

# Proposed FY 2014 – 2023 Capital Improvement Program



*City of Alexandria, Virginia*

## PROPOSED CAPITAL IMPROVEMENT PROGRAM



— FISCAL YEAR 2014 —

JULY 1, 2013 – JUNE 30, 2023

**March 20, 2013 - 5:30 PM  
George Washington Middle  
School**

- I. CIP Development**
- II. CIP Funding/Revenues**
- III. Debt and Debt Service**
- IV. CIP Projects**
- V. Optional Three Cents**
- VI. City Council Deliberation**

**Proposed FY 2014 – 2023  
Capital Improvement Program**



# **CIP DEVELOPMENT**

**CIP Process Improvement Team**

**Project Evaluation and Prioritization**

**CIP as a Communication Device**

**Getting to a Balanced 10-Year Plan**

**Phased Implementation**

# Proposed FY 2014 – 2023 Capital Improvement Program



## CIP Process Improvement Team

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- **Created by the City Manager; part of the larger Change Agent Team (CAT)**
  - **Chaired by Karl Moritz, Deputy Director of Planning and Zoning; CFO Laura Triggs represented the Change Agent Team**
  - **Other members from OMB, RPCA, T&ES, General Services, Fire Department, Information Technology, and Alexandria City Public Schools (ACPS)**
- **Evaluate the current CIP development process**
- **Make recommendations to better link CIP investments with key priorities of the organization**

# Proposed CIP Development CIP Process Improvement Team



## CIP Budget Development Improvements

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- **City Manager developed Guiding Principles that included linking projects to Strategic Plan**
- **Developed a Scoring Tool to evaluate projects based on Guiding Principles**
- **Phased Implementation**
  - **FY 2014 – 2023 CIP**
    - **New Projects were evaluated using the Scoring Tool and City Council Guidance**
    - **Financing Plan for all capital projects commenced, including specific sources/uses for projects**

# Proposed CIP Development CIP Process Improvement Team



## CIP Budget Development Improvements

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- **Phased Implementation (Continued)**
  - **FY 2014 – 2023 CIP**
    - **Re-formatting of CIP document to communicate clearer links to the Strategic Plan**
  - **FY 2015 – 2024 CIP**
    - **ALL projects will be evaluated using the Scoring Tool**
    - **An internal Technical Review Committee will review the scoring and project timelines/scopes/cost estimates**
    - **Continued re-formatting of CIP document**

# Proposed CIP Development CIP Process Improvement Team



## Evaluate and Rank Projects

- **Develop evaluation criteria** (4 Guiding Principles - section 16 - pages 5 & 6 of CIP)
  - **Align with the Strategic Plan**
  - **Executes Against our Strategy & Accountability for Results**
  - **Promotes Leadership & Ownership at All Levels**
  - **Promotes Excellence, Creativity & Entrepreneurship**
- **New and revised funding requests were ranked**
- **Projects rankings used in conjunction with FY 2014 City Council budget guidance and City Council Approved FY 2013 - 2022 CIP**

# Proposed CIP Development Communication Device



## Document Changes

- **Clear, concise project descriptions**
  - What are we doing?
  - What is the status?
  - Project history (if relevant)
  - Why is it important?
- **Clearer display of budget and financial information**
- **Sources and Uses for each project**
- **Changes from prior fiscal years**
- **Additional operating impacts**
- **Links to approved internal/external plans or recommendations**

# Proposed CIP Development CIP Process Improvement Team



## Link to the Strategic Plan

### Shared-Use Paths

#### Linking to the City's Strategic Plan

##### Goal 3 - Transportation

- **LTO: Increase the proximity of goods and services to residents**
  - **IO: Increase multi-modal transportation infrastructure**

##### Goal 2 - Health & Environment

- **LTO: Improve residents' general health status**
- **LTO: Improve air quality within the City**
  - **IO: Increase resident use of non-motorized transportation options**

##### Goal 5 - Financial Sustainability

- **LTO: Maintain the value of the City's physical assets**
  - **IO: Increase the maintenance investment relative to repair expenditure**

