

FY 2021 CITY MANAGER'S PROPOSED BUDGET

FY 2021 – FY 2030 CAPITAL IMPROVEMENT PROGRAM (CIP)

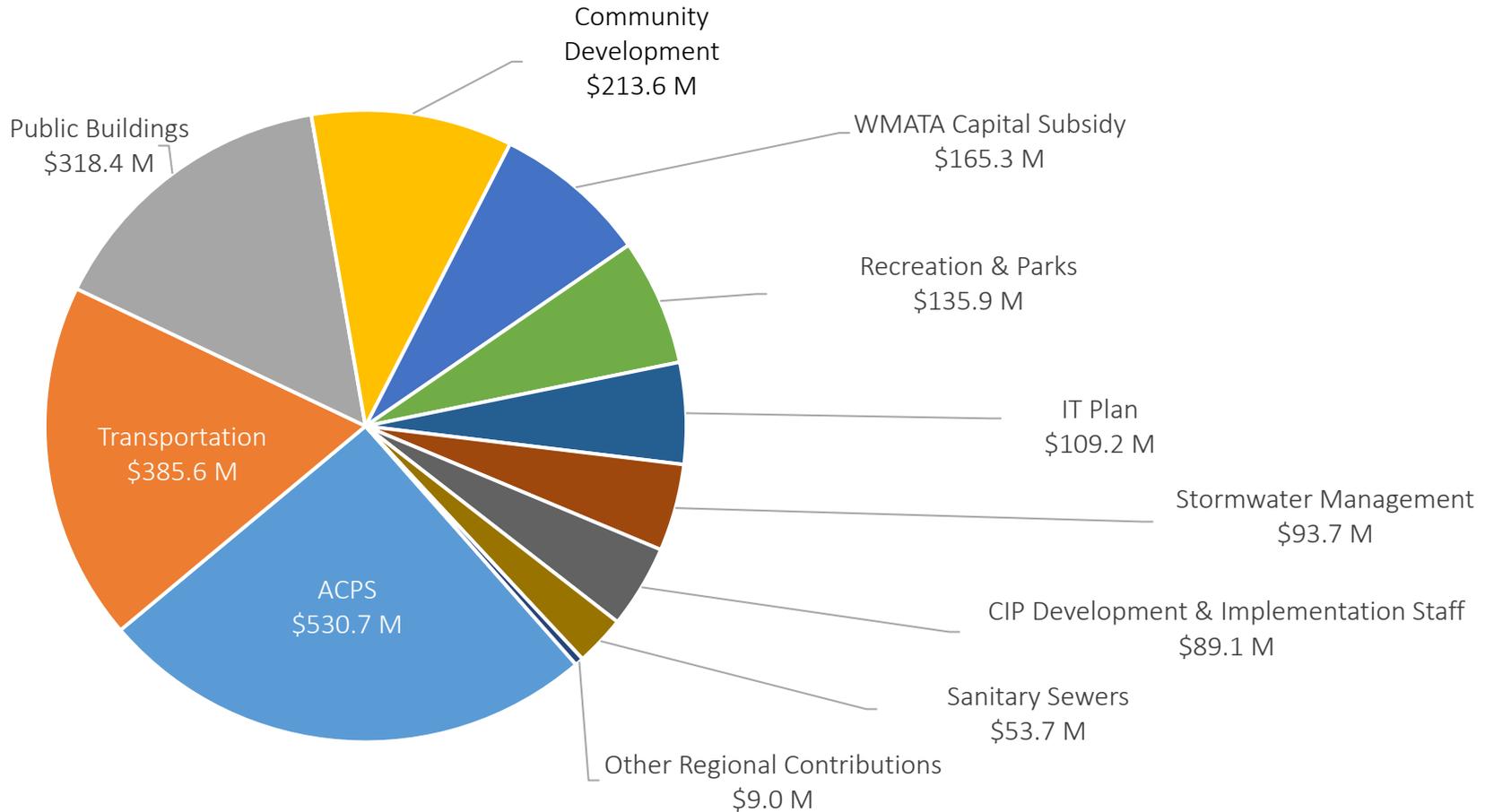
FEBRUARY 26, 2020

AGENDA

- Overview/Highlights
- Major Investments and Updates
 - Transportation
 - Stormwater Management
 - Waterfront Flood Mitigation
 - Recreation & Parks
 - Public Facilities
 - Information Technology
- Discussion



FY 2021 – FY 2030 – PROPOSED EXPENDITURES



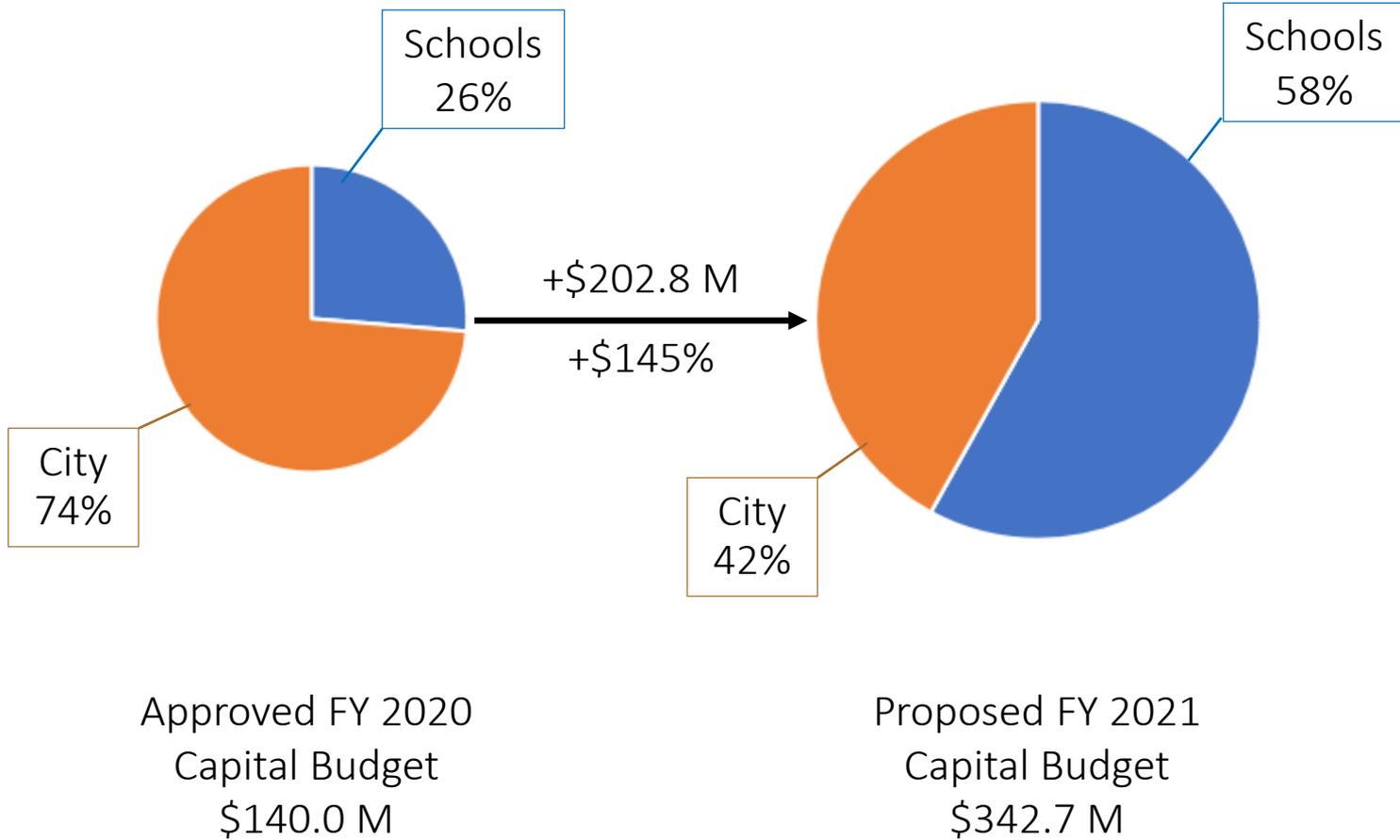


PROPOSED CIP

HIGHLIGHTS

- Proposed CIP totals \$2.10 billion
 - \$486.4 million increase (+30.1%)
 - CIP is 35% cash funded and 65% bond funded
 - CIP is consistent with City Debt Policy Guidelines
 - General Fund supported School and City debt service increases from \$66.0 million in FY 2020 to \$144.9 million in FY 2030
- First major revision of CIP since FY 2017
 - Accounts for significant increases in construction costs, more consistent application of cost escalations and contingencies, and changes in projects' need and scope
- Fully funds \$530.7 million School Board CIP

CITY AND SCHOOL CAPITAL: FY 2020 vs FY 2021



CIP DEVELOPMENT PROCESS

- **June 2019:** CIP Development Process kicks off
- **September 2019:** departments submitted capital project funding requests
- **September 2019 – November 2019:** OMB reviews project submissions
- **September 2019 – December 2019:** Capital Improvement Program Steering Committee (CIPSC) crafts recommendations for the City Manager
- **January 2020 – February 2020:** City Manager reviews recommendations and finalizes Proposed CIP

What is CIPSC?

