

# Capital Improvement Program



- **FY 2009 – FY 2014  
Approved CIP Overview**
- **Slowing Down the  
Approved CIP**
- **CIP Financing Options**

# FY 2009 – FY 2014 Approved Capital Improvement Program

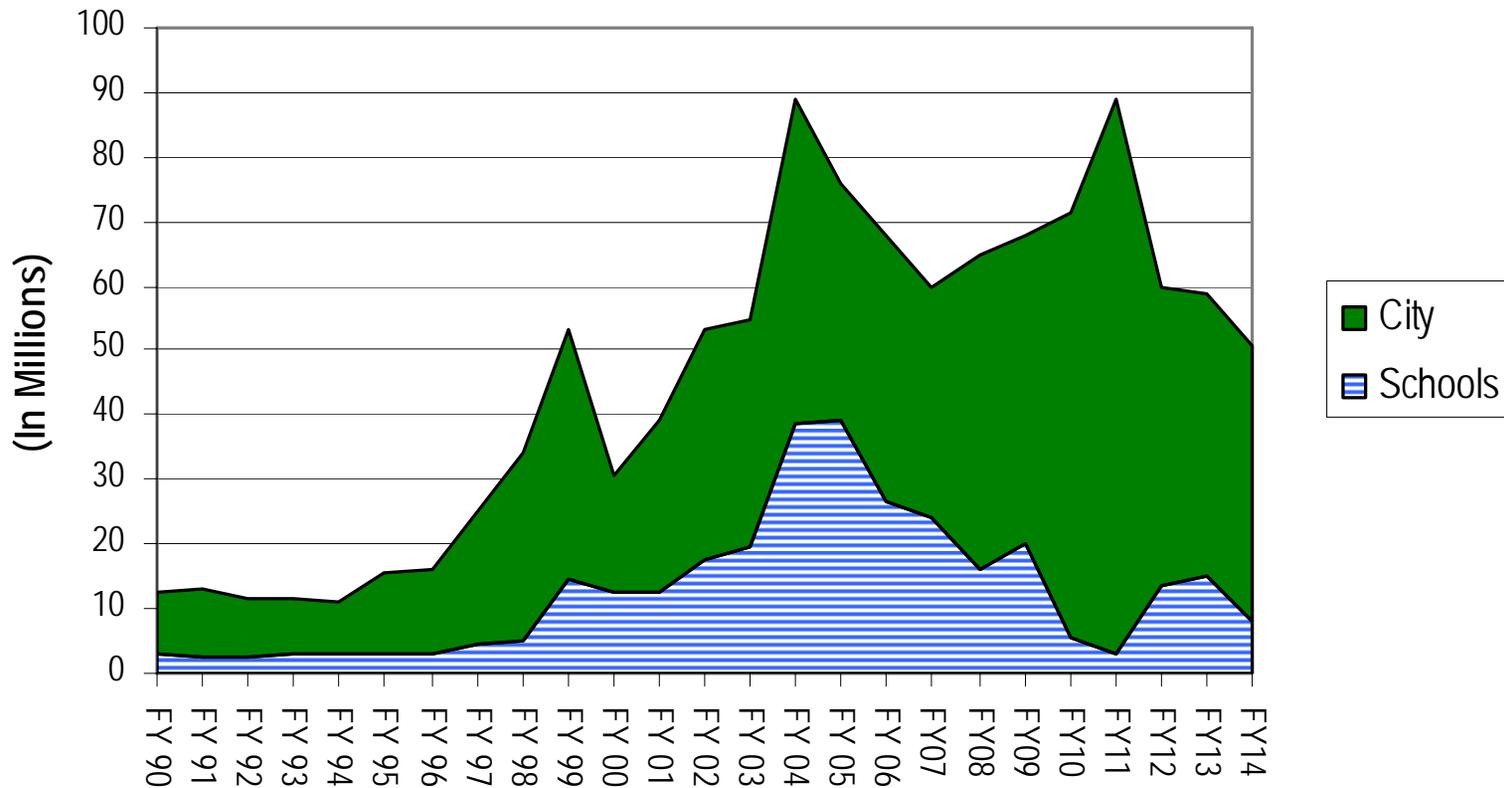
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- **FY 2009**
  - \$98.3 million total approved new spending
  - \$67.6 million City funding sources
- **FY 2010**
  - \$81.0 million total planned new spending
  - \$71.3 million City funding sources
- **Six Year Plan (FY 2009 – FY 2014)**
  - \$456 million planned new spending
  - \$396.9 million City funding sources
    - 63% from General Obligation Bonds
    - 37% from City and other cash sources



