



CITY OF  
*Alexandria*  
VIRGINIA

**FISCAL YEAR 2023  
PROPOSED BUDGET**

**Work Session #1 Capital Improvement Program (CIP)**

February 23, 2022



# AGENDA

- **Overview/Process**
- **Priority Investments**
  - Supporting Infrastructure
  - State of Good Repair
  - Climate Change & Environmental Justice
  - Housing
  - Youth Support
  - Public Safety
- **Prevailing Wage Ordinance**
- **Capital Program Affordability**
- **Budget Calendar**





# OVERVIEW/PROCESS



# FY 2023 Budget Priorities

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Recovery

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Infrastructure

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Climate Change and Environmental Justice

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Housing

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Youth Support

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Community Engagement

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Employee Compensation

## Fulfill Our Mission

Working together to foster  
a thriving Alexandria

## Pursue Our Vision

A culture that supports each of us and  
inspires excellence

## Live Our Values

- Respect: We are open-minded and treat all people with dignity
- Teamwork: We do great things together
- Integrity: We are thoughtful stewards of the public's trust
- Continuous Improvement: We challenge ourselves to learn and grow



# Strong Fiscal Management

- **Cash Capital Policy** – General Fund Capital transfer target of 2.5% and a “floor” of 2.0% of General Fund expenditures to support the CIP. FY 2023 proposed is 4.4%.
- **Diversified Funding Streams** – the City continues to pursue various funding streams for capital investment, including federal, state, and regional grants. 10-year CIP is comprised of **39% cash** sources and **61% borrowing** sources.
- **Complies with Adopted Debt Management Policies:**

Policy	Limit	Proposed FY 2023
Outstanding Debt as a Percentage of Real Estate Fair Market Value	2.5%	1.8%
Debt Service as a Percentage of General Government Expenditures	12.0%	4.8%
10-Year Debt Payout Ratio	50.0%	62.3%

- **Bond Rating** - The City continues to maintain the highest bond ratings of AAA/Aaa by two rating agencies.



# CIP Development Process

- **June 2021:** CIP development process kicks off
- **July 2021:** Departments submitted Phase I capital project Complexity Forms
- **August - September 2021:** OMB reviewed Complexity Form submissions and sets-up documents for Phase II Project/Program Submissions
- **October 2021:** departments submit Phase II Project/Program Submissions
- **November 2021 – December 2021:** Capital Improvement Program Steering Committee (CIPSC) crafts recommendations for the City Manager
- **January 2022 – February 2022:** City Manager develops recommendations and finalizes Proposed CIP

