

Part 4 – Capital Investment Strategy

Introduction

A “Capital Investment Strategy” highlights the capital investments needed to manage growth in Wells. It is not a formal capital improvements program (CIP), but it will serve as a guide to future capital expenditures that relate to the Town’s growth. It is to be updated annually and contains in its appendix a Five-Year CIP.

In addition to the major investments identified in this section, the Town also faces other smaller, ongoing capital expenditures. For example, it must continually replace and maintain vehicles and equipment or address other existing deficiencies that are unrelated to growth. This chapter does not address those “as needed” items and instead only deals only with items needed to accommodate growth or to meet the policies of this Comprehensive Plan.

Two major capital items -- public water and public sewer – are the responsibilities of separate, independent districts. The Town’s capital investments therefore are free of these items except to the extent that the Town itself wishes to initiate the extension of one of the systems for its own purpose (such as to support economic development). However, as stated elsewhere in this Plan, coordination between the Town and the utilities is important to the success of the Plan. The Town is fortunate to have a good working relationship with both the Wells Sanitary District and the KK&W Water District.

The Wells / Ogunquit Community School District (CSD) was formed in 1980 through the vote of both communities as a part of the State Legislature action to allow Ogunquit to separate from the Town of Wells. The ownership of the school facilities was turned over to the CSD at that time. New facilities are bonded through a vote of the two towns and debt retirement is the responsibility of the Towns of Wells and Ogunquit through the CSD statutory funding formula.

It also should be noted that a capital investment item, as opposed to capital expenditure that typically would be found in an operating budget, usually involves a large expenditure paid for over time or with the help of outside funds. Financing over time does not necessarily mean borrowing. It may involve a reserve fund or a tool such as tax increment financing. But, frequently, the best way to finance a capital investment is through borrowing. Wells has a very modest level of long-term debt relative to its borrowing capacity. Debt obligations in Fiscal Year 2020 amounted to about 1.05% of the total municipal valuation. As of June 30, 2020, the total amount of long-term debt carried by the Town of Wells was \$16,213,148. In addition to the Town’s debt, Wells owes a much higher level of debt to the Wells-Ogunquit Consolidated School District. As of June 2020, the CSD’s total outstanding debt level was \$22,948,385 (\$22.25 million in principal, \$723,385 million in interest). Of the total amount, Wells’ current share is set at 78.77 %. This is pegged to present levels of enrollment and property valuation and changes each year as the two variables change. At the current level, though, Wells’ obligation is estimated to be \$18.04 million. Adding together Town and School debts, the total debt level of the Town of Wells as of June 2020 is \$34,289,590, or 1.05% of the Town’s total property valuation.

Each of the capital investments derived from the Comprehensive Plan is rated by priority. The rating system is:

- **In Progress:** First priority. This indicates that the project is already underway to some degree.
- **Urgent:** Second priority. The improvement is required to address an immediate public health or safety problem, to comply with a governmental regulation or mandate, or to complete an important, unfinished project. Failure to address the problem or mandate would hinder the Town's ability to accommodate expected growth.
- **Necessary:** Third priority. The project is not needed to solve an immediate public health or safety problem but should be undertaken in the near future.
- **Growth Dependent:** Fourth priority. The project gives the Town the ability to accommodate expected growth and would enhance the community's quality of life, but the improvement can wait until other more pressing projects are finished and additional funds are available.
- **Desirable, further study required:** Fifth priority. The project would allow for ideal operations given the projected growth, but can be deferred without detriment to delivering the basic services.

Capital Investments

This section outlines the capital investment needs by department for the Town of Wells. All cost figures expressed here only account for cost of buildings and facilities and do not include any potential land costs.

1. Public Works

Garage:

The existing public works garage on Route 9 (North Berwick Road) was built in 2011. Not all the equipment fits in the new building, and the building is not easily expandable. The current facility does not have a room large enough to allow for an area sufficiently large enough to get the entire staff together for health and safety training. Although, there are other facilities in the Town to accommodate a meeting such as this.

Priority Rating: Desireable, further study required

Sand and salt shed:

The town has an updated salt storage facility. Routine maintenance is performed on the metal roof, but it will need replacement in 5 years.