LTO – Long-Term Outcome; IO – Intermediate Outcome



**Proposed FY 2014 – 2023  
Capital Improvement Program**



# **FUNDING SOURCES**

**Proposed FY 2014 – 2023 CIP**

**Borrowing**

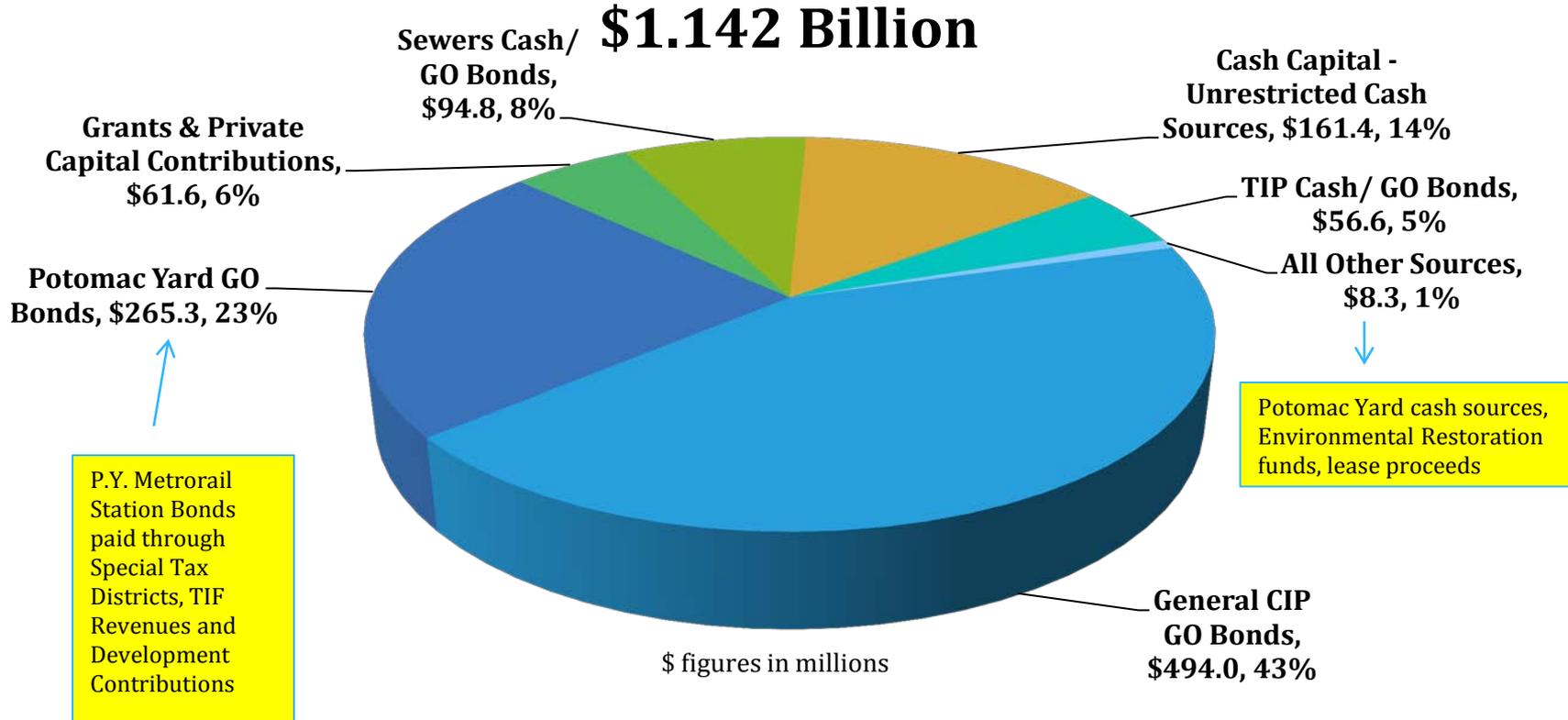
**Cash vs. Borrowing Ratio**

**FY 2014 Capital Year Budget**

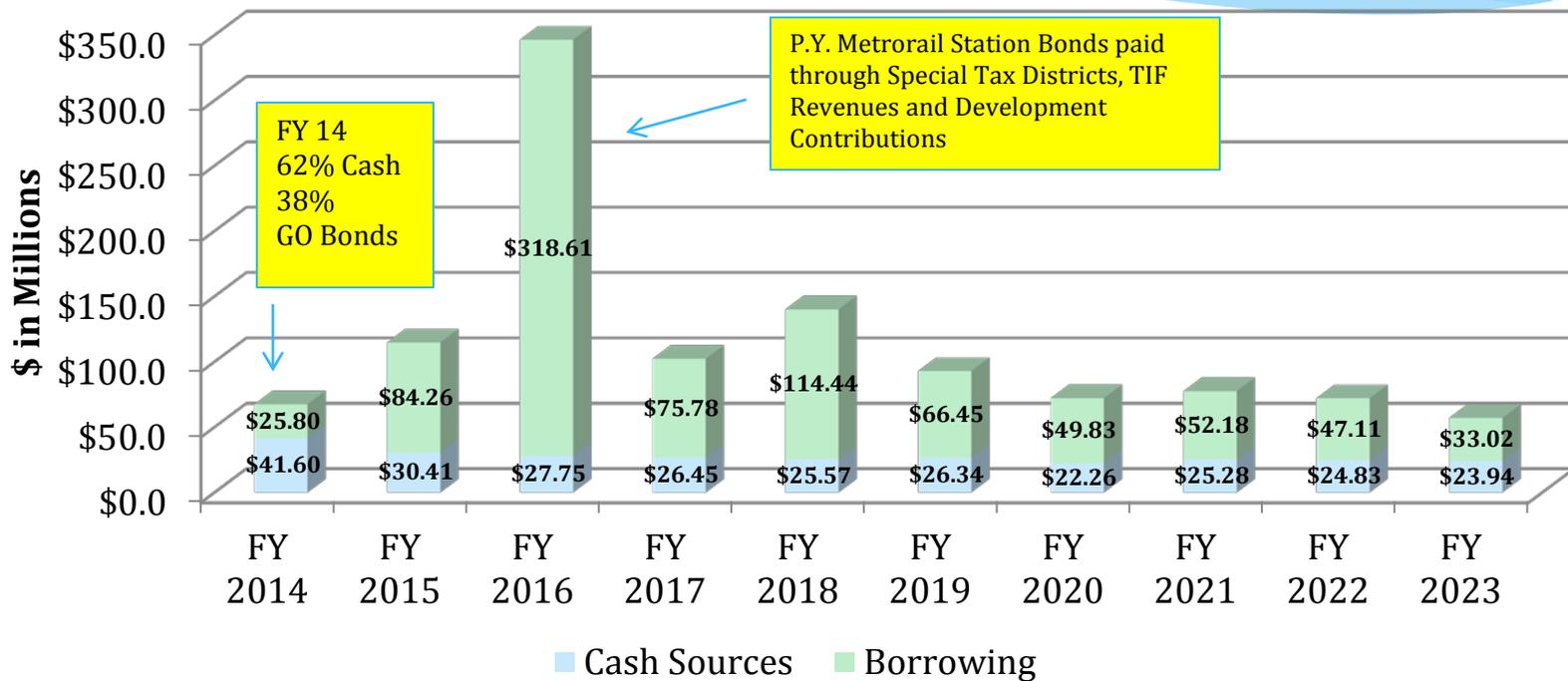
# Proposed FY 2014 – 2023 Capital Improvement Program



