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## EXECUTIVE SUMMARY

- Article 5, Section 15.2-2239, Code of Virginia (1950 as amended), provides:

A local planning commission may, and at the direction of the governing body shall, prepare and revise annually a capital improvement program based on the comprehensive plan of the locality for a period not to exceed the ensuing five years.
- The capital improvement program shall include the commission's recommendations, and estimates of cost of the facilities and the means of financing them, to be undertaken in the ensuing fiscal year and in a period not to exceed the next four years, as the basis of the capital budget for the locality.
- Planning for capital maintenance and improvements is a matter of prudent financial management.
- A CIP must be updated each year. Developing a CIP does not end with the first year.
- The Southampton County, Virginia Capital Improvements Plan (CIP) is formatted and intended to be a dynamic document which will effectively and efficiently serve County decision makers for the benefit for the citizens of Southampton County.
- The development of this CIP, like that of most planning documents, involved basic research and analysis procedures and techniques. These include:
  - gather and analyze data;
  - analyze existing conditions (capital stock, revenues, and sources);
  - analyze growth trends – historical and projected;
  - analyze (fiscal) impacts of growth;
  - establish (capital project) evaluation criteria;
  - analyze areas of targeted improvements;
  - analyze needs (departmental projects – descriptions and evaluations);
  - make recommendations;
  - analyze (fiscal) impact of recommended projects; and draw conclusions.
- Throughout the process, input from those elected and appointed to ensure the County's well being and future prosperity and the several professionals employed to head various County departments and agencies were sought.
- The project was spearheaded by the Southampton County Planning Commission (Commission).
- Input from department heads was obtained through multiple interviews and written submissions.

- Public input was solicited in a public meeting conducted by the Commission on January 10, 2002.
- On March 14, 2002, the Planning Commission voted to forward the CIP to the Board of Supervisors for its consideration and use.
- In preparing this CIP, the Commission defined a capital improvement as "Any expenditure other than routine and general maintenance and operation that costs \$10,000 or more and have a life expectancy of five years or more."
- The Commission reviewed departmental capital requests independently using a matrix system to evaluate the projects ranging from those necessary for health, safety, and welfare to those requests that would fall in a category of new programs.
- The Commission made the following assumptions.
  1. The current level of services provided by the County is adequate to meet the needs of the current and projected population.
  2. An annual population growth rate of approximately 3% is projected for the planning period.
  3. Demands from residents do not overly tax existing services.
  4. Regulatory standards and administrative procedures may change during the planning

period which may affect project prioritization.

- The County has the following goals and objectives with respect to capital improvement planning.
  1. Produce a user-friendly document.
  2. Establish action deadlines where applicable.
  3. Promote substantial and meaningful interaction in the process by citizens and governmental agencies.
  4. Encourage open review and debate of project(s) justifications.

- Capital projects are measured as follows:

*High:*

- Project may be mandated by local, State, or Federal regulations
- Project is a high priority of the Board of Supervisors
- Project reduces losses in revenues or increases revenue substantially

*Medium:*

- Project maintains existing service levels
- Project results in better efficiency or service delivery
- Project reduces operational costs
- Project improves work force morale

*Low:*

- Project is not mandated
  - Project improves service levels
  - Project improves quality of life
- Criteria categories are as follows:
    1. **Health/Safety/Welfare:** Capital projects that protect the health, safety, and welfare of the County and the employees serving it.
    2. **Maintenance/Replacement:** Capital projects that provide for the maintenance of existing systems and equipment.
    3. **Expansion of Existing Program:** Capital projects which enhance the existing systems and programs allowing for expansion of existing services.
    4. **New Program:** Capital projects that allow new programs and services.
  - Based upon the County's determination of a project's priority (high, medium, or low), coupled with its ranking with respect to the four criteria (health/safety/welfare, maintenance/replacement, expansion of existing program, or new program) groupings of projects into three priority levels were made.
  - Level 1 projects are those projects that have a high or medium priority and are considered health/safety/welfare

or maintenance/replacement criteria.

- Projects that are given high or medium priority and meet the expansion of existing program criteria are considered Level 2, as are projects that are given a high priority and meet new program criteria.
- Projects grouped in Level 3 include those projects which have a low priority and meet the expansion of existing program criteria. Also, Level 3 projects are those that have medium or low priority and meet the new program criteria.
- During the development of this CIP, sixty-six (66) projects were submitted for the Commission's consideration by various County departments and agencies that receive some funding from Southampton County.
- The Capital Project Request Forms for the projects submitted for consideration are found in Appendix A.
- Generally, projects that are health and safety related or necessitated by regulatory reviews rated as Level 1 projects.
- Level 2 projects include heavy equipment needs and new facilities or new large ticket equipment items at existing facilities.
- Level 3 projects are projects dealing with new facilities or major expansions at existing facilities.

- Level 3 projects accounted for \$7,225,500, or 55.8% (which does not include a cost estimate for a Fiber Optic Line project), of the total for all projects submitted (\$12,941,137).
- Project groupings – as to Level 1, Level 2, or Level 3 – should be reviewed annually prior to budget considerations in a capital planning workshop.

TOTAL FOR ALL LEVEL 1 PROJECTS \$3,761,000
TOTAL FOR ALL LEVEL 2 PROJECTS \$1,954,637
TOTAL FOR ALL LEVEL 3 PROJECTS \$7,225,500
TOTAL FOR ALL PROJECTS \$12,941,137

- Southampton County, in its 2001-02 budget listed general revenue sources totaling \$37,142,697. Taken together, the projects included in this CIP total (in 2001 dollars) \$12,941,137.
- The County currently budgets for certain capital improvements annually, most of which are funded through taxes, and pass throughs from Federal and State sources, grants, and gifts.
- The County can pursue intergovernmental agreements and cost sharing arrangements for certain facilities, services, and equipment.

