

FY 2009 Budget Work Session

**FY 2009 – FY 2014
Capital Improvement Program**

February 25, 2008



Introduction & Agenda

- Proposed CIP Overview/Highlights
- CIP Prioritization Process
- Major CIP Projects
- Proposed CIP Financing
- Unfunded Projects
- Operating Budget Impact
- Debt Policy Guidelines
- Best Management Practices



CIP Overview

Six-Year Plan Highlights

The City Manager's Proposed FY 2009-FY 2014 Capital Improvement Program totals:

- \$388.1 million in local funding; and
- \$478.3 million in total funding.

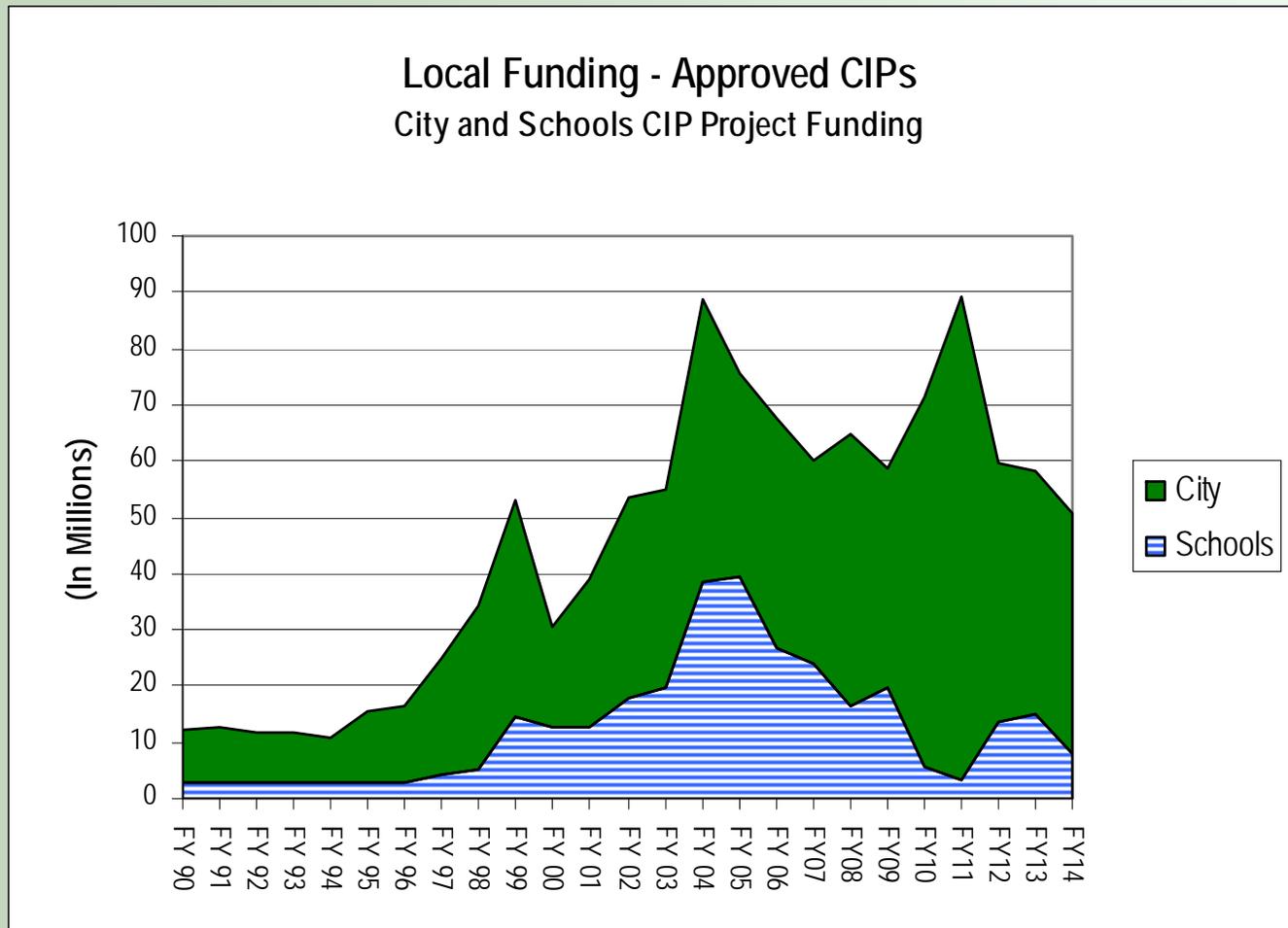
This represents a decrease of 0.3 percent in local funding and an increase of 6.4 percent in all sources of funding.

FY 2009 Proposed vs. FY 2008 Approved				
			Change	
	FY 2008 Approved	FY 2009 Proposed	\$	%
All Funds	449.7	478.3	\$28.6	6.4%
City Share	389.1	388.1	-\$1.0	-0.3%



CIP Overview

Six-Year Plan Highlights

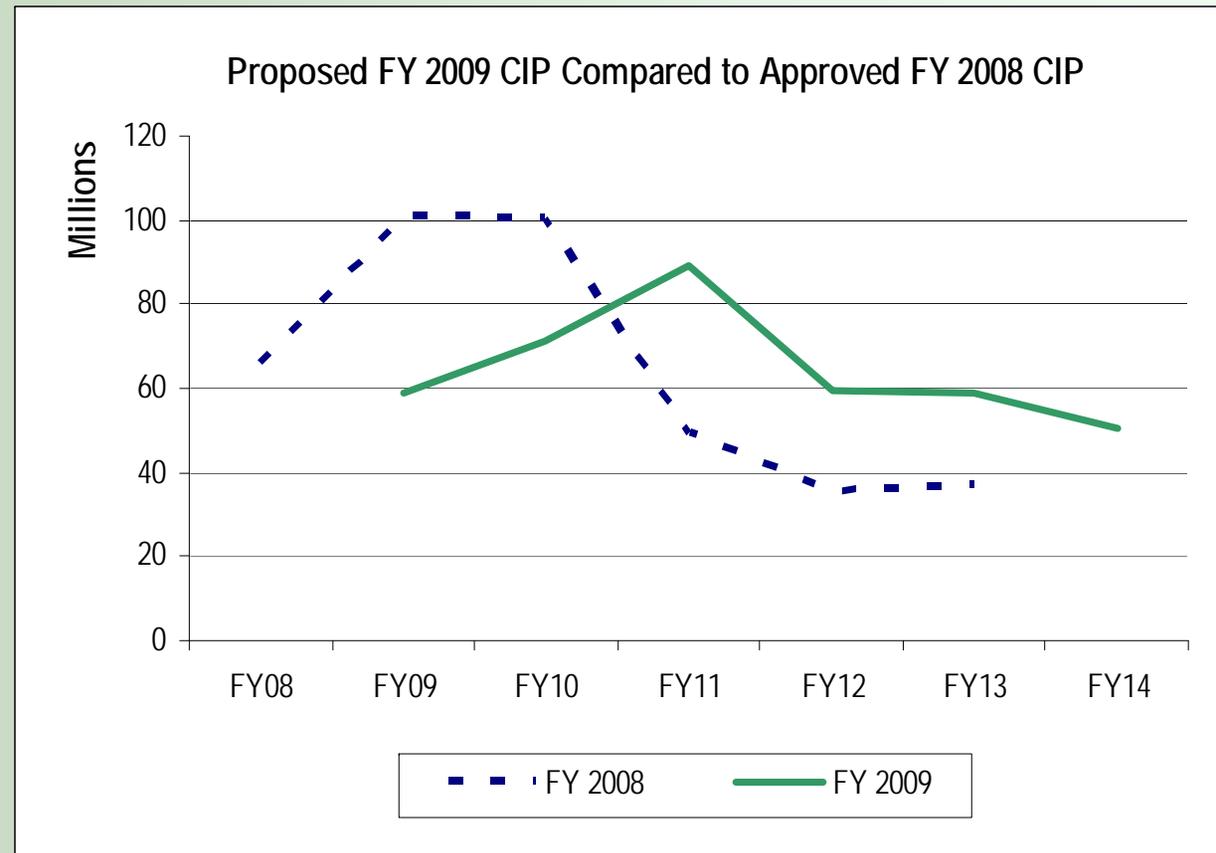




CIP Overview

Six-Year Plan Highlights

The realities of the City's financial situation, as well as the need to meet the budget guidelines established by City Council, were critical to final decisions on recommended CIP projects.