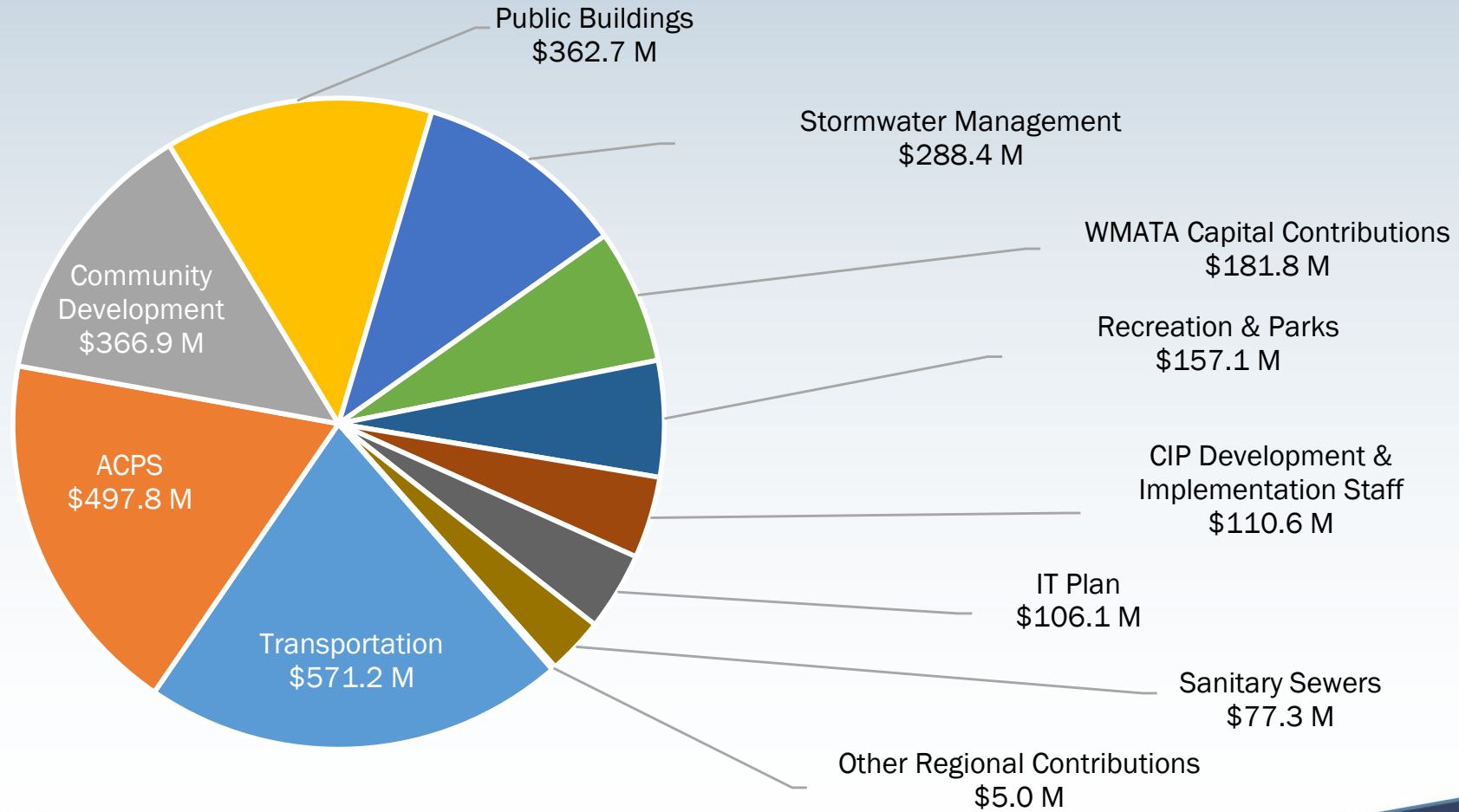
## What is CIPSC?

- Committee with members from the most capital intensive City departments (T&ES, RPCA, DGS, ITS, DPI, and P&Z), charged with:
  - Crafting recommendations for a balanced proposed CIP
  - Identifying policy priorities and themes for the CIP
  - Presenting recommendations to the City Manager
- Committee chaired by Deputy City Manager Emily Baker