## Funding Sources (Excludes Optional 3 Cents)



# Proposed FY 2014 – 2023 Capital Improvement Program Cash Sources vs. Borrowing (Excludes Optional 3 Cents)



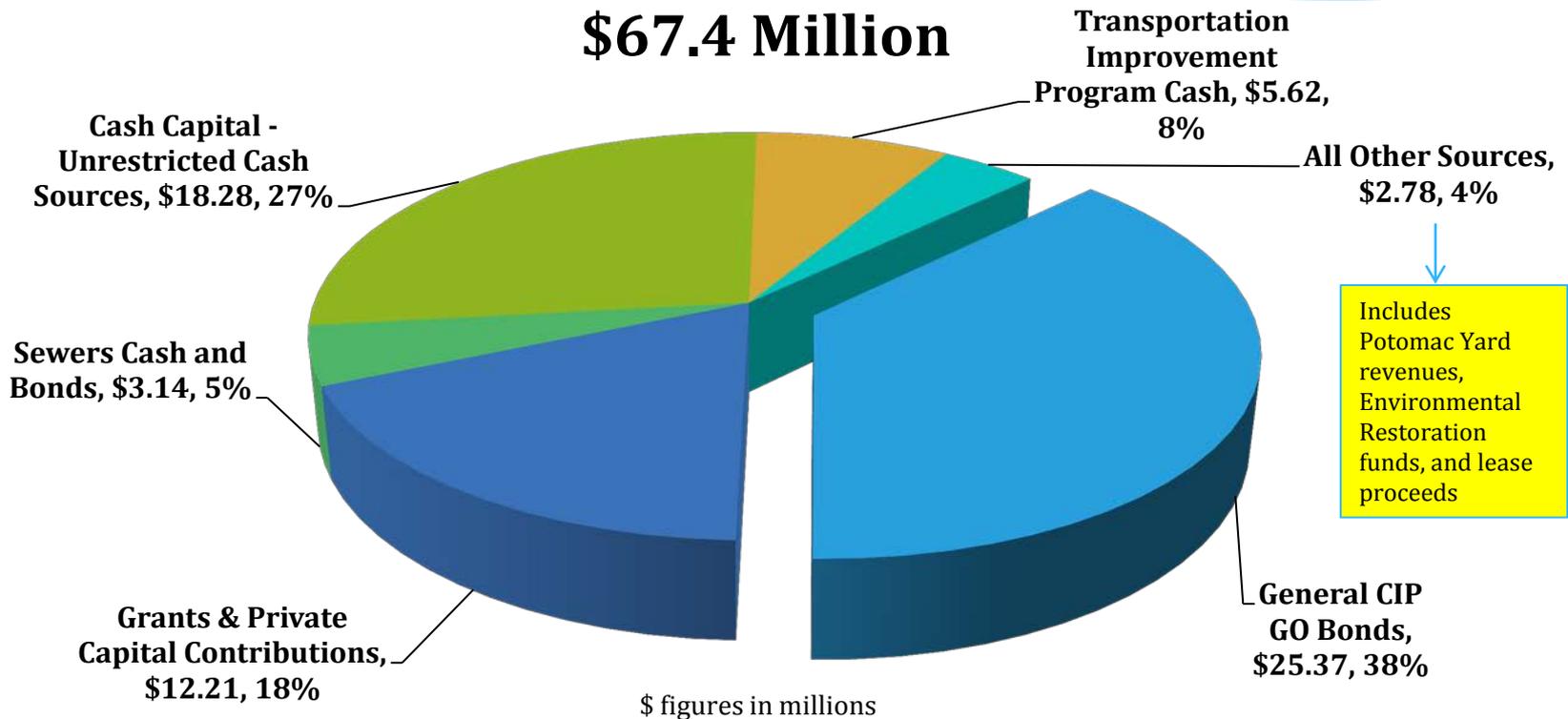
Split between cash and borrowing over the ten-year plan is 24% cash sources and 76% borrowing. When removing all Potomac Yard sources, the split is 31% cash sources and 69% borrowing.

# Proposed FY 2014 – 2023 Capital Improvement Program



## FY 2014 Capital Year Budget Funding (Excludes Optional 3 Cents)

**\$67.4 Million**



**Proposed FY 2014 – 2023  
Capital Improvement Program**



# **DEBT & DEBT SERVICE**

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**Ability to Pay  
Total Debt  
Debt Service  
Debt Ratios**

# Proposed FY 2014-2023 Capital Improvement Program



## Debt Ratio Limits - Comparative Jurisdictions

*Debt Ratio	Alexandria	Arlington County	Fairfax County	Prince William County
**Assessed Value to Total Outstanding Debt - Limit	1.6%	4.0%	3.0%	3.0%
Personal Income to Total Outstanding Debt - Limit	4.5%	6.0%	N/A	N/A
Gen Government Expenditures to Debt Service - Limit	10.0%	10.0%	10.0%	10.0%

\* All ratios exclude “self-supporting debt” such as the City’s Sanitary Sewer debt.