# FY 2009 – FY 2014 Approved Capital Improvement Program

Local Funding - Approved CIPs  
City and Schools CIP Project Funding



# FY 2009 – FY 2014 Approved Capital Improvement Program

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- **Major Capital Expenditures in Six Year Plan**

- New Police Facility - \$76.1 million
- Alexandria Schools - \$65.3 million
- WMATA & DASH capital - \$61.8 million
- Sanitary & Storm Sewers - \$44.0 million
- Major Street Improvements - \$32.9 million
- IT Plan Projects - \$24.8 million
- Chinquapin Recreation Center - \$20.2 million
- Fire Stations (Cameron & Eisenhower) - \$19.3 million



# FY 2009 – FY 2014 Unfunded CIP Projects



**Six Year Plan Unfunded Project Total = \$61.3 million**



# FY 2009 – FY 2014 Unfunded CIP Projects

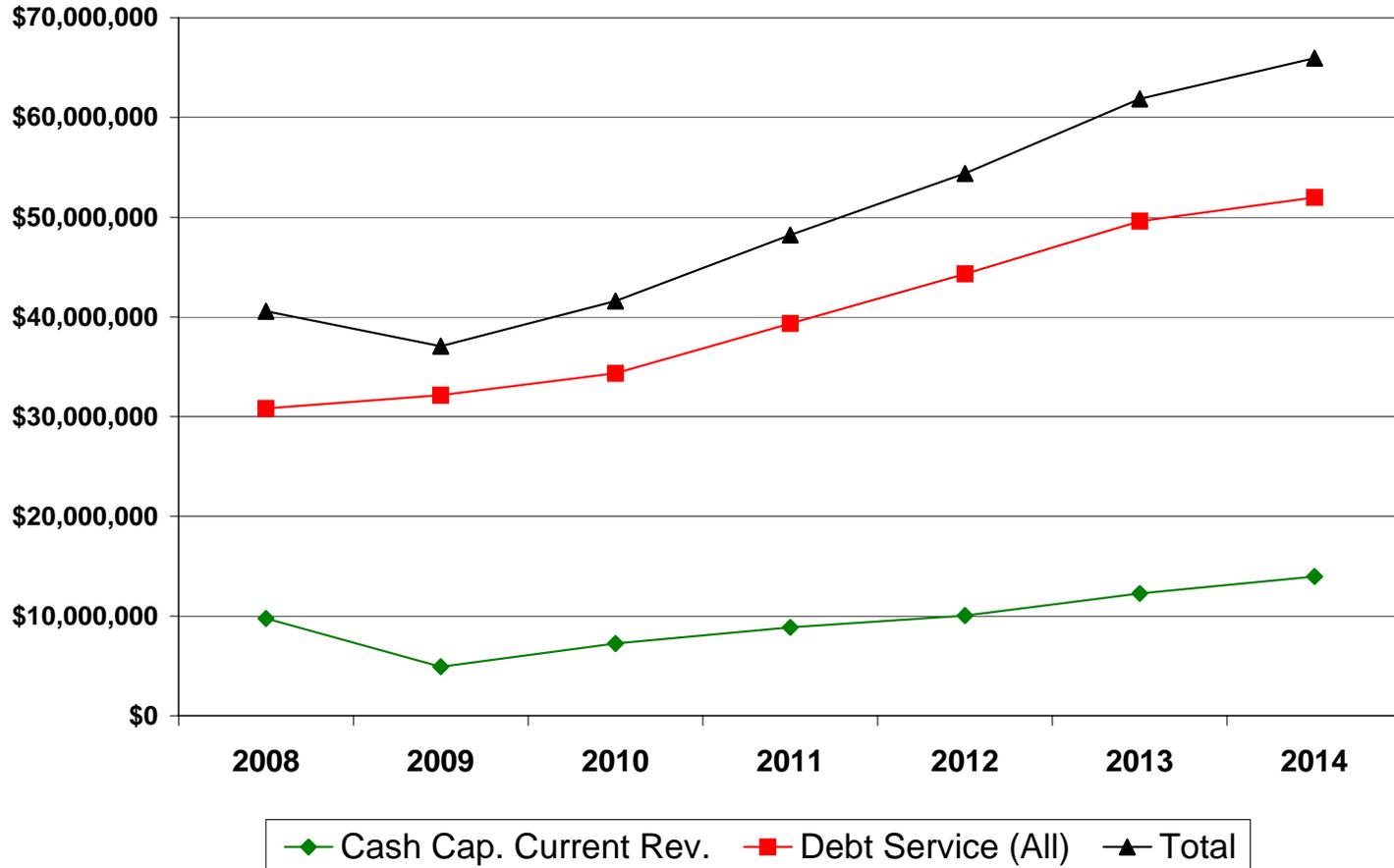
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- **Major Projects without identified funding:**
  - Alexandria Schools - \$26.4 million (\$13.7 in FY 2010)
  - DASH Fleet Expansion - \$7.1 million
  - Patrick Henry Recreation Center - \$5.1 million
    - Project scope yet to be defined
  - Coordinated Wayfinding System - \$2.2 million
  - Windmill Hill Park - \$1.8 million
  - King Street Paving - \$0.8 million



