

Date of Meeting: December 17, 2019

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**BOARD OF SUPERVISORS
BUSINESS MEETING
ACTION ITEM**

**SUBJECT: FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE REPORT:
Use of FY 2019 Fund Balance - Route 15 and Spinks Ferry
Road Roundabout and Newvalley Church Road**

ELECTION DISTRICT(S): Catoctin

CRITICAL ACTION DATE: At the pleasure of the Board

STAFF CONTACT(S): Erin McLellan, Finance and Budget
Janet Romanchyk, Finance and Budget
Joe Kroboth, III, Department of Transportation and Capital
Infrastructure

PURPOSE: To report back to the Board of Supervisors (Board) and provide an overview of the cost, schedule, and budget implications for the acceleration of a portion of the Capital Improvement Project (CIP) Route 15 Montessor Road and Point of Rocks Bridge – Improvements at Spinks Ferry Road and Newvalley Church Road.

RECOMMENDATION: Staff recommends programming \$2,718,000 of unassigned FY 2019 General Fund Balance allocated by the Board for Economic Development Projects in FY 2020 to advance the design for the Roundabout at the Intersection of Route 15 and Spinks Ferry Road, and the Realignment of Newvalley Church Road.

BACKGROUND: The FY 2020 CIP Adopted Budget includes \$110,785,000 for the Route 15 Montessor Road to Point of Rocks Bridge – Improvements project. Currently \$8,830,000 of funding is programmed for design in FY 2022; \$26,255,000 for right-of-way acquisition and utility relocation in FY 2024; and \$75,700,000 in construction funding in future fiscal years. Given the magnitude of this project, it is unrealistic to expect the entire corridor could be designed and constructed as a single project. Staff proposed this project be developed in phases. Currently there is no funding plan developed. The concepts discussed in this Board item would establish the first phased improvement in the corridor.

At the December 3, 2019 Board Meeting, staff brought forward the recommendation of the Finance/Government Operations and Economic Development Committee (FGOEDC) for the use of FY 2019 General Fund Balance. During the discussion of this Item, Supervisor Higgins

requested that \$4,300,000 of FY 2019 General Fund Balance be allocated to accelerate the design, land acquisition, utility relocation, and construction of a Roundabout at the intersection of Route 15 at Spinks Ferry Road and the realignment of Newvalley Church Road into the Roundabout. The Finance Committee had fully allocated Fund Balance at their November 12, 2019 meeting, therefore it was unclear from Supervisor Higgins as to which project to take Fund Balance from to fund his request. Although staff suggested taking the funds from the Economic Development projects item, the Board did not conclude their consideration of Supervisor Higgins' request, and so the issue was sent to the December 17th Board Business Meeting for action.

The Department of Transportation and Capital Infrastructure (DTCI) has evaluated the potential costs associated with accelerating this project. The initial estimates for the design, right-of-way, utility relocation, and construction were based on a report provided by the County's consultant, Kimley Horn Associates, in the amount of \$12,400,000 using 2019 dollars. The Kimley Horn estimate did not include several project related costs, such as construction engineering and inspections, Virginia Department of Transportation acceptance, and other related owner costs. Through various meetings with Supervisor Higgins and representatives of the community, DTCI staff provided Supervisor Higgins with a copy of the Kimley Horn report. Based on the \$8,830,000 currently programmed in FY 2022, and with the addition of \$4,300,000 requested by Supervisor Higgins, this would provide sufficient funding to complete this phase of the project using the numbers provided in the Kimley Horn report.

In response to the Board's December 3, 2019 meeting request, DTCI staff reviewed the estimate and escalated the costs, in accordance with a projected project schedule. DTCI also developed a new project schedule based on the acceleration of design funding. The project delivery schedule assuming acceleration of the design funding, would be as follows: design initiated in late FY 2020 or early FY 2021; right-of-way and utility relocation in FY 2023; construction initiated in FY 2024; and project completed in FY 2026. The estimated cost for constructing this portion of the project, with design beginning in late FY 2020 or early FY 2021 is \$17,864,000. Of this total, the estimated design costs are \$2,718,000; right-of-way and utility relocation costs are \$3,128,000; and construction costs are \$12,018,000. The requested use of \$4,300,000 of General Fund Balance to advance the design of this project, along with the funding of \$8,830,000 currently budgeted in FY 2022 will not be sufficient to complete the roundabout project.