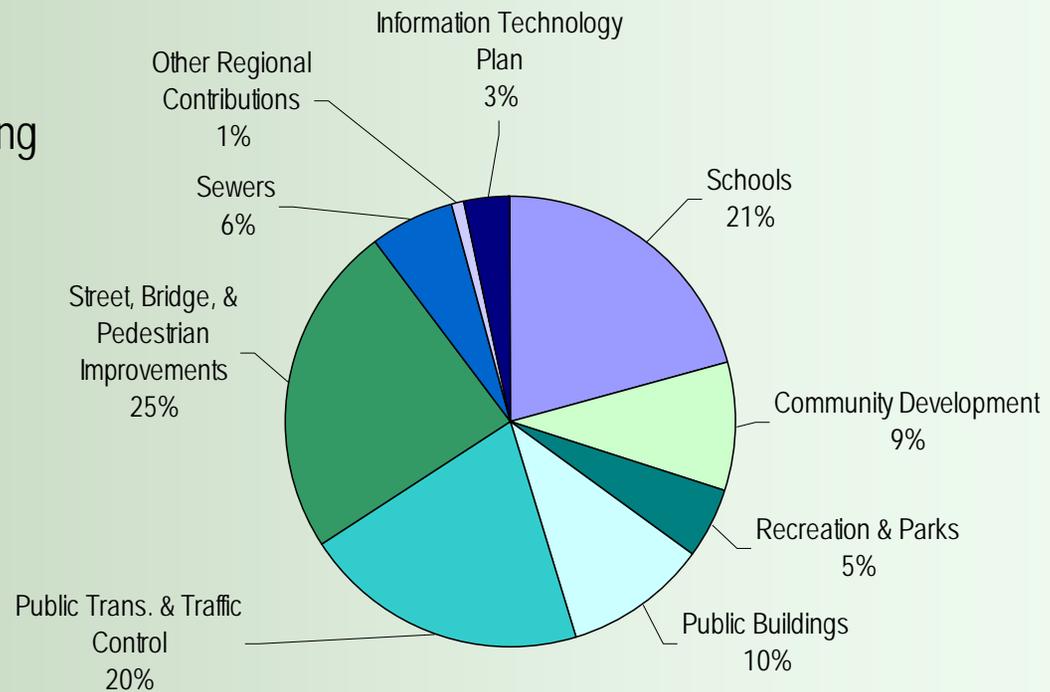


CIP Overview

FY 2009 Highlights

The Proposed FY 2009 capital budget includes \$95.3 million in total funding and \$58.8 million in local funding.

FY 2009 All Funds Capital Budget By CIP Project Category
(\$95.3 million)





CIP Prioritization Process

The CIP Steering Committee reviewed and prioritized over 160 new or revised projects.

CIP projects were first prioritized into one of four categories.

		Annual or Cyclical Project Timelines	Finite Project Timelines
New or Expanded Facilities or Infrastructure	Existing Facilities or Infrastructure	Recurring Infrastructure R5 (i.e. Fire Station CFMP)	Major "Infrastructure Reconstruction" Work (i.e. Warwick Pool)
	New or Expanded Facilities or Infrastructure	On-Going Improvement Program (i.e. ADA Improvements)	New Projects (i.e. New Fire Station - Eisenhower Valley)



CIP Prioritization Process

- Projects were then ranked in three tiers (some project funding divided between more than one tier):
 - Tier I (Essential)
 - Tier II (Very Desirable)
 - Tier III (Desirable)

- Baseline Projects
 - New Police Facility
 - All-City Sports Facility
 - Sanitary Sewer Projects (self-funded)
 - New Fire Station 210 (Eisenhower Valley)
 - DASH Bus Replacement (State, NVTA Funded)
 - Regional projects



CIP Prioritization Process

The CIP Steering Committee ranked project categories and prioritization tiers.

This table shows which categories and prioritization tiers were funded for each of the fiscal years.

Category	FY 2009	FY 2010	FY 2011	FY 2012- FY 2014
Baseline Projects	Funded	Funded	Funded	Funded
Recurring Infrastructure (5R)				
Tier I	Funded	Funded	Funded	Funded
Tier II	Funded	Funded	Funded	Funded
Tier III	Funded	Not Funded	Funded	Funded
Major Infra. Reconstruction				
Tier I	Funded	Funded	Not Funded	Funded
Tier II	Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded
On-going Improvement				
Tier I	Funded	Funded	Not Funded	Funded
Tier II	Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded
New Projects				
Tier I	Funded	Not Funded	Not Funded	Funded
Tier II	Not Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded



Major Capital Projects Funded in FY 2009

- Schools

- FY 2009 = \$19.8M

- \$8.3M for John Adams Elementary School

- \$4.2M for Minnie Howard Ninth-Grade Center

- \$2.2M for James Polk Elementary School



Major Capital Projects Funded in FY 2009

- New Police Facility
 - Site Plan, Elevations, and Schedule
 - LEED/Green Initiatives
 - Project Budget

APD CURRENT FACILITY LOCATIONS

Facility	Number of Staff (FY2008)	Square Footage	FY2009 Lease	FY2010 Lease	FY2011 Lease
Avalon Bay 2900 Eisenhower Ave. 105 Parking Spaces	228	15,000 sf leasable	\$591,925	\$612,397	\$633,176
Hoffman 2034 Eisenhower Avenue	132	40,578 sf leasable	\$1,161,970	\$1,207,504	\$1,253,933
Public Safety Center 2003 Mill Road	81	24,000 sf gross	<i>City-Owned Property</i>		
Totals*	441	89,540 sf	\$1,753,895	\$1,819,901	\$1,887,109

*Does not include 37 staff in off-site facilities (Special Ops)

CURRENT LOCATIONS



2011 PROPOSED SITE BUILD-OUT

CITY OF ALEXANDRIA - NEW POLICE DEPARTMENT FACILITY PROJECT SCHEDULE

	2006	2007					2008					2009					2010					2011		
	O N D	J F M	A M J	J J A	S O N	D	J F M	A M J	J J A	S O N	D	J F M	A M J	J J A	S O N	D	J F M	A M J	J J A	S O N	D	J F M	A	
NOTICE TO PROCEED																								
PRE-DESIGN & PROGRAMMING																								
CONCEPTUAL DESIGN																								
SCHEMATIC DESIGN																								
SUP SUBMITTALS																								
SITE PLAN DEVELOPMENT																								
DESIGN DEVELOPMENT																								
CONSTRUCTION DOCUMENTS																								
PERMITS																								
BIDDING & AWARD																								
GENERAL CONSTRUCTION																								

