

Proposed Capital Improvement Program Agenda

- I. Process Improvements & Development Objectives
- II. Funding Overview
- III. Expenditure Overview
- IV. Debt Ratios and Operating Impact
- V. City Projects
- VI. Alexandria City Public Schools Projects



Fire Station 210 (Eisenhower Valley) – Under Construction



Route 1 Transitway – Bus Rapid Transit (BRT)

FY 2015-2024 Proposed Capital Improvement Program Process Improvements & Development Objectives



Proposed Capital Improvement Program Process Improvements

- ✓ Evaluated and ranked all capital project requesting funding from FY 2015 – 2024
- ✓ Rankings used to inform capital project funding decisions
- ✓ Increased emphasis on additional operating impacts -> Linked to 5-Year Financial Plan
 - Cash capital and debt service
 - On-going operating budget impacts discussed in focus area teams
- ✓ CIP document improvements
 - More descriptive additional operating impacts
 - More descriptive project changes from year to year
 - Linked to the City Manager's Performance Plan
 - Continued individual sources and uses for all projects

Proposed Capital Improvement Program Development Objectives

- ✓ **Alignment with City Council guidance, the City's Strategic Plan, and the City Manager's Performance with emphasis on maintaining existing infrastructure**
- ✓ **Leverage new transportation funding to provide additional resources for maintaining existing City infrastructure and reduce debt**
- ✓ **Program future capital costs associated with storm water mandates and ACPS projected capacity needs**
- ✓ **Review debt ratios based on updated economic indicators (personal income and assessed value growth)**
- ✓ **Utilize project rankings to inform budget decisions**

