials, and others.
- d. The Tourism Destination Strategy will be reviewed annually by the Board of Supervisors, with the Economic Development Advisory Commission, Visit Loudoun, and industry partners. This annual review will identify and prioritize Strategic Tourism Growth Initiatives. ~~It will also determine how to assign and manage the allocation of funds for Strategic Tourism Growth Initiatives.~~

V. Funding Policy for Core Tourism Services:

- a. Core Tourism Services will be defined and measured based upon standards recommended by ~~the International Association of Convention and Visitors Bureaus~~ Destination Marketing Association International. The detailed definition will be included as part of the Memorandum of Understanding (MOU) between Loudoun County and Visit Loudoun.
- b. Loudoun County will develop a 54-Year Memorandum of Understanding (MOU) ~~(MOU)~~ MOU with Visit Loudoun to provide ~~those defined~~ Core Tourism Services as defined therein.
- c. Seventy-five (75) percent of the projected Restricted Transient Occupancy Tax funds will be allocated annually to Visit Loudoun to perform Core Tourism Services.
- d. Visit Loudoun will report ~~semitwice~~ annually to the Board of Supervisors, or one of its Committees, regarding its performance in the delivery of Core Tourism Services.
- e. The Board may consider specific funding requests for the provision of Core Tourism Services by organizations other than Visit Loudoun as a part of the funding process for Strategic Tourism Growth Initiatives defined in section VI.
- e. The funding process for Core Tourism Services shall be as follows:
 - 1.— Each year, by November 1, the Budget Office will provide Visit Loudoun with a preliminary projection of Restricted TOT revenues for the upcoming fiscal year.
 - 2.— Each year by December 1, Visit Loudoun will provide to the Budget Office, a complete description of the Core Tourism Services that will be performed in the upcoming fiscal year by Visit Loudoun based on the receipt of 75 percent of the forecasted Restricted TOT revenues, and based on any excess revenues from the prior fiscal year.
 - 3.— Each year, along with the year-end fund balance report, the Board of Supervisors will consider the draft budget for Visit Loudoun for the upcoming fiscal year, to include any necessary increase or decrease based on the prior fiscal year's actual revenues.
 - 4.— The Budget Office will incorporate the draft budget for Visit Loudoun, with any changes recommended by the Board of Supervisors, into the County Administrator's proposed budget document for the upcoming year.

VI. Funding Policy for Strategic Tourism Growth Initiatives:

- a. Projects to be funded as Strategic Tourism Growth Initiatives will be identified and prioritized by the annual review of the Tourism Destination Strategy as a part of the County's annual budget process.
- b. Specified projects may be funded by Board direction, competitive procurement, grants to non-profit entities, or transfers to County agencies or Visit Loudoun.
- c. Unallocated funds may be carried over by the County or grant recipients to the following year to use as a reserve or for multi-year projects.
- d. The Board will maintain a reserve of 10% percent of actual Restricted TOT Revenues, to be adjusted at the end of each fiscal year, for use during years in which revenues received are less than projected.

e. It is the Board's policy that non-profit entities receiving public funds for a ~~certain specific~~ project through other means (such as through Visit Loudoun, CDBG, Regional Organizations funding, general fund non-profit grants or other such programs), will not be eligible for Restricted TOT grants.

f. Visit Loudoun and the Department of Economic Development will work together during the County budget development process to provide the Board with recommendations regarding funds to be allocated to the Economic Development Authority and to Visit Loudoun for travel expenses where local representatives, subject matter experts, or Visit Loudoun staff may provide a strategic benefit.

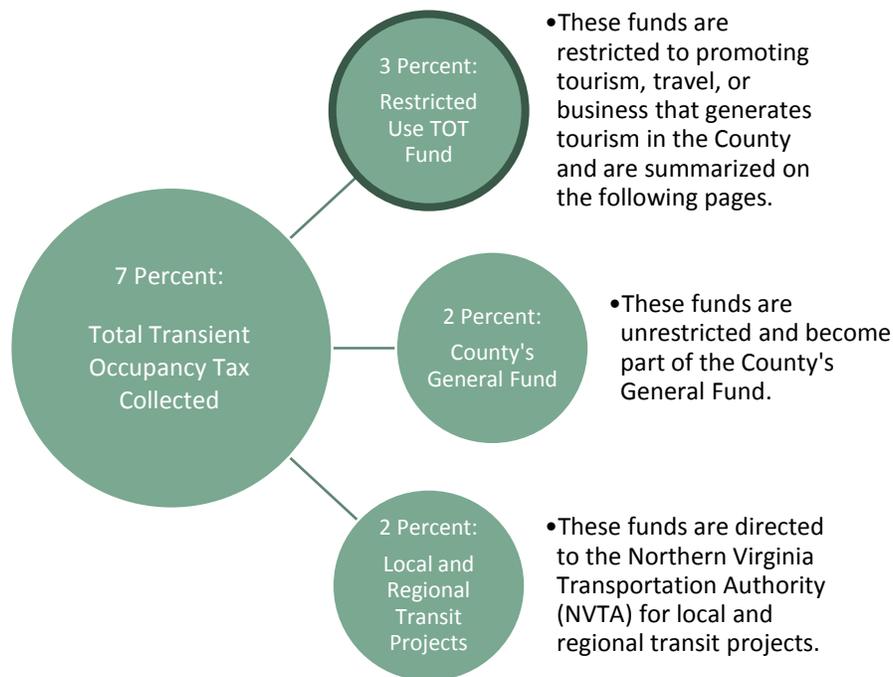
g.f. The funding process for Strategic Tourism Growth initiatives shall be as follows:

1. Funding for Strategic Tourism Growth initiatives will be considered as part of the County yywide budget development process ~~review~~.
2. Upon closing of the financial books for the previous fiscal year, staff will bring a year-end report of the Restricted TOT Fund to the Board of Supervisors, or one of its Committees, for review. Staff will also update the Board on the status of the Restricted TOT Reserve Fund and projected revenues for the upcoming fiscal year. The County Administrator (or designee) will recommend potential uses of the Restricted TOT Fund for the upcoming fiscal year. ~~-(November/December)~~
- ~~3.—The annual review of the Tourism Destination Strategy will identify and prioritize the Strategic Tourism Growth Initiatives. The Board will make a recommendation for use of the Restricted TOT Fund for consideration in the upcoming budget process. (December/January) County staff, in consultation with subject matter experts (e.g. Visit Loudoun) will make funding recommendations as a part of the Proposed Budget based on the guidance provided by the Board.~~
- 3.
- ~~4. If Should the the Board recommends funding Strategic Tourism Growth Initiatives outside beyond what is included in the budget, of County programs, the Board may direct staff to ~~run~~ administer a competitive process to develop funding recommendations to be brought back before represented to the Board before July 1.~~
- ~~4.—applications will be due to Visit Loudoun by April 1. Applicants will be expected to complete the TOT Funding Application provided by the County and any additional materials requested by Visit Loudoun.~~
- ~~5.—Proposals and applications will be reviewed by Visit Loudoun and recommendations provided to a Committee of the Board at a May meeting.~~
- ~~6.5.~~ TOT funds for strategic tourism growth projects will be allocated by the Board of Supervisors prior to July 1st of such year. Any entity receiving Restricted TOT funding ~~through Strategic Tourism Growth Initiative funds~~ will be required to enter into an MOU/Funding Agreement with the County to guide the use of those funds.

RESTRICTED USE TRANSIENT OCCUPANCY TAX FUND

Loudoun County levies a Transient Occupancy Tax (TOT) on hotels, motels, travel campgrounds, and other businesses offering guest rooms for rent. The application of this tax has several stipulations; for example, the business must meet certain room number requirements, and the rooms must be available for continuous occupancy, but for fewer than thirty consecutive days by the same individual. The tax is calculated at 7 percent of the lodging bill and is paid by the patrons of these businesses. The tax is collected by the business and remitted to the County on a quarterly basis.

Breakdown of Total Transient Occupancy Tax Revenue Allocations



The Board of Supervisors adopted a Restricted Use TOT Funding Policy in July 2005, which was revised in January 2011. The Funding Policy guides the Board of Supervisors in its efforts to strategically and proactively impact tourism in Loudoun County. The Board’s funding priorities are:

- **Core Tourism Services** to sustain Loudoun’s tourism base. Core Tourism Services, based upon standards recommended by Destination Marketing Association International, are provided by Visit Loudoun, the primary programmatic element of the County’s travel and tourism promotion program. Visit Loudoun is allocated 75 percent of the forecasted Restricted TOT revenues to implement these core services.
- **Strategic Tourism Growth Initiatives** to expand Loudoun’s tourism base by implementing projects to sustain Loudoun County’s Tourism Destination Strategy. The County’s Tourism Destination Strategy guides the marketing, promotion, and product development of Loudoun’s tourism sector. Twenty-five percent of the forecasted Restricted TOT revenues will be available to fund those uses as determined by the Board that best meet the goals of the Tourism Destination Strategy.

Projections for FY 2017 Restricted TOT revenue anticipate an increase of 5 percent from FY 2016 adopted revenues. The Board of Supervisors mandate that 10 percent of projected revenue be held in reserve. The projected reserve amount for FY 2017 is \$387,750. The fund’s year-end balance is projected to exceed the 10 percent reserve requirement.

Restricted Use Transient Occupancy Tax Fund

| Fund Financial Summary | FY 2015 Actual ¹ | FY 2016 Estimated | FY 2017 Adopted | FY 2018 Projected ² |
|---|--------------------------------|----------------------|--------------------|-----------------------------------|
| Resources | | | | |
| Projected Beginning Fund Balance | \$418,830 | \$553,406 | \$1,457,309 | \$1,728,461 |
| Estimated Restricted TOT Revenue | 3,371,423 | 3,591,000 | 3,877,500 | 3,993,600 |
| Total Projected Restricted TOT Resources | \$3,790,253 | \$4,144,406 | \$5,334,809 | \$5,722,061 |
| Board Approved Uses or Reserves | | | | |
| Visit Loudoun | \$2,095,250 | \$2,254,050 | \$2,908,125 | \$2,995,200 |
| Transfer to the General Fund ³ | 391,597 | 383,047 | 398,223 | 404,401 |
| Redskins Marketing Agreement | 500,000 | 0 | 0 | 0 |
| Funding Requests | | | | |
| Epicurrence VA (Visit Loudoun) | \$200,000 | \$0 | \$100,000 | \$0 |
| Visit Loudoun Sports Tournament Grants | 50,000 | 50,000 | 50,000 | 50,000 |
| Waterford Fair | 0 | 0 | 150,000 | 0 |
| Total Projected Restricted TOT Uses | \$3,236,847 | \$2,687,097 | \$3,606,348 | \$3,449,601 |
| Year-End Restricted TOT Balance | \$553,406 | \$1,457,309 | \$1,778,461 | \$2,272,460 |
| <i>Mandated Restricted Reserve⁴</i> | <i>\$337,142</i> | <i>\$359,100</i> | <i>\$387,750</i> | <i>\$399,360</i> |
| Projected Fund Balance Less Mandated Reserve | \$216,264 | \$1,098,209 | \$1,340,711 | \$1,873,100 |

¹ FY 2015 revenue figures are derived from the County's FY 2015 Comprehensive Annual Financial Report.

² FY 2018 Projections are derived from projections provided by the County to the NVTA.

³ The transfer to the General Fund is for specific tourism-related expenditures within the Departments of Economic Development, Fire, Rescue, and Emergency Management, and Parks, Recreation, and Community Services, which are outlined on the following pages.

⁴ The Board of Supervisors mandated that 10 percent of Restricted TOT revenue be held in reserve. Current projections do not indicate that any adjustments will be needed to maintain the 10 percent of revenue reserve ratio.

Restricted Use Transient Occupancy Tax Fund

Transfer to the General Fund by Department from the Restricted TOT Fund

| | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | FY 2018 Projected |
|---|-------------------|--------------------|--------------------|----------------------|
| Department of Economic Development | \$195,207 | \$184,078 | \$196,300 | \$199,954 |

International cluster activities within the Department of Economic Development are funded through a transfer from the Restricted TOT fund. The Department’s funds are used to offset the cost of a position to support industry research analyses and cluster support service as part of the Department’s international strategy. The growth of business throughout the clusters contributes to increased hotel occupancy due to associated business travel. This transfer is projected to increase with projected increases in revenue from the TOT for FY 2017 and 2018.

| | | | | |
|---|----------|----------|----------|----------|
| Department of Fire, Rescue, and Emergency Management | \$78,610 | \$81,189 | \$84,143 | \$86,667 |
|---|----------|----------|----------|----------|

Restricted TOT funding is used to offset the costs of the Department of Fire, Rescue, and Emergency Management's (FREM) Special Events Coordinator. This position serves as the conduit for collaborative work with event organizers to ensure compliance with permitting requirements; assist in the development of emergency contingency plans; aid in identifying ways to minimize the impact on the surrounding community; and, in many instances, provide onsite support during an event. Through the efforts of the Special Events Coordinator, FREM is able to work with event organizers to create safe and successful events benefiting the residents of and visitors to Loudoun County. Each year hundreds of special events ranging in size, scope and complexity, occur at venues throughout the County, drawing thousands of participants. These events include community celebrations, parades, fairs and festivals, sporting events such as tournaments, runs and walks, concerts and many charity events benefiting members of the community or organizations supporting the community. This economic activity promotes the core tourism principles that are part of the Restricted TOT Funding Policy. Funding for this position is projected to increase 3 percent from FY 2017 to FY 2018.

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Department of Parks, Recreation, and Community Services | \$117,780 | \$117,780 | \$117,780 | \$117,780 |
|--|-----------|-----------|-----------|-----------|

A portion of the Department of Parks, Recreation and Community Services’ athletic field maintenance expenditures are offset by Restricted TOT funding due to the relationship between the County’s ability to facilitate sports tournaments and overnight hotel stays in the County. Quality maintenance of fields makes them more attractive venues for tournaments which bring economic activity. Field maintenance was completely funded through the General Fund until FY 2013 when a portion of Restricted TOT funding was identified to offset some field maintenance expenditures. PRCS field maintenance services are under heavy pressure due to high usage of the County’s athletic fields.

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Total Transfer to the General Fund | \$391,597 | \$383,047 | \$398,223 | \$404,401 |
|---|------------------|------------------|------------------|------------------|

Restricted Use Transient Occupancy Tax Fund

Contributions to External Organizations from the Restricted TOT Fund

| Summary of Adopted Contributions to External Organizations | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | FY 2018 Projected |
|--|----------------|-----------------|-----------------|-------------------|
| Visit Loudoun | \$2,095,250 | \$2,254,050 | \$2,908,125 | \$2,995,200 |

According to the County’s Memorandum of Understanding with Visit Loudoun, dated January 19, 2011, Visit Loudoun receives 75 percent of projected Restricted TOT revenue appropriated by the County each year. Revenue from the TOT is projected to increase for FY 2017 and FY 2018 over FY 2016, thereby increasing the adopted and projected allocations to Visit Loudoun.

| | | | | |
|---|-----------|-----|-----------|-----|
| Visit Loudoun Epicurience Virginia | \$200,000 | \$0 | \$100,000 | \$0 |
|---|-----------|-----|-----------|-----|

Epicurience Virginia is an annual event held during Labor Day weekend which features Loudoun wineries, restaurants, and businesses in an effort to increase tourism and travel within the County. Visit Loudoun requested \$200,000 per year for three years (FY 2013 – FY 2015) to assist with the establishment of this event. No funds were allocated to Visit Loudoun for this event in FY 2016. Visit Loudoun has committed to \$100,000 in its FY 2017 budget for Epicurience Virginia and is requesting matching funds of \$100,000 from the Restricted TOT Fund to ensure baseline funding for the event.

| | | | | |
|--|----------|----------|----------|----------|
| Visit Loudoun Sports Tournament Grant Program | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
|--|----------|----------|----------|----------|

Sports tourism, which refers to travel to view or participate in a sporting event, has become the fastest growing sector in the global travel industry. Loudoun is perfectly suited to take advantage of this segment, with top-notch facilities, professional sports and parks and recreation organizations, and a community that supports tourism. The Sports Tournaments Grant Program was established as one of the Strategic Growth Initiatives of the Tourism Destination Strategy adopted by the Loudoun Board of Supervisors in March 2006. The program is designed to support bids on sports tournaments, including human and animal events that will generate the greatest return on investment in terms of visitor spending in Loudoun. A competitive application process encourages cooperation, ensures that the tournaments can be accommodated, and increases their success.

| | | | | |
|--|-----|-----|-----------|-----|
| The Waterford Foundation – The Waterford Fair | \$0 | \$0 | \$150,000 | \$0 |
|--|-----|-----|-----------|-----|

The Waterford Fair is an annual event that highlights local crafts, historic homes, and local history. The fair also features traditional dance, music, and activities in which attending families can participate. The fair attempts to provide an educational experience along with entertainment and frequently selects artisans and vendors who can provide historical information and context to the skill they are demonstrating.

| | | | | |
|---|--------------------------------|--------------------|--------------------|--------------------|
| Total Contribution to External Organizations | \$2,845,250⁵ | \$2,304,050 | \$3,208,125 | \$3,045,200 |
|---|--------------------------------|--------------------|--------------------|--------------------|

⁵ This figure includes \$200,000 for Visit Loudoun’s Epicurience event and \$500,000 for the Redskins Marketing Agreement.

Date of Meeting: June 14, 2016

#14

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Revision and Renewal of the Memorandum of Understanding with Visit Loudoun (LCVA, Inc.)

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Kenny Young, County Administration
Erin McLellan, Management and Budget
Buddy Rizer, Economic Development

PURPOSE: The purpose of this item is to provide the Finance/Government Operations and Economic Development Committee (FGOEDC) with staff recommendations on the update of the Memorandum of Understanding (MOU) with the Loudoun Convention & Visitors Association, Inc. (Visit Loudoun)

RECOMMENDATION: Staff recommends that the FGOEDC recommend that the Board of Supervisors approve the MOU with Visit Loudoun as revised in Attachment 1.

BACKGROUND: Visit Loudoun, a 501(c)(6) non-profit organization, is the primary programmatic element of Loudoun County's travel and tourism promotion effort and is funded in large part by Restricted Use Transient Occupancy Tax (TOT) revenue from the County. The County's Restricted Use TOT Funding Policy defines how Restricted Use TOT funds are to be allocated. The current funding policy defines two primary elements; the provision of Core Tourism Services, which are intended to sustain the County's tourism base and attract visitors, and Strategic Tourism Growth Initiatives, which are intended to expand tourism through high priority projects.

The current policy anticipates that Core Tourism Services for Loudoun County will be primarily provided by Visit Loudoun. The current Restricted TOT Funding Policy designates 75 percent of projected Restricted TOT revenue to Visit Loudoun for its ongoing operations. The County has a MOU with Visit Loudoun that guides the relationship between the County and Visit Loudoun and provides the process for funding and reporting revenues. The MOU was last updated in 2011 and has a five (5) year term, expiring June 30, 2016.

ISSUES: There are several policy issues within the revised MOU for the FGOEDC to consider:

Term of the MOU: The expiring MOU with Visit Loudoun has a five (5) year term. A five (5)-year MOU does not sync well with the Board's four (4) year term. Staff recommends that the Board adopt a four (4) year MOU with Visit Loudoun so that each Board has the opportunity to provide guidance and make policy revisions at the beginning of its term.

Funding Mechanism: Historically, Visit Loudoun has been allocated 75 percent of projected Restricted TOT Revenue. Over the last five years, this percentage amount has adequately provided for the operating needs of Visit Loudoun while allowing the Board to allocate revenue to other key projects and events. Staff does not recommend changing the allocation of 75 percent of projected Restricted TOT revenues to Visit Loudoun.