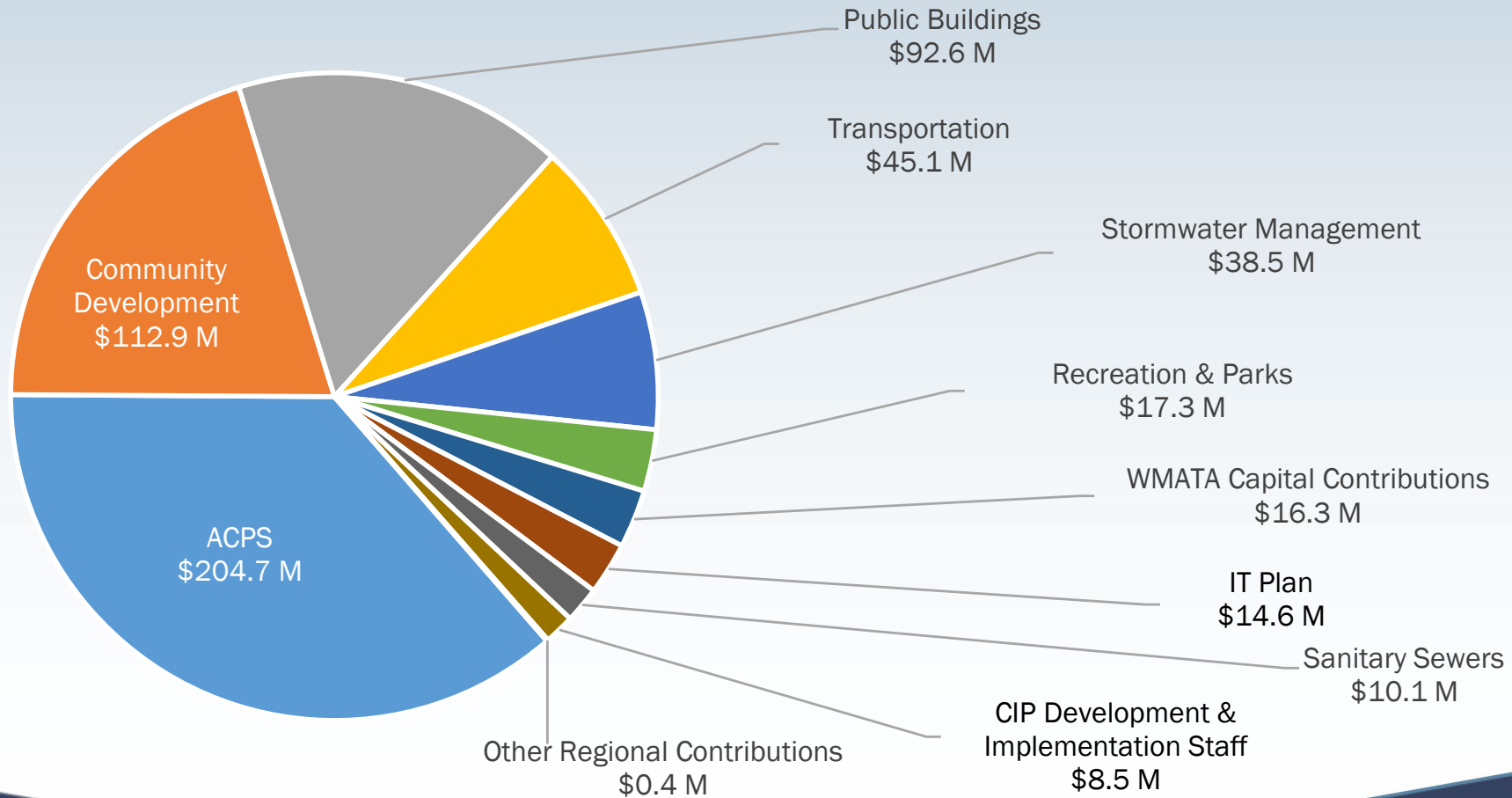
# FY 2023 – 2032 Expenditure Uses

\$2.73 Billion



# FY 2023 CIP Expenditure Uses

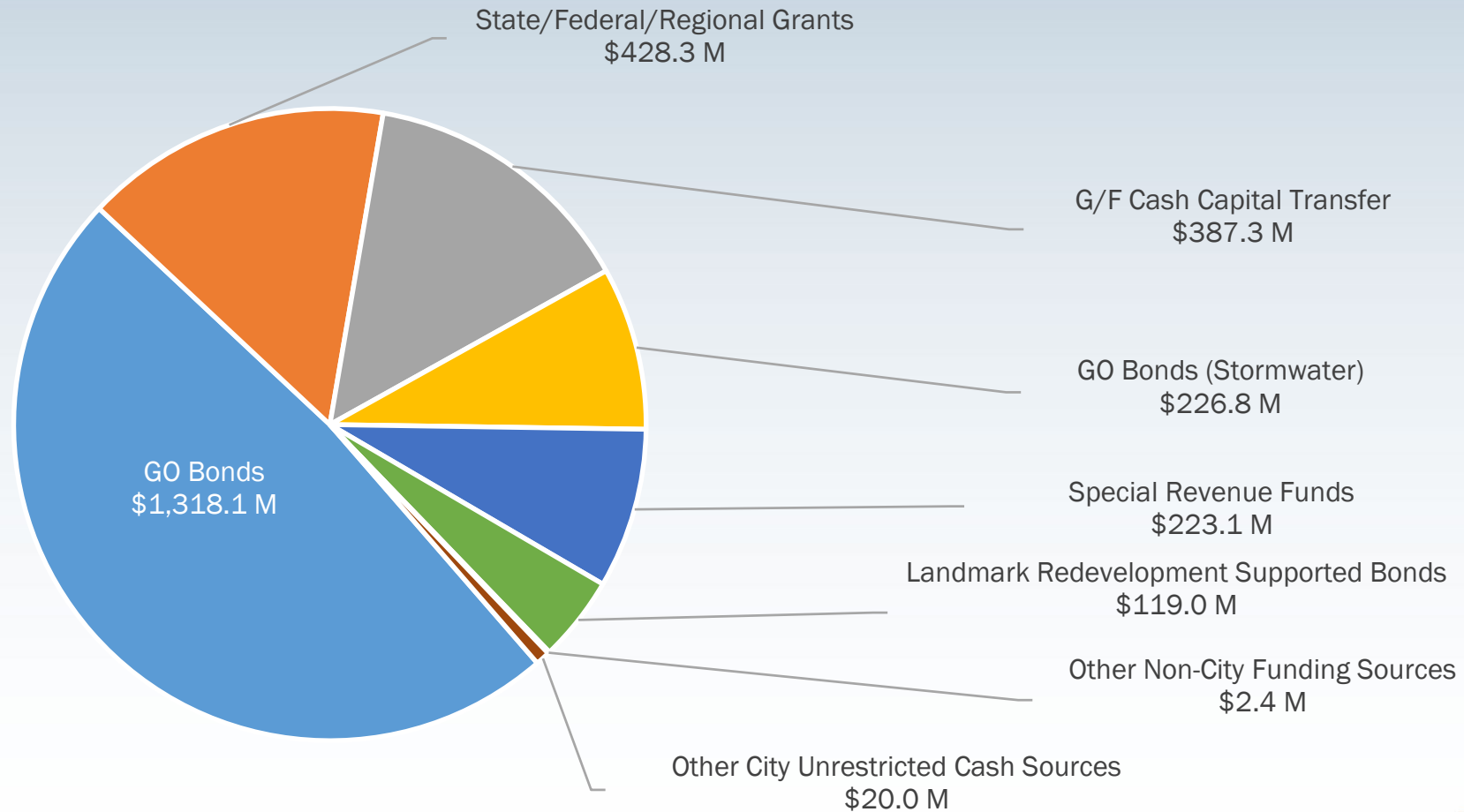
\$561.2 Million





# FY 2023 – 2032 Revenue Sources

\$2.73 Billion





# PRIORITY INVESTMENTS



# Infrastructure

- **Waterfront Plan Implementation/Flood Mitigation** (FY23 - \$35.0M; 10-yr - \$83.2M)
- **Sanitary Sewer Program** (FY23 - \$10.1M; 10-yr - \$77.3M)
- **Transportation**
  - Non-Motorized Infrastructure (FY23 - \$8.6M; 10-yr - \$51.2M)
  - Streets and Bridges Program (FY23 - \$21.4M; 10-yr - \$189.7M)
  - Smart Mobility (FY23 - \$4.6M; 10-yr - \$21.2M)
  - WMATA Capital Contribution (FY23 - \$16.3M; 10-yr - \$181.8M)
- **IT Network Infrastructure/Equipment** (FY23 - \$5.1M; 10-yr - \$70.4M)



# State of Good Repair

- **Public Buildings Capital Facilities Maintenance Program (CFMP)** (FY23 - \$3.1M; 10-yr - \$14.8M)

	FY2022 Average Grade	Average Grade at end of 10-years with FY23 Approved Funding
Alexandria Police Department CFMP	Grade B (0.13)	Grade D (0.44)
Alexandria Transit - DASH CFMP	Grade B (0.16)	Grade C (0.31)
Chinquapin Recreation Center CFMP	Grade C (0.31)	Grade C (0.27)
City Historic CFMP	Grade D (0.56)	Grade F (0.62)
Fire and Rescue CFMP	Grade B (0.19)	Grade D (0.47)
Library CFMP	Grade C (0.26)	Grade F (0.71)
Recreation Center CFMP	Grade B (0.17)	Grade C (0.24)
Torpedo Factory Art Center CFMP	Grade C (0.37)	Grade C (0.23)
Voia Lawson Animal Shelter CFMP	Grade C (0.36)	Grade F (0.71)

- **Street Reconstruction & Resurfacing** (FY23 - \$7.1M; 10-yr - \$63.4M)
- **Sidewalk Capital Maintenance** (FY23 - \$0.9M; 10-yr - \$8.3M)
- **Bridge Repairs including Four Mile Run Bridge Program** (FY23 - \$9.5M; 10-yr - \$57.3M)