- Committee of 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



CIP CHALLENGES

COST DRIVERS

- Significant focus on re-estimating construction/implementation costs
 - Significant increases in construction related costs are anticipated
 - Nationwide, construction costs are being pressured by
 - Increased inflation,
 - Labor shortages,
 - Material cost increases, and
 - Fuel cost increases
 - Multiple cost indices are indicating a higher than normal escalation in costs:
 - Mortenson Construction Cost Index predicts (nationwide) a 6% to 8% increase in nonresidential building construction costs for 2018
 - Engineering News-Record Construction Cost Index (CCI) has indicated a 5.3% annual escalation over last 5 years in greater-Washington region (five-year total 26.7% increase)
 - Department of Commerce Non-Seasonally Adjusted Construction Put-in-Place showed public section construction value increasing 11.5% in the past year
- Increased focus on understanding changes in project scope over life of the project
 - Unforeseen circumstances, design changes driven by community involvement, etc.

BRIDGES

10-YEAR PLAN: \$24.9 MILLION

- Existing Program – Prior to FY 20
 - All bridges in Satisfactory Condition
 - Average Score of 6 on a 9-point scale
 - Biannual inspection of 22 **road bridges**
 - Maintenance & Capital Improvements by City (general fund) and grants (when available)
- Resetting the Program – Moving Forward
 - Still 2-yr inspection of all road bridges
 - Increased inspections of 24 **pedestrian bridges** (5-year cycle)
 - Programmed Corrective Maintenance
- CIP
 - Continued Grant Applications
 - Will now include projected bridge replacement

Eisenhower Ave. Bridge



Backlick Run Pedestrian Bridge

BRIDGES – FOUR MILE RUN BRIDGES

10-YEAR PLAN: \$20.0 MILLION

- Two bridges of similar age & in need of rehabilitation
- Improvements to consider:
 - People who walk and ride bicycles
 - Flood Mitigation Constraints
 - Four Mile Run Master Plan (2006)
- Framework of cost sharing agreement with Arlington developed
- **West Glebe Road Bridge**
 - Approximately \$6 M to \$14 M in FY 2021 – 2023 (Approx.)
 - Design/Bid/Build Option to begin in Fall 2020
- **Arlington Ridge Road Bridge**
 - Remains in satisfactory condition for vehicle use
 - Costs likely higher (\$23M - \$28M) as bridge is longer



DASH BUS FLEET REPLACEMENTS

10-YEAR PLAN: \$80.2 MILLION



- State of Good Repair (SGR) Needs:
 - DASH buses replaced at end of 12-year standard life.
- FY 2021- 2030:
 - 66 DASH buses will be retired and require replacement
 - Currently 52 hybrids, 14 clean diesel
- Proposed CIP Budget phases in electric buses as replacements from FY 2023 - 2026. By FY 2026, goal is 100% electric replacement. Current cost of an electric bus is \$1.2 M/bus
- **Significant grant sources will need to be identified and secured to fully fund this electrification timeline.**
- Per plan, final clean diesel buses arrive in FY 2025 and retired in FY 2037
- First 6 replacement electric buses funded by **VW Mitigation Trust** arriving in late Summer 2020.



DASH FACILITY AND FLEET EXPANSION

10-YEAR PLAN: \$25.8 MILLION

- Expansion of DASH Facility needed to support **up to 45 additional buses**
- Facility and utility upgrades to support **electrification**
- **26 expansion buses** (20 electric, 6 clean diesel), enabling:
 - Extension of King Street Trolley to Eisenhower Avenue Metro
 - Expanded service funded by I-395 Commuter Choice (AT-1 Plus, AT-9, currently in service using retained older buses)
 - Additional peak service in new Alexandria Transit Vision Plan network, ensuring service reliability with electric buses
- **Facility and expansion buses currently funded by Smart Scale and NVTA 70%**



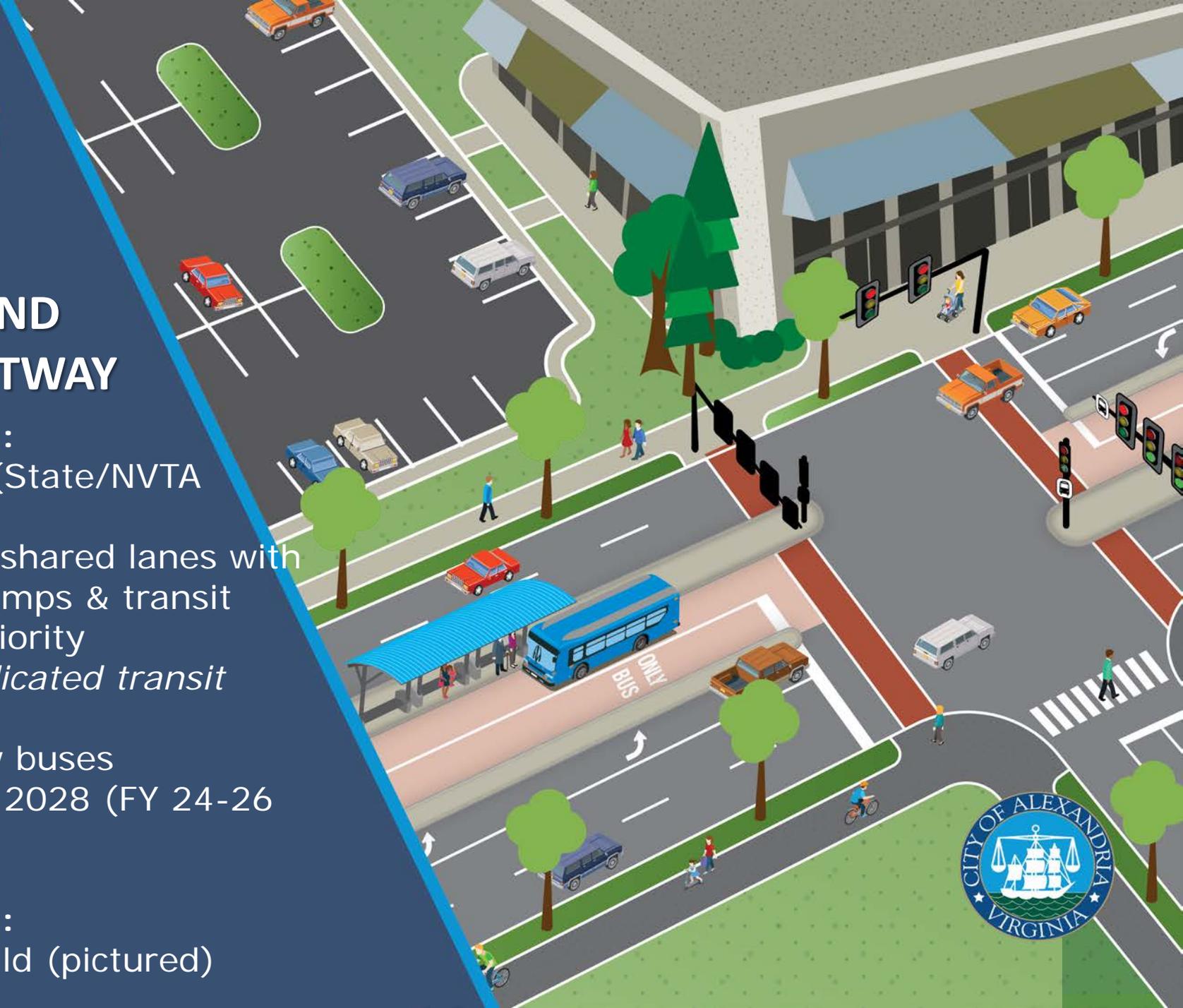
WEST END TRANSITWAY

Phase 1:

- \$73m (State/NVTA grants)
- Mostly shared lanes with queue jumps & transit signal priority
- *No dedicated transit lanes*
- 20 new buses
- Begins 2028 (FY 24-26 funds)

Phase 2:

- Full build (pictured)



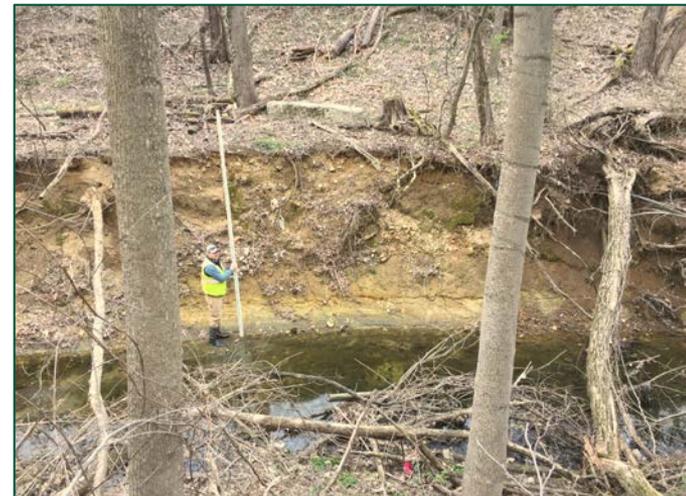
DRAINAGE, FLOODING AND CHESAPEAKE BAY POLLUTION REDUCTION

STORMWATER 10-YEAR CAPITAL PLAN: \$93.7 MILLION

- ✓ Funding: Stormwater Utility Fees
- ✓ State of Good Repair & Mandates

Rate increase to fund increasing drainage/flooding and mandates

- More intense and frequent rainfall events are a **long-term trend** leading to significant increases in requests for drainage and flooding projects
 - \$35 M in storm sewer resiliency, capacity improvements & drainage and flooding projects
- Last September, Council approved the Phase 2 Bay Action Plan: City is **ahead of schedule** but more work to be done to achieve mandates
 - \$51 M for stormwater quality infrastructure projects
- Proposed rate increase for FY 2021 is 4.5%; from \$140.00 to \$146.30 per ERU (average single family house +\$6.30)
 - This generates an additional \$380,000 in revenue per year



WATERFRONT PLAN IMPLEMENTATION

- Full program updated cost estimated at Fall CIP Worksession (\$122.0 million)
- Project needs to be redesigned/rethought and cost reduced
- Placeholder in new CIP amount set at 75% of construction costs
 - Proposed CIP Funding- \$101.9 million (FY 2021 - \$30.5 million; FY 2022 - \$71.4 million)
- Increases from 2016 CIP:
 - Construction cost basis due to scope refinement, new design information, market increases (cost and competition)
 - Escalation to mid-year of construction – 10 years from original estimate
 - Rethinking of goals and design concepts proposed



Duke St.