The 2011 MOU also includes a "reduction" and "true-up" clause that allows the Board to adjust Visit Loudoun's allocation in years when actual revenue are less or greater than projected as a part of the overall fund balance discussion. There has been some discussion about implementing a funding ceiling and floor rather than relying entirely on the above described mechanism to address fluctuations in TOT revenue, and thus fluctuations in Visit Loudoun's annual budget. While a ceiling/floor funding arrangement would allow Visit Loudoun to have more certainty regarding its annual funding levels, it would also reduce the Board's ability to exercise discretion about funding priorities when actual Restricted TOT revenue is higher or lower than originally projected. TOT revenue is difficult to accurately forecast due to its historic volatility and sensitivity to economic trends, competition from neighboring jurisdictions, and the fact that it is a self-reported tax. Over the past ten (10) fiscal years, the average absolute year-to-year change in TOT revenue was approximately 7 percent. However, during this same time period, the year-over-year percent change in annual revenue ranges from a low of -15 percent to a high of 21 percent.

The County and Visit Loudoun both currently maintain reserve funds (detailed below) to supplement operations in those years when TOT revenue is less than projected. County staff, in consultation with Visit Loudoun, have determined that these reserves provide sufficient funds for the organization to maintain operations in the event of fluctuations in revenue.

Additionally, staff does not recommend limiting the Board's ability to allocate TOT funds beyond the restrictions already in place and recommends keeping the current funding arrangement with Visit Loudoun. Any issues with Restricted TOT revenues that would substantially impact the budget for Visit Loudoun will be brought to the Board during the annual budget development process or the year-end fund balance discussions.

Visit Loudoun's Operating Reserve: Visit Loudoun's current MOU requires that Visit Loudoun's operating reserve not exceed six months of operating expenses. The language in the revised MOU requires an operating reserve of not less than 10 percent of Visit Loudoun's total annual budget. This change brings Visit Loudoun's reserve requirements in line with the current County requirements as described in the Restricted Use TOT Funding Policy (10 percent of projected Restricted TOT revenue is held in reserve each fiscal year).

Definition of Core Tourism Services: County staff, in consultation with Visit Loudoun, finds that the definitions provided for Core Tourism Services provided in Attachment 1 of the Memorandum of Understanding (Attachment 1) are accurate and sufficient for Visit Loudoun to successfully carry out its mission as the County's programmatic arm for tourism development. Staff does not recommend any changes to the definition of Core Tourism Services.

Performance Measures and Reporting: Visit Loudoun's expiring MOU requires the organization to report performance measures to the Board or designated Committee but is not clear on the timing of those reports. Staff recommends that the MOU be revised to direct Visit Loudoun to report to the Board or designated committee twice annually. This will allow Visit Loudoun to advise the Board on topics and opportunities related to Core Tourism Services and Strategic Tourism Growth Initiatives in public meetings as well as provide the Board and County staff more insight into Visit Loudoun's priorities, performance, and needs. Staff recommends retaining the current performance measures with one addition; the inclusion of social and digital media impressions to compliment "Complete web site visitation, usage, and inquiry analysis" (item 8) of Attachment 2 to the Memorandum of Understanding. Staff also recommends adding "Familiarization Tours, Site Visits, and Sales Missions" figures to the "Number of Trade Shows" metric.

FISCAL IMPACT: There is no immediate fiscal impact associated with the proposed revisions to Visit Loudoun's MOU.

ALTERNATIVES:

1. Recommend that the Board adopt the MOU with Visit Loudoun as revised.

OR

2. Do not recommend that the Board adopt the revised MOU with Visit Loudoun and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors approve the Memorandum of Understanding with Visit Loudoun as revised in Attachment 1 of the June 14, 2016 Action Item.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Draft 2016 Memorandum of Understanding with Visit Loudoun
2. Visit Loudoun FY 2017 Proposed Budget

**MEMORANDUM OF UNDERSTANDING BETWEEN LOUDOUN
COUNTY, VIRGINIA, AND THE LOUDOUN CONVENTION AND
VISITORS ASSOCIATION, INC. dba VISIT LOUDOUN**

This Memorandum of Understanding (“Memorandum”), effective as of July 1, 2016, is made by and between the County of Loudoun, Virginia (the “County”) and Loudoun Convention and Visitors Association, Inc. (“Visit Loudoun”).

RECITALS

WHEREAS, the County is a political subdivision of the Commonwealth of Virginia, and the Board of Supervisors of Loudoun County is the governing body of the County; and

WHEREAS, Virginia Code §58.1-3819 provides enabling authority that permits the Board of Supervisors to impose a transient occupancy tax of not more than five percent of the amount of the charge for the occupancy of hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days, provided that the revenues collected from that portion of the tax over two percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality; and

WHEREAS, Virginia Code §15.2-1204 authorizes the Board of Supervisors to appropriate funds to Chambers of Commerce and similar organizations for advertising and giving publicity to the resources and advantages of the County; and

WHEREAS, on August 29, 1995, the Virginia State Corporation Commission granted a corporate charter to Visit Loudoun, which was established by its incorporators as a private, nonstock corporation under Virginia Code §§ 13.1-801, *et seq.*, for the purposes of operating as a nonprofit corporation pursuant to 26 U.S.C. § 501(c)(6); and

WHEREAS, Visit Loudoun, is the primary programmatic element of the County’s travel and tourism promotion; and

WHEREAS, the County adopted a Restricted Transient Occupancy Tax (TOT) Funding Policy dated July 19, 2005, and revised through June 14, 2016 (the “Funding Policy”), which included the development of a four (4) year Memorandum of Understanding with the Visit Loudoun for the provision of identified Core Tourism Services; and

WHEREAS, on June 30, 2016, the County’s prior Memorandum of Understanding with Visit Loudoun will expire and both parties desire to continue the partnership between the County and Visit Loudoun.

NOW, THEREFORE, the Board of Supervisors of Loudoun County and Visit Loudoun enter into the following Memorandum of Understanding.

1. **Purposes.** — The purposes of this Memorandum are: (1) sustain Loudoun’s tourism base and competitively position Loudoun County to attract visitors; (2) the implementation of the provisions of Virginia Code § 58.1-3819; and (3) the implementation of the County’s Funding Policy.

2. **Definitions.** — The following words and phrases when used in this Memorandum have the meanings respectively ascribed to them in this Section except in those instances where the context clearly indicates a different meaning:

“*Memorandum*” means this Memorandum of Understanding between the County and Visit Loudoun.

“*Board of Supervisors*” or “*County*” means the Board of Supervisors of Loudoun County, Virginia.

“*County Administrator*” means the public official, or his designee, who has been appointed as the administrative head of the County government by the Board of Supervisors.

“*Visit Loudoun*” means the Loudoun Convention and Visitors Association, Inc.

“*Board of Directors*” means the Board of Directors of Visit Loudoun.

“*Contract*” has the meaning specified by Virginia Code § 2.2-3101.

“*Core Tourism Services*” are described in Attachment 1, which is hereby made a part of the Agreement.

“*Funding Policy*” has the meaning provided in the Recitals to this Memorandum.

“*Fiscal year*” means the annual budget year of the County, which extends from July 1 of a given calendar year through June 30 of the following calendar year.

“*Parties*” means the County and Visit Loudoun.

“*Personal interest*” has the meaning specified by Virginia Code § 2.2-3101.

“*Transaction*” has the meaning specified by Virginia Code § 2.2-3101.

3. **Nonprofit operations and offices.** — During the term of this Memorandum, Visit Loudoun shall operate on a nonprofit basis pursuant to 26 U.S.C. § 501(c)(6) and Virginia Code §§ 13.1-801, *et seq.*, and Visit Loudoun shall maintain its offices within the geographic boundaries of the County.

4. **Conflict of interests.** — Any member of the Board of Directors shall disqualify himself or herself from participating in any contract involving Visit Loudoun if that contract has application solely to property or a business in which that member has a personal interest, but a member may participate in a transaction if he or she is a member of a business, profession, occupation, or group, the members of which are affected by the transaction, and the member discloses his or her personal interest in that transaction. Any such disqualification or disclosure shall include a statement of the personal interest, and all

such disclosures shall be made orally and recorded in the records of Visit Loudoun or shall be filed in writing with Visit Loudoun to be included with the minutes of the meeting in which the transaction was considered.

5. **Virginia Freedom of Information Act; open meetings.** — The Parties recognize that the Virginia Freedom of Information Act, Virginia Code §§ 2.2-3700 through 2.23714, applies to any organization or corporation supported wholly or principally with public funds, and so long as Visit Loudoun is supported wholly or principally with public funds, Visit Loudoun shall provide notice of its meetings and otherwise comply with the open meeting requirements of the Virginia Freedom of Information Act, and Visit Loudoun shall provide access to public records in accordance with the requirements of the Virginia Freedom of Information Act.

6. **Non-Discrimination.** During the term of this Memorandum, Visit Loudoun agrees as follows:

A. Visit Loudoun will not discriminate against any employee or applicant for employment upon the grounds of race, religion, color, national origin, sex, age, or disability with respect to, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

B. Visit Loudoun will not discriminate against any contractor, subcontractor, or potential contractor or subcontractor for any services hereunder, upon any of the above-prohibited grounds.

7. **Intellectual Property.** The County shall own all intellectual property rights in all materials designed and produced by Visit Loudoun in its provision of Core Tourism Services pursuant to this Memorandum, and the County hereby grants Visit Loudoun authorization to reproduce, distribute and otherwise use these materials in any way Visit Loudoun deems necessary to the provision of Core Tourism Services pursuant to this Memorandum. Visit Loudoun will take no action inconsistent with the County's rights in such intellectual property, and will take reasonable actions, including registration or assignment of trademarks and trade names, as necessary and appropriate to protect the County's rights in such property. Visit Loudoun is authorized to include the Loudoun County seal and the names of the current members of the Board of Supervisors of Loudoun County in any publications of Visit Loudoun funded with restricted transient occupancy tax revenues or other public funds for local distribution such as a tourism newsletter, annual report, and the like, as feasible and appropriate, unless the parties otherwise agree in writing.

8. **Prohibition of Assignment.** Visit Loudoun acknowledges and agrees that this Memorandum does not create any right or interest that may be assigned, conveyed or transferred by Visit Loudoun.

9. Insurance. Prior to providing the Core Tourism Services, Visit Loudoun will provide the County Administrator, or his designee, with satisfactory documentation that it has obtained the following types of insurance:

A. Certificate of Insurance. All insurance policies shall be issued by companies authorized to do business under the laws of the Commonwealth of Virginia. Visit Loudoun shall furnish Certificates of Insurance to the County prior to the commencement of operations. The certificates shall name the County as an additional insured in accordance with subsection (E) below, and shall clearly indicate that Visit Loudoun has obtained insurance of the type, amount, and classification as required for strict compliance with this paragraph and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the County. Compliance with the foregoing requirements shall not relieve Visit Loudoun of its liability and obligations under this Agreement.

B. Comprehensive General Liability Insurance. Visit Loudoun shall maintain during the life of this Memorandum and any renewal thereof, comprehensive general liability insurance, including contractual liability insurance, in an amount no less than \$1,000,000 per occurrence to protect Visit Loudoun from claims for damages for bodily and personal injury, including death, as well as from claims for property damage which may arise from any operations by Visit Loudoun or by anyone directly employed by or contracting with Visit Loudoun.

C. Comprehensive Automobile Liability Insurance. Visit Loudoun shall maintain, during the life of this Memorandum and any renewal hereof, comprehensive automobile liability insurance in the minimum amount of \$1,000,000 combined single limit for bodily injury and property damage liability to protect Visit Loudoun from claims for damages for bodily and personal injury, which may arise from the ownership, use, or maintenance of owned or non-owned automobiles, whether the operation of such automobiles by Visit Loudoun or by anyone directly or indirectly employed by Visit Loudoun.

D. Workers' Compensation Insurance. Visit Loudoun shall maintain during the life of this Memorandum, or any renewal hereof, adequate workers' compensation and employers' liability insurance in at least the amounts required by the law of the Commonwealth of Virginia, for all its employees as defined by Title 65.2 of the Code of Virginia.

E. The County, its officers and employees shall be Endorsed to Visit Loudoun's Automobile and General Liability policies as an "additional insured" with provision that is coverage "is primary to all other coverage the County may possess." (Use "loss payee" where there is an insurable interest). A certificate of insurance evidencing the additional insured status must be presented to the County along with a copy of the Endorsement.

10. Appropriation of public funds. —

A. Funding Policy. Pursuant to the Funding Policy, it is the County's intention to make an annual appropriation to Visit Loudoun of 75% of the projected Restricted Transient

Occupancy Tax funds. Future County funding is subject to review of the performance of Visit Loudoun in providing Core Tourism Services and an annual appropriation for this purpose in conjunction with the preparation and approval of the County budget.

B. Budget allocation; description of work. By November 1st of each year, the County Administrator, or designee, will provide to Visit Loudoun an estimate of the projected Restricted Transient Occupancy Tax for the upcoming fiscal year. By December 1st of each year, Visit Loudoun shall provide to the County Administrator, or designee, a complete description of the Core Tourism Services that will be provided in the upcoming fiscal year by Visit Loudoun based on the receipt of 75% of the projected Restricted Transient Occupancy Tax revenues. Each year by December 1st, Visit Loudoun shall develop an Annual Budget and Work-Plan for accomplishing the purposes of marketing and promoting tourism in Loudoun County and its jurisdictions. Visit Loudoun will implement its Strategic Business Plan and Work-Plan and may amend the Strategic Business Plan and Work- Plan as necessary.

C. Fiduciary Duty. The parties agree and understand that, upon appropriation and payment of funds by the County to Visit Loudoun, the Visit Loudoun Board of Directors assumes a fiduciary duty with respect to the expenditure of the funds. Visit Loudoun will maintain a separate accounting of the receipt and expenditure of funds from the County to ensure that those funds are used only for the provision of Core Tourism Services, including related administrative costs as provided in Section 13(C). Visit Loudoun will secure the services of an independent auditor to conduct an annual financial audit and will submit a copy of the annual audit report to the County.

11. Payment. — The County shall pay one half of the contribution appropriated for the Fiscal year to Visit Loudoun by July 10th and the remaining amount by November 30th of each year.

12. Limitation on the future appropriation of funds; no debt; no obligation to impose tax. —The Parties specifically agree and understand that Section 10 (**Appropriation of public funds**) does not obligate the Board of Supervisors in future years to impose the transient occupancy tax authorized by Virginia Code § 58.1-3819 or to make future appropriations to Visit Loudoun from transient occupancy taxes or other revenues, and that this Memorandum does not constitute a debt of the County.

13. Use of revenues appropriated to Visit Loudoun; reports. —

A. It is the Board's intention to fund Core Tourism Services under this Memorandum as a contribution to Visit Loudoun pursuant to Virginia Code § 15.2-1204. This Memorandum is not intended as a contract for procurement of services enforceable by Visit Loudoun. The Board of Supervisors reserves its right to review the past performance of Visit Loudoun in providing Core Tourism Services in considering the annual appropriation of future contributions. To assist the County in this regard, Visit Loudoun shall report twice annually to the Board of Supervisors, or one of its Committees, regarding its performance in the delivery of Core Tourism Services.

In addition to those reports, upon written notification to Visit Loudoun, the County shall have the right to inspect such information, books and records of Visit Loudoun as necessary to be assured that an appropriation or proposed appropriation will not result in the dissipation of public funds and in order to determine the use of past and the proposed use of future appropriations, the method of management, control and organization of Visit Loudoun and its present and proposed programs. Any such inspection, other than the annual financial audit to be secured by Visit Loudoun, shall be done at the expense of the County.

B. In the provision of Core Tourism Services, Visit Loudoun will track performance and industry indicators based upon the Destination Marketing Association International performance standards as described in Attachment 2. Such Attachment shall be updated annually as part of the Work-Plan required under paragraph 10(B), above.

C. It is understood and agreed by and between the parties that Restricted Transient Occupancy Tax funds may be spent by Visit Loudoun for day-to-day operations, including the purchase of supplies and the payment of salaries, office rental, travel expenses, and other administrative costs, if directly related to the provision of Core Tourism Services.

D. Visit Loudoun shall allocate a reasonable portion of the revenues appropriated to Visit Loudoun by the County to provide a designated operating reserve that can provide funding for Core Tourism Services in the event of a decline in the revenues generated by the transient occupancy tax. This designated reserve shall not be less than 10 percent of Visit Loudoun's total annual budget.

At the end of each Fiscal year, actual collections of Restricted Transient Occupancy Tax funds will be calculated by the County. When it is determined that actual collections are greater than budget, Visit Loudoun may make a request to the Board for use of the available fund balance. Any such request will be for a specific one-time purpose that relates directly to Core Tourism Services provided by Visit Loudoun. If actual collections are less than the budget, the Board may consider adjusting the allocation to Visit Loudoun during the development process for the next fiscal year budget according to Visit Loudoun's proportional share of Restricted TOT revenues.

14. **Term.** — Pursuant to the Funding Policy, this Memorandum shall be for a term of four (4) years, commencing July 1, 2016. Funding under this Memorandum is subject to annual appropriations by the Board for that purpose.
15. **Amendments.** — This Memorandum shall not be modified except by the express written agreement of the Parties.
16. **Termination.** — This Memorandum may be terminated by either Party upon the presentation of notice of termination, provided in accordance with Section 17 (**Notices**) at least 360 days prior to the actual termination date. Notwithstanding the foregoing, this Memorandum shall be terminated without 360 days' notice and without further

action by either Party upon (1) the dissolution of Visit Loudoun, or (2) the failure of Visit Loudoun to meet the requirements of Section 3 (**Nonprofit operations and offices**) of this Memorandum concerning its nonprofit status and the location of its offices within the geographic boundaries of the County, or (3) in accordance with Section 12 (**Limitation on the future appropriation of funds; no debt; no obligation to impose tax**).

17. **Notices.** — Any notices or correspondence shall be in writing and shall be delivered either by hand or by postpaid delivery to the County Administrator at 1 Harrison Street, SE, Leesburg, Virginia 20175, if to the County, and to the President and CEO of Visit Loudoun, at 112-G South Street, SE, Leesburg, VA 20175, if to Visit Loudoun. Delivery under this Section may be made by leaving the notice with the person in charge of the office of any person identified above. Either Party, by written notice to the other Party, may designate a different address for such notices to be provided.
18. **Virginia law.** — This Memorandum shall be governed in all respects by Virginia law.

LOUDOUN CONVENTION AND VISITORS ASSOCIATION, INC.
a Virginia nonstock corporation

Herb Glose, Chairman
VISIT LOUDOUN Board of Directors

Date

COMMONWEALTH OF VIRGINIA :
COUNTY OF LOUDOUN : to-wit

The foregoing Agreement was acknowledged before me on this ____ day of _____, 2016, by Herb Glose on behalf of the Loudoun Convention and Visitors Association, Inc., a Virginia nonstock corporation.

Notary Public

My Commission expires:

**BOARD OF SUPERVISORS OF
LOUDOUN COUNTY, VIRGINIA**

Phyllis J. Randall, Chair

Date

COMMONWEALTH OF VIRGINIA :
COUNTY OF LOUDOUN : to-wit

The foregoing Agreement was acknowledged before me on this ____ day of _____, 2016, by Phyllis J. Randall, Chair of the Board of Supervisors of Loudoun County, Virginia, a political subdivision of the Commonwealth of Virginia.