# Climate Change & Environmental Justice

- **Citywide Electric Vehicle Charging Stations** (FY23 - \$500K; 10-yr - \$9.5M)
  - New Project to provide charging for City fleet and some public access points
- **Dash Fleet Expansion & Electrification** (FY24 – FY26: \$29.1M)
  - Includes funding for at least 20 100% electric expansion buses and supporting chargers over the next five years
- **Electric Bus On-Route Charging Stations** (FY25 – FY27: \$4.8M)
  - New Project, will allow charging between trips to optimize usage and decrease trips back to depot
- **High-Capacity Transit Corridors** (FY23 – FY28: \$151.2M)
  - Large scale projects for more efficient thoroughfare connections and access to transit



# Climate Change & Environmental Justice

- **Urban forestry program**

- Proactive Maintenance [inspection/pruning] (FY23 - \$328,400; 10yr – \$3.8M)
- Tree & Shrub Capital Maintenance [tree planting & care program] (FY23 – 632,900; 10yr - \$4.1M)

- **Stormwater Management** (FY23 – \$38.5M; 10yr - \$288.4M)

- FY 2023 Highlights:

- **\$26M** for two highest-priority large-capacity projects at Commonwealth/Glebe and Ashby/Glebe
- **\$6M** for spot improvement projects to mitigate localized neighborhood flooding citywide
- **\$4M** in state of good repair programs; includes Four Mile Run Flood Control Project channel maintenance
- **\$0.8M** to continue the City's successful Floodproofing Grant Program (enough funding to support ~150 applications up to \$5,000)
- **\$0.2M** for a study of the Braddock and West intersection to address flooding



# Housing

- **Dedicated Revenue Sources:**

- 1% of Meals Tax: **\$5.4M**/year average; **\$53.7M** over 10 years
- **\$1M**/year Cash Capital committed to attract/address impact of Amazon HQ2

- **ARPA Expenditures**

- Arlandria Chirilagua Housing Cooperative Rehabilitation: **\$2.5M** (FY 23)
- AHDC Arlandria Project – Infrastructure: **\$10M** (FY 24)

- **Housing Master Plan/Regional Housing Initiative Projects**

- AHDC Arlandria Project (future phases); ParcView II and I – Wesley; 2712 Duke Street – Community Housing Partners; Elbert Avenue – CLI; and Landmark Affordable Housing (Fire Station) – FP nonprofit



# Youth Support

- **100% Funding of School Board Approved Capital Funding Request** (FY23 - \$204.7M; 10yr - \$497.8M)
  - Construction of New High School
  - Renovation of 1703 N. Beauregard Office Building
  - George Mason and Cora Kelly Elementary School Major Renovations
- **Recreation and Parks Programs** (FY23 - \$17.3M; 10yr - \$157.1M)
  - Old Town Pool (FY23 - \$1.5M; 10yr - \$10.3M)
  - Athletic Field Improvements (FY23 - \$0.8M; 10yr - \$22.1M)
  - Four Mile Run Park (FY26-28 - \$17.4M)
  - Recreation Facility Maintenance (FY23 - \$0.8M; 10yr - \$51.6M)





# Public Safety

- **Fire Stations/Facilities Maintenance and Replacement** (FY23 - \$0.5M; 10yr - \$57.5M)
  - Fire Station 205 (Cameron St) Replacement
  - Landmark Fire Station (FS 208 Replacement)
- **Burn Building** (FY24 - \$3.0M)
- **Fire Heavy Vehicles & Apparatus** (FY23 - \$1.6M; 10yr - \$31.5M)
- **SCBA Replacement** (10yr - \$9.3M)
- **Public Safety IT Systems**
  - AJIS System (FY23 - \$2.1M; 10yr - \$5.2M)
  - Radio System Upgrade (FY23 - \$3.7M; 10yr - \$10.0M)
  - CAD System Replacement (FY23 - \$1.1M; 10yr - \$7.2M)





# PREVAILING WAGE ORDINANCE



# Cost Impact of Prevailing Wage

- **20% increase** on construction projects under \$500,000; **5% increase** on construction projects over \$500,000
  - Estimated impact on Proposed 10-yr capital plan: **\$100M**
- Implementing Prevailing Wage Ordinance would require developing program and outreach/education plan with vendor community, including SWAM vendors
- **Staff is developing a budget memo that provides additional detail on impacts of ordinance and a recommended timeline for implementation**