Proposed Capital Improvement Program Priorities and Outcomes

Address ACPS enrollment/capacity

Support an efficient multi-modal transportation network

Encourage tourism and support businesses

Improve emergency response

Enhance recreation facilities

Address combined sewer system mandates

Address stormwater MS4/TDML mandates

**Focusing resources on
specific programs to
achieve outcomes**

Maintenance of existing transportation infrastructure

Maintenance of existing City facilities

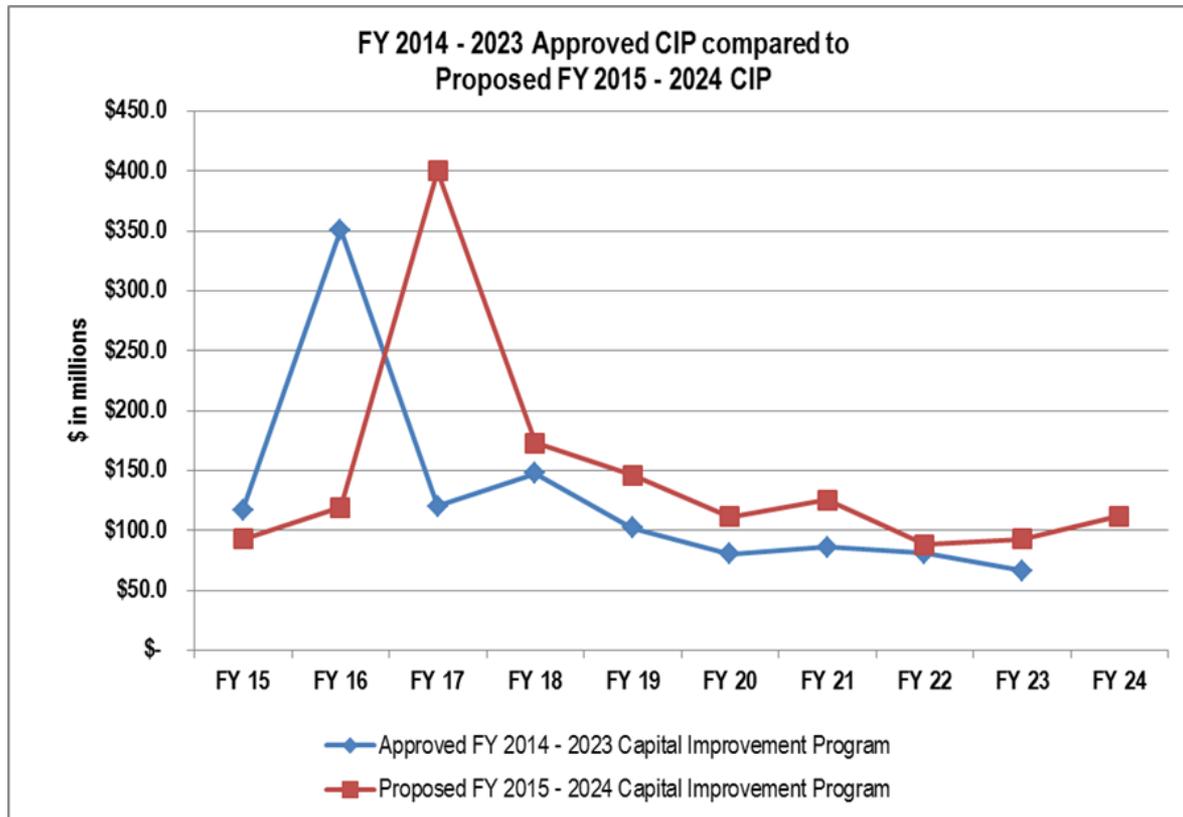
Strengthen IT network and security

**Investing in Existing
Assets/Core Programs**

FY 2015-2024 Proposed Capital Improvement Program Funding Overview



Proposed Capital Improvement Program Funding Overview

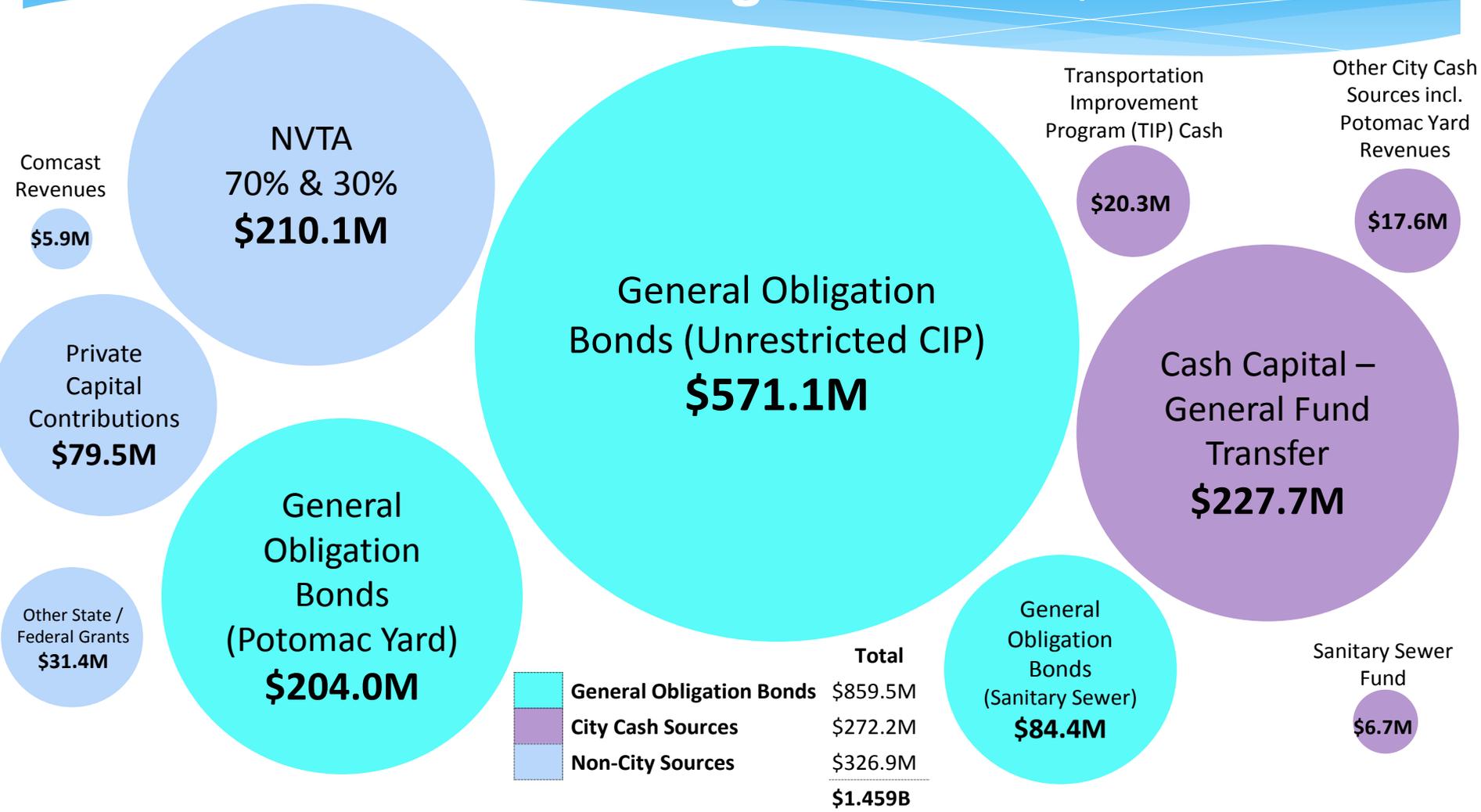


- Last year - \$1.228 billion (FY 14-23)
- This year - \$1.459 billion (FY 15-24)
- Growth primarily due to \$210.1 million in new NVTAs revenues
- Budgets Beauregard development contributions
- Reduces planned borrowing by \$128.7 million over first 5 years of plan

The significant shift in funding from FY 2016 to FY 2017 is due to construction starting for Potomac Yard Metrorail Station from late FY 2016 to early FY 2017.

Proposed Capital Improvement Program

10-Year CIP Funding Sources: \$1.459B



Last year's CIP was split 29% cash sources / 71% borrowing over the 10-year plan. This year's changes to 41% cash sources / 59% borrowing.

Proposed Capital Improvement Program 10- Year Funding Overview

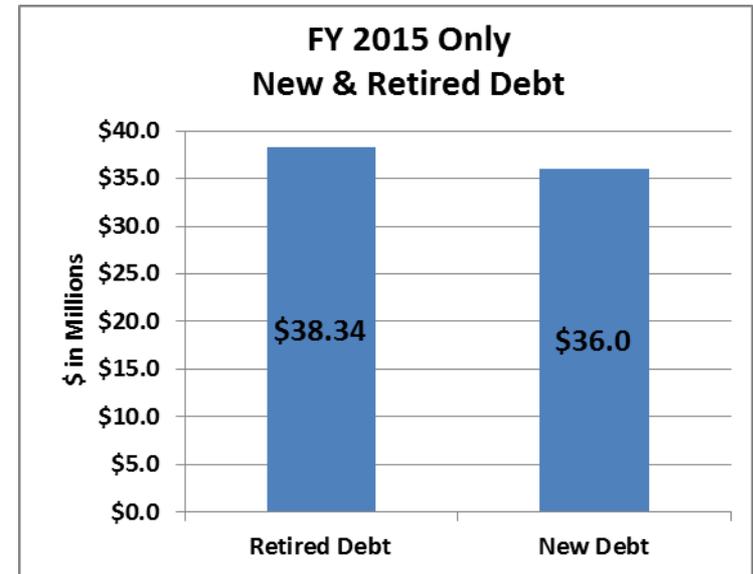
Comparison – Last Year’s Approved Plan to this Year’s Proposed Plan

Revenue Source	FY 2014-2023	FY 2015-2024	Difference
*City Cash Sources	\$296.5 M	\$272.2 M	(\$24.3 M)
General Obligation (GO) Bonds (Unrestricted CIP)	\$494.0 M	\$571.1 M	\$77.1 M
Potomac Yard GO Bonds	\$265.3 M	\$204.0 M	(\$61.3 M)
Sanitary Sewer GO Bonds	\$80.2 M	\$84.4 M	\$4.2 M
TIP GO Bonds	\$28.0 M	\$0 M	(\$28.0 M)
NVTA 70% and 30%	\$0 M	\$210.1 M	\$210.1 M
State & Federal Grants/Private Capital Comcast	\$64.1	\$116.7 M	\$52.6 M
Total	\$1,228.1 B	\$1,458.5 B	\$230.4 M

* City Cash Sources include: General Fund Cash Capital Transfer, Sanitary Sewer Cash Sources, Transportation Improvement Program Cash, Potomac Yard Cash, Code Fund Revenue, Reprogrammed Prior Year Cash, and Miscellaneous Cash Sources.

Proposed Capital Improvement Program 5- Year Borrowing Overview - FY 2015 – 2019

Revenue Source	Last Year FY 2015- 2019	This Year FY 2015- 2019	Difference
General Obligation (GO) Bonds (Unrestricted CIP)	\$325.8 M	\$287.8 M	(\$38.0 M)
Potomac Yard GO Bonds	\$265.3 M	\$204.0 M	(\$61.3 M)
Sanitary Sewer GO Bonds	\$42.2 M	\$40.2 M	(\$2.0 M)
TIP GO Bonds	\$27.4 M	\$0 M	(\$27.4 M)
Total FY 2015 - 2019	\$660.6 M	\$531.9 M	(\$128.7 M)