Clerk to the Board of Supervisors

My Commission expires:

Attachment 1 Core Tourism Services

Responsibilities of Visit Loudoun. Visit Loudoun shall assist the County by serving as its programmatic arm for tourism while promoting and advertising tourism in Loudoun County and its jurisdictions in the Commonwealth of Virginia, and nationally and internationally, by performing the following Core Tourism Services:

- A. **Strategic Business Plan.** Visit Loudoun will develop its own Strategic Business Plan that includes a comprehensive plan to promote Loudoun County and its jurisdictions as a premier visitor destination. The plan will include advertising and promotion, direct sales and marketing, market promotions, sales and services, production of collateral materials, e-marketing, market research, public relations, product development, and cooperative promotions.
- B. **Operate a State Certified Visitor Information Center** that is the central clearinghouse for visitor information about Loudoun County and its incorporated towns.
- C. Implement a **community relations** program that educates Loudoun residents, front-line employees and businesses about the value of tourism and what there is to see and do here, and encourages them to invite their friends and relatives, business meetings, conferences, and events here.
- D. **Represent the tourism industry** to policy makers and provide tourism perspective and recommendations regarding land use and zoning, funding opportunities, and other legislative issues that directly impact the tourism industry.
- E. Function as a **referral agency** to assist county and town staff, boards, and commissions regarding tourism issues as appropriate.
- F. Participate in economic development functions as they relate to **tourism industry development of products, services, and preservation.**
- G. **Recommend funding for tourism programs** eligible to receive Restricted Transient Occupancy Tax Grants.
- H. Represent Loudoun County and its incorporated towns through participation in national, regional and statewide tourism initiatives that benefit Loudoun's tourism products. Examples of services relating to Loudoun's towns include:
 1. Represent the towns as Loudoun tourism products.
 2. Promote itineraries that feature the towns.
 3. Assist with the town's information center and customer service training and tourism product awareness.
 4. Include the town's description in appropriate printed, electronic, and broadcast programs.
 5. Handle film and video, media, and scouting inquiries and services.
 6. Include either the information center or a major town event in Visit Loudoun's market research plan.
 7. Collect visitor data from the towns and have it entered in the Visit Loudoun database for tracking and direct marketing purposes as needed.

8. Include the elected town representatives when reporting progress, results, and accomplishments.
- J. Tourism Destination Strategy.** Visit Loudoun will coordinate the Tourism Destination Strategy development process. The development of the Tourism Destination Strategy will include broad participation from tourism industry sectors, citizens, advisory board, elected officials, and others. Additionally, in accordance with the guidelines, policies and procedures adopted by the County, Visit Loudoun may solicit, receive, and review applications for grants for cooperative marketing activities for tourism-related special projects, including but not limited to strategic growth initiatives. Visit Loudoun shall make recommendations to the County for approval or non-approval of such applications. The County may enter into contracts with applicants for the implementation of such grants. Visit Loudoun may serve as contract administrator with respect to such grants.
- K. Other Duties.** Visit Loudoun may perform such additional related duties and services as may be required from time to time by the County, on such terms as may be agreed to between the parties.
- L. Nonexclusive.** The foregoing enumeration of Core Tourism Services is not intended to limit the activities of Visit Loudoun or the ability of Visit Loudoun to engage in other programs or activities designed to increase the number of visitors and economic activity of such visitors while in Loudoun County.

Attachment 2

Performance Measures

Lodging:

Annual supply, demand, Average Daily Room Rate and Rate of Occupancy with explanations of any vast deviations from previous years and a forecast for the future year(s).

Visit Loudoun activity and tracked results:

1. Visitation Figures for Visitors Center and area attractions.
2. Number of Meeting and Event Leads and Confirmed Bookings.
3. Number of Group Tour Leads and Confirmed Bookings.
4. Number of Trade Shows, Familiarization Tours, Site Visits, and Sales Missions.
5. Annual Visitation Figures with a report of the current visitor profile.
6. Complete web site visitation, usage and inquiry analysis, including social media and digital impressions.
7. Editorial Coverage received and advertising equivalency.

FY 2017 Visit Loudoun Program Budget: PROPOSED

| | | FY 2017 PROPOSED PROGRAM BUDGET |
|---|--|--|
| Income | | |
| 100-000 · REVENUES | | |
| 105-000 · PUBLIC SOURCES | | |
| 105-100 · LOUDOUN COUNTY | | 2,850,750 |
| 105-200 · TOWN OF LEESBURG | | 95,000 |
| 105-300 · TOWN OF MIDDLEBURG | | 30,000 |
| Total 105-000 · PUBLIC SOURCES | | 2,975,750 |
| 110-000 · PRIVATE SOURCES | | |
| 112-000 · LCVA PARTNERSHIP DUES/SERVICES | | 60,000 |
| 114-000 · FOUNDATION CONTRIBUTIONS | | - |
| 116-000 · CO-OP ADVERTISING | | 30,000 |
| 118-000 · PARTICIPATION FEES | | |
| 118-001 · EPICURIENCE PARTICIPATION FEES | | - |
| 118-000 · PARTICIPATION FEES - Other | | 10,000 |
| Total 118-000 · PARTICIPATION FEES | | 10,000 |
| 120-000 · PUBLICATION SALES | | 30,000 |
| 126-000 · TRANSFER DESIGNATED CARRYOVER | | - |
| 128-000 · PROGRAM GRANT REFUND | | - |
| 132-000 · MISC INCOME | | - |
| 134-000 · INTEREST | | 4,500 |
| 136-000 · FLEX PLAN EMPLOYEE CONTRIBUTION | | - |
| 138-000 · VSP VISION EMPLOYEE CONTRIBUTE | | - |
| 144-000 · PASSKEY HOUSING BUREAU REBATE | | - |
| Total 110-000 · PRIVATE SOURCES | | 134,500 |
| Total 100-000 · REVENUES | | 3,110,250 |
| Expense | | |
| 200-000 · OPERATING | | |
| 205-000 · AUDIT & LEGAL | | 20,000 |
| 210-000 · INSURANCE | | 7,500 |
| 215-000 · OFFICE EQUIPMENT - LEASE | | 37,750 |
| 220-000 · CVB ORGANIZATIONAL SOFTWARE | | 75,000 |
| 225-000 · OFFICE SUPPLIES | | 9,000 |
| 230-000 · PRINTING/POSTAGE | | 6,000 |
| 235-000 · RENT | | 230,000 |
| 240-000 · TELEPHONES | | 27,000 |
| 245-000 · TRAINING & EDUCATION | | 20,000 |
| 250-000 · GENERAL ADMINISTRATION | | 8,000 |
| Total 200-000 · OPERATING | | 478,000 |

FY 2017 Visit Loudoun Program Budget: PROPOSED

| | <i>FY 2017 PROPOSED PROGRAM BUDGET</i> |
|---|--|
| 700-000 · MARKETING & SALES | |
| 700-910 · EPICURIENCE | 100,000 |
| 400-000 · ADVERTISING | 430,000 |
| 410-000 · FULFILLMENT | 2,750 |
| 412-000 · DUES & SUBSCRIPTIONS | 12,600 |
| 414-000 · E-COMMERCE / WEBSITE | 30,000 |
| 416-000 · FILM & VIDEO/DISPLAYS | 25,000 |
| 500-000 · MARKET PROMOTIONS | 318,000 |
| 720-000 · SITE VISITS & FAMS | 15,000 |
| 545-000 · SALES SUPPORT | 3,150 |
| 550-000 · MEETINGS | 35,000 |
| 460-000 · REGIONAL PROGRAMS | 15,000 |
| 470-000 · PROMOTIONAL MERCHANDISE | 6,000 |
| 480-000 · PRODUCT DEVELOPMENT | 25,000 |
| 484-000 · PUBLICATIONS/PRINTING | 30,000 |
| 486-000 · MARKET RESEARCH | 25,000 |
| 490-000 · PROFESSIONAL SERVICES | 15,000 |
| 492-000 · GENERAL MARKETING | 1,050 |
| 494-000 · VC RENT | - |
| 496-000 · TOURISM MARKETING LEVERAGE FUND | 75,000 |
| Total 700-000 · MARKETING & SALES | 1,163,550 |
| 800-000 · PAYROLL EXPENSES | |
| 800-005 · SALARIES | 1,152,818 |
| 800-015 · DEFERRED COMP | 45,097 |
| 800-020 · GROUP HEALTH | 75,000 |
| 800-025 · EMPLOYER WITHHOLDINGS | 99,000 |
| 800-035 · WORKER'S COMP | 3,500 |
| 800-040 · EMPLOYEE RECOGNITION | 3,060 |
| 800-045 · DIRECT DEPOSIT FEES | 950 |
| 800-050 · PAYROLL EXPENSES-OTHER | - |
| Total 800-000 · PAYROLL EXPENSES | 1,379,425 |
| 900-000 · DESIGNATED OPERATING RESERVE | 89,275 |
| Total Expense | 3,110,250 |

Date of Meeting: June 14, 2016

15

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Advancement of Projects Included in General Obligation Referenda/November 2016 Bond Referendum

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: John Sandy, County Administration
Penny Newquist, Finance and Procurement
Janet Romanchyk, Finance and Procurement
Nicole Bradley, Finance and Procurement
Courtney Sydnor, County Attorney's Office

PURPOSE: To present the recommended questions that are to be placed on the November 2016 referendum for County and School projects identified in the adopted FY 2017 Capital Improvements Program (CIP), and provide options to include approved FY 2018 County and School capital projects on the November 2016 referendum.

RECOMMENDATIONS:

Staff: Staff recommends that the Finance/Government Operations and Economic Development Committee direct staff to prepare a resolution for the Board of Supervisors requesting the Circuit Court to Order a Special Election on November 8, 2016, on the Questions of Issuing Not to Exceed \$312,840,000 in General Obligation Bonds to Finance Public Improvements" based on questions 1a, 2a, 3a, and 4 as presented in Attachment 1.

School Board: On May 24, 2016, the Loudoun County School Board approved a resolution, 9-0-0 requesting the Board of Supervisors seek referendum approval to finance 100% of the costs of the design, construction, and equipping of ES-28, Dulles South Area Elementary School, MS-7, Dulles South Area Middle School, Three (3) Classrooms Additions Dulles North & South; CS Monroe High School Conversion; Loudoun County High School Naval JROTC Facility; and Dulles North & South Modular Classroom Additions or to apply for Virginia Public School Authority financing not to exceed \$122,270,000 in general obligation bonds for school purposes, as presented in Attachment 3. (Please note, CS Monroe High School Conversion; Loudoun County High School Naval JROTC Facility; and Dulles North & South Modular Classroom Additions are not included in the adopted CIP for bond funding in FY2017 or FY2018).

On June 7, 2016, the School Board approved a resolution, 9-0-0 requesting the Board of Supervisors seek referendum approval to finance 100% of the costs of the design, construction, and equipping of HS-9, Dulles South Area High School or to apply for Virginia Public School Authority financing not to exceed

\$130,660,000 in general obligation bonds for school purposes as presented in Attachment 4 (Official resolution signed by the Clerk of the School Board will be provided for the July 5, 2016 Board meeting).

BACKGROUND: During the FY 2017 budget process, the Board of Supervisors (BOS) considered and approved various capital projects which require the issuance of debt, local tax funding and/or other sources of financing. Within this funding plan are several general government and school construction projects for which the Board desires to use general obligation (GO) bond proceeds to finance over the course of construction for each project. In order to use those GO bond proceeds, the projects will need to be placed on referendum for voter approval.

The general government projects for the FY 2017 CIP year include the design and construction of an Ashburn Recreation and Community Center; design, construction and equipping to replace the Lovettsville Volunteer Fire and Rescue Company Station (#12); expansion of the Leesburg Volunteer Fire Company Station (#20); design and construction of Shellhorn Road from Loudoun County Parkway to Moran Road; construction of intersection improvements at Braddock Road/Summerall/Supreme; and the design and construction of the Rt. 7/Route 690 Interchange. School projects include design, construction and equipping of ES-28, Dulles South Area Elementary School; the design, construction and equipping of MS-7, Dulles South Middle School; and three (3) classroom additions to six elementary schools in the Dulles North and Dulles South areas of the County.

The general government projects for the FY 2018 CIP year include the design and construction of Hal & Berni Hanson Regional Park; and the design, construction and equipping of the Aldie Fire & Rescue Station (#07). The School projects include the design, construction and equipping of HS-9, Dulles South Area High School.

In keeping with the Board of Supervisors' adopted funding plan and as required by the Virginia Code, the School Board must identify and request projects to be placed on the referendum. On May 24, 2016, the School Board requested that 100% of design, construction and equipping of ES-28, Dulles South Area Elementary School, MS-7 Dulles South Area Middle School, Classroom Additions in Dulles North and South, CS Monroe High School Conversion (program study only), upgrades to the Naval JROTC Facility at Loudoun County High School, and Modular Classrooms in Dulles North and South be placed on the November 8, 2016 voter referendum (Attachment 3). In the Adopted FY2017-FY2022 CIP, the CS Monroe High School Conversion (program study only) and upgrades to the Naval JROTC Facility at Loudoun County High School are funded through cash proffers from the Town of Leesburg. Modular Classrooms in the Dulles North and South areas are funded with local tax funding. The School Board has included these projects in their resolution, however they are not currently appropriated with bond funding, and therefore the Board does not need to place these projects on the fall referendum. On June 7, 2016, the School Board requested that 100% of the design, construction and equipping of HS-9, Dulles South Area High School be placed on the November 8, 2016 voter referendum (Attachment 4).

Table 1 below displays the project costs and sources of funds for the school requested projects.

Table 1. Funding Sources for School Projects per Adopted School Board Resolution

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | Total |
|---|--------------------|----------------------|---------------------|----------------------|----------|----------------------|
| ES-28 | | | | | | |
| GO Bonds | \$2,000,000 | \$36,770,000 | - | - | - | \$38,770,000 |
| LTF | - | - | - | - | - | - |
| <i>Subtotal</i> | <i>\$2,000,000</i> | <i>\$36,770,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$38,770,000</i> |
| MS-07 | | | | | | |
| GO Bonds | \$3,000,000 | \$57,820,000 | - | - | - | \$60,820,000 |
| LTF | - | - | - | - | - | - |
| <i>Subtotal</i> | <i>\$3,000,000</i> | <i>\$57,820,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$60,820,000</i> |
| Classroom Additions | | | | | | |
| GO Bonds | - | \$16,320,000 | - | - | - | \$16,320,000 |
| LTF | - | - | - | - | - | - |
| <i>Subtotal</i> | <i>-</i> | <i>\$16,320,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$16,320,000</i> |
| CS Monroe High School Conversion | | | | | | |
| GO Bonds | - | - | - | - | - | - |
| LTF | - | - | - | - | - | - |
| Cash Proffer | - | 1,750,000 | - | - | - | \$1,750,000 |
| <i>Subtotal</i> | <i>-</i> | <i>\$1,750,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$1,750,000</i> |
| Naval JROTC Facility | | | | | | |
| GO Bonds | - | - | - | - | - | - |
| Cash Proffer | - | \$3,130,000 | - | - | - | 3,130,000 |
| <i>Subtotal</i> | <i>-</i> | <i>\$3,130,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$3,130,000</i> |
| Modular Classrooms | | | | | | |
| GO Bonds | - | - | - | - | - | - |
| LTF | - | \$1,480,000 | - | - | - | 1,480,000 |
| <i>Subtotal</i> | <i>-</i> | <i>\$1,480,000</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>\$1,480,000</i> |
| HS-9 | | | | | | |
| Go Bonds | - | - | \$8,260,000 | \$108,900,000 | - | \$117,160,000 |
| LTF | - | - | 3,500,000 | 10,000,000 | - | 13,500,000 |
| <i>Subtotal</i> | <i>-</i> | <i>-</i> | <i>\$11,760,000</i> | <i>\$118,900,000</i> | <i>-</i> | <i>\$130,660,000</i> |
| Total | \$5,000,000 | \$117,270,000 | \$11,760,000 | \$118,900,000 | - | \$252,930,000 |

Note: **Highlighted** totals represent the general obligation bond financing amounts recommended for the November 2016 referendum.

HS-9 is an FY 2018 Project. On June 7, 2016, the School Board voted to request the Board of Supervisors include the general obligation bond financing for HS-9 as part of the November 2016 referendum.

For the ES-28 project, the BOS appropriated \$2,000,000 in general obligation bonds for design in FY 2016 and \$36,770,000 in general obligation bonds in FY 2017 to pay for construction and equipment. For the MS-7 project, the BOS appropriated \$3,000,000 in general obligation bonds for design in FY 2016, and \$57,820,000 in general obligation bonds for construction and equipment in FY 2017 (Attachment 6 contains the project descriptions for each project from the adopted CIP). Due to the use of local tax funding and/or cash proffers for CS Monroe High School Conversion, Naval JROTC Facility and Modular Classrooms in FY 2017 in the total amount of \$6,360,000, staff proposes that the funding for these school projects not be placed on referendum.

Table 2 below summarizes the County and School projects staff recommends the Board place on the November 2016 referendum.

Table 2. Proposed 2016 Bond Referendum Projects

| | Project Total | Proposed Referendum Total |
|---|--------------------------|--------------------------------------|
| FY 2017 Projects | | |
| <u>General Government Approved CIP Projects</u> | | |
| 1) Ashburn Recreation and Community Center | \$70,930,000 | \$44,270,000 |
| 2) Station 20 Leesburg VFD Station Expansion | \$4,000,000 | \$4,000,000 |
| 3) Lovettsville Fire Station Replacement | \$14,500,000 | \$13,500,000 |
| 4) Shellhorn Road | \$24,000,000 | \$8,000,000 |
| 5) Braddock/Summerall/Supreme Intersection Improvements | \$2,000,000 | \$2,000,000 |
| 6) Route 7/Route 690 Interchange | <u>\$34,600,000</u> | <u>\$8,000,000</u> |
| <i>Subtotal, General Government Projects</i> | <i>\$150,030,000</i> | <i>\$79,770,000</i> |
| <u>School Approved CIP Projects</u> | | |
| 7) ES-28, Dulles South Area Elementary School | \$38,770,000 | \$38,770,000 |
| 8) Classroom Additions (Dulles North and South) | 16,320,000 | 16,320,000 |
| 9) MS-7, Dulles South Area Middle School | <u>60,820,000</u> | <u>60,820,000</u> |
| <i>Subtotal, School Projects</i> | <i>\$115,910,000</i> | <i>\$115,910,000</i> |
| Total FY 2017 Projects | \$265,940,000 | \$195,680,000 |
| FY 2018 Projects | | |
| <u>School Approved CIP Projects</u> | | |
| HS-9 Dulles South Area High School | <u>\$130,660,000</u> | <u>\$117,160,000</u> |
| <i>Subtotal, School Projects</i> | <i>\$130,660,000</i> | <i>\$117,160,000</i> |
| Total FY 2018 Projects | \$130,660,000 | \$117,160,000 |
| Total General Government & School Projects | \$396,600,000 | \$312,840,000 |

ISSUES: There are four main issues impacting the 2016 Referendum:

1. **Recommended Flexibility in Questions** – Based on the guidance the Board provided staff in previous years, staff recommends that the referendum questions be drafted to allow for greater flexibility in the County’s use of general obligation bond proceeds for like projects. As such, staff recommends:
 - a. Referendum questions be grouped by like projects with the generalized language, “*and other public [park projects/safety projects/road projects/school projects] approved in the County’s Capital Improvement Program.*” This will help avoid new referendums or borrowings due to unforeseen changes in the cost or description of projects, as well as allow the County to use excess bond proceeds towards like projects.
2. **Timing** - Section 15.2-2610 of the Code of Virginia requires the Circuit Court to enter the order for a Special Election (on November 8, 2016) at least 81 days prior to the referendum date. Therefore, the County Attorney’s Office must submit certified resolutions requesting this order sufficiently in advance of the deadline to give circuit court adequate time to review and enter the proposed order. Because of the timing of the Board’s meeting schedule, this action is needed prior to the scheduled August recess. (Upon Board action, the County Attorney will file the appropriate court order. Other required resolutions and documents related to authorizing bond sales and closings will be prepared at a later date).
3. **Virginia Public School Authority Financing** - Based on the Board’s adopted Fiscal Policy, which specifies criteria for determining financing alternatives, the County can finance school projects through general obligation bonds sold to the market or the Virginia Public School Authority (VPSA). For financing through the VPSA, a public hearing process must take place prior to submitting a financing application.

The Virginia Department of the Treasury (VDT) has not yet posted a schedule for a Fall 2016 VPSA bond sale; however, it is generally a 4-month process from the time VDT announces that localities can apply for VPSA bonds to the closing of the bond sale. The process includes: VDT making applications available to localities; localities holding a public hearing and submitting completed applications due to VDT 6 weeks after the announcement; the VPSA Board considering applications and parameters of a sale; the chosen localities filing resolutions and ordinances with the Circuit Court; VPSA selling the bonds; bond attorneys drafting closing documents; and closing on the bond sale.

