



**2024-2034  
CAPITAL  
IMPROVEMENT  
PROGRAM**

**FY  
23-24  
PLAN**

# Capital Planning in the Local Government Setting

Southern Pines' capital assets are the physical foundation of our service delivery. The Town owns and maintains a variety of public facilities, ranging from a state-of-the-art fire station on NC-22 to historic buildings that reflect the community's character, like the Campbell House, the E.S. Douglass Community Center, both train depots downtown, and multiple other buildings throughout town.

The Southern Pines community benefits from an extensive network of Town-owned parks, trails, and other protected open spaces. The 326-acre Reservoir Park is the 4th largest municipal-owned park in North Carolina. More than 12 miles of hiking and biking trails help us connect recreation spaces to our neighborhoods. For those who enjoy more active recreation, the Town provides 10 athletic fields, 6 tennis courts, 6 pickleball courts, and 1 pool.

Our public works employees maintain an expansive network of infrastructure, including 84 miles of streets and a water and sewer system that serves over 10,000 accounts. In addition to Southern Pines, our water and sewer system also provides bulk water to Pinehurst via Moore County Utilities, to Whispering Pines via Carolina Water, and to the military base at Camp McCall.

The Town owns over 210 vehicles and pieces of equipment. These range from fire trucks, police patrol cars, a street sweeper, and various other vehicles used almost daily to more specialized equipment for maintaining the Town's rights-of-way and easements. Many of the vehicles and equipment are serviced in-house by 3 employees who work in the Town garage.

Like any growing community, Southern Pines has the complex task of meeting the increasing demand for services and facilities, while also managing the constraints of limited financial resources. All of this must be done in a way that continues the high-quality standards that Southern Pines citizens have grown to expect and appreciate in their services and amenities. It is essential that the Town has a comprehensive approach to plan for future assets, while also maintaining and replacing those currently in service.

The Capital Improvement Program (CIP) is a valuable decision-making tool to evaluate the timing, location, and nature of future projects and acquisitions. The CIP is a preview of capital priorities the Town will likely need to consider over the next 5-10 years. It helps promote financial stability, allowing us to see how capital funding affects the operating budget and make forecasts for several years ahead.

In the business world, it's usually clear how companies decide which investments to make and when: what makes the most money. While government investments help the community, they can often be hard to measure since they may not directly bring in money. The CIP helps the Town figure out what it needs and plan for the projects that will serve the community best, while still considering what the Town can realistically afford.



# Our Community Assets

The Town has a range of capital assets (land, buildings, machinery, and equipment) that collectively total nearly \$80 million. Many of our resources are infrastructure that is out of sight, out of mind...except when it isn't functioning properly or isn't well maintained. Our 84 miles of roads, over 400 miles of underground water and sewer lines, and more than 1,600 water hydrants fall into this category.

Southern Pines also has an eclectic collection of buildings. Many of them are well recognized and a natural source of community pride. We have a crew of Town employees who work daily to keep these 18 buildings well maintained; it's easy to understand why our projected capital expenses are well over \$8 million in the upcoming year.

## Municipal Services

Campbell House was constructed around 1910 as a private estate. The over 4,000 square-foot building houses our Parks & Recreation department on the upper floor and the Moore County Arts Council on the ground floor.

One thing that makes Southern Pines unique is that we don't have a traditional town hall building. Instead, our departments are housed throughout the community, many in other historic buildings. Our administration, finance, and utility billing employees are in historic buildings on Broad Street, one a former medical office and the other the original library.

Our other departments are housed in more modern facilities. Our fire department operates from two stations, including Station #82 which opened in 2019 on NC-22. Station #1 is on W. Pennsylvania Ave. next to our police station, both constructed in the 2000s.

Our planning, public works, inspections, and IT departments are all located in a recently renovated compound that adjoins Memorial Park. This is the hub of many of our services, housing our garage and fleet/equipment yard.

## Community Spaces

We also have a variety of community buildings and spaces, some open to the public 7 days a week. Our 14,000 square-foot library was constructed in 1995. Located in the heart of downtown, approximately 75,000 people visited the building last year.