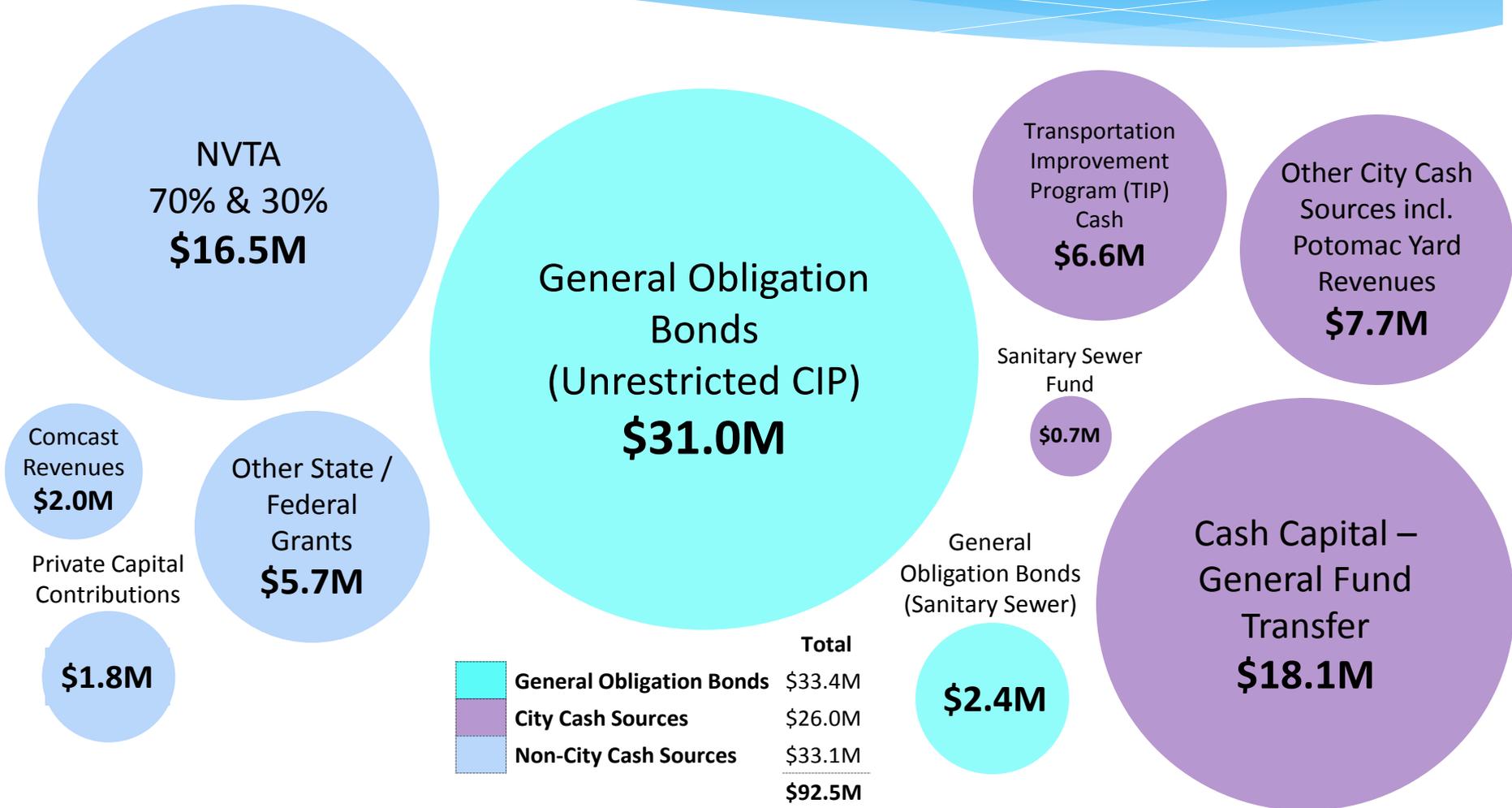


Total estimated outstanding debt at the end of FY 2015 is projected to be \$535.8M, which includes debt issued on behalf of ACPS.

New debt includes Jefferson-Houston K-8 debt approved in prior fiscal years.

Proposed Capital Improvement Program

FY 2015 CIP Funding Sources: \$92.5M



Last year's CIP plan for funding was split 32% cash sources / 68% borrowing over the 10-year plan. This year's CIP changes to 64% cash sources / 36% borrowing.

FY 2015-2024 Proposed Capital Improvement Program Debt Ratios and Operating Impact



Proposed Capital Improvement Program

Debt Ratios

City Council imposed debt ratios must be adhered to in each year of the balanced 10-year plan (excluding Potomac Yard debt).

Debt Ratio	Target/Limit
Debt as a Percentage of Fair Market Real Property Value	Target: 1.1% Limit: 1.6% *FY 2015: 1.45%
Debt as a Percentage of Total Personal Income	Target: 3.2% Limit: 4.5% *FY 2015: 4.13%
Debt Service as a Percentage of General Government Expenditures	Target: 8.0% Limit: 10.0% FY 2015: 7.64%

* Does not include exempt Sanitary Sewer debt, which is funded through dedicated fees.

Proposed Capital Improvement Program

Debt Ratios

Comparative Jurisdictions

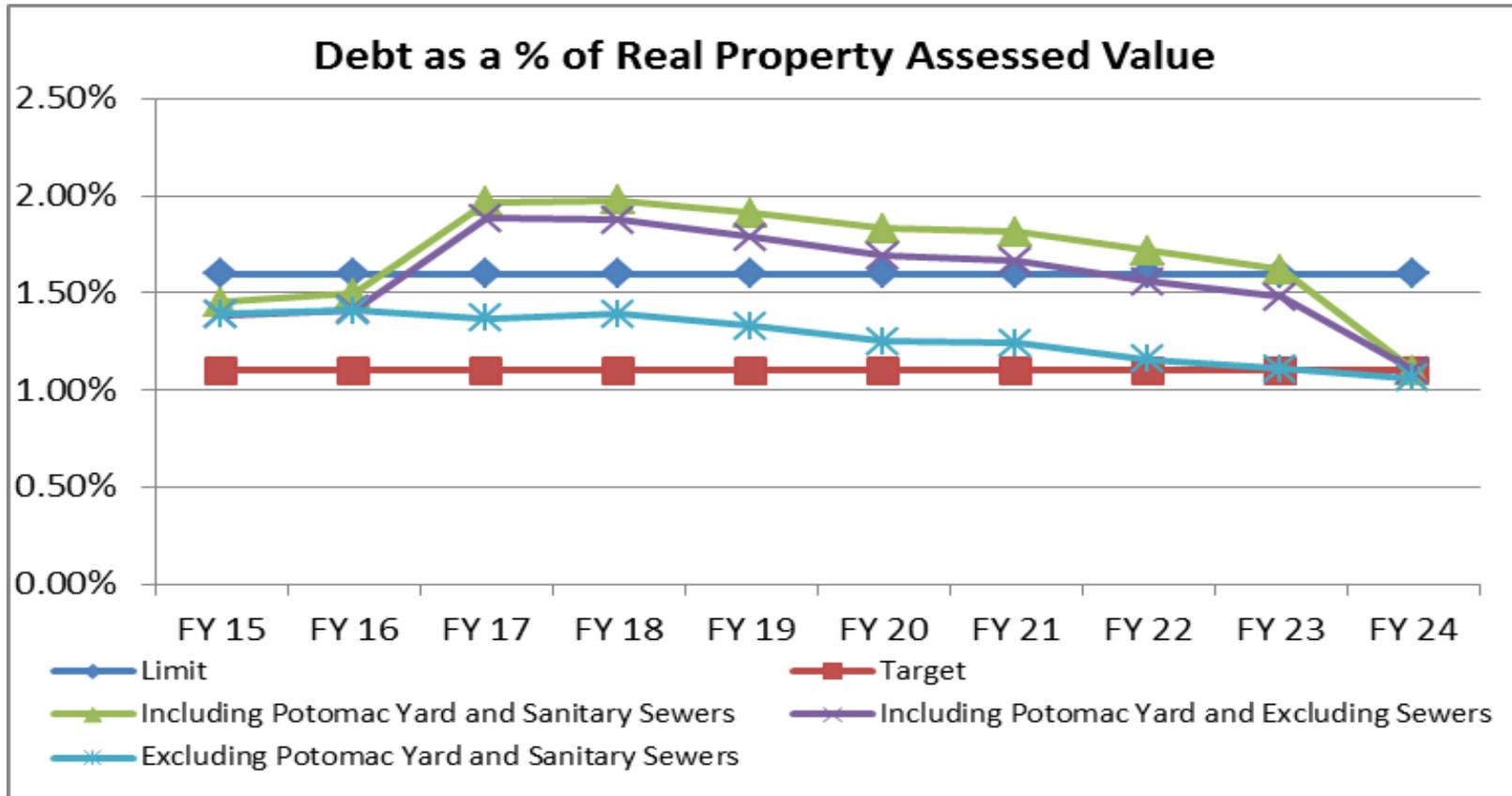
*Debt Ratio	Alexandria	Arlington County	Fairfax County	Prince William County
**Debt as a Percentage of Fair Market Real Property Value	1.6%	4.0%	3.0%	3.0%
Debt as a Percentage of Total Personal Income	4.5%	6.0%	N/A	N/A
Debt Service as a Percentage of General Government Expenditures	10.0%	10.0%	10.0%	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%.**