OVERALL SCHEDULE



SITE PLAN CONTEXT



SITE PLAN

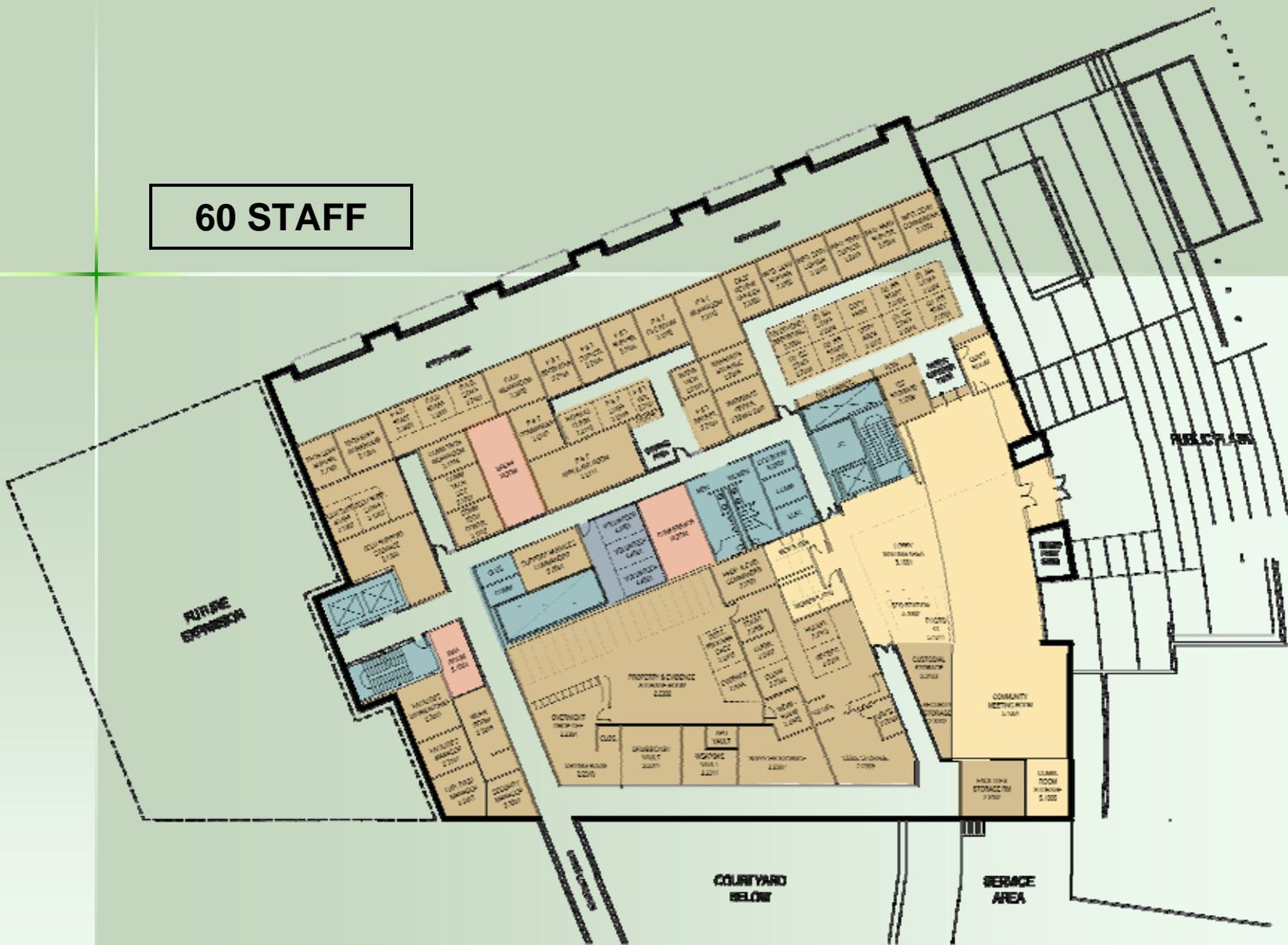


AERIAL VIEW FROM EAST



AERIAL VIEW FROM NORTHEAST

60 STAFF



FIRST LEVEL

98 STAFF



SECOND LEVEL

72 STAFF



THIRD LEVEL

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED)



Platinum Level
52+ points

Gold Level
39 - 51 points

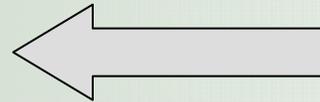
Silver Level
33 - 38 points

Certified Level
26 - 32 points

38 YES POINTS

+

15 *Maybe* POINTS



SUSTAINABILITY

GREEN INITIATIVES - LEED

- **Sustainable Site Design**
- **Protecting and Conserving Water**
- **Energy Efficiency and Atmosphere Protection**
- **Optimize Environmental Life Cycle of Materials**
- **Enhance Indoor Environmental Quality**
- **Innovation in Design**

SUSTAINABILITY

PROJECT BUDGET

NEW APD FACILITY FUNDING REQUIREMENTS AND COMPARISON

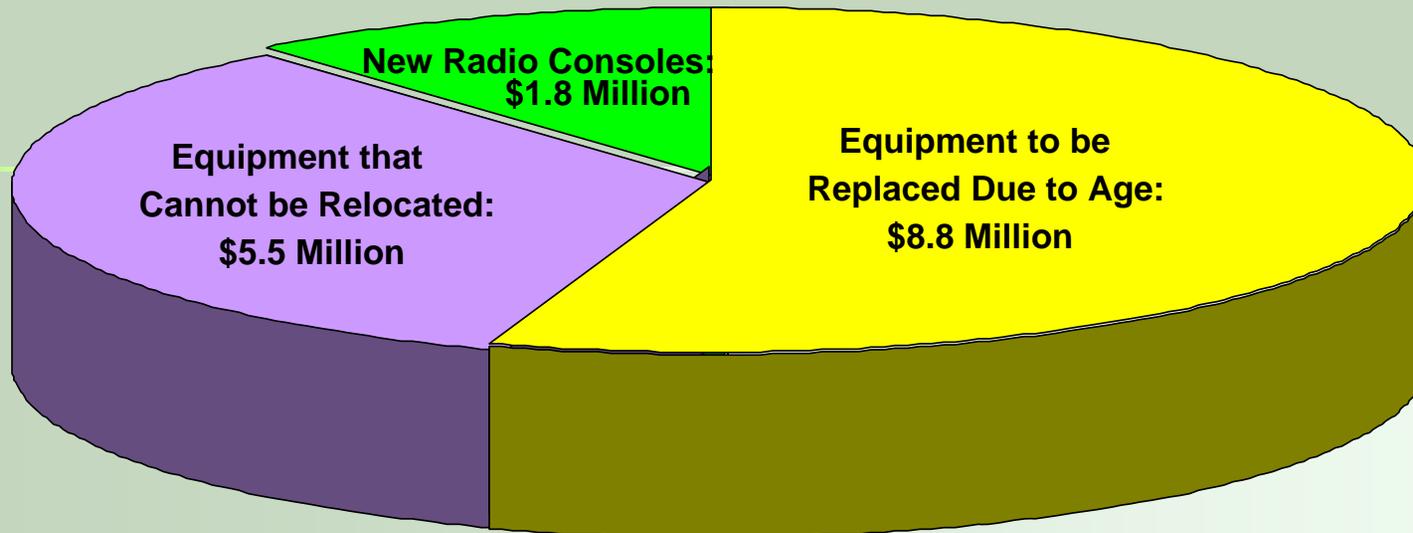
CIP	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Approved FY 2008 - FY 2013	\$2,898,000	\$19,360,000	\$24,200,000	\$4,840,000	\$0	N/A	N/A	\$51,298,000
Proposed FY 2009- FY 2014	N/A	\$3,000,000	\$26,978,000	\$37,110,200	\$9,000,000	N/A	N/A	\$76,088,200
Difference	N/A	(\$16,360,000)	\$2,778,000	\$32,270,200	\$9,000,000	\$0	\$0	\$24,790,200

NEW APD PROJECT TASKS AND BUDGET DETAIL

PROJECT TASKS	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Construction	N/A	\$3,000,000	\$23,000,000	\$21,000,000	\$9,000,000	N/A	N/A	\$56,000,000
FF& E	N/A	\$0	\$0	\$4,000,000	\$0	N/A	N/A	\$4,000,000
Emergency Comm Equip	N/A	\$0	\$3,978,000	\$12,110,200	\$0	N/A	N/A	\$16,088,200
Total	N/A	\$3,000,000	\$26,978,000	\$37,110,200	\$9,000,000	N/A	N/A	\$76,088,200