The E. S. Douglass Community Center first opened in 1942 as Our Lady of Victory School and was eventually the first integrated school in Moore County. The building is just as active today, holding Town Council and other public meetings, serving as the hub for our senior programming, and hosting numerous private rentals.

Our Recreation Center was built nearly 30 years ago and anchors Memorial Park. It is the home of the Boys & Girls Club and also hosts many of our parks & recreation programming, including after-school and summer day camps.

The downtown train station is an iconic and frequently photographed site. Originally built in the 1890s, it's still active today as a stop for the Amtrak Silver Star line. The Town leases part of the building for a volunteer-run welcome center and uses the rest of it for recreation programs and private rentals.



# 2022-2023 Accomplishments

## Community Facilities

We completed a number of notable facility upgrades over the past year. The original playground at **Elizabeth Rounds Park** was replaced and we celebrated with a grand re-opening party last summer.

The **E.S. Douglass Center** was enhanced with fully renovated restrooms and a fresh coat of paint in the lobby and central hallway. The Town has also set aside money to pave the parking lot in the near future.

Work at the **Library** was centered on making the building more accessible and efficient for current technology. The public restroom doors were modified to address accessibility needs. We also replaced the original circulation desk with one that better accommodates our staff and patrons.

Our public works crews transformed the **Campbell House grounds** by removing hazardous trees and safeguarding specimen trees. A contractor followed behind with improvements to the fencing throughout the grounds.

**Pool Park** will open for the 2023 summer season with a brand new pool deck, which addresses safety and maintenance concerns.



## Transportation

We advanced or completed a number of projects to improve both pedestrian and vehicle safety around Southern Pines.

**New sidewalk along S. Bennett St** from W. Massachusetts Ave. to W. Illinois Ave is nearly finished. This is a multi-year project that will connect downtown to Morganton Rd. along S. Bennett St. The Town has committed another \$200,000 in FY 23-24 to continue this work.

The Town set aside \$900,000 for **street resurfacing** projects, a significant increase from \$275,000 the previous year. The goal is to proactively resurface streets so they do not decline to a state that requires rehabilitation. The current resurfacing projects were out to bid at the time the CIP was adopted.

Two small **downtown streetscape projects** were completed. The Town replaced hazardous street trees and uneven sidewalks along W. New Hampshire Ave. A second project was also completed on E. New Hampshire Ave. to extend the hardscape.

## Fleet Replacements

The Town invested over \$625,000 to replace various **fleet vehicles**. This included six police vehicles, two fire department vehicles, and a brush truck for the fire department.

## Public Safety

In addition to replacing public safety fleet vehicles, the Town also invested in other capital purchases. We spent \$18,000 on **fire & rescue extrication equipment**. We also invested \$110,000 for annual replacements of **portable radios, turnout gear, and self-contained breathing apparatus**.

Two additional police officers were hired, which requires vehicles and other equipment. Like the fire department, the police also invest annually in equipment replacements. FY 22-23 expenditures totaled nearly \$140,000 for **tasers, vehicle & body worn cameras, and mobile radios**.

## Utilities

The most visible utility project is arguably the **new water line along W. Pennsylvania Ave. and PeeDee Rd**. The existing 10" line will be replaced with a new 16" line, improving low water pressure. The new line will also provide the needed infrastructure to construct another elevated water storage tank in the northern part of Southern Pines. This project began in February 2023 with a contract for \$3.25M.

The Town executed an agreement with NCDOT related to the **US-1 water transmission line**. The Town will contribute \$1.9M to relocate and upsize this line as part of the synchronized street improvements on US-1.