4. **Advancement of FY 2018 Projects to Referendum** – On April 12, 2016 staff brought an item to the FGOEDC regarding the advancement of projects included in the fall general obligation referenda (Attachment 5). The item recommended that the FGOEDC recommend that the Board of Supervisors direct staff to advance the timeline for forwarding any proposed GO bond financed projects in the adopted CIP to voter referendum during the fiscal year prior to the fiscal year of the Board’s appropriation for each project. This would allow the GO funding to be approved at referendum prior to appropriation. This would mean the November 2016 referendum questions would include projects planned for general obligation bond funding in FY 2017 and FY 2018 of the CIP. The FGOEDC expressed a desire to begin with advancing only the FY 2018 school projects first, but requested that staff bring the item back to FGOEDC in June along with the proposed November 2016 Referendum questions for further consideration.

Attachments 1 and 2 provide the FGOEDC with options for which projects to include on the November 2016 referendum, as well as options for the amount of flexibility to be incorporated into each question. Attachment 1 includes County capital projects for FY 2017 only, and includes both FY 2017 and FY 2018 capital projects for the Schools. Attachment 2 includes only FY 2017 capital projects for both the County and the Schools.

Staff can combine any combination of projects and questions that the FGOEDC requests for inclusion in the final resolution to be provided to the full Board for the July 5, 2016 Business Meeting.

FISCAL IMPACT: Based on the recommended projects to be included on the November 2016 referendum, the total amount to be financed with general obligation bonds issued by the County would be \$312,840,000. This total represents the total amount of general obligation bond financing for County and School projects in FY 2017, and only School projects in FY 2018. Of that aggregate total, \$302,340,000 will pay for design and construction and \$10,500,000 will pay for equipment. Per the Board's Fiscal Policy, the County will repay the debt of financed equipment within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project. As such, it is customary for the County to pay off the debt in full for equipment within seven years and construction in 20 years.

Table 3. Debt Service Projections (Attachment 1)

| | Principal | Interest | Total |
|---------------------|----------------------|----------------------|----------------------|
| Construction | \$302,340,000 | \$158,731,500 | \$461,071,500 |
| Equipment | 10,500,000 | 2,100,000 | 12,600,000 |
| Total | \$312,840,000 | \$160,831,500 | \$473,671,500 |

Issuing \$302,340,000 of bonds for construction at an average interest rate of 5% that amortize in 20 years and issuing \$10,500,000 for equipment that amortize in 7 years would produce an estimated interest charge to repay the bonds of \$160,831,500 for an estimated total debt service of \$473,671,500.

ALTERNATIVES: There are alternate referendum questions the Board may want to consider. The FGOEDC can direct staff to draft resolutions that reflect these alternate referendum questions, including selling bonds through VPSA. Additionally, the Board may want to consider including the FY 2018 County projects in the November 2016 referendum. The FY 2018 County projects include Hal & Berni Hanson Regional Park (\$31,845,000) and Aldie Fire and Rescue Station Replacement (\$4,000,000). If the FGOEDC were to recommend that the Board include the FY 2018 County projects, potential referendum questions would be as follows:

Parks and Recreation Projects

1a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$76,115,000 to finance, in whole or in part, the costs to design, construct and equip public park, recreational and community center facilities approved in the County's Capital Improvement Program?

OR

1b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$76,115,000 to finance, in whole or in part, the costs to design, construct and equip a recreation and community center in Ashburn, a public park in the Dulles district, and other public park, recreational and community center facilities approved in the County's Capital Improvement Program?

Public Safety Projects

2a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$21,500,000 to finance, in whole or in part, the costs to design, construct and equip the expansion, renovation and/or replacement of three fire and rescue stations in the County; and the costs of other public safety facilities approved in the County's Capital Improvement Program?

OR

2b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$21,500,000 to finance, in whole or in part, the costs to design, construct and equip the expansion of the Leesburg Fire and Rescue Station (#20); the costs to design, construct and equip the replacement of the Lovettsville Fire and Rescue Station (#12) and the Aldie Fire and Rescue Station (#07); and the costs of other public safety facilities approved in the County's Capital Improvement Program?

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee direct staff to prepare a resolution for the Board of Supervisors requesting the Circuit Court to Order a Special Election on November 8, 2016, on the Questions of Issuing Not to Exceed \$312,840,000 in General Obligation Bonds to Finance Public Improvements" based on questions 1a, 2a, 3a, and 4 as presented in Attachment 1.

OR

2. I move an alternative motion.

ATTACHMENTS:

1. Draft of Proposed Referendum Questions for FY 2017 County Capital Projects and FY 2017 and FY 2018 School Capital Projects Scenario
2. Draft of Proposed Referendum Questions for FY 2017 County and School Capital Projects Scenario
3. May 24, 2016 - School Board Resolution Requesting \$122,270,000 in General Obligation Bond Financing for School Purposes
4. June 7, 2016 – School Board Resolution Requesting \$130,660,000 in General Obligation Bond Financing for School Purposes
5. FGOEDC Item #16 – Advancement of Projects Included in Fall General Obligation Referenda (April 12, 2016)
6. FY 2017 Adopted Capital Improvement Program Project Descriptions:
 - Ashburn Recreation and Community Center
 - Station 20 Leesburg VFD Station Expansion
 - Lovettsville Fire Station Replacement
 - Shellhorn Road
 - Braddock/Summerall/Supreme Intersection Improvements
 - Route 7/Route 690 Interchange
 - ES-28, Dulles South Area Elementary School
 - Classroom Additions, Dulles North and South Area

MS-7, Dulles South Area Middle School
Hal and Berni Hanson Regional Park
Aldie Fire and Rescue Station Replacement
HS-9, Dulles South Area High School

Proposed Questions For County FY 2017 Projects and Schools FY 2017 and FY 2018 Projects Scenario

Parks and Recreation Projects

1a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$44,270,000 to finance in whole or in part, the costs to design, construct and equip a recreation and community center and other public park, recreational and community center facilities approved in the County's Capital Improvement Program?

OR

1b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$44,270,000 to finance in whole or in part, the costs to design, construct and equip a recreation and community center in Ashburn; and other public park, recreational and community center facilities approved in the County's Capital Improvement Program?

Public Safety Projects

2a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$17,500,000 to finance in whole or in part, the costs to design, construct and equip the expansion, renovation and/or replacement of two fire and rescue stations in the County; and the costs of other public safety facilities approved in the County's Capital Improvement Program?

OR

2b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$17,500,000 to finance in whole or in part, the costs to design, construct and equip the expansion of the Leesburg Fire and Rescue Station (#20); the costs to design, construct and equip the replacement of the Lovettsville Fire and Rescue Station (#12); and the costs of other public safety facilities approved in the County's Capital Improvement Program?

Transportation Projects

3a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$18,000,000 to finance, in whole or in part, the costs to design, construct and/or improve roads, intersections, interchanges and other transportation projects approved in the County's Capital Improvement Program?

OR

3b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$18,000,000 to finance, in whole or in part, the costs to design and construct improvements to Shellhorn Road; the costs to design and construct improvements at the intersection of Braddock Road and Supreme Drive/Summerall Drive; the costs to design and construct an interchange at Route 7 and Route 690; and the costs of other public road and transportation projects approved in the County's Capital Improvement Program?

School Projects

4.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$233,070,000 to finance, in whole or in part, the costs to design, construct and equip ES-28, Dulles South Area Elementary School; the costs to design, construct and equip three classroom additions to six elementary schools in the Dulles North and South planning areas; the costs to design, construct and equip MS-7, Dulles South Area Middle School; the costs to design, construct and equip HS-9, Dulles South Area High School; and the costs of other public school facilities as requested by the Loudoun County School Board?

Proposed Questions For FY 2017 Projects Only Scenario**Parks and Recreation Projects**

1a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$44,270,000 to finance in whole or in part, the costs to design, construct and equip a recreation and community center, and other public park, recreational, and community center facilities approved in the County's Capital Improvement Program?

OR

1b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$44,270,000 to finance in whole or in part, the costs to design, construct and equip a recreation and community center in Ashburn; and other public park, recreational and community center facilities approved in the County's Capital Improvement Program?

Public Safety Projects

2a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$17,500,000 to finance in whole or in part, the costs to design, construct and equip the expansion, renovation and/or replacement of two fire and rescue stations in the County; and the costs of other public safety facilities approved in the County's Capital Improvement Program?

OR

2b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$17,500,000 to finance in whole or in part, the costs to design, construct and equip the expansion of the Leesburg Fire and Rescue Station (#20); the costs to design, construct and equip the replacement of the Lovettsville Fire and Rescue Station (#12); and the costs of other public safety facilities approved in the County's Capital Improvement Program?

Transportation Projects

3a.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$18,000,000 to finance, in whole or in part, the costs to design, construct and/or improve roads, intersections, interchanges and other transportation projects approved in the County's Capital Improvement Program?

OR

3b.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum principal amount of \$18,000,000 to finance, in whole or in part, the costs to design and construct improvements to Shellhorn Road; the costs to design and construct improvements at the intersection of Braddock Road and Supreme Drive/Summerall Drive; the costs to design and construct an interchange at Route 7 and Route 690; and the costs of other public road and transportation projects approved in the County's Capital Improvement Program?

School Projects

4.) Question: Shall the County of Loudoun, Virginia contract a debt and issue its general obligation capital improvement bonds in the maximum amount of \$115,910,000 to finance in whole or in part, the costs to design, construct and equip ES-28, Dulles South Area Elementary School, the costs to design, construct and equip three classroom additions to six elementary schools in the Dulles North and South planning areas; the costs to design, construct and equip MS-7, Dulles South Area Middle School; and the costs of other public school facilities as requested by the Loudoun County School Board?



LOUDOUN COUNTY PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT

21000 Education Court
Ashburn, Virginia 20148
(571) 252-1020

Eric Williams, Ed.D.
Superintendent

May 31, 2016

TO WHOM IT MAY CONCERN:

At a meeting of the Loudoun County School Board, held in the School Board Meeting Room, Ashburn, Virginia, on Tuesday, May 24, 2016.

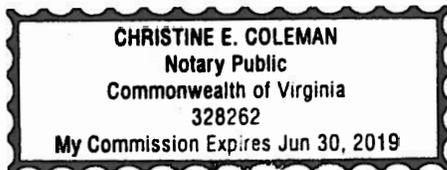
PRESENT: Eric Hornberger, Chairman
Brenda Sheridan, Vice Chair
Eric DeKenipp
Beth Huck
Joy Maloney
Tom Marshall
Jeff Morse
Debbie Rose
Jill Turgeon

IN RE: Resolution Requesting the Board of Supervisors to Request the Circuit Court to Order a Special Election to Issue General Obligation Bonds of the County or to Apply for Virginia Public School Authority Financing Not to Exceed \$122,270,000 in General Obligation Bonds for School Purposes

Motion by Ms. Rose

Seconded by Mr. Marshall

Motion Passes unanimously.



Christine E. Coleman

Christine E. Coleman
Clerk, School Board
County of Loudoun, Virginia

Cc: Dr. Eric Williams, Division Superintendent
E. Leigh Burden, Assistant Superintendent, Business & Financial Services



Agenda Item Details

| | |
|--------------------|--|
| Meeting | May 24, 2016 - 4th Tuesday School Board Meeting 6:30 p.m. |
| Category | 5. Approval of Consent Agenda |
| Subject | 5.10 Business and Financial Services: Resolution Requesting the Board of Supervisors to Request the Circuit Court to Order a Special Election to Issue General Obligation Bonds of the County or to Apply for Virginia Public School Authority Financing Not to Exceed \$122,270,000 in General Obligation Bonds for School Purposes |
| Access | Public |
| Type | Action (Consent) |
| Recommended Action | That the Loudoun County School Board approves the attached resolution. |

Public Content

SUMMARY:

The School Board has determined that it is necessary to finance the following:

| | |
|---|---------------|
| Dulles South Area Elementary School (ES-28) | \$ 38,770,000 |
| Dulles North & South Classroom Additions | \$ 16,320,000 |
| Dulles South Area Middle School (MS-7) | \$ 60,820,000 |
| CS Monroe High School Conversion | \$ 1,750,000 |
| Loudoun County High School Naval JROTC Facility | \$ 3,130,000 |
| Modular Classroom Additions, Dulles North & South | \$ 1,480,000 |

As a matter of process Loudoun County Public School Finance staff works with Loudoun County Finance staff and Bond Counsel, to present a resolution in accordance with Section 15.2-2640 of the Code of Virginia of 1950, as amended, for the Loudoun County School Board to request financing for approved CIP projects. The attached resolution requests the Board of Supervisors to finance the approved projects through a request to the Circuit Court for a special election (bond referendum) or by directly applying for VPSA funding through the Commonwealth of Virginia. Historically, school CIP projects are funded with 10% local tax funding and 90% bond funding. This resolution requests bond funding up to the full approved project cost, including the FY16 appropriation authority for MS-7 (\$3.0m) and ES-28 (\$2.0m), thereby providing the Board of Supervisors latitude on the amount of local tax funding and bond funding for each project.

Staff Reference: E. Leigh Burden

Telephone: (571) 252-1400

[FY17_Nov16 Referendum_SB Resolution.pdf \(20 KB\)](#)

[FGOEDC Item 16 Advancement of Projects-Fall General Obligation Referenda .pdf \(317 KB\)](#)

Executive Content

**RESOLUTION OF THE SCHOOL BOARD OF THE COUNTY OF
LOUDOUN, VIRGINIA, REQUESTING THE BOARD OF SUPERVISORS
TO REQUEST THE CIRCUIT COURT TO ORDER A SPECIAL ELECTION OR TO
APPLY FOR VIRGINIA PUBLIC SCHOOL AUTHORITY FINANCING FOR NOT TO
EXCEED \$122,270,000 IN GENERAL OBLIGATION BONDS FOR SCHOOL PURPOSES**

WHEREAS, the School Board (the "School Board") of the County of Loudoun, Virginia (the "County"), has determined that it is necessary and advisable to finance the design, construction, and equipping of *ES-28 Dulles South Area Elementary School* (in the amount of \$38,770,000); design, construction, and equipping *Classroom Additions, Dulles North & South* (in the amount of \$16,320,000); design, construction, and equipping *MS-7 Dulles South Area Middle School* (in the amount of \$60,820,000); the upgrades to *CS Monroe High School Conversion* (in the amount of \$1,750,000), the upgrades to *Naval JROTC Facility at Loudoun County High School* (in the amount of \$3,130,000); design, construction, and equipping *Modular Classrooms, Dulles North & South* (in the amount of \$1,480,000); and to request the Board of Supervisors of the County to issue general obligation bonds (the "Bonds") of the County in an amount not to exceed \$122,270,000 therefore;

WHEREAS, the School Board requests that the Bonds be issued and sold to the Virginia Public School Authority (the "VPSA"), or pursuant to voter approval, in such amount or amounts as may be determined by the Board of Supervisors; and

WHEREAS, Section 15.2-2640 of the Code of Virginia of 1950, as amended (the "code"), requires that the School Board request, by resolution, the Board of Supervisors to request the circuit Court of the County to order a special election on the issuance by the County of its general obligation bonds to finance capital projects for school purposes and the VPSA requires the School Board to authorize the submission of an application for financing;

**NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE
COUNTY OF LOUDOUN, VIRGINIA:**

1. The Board of Supervisors is requested pursuant to Section 15.2-2640 of the Code to adopt a resolution determining that it is advisable to contract a debt and issue general obligation bonds of the County in the maximum amount of \$122,270,000 to finance the design, construction, and equipping of *ES-28 Dulles South Area Elementary School* (in the amount of \$38,770,000); design, construction, and equipping *Classroom Additions, Dulles North & South* (in the amount of \$16,320,000); design, construction, and equipping *MS-7 Dulles South Area Middle School* (in the amount of \$60,820,000); the upgrades to *CS Monroe High School Conversion* (in the amount of \$1,750,000), the upgrades to *Naval JROTC Facility at Loudoun County High School* (in the amount of \$3,130,000); design, construction, and equipping *Modular Classrooms, Dulles North & South* (in the amount of \$1,480,000); and requesting the Circuit Court to order a special election on the question of contracting such debt and issuing all or a portion of the Bonds, in such amount or amounts as may be determined by the Board of Supervisors, provided that if the Board of Supervisors determines, in its discretion, to sell all or a portion of the bonds to the VPSA, then no such special election shall be requested to such extent.

2. The Board of Supervisors is requested pursuant to Section 15.2-2640 of the Code to adopt a resolution determining that it is advisable to contract a debt and issue general obligation bonds of the County in the maximum amount of **\$122,270,000** to finance the design, construction, and equipping of ***ES-28 Dulles South Area Elementary School*** (in the amount of **\$38,770,000**); design, construction, and equipping ***Classroom Additions, Dulles North & South*** (in the amount of **\$16,320,000**); design, construction, and equipping ***MS-7 Dulles South Area Middle School*** (in the amount of **\$60,820,000**); the upgrades to ***CS Monroe High School Conversion*** (in the amount of **\$1,750,000**), the upgrades to ***Naval JROTC Facility at Loudoun County High School*** (in the amount of **\$3,130,000**); design, construction, and equipping ***Modular Classrooms, Dulles North & South*** (in the amount of **\$1,480,000**); and to submit an application to the VPSA to include all or a portion of the Bonds, in such amount or amounts as may be determined by the Board of Supervisors, in the Spring, 2017 VPSA bond sale or such other VPSA bond sale or sales as may be determined by the Board of Supervisors. The appropriate officers and agents of the School Board, if required by the Board of Supervisors or the VPSA, are authorized to execute and deliver an application or applications and any other documents necessary to proceed with the issuance of the Bonds to the VPSA. Notwithstanding the foregoing, if the Board of Supervisors determines, in its discretion, to request a special election on the issuance of all or a portion of the Bonds, then no such application to the VPSA shall be authorized to such extent.
3. The School Board is requesting the Board of Supervisors to present this as one question on the bond referendum.

The undersigned Clerk of the School Board of the County of Loudoun, Virginia certifies that the foregoing constitutes a true, correct, and complete copy of a resolution duly adopted by the School Board on May 24, 2016.

(Seal)


Christine Coleman
Clerk, School Board
County of Loudoun, Virginia

RESOLUTION OF THE SCHOOL BOARD OF THE COUNTY OF LOUDOUN, VIRGINIA, REQUESTING THE BOARD OF SUPERVISORS TO REQUEST THE CIRCUIT COURT TO ORDER A SPECIAL ELECTION OR TO APPLY FOR VIRGINIA PUBLIC SCHOOL AUTHORITY FINANCING FOR NOT TO EXCEED \$130,660,000 IN GENERAL OBLIGATION BONDS FOR SCHOOL PURPOSES

WHEREAS, the School Board (the “School Board”) of the County of Loudoun, Virginia (the “County”), has determined that it is necessary and advisable to finance the design, construction, and equipping of *HS-9 Dulles South Area High School* (in the amount of **\$130,660,000**); and to request the Board of Supervisors of the County to issue general obligation bonds (the “Bonds”) of the County in an amount not to exceed **\$130,660,000** therefore;

WHEREAS, the School Board requests that the Bonds be issued and sold to the Virginia Public School Authority (the “VPSA”), or pursuant to voter approval, in such amount or amounts as may be determined by the Board of Supervisors; and

WHEREAS, Section 15.2-2640 of the Code of Virginia of 1950, as amended (the “code”), requires that the School Board request, by resolution, the Board of Supervisors to request the circuit Court of the County to order a special election on the issuance by the County of its general obligation bonds to finance capital projects for school purposes and the VPSA requires the School Board to authorize the submission of an application for financing;

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF THE COUNTY OF LOUDOUN, VIRGINIA:

1. The Board of Supervisors is requested pursuant to Section 15.2-2640 of the Code to adopt a resolution determining that it is advisable to contract a debt and issue general obligation bonds of the County in the maximum amount of **\$130,660,000** to finance the design, construction, and equipping of *HS-9 Dulles South Area High School* (in the amount of **\$130,660,000**); and requesting the Circuit Court to order a special election on the question of contracting such debt and issuing all or a portion of the Bonds, in such amount or amounts as may be determined by the Board of Supervisors, provided that if the Board of Supervisors determines, in its discretion, to sell all or a portion of the bonds to the VPSA, then no such special election shall be requested to such extent.