Proposed Capital Improvement Program

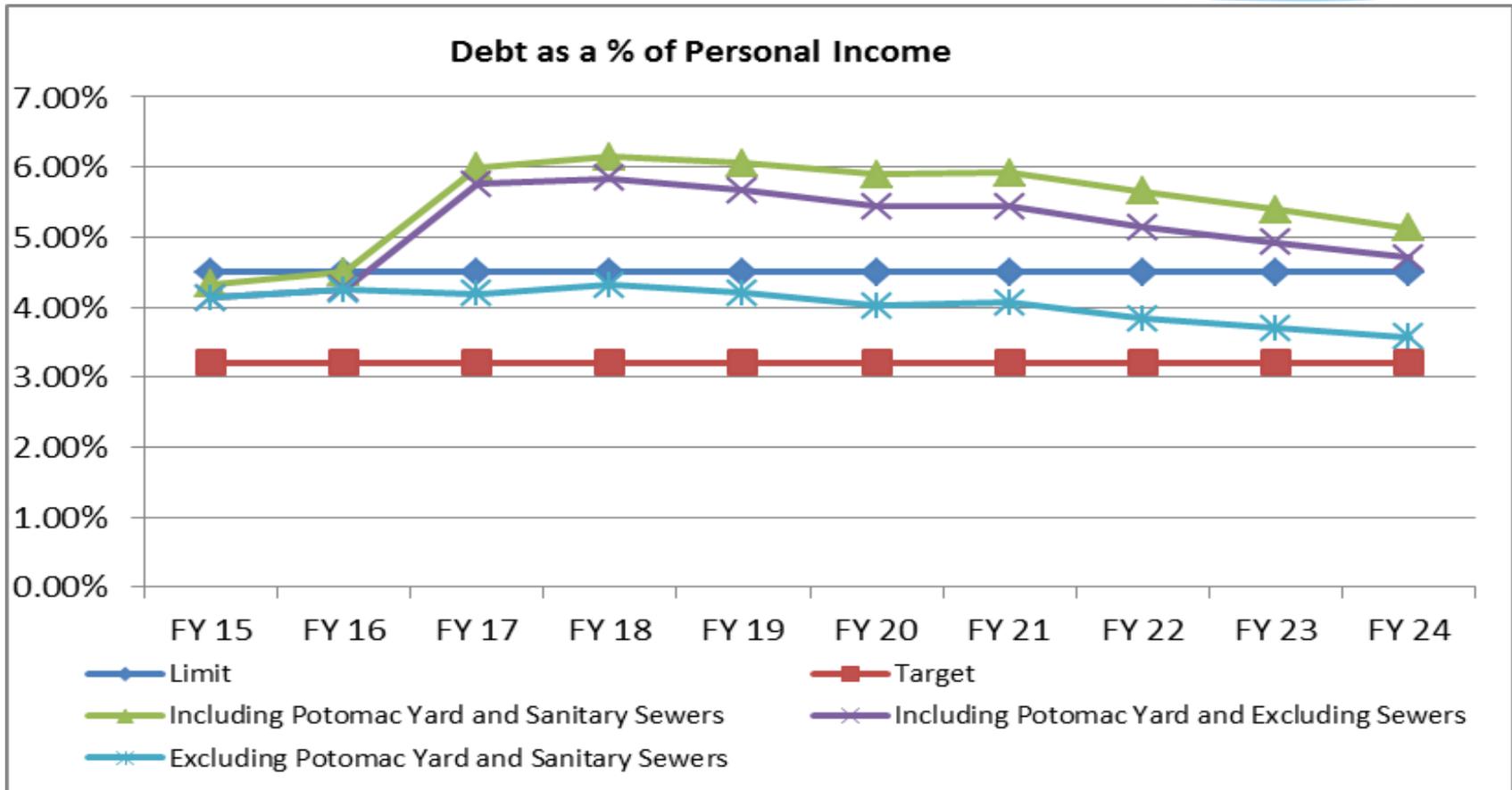
Debt Ratios



Debt ratio is exceeded beginning in FY 2017 because of Potomac Yard Metrorail Station borrowing, which is backed by Special Service District taxes, incremental property value growth, development contributions, and anticipated NVT A funding.