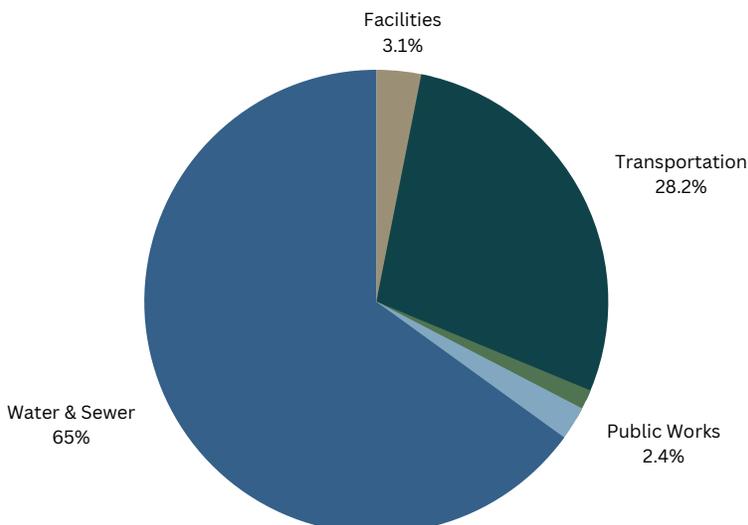
We completed designs to relocate the Warrior Woods lift station and Longleaf dam sewer.

# forecasting the future

Project	FY 23-24 Allocation	Near Term 2024-2028	Mid Term 2029-2033	Forecasted Expenses
Facilities	\$908,186	\$2,937,588	\$4,336,127	\$8,181,902
Transportation	\$8,214,208	\$7,192,388	\$11,793,395	\$27,199,961
Public Safety	\$395,000	\$5,092,424	\$3,995,540	\$9,272,964
Public Works	\$685,813	\$50,000	\$120,000	\$805,813
Water & Sewer	\$18,972,076	\$ 18,465,459	\$48,501,888	\$85,939,423
<b>Total Investments</b>	<b>\$ 29,175,283</b>	<b>\$ 33,807,829</b>	<b>\$ 68,626,950</b>	<b>\$131,610,062</b>



## FY 23-24 Allocations



The CIP helps forecast and inform future needs so we can best position ourselves to execute these projects and purchases. For example, fund balance can be used toward near-term capital needs, helping to stabilize future budgets. Decisions on tax rates and fees can be aligned with projected expenditures, especially when we see significant increases year-to-year or when cost savings can be achieved by purchasing in one fiscal year versus another.

By looking ahead and contributing to capital project funds, we can also take advantage of grants and outside funding sources. These often require 100% of the project cost to be on hand when the project starts, with the match reimbursed as milestones are accomplished.

With this in mind, the projects in the FY 23-24 column represent those which have been funded. The remaining projects are simply forecasts at this point. During the annual budget process, the Town Council will have the opportunity to review all of the pending needs to determine what should be funded, delayed, modified, or not pursued at all.

# Our 23-24 plans: facilities

## Ensure existing buildings are appropriately maintained & upgraded as needed.

The Town completed a facilities condition assessment in 2019 to assess needed **repairs & upgrades to our various buildings**. We have been consistently implementing those recommendations, including the recent renovations to the E. S. Douglass Community Center.

The FY 23-24 budget includes nearly \$200,000 for ongoing work. About one-fourth of that budget will be used to convert all remaining non-LED fixtures for energy efficiency and future savings.

## Complete repairs to 2 playgrounds

The Town has transitioned to "poured-in-place" rubber surfaces under playground equipment. While the surface lasts much longer than mulch and other ground cover materials, it does have a life expectancy of about 10 years.

The surface at the **Pool Park** playground will be replaced. While some of the damage is due to standard wear and tear, the surface has also been vandalized, which has led to the need to replace the surface sooner than originally planned. Over \$123,000 has been allocated in FY 23-24 to resurface this playground.

**Downtown Park** is the most used playground in the Town's park system. We have been able to patch areas showing wear and tear, but the areas are getting too extensive, leaving resurfacing as the next step. Over \$171,000 has been allocated in FY 23-24 to resurface this playground.

## Evaluate needed renovations & repurposing

There are currently three Town buildings in need of renovations & upgrades as well as potential repurposing. The Town will evaluate the needs and cost estimates in FY 23-24 as a potential construction project in FY 24-25.

**Finance Building:** This downtown building is partially vacated after planning & inspections moved to the community development facility. The Town intends to renovate the building & move additional staff in.

**Administration Building:** This building borders Downtown Park and was originally constructed in 1940. It needs to be renovated and modernized for accessibility.