- The County has been somewhat successful in receiving Federal and State grants, particularly for utility improvement.
- The County can pursue public-private partnerships wherein private agencies design, build, and may, in some cases, operate facilities to meet the needs that have been identified through the capital improvement planning process.
- The County may consider special assessments or ask for revenue sharing agreements with public agencies to help accomplish joint or mutual goals by providing capital projects and services.
- The County should study and lobby the State for the ability to collect facility fees or impact fees.
- The County could consider instituting a system of user fees when applicable wherein users of facilities and/or services are charged for using these facilities.
- Currently, the County lease/purchases vehicles for its law enforcement service fleet.
- The County can issue bonds to construct capital facilities that have been identified.
- The County can raise taxes to meet its capital budgeting needs.

- With respect to the Capital Improvements Plan the Commission recommends:
  - the County adopt and annually update the Capital Improvements Plan; and, the following capital improvements plan process schedule be adopted by the County:
    - ▶ Capital projects and needs listing received from department heads to the Planning Commission – October through November;
    - ▶ Capital Improvement Plan workshop involving Planning Commission, Department Heads, and public – December through January;
    - ▶ Department Head Budgetary Workshop – January through February;
    - ▶ Department Head Budget due March 1;
    - ▶ Workshop with budget team and staff – March through April;
    - ▶ Board of Supervisors workshop on budget and capital improvements planning – April and May; and,
    - ▶ Adoption of fiscal budget.

## I. INTRODUCTION



Article 5, Section 15.2-2239, Code of Virginia (1950 as amended), provides:

A local planning commission may, and at the direction of the governing body shall, prepare and revise annually a capital improvement program based on the comprehensive plan of the locality for a period not to exceed the ensuing five years. The commission shall submit the program annually to the governing body, or to the chief administrative officer or other official charged with preparation of the budget for the locality, at such time as it or he shall direct. The capital improvement program shall include the commission's recommendations, and estimates of cost of the facilities and the means of financing them, to be undertaken in the ensuing fiscal year and in a period not to exceed the next four years, as the basis of the capital budget for the locality. In the preparation of its capital budget recommendations, the commission shall consult with the chief administrative officer or other executive head of the government of the locality, the heads of departments and interested citizens and organizations and shall hold such public hearings as it deems necessary.

A Capital Improvements Plan (CIP) is a multi-year plan identifying major projects / acquisitions which will contribute to the County's overall inventory of physical assets. As a long-range plan, the CIP will reflect the County's policy regarding long-range physical and economic development. By providing a planned schedule of public improvements the CIP outlines present and future public needs and priorities.

Planning for capital maintenance and improvements is a matter of prudent financial management. Large non-recurring capital outlays require careful planning for many reasons. Good planning spreads out costs to eliminate large-peaks in expenditures over any given year. It is also a sound development practice to plan for capital maintenance and improvements. By strategically targeting dates for new facilities, the County's economic base will be better able to expand.

A CIP must be updated each year. Developing a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates, and changes in technology all require the CIP to be updated annually. The County's public facilities may need repair, replacement, or expansion. Additional or new facilities may be required. These reasons require that the CIP be updated to maintain the financial solidity of the County.

In preparing a CIP, the County should keep in mind the following advantages of the capital improvements planning.

Capital improvements planning:

- reduces the need for “crash programs” to finance the construction of public facilities;
- focuses attention on community goals, needs, and capabilities;
- achieves optimum use of taxpayer’s dollars;
- guides future community growth and development;
- helps ensure that projects are well thoughtout in advance of construction;
- provides for an orderly replacement of capital expenditures; and
- encourages a more efficient governmental administration.

Each year, the CIP must be updated. As a part of the update process, the County will:

- use its Planning Commission to coordinate the effort;
- establish a planning horizon;
- define capital improvement
- establish or reaffirm levels of service; and
- establish a project prioritization system.

## II. PLANNING METHODOLOGY

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### A. Planning Process

The Southampton County, Virginia Capital Improvements Plan (CIP) is formatted and intended to be a dynamic document which will effectively and efficiently serve County decision makers for the benefit for the citizens of Southampton County. The planning period is five years, which includes the ensuing fiscal year (2002-03) and the next four years thereafter (2003-04 through 2006-07). The CIP should be reviewed annually - prior to budget considerations – in a capital planning workshop. The development of this CIP, like that of most planning documents, involved basic research and analysis procedures and techniques. These include:

- gather and analyze data;
- analyze existing conditions (capital stock, revenues, and sources);
- analyze growth trends – historical and projected;
- analyze (fiscal) impacts of growth;
- establish (capital project) evaluation criteria;
- analyze areas of targeted improvements;
- analyze needs (departmental projects – descriptions and evaluations);

- make recommendations;
- analyze (fiscal) impact of recommended projects; and
- draw conclusions.

Throughout the process, input from those elected and appointed to ensure the County's well being and future prosperity and the several professionals employed to head various County departments and agencies were sought.

The project was spearheaded by the Southampton County Planning Commission (Commission). Input from department heads was obtained through multiple interviews and written submissions. Public input was solicited in a public meeting conducted by the Commission on January 10, 2002. On March 14, 2002, the Planning Commission voted to forward the CIP to the Board of Supervisors for its consideration and use.

In preparing this CIP, the Commission defined a capital improvement as "Any expenditure other than routine and general maintenance and operation that costs \$10,000 or more and have a life expectancy of five years or more."

The Commission reviewed departmental capital requests independently using a matrix system to evaluate the projects ranging from those necessary for health, safety, and welfare to those requests that would fall in a category of new programs. Other considerations were cost effectiveness and long-term impacts. By using this method each project had to stand on its own against all other projects being

considered. This evaluation resulted in a ranking by priority.

## B. Assumptions

With respect to capital improvements planning for the County, several assumptions are made. These relate to the levels of service and growth that will impact future levels of service. The Commission made the following assumptions.