Prince St.

King St.

Cameron St.

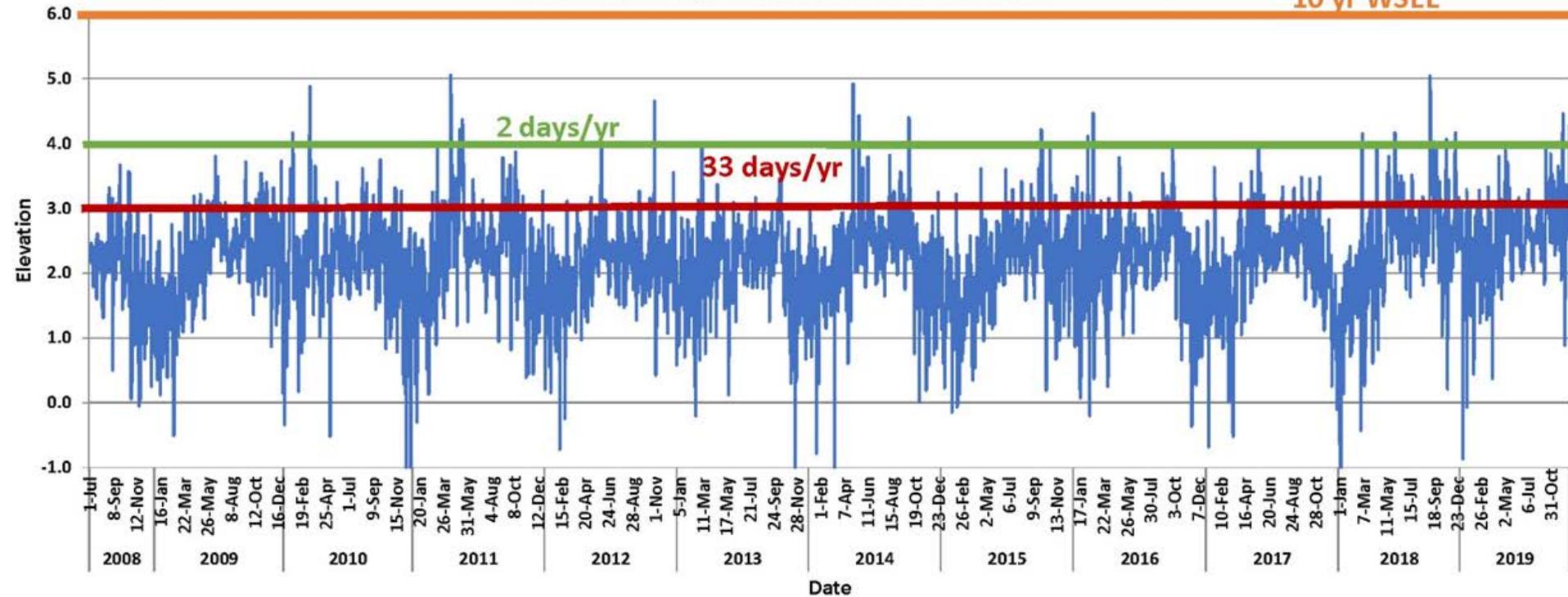
Queen St.

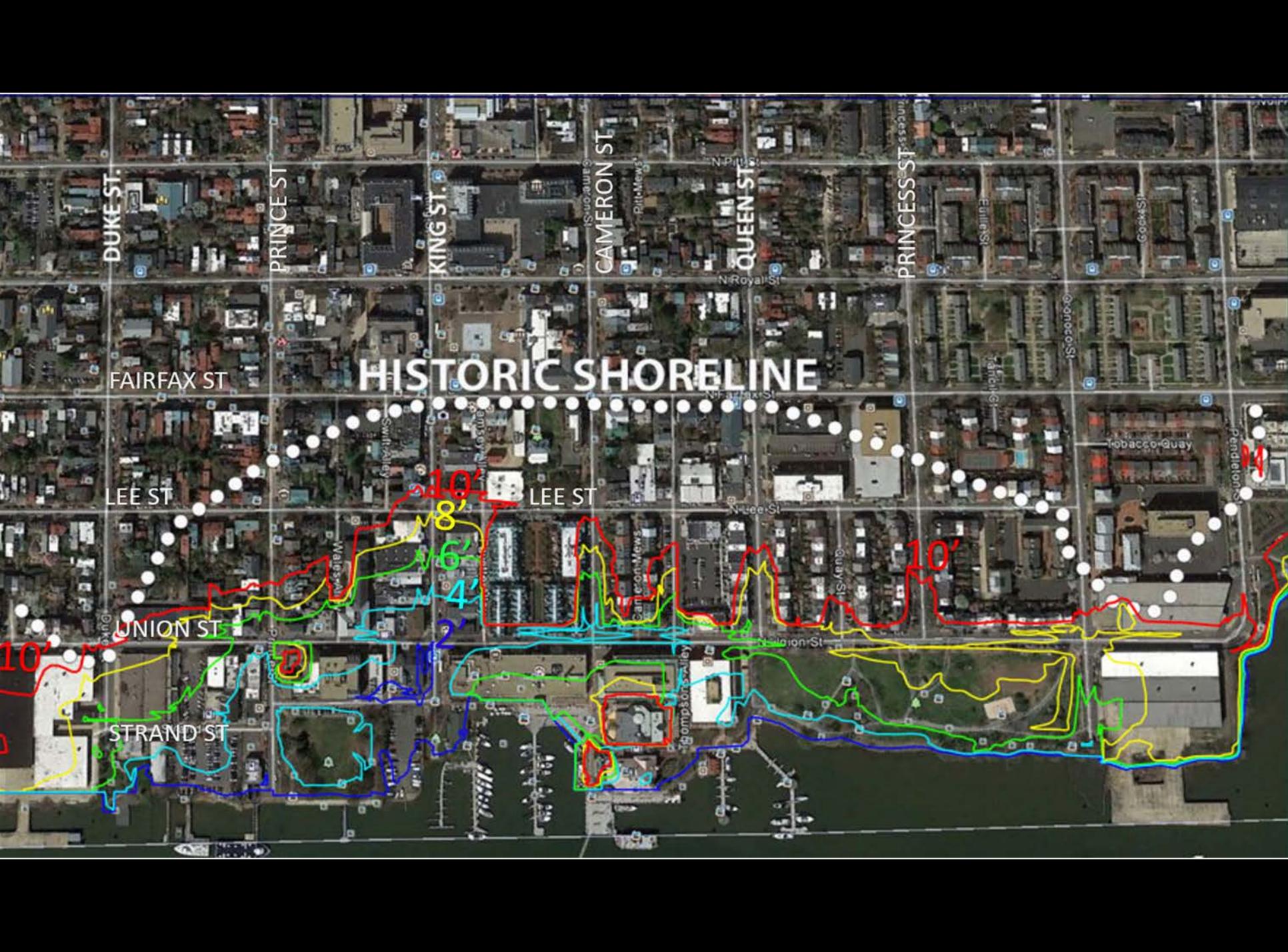
Union Street

USGS River Elevation

July 2008 - Oct 2019
Maximum Daily Water Surface Elevation

10 yr WSEL





DUKE ST.

PRINCE ST

KING ST.

CAMERON ST

QUEEN ST

PRINCESS ST

FAIRFAX ST

HISTORIC SHORELINE

LEE ST

LEE ST

UNION ST

STRAND ST

10'

8'