Proposed Capital Improvement Program

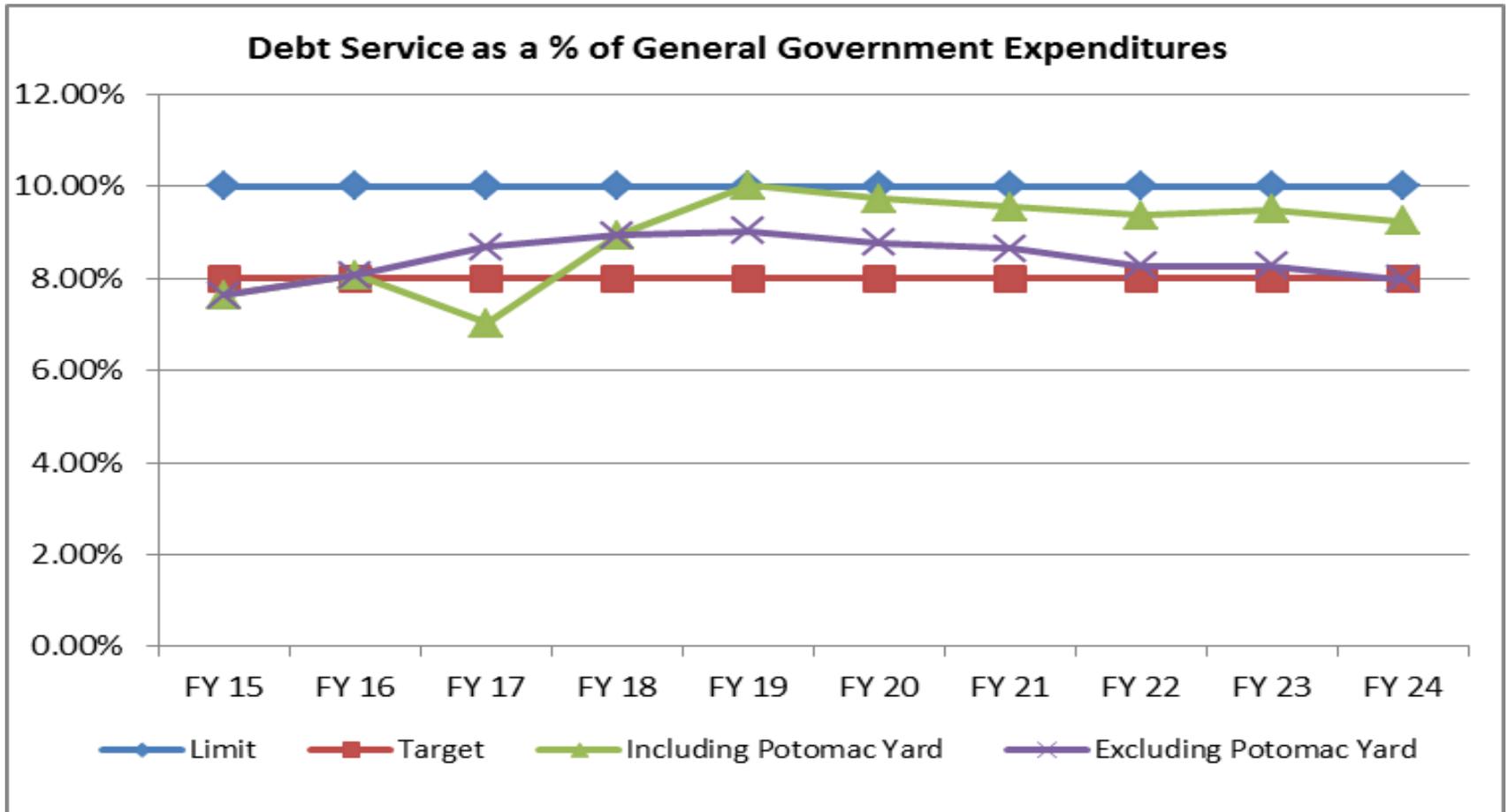
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Proposed Capital Improvement Program

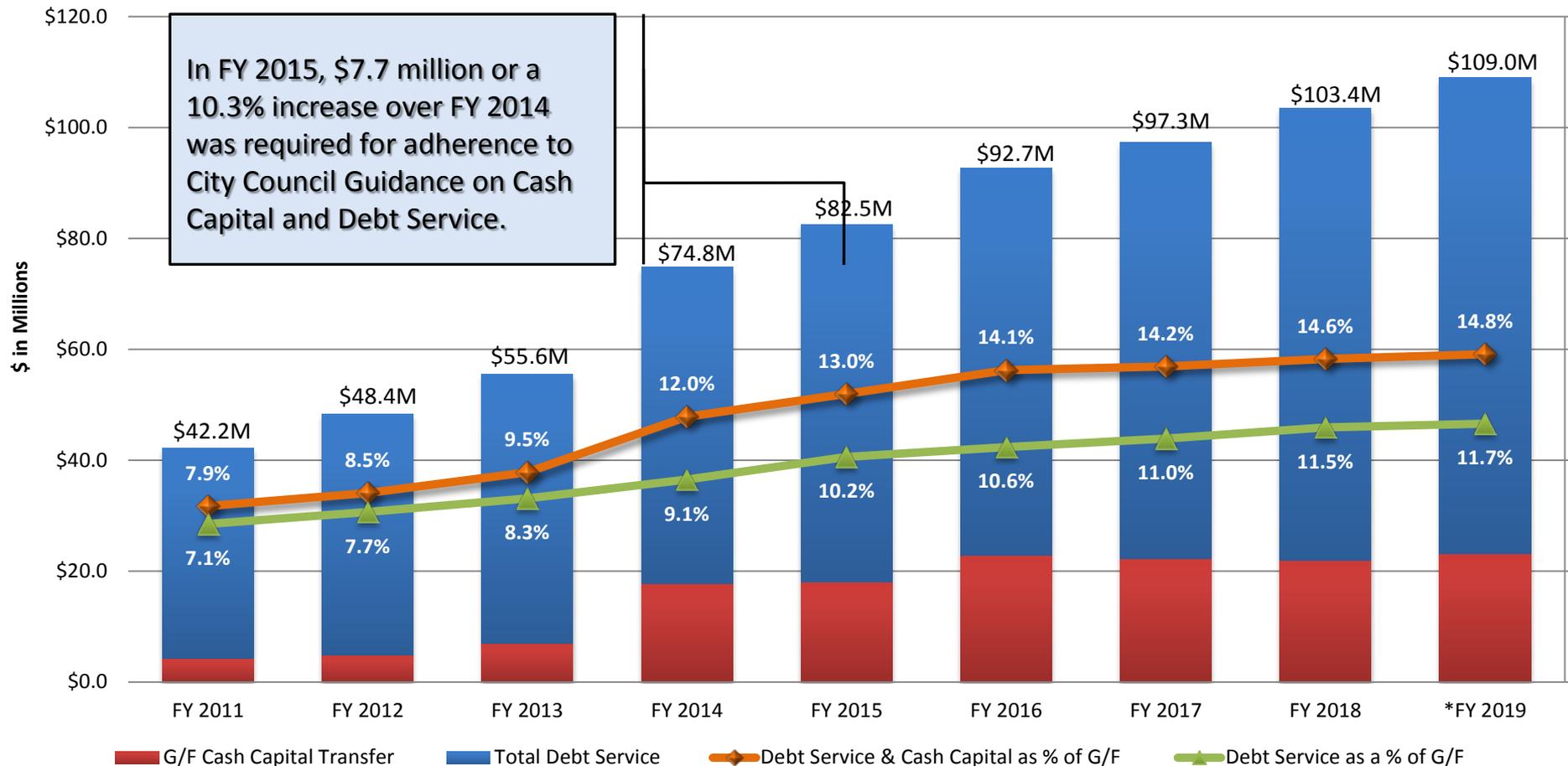
Debt Ratios



Debt ratio is exceeded only in FY 2019 because of Potomac Yard Metrorail Station borrowing, which is backed by Special Service District taxes, incremental property value growth, development contributions, and anticipated NVTA funding.