1. The current level of services provided by the County is adequate to meet the needs of the current and projected population.
2. An annual population growth rate of approximately 3% is projected for the planning period.
3. Demands from residents do not overly tax existing services.
4. Regulatory standards and administrative procedures may change during the planning period which may affect project prioritization.

## C. Goals and Objectives

The County has the following goals and objectives with respect to capital improvement planning.

1. Produce a user-friendly document.
2. Establish action deadlines where applicable.

3. Promote substantial and meaningful interaction in the process by citizens and governmental agencies.
4. Encourage open review and debate of project(s) justifications.

Throughout the development of this CIP, the County was sensitive to its needs, its fiscal capabilities, and the legal framework within which it must work.

### III. EXISTING CAPITAL ASSETS

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Southampton County owns various buildings, properties, and support vehicles and equipment. Data and records concerning County holdings are on file in the County administrative offices, primarily the County Administrator's Office and the Public Schools Superintendent's Office.

Through observations and interviews with Department Heads, the Commission found County-owned vehicles and buildings to be adequate to meet current and foreseeable demands and all were in generally good condition. A general, though not formally adopted vehicle replacement schedule for the Sheriff's Office has been in place for several years.

The Administration Building has adequate space for public meetings and has office space available should the need arise. Renovations to the Sheriff's Office were completed in 2001. Two new elementary schools were opened in 2001.

### IV. EXISTING REVENUES AND SOURCES

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Agriculture is the mainstay in a rural economy such as Southampton County's. Farming has changed with the times; many farming operations have developed into agribusiness conglomerates as opposed to the small family-run farms of the past. Agricultural operations have been modified to provide for maximum production through less intense usage of land. Southampton County's average size of a farm in acres is higher than the State's average by 470 acres. The estimated market value of land/buildings per farm for Southampton County exceeds the State's average by 167%, although the per acre value of land/buildings in Southampton County is only 83% of the State's average.

Forests and related wood products industries have historically been an integral part of the economy of Southampton County.

In 1999, there were 43 establishments conducting retail trade in Southampton County. Of these, 15 were food stores and 10 were eating and drinking establishments. Three hundred fifty (350) persons were employed in retail trade in 1999, accounting for about 8% of the employment in the County. One hundred sixty four (164) persons were employed by food stores, accounting for 3.6% of the County's total employment. Employment in the County's eating and drinking establishments totaled 92 persons or about 2% of the County total. Automobile sales and service stations account for 31 jobs.

Sales of furniture and household appliances account for only 25 of the total number for retail sales.

In Southampton County, 33 governmental establishments employ approximately 1,713 persons, or approximately 40% of the County's total employment. There are 17 State establishments, 11 local establishments, and 5 Federal establishments employing 880, 792, and 41 persons, respectively. Southampton Correctional Center employs over 400 persons, (256 at the Main Institution, 78 at the Reception and Classification Center, 22 at the Women's Diversion Center, and 44 at the Men's Detention Center).

The two areas of population and economy are closely related; population increases when the economy can support such growth. The 1990 Census shows a slight decline in Southampton County's population figures, although this can be largely attributed to the area annexed by the City of Franklin. The unemployment rate of Southampton County rose slightly due to the number of working-age citizens increasing and the job market remaining constant.

The County needs to diversify its economic base so as not to be so dependent on only two major industry types, agriculture and

forestry (paper and wood products), thus enabling the local economy to endure any severe downturns in one particular economic sector. In an effort to keep local residential property taxes down, the County needs to expand its non-residential tax base as demand for additional and improved public services and facilities continue to rise. Local jobs with competitive wages for existing County residents are needed so that young people entering the work force will not have to leave the County to seek employment. Retail businesses are lacking in Southampton County, thus retail dollars are being lost to other communities.

The County should actively pursue new business and industry which builds upon (the) natural resources base and intrinsic aesthetic qualities, and compensates for (the) disadvantages such as the lack of venture capital and transportation. The County should develop cooperative working relationships with the towns located within the County and with adjacent jurisdictions to provide public utilities and services in support of new housing, industry and business.

Exhibit 1 provides general budget information taken from the current (2001-2002) Southampton County Annual Budget.

Exhibit 1  
Southampton County, Virginia  
2001 – 2002 Budget Information

Budget for Fiscal Year Ending June 30, 2001			
	Actual Expenditures 1999-2000	Current Budget 2000-2001	Approved Budget 2001-2002
REVENUE ESTIMATES			
A. County			
County Sources	\$11,860,177	\$12,249,672	\$12,313,244
Other County Sources	921,671	886,620	1,319,466
E-911	58,470	102,829	173,330
Enterprise Fund	811,793	762,529	779,090
Building Fund	7,351,590	14,725,160	3,208,912
Federal Grants Fund/ Contributions	141,627	---	---
TOTAL	\$21,145,328	\$28,726,810	\$17,794,042
B. Commonwealth of Virginia	273,926	219,717	214,434
Non-Categorical Aid	2,725,895	2,913,241	2,995,122
Categorical Aid	671,994	374,146	362,647
Other Categorical Aid	9,425,670	10,002,852	10,069,383
School Aid	16,698	16,698	16,698
School Aid/Cafeteria	2,214,363	2,441,687	2,599,912
School Aid/Sales Tax	1,489,169	1,696,994	1,654,503
Public Assistance			
TOTAL	16,817,715	17,665,335	17,912,699
C. U.S. Government	22,831	11,500	11,500
School Aid/School Operating	997,028	924,456	924,456
School Aid/Federal Programs	491,923	500,000	500,000
School Aid/School Food	220,553	---	---
Block Grants			
TOTAL	1,732,335	1,435,956	1,435,956
TOTAL REVENUE	\$39,695,378	\$47,828,101	\$37,142,697
EXPENDITURE ESTIMATES			
A. General Fund	\$8,542,158	8,220,068	8,434,086
B. Public Assistance Fund	1,717,736	2,012,040	1,972,148
C. Federal Grants Fund	118,418	---	---
D. E-911	68,181	102,929	173,330
E. School Fund	19,774,895	20,622,795	21,769,909
F. School Food	977,807	1,057,625	1,057,625
G. Building Fund	2,847,120	14,725,160	2,631,454
H. Rehab Housing and Admin	206,828	---	---
I. Enterprise Fund	1,245,321	1,087,584	1,104,145
TOTAL EXPENDITURES	\$35,498,464	\$47,828,101	\$37,142,697

SOURCE: Southampton County, Virginia Annual Budget July 1, 2001 - June 30, 2002.

