

# FY 2016 CITY MANAGER'S PROPOSED BUDGET

FY 2016 – 2025 CAPITAL IMPROVEMENT PROGRAM (CIP)

MARCH 23, 2015

# CAPITAL IMPROVEMENT PROGRAM (CIP) OVERVIEW

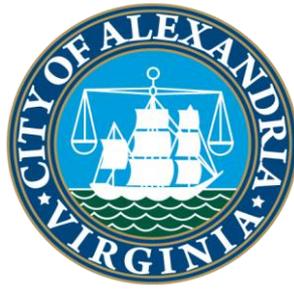
## MARCH 23, 2015 WORK SESSION AGENDA

- I. City Manager's Proposed CIP Budget Development Overview**
- II. CIP Funding Overview**
- III. City Council Adopted Capital Funding Policies**
- IV. CIP Operating Budget Impact**
- V. CIP Projects Overview**
  - A. Public Buildings**
  - B. Community Development**
  - C. Information Technology**
  - D. Regional Contributions**
  - E. Recreation & Parks**

**April 9, 2015 as Part of Livable Work Session: Transportation & Transit, Sanitary Sewers, Stormwater**

**April 16 (Tentative): Additional ACPS Capital Discussion**





FY 2016 – 2025

# CAPITAL IMPROVEMENT PROGRAM

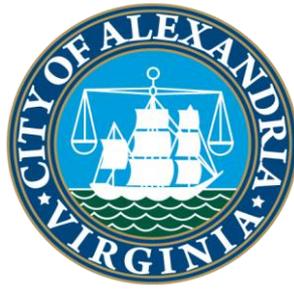
BUDGET DEVELOPMENT OVERVIEW



# CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET DEVELOPMENT

## Supporting the City's Long-Term Outcomes

- ✓ Ensure all children and youth thrive and succeed
- ✓ Increase transportation system mobility, connectivity, and accessibility that supports the City's economy
- ✓ Promote an attractive urban environment that reflects our history and provides well-functioning infrastructure
- ✓ Promote neighborhoods that are amenity rich
- ✓ Increase the value of the real estate tax base
- ✓ Reduce harm to people and property from fire
- ✓ Improve the health of City waterways
- ✓ Ensure the fiscal strength of the City government
- ✓ Achieve the results the community values
- ✓ Ensure the government is accountable to the community



FY 2016 – 2025

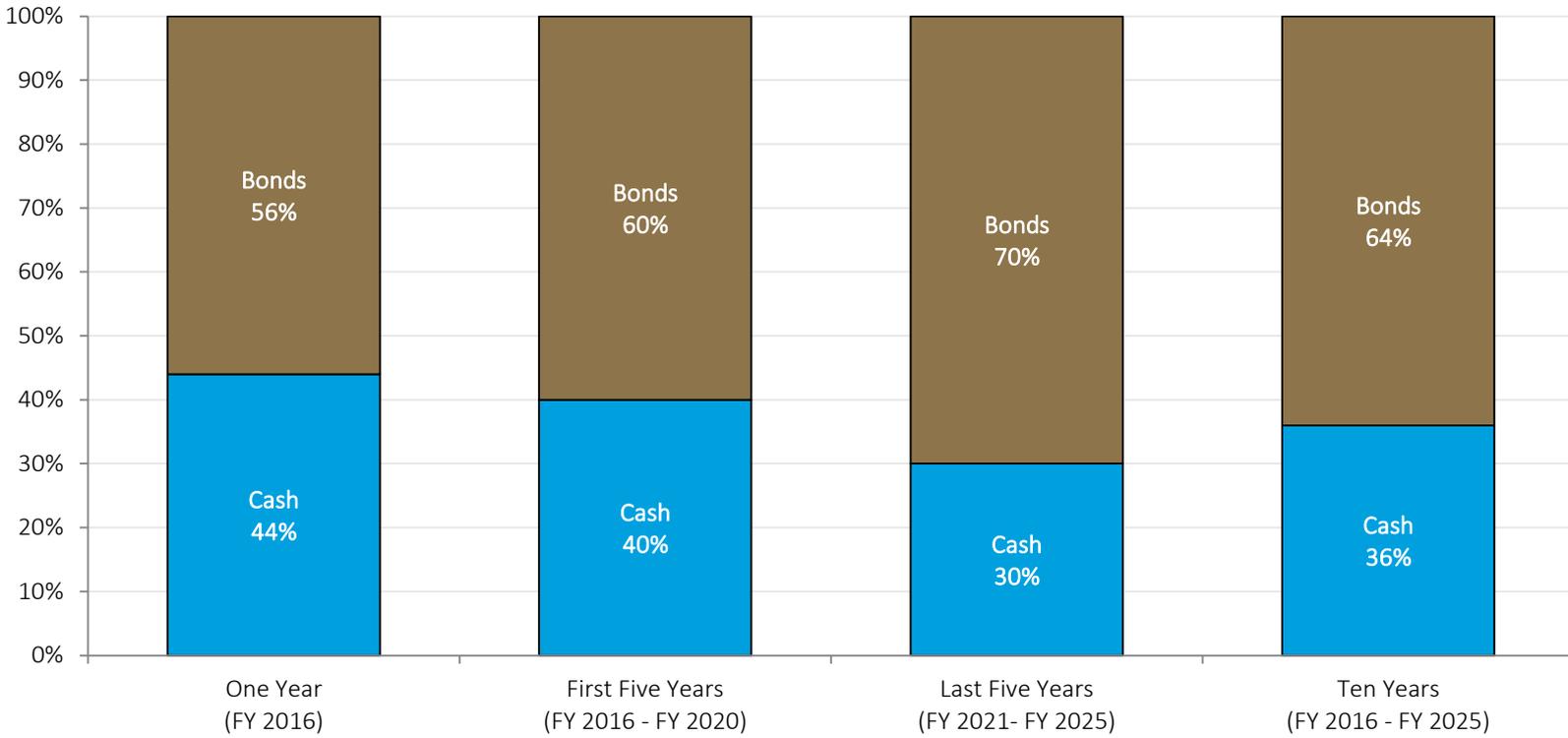
# CAPITAL IMPROVEMENT PROGRAM

FUNDING SOURCES



# 10-YEAR CIP FUNDING OVERVIEW - \$1.57B

(FY 2016 – FY 2025)



Adheres to City Council guidance on cash capital

General Fund Cash Capital Transfers (\$185.2 M)	
% of General Fund Expenditures	
FY 2016	2.47%
FY 2017 – FY 2025	2.50%