# FY 2009 Approved CIP “Slowdown”

CIP Impact on Operating Budget  
(w/ Approved FY 2009-FY 2014 CIP)



# FY 2009 Approved CIP “Slowdown”

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- **City Staff is looking at slowing down and cutting back on capital spending in FY 2009 and FY 2010**
  - Identify potential sources to be reclaimed from prior year and FY 2009 balances
  - Identify assumed borrowing that can be delayed
  - Slow down capital allocations
  - Slow down spending of allocated capital funds



# FY 2009 Approved CIP “Slowdown”

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- **\$1.85 million in cash capital savings planned in FY 2009**
- **Cash Sources in CIP could potentially yield several million dollars in FY 2010 savings**
  - Projects with limited or no immediate needs
  - Includes funding from a wide variety of projects
    - Community Development
    - Recreation & Parks
    - Traffic & Transit
    - Public Buildings
    - IT Plan
- **Delay planned FY 2009 borrowing of up to \$10 million**
  - Out of planned \$60.7 million
  - Based on the timing and structuring of the FY 2009 borrowing, the City can plan the repayment of debt (Debt Service in Operating Budget) until a later fiscal year



# FY 2009 Approved CIP “Slowdown”

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- **Slow down of new Capital Allocations**
  - Must have an immediate need to spend or obligate the money (i.e., before the next capital allocation)
  - Must be for an essential capital need
- **Slow down spending of already allocated funds**
  - Not beginning projects that do not fulfill an essential, high priority capital need
  - Projects already underway will continue unless determined by the City Manager and then City Council to be fiscally unfeasible or unnecessary



# CIP Financing Options

## FY 2010 – FY 2015

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- **Cash Sources**

- General Fund Cash Capital will be very difficult to set aside for the CIP
- But necessary to maintain bond rating – can't borrow it all

- **Additional Borrowing**

- With the economic downturn, the City will find itself approaching its debt policy targets in the out-years
- Debt service impact on the Operating Budget is the issue