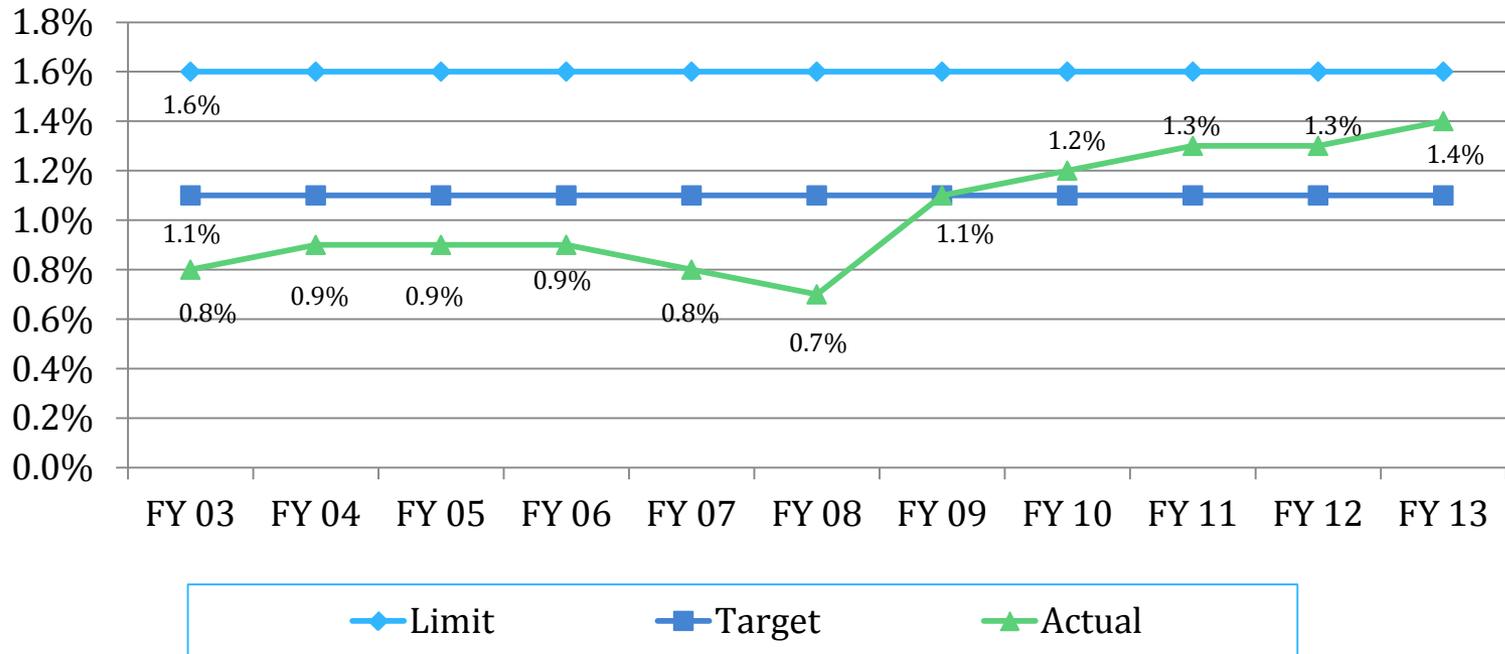
\*\* Median actual for “Aaa” rated cities with a population between 100,000 and 500,000 is 2.42% according to Moody’s.