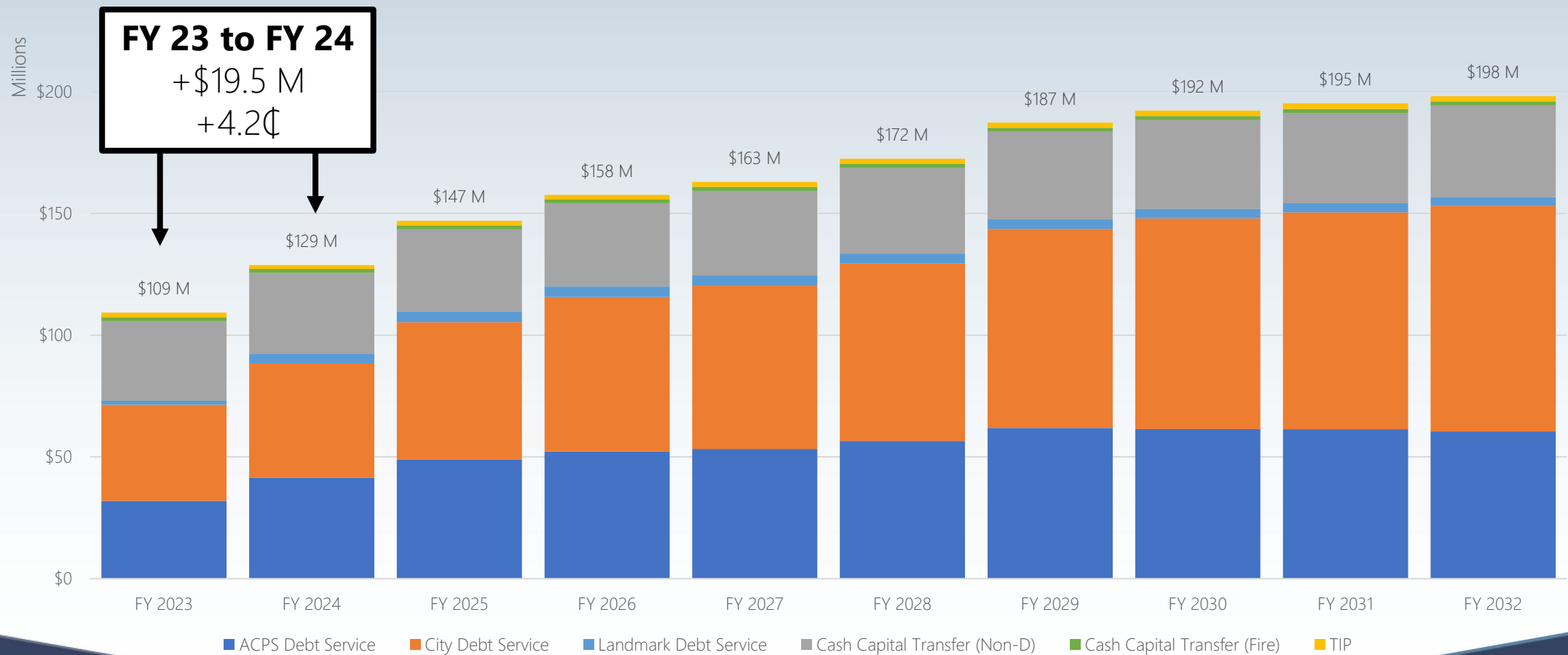




# CAPITAL PROGRAM AFFORDABILITY



# General Fund Support Capital Program



# Sustainability of Capital Program

- General Fund Support of Capital Program projected to increase nearly **\$90 million** over next ten years
  - FY 2023 to FY 2024 alone is a **\$19.5 million increase**
    - Largely driven by CY 2022 Issuance (High School, 1705 N. Beauregard renovation, Landmark Site Purchase, 4850 Mark Center Drive building purchase)
- Increase between FY 2023 and FY 2024 aligns with tax rate increase contemplated in FY 2021 Proposed Budget, but deferred due to COVID-19 Public Health Emergency
  - +2¢ in FY 2021, FY 2023, and FY 2025
- Further smoothing of cost curve will require combination of revenue increases and descoping/deferring City & School projects to make for more sustainable increases