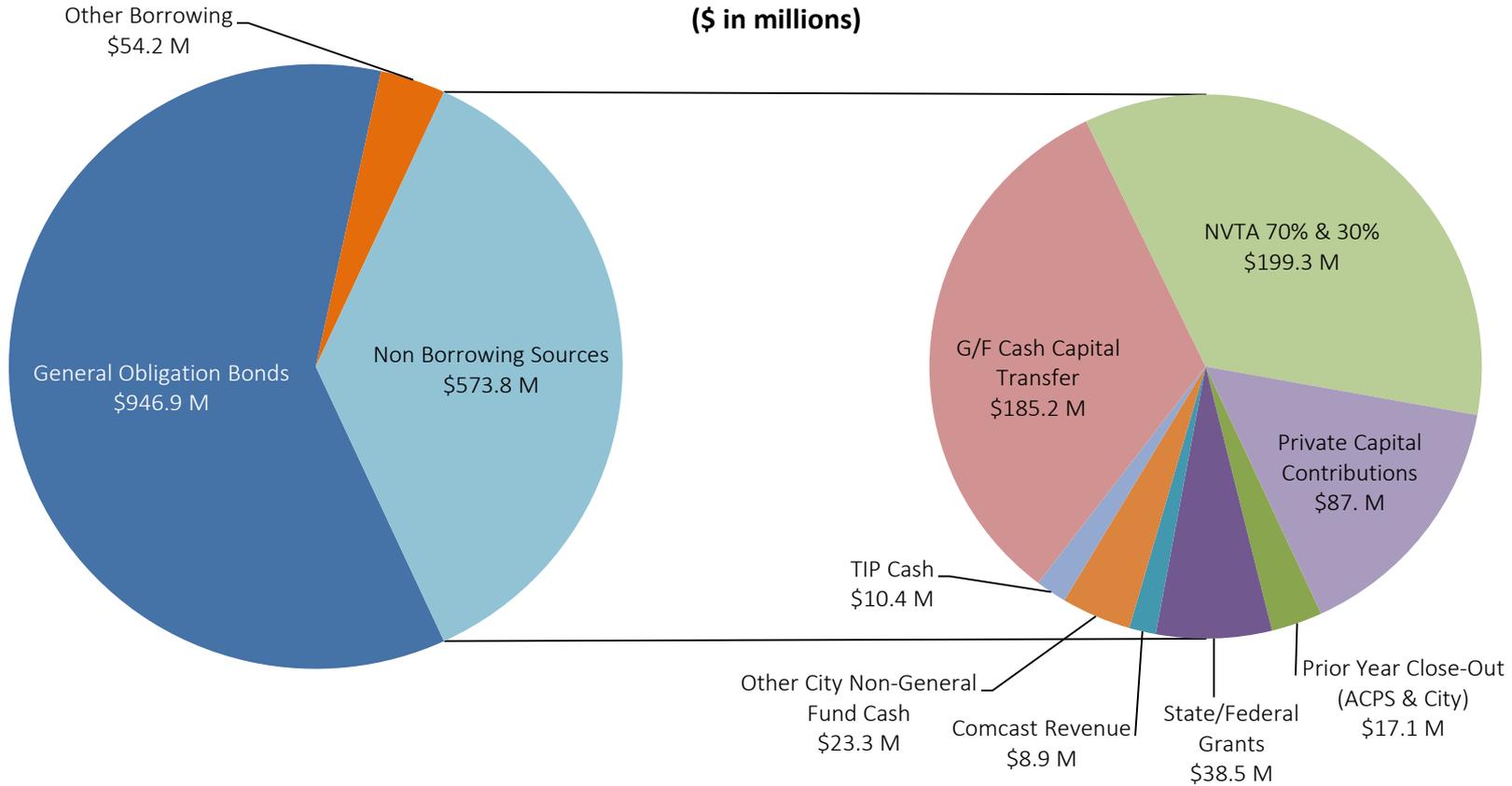


# 10-YEAR CIP FUNDING OVERVIEW

(FY 2016 – FY 2025)

## BY CIP FUNDING SOURCES - \$1.57 B

(\$ in millions)



**BORROWING VS. CASH**

**NON-BORROWING SOURCES**



# GENERAL FUND SUPPORTED PORTION OF FY 2016 – 2025 CIP

(IN MILLIONS OF \$)

CIP Section	% General Fund Supported <sup>1</sup>	% Other Funds Supported	\$ Total CIP
Transportation	26%	74%	\$693.0M
ACPS	100%	0%	\$296.9M
Public Buildings	94%	6%	\$173.1M
Recreation & Parks	97%	3%	\$113.5M
Community Development	94%	6%	\$97.0M
Sanitary Sewers	5%	95%	\$93.3M
Information Technology	79%	21%	\$50.6M
Stormwater Management	96%	4%	\$45.4M
Regional Contributions	100%	0%	\$7.9M

<sup>1</sup> General Fund supported includes all unrestricted cash sources and General Obligation Bonds/borrowing excluding Potomac Yard and Sanitary Sewers



# 10-YEAR CIP FUNDING – NON-CITY SOURCES

(FY 2016 – FY 2025)

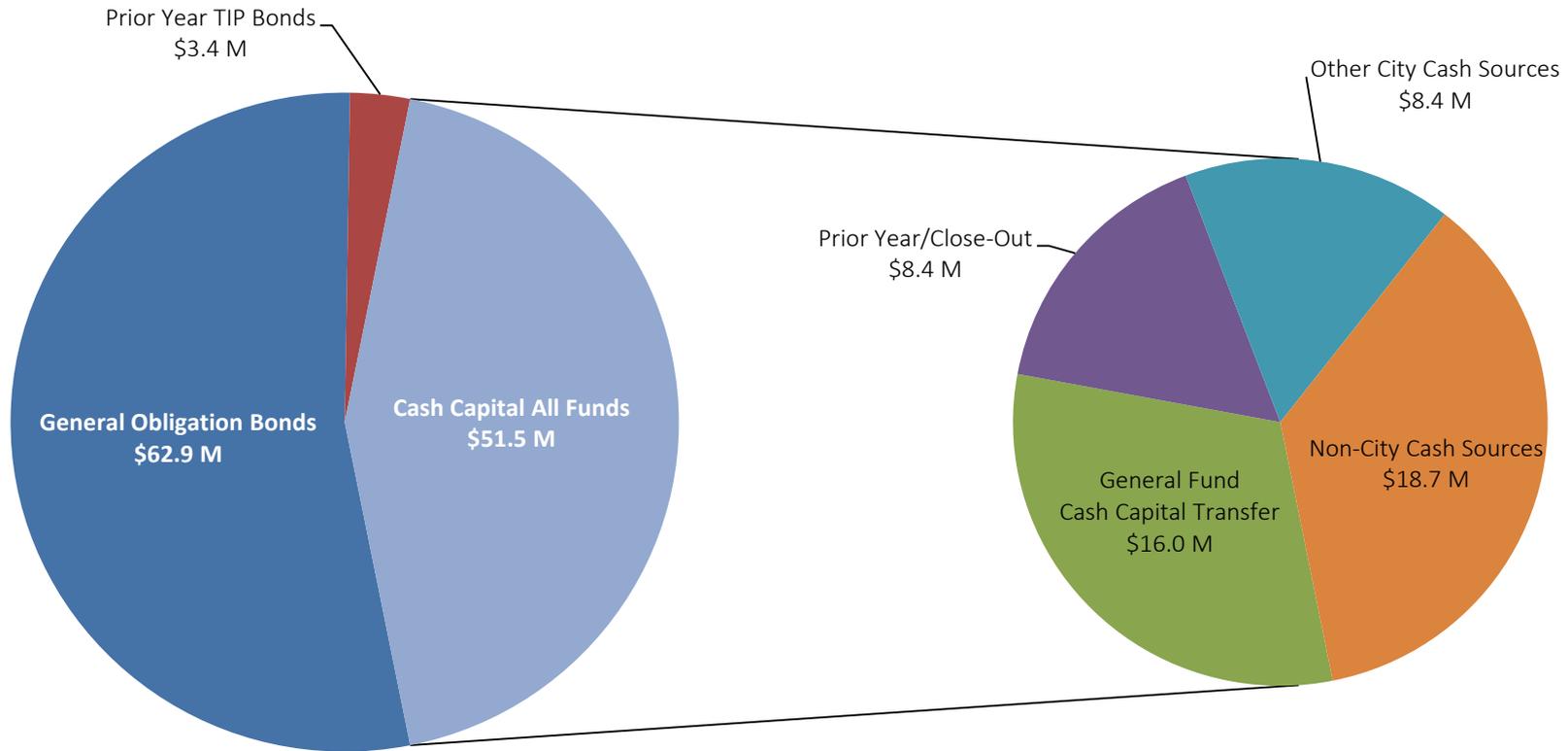
FUNDING SOURCE	FY 2016 ONLY	FY 2016 – 2025
Transportation Grants Including NVTA 70% & 30%	\$14.2M	\$235.8M
Private Development Capital Contributions – Transportation	\$0	\$66.6M
Virginia Transportation Infrastructure Bank (VTIB) – Potomac Yard Metrorail Station	\$0	\$50.0M
Private Capital Contributions – Other	\$0	\$20.4M
Comcast Revenues	\$2.5M	\$8.9M
Stormwater & Recreation & Parks Grants	\$2.0M	\$2.0M
Total	\$18.7M	\$383.7M