# Proposed FY 2014-2023 Capital Improvement Program



## \*Debt Ratios: FY 2003 – FY 2013

Debt as a Percentage of Fair Market Real Property Value



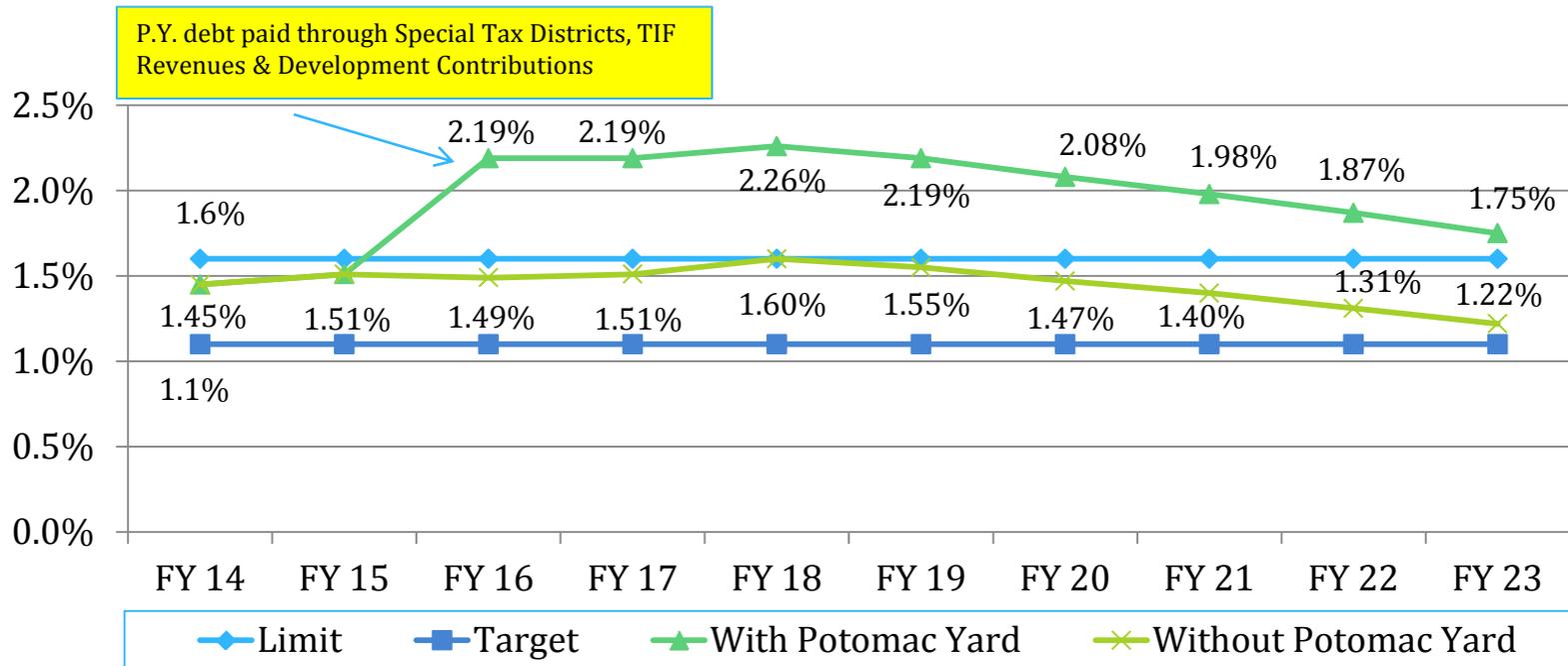
\* Does not include Sanitary Sewer Debt

# Proposed FY 2014-2023 Capital Improvement Program



## \*Debt Ratios: FY 2014 - FY 2023

### Debt as a Percentage of Fair Market Real Property Value



\* Does not include Sanitary Sewer Debt

# Proposed FY 2014-2023 Capital Improvement Program



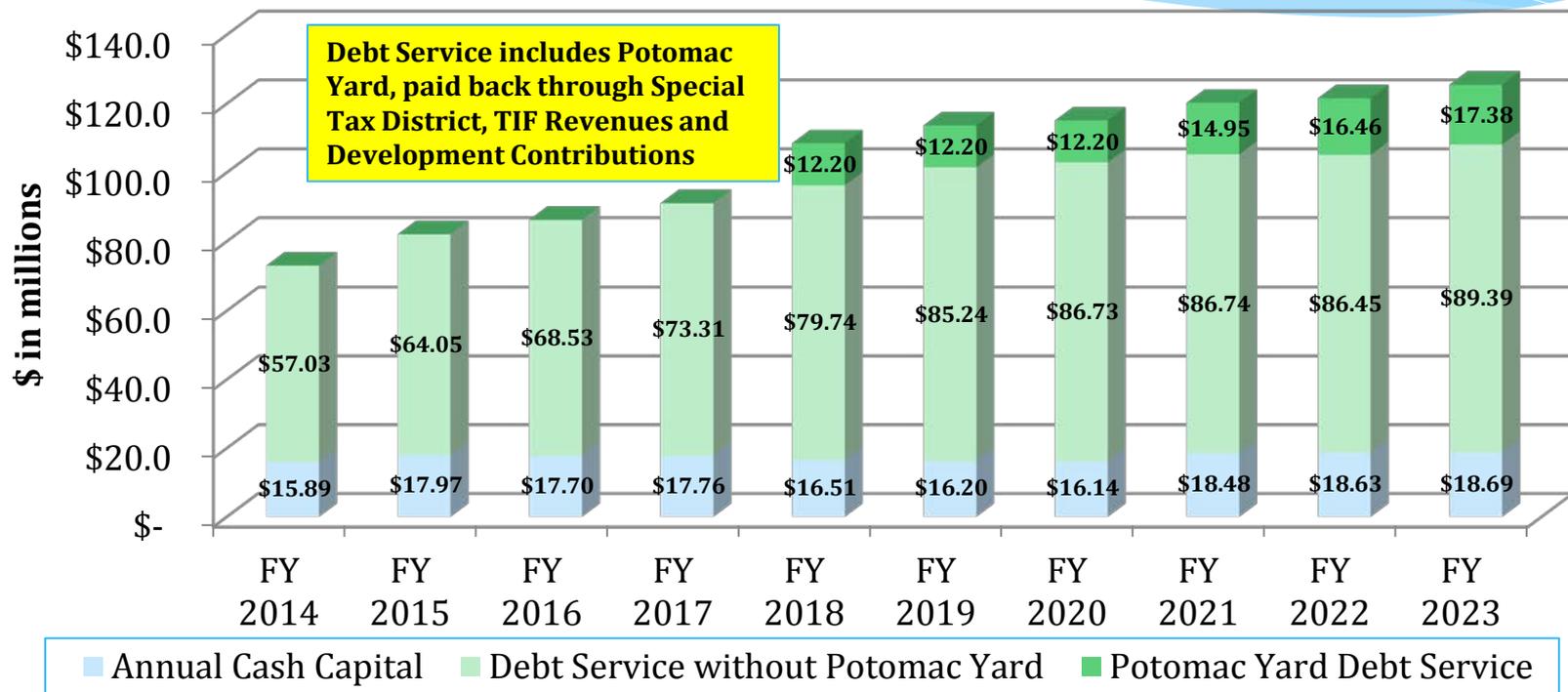
## GO Bond Projects: FY 2014 – FY 2023

- **Two ACPS capacity and non-capacity capital maintenance (\$176.5 M in borrowing; \$216.7 M total)**
- **Potomac Yard Metrorail Station**
- **WMATA Capital**
- **Four (4) Fire Station Re-Build/Replacements**
- **Fire Department Vehicle and Apparatus Replacement**
- **Open Space Acquisition**
- **Athletic Field Conversions (turf fields)**
- **Sanitary Sewer Capacity projects**

# Proposed FY 2014-2023 Capital Improvement Program



## Annual General Fund Cash and Debt Service (From General Fund Operating Budget)



Annual Cash Capital includes annual General Fund Cash Capital appropriation and Transportation Improvement Program (TIP) 2.2 cents for capital projects. Does not include one-time cash sources such as the Sale of Land, or cash from Dedicated revenues such as the Sanitary Sewer Fund.