2. The Board of Supervisors is requested pursuant to Section 15.2-2640 of the Code to adopt a resolution determining that it is advisable to contract a debt and issue general obligation bonds of the County in the maximum amount of **\$130,660,000** to finance the design, construction, and equipping of *HS-9 Dulles South Area High School* (in the amount of **\$130,660,000**); and to submit an application to the VPSA to include all or a portion of the Bonds, in such amount or amounts as may be determined by the Board of Supervisors, in the Spring, 2017 VPSA bond sale or such other VPSA bond sale or sales as may be determined by the Board of Supervisors. The appropriate officers and agents of the School Board, if required by the Board of Supervisors or the VPSA, are authorized to execute and deliver an application or applications and any other documents necessary

to proceed with the issuance of the Bonds to the VPSA. Notwithstanding the foregoing, if the Board of Supervisors determines, in its discretion, to request a special election on the issuance of all or a portion of the Bonds, then no such application to the VPSA shall be authorized to such extent.

The undersigned Clerk of the School Board of the County of Loudoun, Virginia certifies that the foregoing constitutes a true, correct, and complete copy of a resolution duly adopted by the School Board on June 7, 2016.

(Seal)

Christine Coleman
Clerk, School Board
County of Loudoun, Virginia

Date of Meeting: April 12, 2016

#16

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: Advancement of Projects Included in Fall General Obligation Referenda

ELECTION DISTRICT: Countywide

STAFF CONTACTS: John Sandy, County Administration
Penny Newquist, Finance and Procurement
Janet Romanchyk, Finance and Procurement
Nicole Bradley, Finance and Procurement

PURPOSE: The purpose of this item is to provide the Board of Supervisors (Board) with background information on the timing of referendum questions and to recommend that general obligation (GO) financed projects advance to referendum to receive voter approval prior to receiving their appropriation.

RECOMMENDATIONS: Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend that the Board of Supervisors direct staff to advance the timeline for forwarding any proposed GO bond financed projects as part of the adopted Capital Improvement Program (CIP) to voter referendum. These projects would be targeted for voter referendum during the fiscal year prior to the fiscal year of the Board's appropriation for the each project as part of the Adopted CIP.

BACKGROUND: During the budget process each year, the Board of Supervisors considers and approves various capital improvement projects which require the issuance of debt, local tax funding and/or other sources of financing. Within this funding plan, there are several general government and school capital projects of which the Board desires to use general obligation (GO) bond proceeds to finance over the course of each project. GO bonds are typically sold to finance government improvements benefiting the community as a whole.

GO bonds are secured by the full faith and credit and taxing authority of the County, and require a voter referendum to authorize the issuance of general obligation debt. Virginia Code §15.2-2610 governs the request for, and ordering of, a referendum to gain voter approval to sell general obligation bonds through a special election. Bonds authorized by a referendum may not be issued by a locality more than eight (8) years after the date of the referendum; however, this eight-year period may, at the request of the governing body of the locality, be extended by two additional years for up to ten years after the date of the referendum by order of the circuit court for the locality.

Most recently, the Board made a request to the circuit court for the extension of the County's 2007 referendum during its November 4, 2015 Board meeting to finance renovations to the Sterling Community Center, the Philomont Community Center and for school land purchases including one elementary school and one high school.

Prior to 2013, the County's referendum questions typically identified the specific projects for which approval was sought (and in some cases the specific amount for each project), without allowing for any flexibility in the use of GO bond proceeds for other similar type projects. At its July 3, 2013 meeting, the Board first approved referendum questions that added language to allow for a degree of flexibility in the use of general obligation bond proceeds for like projects.

Although specific projects are still identified, the new question format avoids the need for new referenda or borrowings due to unforeseen changes in the cost or description of projects, as well as allows the County to use excess bond proceeds towards like projects (i.e. other public safety facilities, other public school facilities). The flexibility in the referendum questions allows the Board to direct funds originally planned for renovation of a community center to go towards new construction, or allow funds from cost savings from building one school to be used towards improvements at another public school approved at referendum.

ISSUES: Current practice is to bring forward newly adopted projects proposed to be funded by GO bonds to referendum in November of that calendar year. For example, the FY 2017 CIP projects slated for GO financing and adopted in April 2016, would appear on the November 2016 referendum ballot. However, with the adoption of any CIP, the appropriation for these projects occurs on July 1st which allows spending to begin immediately.

The item recommends that capital improvement projects advance to referendum prior to their fiscal year of appropriation, or one fiscal year earlier. This change of practice would mean that FY 2018 projects formerly planned in the Adopted CIP (April 2016) for referendum in November 2017 would move to referendum in November 2016 with the FY 2017 projects. Attachment 1 lists the projects by fiscal year. The appropriation for the FY 2018 projects would begin in July 2017.

FY 2018 Projects proposed for November 2016 Referendum are as follows:

| | |
|--|--------------------|
| Hal & Berni Hanson Regional Park | \$31,845,000 |
| Aldie Fire & Rescue Station Replacement | 4,000,000 |
| HS-9 Dulles South Area | <u>117,160,000</u> |
| Total FY 2018 Projects (2016 Referendum) | \$153,005,000 |

By gaining voter approval prior to the appropriation, the use of GO funding will be pre-approved, and in the event a project does not receive voter approval, sufficient time will be available to consider alternate funding sources. This change of practice does not impact the use of lease revenue bonds which does not require voter approval. Lease revenue bonds are subject to an appropriation pledge by the County; they are not secured by the full faith and credit and taxing authority of the County.

During staff review, a few questions were raised in determining the impact of advancing the GO funded projects to referendum prior to appropriation:

1. **How will an increase in project costs be funded?** As noted above, if a County or School project is delayed and thereby escalates the cost; or if it is experiencing unexpected cost overruns, the County may use excess bond proceeds, or authorized but unissued debt capacity, if available and allowable. Attachment 2 provides a detailed analysis of the County's authorized and unissued referendum authority. Each project approved by referendum is included along with the amounts previously issued. The remaining balance represents the unissued referenda authority. It should be noted that most referenda questions prior to FY 2013 were project specific; and therefore the remaining referenda authority is not available to be used for other purposes.

Other alternate funding sources such as bond premium, lease revenue bonds, proffers, local tax funding, Virginia Public School Authority (VPSA) bonds (for school projects) or other financing vehicles may be evaluated. This situation also occurs under our current practice.

2. **If a referendum question fails, what options are available to fund projects?** School projects may be sold through VPSA with some limitations. Any project that is the subject of a failed referendum which has not been reversed by a subsequent successful referendum, may be eligible for consideration. This may happen only if both the County's governing body and School Board have approved resolutions stating that the project(s) are essential and that **one** of the following has occurred:

- a) the resolutions have been unanimously approved by both the County and School Board, or
- b) at least two years have passed since the referendum, or
- c) The Virginia Department of Education has determined that an emergency exists for the project(s).

In addition, other financing vehicles may be available for both County and School projects that have failed at referendum including lease revenue bonds. Investors may demand higher interest rates, or a one-notch reduction in the County's bond rating in this circumstance (e.g. one-notch off the County's typical AA+ rating for its lease revenue bonds would be an Aa rating). Again, this situation exists regardless of the timing of the referendum. However, advancing the date of the referendum provides additional time for the County to consider alternatives should a referendum question fail.

3) **How will unanticipated additions to the CIP be handled?**

Should a new project be appropriated prior to a referendum, that project may be added to the fall referendum question, or funded using another financing vehicle such as lease revenue bonds or VPSA funding for schools. Another alternatives would be the use of local tax funding, proffers or another non-debt source of funding for the project until it passes referendum as an exception to the County's fiscal policy, which requires restricted funds such as bond proceeds to be spent first.

4) **How will the size of the referendum be communicated?**

There may be concern that by consolidating two years of general obligation backed debt the amount to be approved by the voters is greater than the average total amount from prior referenda. Staff is aware of this concern and will be working with Public Affairs and Communication on an plan that addresses this change of practice.

FISCAL IMPACT: None.

DRAFT MOTIONS:

I move the Board of Supervisor direct staff to advance the timeline for seeking referendum approval for projects in the adopted Capital Improvements Program (CIP), which are anticipated to be financed through general obligation bonds, by including such projects in the County's annual referendum request in the year before funding appropriation for the project is scheduled for appropriation in the CIP.

OR

I move an alternative motion.

ATTACHMENTS:

- Attachment 1. Projects Recommended for Fall 2016 Referendum
- Attachment 2. Authorized Unissued Debt Analysis

PROJECTS RECOMMENDED FOR FALL 2016 REFERENDUM

ATTACHMENT 1

| FY 2017 PROJECTS | Adopted CIP | Referenda Amount |
|---|--------------------|-------------------------|
| Parks & Recreation and Library Services Projects | | |
| Ashburn Rec & Community Ctr | 44,270,000 | <u>44,270,000</u> |
| Public Safety Projects | | |
| Station 20 Leesburg VFD Expansion | 4,000,000 | |
| Lovettsville Fire Station Replacement | <u>13,500,000</u> | <u>17,500,000</u> |
| Transportation Projects | | |
| Shelhorn Rd | 8,000,000 | |
| Braddock/Supreme/Summerall | 2,000,000 | |
| Rt. 7/Route 690 Interchange | <u>8,000,000</u> | <u>18,000,000</u> |
| Schools | | |
| ES-28 Dulles South | 38,770,000 | |
| ES Three Classroom Additions-Dulles | 16,320,000 | |
| MS-7 Dulles South Area | <u>60,820,000</u> | <u>115,910,000</u> |
| | FY 2017 Total | <u>195,680,000</u> |

| FY 2018 PROJECTS | Adopted CIP | Referenda Amount |
|---|--------------------|---------------------------|
| Parks & Recreation and Library Services Projects | | |
| Hal & Berni Hanson Regional Park | 31,845,000 | <u>31,845,000</u> |
| Public Safety Projects | | |
| Aldie Fire Rescue Station Repl | 4,000,000 | <u>4,000,000</u> |
| Schools | | |
| HS-9 Dulles South Area | 117,160,000 | <u>117,160,000</u> |
| | FY 2018 Total | <u>153,005,000</u> |
| | Grand Total | <u>348,685,000</u> |

Grand Total by Function

| | |
|---|--------------------|
| Parks & Recreation and Library Services Projects | 76,115,000 |
| Public Safety Projects | 21,500,000 |
| Transportation Projects | 18,000,000 |
| Schools | <u>233,070,000</u> |
| | <u>348,685,000</u> |

ANALYSIS OF PROJECTS APPROVED AT REFERENDA
WITH OUTSTANDING BONDS TO BE ISSUED

| PROJECT | REFERENDUM AMOUNT APPROVED | AMOUNT PREVIOUSLY ISSUED | AMOUNT AUTHORIZED AND UNISSUED |
|--|----------------------------------|--------------------------------|--------------------------------------|
| 2007 Referendum | | | |
| Renovation of five existing community centers (Extended) | 13,510,000 | 8,700,000 | 4,810,000 |
| Design, construct and equip Western Loudoun Sheriff Substation (Expired) | 8,330,000 | 6,935,000 | 1,395,000 |
| Purchase Land including water and sewer for two elementary schools and one high school (Extended) | 15,475,000 | 8,000,000 | 7,475,000 |
| SUBTOTAL 2007 | \$37,315,000 | \$23,635,000 | \$13,680,000 |
| 2008 Referendum | | | |
| Cost to design, construct and equip Route 9 and 671 Area Fire & Rescue Station | 8,585,000 | 5,285,000 | 3,300,000 |
| Cost to design, construct and equip Ashburn/Dulles ES-20 | 21,810,000 | 20,810,000 | 1,000,000 |
| Cost to design, construct and equip Dulles Area HS-7 | 82,235,000 | 65,825,000 | 16,410,000 |
| SUBTOTAL 2008 | \$112,630,000 | \$91,920,000 | \$20,710,000 |
| 2010 Referendum | | | |
| Cost to design, construct and equip Leesburg Area ES-15 | 27,820,000 | 22,229,763 | 5,590,237 |
| SUBTOTAL 2010 | \$27,820,000 | \$22,229,763 | \$5,590,237 |
| 2011 Referendum | | | |
| Cost to acquire fire and rescue capital apparatus | 3,000,000 | 2,693,475 | 306,525 |
| Cost to design, construct and equip Moorefield Station ES-16; Ashburn Area ES-22; Ashburn Area MS-6; Ashburn Area HS-8; and Park View High School Renovation | 169,620,000 | 133,169,000 | 36,451,000 |
| SUBTOTAL 2011 | \$172,620,000 | \$135,862,475 | \$36,757,525 |
| 2012 Referendum | | | |
| Cost to acquire and equip fire and rescue capital apparatus | \$2,750,000 | \$2,537,762 | 212,238 |
| Loudoun Valley Estates II High School HS-6 | \$81,215,000 | \$69,815,000 | 11,400,000 |
| Dulles South Elementary School ES-21 | \$28,820,000 | \$27,000,000 | 1,820,000 |
| Loudoun Valley High School Renovation | \$26,115,000 | \$21,235,000 | 4,880,000 |
| SUBTOTAL 2012 | \$138,900,000 | \$120,587,762 | \$18,312,238 |
| 2013 Referendum | | | |
| Upgrade irrigation systems of athletic fields; costs of the Dulles South Multi-Purpose Center, Lovettsville District Park and other public park facilities | \$34,255,000 | \$8,020,000 | 26,235,000 |
| Improvements of Belmont Ridge Road and other public roads | \$3,180,000 | \$0 | 3,180,000 |
| Acquire and equip fire and rescue capital apparatus; costs of a new Lucketts Fire Station and other public safety facilities | \$14,175,000 | \$880,000 | 13,295,000 |
| Costs of Mercer MS addition; Freedom High School addition; upgrades to Loudoun County High School stadium; and other public school facilities | \$10,755,000 | \$9,325,000 | 1,430,000 |
| SUBTOTAL 2013 | \$62,365,000 | \$18,225,000 | \$44,140,000 |

**ANALYSIS OF PROJECTS APPROVED AT REFERENDA
WITH OUTSTANDING BONDS TO BE ISSUED**

| PROJECT | REFERENDUM AMOUNT APPROVED | AMOUNT PREVIOUSLY ISSUED | AMOUNT AUTHORIZED AND UNISSUED |
|--|---|---|---|
| 2014 Referendum | | | |
| Design and construct an animal shelter, acquire fire and rescue apparatus, acquire land for Sterling Park Rescue Squad & Sterling Volunteer FD Replacement Station; and design, construct & equip Sterling Volunteer FD Replacement Station and other public safety facilities | \$34,690,000 | \$4,010,000 | 30,680,000 |
| Relocate, renovate, expand and equip Sterling Library; renovate and equip Sterling Community Center; and other public park, recreational and library facilities | \$10,935,000 | \$4,850,000 | 6,085,000 |
| Design, construct and equip ES-27 & MS-9 , Dulles North; Advanced Technology Academy and other public school facilities | \$162,900,000 | \$25,000,000 | 137,900,000 |
| SUBTOTAL 2014 | \$208,525,000 | \$33,860,000 | \$174,665,000 |
| 2015 Referendum | | | |
| Design, construct and equip ES-31 & HS-11, Dulles North and other public school projects | \$150,995,000 | \$0 | 150,995,000 |
| Acquire fire and rescue apparatus and other public safety projects | \$2,940,000 | \$0 | 2,940,000 |
| SUBTOTAL 2015 | \$153,935,000 | \$0 | \$153,935,000 |
| TOTAL REFERENDUM OUTSTANDING | \$914,110,000 | \$446,320,000 | \$467,790,000 |

Prepared 3/31/16; Department of Finance and Procurement



Ashburn Recreation and Community Center

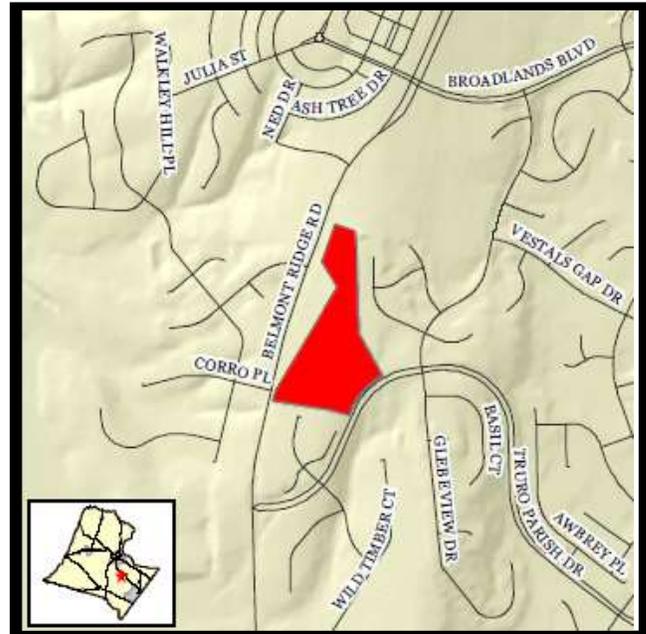
Project Description – C02142

This project provides funding to develop a Recreation Center on an approximately 18 acre proffered site in the Ashburn Planning Subarea off of Belmont Ridge Road.

The Recreation Center combines recreation and community center program space in an approximately 100,000 square foot facility to include meeting rooms, classrooms, administrative office space, a gymnasium, a kitchen, a fitness center, multi-purpose rooms, and a running track. The facility would also include an aquatics center with a 50 meter sized pool, leisure pool, pool seating areas, 2 wet classrooms, and associated locker rooms.

Funding Plan

This project is funded using cash proffers and general obligation bonds. The general obligation bonds will be scheduled for placement on the November 2016 referendum.



| | Prior | | | | | | | 6 Year | Future | Project |
|---------------------------------------|--------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|--------|---------------|
| Capital (\$ in 1000s) | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | - | 9,680 | - | - | - | - | - | 9,680 | - | 9,680 |
| Construction | - | - | 61,250 | - | - | - | - | 61,250 | - | 61,250 |
| Furniture, Fixtures & Equip | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | 9,680 | 61,250 | - | - | - | - | 70,930 | - | 70,930 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 9,680 | 34,590 | - | - | - | - | 44,270 | - | 44,270 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | 26,660 | - | - | - | - | 26,660 | - | 26,660 |
| Proffers (In-Kind) | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| Fees | - | - | - | - | - | - | - | - | - | - |
| Local Gasoline Tax | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Land Sale | - | - | - | - | - | - | - | - | - | - |
| Federal Funding | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | 9,680 | 61,250 | - | - | - | - | 70,930 | - | 70,930 |
| Operating Impact (\$ in 1000s) | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | | |
| FTE | | - | - | - | 72.79 | - | - | 72.79 | | |
| Personnel | | - | - | - | 3,745 | 3,848 | 3,951 | 11,545 | | |
| O&M | | - | - | - | 1,107 | 955 | 964 | 3,025 | | |
| Debt Service | | - | 969 | 1,745 | 3,558 | 4,799 | 4,662 | 15,733 | | |
| Total Impact | | - | 969 | 1,745 | 8,410 | 9,602 | 9,577 | 30,303 | | |



Fire and Rescue – Station 20 Leesburg Station Expansion

Project Description – C02139

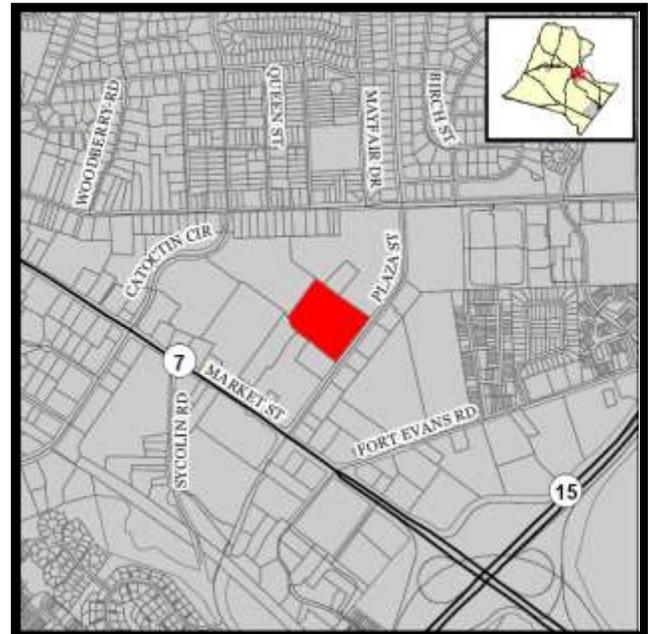
This project provides funding to construct an approximately 8,100 square foot expansion to the Leesburg Fire and Rescue Station #20.