- **Other Non-City Sources**

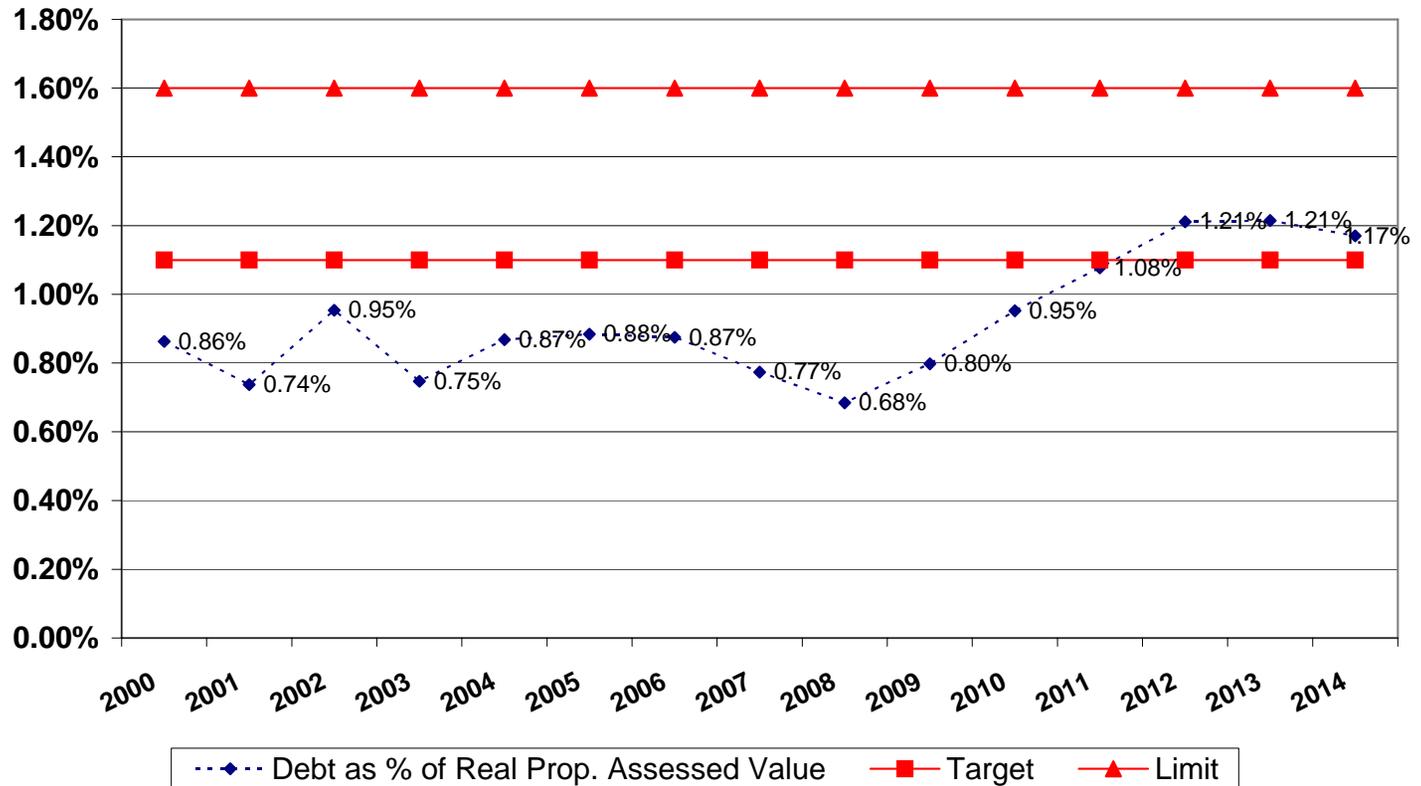
- State, Federal, and grant funding for capital projects is drying up quickly
- May require additional City funding in some circumstances if projects are to proceed