**Proposed FY 2014 – 2023  
Capital Improvement Program**



# **PROJECTS**

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**FY 2014-2023 Projects**

**City Council Guidance**

**FY 2014 Capital Year Budget Projects**

**Optional 3 Cents on Tax Rate**

# Proposed FY 2014 – 2023 Capital Improvement Program

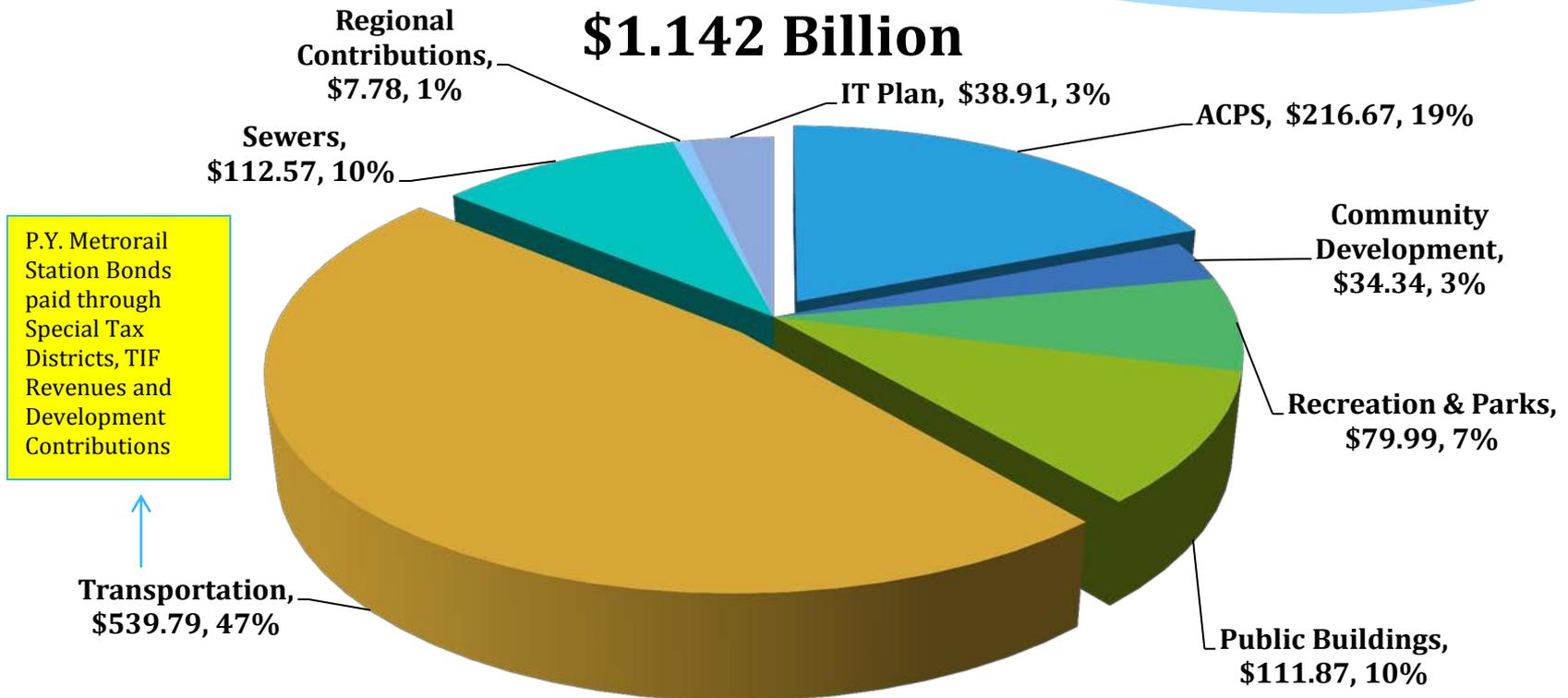


# Proposed FY 2014-2023 Capital Improvement Program



## Projects by CIP Section

(Excludes Optional 3 Cents)