**Fire Station #1:** The station on W. Pennsylvania Avenue has not been significantly renovated since the original construction in 2001. There are also some space needs due to growth in the department.

## Plan for parks needs

The Town has allocated \$50,000 to complete a **needs assessment of the Town's parks and recreation facilities**. Like the 2019 study of buildings, this will help to identify needed repairs and maintenance schedules.

The Town completed the master plan for **Whitehall at Reservoir Park** in 2023. \$260,000 has been allocated for FY 23-24. \$160,000 will be used to prepare construction drawings for future improvements, while \$85,000 will help fund land management needs. The Town will also explore grant opportunities and other outside funding sources, but no construction date has been confirmed at this time.



  
**Southern  
Pines**

# facilities funding plan

Project	FY 23-24 Allocation
Architectural Services: Pending Building Renovations	\$100,000
Downtown Park: playground resurfacing	\$171,126
Town Facilities: repairs & upgrades	\$203,835
Parks & Recreation Facility Assessment	\$50,000
Pool Park: playground resurfacing	\$123,225
Whitehall at Reservoir Park: construction documents & land management	\$260,000



# Our 23-24 plans: transportation



## Continue resurfacing program & avoid costly rehabilitation projects

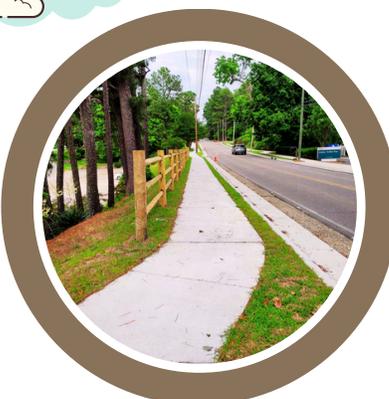
The Town maintains nearly 85 miles of roadways and is responsible for repairs and resurfacing. While annual needs and costs vary, the Town financially and logistically plans based on resurfacing high-volume collector/arterial streets every 15 years and low-volume residential streets every 22.5 years.

The Town also surveys the condition of every roadway every four years. This helps prioritize upcoming projects based on the greatest needs. In the 2023 survey of Town roads, 85% were rated "very good" or "good."

The Town's goal is to resurface roads when they are in "fair" condition, but before they deteriorate to "poor." While this increases the frequency of resurfacing, this is still considered a "pavement preservation" project. Waiting until the roadways require rehabilitation or reconstruction increases the costs by as much as 1400%. The FY 23-24 budget includes \$1.2 million toward street resurfacing projects. Over the next 10 years, we anticipate spending approximately \$18 million for resurfacing needs.



Learn more about the projects we're doing at [sopinesnc.info/projects](http://sopinesnc.info/projects)



## Fund Morganton Park South roadway

Midland Southern Pines Retail, LLC (MSPR) is currently developing a mixed-use project called Morganton Park South. As part of this project, MSPR will build a new road that connects Morganton Rd. and US 15-501.

The Town has entered into an agreement with MSPR to help pay for the construction of this road. Once the road is finished, the Town will give MSPR up to \$6.8 million as reimbursement, and the road will become the Town's property. The Town expects to make this reimbursement payment either in FY 23-24 or the following year. To cover this payment, the Town plans to take out a loan.

In 2022, the Town created a special tax district called a municipal service district (MSD) for the properties surrounding the new road. These properties have an additional tax rate of \$0.60, on top of the regular rate of \$0.29 that applies to all properties in Southern Pines (for FY 23-24). This extra tax revenue is intended to cover the debt service payments.