PROJECT BUDGET

EMERGENCY COMMUNICATIONS BUDGET: \$16.1 MILLION



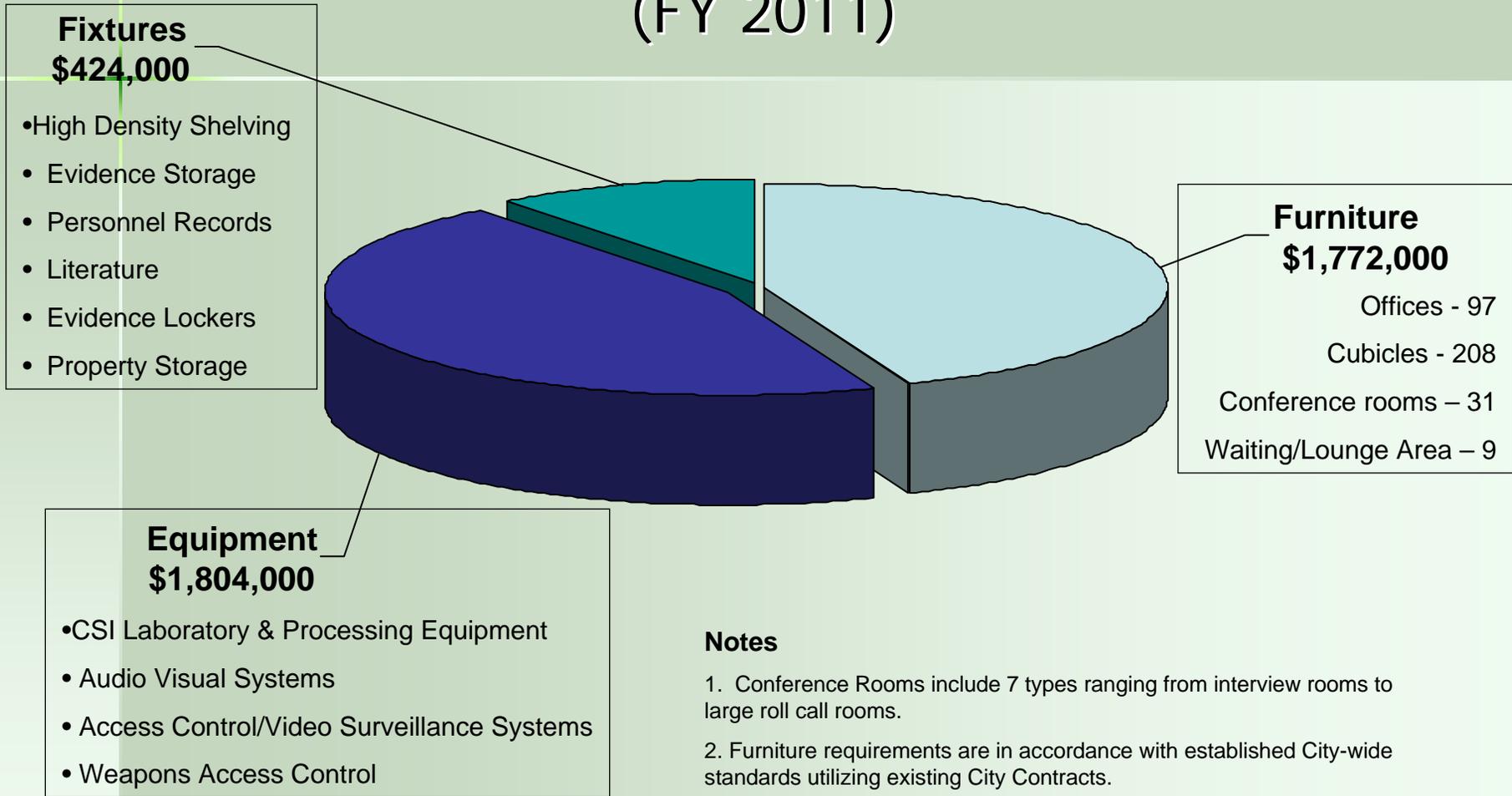
- New Equipment**
Radio Consoles
- Equipment that Cannot be Relocated**
E-911 Computer, Recorder
E-911 Network Equipment
Radio System

- Equipment to be Replaced Due to Age**
Radio Subscriber Units
Monitors, Televisions
Various Servers, Routers
Electrical and Antenna Mounting Infrastructure
Computers, CAD Workstations, FAX, Printers

NOTE: Of the \$16.1 million, \$8.8 million is budgeted for the planned life cycle replacement of equipment. The balance of \$7.3 million is proposed for equipment required at the new APD facility.

EMERGENCY COMMUNICATIONS BUDGET

FURNITURE, FIXTURES & EQUIPMENT BUDGET: \$4.0 MILLION (FY 2011)



Notes

1. Conference Rooms include 7 types ranging from interview rooms to large roll call rooms.
2. Furniture requirements are in accordance with established City-wide standards utilizing existing City Contracts.

FF&E BUDGET



Major Capital Projects Funded in FY 2009

- Public Safety Center Slab Replacement (p. 6-71)
 - FY09 = \$3.0 million
 - Ready to go



Major Capital Projects Funded in FY 2009

- Wayfinding Sign Program (p.6-16)
 - FY09 = \$1.23M (Phase I of Implementation)
 - FY10 = \$975K (Phase II – Unfunded)



Major Capital Projects Funded in FY 2009

■ Athletic Fields (p.6-43)

Athletic Field Project Schedule		
Fiscal Year	\$ Amount	Field
FY 2008	\$0.9M	Ft. Ward
FY 2009	\$0.9M	Braddock
FY 2010	\$0.9M	Lower Hammond
FY 2011	\$1.0M (Unfunded)	Ben Brenman
FY 2012	\$0.8M	Patrick Henry
FY 2013	\$0.8M	TBD
FY 2014	\$0.9M	TBD

Other Planned or Possible Athletic Field Projects (Funded separately)	
Fiscal Year	Field
FY 2009	Witter
FY 2009	Potomac Yard
FY 2011	All-City Sports (Hensley)

■ All-City Sports Facility (p. 6-34)

- FY09 = \$260K for capital development fundraising
- FY10 = \$6.8M (including \$5M in private fundraising)
- FY11 = \$2.9M



Major Capital Projects Funded in FY 2009

- Open Space Land Acquisition (p. 6-41)
 - FY 2009 Value of 1 percent = \$2.04M
 - 1 and 7 Del Ray Avenue to be purchased - \$1.1M
 - Mann and Sweeney Strand properties (on-going negotiations)



Major Capital Projects Funded in FY 2009

- DASH Buses (p.6-86)
 - FY09 = \$3.9M
 - Funded with NVTAs and State Urban funds
- WMATA Capital Contribution (p.6-90)
 - FY09 = \$8.1M
 - New post-Metro Matters Agreement needed
 - \$45.7M over 6 years



Major Capital Projects Funded in FY 2009

- Taylor Run Infiltration & Inflow (p.6-124)
 - FY09 = \$1.0M
- Bridge Repairs (p.6-100)
 - FY09 = \$1.0M
- Washington Street Paving (p. 6-115)
 - FY09 = \$1.8M (NVTA, Revenue Sharing)
- King Street Paving (p.6-111)
 - FY09 = \$0.8M (NVTA)

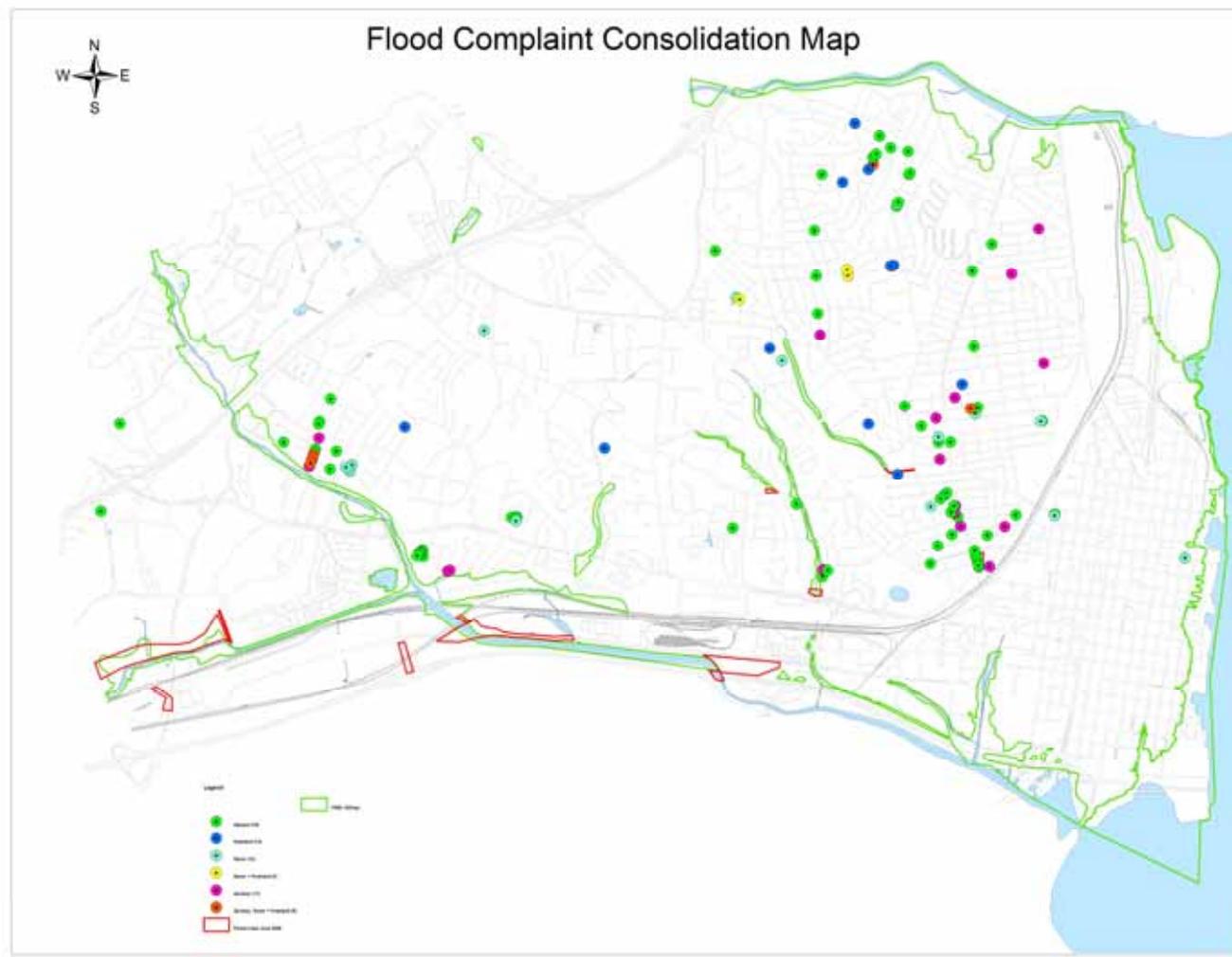


Major Capital Projects (FY 2009 – FY 2014)