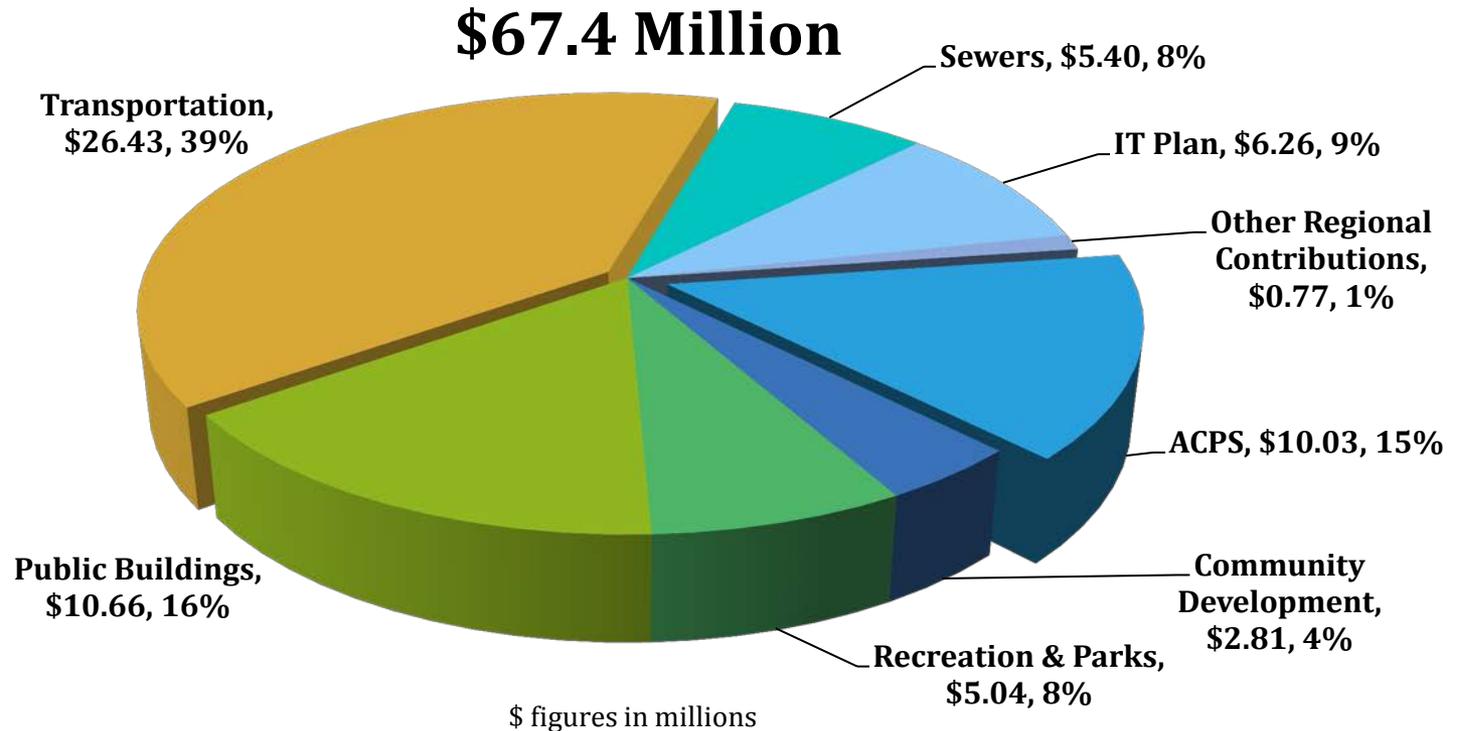


\$ figures in millions

# Proposed FY 2014-2023 Capital Improvement Program



## FY 2014 Capital Year Budget by CIP Section (Excludes Optional 3 Cents)



# Proposed FY 2014-2023 Capital Improvement Program



## FY 2014 – 2023 Capital Projects

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- **City Council Guidance**
  - Potomac Yard Metrorail Station
  - Alexandria City Public Schools Capacity
  - Public Safety Facilities
  - Recreation Facilities
  - Sewers & Basic Infrastructure
- **Transportation Improvement Program**
- **Other Capital Projects – Evaluation Criteria**
- **City Council Approved FY 2013 – 2022 CIP**

# Proposed FY 2014-2023 Capital Improvement Program



## Comparison - Approved to Proposed Nine-Year Comparison (FY 2014 - 2022)

Type of Project	Last Year FY 14 - 22	This Year FY 14 - 22	Difference	<i>FY 2023 Only</i>
Unrestricted	\$538.8 M	\$607.2 M	\$68.4 M	<i>\$48.1 M</i>

Eliminated \$51.8 M of Unrestricted programmed project funds from FY 2013 - 2022 CIP based on alignment with Strategic Plan and long-term and intermediate outcomes, lack of defined scope of solid cost estimates, or funding requirements had changed.

Added \$120.2 M in new Unrestricted projects including an additional \$62.2 M for ACPS capacity and non-capacity; \$15.7 M for Fire Department replacement vehicles and apparatus; \$12.4 M shifting street resurfacing to the CIP; and an additional \$11.8 M for fire station re-build/replacements based on updated costs

# Proposed FY 2014-2023 Capital Improvement Program



## Comparison - Approved to Proposed Nine-Year Comparison (FY 2014 - 2022)

Type of Project	Last Year FY 14 - 22	This Year FY 14 - 22	Difference	<i>FY 2023 Only</i>
CIP Component Units	\$432.6 M	\$420.0 M	(\$12.6 M)	\$5.0 M

Includes Potomac Yard Metrorail Station; decrease based on shift of some Sanitary Sewer and Storm Sewer restricted revenues to fund new operating initiatives including new equipment, heavy cleaning, and personnel required for compliance with State/Federally mandated capital improvements

Type of Project	Last Year FY 14 - 22	This Year FY 14 - 22	Difference	<i>FY 2023 Only</i>
Grant Funded / Private Capital	\$32.0 M	\$57.8 M	\$25.8 M	\$3.8 M

Recognizes more planned State/Federal Revenues (i.e. State Revenue Sharing)

# Proposed FY 2014-2023 Capital Improvement Program



## Potomac Yard Metrorail Station - \$277.1 M Total

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- **CIP continues to include funding for the Potomac Yard Metrorail Station**
- **Based on projected schedule, funding to start construction adjusted from FY 2015 to FY 2016 as staff continues to look at revenues and development projections**
- **General Obligation Bonds planned to be issued in FY 2016 backed by Special Tax Districts, Tax Increment Financing revenues and development contributions**
- **Debt ratios looked at with and without Potomac Yard debt to maintain compliance**

# Proposed FY 2014-2023 Capital Improvement Program



## Alexandria City Public Schools (ACPS) - \$216.7 M

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- Funding in FY 2014 – 2015 totaling \$43.0 M to address capacity at Patrick Henry and other locations
- Funding in FY 2017 – 2018 totaling \$49.9 M to address capacity based on enrollment projections
- Non-capacity funding (capital maintenance) totals \$123.8 M from FY 2014 – 2023
- Superintendent's CIP totaled \$357.4 M, and included four significant capacity projects

# Proposed FY 2014-2023 Capital Improvement Program



## ACPS FY 2014 Only - \$10.0 M

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- Provides \$5.0 M to address capacity needs at Patrick Henry and other priority areas
- Fully funds Superintendent's request of \$5.0 M in non-capacity capital maintenance
- Superintendent's request totals \$18.1 M (\$13.1 M capacity; \$5.0 M non-capacity)
- FY 2013 fully funded both capacity (\$44.0 M for Jefferson-Houston and modular classrooms) and non-capacity (\$14.9 M)

# Proposed FY 2014-2023 Capital Improvement Program



## Public Safety Facilities - \$80.0 M

Project	Cost/Fiscal Year
Four Fire Station Re-Build/Replacements– Fire Station 203 (Cameron Mills); Fire Station 205 (Cameron Street); Fire Station 206 (Seminary Road); Fire Station 207 (Duke Street)	\$47.1 M (FY 15 – 21)
Fire Department Vehicle & Apparatus Replacement – 36 pieces of equipment per new replacement schedule	\$18.2 M (FY 14 – 23)
Complete Emergency Operating Funding; Public Safety Center Improvements including Sheriff’s Office, Emergency Management Storage, and Hack Office	\$5.0 M (FY 12 – 14)
Police K-9 facility and Pistol Range renovations	\$2.17 M (FY 14 – 16)

# Proposed FY 2014-2023 Capital Improvement Program



## Recreation Facilities- \$80.0 M

Project	Cost/Fiscal Year
Athletic field conversion to turf; turf replacement	\$14.1 M (FY 17 – 23)
Open Space acquisition	\$23.3 M (FY 14, FY 16 – 23)
Chinquapin Aquatics Center improvements <i>Begin construction summer 2013</i>	\$2.1 M (FY 12 – 14)
Patrick Henry Recreation Center renovations – to be completed in conjunction with ACPS capacity project	\$6.5 M (FY 14 – 16)
Windmill Hill Park Bulkhead – funding accelerated by one year to FY 2015 (design/engineering); bulkhead replacement scheduled for FY 2016	\$4.0 M (FY 15 – 16)