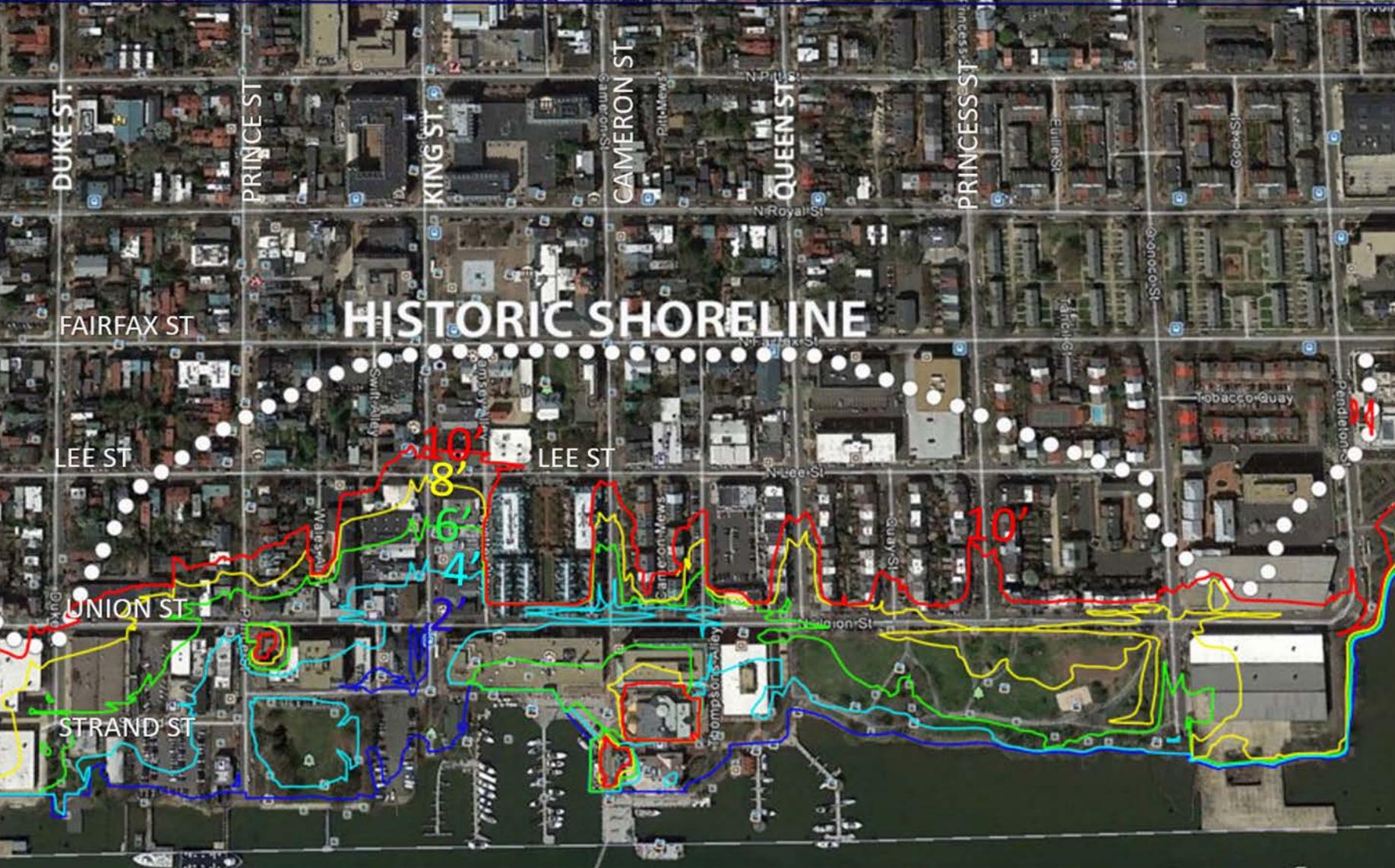
6'

4'

10'

10'

10'



WATERFRONT IMPLEMENTATION

FLOOD MITIGATION – OPPORTUNITY TO CONSIDER

- Changing realities of storm intensity and frequency
- Dynamic regulatory environment
 - Approach to permitting
 - Approach to mitigation and related cost-escalation
- Many communities re-evaluating their approach to shoreline management and flood mitigation
- Consider philosophy of flood resilience



WATERFRONT IMPLEMENTATION

FLOOD RESILIENCE

- New way of thinking about flood disaster mitigation.
- Embracing the philosophy that we should learn to live with floods and to manage flood risk and not seek to avoid it.
- Resilient flood risk strategies aim at reducing flood risk through:
 - Protection
 - Prevention
 - Preparedness

WATERFRONT IMPLEMENTATION

NEXT STEPS

- Continue with Progressive Design-Build (PDB) process
- Concept review:
 - Previous studies and findings
 - Resiliency approach
 - Current best practices
 - Regulatory opportunities and constraints
 - Refined Cost Analysis
 - Value-Engineering opportunities
 - Maintain consistency with goals of Waterfront Plan
- Community engagement
 - Validate and affirm project priorities
 - Review alternatives
- Periodic updates/work sessions with Waterfront Commission and City Council

EXAMPLES OF RESILIENCY APPROACH

HUNTER'S POINT SOUTH (NYC)



EXAMPLES OF RESILIENCY APPROACH

BOSTON HARBOR



EXAMPLES OF RESILIENCY APPROACH

TOKYO, JAPAN



WATERFRONT IMPLEMENTATION

PROCESS SCHEDULE

1. Evaluation of project priorities: Dec. 2019 – August 2020
2. Owner-advisor procurement: through February 2020
3. PDB RFP development: Spring 2020 – Late 2020
 - Engage with Waterfront Commission and City Council on alternatives analysis and recommendations
 - Cost validation
 - Criteria development to qualify PDB
 - Industry outreach
4. PDB procurement: Early 2021 – Late 2021
5. PDB phase 1 (design): 2022
 - Engage with Waterfront Commission and City Council on early design development
6. Negotiate GMP: Late 2022 / Early 2023
7. PDB phase 2 (construction): Begin 2023

RECREATION & PARKS

FY2021-FY2030 OVERVIEW

Focus on Capital Facility Maintenance Projects (CFMP) and State of Good Repair

Implement investments in key infrastructure

- Athletic Field Improvements
- Eugene Simpson Stadium Park Renovation
- Douglas MacArthur School – Recreation Programming Space
- Four Mile Run Park Renovation



RECREATION & PARKS

STATE OF GOOD REPAIR

State of Good Repair is the point where all parks and recreation or cultural facilities are safe, clean, accessible, reliable and open to the community for their intended purposes.



RECREATION & PARKS

FY 2021-FY 2030 CFMP INVESTMENTS

The Proposed CIP

- Funds current CFMP programs with an increase for escalation.
- Increases CFMP funding for public pools and public art conservation to address existing infrastructure needs.
- Increases CFMP funding to include contingency to address market fluctuations and new regulations.
- Funds a CFMP for the Torpedo Factory Art Center
- Fund repairs to Holmes Run Trail system damaged in July 2019



ATHLETIC FIELDS IMPROVEMENTS

10 YEAR PLAN: \$21.4 MILLION

Shift focus from synthetic conversions to improvements at diamond fields and synthetic turf re-carpeting

Upcoming projects address recommendations of the Citywide and Neighborhood Park Improvements Plans and lifecycle replacements

- FY 2023: Eugene Simpson Stadium Park (\$13.5 million)
- FY 2024: Stevenson Field, and Witter Synthetic Re-Carpeting (\$2.1 million)



ATHLETIC FIELDS

EUGENE SIMPSON STADIUM PARK RENOVATION (\$13.5 MILLION)

- Implements recommendations of the 2014 Citywide Parks Improvements Plan
- Addresses program needs at diamond fields for various user groups

Improvements include:

- Natural turf renovation of the baseball field (large field);
- Natural turf renovation and dugouts at the Little League field (small field);
- Parking enhancements;
- Concessions and seating;
- Consolidated storage; and
- Removal of existing structures and site work.



Design: Current Fiscal Year

Construction: FY 2023

MACARTHUR SCHOOL RPCA PROGRAMMING SPACE

FY 2021: \$2.0 MILLION

- Forest concept approved by School Board February 6th
 - After school programming
 - Large group & quiet spaces
 - Full size gym to allow for seating, youth basketball & teen programming
 - Dedicated RPCA storage
 - Dedicated RPCA admin. office
 - Secure access to restrooms during non-school hours for all age groups
 - Outdoor Community Use
 - Synthetic turf fields
 - Multi-age play equipment
 - Outdoor accessible restroom
 - Connections to Forest Park trail system



Design: Current Fiscal Year

Construction: FY 2021 – FY 2023

FOUR MILE RUN PARK RENOVATION

10-YEAR PLAN: \$21.4 MILLION

- Implements recommendations of the 2014 Citywide Parks Improvements Plan
- Timing is aligned with the ACPS for Cora Kelly Elementary School

Improvements include:

- Natural turf renovation of Frank Mann Field,
- Natural turf renovation of the Softball Field,
- Parking enhancements,
- Restroom renovation,
- Storage, and
- Implementation of the Four Mile Run Restoration Master Plan recommendations



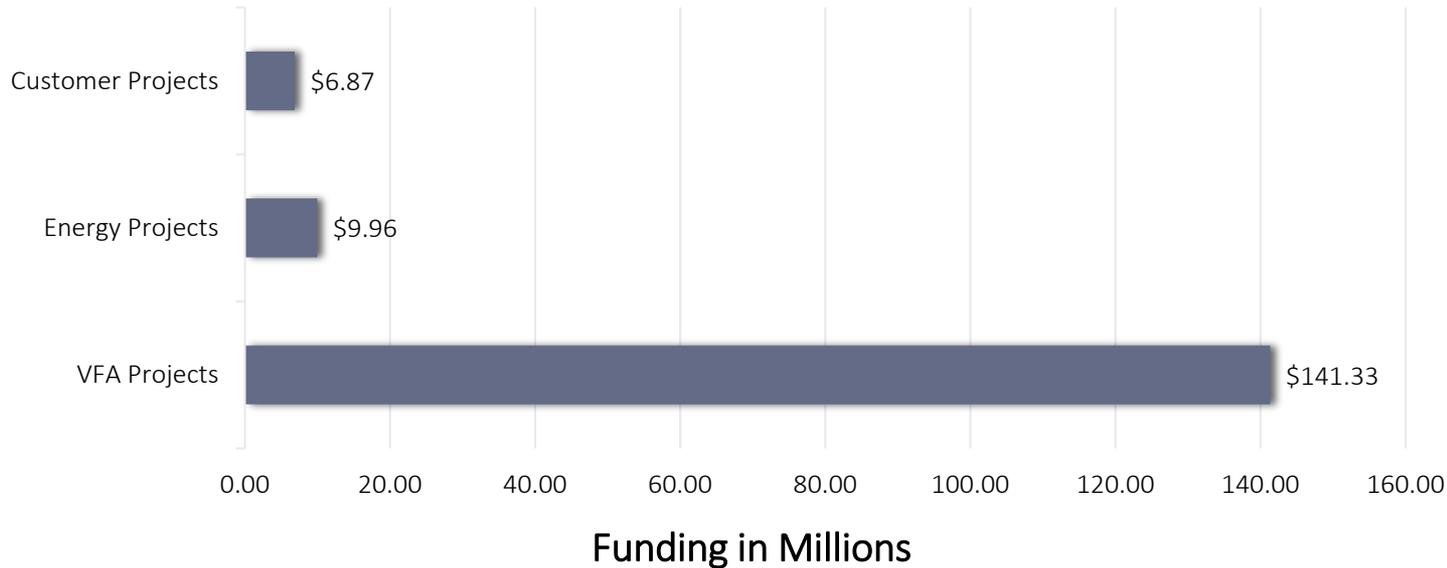
Design: FY 2025

Construction: FY 2027

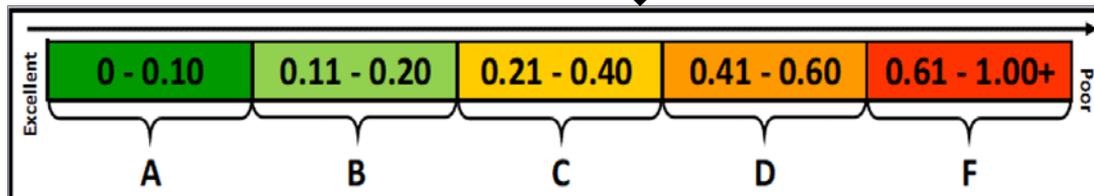
PUBLIC BUILDINGS

CAPITAL FACILITY MAINTENANCE PROGRAM (CFMP)