Non-City funding comprises 24.4% of all CIP funding



# FY 2016 FUNDING SOURCES (\$117.8M)

(ONE-YEAR ONLY)

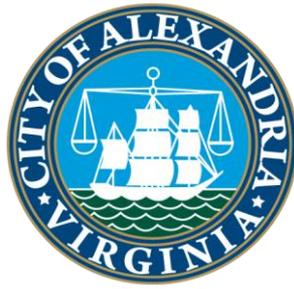


## BORROWING (56%) vs. CASH (44%)

## NON-BORROWING SOURCES

FY 2016 Total Debt Service = \$66.0M

- \$63.9M in prior year debt service for bonds issued through FY 2015 (approximately \$25.2M ACPS)
- \$2.1M new debt service from bonds to be issued in FY 2016 (approximately \$0.4M ACPS)



**FY 2016 – 2025**

# **CAPITAL IMPROVEMENT PROGRAM**

CITY COUNCIL ADOPTED DEBT RATIOS

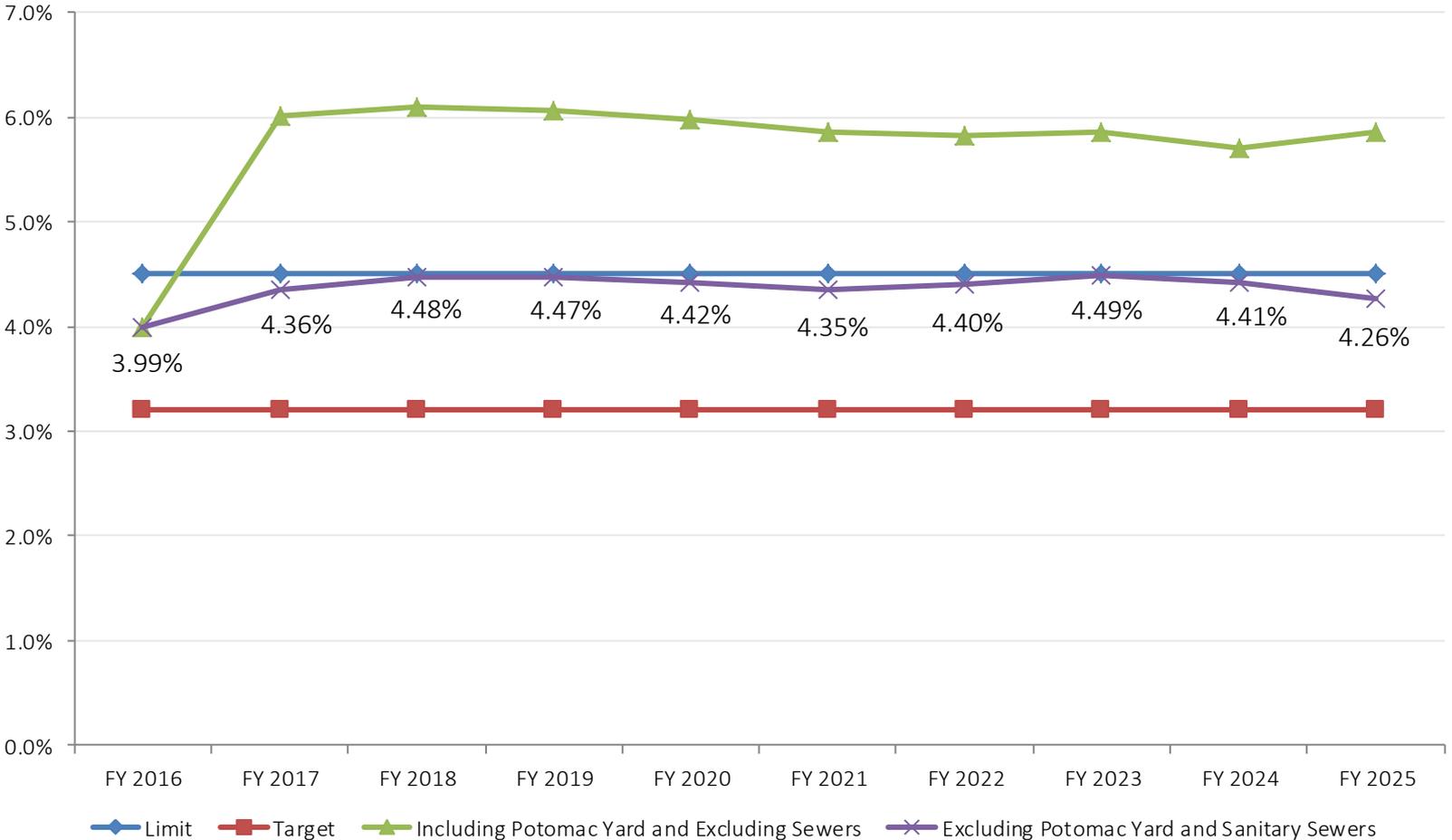
CITY COUNCIL ADOPTED CASH CAPITAL POLICY