Exhibit 1 (Continued)  
Southampton County, Virginia  
2001 – 2002 Budget Information

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TAX ORDINANCE

BE IT ORDAINED by the Board of Supervisors of Southampton County, Virginia, that for the year 2001 there is hereby levied:

1. A tax of \$0.60 per \$100.00 assessed valuation on all real estate in Southampton County, including manufactured homes.
2. A tax of \$4.00 per \$100.00 assessed valuation on all taxable, tangible, personal property located in Southampton County on the first day of January, 2001, except household goods and personal effects.
3. A tax of \$1.95 per \$100.00 assessed valuation on all farm machinery and farm implements, save and except machinery described in paragraph 4 herein below, located in Southampton County on the first day of January, 2001.
4. A tax of \$1.25 per \$100.00 assessed valuation on all farm machinery designed solely for the planting, production or harvesting of a single product or commodity, located in Southampton County on the first day of January, 2001.
5. A tax of \$0.60 per \$100.00 assessed valuation on all real estate and \$4.00 per \$100.00 assessed valuation on all taxable, tangible personal property of public service corporations based on the assessment fixed by the State Corporation Commission of Virginia.
6. A tax of \$2.40 per \$100.00 assessed valuation on all machinery and tools.
7. A tax of \$0.50 per \$100.00 assessed valuation on merchant's capital.
8. A tax of \$2.40 per \$100.00 assessed valuation on all heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting equipment and ditch and other types of diggers.
9. A tax of \$2.40 per \$100.00 assessed valuation on all motor vehicles, trailers, and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property for hire by a motor carrier engaged in interstate commerce.

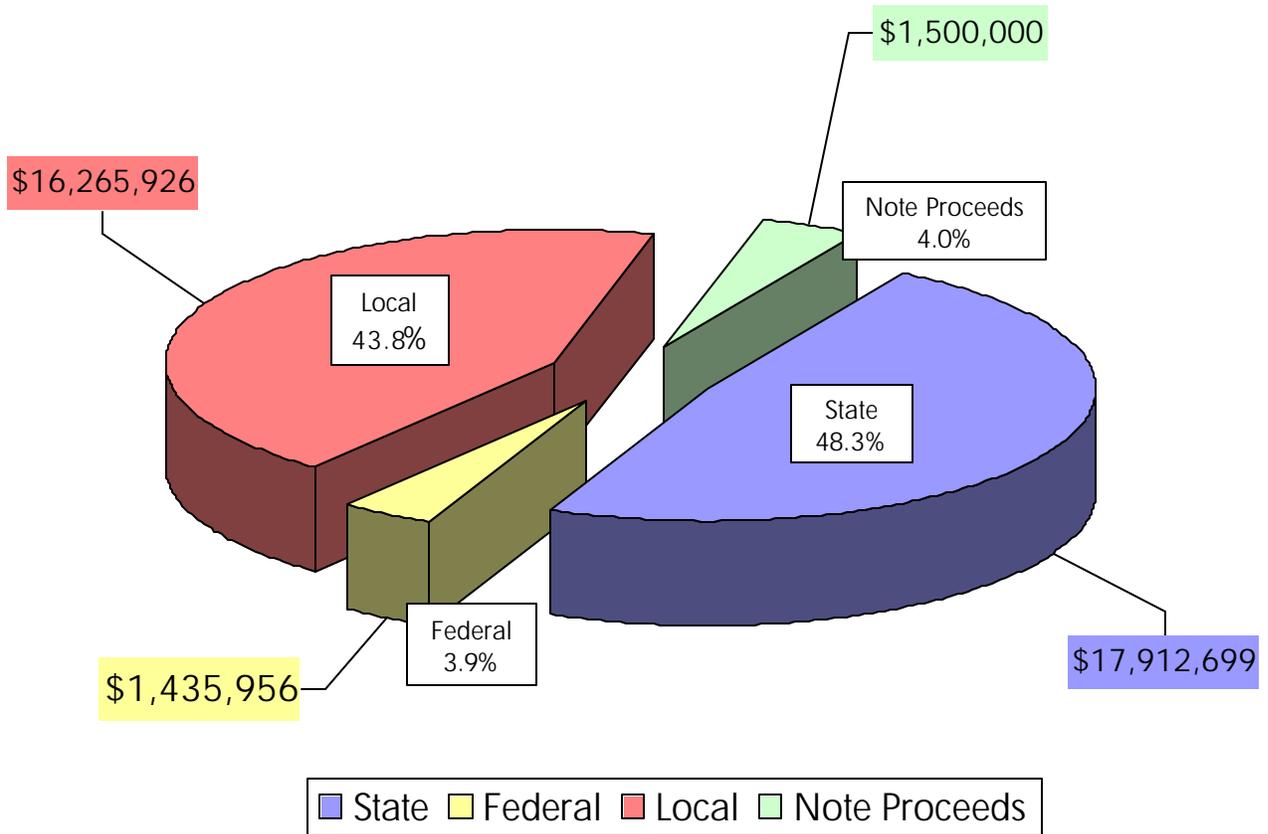
All levies shall be due on or before December 5, 2001.