# Proposed FY 2014-2023 Capital Improvement Program



## Sanitary and Storm Sewers - \$112.6 M

Project	Cost/Fiscal Year
Wet Weather Detention Facility – System Capacity	\$22.3 M (FY 15 – 19)
AlexRenew Wastewater Treatment Plant Capacity	\$34.2 M (FY 20 – 22)
Holmes Run Inflow & Infiltration (Total cost is \$35.1 M; \$19.8 M through FY 2013)	\$15.3 M (FY 15 – 19)
Does not include funding for State/Federally mandated MS4 and CSS capital needs – remediation to take place over next 20 – 30 years	Estimated \$250 - \$400 M (Not included)
New T&ES staff including engineering and OEQ personnel to begin identifying solution for federal mandates	Included in Operating Budget

# Proposed FY 2014-2023 Capital Improvement Program



## Transportation Improvement Program (TIP) - \$56.6 M (Capital)

2.2 cents on real estate tax rate for capital, operating and debt service expenditures associated with transportation improvements

Project	10-Year Cost
DASH Bus Expansion (Expansion planned in FY 14, 17, 19 & 21)	\$10.4 M Capital \$15.1 M Operating
Route 1 BRT (Total project cost \$20.8 M - \$15.6 M grants, \$5.2M TIP/City)	\$0.6 M Capital \$8.6 M Operating
Transit Corridor "C" – Beauregard (Estimate cost - \$140 M – will require significant State / Federal grants and development contributions)	\$24.4 M Capital \$7.5 M Operating
Old Cameron Run & Backlick Run multi-use paths	\$6.7 M Capital
Capital Bikeshare (plus \$0.72 M in grants/private funds)	\$1.3 M Capital

# Proposed FY 2014-2023 Capital Improvement Program



## Other Transportation Infrastructure- \$210.4 M

Project	Cost/Fiscal Year
WMATA Capital	\$74.5 M (FY 14 – 23)
DASH Bus Replacements (\$31.0 M City; \$15.4 M State/Federal grants)	\$46.4 M (FY 14 – 23)
Street Resurfacing & Reconstructions of Major Roads Street/Alley Reconstructions & Extension (\$25.4 M City/\$23.4 M State Revenue Sharing)	\$48.8 M (FY 14 – 23)
Complete Streets	\$7.9 M (FY 14 – 23)
Signals, mast arms, meters, other equipment	\$10.6 M (FY 14- 23)

# Proposed FY 2014-2023 Capital Improvement Program



## Master Plan Implementation Reflected in the CIP

Project	Cost/Fiscal Year
Waterfront Plan park and flood control design and engineering; Union Street pedestrian improvements	\$1.045 M (FY 14)
Transportation and Signage Wayfinding System	\$1.974 M (FY 14-15, 17-20)
Potomac Yard Metrorail Station	\$277.1 M (FY 12 - 16)
Public Arts Master Plan – Acquisition & Maintenance	\$3.4 M (FY 14-23)
Open Space Acquisition	\$23.3 M
Braddock Road Small Area Plan – Park and Streetscaping	\$2.6 M (FY 14-15)

# Proposed FY 2014-2023 Capital Improvement Program



## Projects Funded Using New Scoring Tool – p. 16 - 5-7

Project	Cost/Fiscal Year
Energy Management <i>Increase of \$1.1 M over FY 13 – 22 CIP</i>	\$6.4 M (FY 14 – 23)
Bridge Repairs <i>Increase of \$1.9 M over FY 13 – 22 CIP</i>	\$5.2 M (FY 15 – 23)
Adult Detention Center HVAC <i>New Project</i>	\$1.4 M (FY 14 – 15)
Elevator Replacement/Refurbishment <i>Increase of \$1.5 M over FY 13 – 22 CIP</i>	\$2.0 M (FY 15, 19, 21, 23)
Beatley Library Carpet/Water Infiltration <i>New Project</i>	\$0.6 M (FY 14)

# Proposed FY 2014-2023 Capital Improvement Program



## Future Capital Budget Issues

- **ACPS capacity based on future projected enrollment**
- **Sanitary and Storm Sewer State / Federally mandated capital improvements**
- **Small Area Plan implementation**
- **NVTA transportation funding (FY 2014 issue)**
- **Operating impacts of capital projects**
- **Debt ratios based on economic factors (Personal Income, Assessed Value ratios)**

**Proposed FY 2014 – 2023  
Capital Improvement Program**



**OPTIONAL 3  
CENTS**

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**Summary of Projects**

# Proposed FY 2014-2023 Capital Improvement Program



## Projects with Optional 3 Cents - \$126.7 M (p. 4-5)

Project	Cost/Fiscal Year
ACPS Capacity and Non-Capacity	\$19.4 M
Aquatics Facilities Master Plan	\$25.0 M
Large Park Improvements, Open Space, Four Mile Run Park	\$13.8 M
Transportation Infrastructure	\$ 22.3 M
Stormwater Capital Needs	\$26.5 M
Municipal Fiber Network	\$10.0 M
Self Contained Breathing Apparatus	\$2.8 M
Waterfront Plan Implementation/Design & Engineering	\$1.5 M
General Government Building Maintenance, CIP Project Planning Design and Engineering, Market Square Renovations, Prior Year Debt Service Pay Down	\$5.4 M

# Proposed FY 2014-2023 Capital Improvement Program



## Optional 3 Cents

- **Each year of the CIP must be in balance**
- **Once a decision regarding projects is made, OMB will develop financing plan based on available resources and then present to City Council for final approval**

# Proposed CIP Development



# Questions & Comments