# CIP Financing Options

## FY 2010 – FY 2015

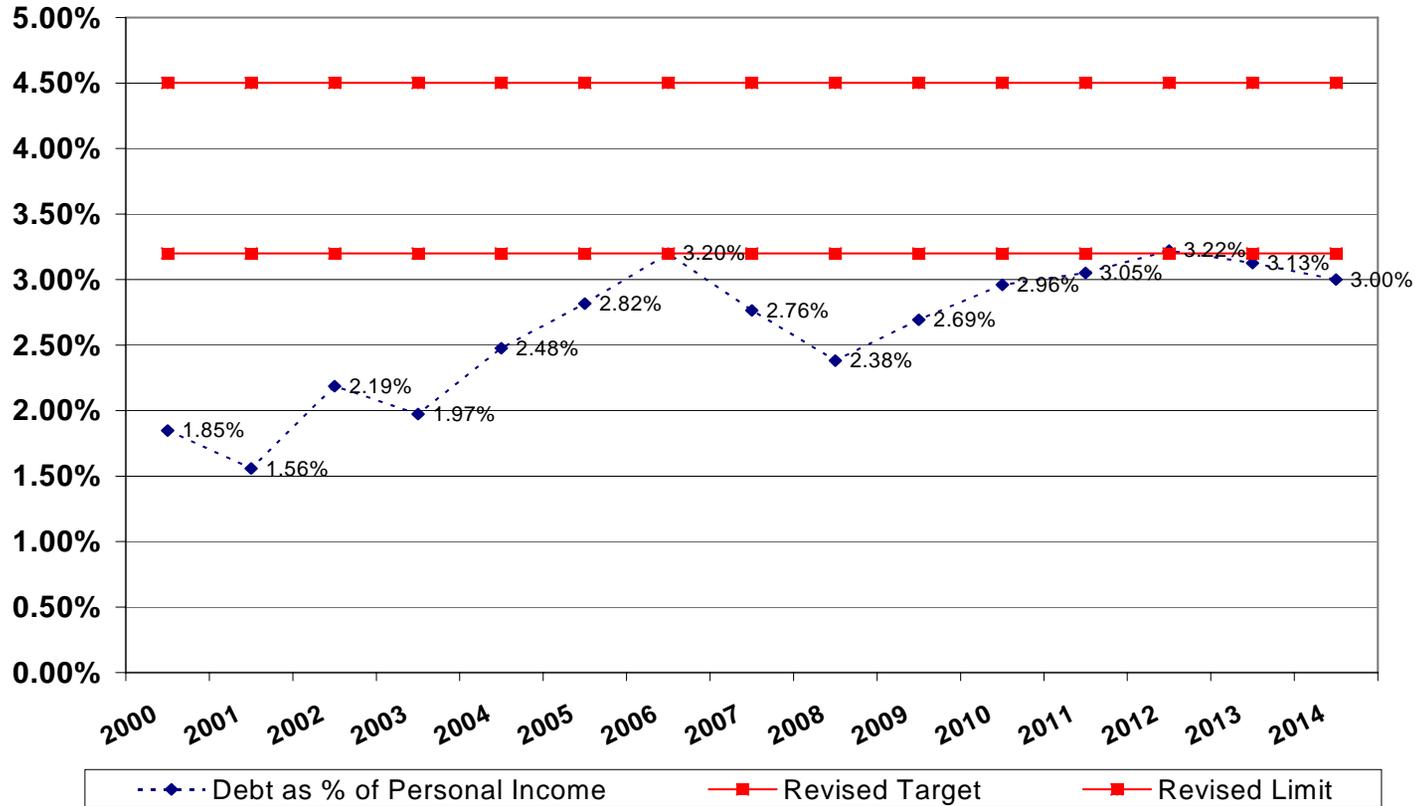
Approved CIP FY 2009-2014  
Debt as Percent of Real Property Assessed Value