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SOURCE: Southampton County Virginia Annual Budget July 1, 2001 - June 30, 2002.

Exhibit 1 (Continued)  
Southampton County, Virginia  
2001 – 2002 Budget Information

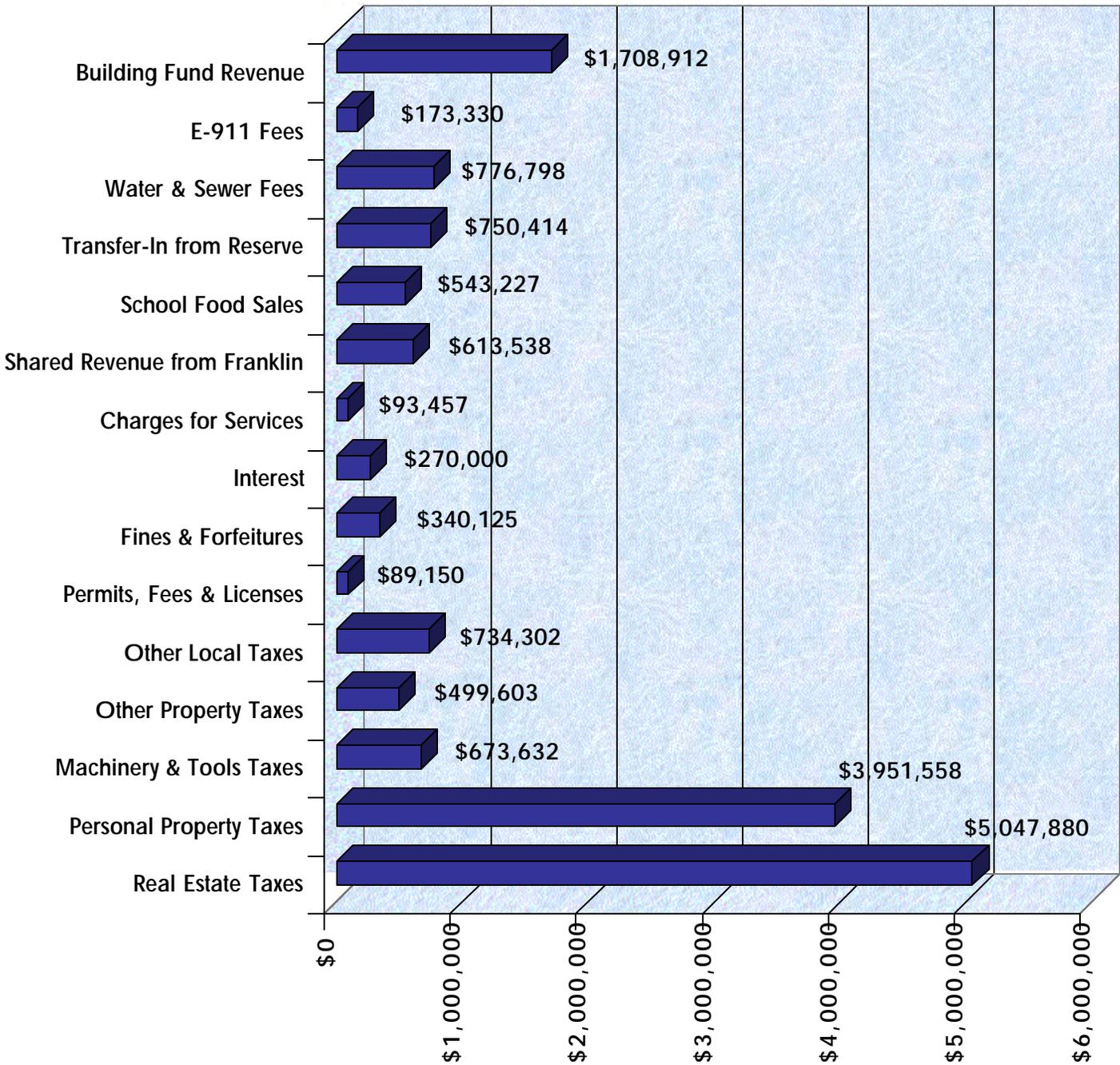
COUNTY REVENUE SOURCES



SOURCE: Southampton County, Virginia Annual Budget, July 1, 2001 - June 30, 2002.

Exhibit 1 (Continued)  
 Southampton County, Virginia  
 2001 – 2002 Budget Information