2. Flood Hazard Mitigation

The Public Works Department has identified flood problem areas in Wells:

- Mile Road
- Eldridge Road

- Furbish Road at Stevens Brook
- Tatnic Road
- Ocean Avenue
- Branch Road at the Merriland River
- Bourne Avenue
- Coles Hill at the Merriland River
- Webhannet Drive
- Atlantic Avenue

Problems include flooding, the undermining of roadways, erosion and inadequate drainage capacity. Specific improvements have not been identified, however, the Town has 3 On Call Engineering firms to develop engineered solutions and obtain the proper Federal and State permits for construction.

To address these problems, the Town needs to make a number of capital investments. These are described below.

Stormwater management and drainage improvements: .

The town needs a complete inventory and condition assessment of the drainage systems, with particular consideration of how the ocean outfalls will function with climate change. Individual watersheds need a hydraulic study to evaluate capacity for the current storm data. There are many private systems tied into the town’s drainage that reduce the capacity of the public drainage.

Priority Rating: Necessary

Property Protection: The Town adopted a Flood Hazard Mitigation plan in 2001. One of the Plan’s key recommendations was to take action to protect properties in Wells that are known to suffer repetitive losses from flooding, so as to avoid future losses. These protection activities may include relocation, acquisition, demolition, building elevation, floodproofing, retrofitting and insurance. There are seven such properties that have been identified in the Town, located on Atlantic Avenue, Ocean Avenue and Webhannet Drive.

Priority Rating: Necessary

Structural Projects:

The town has recently completed a high-level engineering assessment of major infrastructure elements. None of the infrastructure elements are in danger of imminent failure, but several are in need of immediate attention. The proposed budget included a bond to finance construction/reconstruction. The engineering is already underway, including permitting.

Priority Rating: Urgent

3. Transportation

Road reconstruction and paving. The town has a pavement management system and at an annual investment of approximately \$900,000 a year the pavements in town will stay as good as they

currently are. Traditionally, the Town has invested above this threshold, so the pavements are improving, any improvement to the drainage, horizontal or vertical alignments are done before, or with the paving, and the pavement techniques result in the most effective, longest lasting improvements.

Priority Rating: Necessary

Route 1 improvements:

The Town has included funding in FY2023 for a study of the Route 1 corridor with Maine DOT, including a land use component. Implementation of strategies identified in the study will be critical to ensuring successful travel along Route 1. There is funding available for implementation in the Island Golf reserve account.

Priority Rating: Desirable, further study required

Sidewalk Master Plan: The most recent sidewalk master plan only includes the sidewalks along Route 1 and Route 109. Creating a town-wide sidewalk plan should be a goal in the next ten years. This should be done in conjunction with an active transit master plan that includes bicycle passage as well. Future sidewalk construction based on this Plan should be timed with roadway upgrades or reconstruction projects.

Priority Rating: Necessary

4. Harbor and Marine Resources

Harbor Dredging: The Town, with the Army Corps of Engineers have submitted to the State of Maine an application to allow it to undertake maintenance dredges to the outer harbor area over a period of 10 years. The Town will be eligible for a full dredge of the harbor in 2023 if the monitoring reports indicate that the prior full dredge did not cause environmental harm to the marsh area surrounding the harbor. Support for this is crucial for a viable and stable harbor.

Priority Rating: Necessary

5. Recreation and Historic Preservation

Eastern Trail Development: A significant portion of the Eastern Trail, a planned regional trail, is designated for Wells. An abandoned rail bed that is currently used for a gas pipeline is slated for Wells' portion of this off-road trail stretching from Kittery to South Portland. The estimated cost to develop the Wells segment of the Eastern Trail is estimated at \$4 – 6 Million. To date the Town of Wells has contributed funding for this project annually. This totals \$ so far.