# CIP Financing Options

## FY 2010 – FY 2015

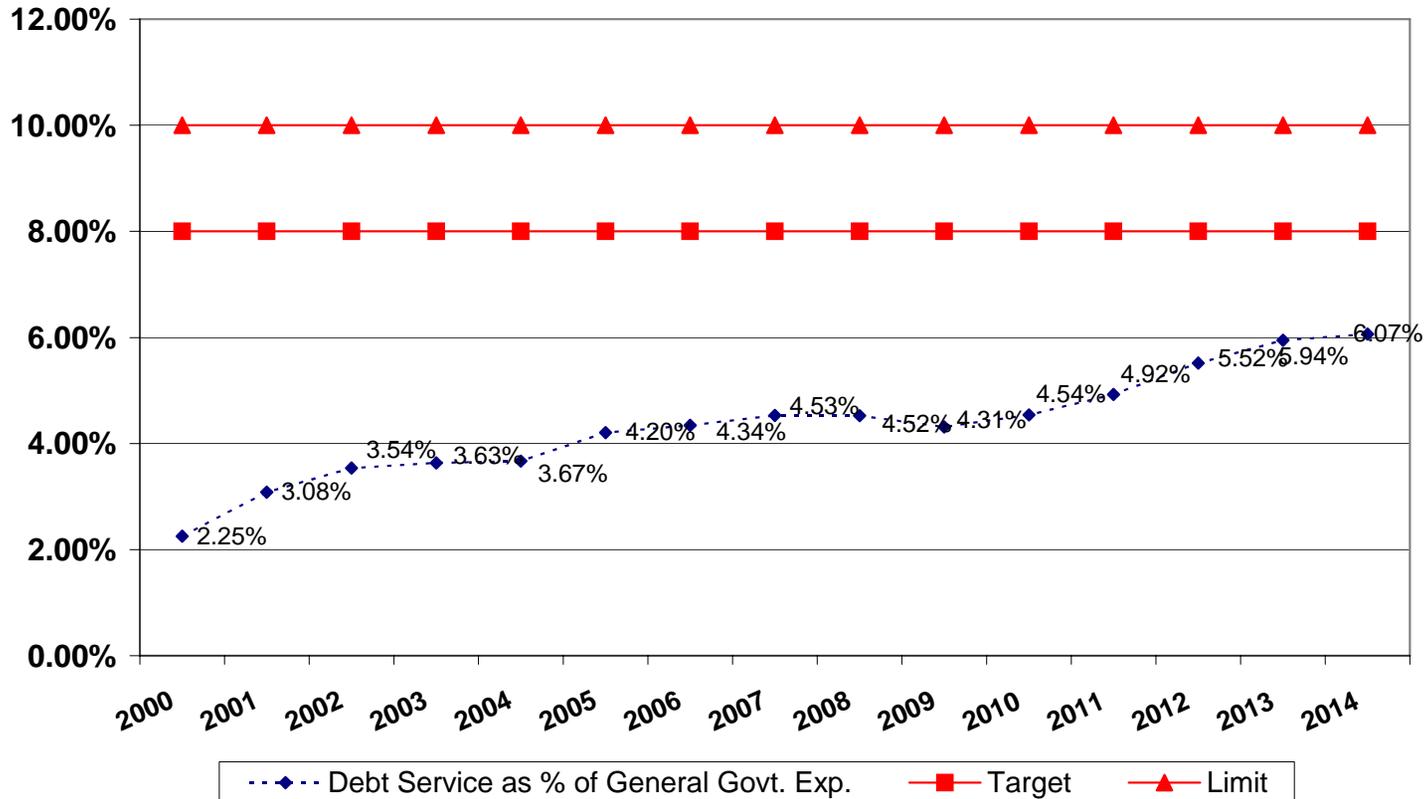
Approved CIP FY 2009-2014  
Debt as Percent of Personal Income



# CIP Financing Options

## FY 2010 – FY 2015

Approved CIP FY 2009-2014  
Debt Service as Percent of General Government Expenditures



# CIP Financing Options

## FY 2010 – FY 2015

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- **Financing Plans of Action**

- The City will need to reduce planned capital expenditures for the foreseeable future; or
- Continue borrowing at or above currently planned levels and approach or exceed debt policy guideline targets; or
  - Additional borrowing impacts the Operating Budget
- Identify significant new cash funding sources; or
- Utilize some combination of these options