The Leesburg Volunteer Fire Company made an official request to the County for CIP funding to expand their current station, with construction funding in FY 2017. The expansion is crucial to adequately accommodate the firefighters, support equipment and vehicles now that the Station houses a 24-hour heavy rescue squad.

The facility expansion would include a 6,300 square foot addition to accommodate two drive through apparatus bays, updated bunkroom facilities, restrooms, a kitchen, a fitness room, offices, and a full WestNet system for the station. An additional 1,800 square foot addition would be added to the building for equipment storage as well.

Funding Plan

This project is funded using general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2016 referendum.



| Capital (\$ in 1000s) | Prior | | | | | | | 6 Year | Future | Project |
|-----------------------------|--------|--------------|---------|---------|---------|---------|---------|--------------|--------|--------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - | - | - | - |
| Construction | - | 3,750 | - | - | - | - | - | 3,750 | - | 3,750 |
| Furniture, Fixtures & Equip | - | 250 | - | - | - | - | - | 250 | - | 250 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | 4,000 | - | - | - | - | - | 4,000 | - | 4,000 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 4,000 | - | - | - | - | - | 4,000 | - | 4,000 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| Federal Funding | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | 4,000 | - | - | - | - | - | 4,000 | - | 4,000 |

| Operating Impact (\$ in 1000s) | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total |
|--------------------------------|---------|------------|------------|------------|------------|------------|--------------|
| FTE | - | - | - | - | - | - | - |
| Personnel | - | - | - | - | - | - | - |
| O&M | - | - | - | - | - | - | - |
| Debt Service | - | 425 | 409 | 403 | 387 | 381 | 2,005 |
| Total Impact | - | 425 | 409 | 403 | 387 | 381 | 2,005 |



Fire and Rescue – Station 12 Lovettsville Station Replacement

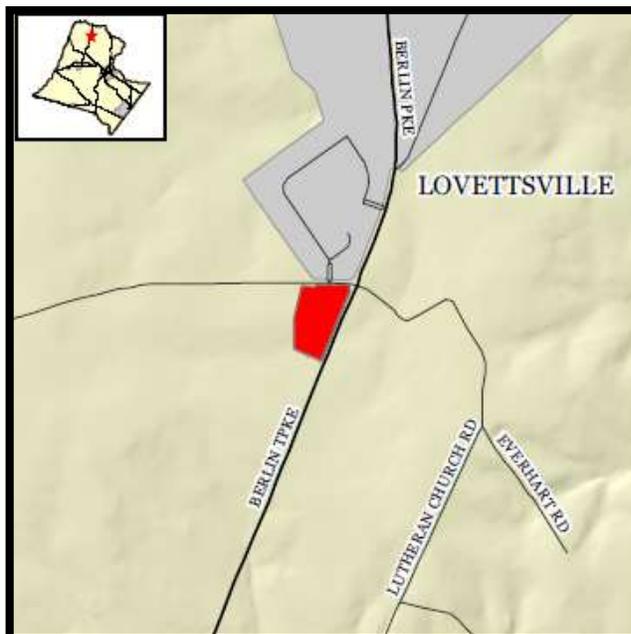
Project Description – C02103

This project provides funding to design and construct an approximately 18,500 square foot fire station to replace the Lovettsville Fire and Rescue Company #12 Station.

In 2005, a comprehensive engineering report of the County's fire-rescue facilities was completed to evaluate existing conditions and programmatic shortages of current facilities and provide recommendations for facility improvements to ensure the operational success of the County's Fire and Rescue System. Lovettsville Fire-Rescue Station #12 was among the properties evaluated and found to be in need of facility expansion and comprehensive renovation.

A two-phased project was agreed to by the County and Volunteer Fire Department leadership, incorporating the short term use of modular units to provide crew quarters, followed by the VFD's request for a new station.

During the FY 2016 budget deliberations, the Lovettsville Volunteer Fire Company requested funding to completely replace the existing station, with design and construction to be managed by the County.



Funding Plan

This project is funded using local tax funding and general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2016 referendum.

| Capital (\$ in 1000s) | Prior | | | | | | | 6 Year Total | Future FY's | Project Total |
|---------------------------------------|--------------|---------------|------------|--------------|--------------|--------------|--------------|---------------|-------------|---------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | | | |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | - | 2,025 | - | - | - | - | - | 2,025 | - | 2,025 |
| Construction | 600 | 10,125 | - | - | - | - | - | 10,125 | - | 10,725 |
| Furniture, Fixtures & Equip | 400 | 1,350 | - | - | - | - | - | 1,350 | - | 1,750 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 1,000 | 13,500 | - | - | - | - | - | 13,500 | - | 14,500 |
| Local Tax Funding | 1,000 | - | - | - | - | - | - | - | - | 1,000 |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 13,500 | - | - | - | - | - | 13,500 | - | 13,500 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| Federal Funding | - | - | - | - | - | - | - | - | - | - |
| Total Financing | 1,000 | 13,500 | - | - | - | - | - | 13,500 | - | 14,500 |
| Operating Impact (\$ in 1000s) | | | | | | | | | | |
| FTE | | - | - | - | - | - | - | - | - | - |
| Personnel | | - | - | - | - | - | - | - | - | - |
| O&M | | - | - | - | - | - | - | - | - | - |
| Debt Service | | - | 678 | 1,333 | 1,299 | 1,266 | 1,232 | 5,808 | - | 5,808 |
| Total Impact | | - | 678 | 1,333 | 1,299 | 1,266 | 1,232 | 5,808 | - | 5,808 |



Shellhorn Road – Loudoun County Parkway to Moran Road

Project Description

This project provides for the planning, design, and right-of-way acquisition for Shellhorn Road from Loudoun County Parkway to Moran Road. The project entails the construction of a four-lane roadway within a 120 foot right of way.

The road improvements are being designed and constructed to VDOT standards and will become part of the VDOT system for maintenance.

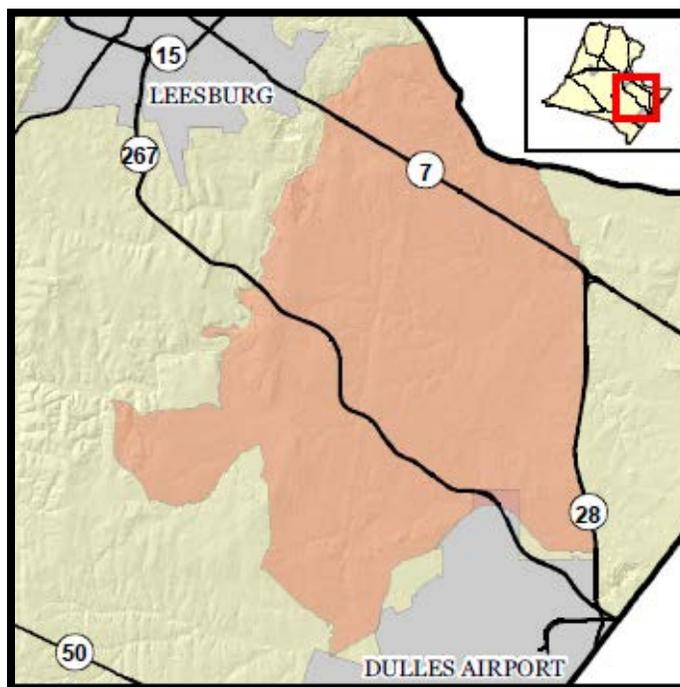
Current Status

A preliminary engineering study for this roadway is currently being prepared by an independent consultant.

Construction funding will be programmed after design of the roadway is complete.

Funding Plan

This project is funded using general obligation bonds and NVTA 70% Regional funds. NVTA regional funds are applied for and awarded on a competitive basis. All proposed uses of NVTA regional funding on County road projects are subject to award of the funding to the County by NVTA. The general obligation bonds will be scheduled for placement on the November 2016 referendum.



| | Prior | | | | | | | 6 Year Total | Future FY's | Project Total |
|---------------------------------------|----------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|------------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | | | |
| Capital (\$ in 1000s) | | | | | | | | | | |
| Right of Way & Utilities | - | - | 4,000 | 4,000 | 8,000 | - | - | 16,000 | - | 16,000 |
| Preliminary Engineering | - | 8,000 | - | - | - | - | - | 8,000 | - | 8,000 |
| Construction | - | - | - | - | - | - | - | - | - | - |
| Bus Acquisition | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | 8,000 | 4,000 | 4,000 | 8,000 | - | - | 24,000 | - | 24,000 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Local Tax Funding - Roads | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 8,000 | - | - | - | - | - | 8,000 | - | 8,000 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| CMAQ | - | - | - | - | - | - | - | - | - | - |
| RSTP | - | - | - | - | - | - | - | - | - | - |
| Revenue Sharing | - | - | - | - | - | - | - | - | - | - |
| NVTA 70% (Regional) | - | - | 4,000 | 4,000 | 8,000 | - | - | 16,000 | - | 16,000 |
| NVTA 30% (Local) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | 8,000 | 4,000 | 4,000 | 8,000 | - | - | 24,000 | - | 24,000 |
| Operating Impact (\$ in 1000s) | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | | |
| Debt Service | | - | 800 | 780 | 760 | 740 | 720 | 3,800 | | |
| Total Impact | | - | 800 | 780 | 760 | 740 | 720 | 3,800 | | |



Braddock Road/Summerall/Supreme Intersection Improvements

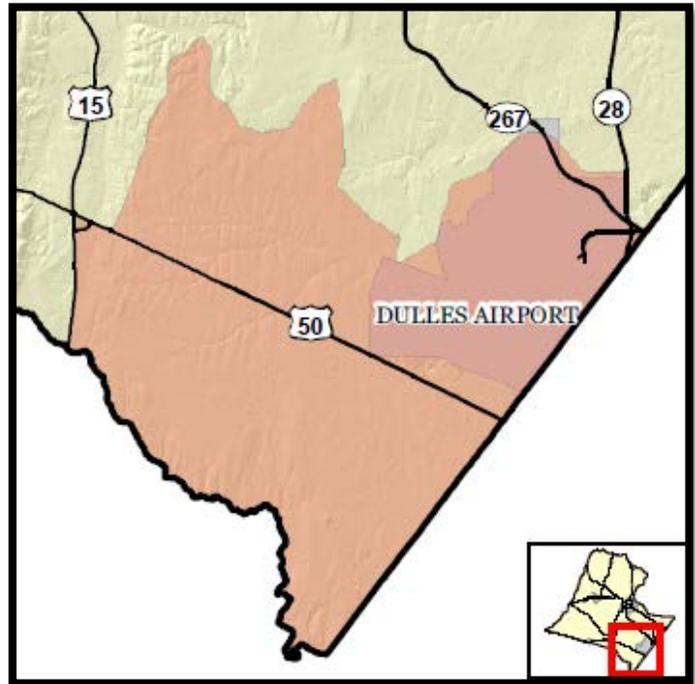
Project Description

This project provides for the installation of a traffic signal and turn lanes at the intersection of Braddock Road (Route 620) and Supreme Drive (Route 1257)/Summerall Drive (Route 1258). The missing half-section of Braddock Road near the subject intersection will be widened from two lanes to four lanes, the ultimate roadway condition of Braddock Road per the 2010 Countywide Transportation Plan, with bicycle/pedestrian facilities on both sides of the roadway.

This project is being designed and constructed to VDOT standards and will be included in the VDOT system for road maintenance.

Funding Plan

This project is funded using general obligation bonds. The general obligation bonds will be scheduled for placement on the November 2016 referendum.



| Capital (\$ in 1000s) | Prior | | | | | | | 6 Year | Future | Project |
|---------------------------------------|----------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|----------|--------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Right of Way & Utilities | - | 300 | - | - | - | - | - | 300 | - | 300 |
| Preliminary Engineering | - | 300 | - | - | - | - | - | 300 | - | 300 |
| Construction | - | 1,400 | - | - | - | - | - | 1,400 | - | 1,400 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Local Tax Funding - Roads | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| RSTP | - | - | - | - | - | - | - | - | - | - |
| Revenue Sharing | - | - | - | - | - | - | - | - | - | - |
| NVTA 70% (Regional) | - | - | - | - | - | - | - | - | - | - |
| NVTA 30% (Local) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | 2,000 | - | - | - | - | - | 2,000 | - | 2,000 |
| Operating Impact (\$ in 1000s) | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | | |
| Debt Service | | - | 200 | 195 | 190 | 185 | 180 | 950 | | |
| Total Impact | | - | 200 | 195 | 190 | 185 | 180 | 950 | | |



Route 7 / Route 690 Interchange

Project Description – C00196

This project provides for the preliminary design (30%), surveys, environmental and geotechnical due diligence, Interchange Justification Report (IJR) and construction of an interchange at Route 7 and Route 690 just west of the Town of Purcellville. The reports and design will be coordinated with VDOT, the Federal Highway Administration (FHWA), the Town of Purcellville and local residents. FHWA involvement is required since Route 7 in this vicinity is part of the National Highway System (NHS) and is a limited access road.

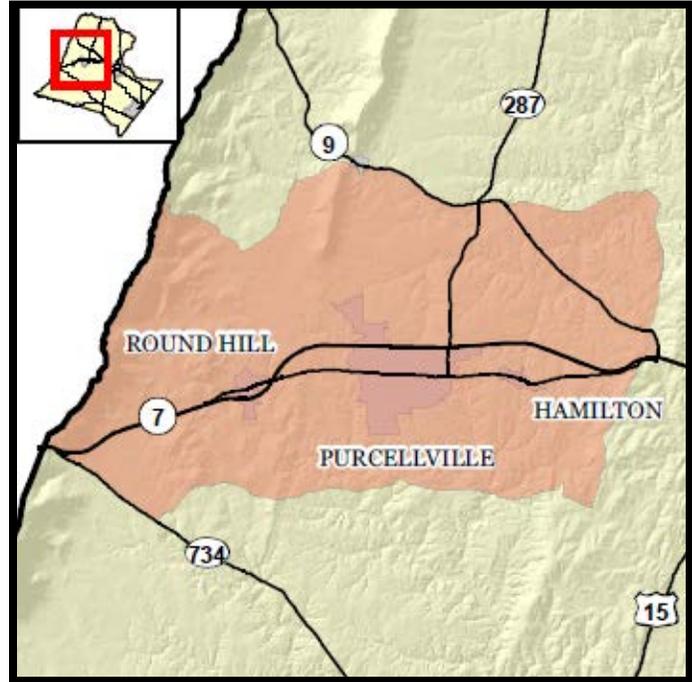
This project is being designed and constructed to VDOT standards and will be included in the VDOT system for road maintenance.

Current Statuses

The Interchange Justification Report (IJR) was approved by VDOT in June 2015 and preliminary (30%) design is complete.

Funding Plan

This project is funded using local tax funding, general obligation bonds, State Revenue Sharing, and NVTA 30% local funds. State Revenue Sharing funds are applied for and awarded on a competitive basis. All proposed uses of State Revenue Sharing funding on County road projects are subject to award of the funding by VDOT. All proposed uses of NVTA 30% local funding are subject to funding allocation to the County by NVTA. The general obligation bonds will be scheduled for placement on the November 2016 referendum.



| | Prior | | | | | | | 6 Year | Future | Project |
|---------------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------|---------------|
| Capital (\$ in 1000s) | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Right of Way & Utilities | - | - | 2,000 | 2,000 | - | - | - | 4,000 | - | 4,000 |
| Preliminary Engineering | 1,500 | 4,000 | - | - | - | - | - | 4,000 | - | 5,500 |
| Construction | - | - | - | - | 15,100 | 10,000 | - | 25,100 | - | 25,100 |
| Payment to Town | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 1,500 | 4,000 | 2,000 | 2,000 | 15,100 | 10,000 | - | 33,100 | - | 34,600 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Local Tax Funding - Roads | - | - | - | - | 5,100 | - | - | 5,100 | - | 5,100 |
| Fund Balance | 1,500 | - | - | - | - | - | - | - | - | 1,500 |
| General Obligation Bonds | - | 4,000 | 2,000 | 2,000 | - | - | - | 8,000 | - | 8,000 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| RSTP | - | - | - | - | - | - | - | - | - | - |
| Revenue Sharing | - | - | - | - | 5,000 | 5,000 | - | 10,000 | - | 10,000 |
| NVTA 70% (Regional) | - | - | - | - | - | - | - | - | - | - |
| NVTA 30% (Local) | - | - | - | - | 5,000 | 5,000 | - | 10,000 | - | 10,000 |
| Total Financing | 1,500 | 4,000 | 2,000 | 2,000 | 15,100 | 10,000 | - | 33,100 | - | 34,600 |
| Operating Impact (\$ in 1000s) | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | | |
| Debt Service | | 70 | 277 | 270 | 263 | 256 | 249 | 1,385 | | |
| Total Impact | | 70 | 277 | 270 | 263 | 256 | 249 | 1,385 | | |



(ES-28) Dulles South Area Elementary School

Project Description

This project provides funding to design and construct an approximately 105,757 square foot elementary school on a site of up to 20 acres. The elementary school co-located on the site of John Champe High School.

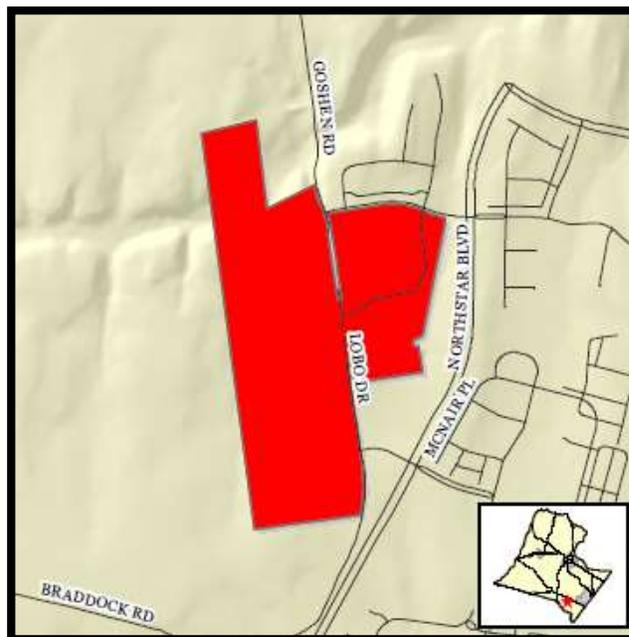
The elementary school will be designed for an anticipated program capacity of 928 students enrolled in kindergarten through the fifth grade. The facility will contain classrooms, a media center, cafeteria, multipurpose room, and two unlighted outdoor physical education fields. Loudoun County Public Schools (LCPS) employs a prototypical two-story elementary school design.

A traffic signal at the entrance of John Champe High School (Northstar Boulevard and Conejo Way intersection) is incorporated in the funding for ES-28, to be installed prior to the elementary school opening. The traffic signal will facilitate safer traffic patterns and walking routes to both John Champe High School and ES-28.

LCPS incorporates sustainable materials and practices into all school construction projects.

The school is scheduled to open in fall, 2018.

Estimated FY 2017 cost per pupil cost is \$13,492.