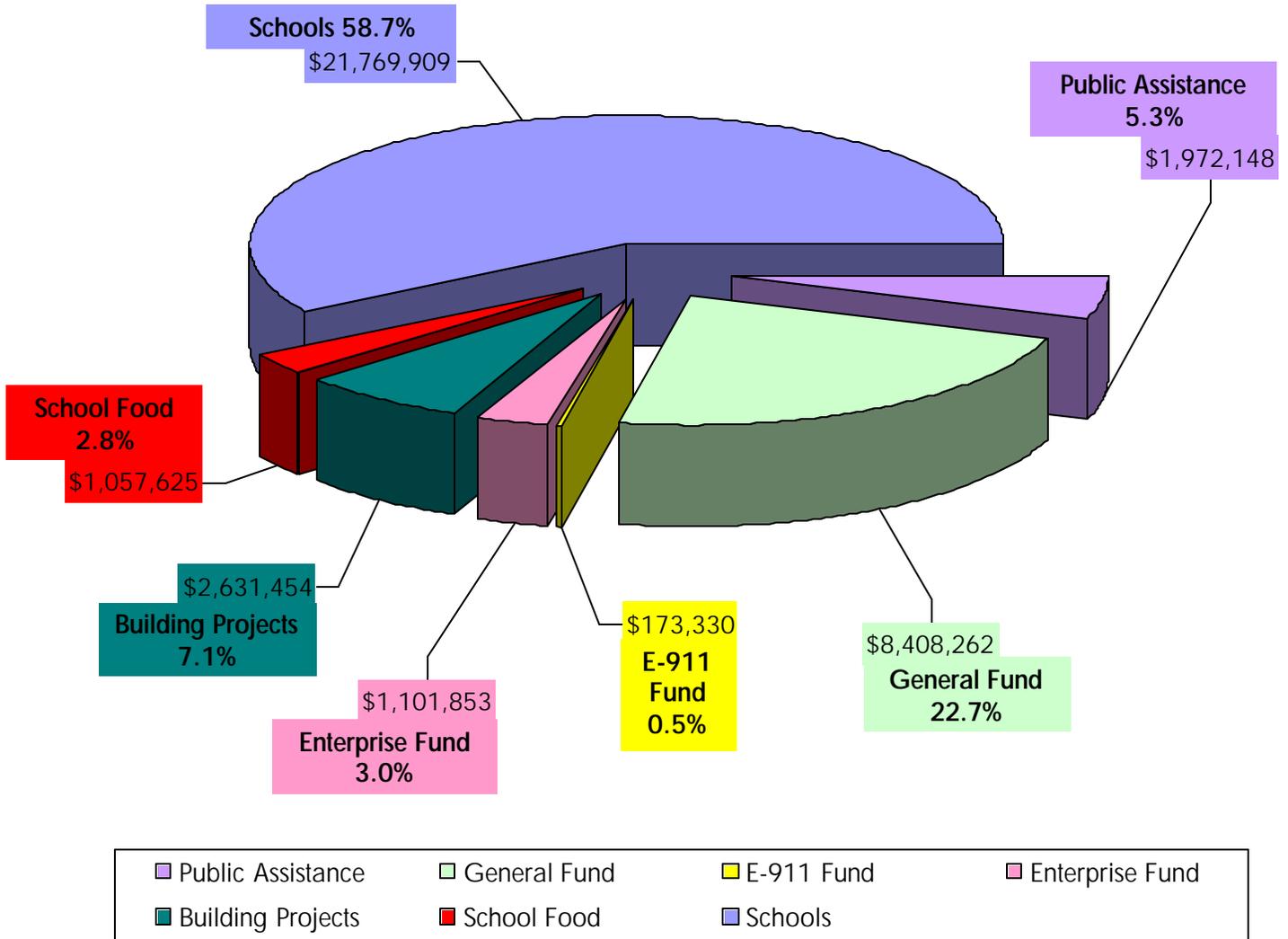
SOURCES OF LOCAL FUNDS



SOURCE: Southampton County, Virginia Annual Budget, July 1, 2001 - June 30, 2002.

Exhibit 1 (Continued)  
Southampton County, Virginia  
2001 - 2002 Budget Information