# BUDGET CALENDAR



# Budget Development Dates

Date	Time	Meeting Topic
✓ Tuesday, February 15, 2022	7:00pm	FY 2023 Proposed Budget Presentation
✓ Thursday, February 17, 2022	7:00pm	Proposed Budget Presentation – Public (virtual)
Wednesday, February 23, 2022	7:00pm	Budget Work Session: Capital Improvement Program
Wednesday, March 2, 2022	7:00pm	Budget Work Session: Alexandria City Public Schools
Monday, March 7, 2022	5:30pm	Public Hearing FY 2023 Budget
Tuesday, March 8, 2022	7:00pm	Introduce the Maximum Property Tax Rates
Wednesday, March 9, 2022	7:00pm	Advertise tax rate
Wednesday, March 16, 2022	7:00pm	Budget Work Session: Healthy & Thriving Residents
Wednesday, March 23, 2022	7:00pm	Budget Work Session: Livable, Green & Prospering City
Wednesday, March 30, 2022	7:00pm	Budget Work Session: Safe, Secure & Just Community
Wednesday, April 6, 2022	7:00pm	Budget Work Session: Accountable, Effective & Well-Managed Government/BFAAC
Thursday, April 14, 2022		Add/deletes due
Wednesday, April 20, 2022	7:00pm	Budget Work Session: Topic TBD (if needed)
Saturday, April 23, 2022	9:30am	Tax Rate Public Hearing/ Add/Delete Public Hearing
Tuesday, April 26, 2022	7:00pm	Budget Work Session: Preliminary Add/Delete Discussion
Monday, May 2, 2022	7:00pm	Budget Work Session: Final Add/Delete Discussion
Wednesday, May 4, 2022	7:00pm	Budget Adoption/ Tax Rate Adoption