## Continue S. Bennett Street Sidewalks

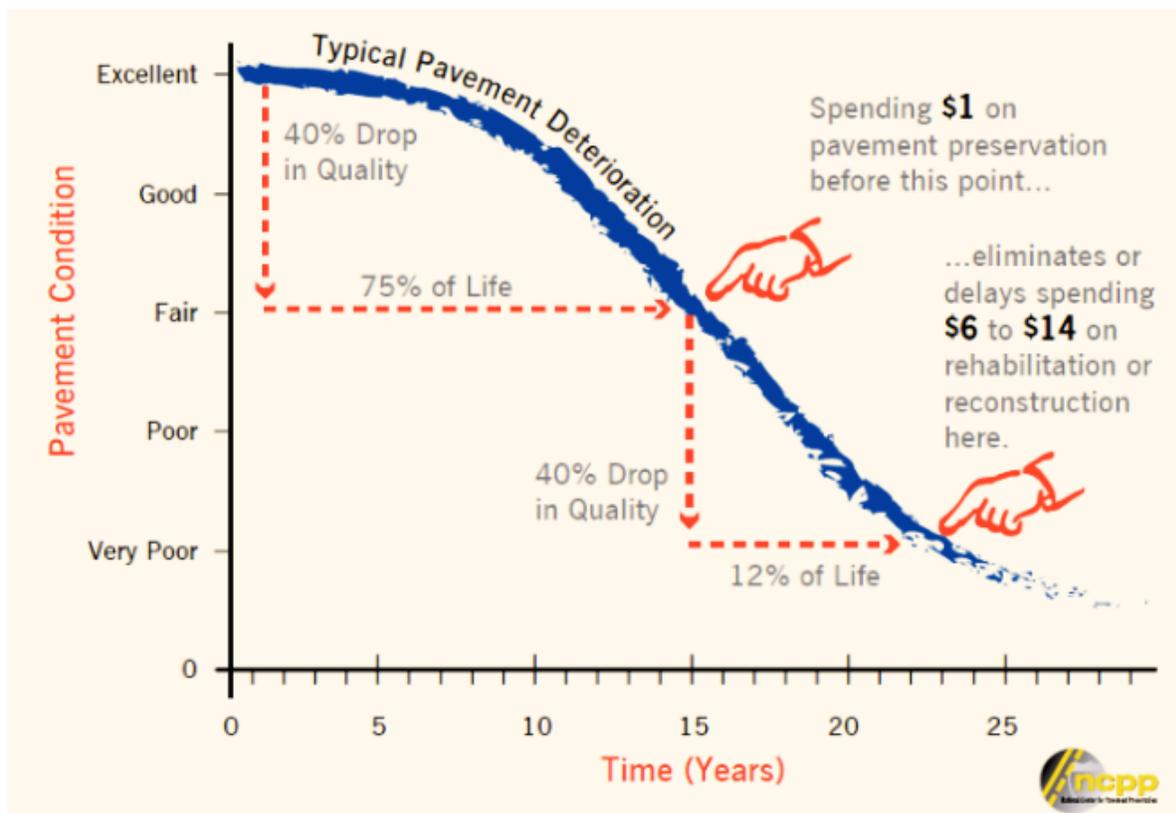
The Town has been installing sidewalk segments along S. Bennett St. to connect downtown to Morganton Rd. Another \$200,000 has been allocated in FY 23-24 to continue this work.

The Town collects a \$5 fee for every vehicle registered in Moore County. The Town anticipates approximately \$61,000 in revenues from this fee in FY 23-24 and this is all dedicated to sidewalk projects.



# transportation funding plan

Project	FY 23-24 Allocation
Morganton Park South roadway reimbursement	\$6,800,000
Street Resurfacing	\$1,214,208
Sidewalk Construction	\$200,000



# Our 23-24 plans: public safety



## Continue annual equipment replacements

The fire department currently has 50 full-time and part-time employees and will be adding 6 more in FY 23-24 through a federal SAFER grant. The department also has 8 volunteer firefighters.

Ensuring each firefighter has well-maintained protective gear and equipment is essential. The department annually replaces a certain number of turnout gear (boots, gloves, hood, helmet, & shield), SCBA (self-contained breathing apparatus), and portable radios.

The FY 23-24 budget includes \$117,000 to purchase these items. This is an area where growing costs have had a significant impact; over the past 2 years, these items have increased by over 27%. This has considerable impacts on the budget, when over 60 personnel must be properly outfitted.

## Replace police communications recording system

The recording system used in the police communications center is at its end of life. This system is used to record all radio activity in dispatch as well as the phone system in the police station. The FY 23-24 budget includes \$38,000 for this project.

Looking ahead to FY 24-25, there will be additional police technology replacements totaling approximately \$160,000.