- Braddock and West Storm Sewer (p.6-136)
 - FY 2009 = \$200K
 - FY 2010 – FY 2014 = TBD
- City-wide Storm Sewer Capacity Analysis (p.6-136)
 - FY 2009 = \$788K
 - FY 2010 = \$827K
 - FY 2011 = \$868K (Unfunded)
- City-wide Storm Sewer and Combined Sewer Assessment and Renovation (p. 6-137)
 - FY 2010 = \$200K
 - FY 2011 = \$900K (Unfunded)
 - FY 2012 – FY 2014 = \$900K per year
- Major capital needs to be identified in capacity analysis study



Major Capital Projects (FY 2009 – FY 2014)





Stormwater System Issues

- Long-term assessment of stormwater capacity and needs partially funded in six-year plan
- Operating costs of stormwater related activities total \$1.5M - \$2.0M per year
- Fund through taxes?
- Fund through Storm Water Utility Fee?
 - Currently studying feasibility of a Stormwater Utility
 - Generates funding for critical Stormwater capital and operating expenses.
 - Funding structure based on fees associated with impervious area.
 - The study examines the following issues:
 - How proposed fees will be determined?
 - How much revenue will be generated?
 - What will be funded by this revenue?
 - Use of revenue.
 - What the neighboring jurisdictions are doing to fund stormwater related expenses
- Post FY 2009 or FY 2010 decision making time frame



Major Capital Projects Funded in FY 2009

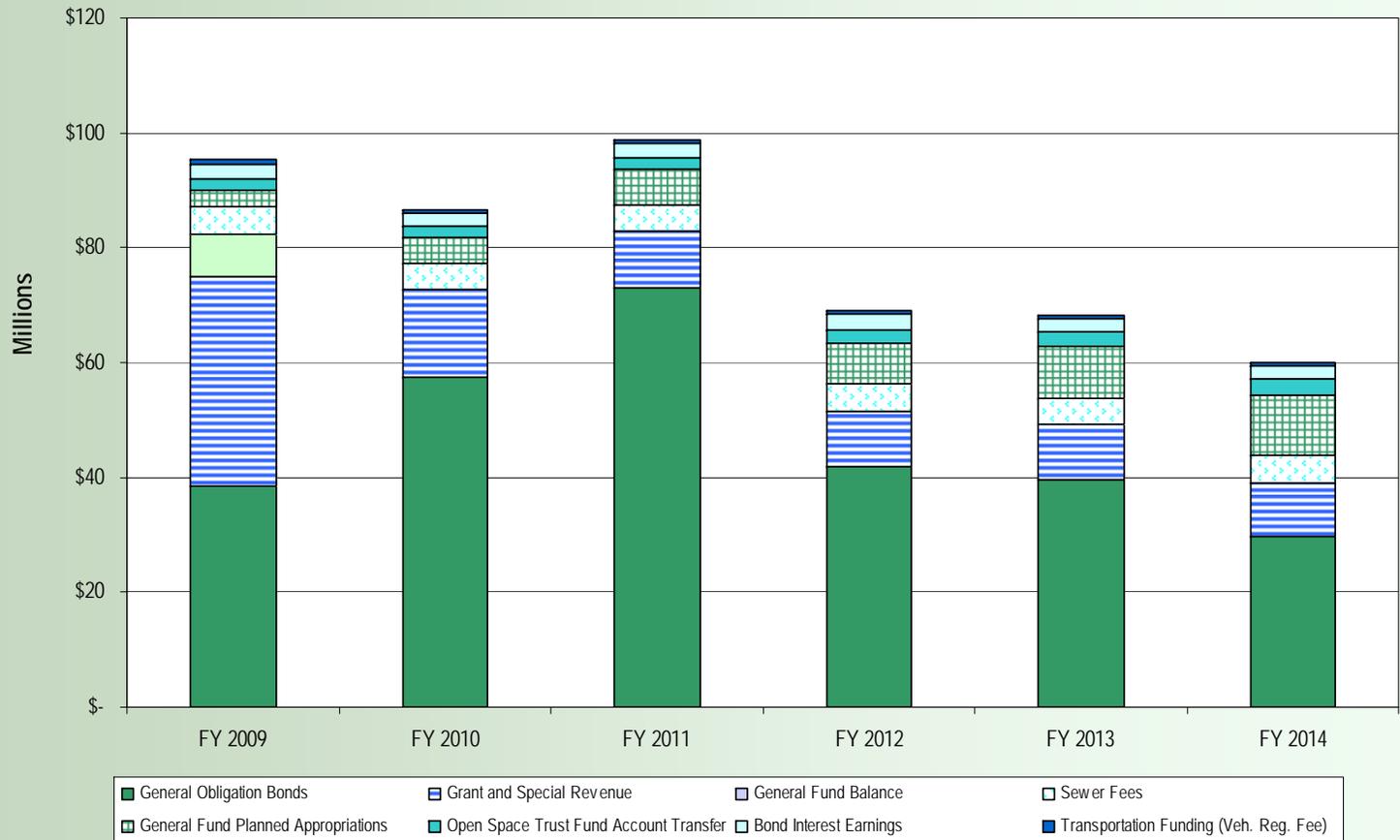
- Information Technology Plan
 - \$337K for Document Imaging for land use agencies
 - \$170K for Library Automated catalog and circulative/information system upgrade
 - \$482K for Network Hardware upgrades and replacement
 - \$200K to replace outdated business personal property tax system
 - \$200K for next phases of T&ES and other City agency maintenance management system
 - \$200K for new security enhancements



Proposed CIP Financing

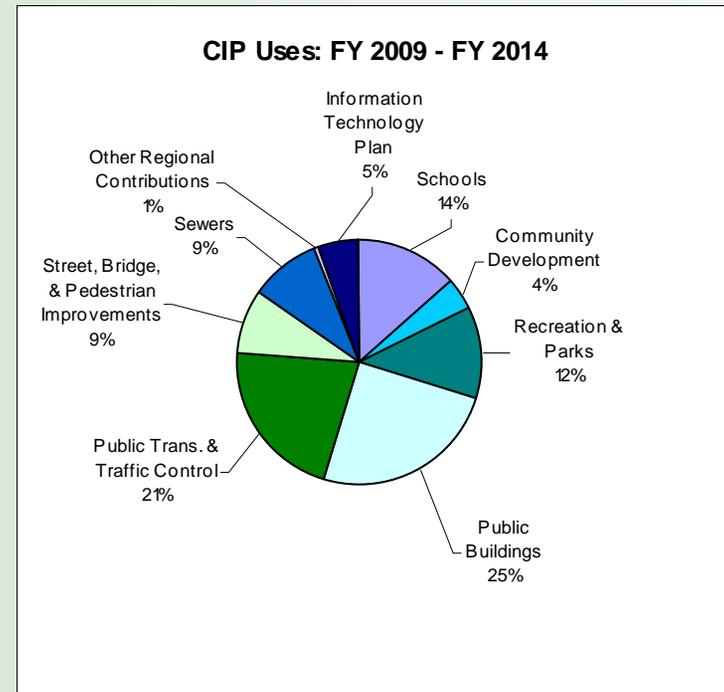
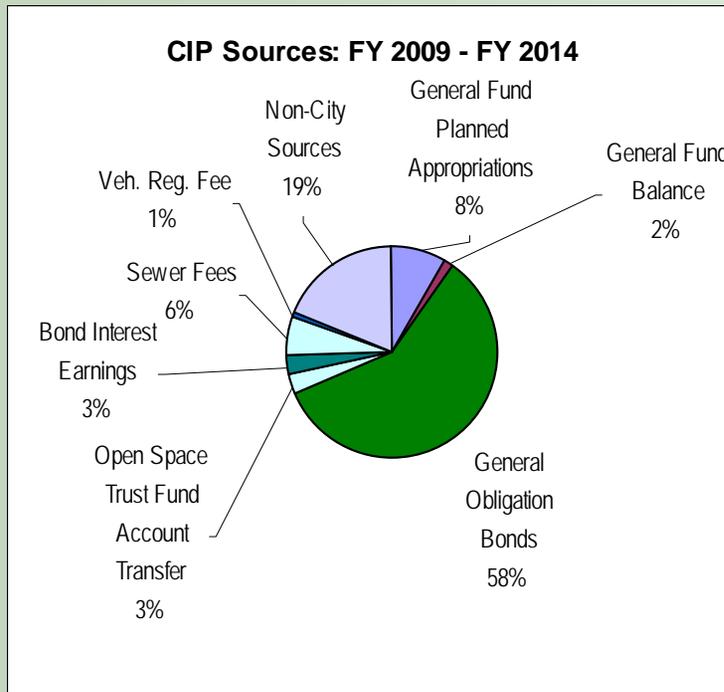
CIP SOURCES: FY 2009-FY 2014