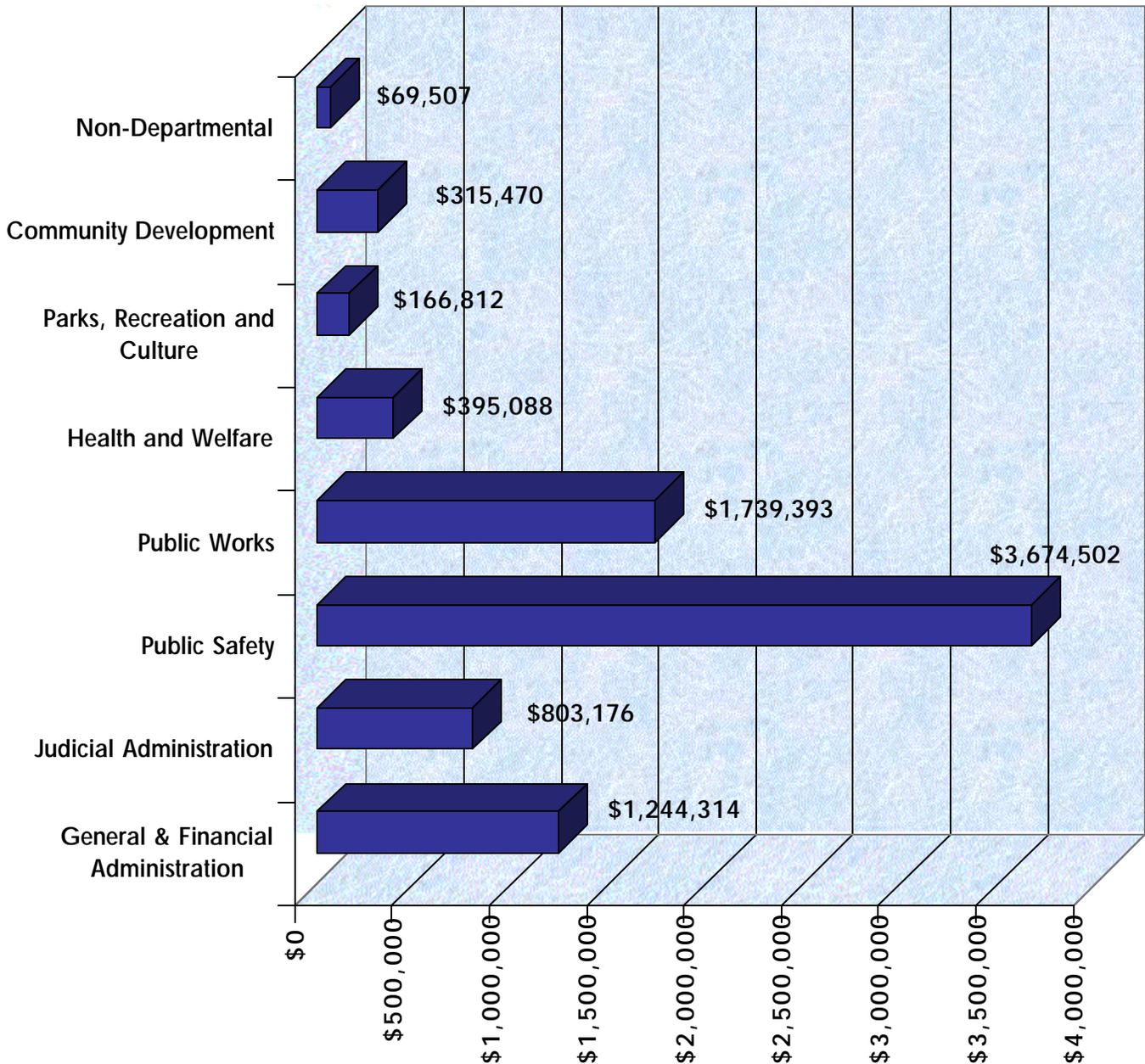
COUNTY EXPENSES



SOURCE: Southampton County, Virginia Annual Budget, July 1, 2001 - June 30, 2002.

Exhibit 1 (Continued)  
Southampton County, Virginia  
2001 – 2002 Budget Information

SOURCES OF LOCAL FUNDS



SOURCE: Southampton County, Virginia Annual Budget, July 1, 2001 - June 30, 2002.

## V. CAPITAL PROJECT EVALUATION CRITERIA



Southampton County uses a matrix system to assist in the setting of priorities for capital expenditures because not all requests can be funded in any given year due to budgetary constraints.

The matrix contains a measure of priority on the horizontal axis and a determinant of criteria category on the vertical axis. Priorities are measured as high, medium, or low. Capital projects are measured as follows:

*High:*

- Project may be mandated by local, State, or Federal regulations
- Project is a high priority of the Board of Supervisors
- Project reduces losses in revenues or increases revenue substantially

*Medium:*

- Project maintains existing service levels
- Project results in better efficiency or service delivery
- Project reduces operational costs
- Project improves work force morale

*Low:*

- Project is not mandated
- Project improves service levels
- Project improves quality of life

Criteria categories are as follows:

- A. Health/Safety/Welfare: Capital projects that protect the health, safety, and welfare of the County and the employees serving it.
- B. Maintenance/Replacement: Capital projects that provide for the maintenance of existing systems and equipment.
- C. Expansion of Existing Program: Capital projects which enhance the existing systems and programs allowing for expansion of existing services.
- D. New Program: Capital projects that allow new programs and services.

Using the matrix, each capital request can be placed on the grid in the appropriate box. The grid is further divided into levels, with Level 1 being those projects which should receive highest consideration for funding and Level 3 for those that should receive the least consideration. See Exhibit 2 on the following page.

Exhibit 2  
Southampton County, Virginia  
Prioritization Matrix

CRITERIA		PRIORITY		
		HIGH	MEDIUM	LOW
Health/ Safety/ Welfare	1	LEVEL 1		
Maintenance/ Replacement	2			
Expansion of Existing Program	3		LEVEL 2	
New Program	4		LEVEL 3	

Based upon the County's determination of a project's priority (high, medium, or low), coupled with its ranking with respect to the four criteria (health/safety/welfare, maintenance/replacement, expansion of existing program, or new program) groupings of projects into three priority levels were made. Level 1 projects are those projects that have a high or medium priority and are considered health/safety/welfare or maintenance/replacement

criteria. Also projects that are given high or medium priority and meet the expansion of existing program criteria are considered Level 2, as are projects that are given a high priority and meet new program criteria. Projects grouped in Level 3 include those projects which have a low priority and meet the expansion of existing program criteria. Also, Level 3 projects are those that have medium or low priority and meet the new program criteria.

## VI. DEPARTMENTAL PROJECTS – DESCRIPTIONS AND EVALUATIONS

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During the development of this CIP, sixty-six (66) projects were submitted for the Commission's consideration by various County departments and agencies that receive some funding from Southampton County. Each department and agency head was interviewed and asked to make or verify some primary and secondary assumptions concerning levels of service, growth rates and patterns, operations, and needs. Conclusions were then drawn and projects were evaluated and ranked accordingly. Projects were evaluated against the criteria described in Chapter V.

The Capital Project Request Forms for the projects submitted for consideration are found in Appendix A. The forms are grouped by department/agency. Each form relates to a specific project. Each project has a unique identifier. For example, project AD-01/02-01 represents a project requested by Administration (AD) during the 2001-02 (01/02) fiscal year CIP process. The "01" at the end of the identifier simply denotes that the project was the first project recorded for the department and does not speak to its evaluation and project ranking.

Exhibit 3 which follows is the project ranking score sheet as prepared by the Commission based on its review of the Capital Project Request Forms submitted (Appendix A).

Exhibit 3  
Southampton County, Virginia  
Capital Improvements Plan (CIP)  
Projects Ranking Sheet  
Page 1

Exhibit 3  
Southampton County, Virginia  
Capital Improvements Plan (CIP)  
Projects Ranking Sheet  
Page 2

Exhibit 3  
Southampton County, Virginia  
Capital Improvements Plan (CIP)  
Projects Ranking Sheet  
Page 3

Exhibit 3  
Southampton County, Virginia  
Capital Improvements Plan (CIP)  
Projects Ranking Sheet  
Page 4

## VII. RECOMMENDED CAPITAL PROJECTS

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Exhibit 4 on the following page lists the recommended capital projects grouped according to their status as Level 1, Level 2, or Level 3 projects.

Generally, projects that are health and safety related or necessitated by regulatory reviews rated as Level 1 projects. Also, projects dealing with immediate water and sewer system(s) needs are included as Level 1 projects as is bus replacement.

Level 2 projects include heavy equipment needs, and new facilities or new large ticket equipment items at existing facilities.

Level 3 projects are projects dealing with new facilities or major expansions at existing facilities. Level 3 projects accounted for \$7,225,500, or 55.8% (which does not include a cost estimate for a Fiber Optic Line project), of the total for all projects submitted (\$12,941,137).