# CITY COUNCIL APPROVED DEBT RATIOS

## OUTSTANDING DEBT AS A PERCENTAGE OF TOTAL PERSONAL INCOME

Target	Limit	FY 2016
3.2%	4.5%	3.99%

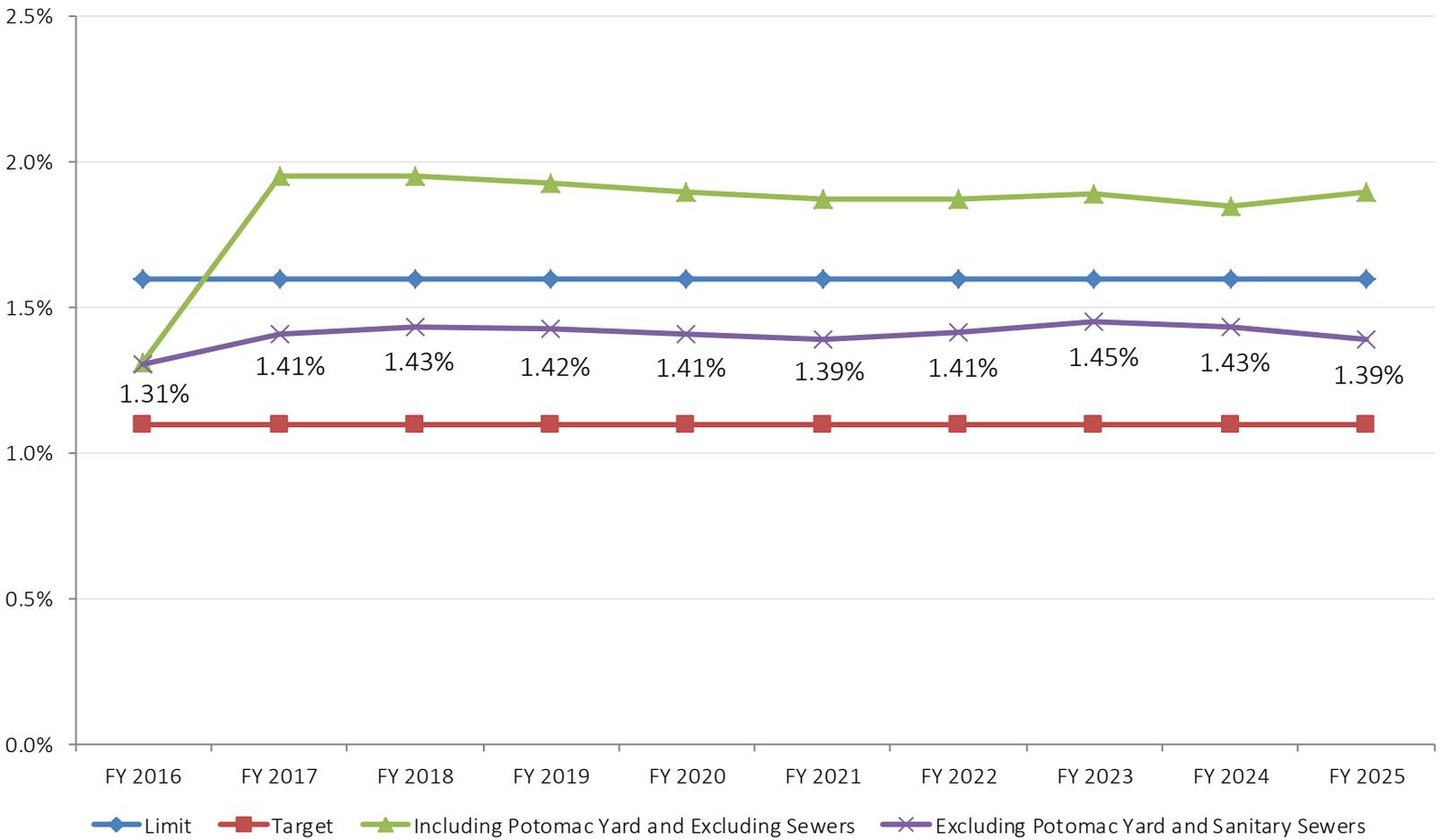




# CITY COUNCIL APPROVED DEBT RATIOS

## OUTSTANDING DEBT AS A PERCENTAGE OF FAIR MARKET REAL PROPERTY VALUE

Target	Limit	FY 2016
1.1%	1.6%	1.31%

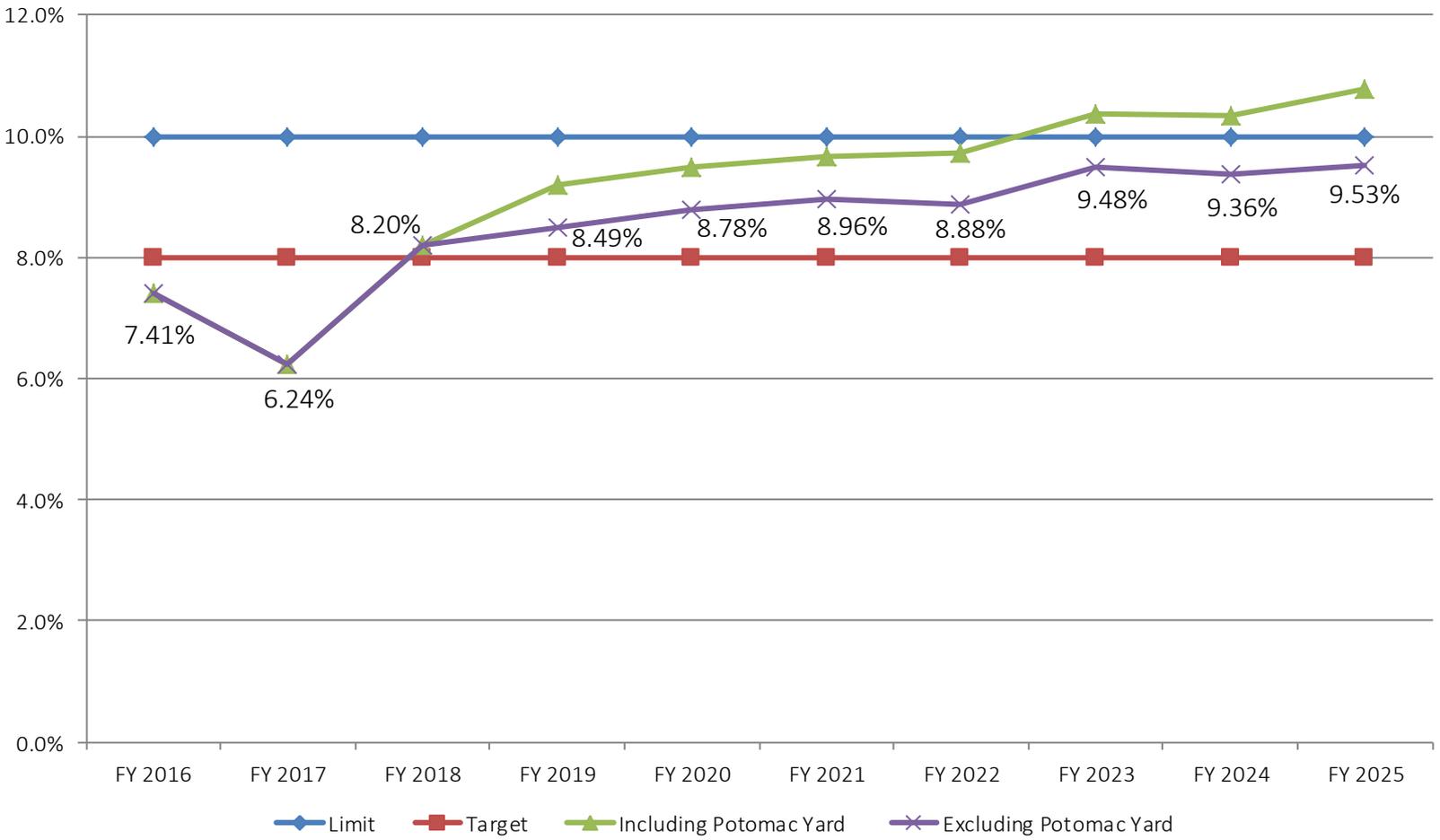




# CITY COUNCIL APPROVED DEBT RATIOS

## DEBT SERVICE AS A PERCENTAGE OF GENERAL GOVERNMENT EXPENDITURES

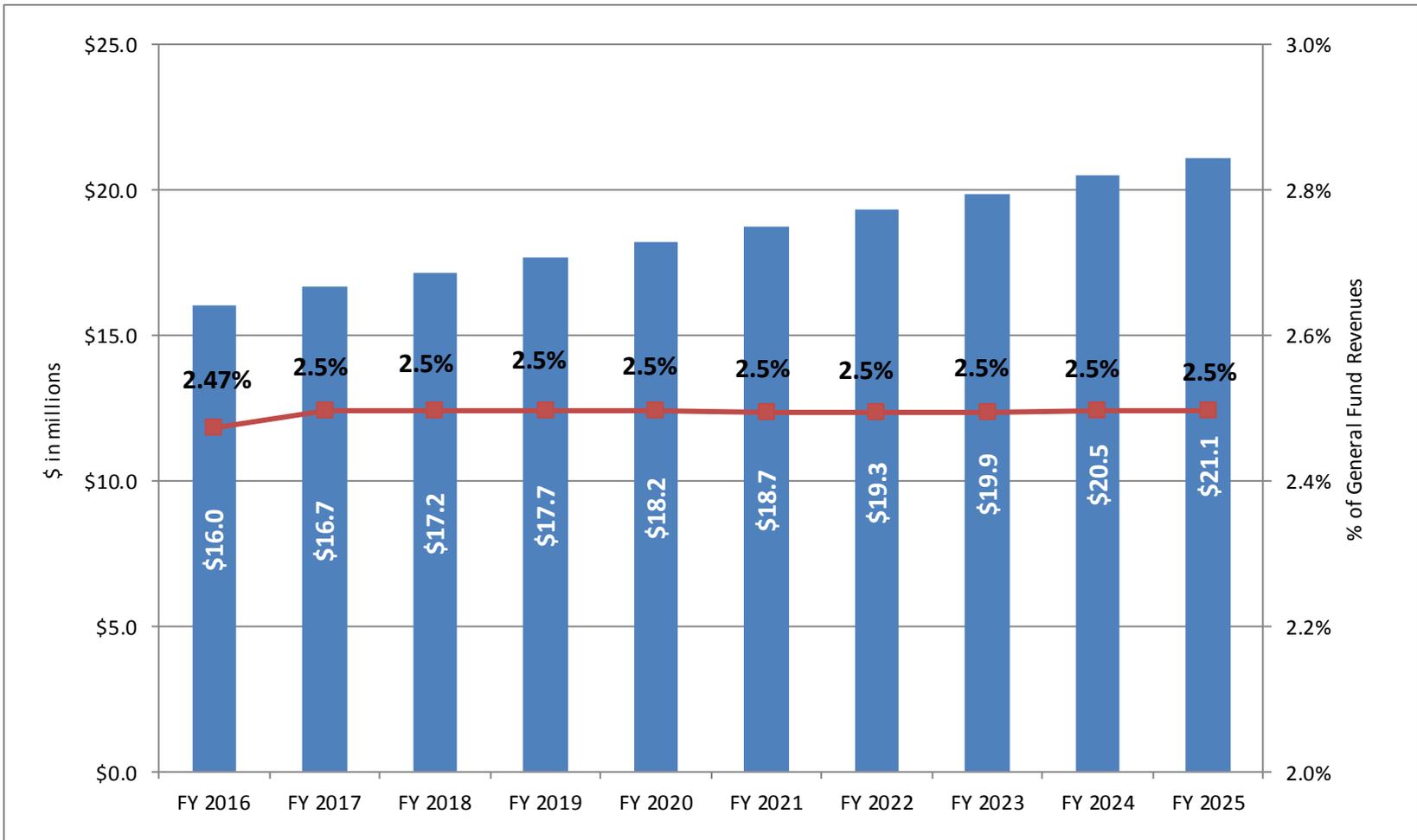
Target	Limit	FY 2016
8.0%	10.0%	7.41%

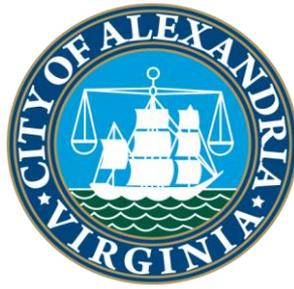




# PROJECTED GENERAL FUND CASH CAPITAL TRANSFER

Minimum	Target	FY 2016
2.0%	2.5%	2.47%





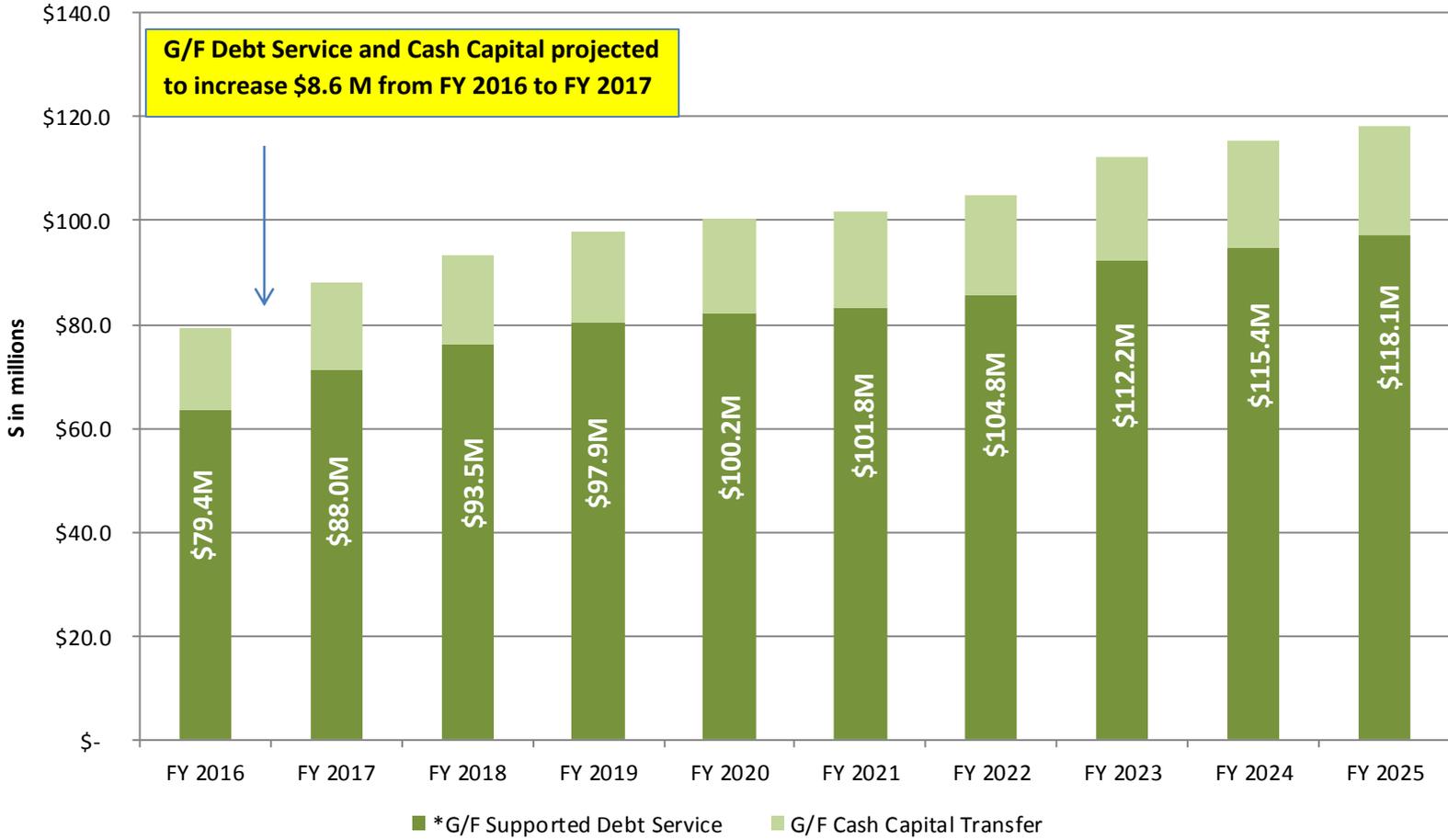
FY 2016 – 2025

# CAPITAL IMPROVEMENT PROGRAM

OPERATING BUDGET IMPACTS



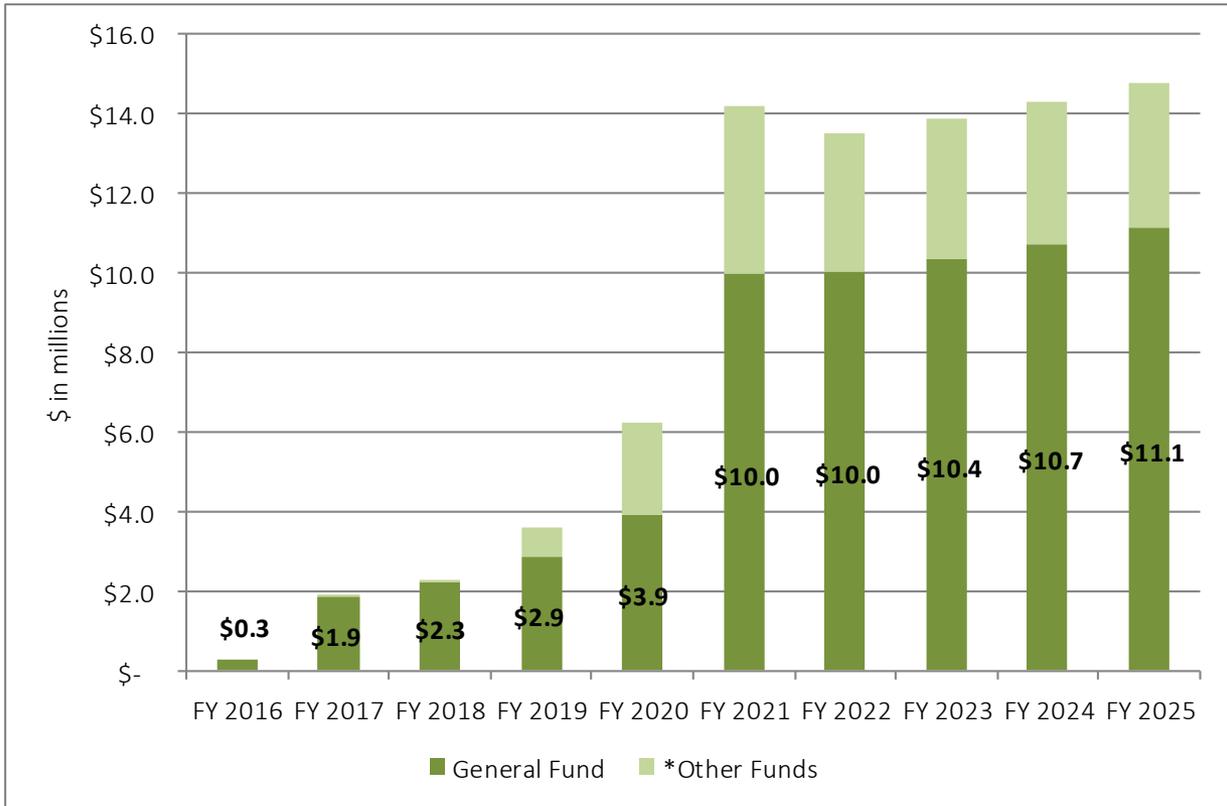