The FY 2009 – FY 2014 CIP will be primarily financed with General Obligation Bonds, Cash Capital, Grants and Other Special Revenue, and Bond Interest Earnings.





Proposed CIP Financing





Grants and Other Special Revenue

- \$72.2M out of \$90.2M in special revenue is transportation related
 - \$32.3M in State Urban Funds
 - \$31.0M in NVTAs revenue
 - \$6.0M from State Revenue Sharing program
 - \$2.9M from SAFETEA-LU
- Report from Ad Hoc Commercial Real Estate Transportation Tax Committee due shortly



Unfunded CIP Projects

A total of \$47.2 million in proposed CIP projects remain unfunded over three years (FY 2009 – FY 2011).

This table highlights which categories and prioritization tiers were not funded.

Category	FY 2009	FY 2010	FY 2011	FY 2012- FY 2014
Baseline	Funded	Funded	Funded	Funded
Recurring Infrastructure (5R)				
Tier I	Funded	Funded	Funded	Funded
Tier II	Funded	Funded	Funded	Funded
Tier III	Funded	Not Funded	Funded	Funded
Major Infra. Reconstruction				
Tier I	Funded	Funded	Not Funded	Funded
Tier II	Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded
On-going Improvement				
Tier I	Funded	Funded	Not Funded	Funded
Tier II	Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded
New Projects				
Tier I	Funded	Not Funded	Not Funded	Funded
Tier II	Not Funded	Not Funded	Not Funded	Funded
Tier III	Not Funded	Not Funded	Not Funded	Funded



Unfunded CIP Projects

■ \$3.4 million in FY 2009

- New Projects – Tier II
 - \$977,430 for a gym addition and elevator at James Polk Elementary School;
 - \$200,000 for the design of Patrick Henry Recreation Center reconstruction;
 - \$50,000 for Streetscape Improvements; and
 - \$5,000 for Mt. Vernon Avenue light fixtures.

- Major Infra. Reconstruction – Tier III
 - \$487,146 for replacement of HVAC systems, electric power systems, and lighting at the ACPS Transportation & Maintenance Facility;
 - \$300,300 for a gym annex and roof replacement at George Washington Middle School;
 - \$150,000 for Boothe Basketball Court; and
 - \$88,000 for cafeteria expansion at Samuel Tucker Elementary School.

- On-going Improvements – Tier III
 - \$94,500 for bus shelters;
 - \$78,750 for miscellaneous undergrounding; and
 - \$13,000 for handicap accessibility projects at City facilities.



Unfunded CIP Projects

- \$3.4 million in FY 2009 (Continued)
 - New Projects – Tier III
 - \$250,000 for a Miracle Field;
 - \$120,000 for the residential sign program;
 - \$100,000 for safe routes to schools;
 - \$50,000 for Streetscape Improvements; and
 - \$5,000 for Mt. Vernon Avenue light fixtures.
 - Information Technology Projects – Tier III
 - \$174,000 for document management and imaging;
 - \$150,000 for a citizen finance portal;
 - \$70,500 for Sheriff mobile data browsers;
 - \$40,000 for Fire Department radios; and
 - \$32,000 for a DOT paratransit module.



Unfunded CIP Projects

- \$23.2 million in FY 2010

Category	Tier	\$ amount
New Projects	I	\$3.41M
Information Technology Projects	II	\$0.9M
Major Infrastructure Reconstruction Work	II	\$10.9M
On-going Improvement Programs	II	\$1.0M
Recurring Infrastructure Work	III	\$1.5M
New Projects	II	\$1.9M
Major Infrastructure Reconstruction Work	III	\$1.3M
On-going Improvement Programs	III	\$0.02M
New Projects	III	\$2.0M
Information Technology Projects	III	\$0.3M



Unfunded CIP Projects

- \$20.6 million in FY2011
- In priority order (top=higher priority)

Category	\$ amount
Major Infrastructure Reconstruction Work	\$11.0M
On-going Improvement Programs	\$2.7M
New Projects	\$6.9M



Unfunded CIP Projects

- Other unfunded projects
 - See list of “Projects Not Funded in the FY 2009 to FY 2014 CIP” on p. 9-4 of CIP
 - Old Town Undergrounding (p. 6-117)
 - FY 2008 – FY 2013 CIP = \$1.0M in FY09 and FY11
 - FY 2009 – FY 2014 CIP = \$0
 - Over \$100M needed to complete phases 4-14



Unfunded CIP Projects (ACPS)

- FY 2009 (\$1.85M)
 - \$420,630 for ADA improvements and the addition of an elevator at James K. Polk Elementary School;
 - \$556,800 for a gym addition at James K. Polk Elementary School;
 - \$88,000 for the expansion of the cafeteria at Samuel Tucker Elementary School;
 - \$300,300 for a gym annex and roof replacement at George Washington Middle School; and
 - \$487,146 for the replacement of heating and air conditioning (HVAC) systems, electric power systems, and lighting at the Maintenance & Transportation Facility.
- FY 2010 (\$13.75M)
 - New Projects – Tier I (\$220,500) and Tier II (\$1,255,200);
 - Major Infrastructure Reconstruction Work – Tier II (\$10,312,811) and Tier III (\$709,360); and
 - Recurring Infrastructure Work – Tier III (\$1,248,525)
- FY 2011 (\$10.8M)
 - New Projects (\$3,662,025); and
 - Major Infrastructure Reconstruction Work (\$7,137,753)

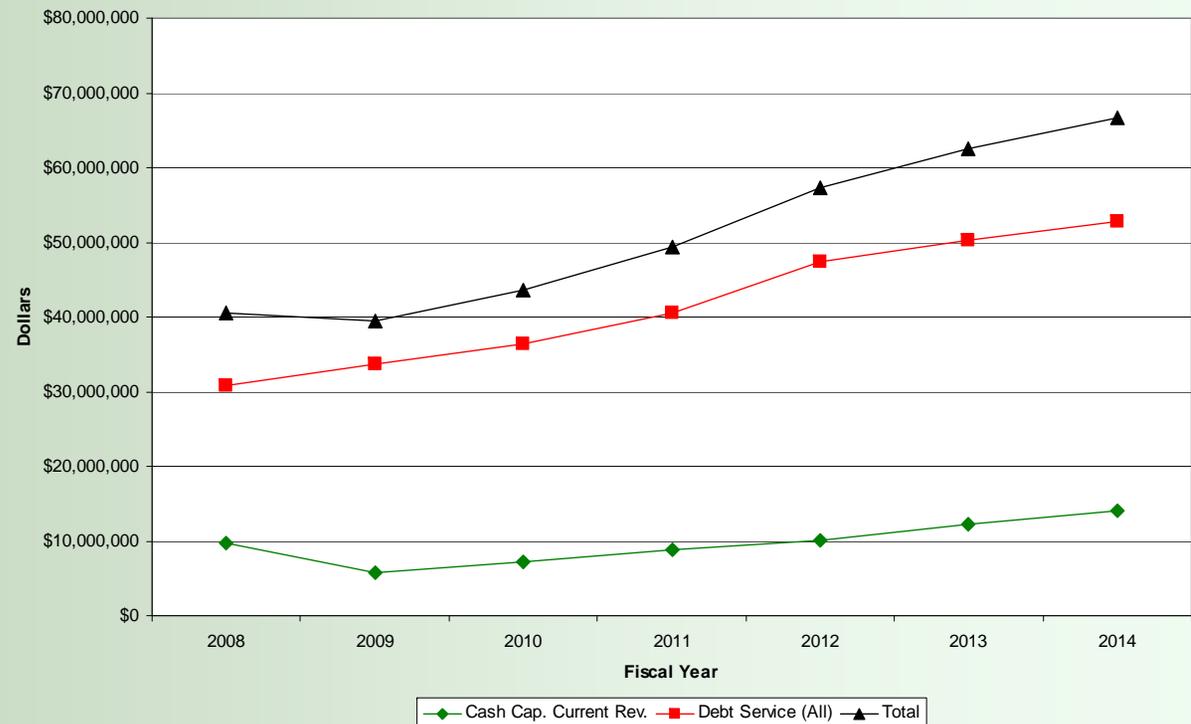


Operating Budget Impact

Annual impact on the operating budget significantly impacts amount of debt the City can issue.