Proposed Capital Improvement Program Debt Service & Cash Capital

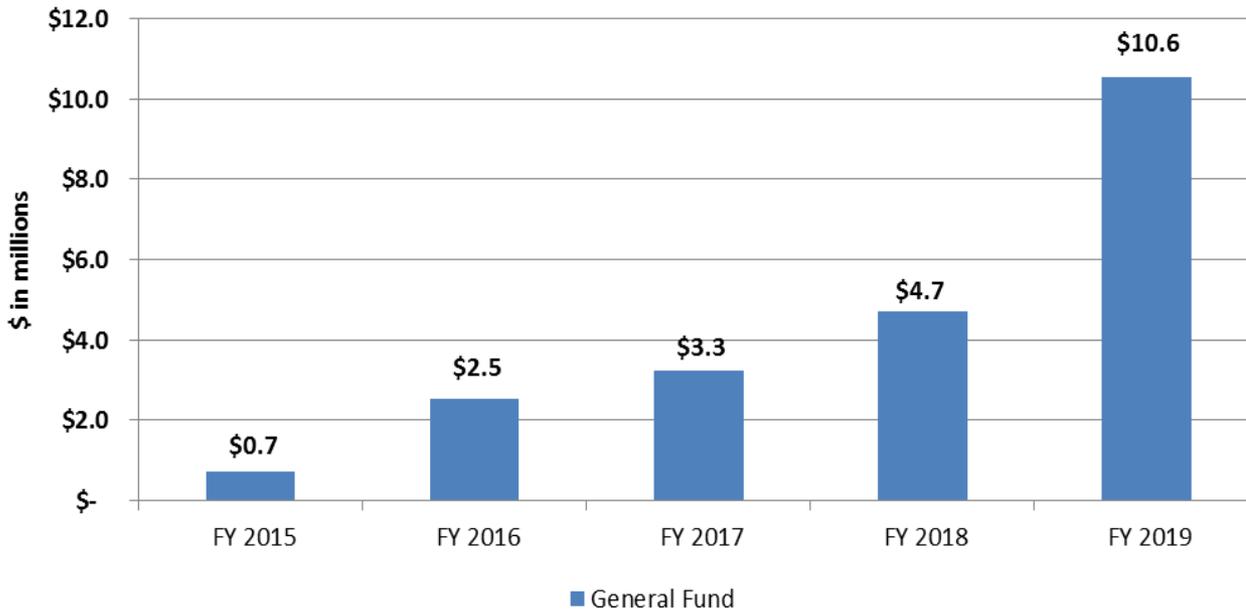
Impact of Debt Service and General Fund Cash Capital Transfer



Note: *Debt Service excludes Potomac Yard Metrorail Station Debt beginning FY 2019
 General Fund Growth is assumed at 3.8% from FY 2016 – FY 2019

Proposed Capital Improvement Program General Fund Programmatic Operating Impacts

Proposed FY 2015 - 2024 CIP
General Fund Annual Operating Impact
Cumulative Program Operating Budgets



On-Going Operating Impacts
(Examples of Projects –
Does not Include ACPS)
(\$ in millions)

FY	Project	*Cost
FY 15	CAD/RMS	\$0.4 M
FY 16	FS 203 Medic Unit	\$1.2M
FY 18	Chinquapin Aquatics	\$1.5 M
FY 19	FS 211 (Beauregard)	\$5.7 M

*Planning Level estimates only. Level of investment will be decided on an annual basis

Analysis only includes General Fund operating budget impacts. Other projects such as the operating subsidy for the Route 1 Transitway (NVTA 30%) and Potomac Yard Metrorail Station (Potomac Yard Special Tax District) have non-General Fund revenue sources that will support on-going operating costs.