Funding Plan

This project is funded using general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2016 referendum.

| Capital (\$ in 1000s) | Prior | | | | | | | 6 Year Total | Future FY's | Project Total |
|---------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|---------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | | | |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | 2,000 | - | - | - | - | - | - | - | - | 2,000 |
| Construction | - | 36,770 | - | - | - | - | - | 36,770 | - | 36,770 |
| Furniture, Fixtures & Equip | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 2,000 | 36,770 | - | - | - | - | - | 36,770 | - | 38,770 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | 2,000 | 36,770 | - | - | - | - | - | 36,770 | - | 38,770 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | 2,000 | 36,770 | - | - | - | - | - | 36,770 | - | 38,770 |
| Operating Impact (\$ in 1000s) | | | | | | | | | | |
| O&M | | - | 12,897 | 13,272 | 13,648 | 14,024 | 14,399 | 68,239 | | |
| Debt Service | | - | 450 | 1,847 | 3,520 | 4,094 | 3,984 | 13,895 | | |
| Total Impact | | - | 13,347 | 15,119 | 17,168 | 18,118 | 18,383 | 82,134 | | |



Elementary School Classroom Additions

Project Description

This project provides funding to design and construct three-classroom additions to twelve schools throughout the County:

The six elementary schools in the Dulles North and South planning areas that will be expanded in FY 2017 include: Arcola, Creighton's Corner, Legacy, Liberty, Pinebrook, and Rosa Lee Carter.

The classroom expansions at the initial six elementary schools in the Dulles North and Dulles South are scheduled to open in fall, 2018.

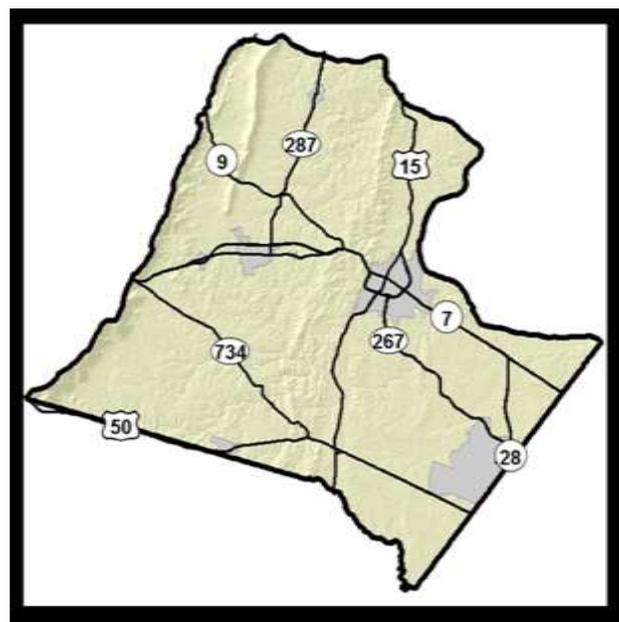
The six remaining elementary school sites will be determined at a later date. Funding for these six schools is provided in FY 2021.

The remaining school classroom expansions, sites to be determined, are scheduled to open in fall, 2022.

The elementary school additions will facilitate the expansion of full day kindergarten or other elementary instruction needs.

Loudoun County Public Schools incorporates sustainable materials and practices into all school construction projects.

Estimated FY 2017 cost per pupil is \$13,492.



Funding Plan

This project is funded using general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2016 referendum.

| Capital (\$ in 1000s) | Prior | | | | | | | 6 Year | Future | Project |
|---------------------------------------|--------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|--------|---------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - | - | - | - |
| Construction | - | 16,320 | - | - | - | 19,100 | - | 35,420 | - | 35,420 |
| Furniture, Fixtures & Equip | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | 16,320 | - | - | - | 19,100 | - | 35,420 | - | 35,420 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | 16,320 | - | - | - | 19,100 | - | 35,420 | - | 35,420 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | 16,320 | - | - | - | 19,100 | - | 35,420 | - | 35,420 |
| Operating Impact (\$ in 1000s) | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | | |
| O&M | - | 6,253 | 6,435 | 6,617 | 13,964 | 13,964 | 47,234 | | | |
| Debt Service | - | 1,631 | 1,590 | 1,550 | 1,509 | 3,378 | 9,658 | | | |
| Total Impact | - | 7,884 | 8,025 | 8,167 | 15,473 | 17,342 | 56,892 | | | |



(MS-7) Dulles South Area Middle School

Project Description

This project provides funding to design and construct an 184,593 square foot middle school located on a site of 35 acres. The school is planned on a site purchased by the Loudoun County School Board in the Dulles South school planning area.

The middle school will be designed for an anticipated program capacity of 1,350 students enrolled in grades six through eight. The facility will utilize the school "house" concept for each grade and contain classrooms, a media center, cafeteria, auditorium, gymnasium, auxiliary gymnasium, and three unlighted outdoor physical education fields. Loudoun County Public Schools (LCPS) employs a prototypical two-story middle school design.

LCPS incorporates sustainable materials and practices into all school construction projects.

The school is scheduled to open in fall, of 2018.

Estimated FY 2017 cost per pupil is \$13,492.



Funding Plan

This project is funded using general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2016 referendum. General obligation bonds for land acquisition were approved on the November 2006 referendum and utilized to purchase the school site.

| | Prior | | | | | | | 6 Year Total | Future FY's | Project Total |
|---------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|-----------------|----------------|------------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | | | |
| Capital (\$ in 1000s) | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | 3,000 | 12,435 | - | - | - | - | - | 12,435 | - | 15,435 |
| Construction | - | 38,985 | - | - | - | - | - | 38,985 | - | 38,985 |
| Furniture, Fixtures & Equip | - | 6,400 | - | - | - | - | - | 6,400 | - | 6,400 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 3,000 | 57,820 | - | - | - | - | - | 57,820 | - | 60,820 |
| Local Tax Funding | - | - | - | - | - | - | - | - | - | - |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | 3,000 | 57,820 | - | - | - | - | - | 57,820 | - | 60,820 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | 3,000 | 57,820 | - | - | - | - | - | 57,820 | - | 60,820 |
| Operating Impact (\$ in 1000s) | | | | | | | | | | |
| O&M | - | 18,760 | 19,307 | 19,853 | 20,400 | 20,946 | 99,266 | | | |
| Debt Service | - | 942 | 3,369 | 4,764 | 6,416 | 6,236 | 21,727 | | | |
| Total Impact | - | 19,702 | 22,676 | 24,617 | 26,816 | 27,182 | 120,993 | | | |



Hal and Berni Hanson Regional Park

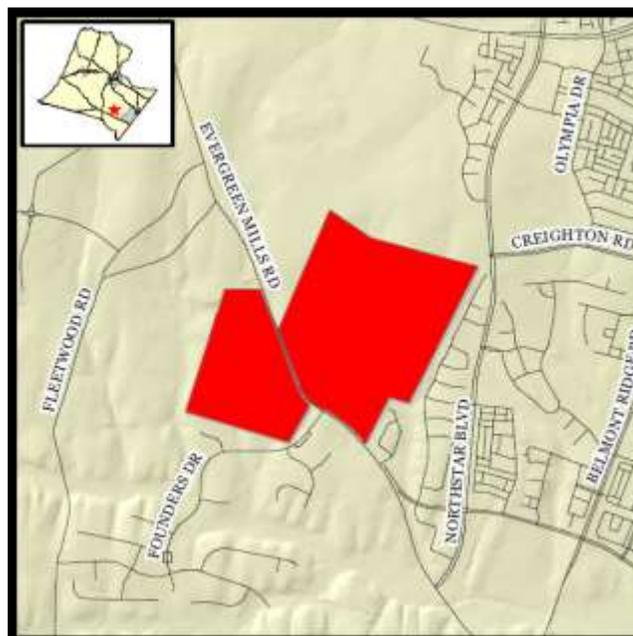
Project Description – C00089

This project funds the development of the Hal and Berni Hanson Regional Park located on Evergreen Mills Road in the Dulles Planning Subarea. The funding includes the construction of active and passive recreational amenities, to include up to seventeen athletic fields, recreational trails, park offices, a nature center, picnic pavilions, maintenance shops, and associated infrastructure such as parking, public restrooms, and concessions.

The Loudoun County Board of Supervisors approved the acquisition of a 257.35 acre parcel from the Hanson Family Partnership for a Regional Park in the Fall of 2008. The acquisition was the culmination of negotiations with the Hanson family, Dominion Power and the National Park Service as a part of a United States Department of Interior program. The federal program permitted the County to sell a 5.03 acre park parcel to Dominion Power in exchange for a new park parcel of greater or equal value. The County used the funds from this sale of land to Dominion Power to purchase the Hanson Family parcel.

\$3,850,000 in cash proffers were allocated to the project in the FY 2010 and FY 2012 CIP to develop a master plan for the park, obtain Special Exception and Commission Permit approvals, and design the park.

The Loudoun County Board of Supervisors approved the Master Plan for the park on October 3, 2012. The Special Exception for the Park was approved on July 2, 2014. Construction of the park is scheduled to begin in FY 2018.



Funding Plan

The construction phase of the project is funded using cash proffers and general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2017 referendum.

| | Prior | | | | | | | 6 Year Total | Future FY's | Project Total |
|-----------------------------|--------------|---------------|---------------|----------|----------|----------|----------|-----------------|----------------|------------------|
| | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | | | |
| Capital (\$ in 1000s) | | | | | | | | | | |
| Land | 5,000 | - | - | - | - | - | - | - | - | 5,000 |
| Professional Services | 3,940 | - | - | - | - | - | - | - | - | 3,940 |
| Construction | - | 23,555 | 31,845 | - | - | - | - | 55,400 | - | 55,400 |
| Furniture, Fixtures & Equip | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 8,940 | 23,555 | 31,845 | - | - | - | - | 55,400 | - | 64,340 |
| Local Tax Funding | 90 | - | - | - | - | - | - | - | - | 90 |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | - | 31,845 | - | - | - | - | 31,845 | - | 31,845 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | 3,850 | 23,555 | - | - | - | - | - | 23,555 | - | 27,405 |
| Proffers (In-Kind) | - | - | - | - | - | - | - | - | - | - |
| Fees | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Land Sale | 5,000 | - | - | - | - | - | - | - | - | 5,000 |
| Federal Funding | - | - | - | - | - | - | - | - | - | - |
| Total Financing | 8,940 | 23,555 | 31,845 | - | - | - | - | 55,400 | - | 64,340 |

| Operating Impact (\$ in 1000s) | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total |
|--------------------------------|----------|----------|--------------|--------------|--------------|--------------|---------------|
| FTE | - | - | - | 16.36 | - | - | 16.36 |
| Personnel | - | - | - | 972 | 999 | 1,026 | 2,997 |
| O&M | - | - | - | 615 | 621 | 627 | 1,863 |
| Debt Service | - | - | 1,700 | 3,650 | 3,545 | 3,445 | 12,340 |
| Total Impact | - | - | 1,700 | 5,237 | 5,165 | 5,098 | 17,200 |



Fire and Rescue – Station 07 Aldie Station Replacement

Project Description – C00140

This project provides funding to design and construct a new Aldie Fire Station on a County-owned site to replace the Aldie Fire and Rescue Company #7 Station.

The Station would be approximately 18,000 square feet on 6.5 acres. The facility will include apparatus bays, bunkroom facilities, a training room, break room, restrooms, showers, food preparation and dining areas, laundry and decontamination areas, supply storage, a gear and hose drying area, a breathing apparatus air compressor room, fitness room, offices and a repair shop.

Original appropriations for the project were part of the FY 2008 and FY 2009 CIP budgets, with an additional \$3.6 million in fund balance appropriated in the FY 2014 CIP for land acquisition. In the Fall of 2015 the County acquired three contiguous sites for the replacement station. \$4 million in additional appropriations is being requested to cover the extensive site development costs and the costs of retaining walls required to build the new station.

Funding Plan

This project is funded using general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2017 referendum.



| | Prior | | | | | | | 6 Year | Future | Project |
|-----------------------------|---------------|----------|--------------|----------|----------|----------|----------|--------------|----------|---------------|
| Capital (\$ in 1000s) | Alloc. | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total | FY's | Total |
| Land | 4,590 | - | - | - | - | - | - | - | - | 4,590 |
| Professional Services | 900 | - | - | - | - | - | - | - | - | 900 |
| Construction | 7,870 | - | 4,000 | - | - | - | - | 4,000 | - | 11,870 |
| Furniture, Fixtures & Equip | 1,500 | - | - | - | - | - | - | - | - | 1,500 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | 14,860 | - | 4,000 | - | - | - | - | 4,000 | - | 18,860 |
| Local Tax Funding | 5,355 | - | - | - | - | - | - | - | - | 5,355 |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | 9,505 | - | 4,000 | - | - | - | - | 4,000 | - | 13,505 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| State Capital Assistance | - | - | - | - | - | - | - | - | - | - |
| Federal Funding | - | - | - | - | - | - | - | - | - | - |
| Total Financing | 14,860 | - | 4,000 | - | - | - | - | 4,000 | - | 18,860 |

| Operating Impact (\$ in 1000s) | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Total |
|--------------------------------|----------|----------|------------|------------|------------|------------|--------------|
| FTE | - | - | 5.60 | - | - | - | 5.60 |
| Personnel | - | - | 229 | 472 | 485 | 498 | 1,684 |
| O&M | - | - | 93 | 122 | 123 | 124 | 462 |
| Debt Service | - | - | 400 | 390 | 380 | 370 | 1,540 |
| Total Impact | - | - | 722 | 984 | 988 | 992 | 3,686 |



(HS-9) Dulles South Area High School

Project Description

This project provides funding to design and construct an approximately 282,064 square foot high school on a site of 75 acres.

The high school will be designed for an anticipated program capacity of 1,800 students enrolled in grades nine through twelve. The facility will contain classrooms, a media center, cafeteria, auditorium, gymnasium, auxiliary gymnasium, outdoor physical education fields including a stadium and lighted competition fields, and other associated spaces to support the high school program. Loudoun County Public Schools (LCPS) employs a prototypical two-story high school design.

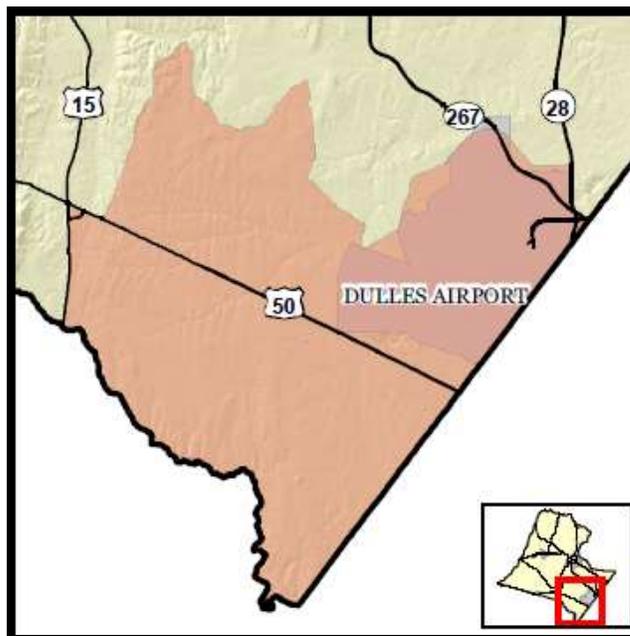
LCPS incorporates sustainable materials and practices into all school construction projects.

The school is scheduled to open in fall, 2021.

Estimated FY 2017 cost per pupil is \$13,492.

Funding Plan

This project is funded using local tax funding and general obligation bond financing. The general obligation bonds will be scheduled for placement on the November 2017 referendum.



| Capital (\$ in 1000s) | Prior | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | 6 Year | Future | Project |
|---------------------------------------|--------|---------|---------|---------|---------|---------|---------|---------|--------|---------|
| | Alloc. | | | | | | | Total | FY's | Total |
| Land | - | - | - | - | - | - | - | - | - | - |
| Professional Services | - | - | 11,760 | - | - | - | - | 11,760 | - | 11,760 |
| Construction | - | - | - | 118,900 | - | - | - | 118,900 | - | 118,900 |
| Furniture, Fixtures & Equip | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total Cost | - | - | 11,760 | 118,900 | - | - | - | 130,660 | - | 130,660 |
| Local Tax Funding | - | - | 3,500 | 10,000 | - | - | - | 13,500 | - | 13,500 |
| Fund Balance | - | - | - | - | - | - | - | - | - | - |
| General Obligation Bonds | - | - | 8,260 | 108,900 | - | - | - | 117,160 | - | 117,160 |
| Lease Revenue Financing | - | - | - | - | - | - | - | - | - | - |
| Proffers (Cash) | - | - | - | - | - | - | - | - | - | - |
| Total Financing | - | - | 11,760 | 118,900 | - | - | - | 130,660 | - | 130,660 |
| Operating Impact (\$ in 1000s) | | | | | | | | | | |
| O&M | | - | - | - | - | 27,200 | 27,929 | 55,129 | | |
| Debt Service | | - | - | 828 | 3,807 | 8,212 | 10,503 | 23,350 | | |
| Total Impact | | - | - | 828 | 3,807 | 35,412 | 38,432 | 78,479 | | |

Date of Meeting: June 14, 2016

16

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
BOARD MEMBER INITIATIVE**

SUBJECT: Board District Budget Adjustments

ELECTION DISTRICT: Countywide

STAFF CONTACTS: Monica N. Filyaw, Chief of Staff to Supervisor Letourneau

PURPOSE: The purpose of this item is to discuss the current level of funding allocated to the Board of Supervisors district offices and to propose a total overall increase of \$270,000 to office budgets, to be spread between offices.

RECOMMENDATION: Supervisor Letourneau recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend that the Board of Supervisors (Board) approve the district office budgets to be increased by a total of \$270,000, to be distributed evenly between the nine (9) Board offices, effective July 1, 2016. He further recommends that the FGOEDC recommend to the Board that staff be directed to prepare a budget adjustment to fund this increase from the existing FY17 unallocated remainder.

BACKGROUND: Over the past several years Loudoun County has continued a rapid pace of population growth. This population growth is not evenly distributed across each district. If the estimated 2016 population of the County were to be evenly distributed among districts (which it has not been), each district would have an additional 7,600 residents. This is an increase of approximately 19.7% since the 2010 census that served as the basis for redistricting. Since growth has been uneven, several districts have seen increases that are substantially larger.

As the population grows within each district, the Board of Supervisors district offices see an increase in constituent requests for assistance. Land use application volume continues to grow, requiring a higher level of research and coordination with stakeholders. Loudoun is also taking on more of a role within the region, requiring review and research of materials related to regional boards and commissions. Supervisors continue to rely on their Staff Aides to assist with much of this work, maintain effective district communications, attend community meetings and meet with stakeholders in their absence.

Currently, each office is provided with a district budget at the beginning of each fiscal year. The district office budgets cover the costs of Staff Aide salaries, copies, printing, cellular phones, office supplies, postage, participation in community events and constituent communications.

For FY17 each district receives \$120,597 and the Chair receives \$161,040. The district budgets have remained at this level since FY13. The office of the Chair was increased by \$20,000 in FY15 to account for the increased costs of participation in regional/state activities.

ISSUES: With the exception of the office of the Chair, the current level of district office budget has remained flat since FY13 (Attachment 1). Since that time the number of residents in each district has continued to rise, especially in southern part of the County. The costs of maintaining the office to effectively communicate with constituents and be responsive to their needs has increased.

The flat funding of each district office does not reliably provide the opportunity for a Supervisor to increase the pay of their Staff Aides when warranted. Generally increases in pay are dependent on the balance of funds unspent at the end of a given year. Since FY13, the Board has approved annual raises for County staff while not providing funding for increases in pay within their own office budgets. While Supervisor office budgets have remained flat, the following pay increases for County staff have been approved:

FY14- 2%
FY15- 2.5-3%
FY16- 3%
FY17- 2.5%

Not every Supervisor may feel the need for increased funding to provide pay increases for their staff. The addition of these funds may be used to add staffing to handle increased workloads, cover the increased cost of constituent communications or simply remain unspent and return to the General Fund at the end of the fiscal year. The use of district office budget funds is at the discretion of each individual Supervisor.