## Replace 4 police vehicles

Each year, garage employees evaluate the various vehicles and recommend replacements based on age, condition, anticipated repair costs, and the likelihood of being out-of-service. Four vehicles have been recommended for replacement in the police department - 3 patrol vehicles and 1 K-9 unit vehicle. A total of \$240,000 has been budgeted in FY 23-24 for these vehicles.

## Looking ahead..

Two fire apparatus are near their end of useful service life with Southern Pines: engine 813 and ladder 81. Engine 813 was scheduled for replacement in FY 23-24 and ladder 81 in 24-25. As of June 2023, the production and delivery time is multiple years out, which complicates budgeting and ordering.

Apparatus costs have also significantly increased in recent years. The Town purchased engine 811 in 2021 for \$650,000. The cost to order the same engine is now \$1 million, a 57% increase. A ladder truck is approaching \$2 million, almost a 200% increase from the original purchase price of ladder 81.

The Town has historically replaced fire apparatus on a 20-year cycle, as that is the point when maintenance costs and downtime start to factor in considerably. The Town will need to balance all of this to make decisions about when to order these replacements.



# public safety funding plan

Project	FY 23-24 Allocation
Fire portable radios	\$30,000
Fire SCBA (self-contained breathing apparatus)	\$42,000
Fire turnout gear	\$45,000
Police Communications - Eventide Nexlog Replacement	\$38,000
Police fleet vehicles	\$240,000

## how our investments paid off for the community in 2022-2023...

**2**

The NC State Fire Marshal upgraded Southern Pines to a class 2 insurance rating. This directly reduces insurance premiums for our citizens.

**82**

The number of community events SPPD supported: SPES bike-to-school, SCC alcohol awareness, human trafficking, juvenile gang prevention, and others.

**140**

The number of community events SPFD supported, reaching over 10k adults and 3k kids.

**4.6**

SPFD saved 80% of structures from fire loss, which represented \$4.6 million.

**21**

TOSP staff safely managed 21 community events, from parades to First Fridays to protests.

**214**

SPFD installed 214 smoke alarms and changed 201 batteries, a free service to the community.

# Our 23-24 plans: public works



## Launch in-house yard debris collection

We are currently advancing work to collect yard debris, white goods, and bulky items by Town staff starting January 1, 2024. The Town will provide this service for all residential properties in Southern Pines except for multi-family neighborhoods, i.e. apartments.

The Town has historically contracted out this service, along with garbage and recycling collection. Yard debris collection requires different equipment and service models than garbage and recycling. It has become harder to obtain competitive pricing to continue outsourcing this service. We feel the best option at this time is to use Town staff and equipment. We are still refining the logistics of providing this service, but do not foresee any substantial changes. We will continue collecting yard debris twice a month in piles at the curb. GFL will perform this contracted service through December 31, 2023.



[http://](http://sopinesnc.info/waste)

Learn more about this service at [sopinesnc.info/waste](http://sopinesnc.info/waste)

## Yard debris collection by the numbers

**\$686,000:** The upfront capital investment to order 3 trucks (2 with a knuckle boom + 1 leaf vacuum). The Town allocated a portion of the "ARPA revenue replacement" funds for this acquisition.

**\$1,000,000:** The projected operating costs for the first year, including the 6-month contract with GFL.

**7:** The number of employees that will be hired to perform this service. This new division will be supervised by 1 employee and then each of the 3 routes will be serviced by 2 employees - 1 operator with a CDL (commercial drivers' license) and 1 technician.

**5,310:** The number of tons our haulers collected last year in yard debris alone. This is 10.6 million pounds of pinecones, branches, grass clippings, and other debris...the equivalent of 0.86 tons from every home in Southern Pines. For comparison, we generated more yard debris than garbage and recyclables *combined*. We're not called the Land of the Pines for just any reason!

**\$17.00:** The monthly residential fee for garbage, recycling, and yard debris, effective July 1, 2023. This is a \$0.25 increase from the current fee of \$16.75. This fee is included on the monthly water and sewer bill. The \$17 fee covers approximately half of the collection and disposal costs, with the Town subsidizing the remaining half for FY 23-24.