Project groupings – as to Level 1, Level 2, or Level 3 – should be reviewed annually prior to budget considerations in a capital planning workshop.

Exhibit 4  
Southampton County, Virginia  
Recommended Capital Projects -  
Status Levels  
Page 1

Exhibit 4  
Southampton County, Virginia  
Recommended Capital Projects -  
Status Levels  
Page 2

Exhibit 4  
Southampton County, Virginia  
Recommended Capital Projects -  
Status Levels  
Page 3

Exhibit 4  
Southampton County, Virginia  
Recommended Capital Projects -  
Status Levels  
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## VIII. FISCAL IMPACT OF RECOMMENDED PROJECTS

Southampton County, in its 2001-02 budget listed general revenue sources totaling \$37,142,697. Taken together, the projects included in this CIP total (in 2001 dollars) \$12,941,137. Exhibit 5 which follows, breaks the projects down according to a proposed expenditure schedule beginning in 2002-03 and extending beyond the year 2007. In fiscal year 2002-03, the County would need to budget an additional \$3,477,637, less grant monies received, for the projects proposed to begin in this year. In fiscal year 2003-04, the County would need to budget an additional \$1,093,000, less grant monies received, for projects to commence in that year. In fiscal year 2004-05, the County would need to budget an additional \$1,304,000, less grant monies received, to meet the requirements of the projects scheduled to commence in that year. In fiscal year 2005-06, the County would need to budget an additional \$851,000 less grant monies received, for projects scheduled to commence in that year. In fiscal year 2006-07, the County should budget an additional \$3,115,000, less grant monies received, for projects scheduled to commence in that year. Beyond the year 2007, the County would need to budget an additional \$3,100,000, less grant monies received, to meet the projects included in this CIP that are scheduled to commence in that time period.

## IX. REVENUE GENERATING ALTERNATIVES

### A. Introduction

The County currently budgets for certain capital improvements annually, most of which are funded through taxes, and pass throughs from Federal and State sources, grants, and gifts. The following section discusses these and other revenue generating alternatives available to the County for funding the capital projects contained in this plan.

### B. Gifts, Endowments, and Donations

The County has, and may continue to receive gifts, endowments, and/or donations. However, it is felt that gifts, endowments, and/or donations that may occur will not in and of themselves, produce the revenues necessary for any of the capital improvements contained in this plan.

### C. Intergovernmental Agreements

The County can pursue intergovernmental agreements and cost sharing arrangements for certain facilities, services, and equipment.

Exhibit 5  
Southampton County, Virginia  
Fiscal Impact of Recommended Projects  
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Exhibit 5  
Southampton County, Virginia  
Fiscal Impact of Recommended Projects  
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D. Federal and State Grants and Loans

The County has been somewhat successful in receiving Federal and State grants, particularly for utility improvement. The County can pursue, whenever possible, grants and loans from Federal and State agencies for capital projects.

E. Public-Private Partnerships

The County can pursue public-private partnerships wherein private agencies design, build, and may, in some cases, operate facilities to meet the needs that have been identified through the capital improvement planning process.

F. Special Assessment / Revenue Sharing

The County may consider special assessments or ask for revenue sharing agreements with public agencies to help accomplish joint or mutual goals by providing capital projects and services.

G. Facility or Impact Fees

The County should study and lobby the State for the ability to collect facility fees or impact fees. Such fees could be imposed at building permit issuance and calculated based upon the costs of facilities in proportion to development creating the need for such facilities. Impact fees shift a portion of the burden of the cost of new or expanded facilities to accommodate new development away from the community at large, to new

development itself. Facility or impact fees aim to require new development to account for its fiscal impact on the community by accounting for its proportionate share of the cost of new or expanded capital facilities.

H. User Fees

The County could consider instituting a system of user fees when applicable wherein users of facilities and/or services are charged for using these facilities. This revenue-generating alternative is particularly applicable to recreation related facilities that may be requested through the capital improvements planning process.

I. Leasing

Currently, the County lease/purchases vehicles for its law enforcement service fleet. Typically, larger apparatus and equipment are purchased outright. Leasing of vehicles, equipment, and facilities could be an option to the County that would provide for some of the capital projects that have been identified in the capital improvement planning process, but for which there are insufficient funds or no identifiable revenue generated alternative.

J. Bonds

The County can issue bonds to construct capital facilities that have been identified.

K. Taxes

The County can raise taxes to meet its capital budgeting needs.

## X. RECOMMENDATIONS

With respect to the Capital Improvements Plan the Commission recommends:

- the County adopt and annually update the Capital Improvements Plan;
  - the County encourage citizen participation in public education throughout this and subsequent capital improvements planning processes;
  - the County conduct annual re-evaluations of definitions of capital projects;
  - the County review new and emerging State and Federal legislation with the County Attorney to determine potential impacts on capital improvements planning;
  - the County continue liaison efforts with the Virginia Association of Counties to stay abreast of grants, loans, and legislation;
  - that benefit to cost ratios be studied and analyzed for each project prior to the budgeting of funds for programming of work elements;
- the County be cognizant of personnel and operation and maintenance costs related to projects when budgeting for capital improvements; and,
  - the following capital improvements plan process schedule be adopted by the County:
    - ▶ Capital projects and needs listing received from department heads to the Planning Commission – October through November;
    - ▶ Capital Improvement Plan workshop involving Planning Commission, Department Heads, and public – December through January;
    - ▶ Department Head Budgetary Workshop – January through February;
    - ▶ Department Head Budget due March 1;
    - ▶ Workshop with budget team and staff – March through April;
    - ▶ Board of Supervisors workshop on budget and capital improvements planning – April and May; and,
    - ▶ Adoption of fiscal budget.

# Appendix A