The additional \$270,000 could be distributed evenly among the 9 members of the Board or, as an alternative, it could be distributed differently depending on workload, population growth or whether a Supervisor chooses to opt out of the additional funding.

FISCAL IMPACT: There would be minimal fiscal impact. According to the County Administrator, a total increase of \$270,000 could be accommodated within the unallocated amount that has been budgeted and approved in the FY2017 budget. Therefore, there would be no impact to the tax rate or to fund balance.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors approve the district office budgets to be increased by a total of \$270,000, to be distributed evenly between the nine (9) Board offices, effective July 1, 2016.

AND

I further move that the Finance/Government Operations and Economic Development Committee recommend that the Board of Supervisors direct staff to prepare a budget adjustment to fund this increase from the existing FY17 unallocated remainder.

OR

2. I move an alternate motion.

ATTACHMENTS:

- 1: History of Board of Supervisors Office Budget Funding
- 2: Board of Supervisors Office Budget Information, Prince William and Fairfax Counties

History of Board of Supervisors Office Budget Funding

| Year | Chairman's Budget | District Budgets | Notes |
|---------|-------------------|------------------|---------------|
| FY 2006 | \$92,430 | \$76,769 | |
| FY 2007 | \$118,440 | | |
| FY 2008 | \$119,031 | | |
| FY 2009 | \$126,997 | \$110,167 | |
| FY 2010 | \$120,605 | \$104,617 | |
| FY 2011 | \$124,018 | \$106,807 | |
| FY 2012 | \$138,275 | \$118,364 | VRS for Aides |
| FY 2013 | \$141,040 | \$120,597 | |
| FY 2014 | \$141,040 | \$120,597 | |
| FY 2015 | \$161,040 | \$120,597 | |

Board of Supervisors Office Budget Information, Prince William and Fairfax Counties

| | Loudoun | Fairfax | Prince William |
|---------------------------------------|----------------|----------------|----------------------------------|
| Total Budget | \$2,181,484 | \$5,588,122 | \$3,524,129 |
| Personnel | \$1,653,082 | \$5,016,172 | \$2,493,517 |
| Operating & Maintenance | \$528,402 | \$571,950 | \$1,030,612 |
| | | | |
| Chairman | \$161,000 | \$529,726 | \$406,892 |
| District¹ | \$120,597 | \$475,877 | \$328,000-\$407,000 ² |
| Administration/Corporate Board | \$1,055,708 | \$775,503 | \$535,847 |
| Number of Districts | 8 | 9 | 8 |

¹Salaries for Fairfax and Prince William Supervisors are budgeted in their district budgets.

²District budgets may vary as budgets fluctuate based on seniority of district staff. Districts who have staffers with more seniority will have a larger budget compared to one with a less senior staff, to account for yearly pay increases. All Supervisors are paid the same amount.

Date of Meeting: June 14, 2016

#17

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **AWARD AUTHORITY INCREASE/Business
Transformation Office Management**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: June 14, 2016

STAFF CONTACTS: Wendy Wickens, Information Technology
Robert Middaugh, County Administration
Cheryl Middleton, Finance and Procurement

PURPOSE: To increase the award authority for the Enterprise Resource Planning (ERP) Business Transformation Office (BTO) Management contract.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) authorize the Purchasing Agent to increase the award authority of the BTO Management contract with Yahya Technologies, LLC (Y-Tech) in the amount of \$101,839 for a new total of \$601,839.

BACKGROUND: Since May 9, 2016 Oracle Consulting Services (OCS) has been onsite assisting both Loudoun County Government (County) and Loudoun County Public Schools (LCPS) with the reimplementation of Phase 2 of the ERP system. OCS is specifically focused on the completion of the Human Resources and Payroll modules. The OCS approach to successfully completing the Phase 2 implementation is based on the use of Oracle's Unified Method (OUM - Oracle's methodology for deploying Oracle-based business solutions). Early activities include the review of business requirements as specified in the original request for proposal and aligning those requirements with out of the box functionality. Where current mandated processes do not align with out of the box functionality, OCS will either provide a system customization or recommend a modification in the current business process.

In order to help assure a successful restart and integration of Phase 2, the County has reassessed its organizational structure, and has determined that a new structure comprised of three (3) offices with distinct functions will be essential to a successful reimplementation: a Business Transformation Office (BTO) as described below; a Client Management Office which is focused on cross organizational communication and collaboration; and an Independent Verification and Validation Office (IV&V) which is focused on high level auditing of the project. Each of these

features represent an industry best practice and will operate as a coordinated part of the project governance structure.

The Client Management Office was recently implemented to liaise between not only the project team (County, LCPS, and DIT) and the OCS team (Project Manager and system integration team), but also to Loudoun's executive leadership including the Board of Supervisors. This office is being staffed by Vivad Technologies (Vince Marchesano) on an interim basis until Y-Tech is able to fully be on-site.

The IV&V Office will oversee Phase 2 business and technical activity. This office will perform a high level audit function that will track expenditures, project schedule, deliverable quality and ensure sufficient project sign offs occur.

The BTO will provide operational and strategic management as it relates to maximizing "out-of-the-box" functionality of the ERP system for the project during its reimplementation. The purpose of the BTO ensures that functional requirements, identified by both County and Schools staff, are implemented in the system. These functional requirements will be assessed by the BTO to determine if they can be met out of the box, through a modification of an existing business process, or through a customization. The BTO is critical to the success of the re-implementation effort as the goal of both the County and Schools is to utilize as much out of the box functionality as possible. Customizations are costly and create long term support and testing issues.

Additionally, the BTO will focus on putting together the policies and practices that will provide the County and Schools with the framework to successfully manage future enhancements, modifications and changes to the system that may ultimately impact both entities and have significant impact on both entities, if not managed in a coordinated manner. This office will be led by contracted Business Transformation Management, with support from six existing staff from the following agencies:

- Department of Human Resources (1.0 FTE),
- Department of Finance and Procurement (1.0 FTE),
- LCPS (2.0 FTEs), and
- Department of Information Technology (DIT) resources (2.0 FTEs).

In summary, the BTO team will provide the following primary functions:

For the initial startup of the Business Transformation effort, the BTO Manager will:

- Review Business requirements as prepared by both the County and LCPS;
- Review proposed out of the box system functionality as proposed by Oracle Consulting Services;
- Provide leadership and facilitate conversations to align out of the box functionality with business processes as appropriate; when out of the box functionality does not meet requirements, the BTO will communicate options for business process changes or review and recommend customizations (last resort);

- Facilitate conversations with leadership where business processes could be modified to align with out of the box functionality.
- Working with OCS, County and School staff, assist with preparing all strategic planning documents to ensure the success of the project including.

For later operation of the Business Transformation effort, the BTO Manager will:

- Prepare policy documentation and processes for resolving issues;
- Prepare policy documentation and processes for system enhancements;
- Develop common standards and methods for development and support activities;
- Provide policies and practices for vetting proposed projects for development; and
- Assist in prioritization of tasks, reports, enhancements across organizations (Government and Schools)
- Prepare governance documentation for the creation of an ongoing Business Transformation practice that includes representation from both the County and LCPS.

ISSUES: Since Phase 2 has restarted, a contracted manager is needed immediately to manage the BTO. Currently, there are no staff resources available with the requisite skill set to fulfill this role. Therefore, staff reviewed several options available through the US General Services Administration (GSA), state or other easily rideable contract vehicle to hire a manager for this function. Y-Tech holds a GSA Schedule 70 contract that the County is eligible to leverage to provide the services as defined above. As part of their proposal, Y-Tech is offering a phased approach to meet the County's need regarding a BTO manager as well as to align with the OCS methodology.

Months 1-3: Y-Tech is proposing a seasoned BTO manager with extensive experience in business process systems engineering and in the integration of enterprise software solutions. The initial BTO manager will be responsible for setting up the program and providing the overall structure for the office. Because the primary goal for reimplementation is for both County and LCPS to leverage as much out of the box functionality as possible, the BTO Manager and staffing will play a pivotal role in the review of suggested out of the box functionality as well as communicating necessary business process modifications to senior leadership.

Months 3-12: It is expected that the initial BTO Manager will then transition the responsibilities for the remainder of the project and oversight of the BTO to an experienced Program Manager. The BTO Manager will work with County and LCPS staff to provide leadership for the creation of the long term, ongoing support structure, policies and procedures for all phases of the ERP system. It is anticipated that the contract BTO manager function will be needed for approximately twelve months until Phase 2 is successfully implemented.

In order to ensure the success of the Phase 2 implementation the BTO function will report directly to the County Administrator.

Upon completion of the ERP project, it is anticipated that the BTO function and practices will transition to an internal committee comprised of both County and LCPS staff that will provide

ongoing coordination and communication of activities associated with system enhancements, upgrades and patches and other possible changes that could result in business process modifications.

Because OCS is proceeding at a much faster pace than originally anticipated, it was necessary for staff to bring Y-Tech on as soon as possible in order to begin coordination of business process change discussions. Therefore, a contract was awarded to Y-tech, under staff authority, in the amount of \$500,000. However, the total value of the engagement is expected to be approximately \$601,839. Per the Procurement Resolution, any contract awards over \$500,000 require approval by the FGOEDC. Therefore, staff is seeking approval from the FGOEDC to increase the award authority of the BTO Management contract by \$101,839.

FISCAL IMPACT: Sufficient funding is available in the ERP account in the Capital Fund to increase the award authority for BTO Management Services contract in the amount of \$101,839.

ALTERNATIVES:

1. Authorize the Purchasing Agent to increase the award authority for the Business Transformation Office Management contract with Yahya Technologies, LLC (Y-Tech) by \$101,839 for a new total of \$601,839,

OR

2. Do not authorize the award authority increase and direct staff how to proceed. This option is not recommended by staff because the review of business requirements and suggestions for customizations or business process modifications are critical to the success of the reimplementations. The BTO will provide the leadership and make expeditious decisions with an understanding of the business needs of the County and LCPS to ensure that the technical construction is not delayed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee authorize the Purchasing Agent to increase the award authority for the Business Transformation Office Management contract with Yahya Technologies, LLC (Y-Tech) by \$101,839 for a new total of \$601,839.

OR

2. I move an alternate motion.

Date of Meeting: June 14, 2016

18

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
INFORMATION ITEM**

SUBJECT: Monthly Report/Implementation of the Enterprise Resource Planning (ERP) Project

ELECTION DISTRICT: Countywide

STAFF CONTACTS: John Sandy, County Administration
Robert Middaugh, County Administration
Wendy Wickens, Information Technology
Penny Newquist, Finance and Procurement
Vince Marchesano, Vivad Technologies, LLC

PURPOSE: To provide an update on the status of the County's Enterprise Resource Planning (ERP) system implementation.

BACKGROUND: The Loudoun County Government and Loudoun County Public Schools (LCPS) began implementation of a new Enterprise Resource Planning (ERP) commercial off-the-shelf (COTS) system in January 2012 as part of a larger program to replace three core financial systems [i.e., ERP, Computer Aided Mass Appraisal (CAMA), and Integrated Tax Revenue (ITR)]. This action was based on an independent assessment of the County's legacy financial, human resources and taxation systems, as well as the future replacement of those systems.

In November 2008, Digicon Corporation completed the assessment and concluded that when the County acquired its current systems, more than 20 years ago, the functions and features provided, and the architecture upon which they were built (IBM), met the County's business and budgetary requirements. However, over the years, the technology exceeded its useful lifecycle, and operations and support was proving to be increasingly complex and difficult to maintain. Digicon recommended the County consider implementing a state-of-the-art ERP system to improve business and operational efficiency, which also would meet the demands for information in a more reliable and timely manner, with requisite quality and accuracy.

On November 2, 2011, the Board authorized the negotiation of a contract, not to exceed \$21,050,064, to implement ORACLE EBS (eBusiness Suite) as the ERP System for Loudoun County Government and LCPS. The contract was awarded to Applications Software Technology Corporation (AST), a Platinum Oracle partner, which included the Oracle EBS licensed software and implementation services for the ERP system.

On December 4, 2013, the Board appropriated an additional \$9,160,925 to the capital project budget (ERP Implementation Fund), which was used to complete outstanding items for Phase 1, and to provide additional resources to complete Phase 2. Not all funds have been expended to date. An additional 7.00 FTEs were added to the Department of Information Technology (DIT) and the former Department of Management and Financial Services' Finance and Budget Divisions, to provide needed system support. In December 2015, the Board appropriated an additional \$1,500,000 from the FY 2015 fund balance to complete the Phase 2 implementation, bringing the ERP capital budget to \$32,228,494. It should be noted that this amount does not include budgeted contracted project management services, which totals \$3,465,848. Expenses for consulting and other technical support through Fiscal Year 2016 not in the project budget are \$1,595,771.

ISSUES: This item provides a monthly update from the Department of Finance and Procurement and DIT on the implementation of the ERP system.

The Client Manager, Vince Marchesano, and County staff will be present to discuss details and answer questions.

Phase 2 - Human Resources and Payroll

AST Negotiations

AST and County executives met on November 13, 2015, December 15, 2015, and again on March 21, 2016 and on June 6, 2016 to discuss the path moving forward. AST remains in material breach of the contract. However, the County Attorney's Office and AST are actively working towards an agreed to solution to successfully complete the project.

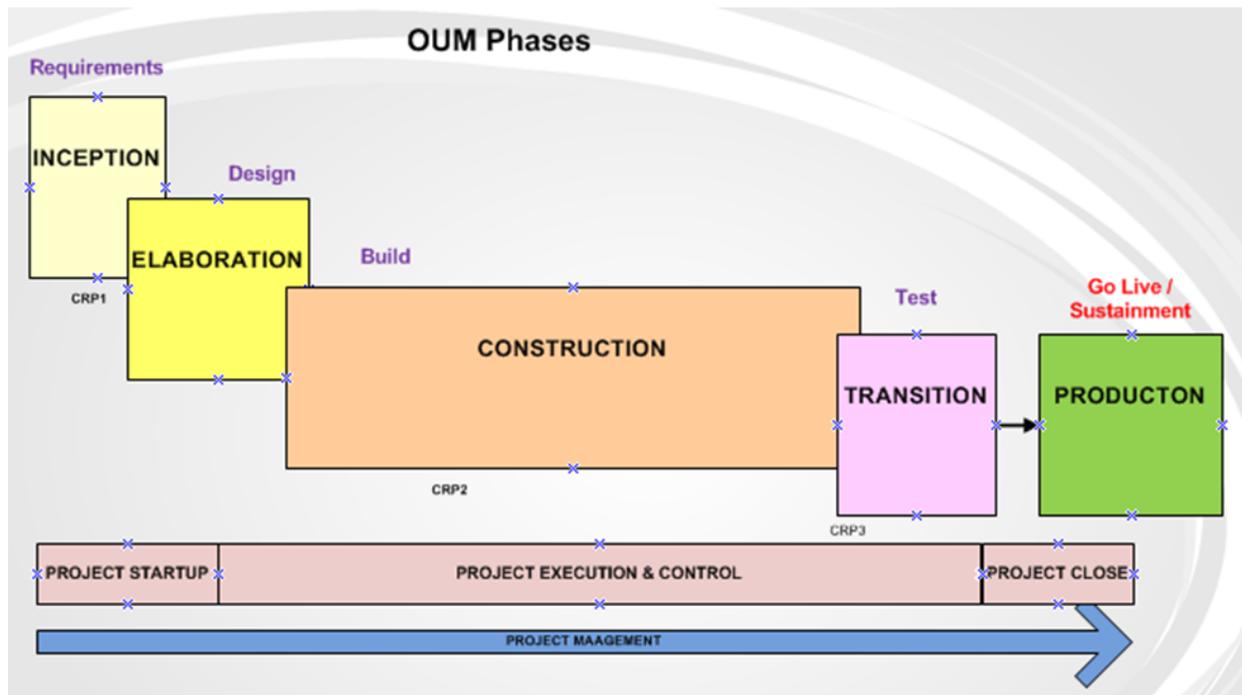
Phase 2 Implementation Restart

Phase 2 implementation restart has been activated.

Oracle Consulting Services (OCS) is currently onsite to provide project management and system integration services through implementation and post implementation support.

Approach

The OCS approach to successfully completing the Phase 2 implementation is based on the standard Oracle Unified Method (OUM - Oracle's methodology for deploying Oracle-based business solutions). To maximize efficiencies, OCS further structured this effort into two distinct sub-phases – Phase 2 A: Inception and Elaboration and Phase 2B: Construction, Transition, and Production.



During Phase 2A, OCS and Loudoun will collaboratively review every requirement to ensure they are clearly defined (and still applicable), determine whether the requirements can be met leveraging standard, out-of-the-box Oracle functionality (i.e. a “fit”) or if a change to a business process or a customization is required to meet the requirement (i.e., a “gap”), and what design/build can be reused from the previous effort. These activities will further result in a solution design and test plans.

The overall Phase 2 timeline will be defined based on Inception and Elaboration Phase output (i.e., the level of effort to build solution), however, OCS estimates that Phase 2A will consume approximately one third of the project duration.

During Phase 2B, OCS will build the solution, data will be converted, Loudoun will validate the build, and other tasks in preparation for Go-Live will occur (i.e., change management activities, including communications, training, documentation, post production support planning, etc.).

Organizational Structure

To support this approach, OCS has assembled a comprehensive team of seasoned project management, functional, and technical resources, with extensive reach back into Oracle’s senior leadership and technical support pools. In addition, Loudoun has redefined its Phase 2 organizational structure, and is currently implementing a new structure comprised of three offices with distinct functions: Business Transformation Office (BTO), Client Management Office, and Independent Verification and Validation Office (IV&V).

The BTO will provide operational and strategic management for the ERP Project, both before and after implementation. This office will be led by a Business Transformation Manager, with support from six County, LCPS, and DIT resources, and will provide the following primary functions:

- Provide oversight and leadership for all ERP Project activities
- Analyze business process change to ensure adherence
- Evaluate current policy for long term practices moving forward
- Prepare policy documentation and processes to resolve issues, and in support of system enhancements
- Ensure cross-organizational (County, LCPS, and DIT) communication with Senior Leadership
- Define and implement common standards and methods for development and support activities
- Provide leadership in vetting proposed development projects
- Assist with task prioritization, reports, and implementing enhancements across organizations (County and Schools)
- Evaluate policy for long term practices moving forward.

The Client Management Office was recently implemented to liaise between not only the project team (County, LCPS, and DIT) and the OCS team (Project Manager and system integration team), but also to Loudoun's executive leadership including the Board of Supervisors. This office is comprised of a Client Manager and Client Coordinator, and provides the following functions:

- Document management (SharePoint and Beehive)
- Team building, collaboration, and communication
- Meeting coordination (schedules, agendas, minutes, and action items)
- Cross-organizational coordination (County, LCPS, and DIT)
- Project reporting, to include meeting minutes (key agreements and action items), status, risk, issues, action items, and FGOEDC
- Conflict resolution among project team members with competing priorities
- Serve as the project historian; manage archived project information and serve as the system integrator's point of contact for related information

Under the direction of a Technical Manager and a Business/Project Manager, the IV&V Office will oversee Phase 2 business and technical activity. More specifically, this office will provide the following functions to ensure a successful implementation:

- Review management and technical aspects of the project, and make recommendations for industry standards
- Identify opportunities and make recommendations for project improvements
- Conduct risk management tasks
- Analyze the project plan, and evaluate and report on progress, resources, budget, and schedules

- Review technical configurations, conversion plans, and test plans, and make appropriate recommendations for improvement
- Define, implement, and execute a traceability and review process to track business and technical requirements to their source

The value add and benefits of this new organizational structure include:

- Standard methodology will better ensure project success
- Unbiased validation that Loudoun is utilizing the right approach, and more importantly, the final solution is designed and built to meet Loudoun's requirements
- Management insight and visibility into project risk and issues

FISCAL IMPACT: Currently \$6.2 million (including encumbrances) is available in the ERP project in the Capital Fund.