# public works funding plan

Project	FY 23-24 Allocation
Leaf Collection Truck	\$259,989
2 Yard Debris Collection Trucks	\$425,824

## southern pines infrastructure by the numbers

82

road miles

247

water line miles

151

gravity sewer main miles

216

fleet vehicles & pieces of equipment

1,617

water hydrants

10K

10,573 utility accounts

15

parks

6

tennis courts

6

pickleball courts

10

athletic fields maintained

1

swimming pool  
disc golf course  
dog park

11

The Town's water treatment plant can produce up to 11 million gallons per day (although our current permit is for 8 MGD).



# Our 23-24 plans: water & sewer



## Northern Service Area Improvements

The Town is working toward the construction of an elevated water storage tank with a capacity of 1 million gallons in the northern part of the service district. There are a number of projects to complete beforehand to provide the needed pressure and flow.

### New water line along W. Pennsylvania Ave. and PeeDee Rd:

Construction is currently underway to replace the existing 10" line with a new 16" line and should be complete in FY 23-24. The total cost is anticipated around \$3.6 million, funded through a variety of sources: System Development Fees, water capital funds, and Impact Fees collected prior to October 1, 2018.

**North Pressure Zone:** The additional pressure zone will improve low flow conditions. Engineering work will take place in FY 23-24 and construction in the following years. The total cost is projected at just over \$7 million and will come from a combination of sources: System Development Fees, water capital funds, and an installment loan for the balance.

## Sewer Rehab & Replacement

The Town is addressing aging sewer lines that have breaks and blockages, located primarily in the gridded blocks surrounding downtown, Knollwood Heights, and Sandhurst.

The first step, beginning June 2023, is to explore the lines & manholes using video surveillance. This will provide the data needed for engineering. Current plans are to bid the construction work in summer 2024 and begin the work in FY 24-25.

The overall project estimate is just under \$5 million. We received a grant through the NC State Revolving Funds (SRF) program, funded by the American Rescue Plan Act (ARPA). The grant is expected to cover 100% of the project costs.

## Other Sewer Projects

We have been advancing improvements to upgrade the **Warrior Woods pump station**. Work planned for FY 23-24 includes about 1.75 miles of new force main and a new 1,500 gpm (gallons per minute) pump station. This phase has an estimated cost of \$3 million and will address wastewater capacity needs in addition to replacing the current facilities which require extensive maintenance.

We completed the engineering this past year to replace an aerial sewer main, which is currently installed in the face of a private dam located on the **Longleaf Golf Course**. We plan to advance the construction in FY 23-24, at an estimated cost of \$450,000.

We will upgrade the **ARO lift station** to bring it up to modern regulatory requirements and correct existing deficiencies. This work has an estimated cost of \$569,000.

Finally, we will continue improvements to ensure **emergency backups to our sewer lift stations**. We will invest an estimated \$425,000 over the next few years adding more permanent stations, replacing old gas-powered generators, and purchasing new portable emergency station backups.

## Equipment Acquisition

We plan to invest over \$940,000 in the next year in **various equipment and vehicles** that are needed to operate our water and sewer division. Planned purchases include replacement fleet vehicles, a mini excavator with trailer, an easement machine, and a new trench box.



# water & sewer funding plan

Project	FY 23-24 Allocation
Utilities Easement Machine	\$95,700
Utilities Fleet Vehicles	\$587,000
Utilities Mini Excavator & Trailer	\$222,000
Utilities Trench Box	\$36,000
Wastewater: ARO Lift Station Replacement	\$569,000
Wastewater: Lift Station Emergency Back-ups	\$220,000
Wastewater: Longleaf Dam Relocation	\$450,000
Wastewater: Rehab & Replacement Projects	\$5,116,376
Wastewater: Warrior Woods Pump Station Upgrade	\$2,998,000
Wastewater: W. New York Ave. Aerial Repair	\$273,000
Water: North Pressure Zone	\$916,000
Water: Pennsylvania Ave/PeeDee Rd. Line	\$3,767,000
Water: US-1 Line Relocation & Upsize	\$1,990,000
Water Treatment Plant Modifications	\$1,732,000



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