FY 2015-2024 Proposed Capital Improvement Program Project Overview



FY 2015-2024 Capital Improvement Program Budget Project Categories



Other Regional Contributions
\$7.9M



Stormwater Management
\$41.0M



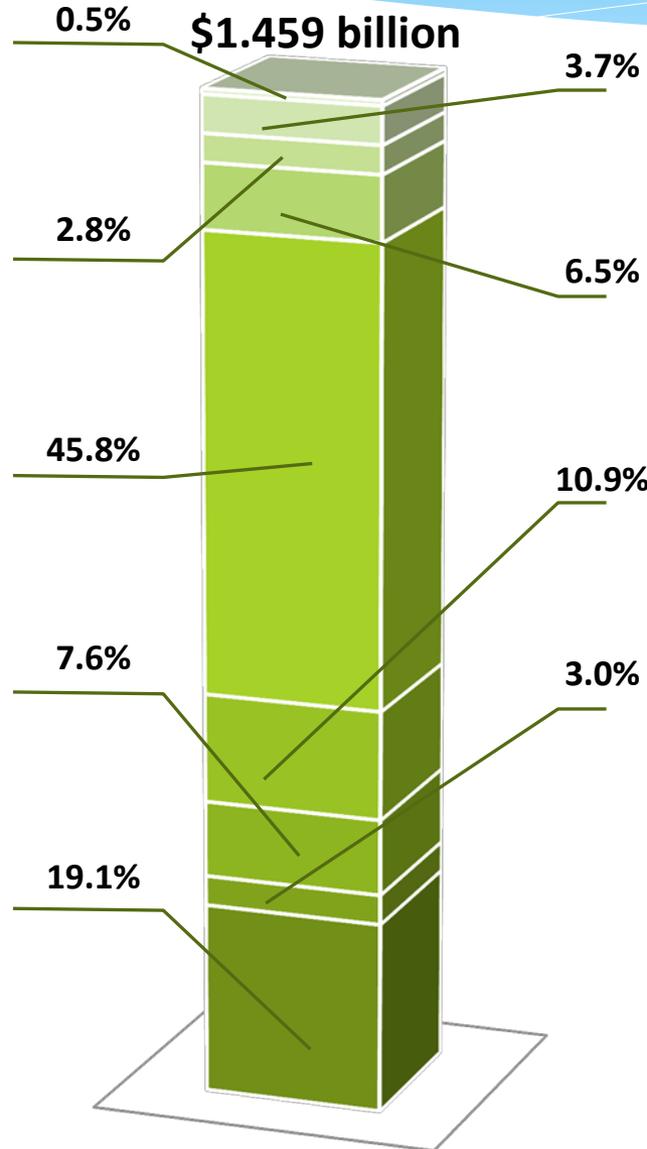
Transit & Transportation
\$668.0M



Recreation & Parks
\$110.8M



Schools
\$279.1M



Information Technology
\$54.4M



Sanitary Sewers
\$94.9M



Public Buildings
\$158.8M



Community Development
\$43.7M



Total FY 2015-2014
CIP Investment
\$1.459 billion

FY 2015 Capital Year Budget Project Categories



Other Regional Contributions
\$817K



Stormwater Management
\$3.7M



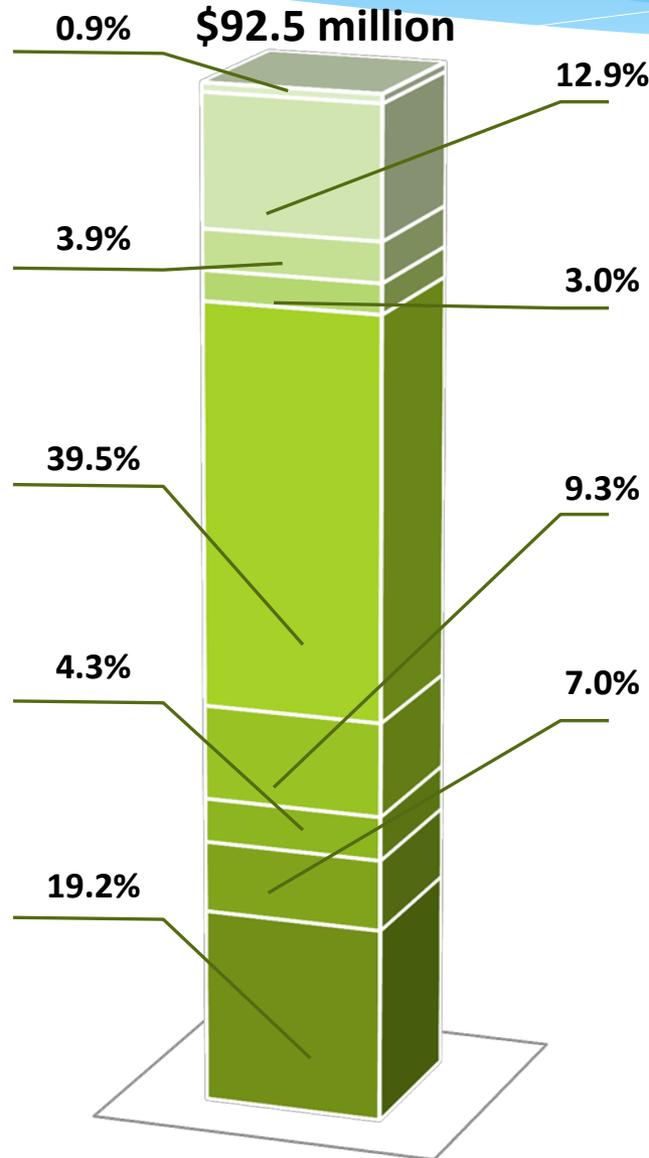
Transit & Transportation
\$36.5M



Recreation & Parks
\$4.0M



Schools
\$17.7M



Information Technology
\$12.0M



Sanitary Sewers
\$2.8M



Public Buildings
\$8.6M



Community Development
\$6.5M



Total FY 2015
CIP Investment
\$92.5 million

Transportation & Transit New Opportunities



**New
Transportation
Revenues**

NVTC 70% and 30%

NVTC

Development contributions

**City Transportation
Resources
to be Reprioritized**

Expand the definition of the TIP

Reprioritize resources to maintain existing
transportation infrastructure

Reduce planned borrowing; decrease debt service

Direct more resources towards planned projects

Transportation & Transit

(Streets & Bridges, Non-Motorized, Fixed Equipment)



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$103.3 M	\$145.5 M	\$42.2 M	\$15.7 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
Street Resurfacing	\$46.3 M	*\$4.5 M
Sidewalks & Shared-Use Paths	\$6.2 M	\$0.8 M
Complete Streets	\$9.4 M	\$1.0 M
**Capital Bikeshare	\$2.4 M	\$0.5 M
Madison & Montgomery Reconstruction	\$7.4 M	\$1.1 M
Fixed Transportation Equipment	\$10.2 M	\$0.5 M

- ✓ Increase transportation system mobility, connectivity, and accessibility that supports the City's economy
- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Promote neighborhoods that are amenity-rich
- ✓ Achieve the results the community wants
- ✓ Ensure the fiscal strength of the government

* In FY 2014, \$2.3 M was budgeted for street resurfacing.

** Capital Bikeshare capital costs funded completely with non-City funds.

Transportation & Transit

(Public Transit, High Capacity Transit Corridors)



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$439.9 M	\$522.5 M	\$82.6 M	\$20.8 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
*Potomac Yard Metrorail Station	\$279.0 M	\$5.0 M
**Transit Corridor "C" – Beauregard	\$93.6 M	\$0.1 M
WMATA Capital Contributions	\$55.3 M	\$5.4 M
DASH Bus Replacement & Expansion	\$59.8 M	\$7.8 M
Bus Shelters and Benches	\$1.6 M	\$1.6 M

- ✓ Increase the value of the real estate tax base
- ✓ Ensure Alexandria supports, retains, and attracts businesses
- ✓ Improve the City's air quality
- ✓ Ensure the government is accountable to the community
- ✓ Improve the quality of resident's leisure time
- ✓ Continues to support regional transportation initiatives (NVTA 70%)

*Total planned borrowing for the Potomac Yard Metrorail Station is reduced by \$61 million based on the assumed use of NVTA 70% revenues to support the project. Total est. cost is \$285.9 M with \$6.9 M previously funded.

**Total estimated cost is \$140 M; City will aggressively pursue other grant opportunities to fully fund project.

Public Buildings



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$111.9 M	\$158.8 M	\$46.9 M	\$8.6 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
City Hall HVAC and Infrastructure	\$47.5 M	\$0 M
Fire Stations – Rebuild and New (FS 211 – Beauregard)	\$60.4 M	\$0.6 M
Energy Management Program	\$6.2 M	\$0.6 M
Sheriff, Courthouse, Adult Detention Center	\$7.6 M	\$1.9 M
Historic Facilities and Libraries	\$5.1 M	\$0.5 M
Health Department Garage	\$0.9 M	\$0.9 M

- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Promote neighborhoods that are amenity rich
- ✓ Ensure the fiscal strength of the government
- ✓ Reduce harm to people and property from fire
- ✓ Increase survivability from medical emergencies and traumatic injuries
- ✓ Reduce harm to people or property from building failures

Community Development



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$34.3 M	\$43.7 M	\$9.4 M	\$6.5 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
Fire Vehicles and Apparatus	\$23.5 M	\$0.4 M
*City Marina Dredging	\$8.5 M	\$3.0 M
Waterfront Plan Implementation (Planning, Engineering)	\$2.0 M	\$1.4 M
Transportation & Wayfinding System	\$1.7 M	\$0 M
Public Art Acquisition & Maintenance	\$3.8 M	\$0.2 M

*Dredging is completed every 5-6 years. \$3.0 million is budgeted in FY 2015, and then \$5.5 million is budgeted in FY 2020-21.

- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Promote neighborhoods that are amenity rich
- ✓ Ensure the fiscal strength of the government
- ✓ Reduce harm to people and property from fire
- ✓ Increase survivability from medical emergencies and traumatic injuries
- ✓ Reduce harm to people or property from building failures

Community Development



Waterfront Plan Implementation

Project	Fiscal Year(s)
Windmill Hill Park improvements including bulkhead replacement	FY 2015-2016
Waterfront Plan Implementation – continuation of design and engineering	FY 2013-2016
City Marina dredging	FY 2014-2015 FY 2020-2021
City Marina restrooms – aligns with new development in Marina area	FY 2015
City Marina seawall maintenance	FY 2016-2017
City Marina utilities upgrade	FY 2016-2017
City Marina capital infrastructure maintenance	FY 2015-2024

- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Increase the economic benefits of tourism
- ✓ Improve the health of the City's waterways
- ✓ Increase transportation system mobility, connectivity and accessibility
- ✓ Ensure the fiscal strength of the government
- ✓ Achieve the results the community values

Recreation & Parks



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$105.0 M	\$110.8 M	\$5.8 M	\$4.0 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
Open Space Acquisition	\$26.3 M	\$0 M
Aquatics Facilities	\$24.5 M	\$0 M
Athletic Field Improvements (Synthetic Turf)	\$16.1 M	\$0 M
CFMP Maintenance – Ball Courts, Playgrounds, Marina, Trees, Pools, Rec Centers, etc.	\$28.3 M	\$2.3 M
Patrick Henry Rec Center	\$6.2 M	\$0.485 M
Windmill Hill Park including Bulkhead Repair	\$4.0 M (+ bal. of \$1.3 M)	\$0.3 M
City Marina Restrooms	\$0.075 M	\$0.075 M

- ✓ Improve the quality of resident's leisure time
- ✓ Improve resident's overall health
- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Promote neighborhoods that are amenity-rich
- ✓ Sustain the natural quality of land within the City
- ✓ Increase the economic benefits of tourism to the City

Information Technology



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$38.9 M	\$54.4 M	\$15.5 M	\$12.0 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
Network Operations Center	\$6.5 M	\$6.5 M
Permit Processing System	\$1.7 M	\$1.7M
Phone, Web, Portable Device Payment Portals	\$1.1 M	\$0 M
Network Services including IT Security	\$17.8 M	\$2.4 M
AlexStat Data Mining Capability	\$0.3 M	\$0.3 M
Computer Aided Dispatch (CAD)	(Implementation fully funded - \$15.0 M; \$3.2 from FY 2015 – 2020 for on-going infrastructure)	

- ✓ Ensure the fiscal strength of the government
- ✓ Ensure government is accountable to the community
- ✓ Ensure Alexandria supports, retains, and attracts businesses
- ✓ Increase survivability from medical emergencies and traumatic injuries
- ✓ Reduce harm to people or property from disasters

Stormwater Management & Sanitary Sewers



FY 2014-2023	FY 2015-2024	Difference	FY 2015 Only
\$112.6 M	\$135.8 M	\$23.2 M	\$6.4 M

Capital Project Highlights

Project	FY 2015-2024	FY 2015 Only
Lake Cook Stormwater Management	\$2.4 - \$3.0 M	\$2.4 M incl. \$1.2 M grant
Green Infrastructure in CSO Area	\$1.2 M	\$0.7M
MS4/TDML Compliance Water Quality Improvements	\$21.4 M	\$0 M
Wet Weather Mgmt. Facility	\$22.3 M	\$2.3 M
City Sewershed Infiltration & Inflow	\$15.3 M	\$0 M
WWTP Capacity	\$34.2 M	\$0 M

- ✓ Improve the health of City waterways
- ✓ Sustain the natural quality of land within the City
- ✓ Promote an attractive urban environment that provides well-functioning infrastructure
- ✓ Ensure government is accountable to the community
- ✓ Consistent with Eco-City Charter and Eco-City Action Plan 2030

Sanitary Sewer project are funded exclusively from the Sanitary Sewer maintenance and connection fees.

Key Budget Development Dates

Tuesday, February 25, 2014	FY 2015 Proposed Budget Presentation
Saturday, March 8, 2014	Work Session: Revenues, Five-Year Financial Planning Model; Compensation
Monday, March 10, 2014	City Council Special Public Hearing: FY 2015 Budget
Tuesday, March 11, 2014	City Council Legislative Meeting: Introduce Tax Rate Ordinances
Wednesday, March 12, 2014	Work Session: Livable, Green and Prospering Focus Area
Tuesday, March 18, 2014	Work Session: Healthy and Thriving Residents Focus Area
Wednesday, March 19, 2014	Work Session: Alexandria City Public Schools
Wednesday, March 26, 2014	Work Session: Safe, Secure, and Just Community Focus Area
Wednesday, April 2, 2014	Work Session: Accountable, Effective, and Well-Managed Government Focus Area
Thursday, April 3, 2014	Public Town Hall
Thursday, April 10, 2014	Work Session: Capital Improvement Program (CIP)
Saturday, April 12, 2014	City Council Public Hearing: Tax Rate Ordinances
Monday, April 21, 2014	Work Session: Preliminary Add/Delete
Thursday, April 24, 2014	Work Session: BFAAC and Business Tax Reform Task Force
Monday, April 28, 2014	Work Session: Final Add/Delete
Thursday, May 1, 2014	FY 2015 Budget Adoption

Alexandria City Public Schools Comparison



	FY 15-24 City Manager	FY 15-24 School Board	FY 15 Only City Manager	FY 15 Only School Board
Non-Capacity Projects	\$129.5 M	\$129.7 M	\$11.0 M	\$11.0 M
Patrick Henry (FY 14-16)	\$30.0 M	\$41.5 M	\$3.0 M	\$3.5 M
Minnie Howard (FY 17-18)	\$28.0 M	\$28.0 M	N/A	N/A
All Other Capacity	\$15.5 M	\$15.5 M	\$3.7 M	\$3.7 M
Future Capacity TBD	\$76.0 M	\$0 M	N/A	N/A
Cora Kelly New Facility (FY 18)	\$0 M	\$48.5 M	N/A	N/A
New School Site TBD (FY 20)	\$0 M	\$52.4 M	N/A	N/A
Total	\$279.0 M	\$315.7 M	\$17.7 M	\$18.2 M

Patrick Henry and Other Capacity

As part of the FY 2014 CIP, \$43.0 million was provided to address capacity issues system-wide, including Patrick Henry. A portion of that funding (approximately \$12.9 million) was used to address capacity issues at other facilities besides Patrick Henry.

Funding Gap

In FY 2014, the funding gap between City Council and the School Board was \$129 million over ten years. In FY 2015, the funding gap is reduced to \$36.7 million over ten years.