Commented [SW1]: This figure has been requested

Priority Rating: Desirable

Land Bank:

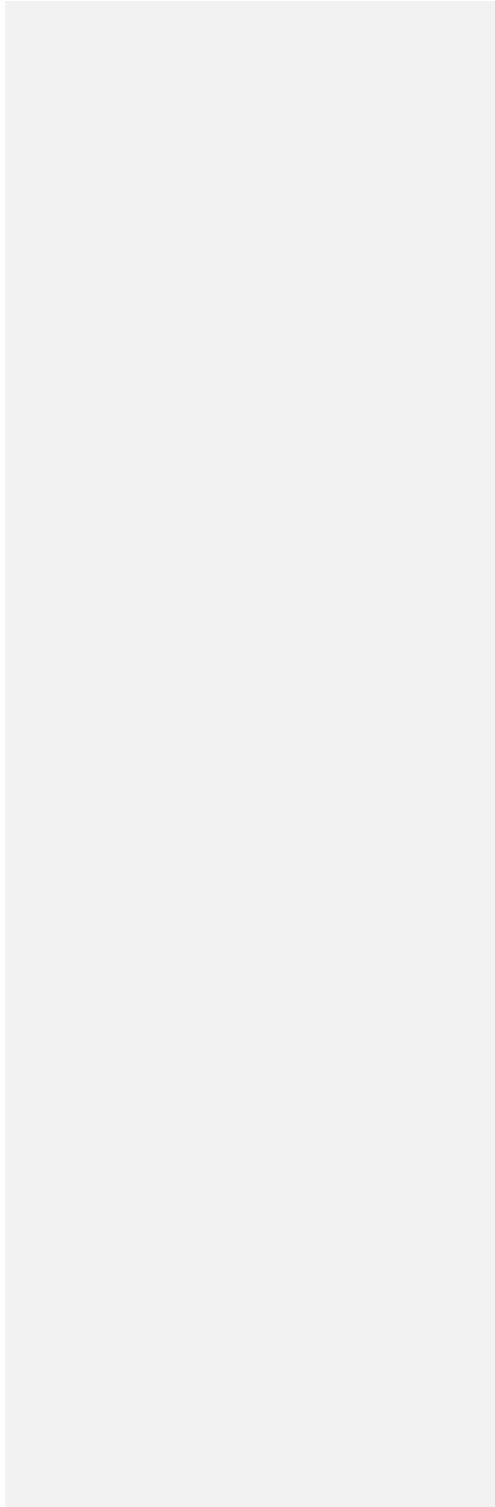
The Town of Wells, led by the Conservation Commission's efforts, has established a robust and active land acquisition program that is funded annually through taxation.

Priority Rating: Necessary

6. Library

The Wells Public Library opened in 1978 with a 5,000 square foot space. In 1993, the first addition was completed giving the library greatly expanded children, young adult and circulation areas. A second addition was completed in 2018, adding a community room, a quiet study area and staff workspace for a total of 15,000 square feet. Space is currently adequate to meet the needs of the town residents, but an enlarged teen area and several small 2-3 person study/meeting rooms, as well as space for collection expansion should be considered in future growth plans.

Priority Rating: Growth Dependent



Summary of Capital Investment Strategy

The following matrix expresses all of the identified capital investment needs of the Town of Wells and displays their priority levels to the Town. These items and their estimated costs are based on preliminary input from various heads of Town departments, and represent current anticipated construction costs.

No.	Item	Est. Cost	Priority Level
Public Works			
1.	Public Works facility needs study	\$30k	Necessary
2.	New Sand and Salt Shed roof	\$50k	
Flood Hazard Mitigation			
1.	Hardening of infrastructure for sea level rise and storm surge	Unknown	Necessary
Transportation			
1.	Various Road Reconstruction/Paving	\$900K	Necessary
2.	Route 1 Corridor Study	Unknown	Desirable, further study required
3.	Sidewalk Master Plan	Unknown	Necessary
Recreation and Historic Preservation			
1.	Eastern Trail Development/Maintenance	Unknown	In Progress
2.	Land Bank	Unknown	Necessary

Commented [SW2]: According to Carol Murray: The Webhammet south seawall will be reconstructed as a FEMA disaster project. The project will be designed with sea level rise and storm surge consideration. The engineering consultant will also provide an assessment of the rest of the walls, north and south to determine expected life. The side slopes of Mile Road were damaged in the Halloween storm last year, and the town is working with FEMA to create a project, including mitigation, to replace the stone armor along both sides of the road. This project will also consider storm surge and sea level rise.

Note: This table presents a compilation off potential capital investments that may be needed by the Town of Wells.No projects on this list will be funded without Town Meeting approval.