Debt service payments increase each year of the CIP, peaking at \$51.2 million in FY 2014.

CIP Impact on Operating Budget



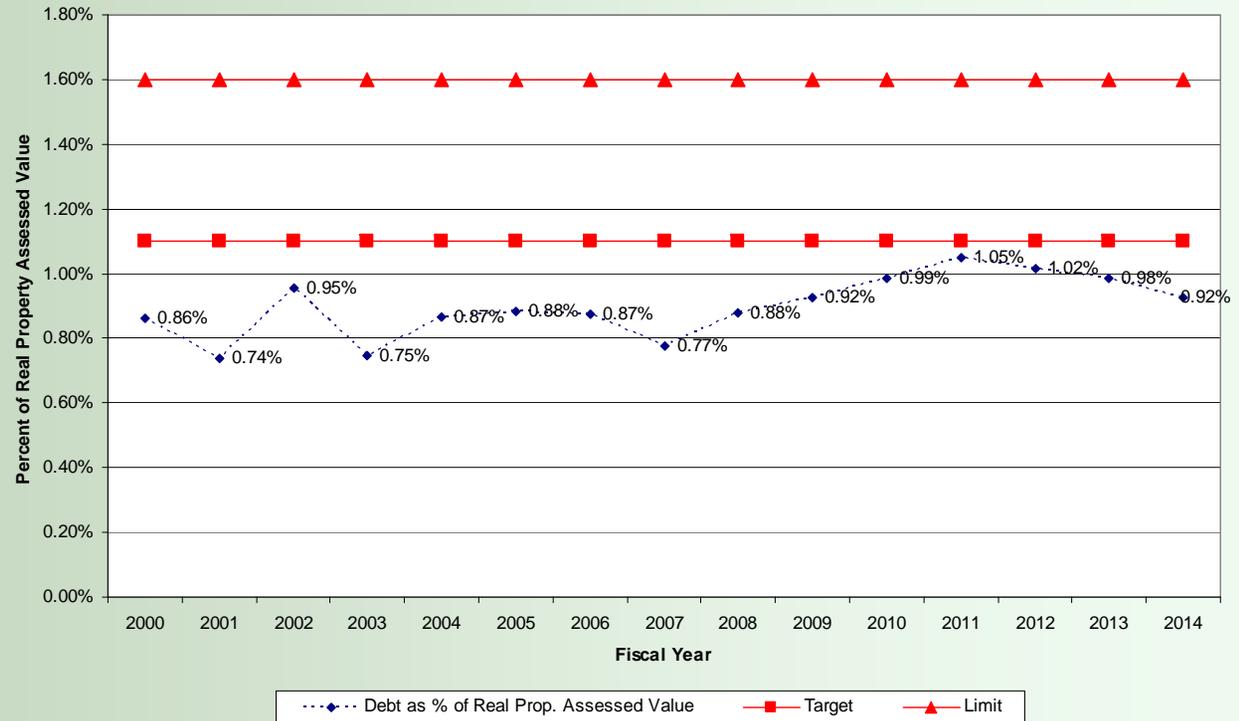


Debt Policy Guidelines

The City will remain in compliance with adopted debt ratio limits.

Debt as a percent of fair market value increases slightly, but stays below target.

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

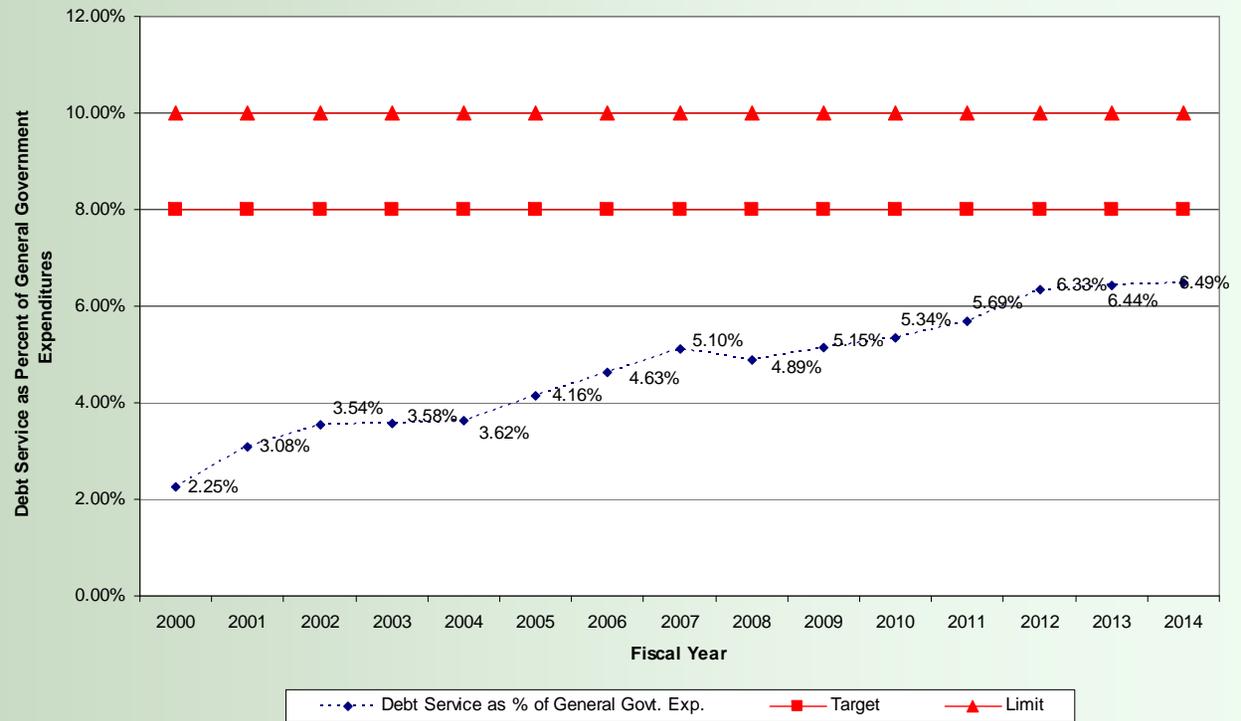




Debt Policy Guidelines

The City will continue to remain below its debt policy ratio for debt service to general governmental expenditures.