# PROJECTED GENERAL FUND CASH CAPITAL TRANSFER & GENERAL FUND SUPPORTED DEBT SERVICE



\*General Fund Supported Debt Service excludes debt service paid with Sanitary Sewer Revenues and Potomac Yard Debt Service paid from Special Tax District revenues, incremental property value growth in Potomac Yard, and development contributions



# PROJECTED GENERAL FUND OPERATING BUDGET IMPACTS ASSOCIATED WITH PROJECTS



\*Other funds include: Sanitary Sewers, NVTA 30%, Permit Fees, Potomac Yard

### Potential General Fund Impacts

- Fire Station 203 (Potential Medic Unit)
- Proposed Fire Station 211 (Beauregard)
- Chinquapin Aquatics Center
- Computer Aided Dispatch (CAD)
- ACPS not included

### General Fund Savings or Cost Avoidance

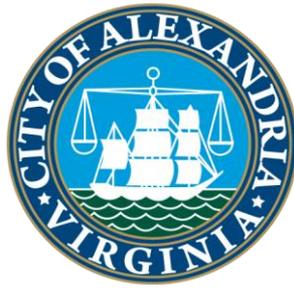
- Street Resurfacing
- City Garage Ticketing Modernization
- Energy Management
- IT Pension Administration System

Implementation of a Stormwater Utility in FY 2018 would lessen the General Fund impact by a minimum of \$0.4M, with savings increasing annually as specific stormwater improvements are identified and implemented