Total 10-Year Funding - \$158.16 M



CFMP funding provides for an average Grade C (0.38) in 10-years





CITY HALL RENOVATION, SWING SPACE, PLAZA, AND GARAGE

- Full program updated cost estimated at Fall CIP worksession (\$105.6 million)
- Placeholder in new CIP set at 75% of construction costs pending development of more detailed plans and costs
- Proposed CIP placeholder amount for City Hall Renovation: \$61.5 million
- City Hall Swing Space: \$8.5 million
- Market Square/Garage: \$9.0 million

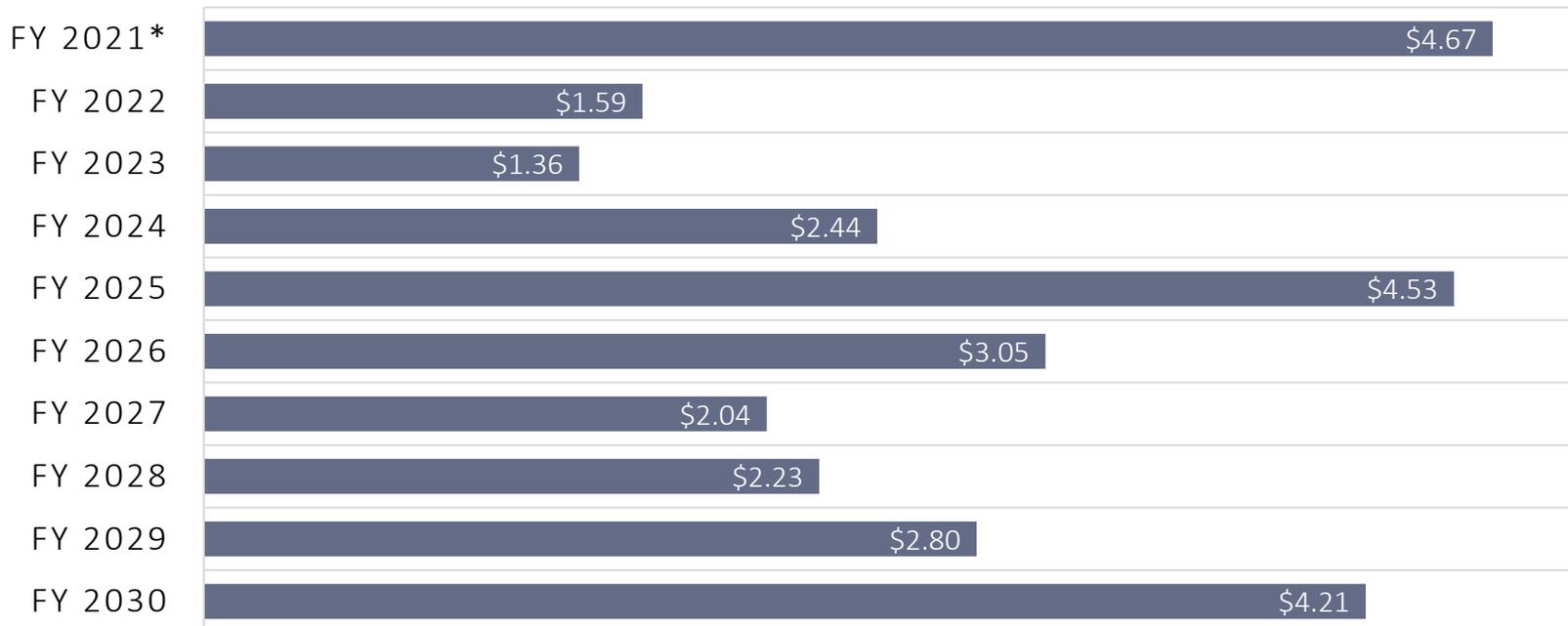


CITY HISTORIC FACILITIES CFMP

10-YEAR PLAN: \$28.9 MILLION

Funding added for Gadsby’s Restaurant and Museum, American Legion, Reeder House, and Freedom House.

FUNDING (IN MILLIONS)



*FY 2021 includes \$2.44M proposed State funding for Freedom House

DCHS Co-LOCATION AND CONSOLIDATION

10-YEAR PLAN: \$21.3 MILLION



- Lease provides \$19.4 million in tenant improvement credits
- For full interior improvements budget an additional \$21.3 million has been contemplated

Programming
and Design
Spring 2020 –
Fall 2021

Construction
Spring 2022 –
Spring 2023

Occupancy
Summer 2023

FIRE STATION REPLACEMENT PROGRAM

10-YEAR PLAN: \$33.2 MILLION

- Fire Station 208 realigned with estimated Landmark Development
- Fire Station 205 and 206 moved beyond the 10-year CIP

Fire Station 208
FY 2022 – FY 2024
\$11.35M



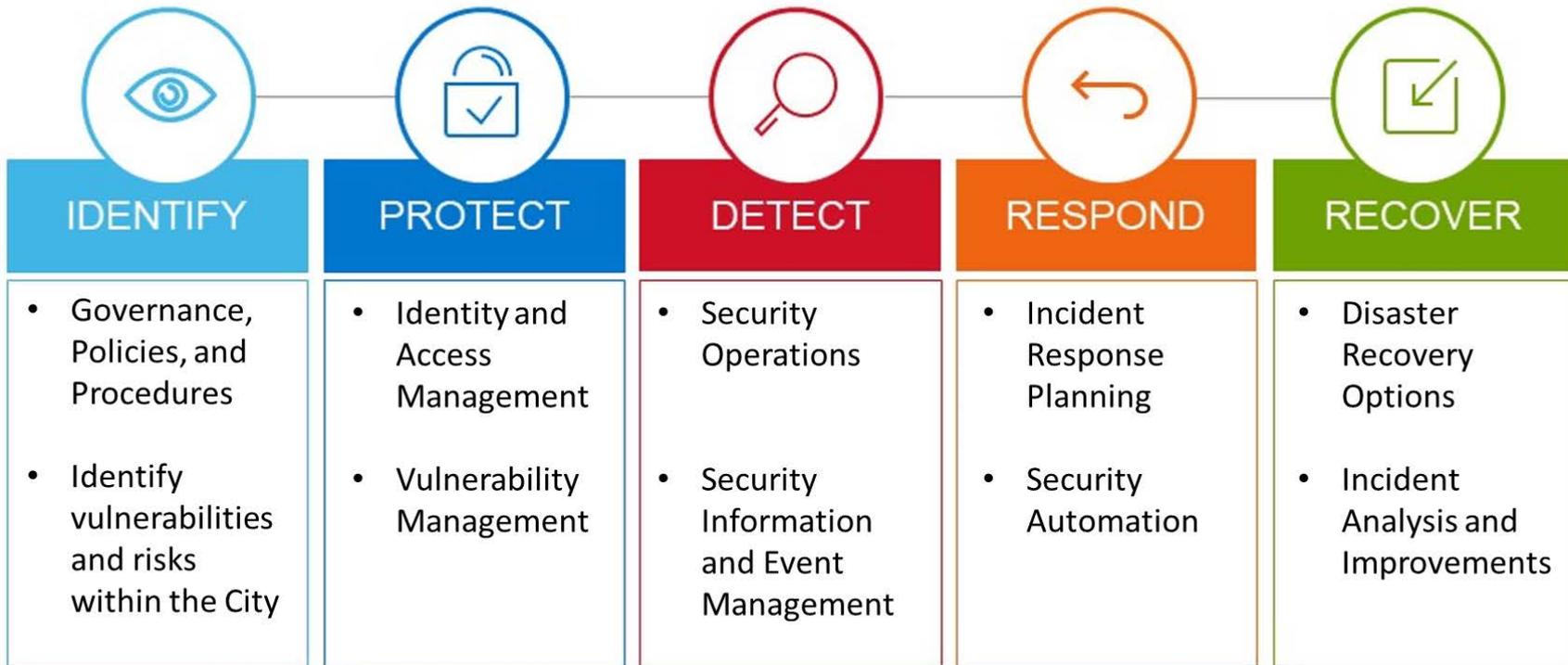
Fire Station 207
FY 2024 – FY 2026
\$21.8M