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

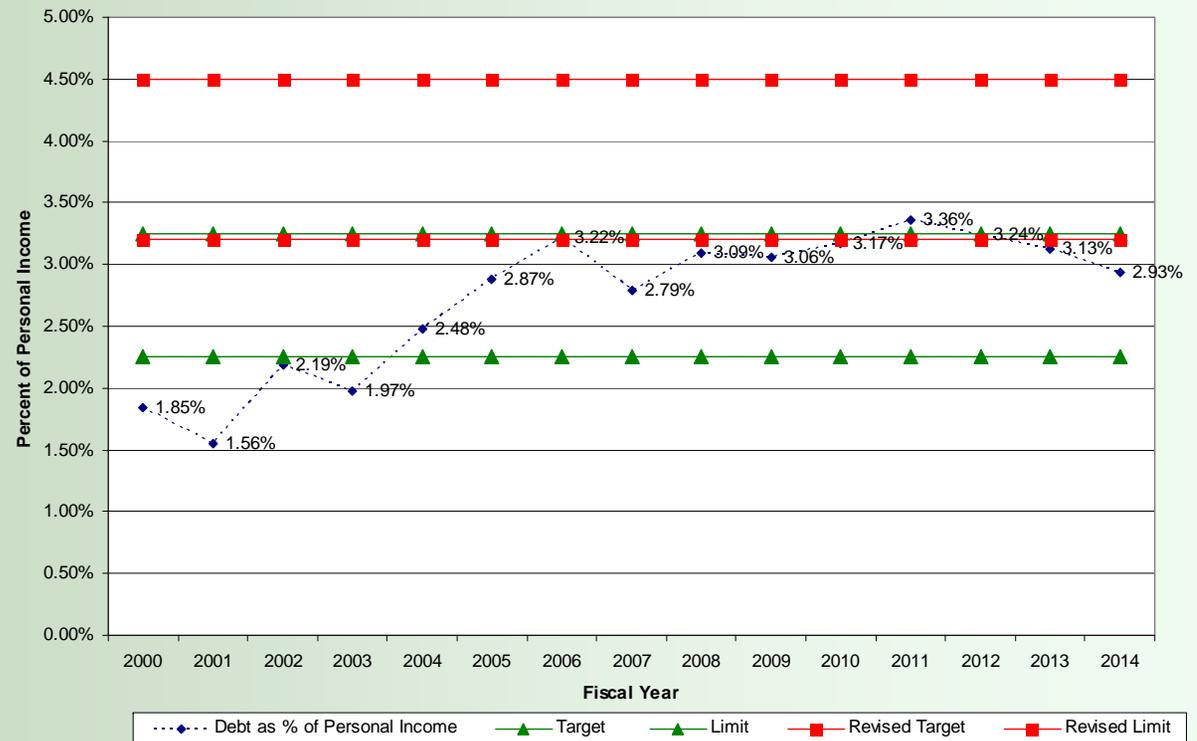




Debt Policy Guidelines

The City Manager is recommending a revision of the debt policy guideline for debt as a percent of personal income to 3.2% target and 4.5% limit.

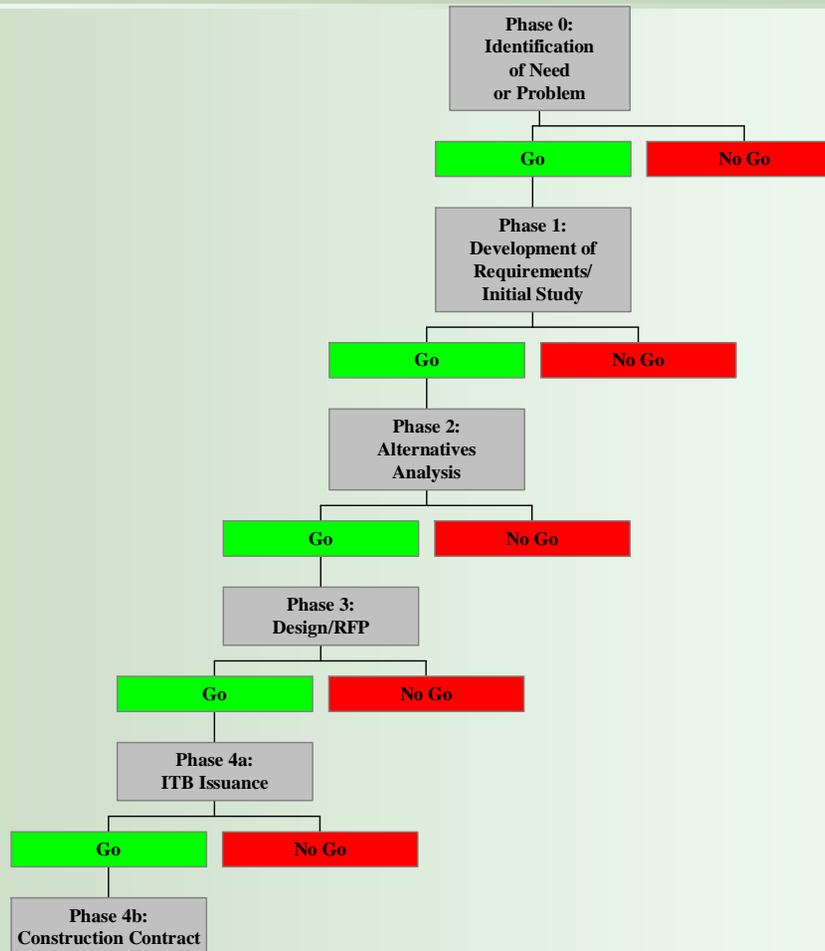
Proposed CIP FY 2009-2014
Debt as Percent of Personal Income





Best Management Practices

The City Manager is implementing a five phase capital review process to improve the management of major capital projects.





Best Management Practices

- 14 major projects were identified to be part of new process
 - New Police Facility
 - Fire Station 203 Expansion
 - New Fire Station (Eisenhower Valley)
 - Public Safety Center Slab
 - Emergency Operations Center
 - Holmes Run Infiltration & Inflow
 - Taylor Run Infiltration & Inflow
 - Madison/Montgomery
 - Chinquapin Recreation Center
 - Athletic Fields
 - Patrick Henry Recreation Center
 - All-City Sports Facility
 - Windmill Hill
 - Coordinated Sign and Wayfinding Program
- IT projects are also subject to a phase review process, which will now be strengthened at the implementation phase



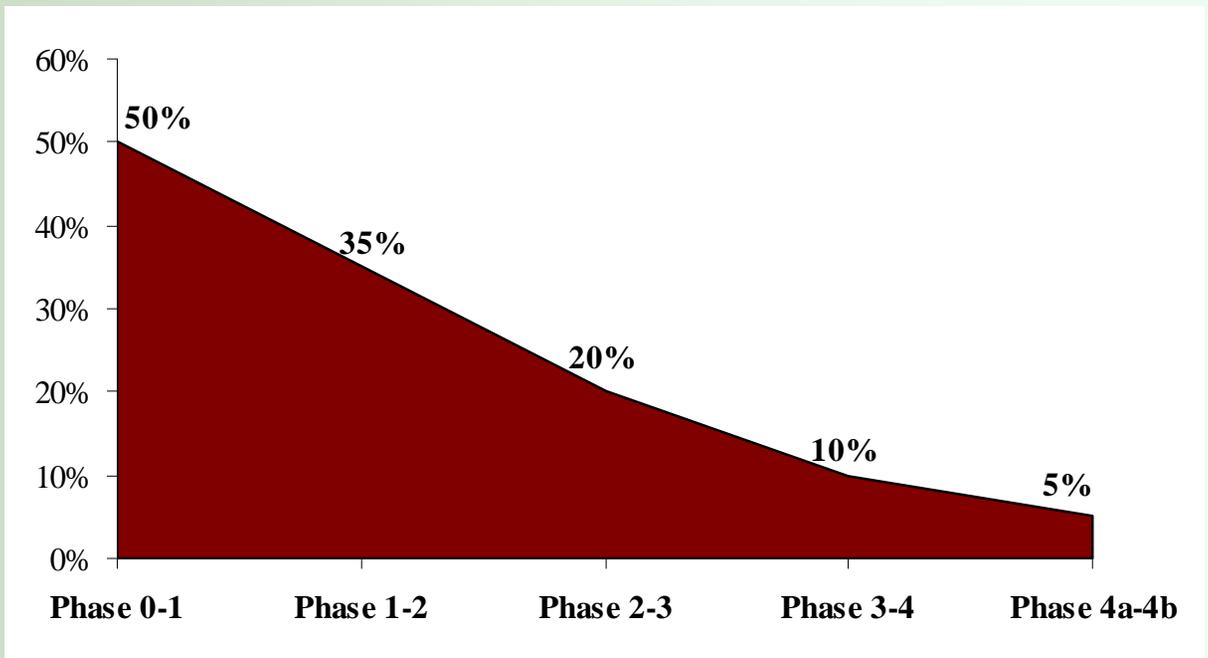
Best Management Practices

- Departments are required to submit the following project information, as applicable, for approval before it can proceed to the next phase.
 - Project Scope/Concept
 - Cost Estimate
 - Financing Estimate
 - Schedule
 - Customer Service Level Impact
 - Quantity
 - Efficiency
 - Quality
 - Criticality or Risk of not doing project
 - Operating Budget Impact Management Team
 - Public/Stakeholder Input
 - SUP/Other Formal Approval Required



Best Management Practices

Cost estimates increase in accuracy as project moves through phase review process from +/-50% to +/- 5%.





Best Management Practices

- Capital project performance measures will be used to keep projects on-budget and on-schedule.
- Managing departments have developed or will develop measures assessing quality of the project.

Capital Performance Measures
On-time (within projected time period)
On-budget (within projected range of costs)
Quality measures to be determined