Allocating FY 2019 General Fund Balance will allow the award of a design contract, however, right-of-way acquisition and construction funding is not available until FY 2022 and FY 2024. Due to the current funding constraints in the CIP, staff has no means to accelerate required funding to complete this portion of the project in an accelerated timeframe nor does DTCI believe they can accomplish the various phases of project development any sooner. The funding plan has the flexibility to break out smaller projects such as the Route 15 and Spinks Ferry Road roundabout and realignment of Newvalley Church Road from the larger project, but the durations of the project phases cannot change significantly or in this case be accelerated. Therefore, the relationship of the design, right-of-way acquisition, utility relocation, and construction funds need to remain relatively consistent to prevent delaying other future phases of the project. In the future, staff will return before the Board to seek guidance on the subsequent phasing of the overall project.

ISSUES: Staff has identified three issues related to this item.

County Roadway Design Task Order Contract: The remaining available capacity on the County's roadway design task order contract is not sufficient to award a design contract for this work valued at \$2,718,000. A new roadway design order contract is scheduled for award in spring, 2020. Given a late spring contract award by the Board, the earliest that the design could be initiated for this project would be late FY 2020 or early FY 2021.

Project Delivery Schedule: As stated previously in the background section, DTCI developed a new project schedule based on the acceleration of design funding. The project delivery schedule assuming acceleration of the design funding, would be as follows: design initiated in late FY 2020 or early FY 2021; right-of-way and utility relocation in FY 2023; construction initiated in FY 2024; and project completed in FY 2026. The project delivery schedule is not driven by the funding availability, but the time necessary to complete all the tasks associated with project development.

Fund Balance Designated for Economic Development Projects: At the December 3, 2019 Board Business Meeting, staff recommended using \$1,072,423 of the \$5,000,000 of FY 2019 Fund Balance designated for Economic Development projects for the initial cash payment to the Northern Virginia Science Center Project. Given the cost for accelerating the design is \$2,718,000, staff recommends the Board continue to designate \$1,072,423 for the Northern Virginia Science Center Project. By doing so, this would leave a remaining amount of \$1,209,577 for other economic development projects.

FISCAL IMPACT: The amount of funding designed to Economic Development projects will be reduced by \$2,718,000 from FY 2019 General Fund Balance.

ALTERNATIVES:

1. The Board could direct the implementation of the staff recommendation to allocate \$2,718,000 of FY 2019 General Fund balance to accelerate the design of the project. The General Fund balance would be re-allocated from the current \$5,000,000 allocation for Economic Development projects.
2. The Board could direct staff to reserve \$4,300,000 of FY 2019 General Fund Balance to accelerate the design of the project and include a discussion on the Route 15 Spinks Ferry Road Roundabout as part of the Board's deliberation of the FY 2021-2026 CIP. The General Fund balance would be re-allocated from the current \$5,000,000 allocation for Economic Development projects.
3. The Board could take no action at this time and discuss the project as part of the Board's deliberation of the FY 2021-2026 CIP.

DRAFT MOTIONS:

1. I move that the Board of Supervisors direct staff to re-allocate and program \$2,718,000 of unassigned FY 2019 General Fund Balance from the FGOEDC proposed allocation for Economic Development Projects to the Roundabout at the intersection of Route 15 Spinks Ferry Road and the realignment of Newvalley Church Road to advance design.

OR

2. I move that the Board of Supervisors direct staff to re-allocate and reserve \$4,300,000 of unassigned FY 2019 General Fund Balance from the FGOEDC proposed allocation for Economic Development Projects, and defer a discussion of the Roundabout at the Intersection of Route 15 at Spinks Ferry Road and the Realignment of Newvalley Church Road to the Board's deliberation of the FY 2021 - 2026 CIP.

I further move that \$1,072,423 of Lease Revenue Financing be appropriated for the Northern Virginia Science Center Project.

OR

3. I move that the Board of Supervisors take no action to accelerate the design of the Roundabout at the intersection of Route 15 at Spinks Ferry Road and the Realignment of Newvalley Church Road.

OR

4. I move an alternate motion.