CYBERSECURITY

10-YEAR PLAN: \$4.4 MILLION

NIST Cybersecurity Framework Overview

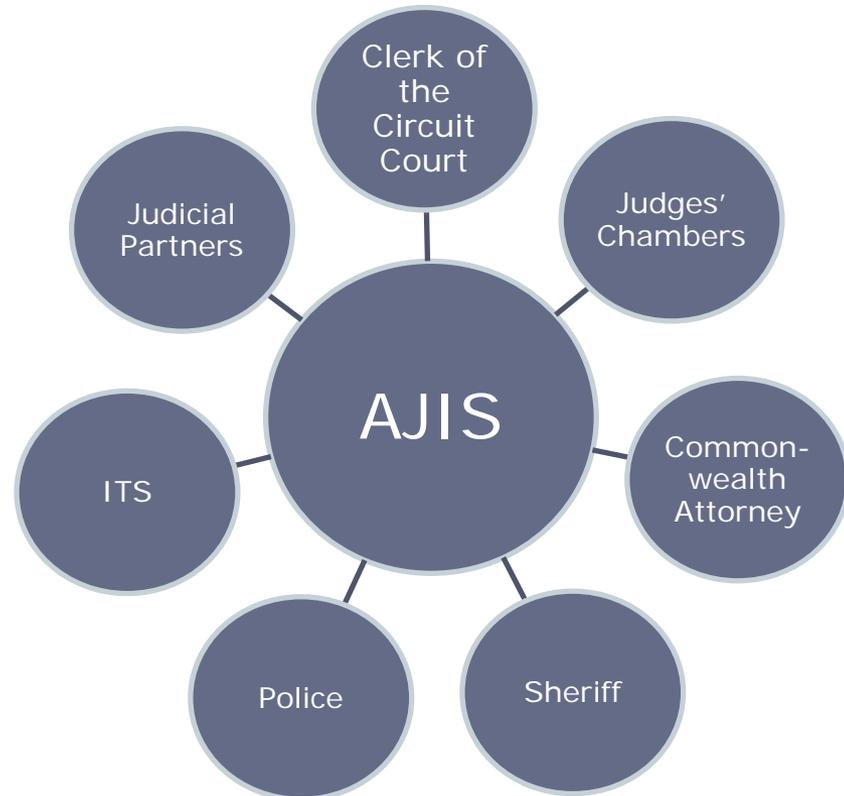


ALEXANDRIA JUSTICE INTEGRATED SYSTEM (AJIS)

10-YEAR PLAN: \$13.7 MILLION

Major Milestones:

- Transition to State Court Case Management System
- Acquisition of new systems
 - Warrants
 - Commonwealth Attorney
 - Jail Management
 - Data-sharing platform
- Collaborative multi-agency planning and implementation



911 COMPUTER-AIDED DISPATCH SOFTWARE

10-YEAR PLAN: \$7.0 MILLION

Alignment with Next Generation 9-1-1 technologies

- Wireless telephone callers
- Telecommunications
- Emergency Services Internet Protocol Networks (ESInets)
- Text, images, video, and voice calls

Computer Aided Dispatch (CAD)

- Online 2015
- Roadmap future enhancements to meet future industry capabilities



RADIO SYSTEM PROGRAM

10-YEAR PLAN: \$11.1 MILLION

Radios are used by Public Safety, ACPS, and other City staff for critical response and immediate communications needs

- Subscriber replacements (2,150 radios)
- Core system upgrades
- Radio infrastructure components

Project will also review available alternative communication technologies for non-public safety radio users



MUNICIPAL FIBER NETWORK

10-YEAR PLAN: \$3.5 MILLION (+\$12.4 MILLION PREVIOUSLY BUDGETED)



- Connectivity for schools, libraries, and government offices
- Two conduits – provide services to the City and provide services to the community through potential partnerships with service providers
- Invitation to bid to be revised and issued
- Funding added in FY 2021 for:
 - Construction management services
 - Construction contingency
 - Project staffing
- Additional funding for FY 2022 is TBD and may be necessary



PROPOSED CIP

OTHER HIGHLIGHTS

- WMATA Capital Fully Funded (\$165.3 M)
- Affordable Housing funding totals \$69.3 million
 - Includes \$55.8 million from the Meals Tax Dedication for Affordable Housing
- Street Reconstruction & Resurfacing funding totals \$58.4 million
 - Funding provides for repaving of 50+ lane-miles per year



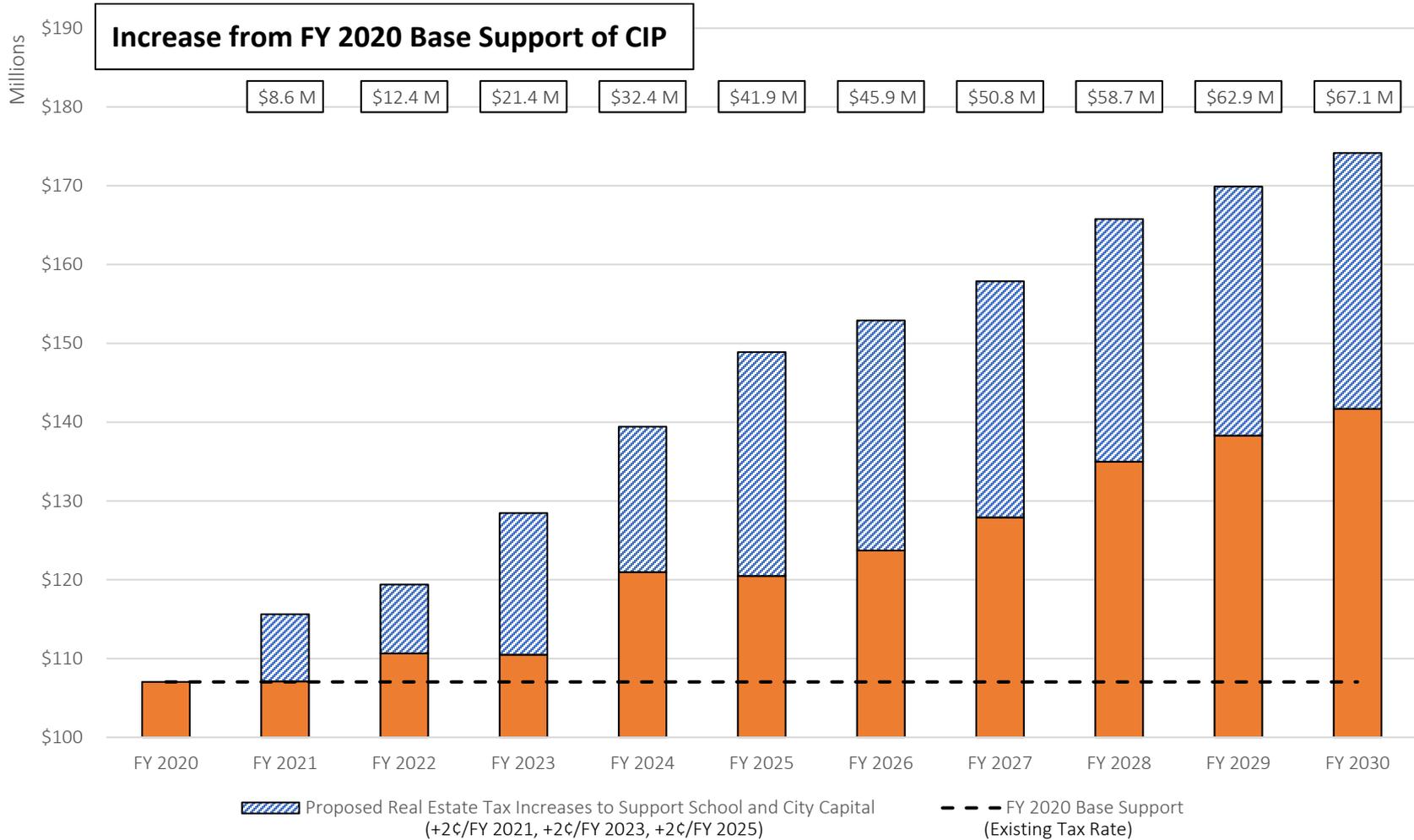
CIP CHALLENGES

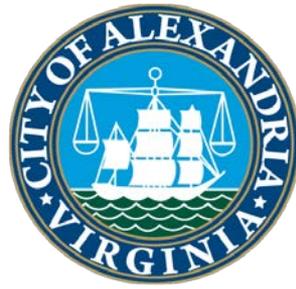
AFFORDABILITY OF CAPITAL PROGRAM

- Support of City and School capital programs will put significant expenditure pressure on City's General Fund budget
- General Fund supported School and City debt service increases from \$66.0 million in FY 2020 to \$144.9 million in FY 2030
- RE Tax Rate Increase for Capital
 - +2 cents on the RE tax rate in FY 2021, adds + \$12.8 million
 - Projected Funding Needs =
 - +2 cents in FY 2023 = +4 cents
 - +2 cents in FY 2025 = +6 cents
 - +6 cents in total added by FY 2025
 - Would add to the existing RE tax, but not proposed to be hard wired dedicated, since largely funding long-term debt service
 - All cash at first then converts to debt service
 - Funds about \$260 million in over 10 years