# STAFF COSTS SUPPORTING IMPLEMENTATION OF CAPITAL PROJECTS

Department	Non-General Fund Capital Projects Support
Department of Project Implementation	<ul style="list-style-type: none"><li>➤ Added 1.0 FTE Potomac Yard Project Engineer charged to Potomac Yard Metrorail Station project</li><li>➤ Added 1.0 FTE Capital Projects Inspector to be charged to specific capital projects</li></ul>
Transportation & Environment Services	<ul style="list-style-type: none"><li>➤ Moved 1.0 FTE Potomac Yard Planner position to Potomac Yard Metrorail Station project</li><li>➤ Moved 2.0 FTE positions supporting multi-modal transportation to Complete Streets CIP project</li><li>➤ Added 1.0 FTE Stormwater Utility position to be funded in CIP project</li></ul>
Information Technology	<ul style="list-style-type: none"><li>➤ Project manager positions for large projects such as Data Center Relocation and CAD charged to CIP</li></ul>



FY 2016 – 2025

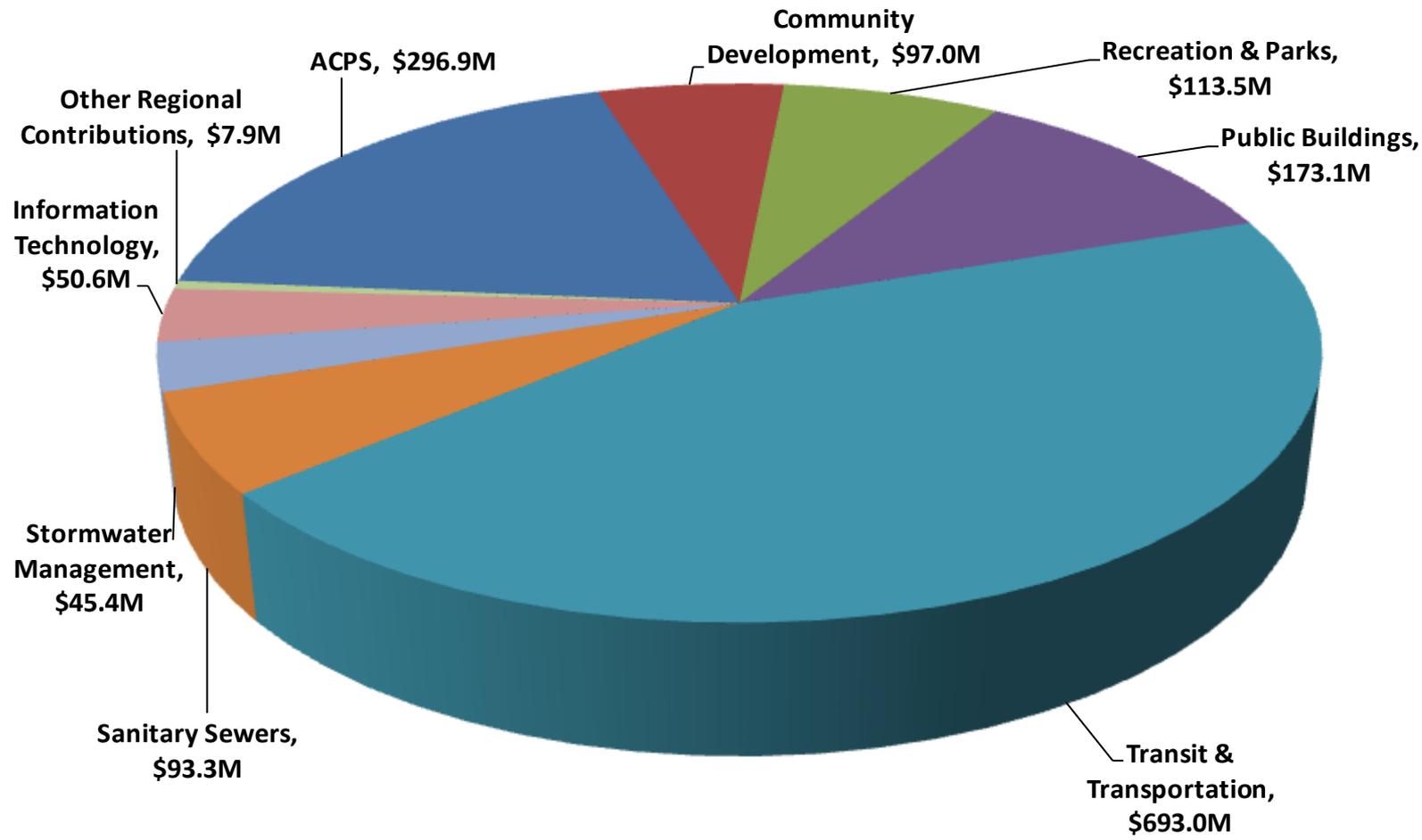
# CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROJECTS



# 10-YEAR CAPITAL PROJECTS OVERVIEW - \$1.57B

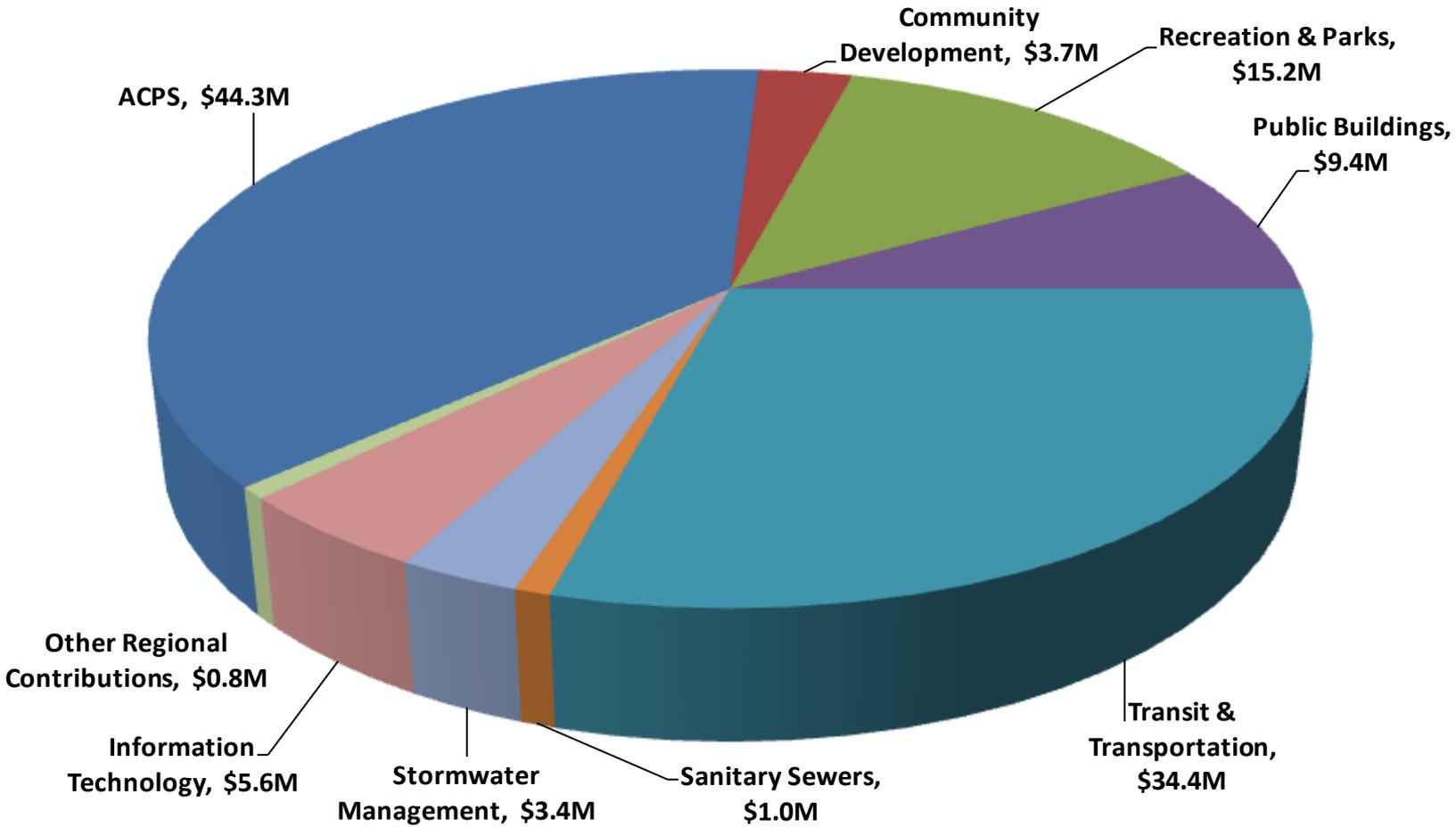
(IN MILLIONS OF \$)





# FY 2016 CAPITAL PROJECTS – \$117.8M

(IN MILLIONS OF \$)





# PUBLIC BUILDINGS

CIP Subsection	FY 2016 ONLY	FY 2016 - 2025
General Government Facilities	\$4.5M	\$88.9M
Public Safety Facilities	\$4.1M	\$74.3M
Preservation of Historic Facilities	\$0.5M	\$5.5M
Library Facilities	\$0.2M	\$2.8M
Public Health & Welfare Facilities	\$0.2M	\$1.5M
<b>Total</b>	<b>\$9.4M</b>	<b>\$173.1M</b>

CIP Highlights
<b>Continues planning and design in FY 2016 for a rebuilt Fire Station 203 (Cameron Mills)</b>
<b>Achieves operating budget savings through ticket automation of Union Street Garage</b>
<b>Provides funding for assessments on building conditions and storage capacity to inform future CIPs</b>
<b>Continues investment in CFMP projects providing adequate resources to maintain facilities at acceptable levels</b>

FY 2016 PROJECTS
<ul style="list-style-type: none"> <li>Addresses deficiencies in Market Square Garage and Market Square Plaza (\$950K + \$550K in FY 17)</li> <li>Space Planning for Burke facility basement (\$50K)</li> <li>Expansion of Archives &amp; Public Records Storage (\$150K)</li> <li>Old Town Parking Garage Ticketing Modernization (\$250K)</li> <li>Provides over \$4.9M to maintain capital infrastructure at General Government, Historic, Library, Public Safety &amp; Mental Health Facilities</li> </ul>

FY 2017 - 2025 PROJECTS
<ul style="list-style-type: none"> <li>Building envelope repair at Beatley Library in FY 2017-2018</li> <li>Space planning study planned for Torpedo Factory in FY 2018</li> <li>Construction funding for fire station rebuilds (203, 205, 206, 207)</li> <li>Proposed fire station 211 (Beauregard) constructed with private development contributions</li> <li>City Hall – Slide 24</li> </ul>



# PUBLIC BUILDINGS

## CITY HALL HVAC & INFRASTRUCTURE REPLACEMENT

City Hall	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
City Manager's Proposed CIP	\$0	\$0.8M	\$0.5M	\$0.5M	\$4.4M

City Hall	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Manager's Proposed CIP	\$11.1M	\$33.4M	\$2.6M	\$0	\$0

Project costs include:

- Capital Repairs and Studies \$1.8M
- Design \$3.0M
- Project Management \$1.8M
- Leases for Swing Space \$10.0M
- Lease Property Reno & Build Out \$6.5M
- Relocations \$0.3M
- Furniture & Equipment \$3.0M
- Construction \$27.0M