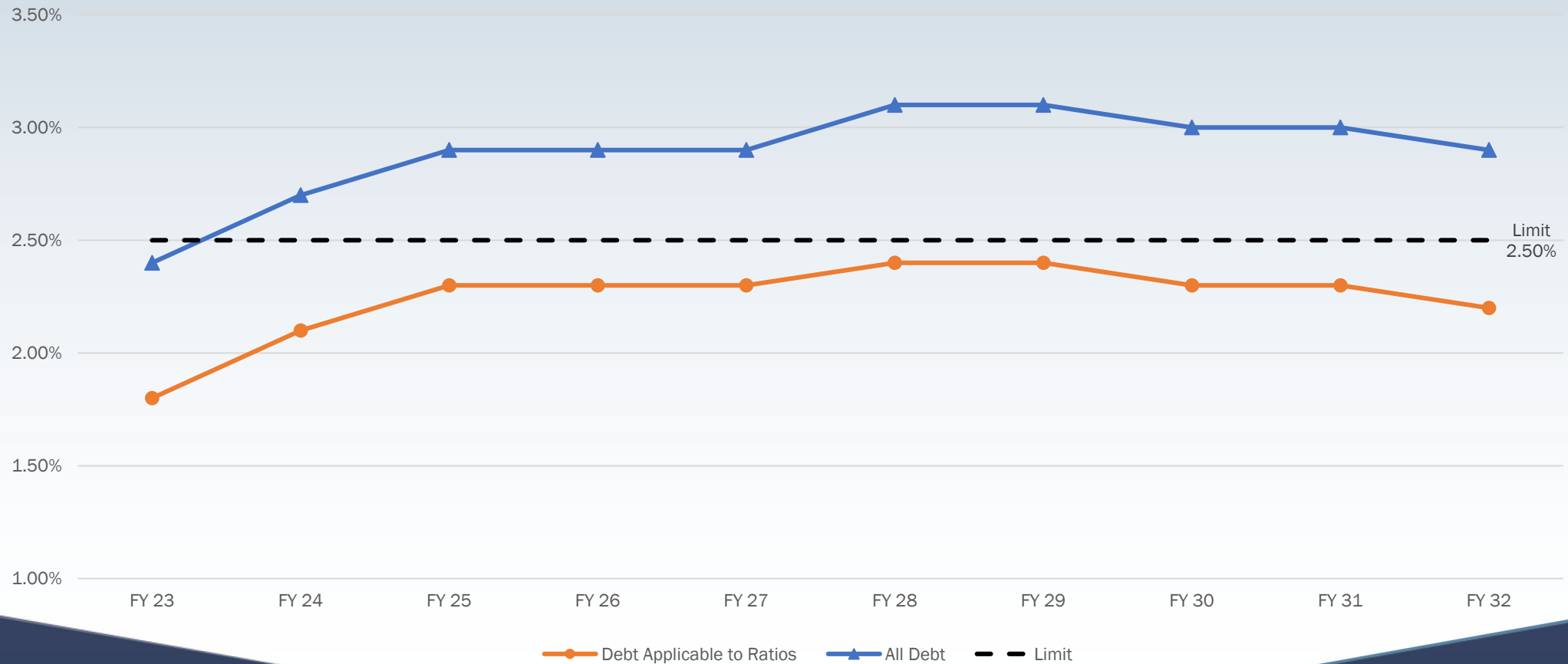




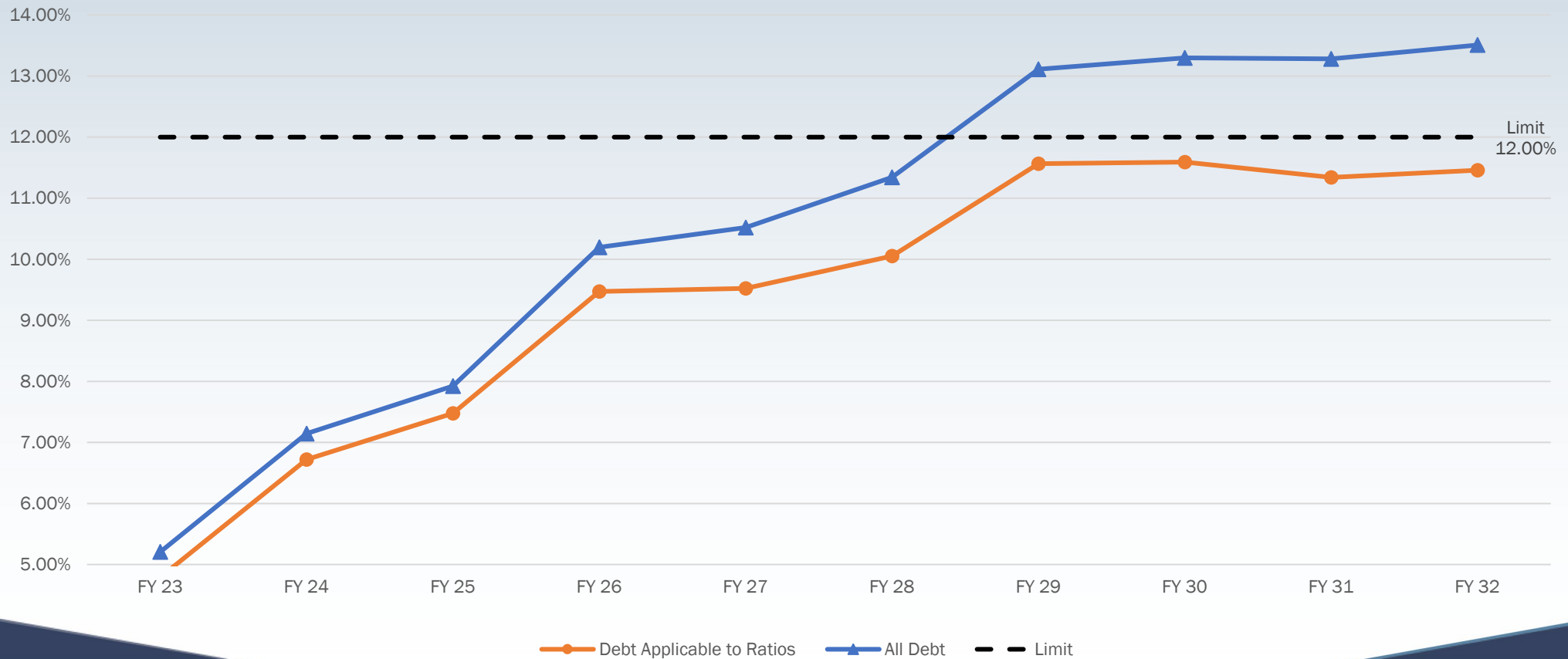
# Supplemental Slides



# Debt as a Percentage of Fair Market Real Property Value



# Debt Service as a Percentage of General Government Expenditures



# 10-Year Debt Payout Ratio