PROPOSED TAX RATE INCREASES TO SUPPORT SCHOOL AND CITY CAPITAL NEEDS

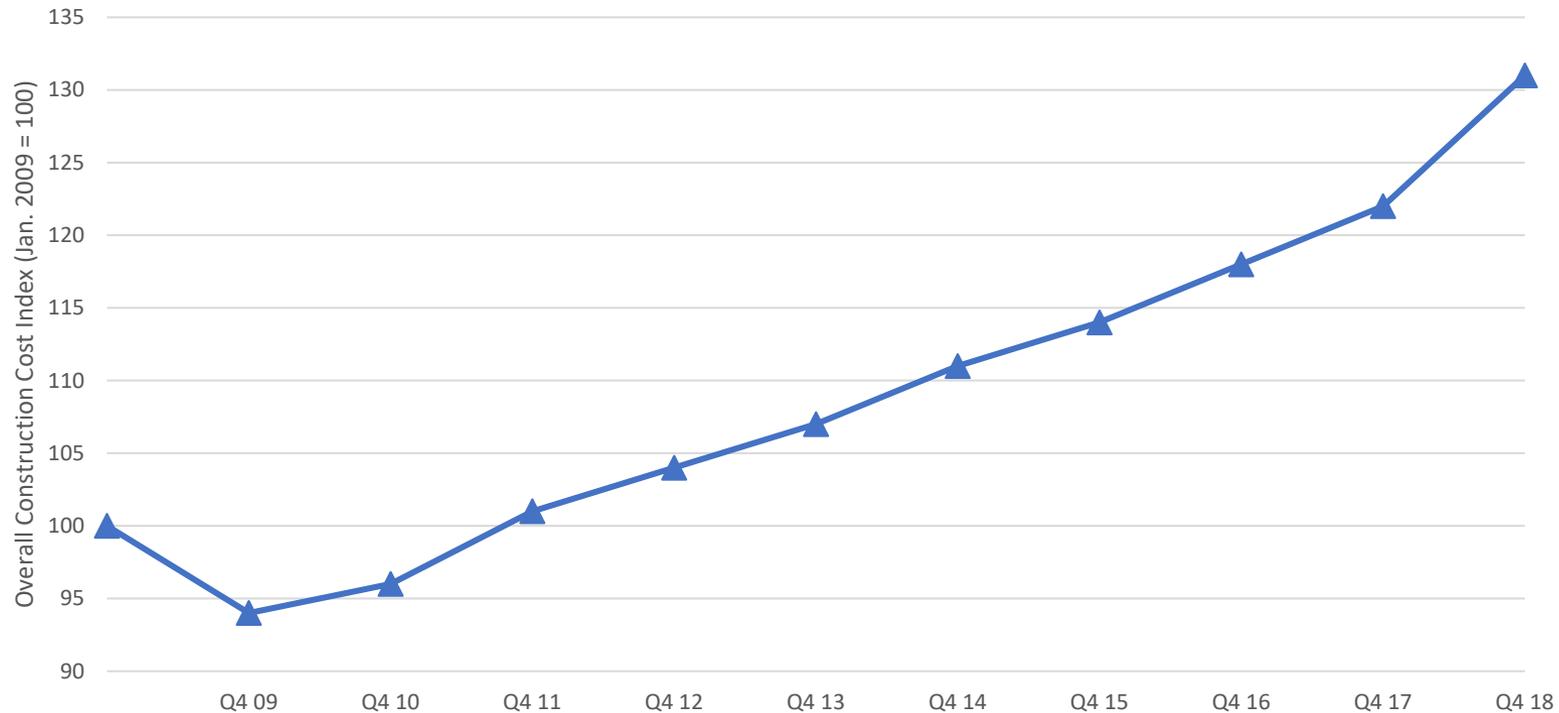




APPENDICES

CIP CHALLENGES

COST DRIVERS (MORTENSON CONSTRUCTION COST INDEX 2009 – 2018)

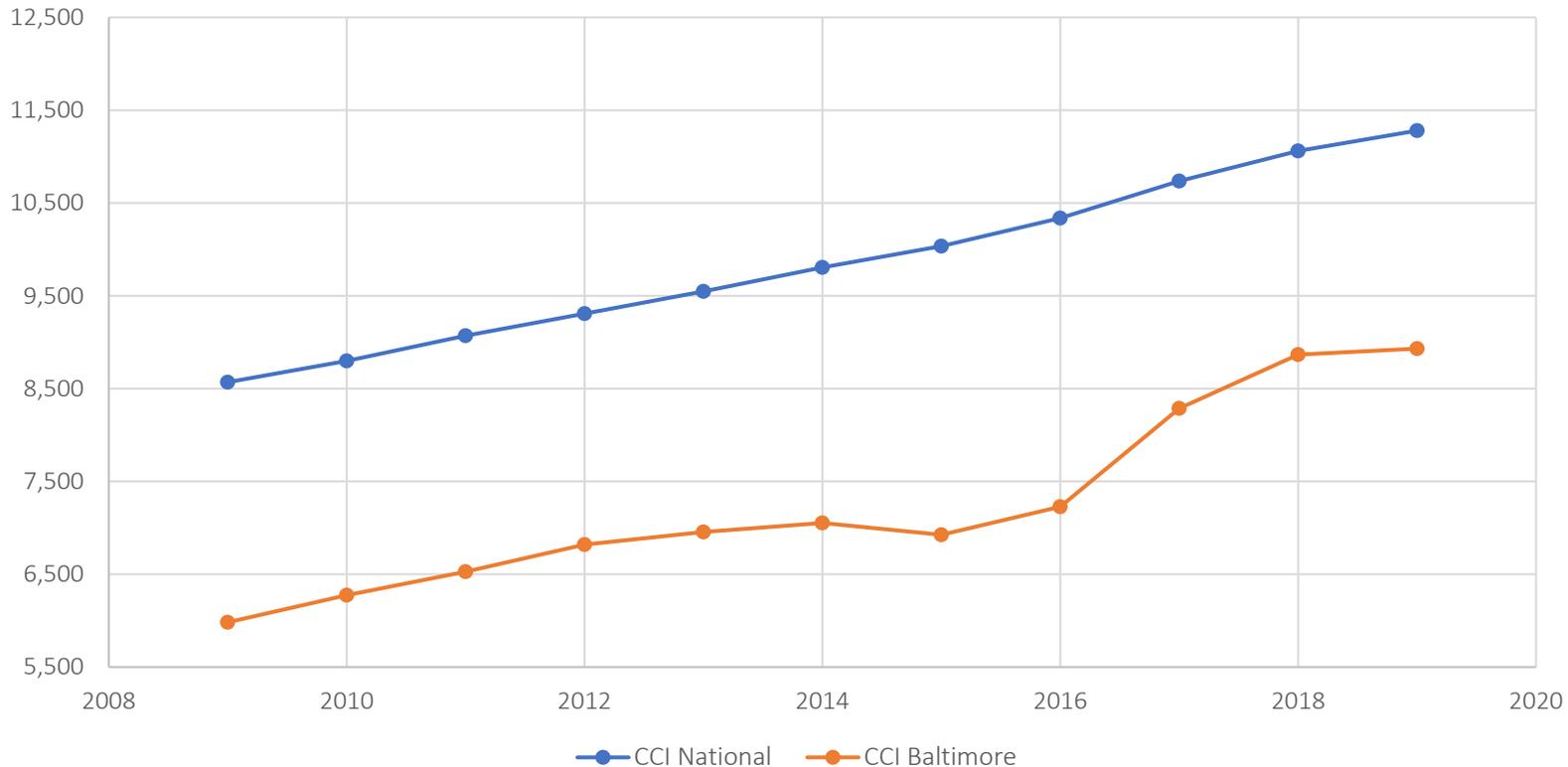


A construction cost estimated 5 years ago may have increased by as much as 18%.

Ex. A project estimated at \$1 million in 2014, may cost \$1.18 million today.

CIP CHALLENGES

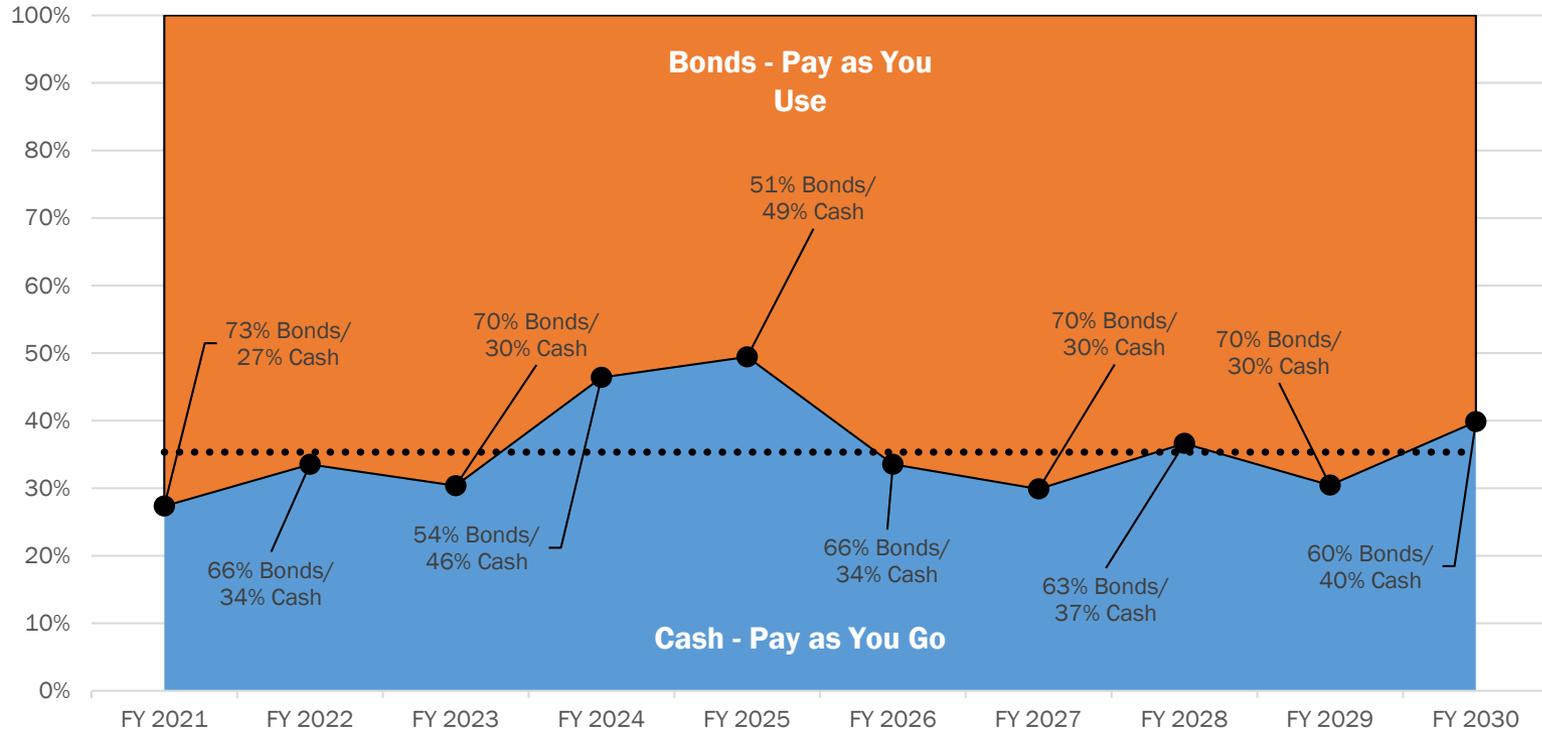
COST DRIVERS (ENGINEERING NEWS-RECORD CONSTRUCTION COST INDEX)



The Baltimore CCI (nearest indexed city to Alexandria), showed a 5.33% annual escalation over the past 5 years.

CASH VS BORROWING

10 YR PLAN: 35% CASH / 65% BORROWING

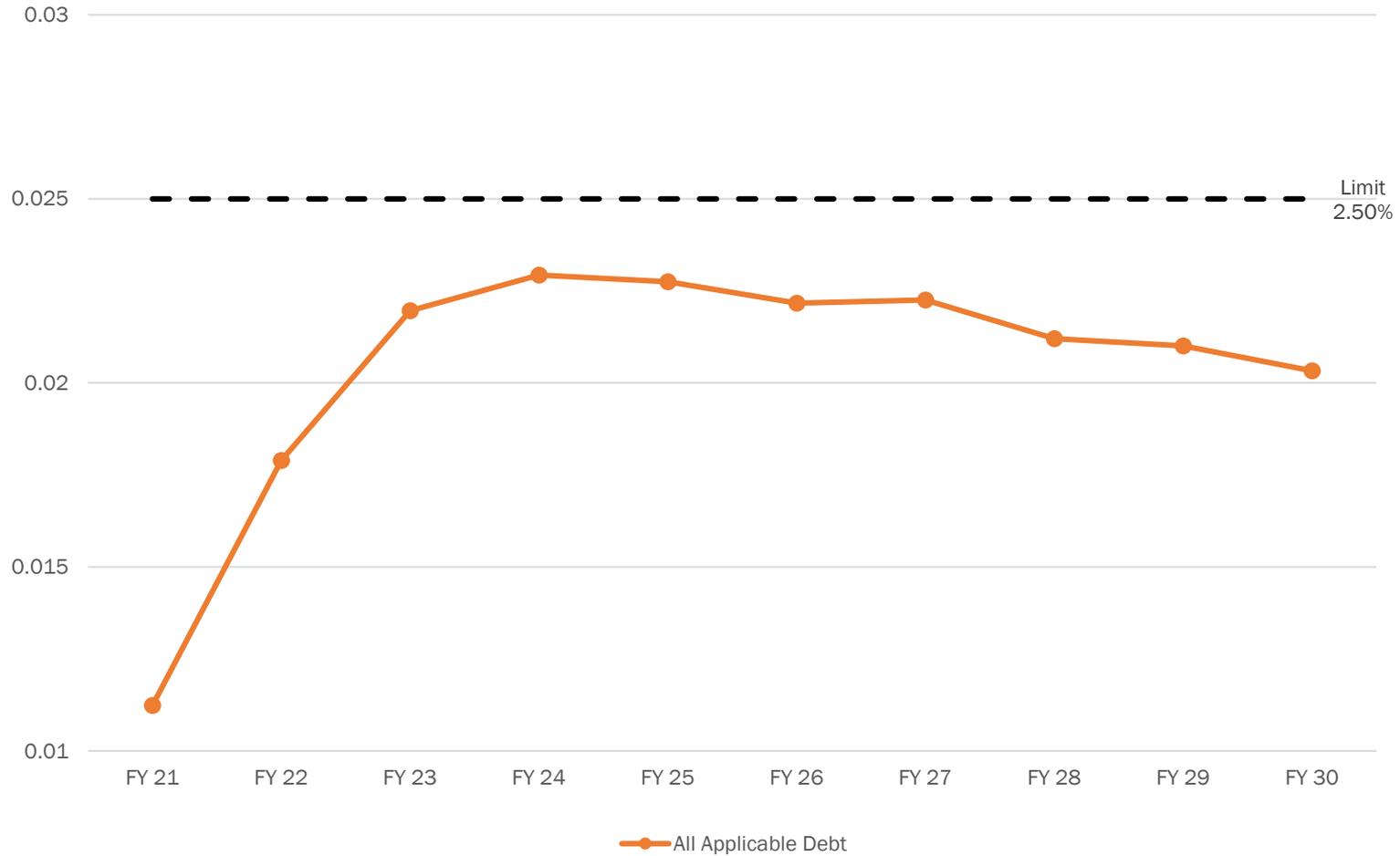


..... 10 Year Plan
(65% Bonds/35% Cash)



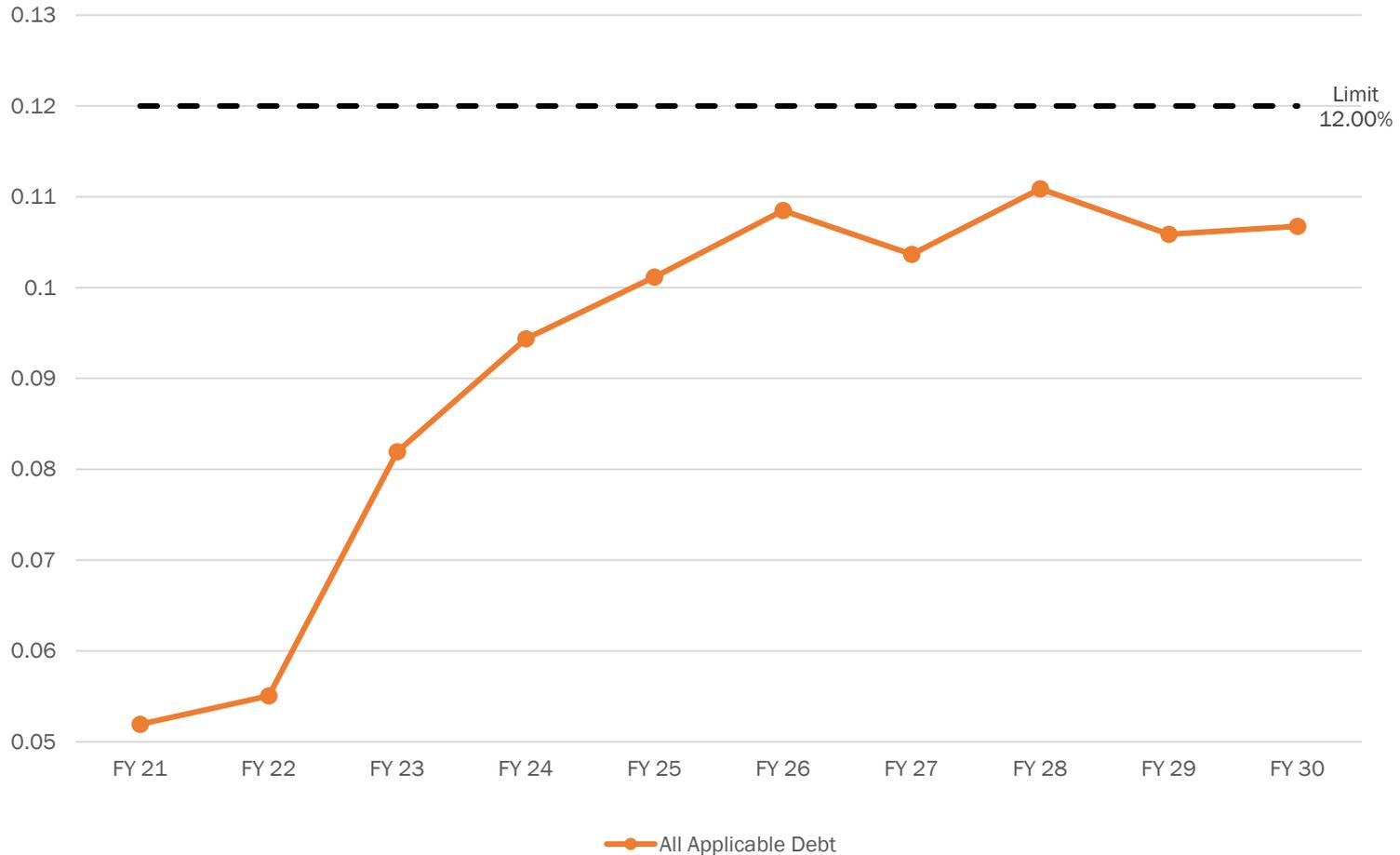
CITY DEBT RATIOS

DEBT AS A PERCENTAGE OF FAIR MARKET REAL PROPERTY VALUE



CITY DEBT RATIOS

DEBT SERVICE AS A PERCENTAGE OF GENERAL GOV'T. EXPENDITURES





CITY DEBT RATIOS

10-YEAR DEBT PAYOUT RATIO