# COMMUNITY DEVELOPMENT

CIP Section/Subsection	FY 2016 ONLY	FY 2016 - 2025
Neighborhood Planning	\$1.7M	\$62.9M
Public Safety Enhancements	\$1.5M	\$23.4M
Waterways Maintenance & Improvements	\$0.3M	\$5.6M
City-Wide Amenities	\$0.2M	\$5.2M
<b>Total</b>	<b>\$3.7M</b>	<b>\$97.0M</b>

CIP Highlights
<b>Includes construction funding for the first time for Waterfront Plan Implementation</b>
<b>Continues modernization of Fire Department apparatus</b>
<b>Installs energy efficient lighting fixtures (updated electrical and LED lights)</b>
<b>Environmental clean-up of Oronoco Outfall anticipated to be completed in FY 2016</b>
<b>Resumes funding for Public Art Acquisition in FY 2017</b>

**FY 2016 PROJECTS**

- Planning & design funding for Waterfront Plan Implementation (\$1.5M)
- Fire Department apparatus replacement (\$1.5M)
- Braddock Area Plan Streetscape (Fayette St.) (\$0.2 M / \$0.7M total cost)

**FY 2017 – 2025 PROJECTS**

- A total of \$2.7M is budgeted for Public Art Acquisition from FY 2017 – 2025
- Continuation of Transportation & Wayfinding project from FY 2017 – 2021 (\$1.8M)
- Next cycle of Waterfront dredging programmed in FY 2021-2022 (\$4.5M)
- Waterfront Plan Implementation – Slide 26



# COMMUNITY DEVELOPMENT

## WATERFRONT PLAN IMPLEMENTATION

Waterfront Plan	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
City Manager's Proposed CIP	\$1.5M	\$0.8M	\$5.8M	\$7.3M	\$5.5M

Waterfront Plan	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
City Manager's Proposed CIP	\$5.8M	\$11.3M	\$9.3M	\$1.6M	\$12.7M

- Funding for flood mitigation, bulkhead replacement, parks and waterfront connectivity included for the first time in the CIP
- Planning/design continues in FY 2016 & FY 2017; construction planned to begin in FY 2018
- Incremental property value increases in the Waterfront Plan area will pay for debt service on GO Bonds issued to support implementation
- Assumes \$6.0M in estimated private development contributions over 10 years
- Ten-year plan funds Phase I of implementation; additional phases estimated to cost over \$60M and will be considered as part of future CIPs



# INFORMATION TECHNOLOGY

CIP Section/Subsection	FY 2016 ONLY	FY 2016 - 2025
Future IT Projects (FY 2021 – 2025)	\$0	\$19.8M
Network Services	\$2.7M	\$16.5M
Other Systems IT Projects	\$2.2M	\$5.2M
Financial Systems	\$0.6M	\$5.2M
Public Safety Systems	\$0.1M	\$3.4M
<b>Total</b>	<b>\$5.6M</b>	<b>\$50.6M</b>

## CIP Highlights

**Utilizes Comcast revenues for infrastructure improvements to the City's I-Net**

**Computer Aided Dispatch (CAD) System went live during FY 2015 (\$15.0M project)**

### FY 2016 PROJECTS

- Replacement of Permitting System (\$1.8M / \$4.5M Total Cost) – Permit fee funded
- IT project supporting financial systems budgeted at \$0.6M
- New project software to support CIP project management (\$0.2M)
- Of \$2.7M budgeted for Network infrastructure, \$2.5M is funded through the use of prior year and anticipated Comcast revenues

### FY 2017 – 2025 PROJECTS

- Continued support of new CAD system
- IT Pension Administration System (FY 2018)
- New real estate assessment system planned (FY 2019 – 2021)
- Replacement of Voting Equipment planned for FY 2020



# REGIONAL CONTRIBUTIONS

CIP Section/Subsection	FY 2016 ONLY	FY 2016 - 2025
Northern Virginia Community College	\$0.3M	\$3.9M
Northern Virginia Regional Park Authority	\$0.4M	\$3.8M
Peumansend Regional Jail	\$0.1M	\$0.2M
<b>Total</b>	<b>\$0.8M</b>	<b>\$7.9M</b>

## CIP Highlights

**Fully funds NVCC FY 2016 request at \$2.25 per capita; same as FY 2015**

**Fully funds NVRPA FY 2016 request at \$2.57 per capita; same as FY 2015**

**Debt service payments for Peumansend Regional Jail end in FY 2017**



# RECREATION & PARKS

CIP Subsection	FY 2016 ONLY	FY 2016 - 2025
Park Maintenance & Improvements	\$7.8M	\$48.8M
Renovated or New Recreation Facilities	\$6.3M	\$34.8M
Open Space Development & Acquisition	\$0M	\$21.0M
Recreation Facility Maintenance	\$1.1M	\$8.9M
<b>Total</b>	<b>\$15.2M</b>	<b>\$113.5M</b>

## CIP Highlights

**Awarded \$200K Land & Water Conservation Fund grant in FY 2016 for Simpson Park Playground**

**Invests additional \$1.7M over last year's CIP to address ADA issues at parks facilities from FY 2016 - 2025**

**Reduces scope of City Marina Seawall project; targeted improvements to sections save \$1.35M over prior year**

**Begins funding for implementation of City Council adopted Ft. Ward Management Plan**

**Restores Open Space funding beginning FY 2017**

### FY 2016 PROJECTS

- Patrick Henry Recreation Center (\$5.9M / \$6.8 M total cost)
- Windmill Hill Park Bulkhead (\$5.0M / \$7.0 M total cost including prior year park improvements)
- Ft. Ward Management Plan Implementation (\$0.2M)
- ADA initiatives (\$0.45M)
- Provides over \$3.0M to maintain existing parks, recreation centers, urban forestry, pools and the City Marina

### FY 2017 – 2025 PROJECTS

- Begins funding for athletic field conversions and carpeting replacement in FY 2017
- Provides \$21.0M for Open Space funding starting FY 2017
- Continues funding for Ft. Ward Management Plan (\$1.2M) through FY 2025
- Additional ADA initiatives (\$1.5M) through FY 2025
- Aquatics – Slide 30



# RECREATION & PARKS

## AQUATICS FACILITIES

Last Year's CIP/Aquatics Projects	FY 2016	FY 2017	FY 2018
Chinquapin Aquatics Facilities	\$4.5M	\$12.5M City \$2.5M Private	\$0
Aquatics Facilities TBD	\$0	\$0	\$5.0M
Warwick Pool	\$0	\$0	\$0

City Manager's Proposed FY 2016-2025 CIP/Aquatics Projects	FY 2016	FY 2017	FY 2018
Chinquapin Aquatics Facilities	\$0	\$4.5M	\$15.9M City \$2.5M Private
Aquatics Facilities TBD	\$0	\$0	\$0
Warwick Pool	\$0	\$2.3M	\$0

Aquatics Facilities TBD funding in last year's CIP planned for FY 2018 distributed as follows:

- Warwick Pool - \$2.2M (FY 2017)
- Chinquapin Aquatics Facilities - \$2.8M (FY 2018)



# RECREATION & PARKS

## AQUATICS FACILITIES – WARWICK POOL

Warwick Pool	FY 2016	FY 2017
Last Year's CIP	\$0	\$0
City Manager's Proposed CIP	\$0	\$2.3M

- 2012 Aquatics Study questioned need for pool at Warwick site, due to population distribution; identified the need for three pools (West End, East End, Chinquapin)
- Recommended a spray ground only if an aquatics feature was desired
- Pool attendance is primarily from Warwick Village and Del Ray neighborhoods; attendance is primarily walk-up, due to limited parking
- City cost per visitor for Warwick at \$10
- Additional \$0.1M would be required in the operating budget once pool reopens



# RECREATION & PARKS

## AQUATICS FACILITIES – WARWICK POOL

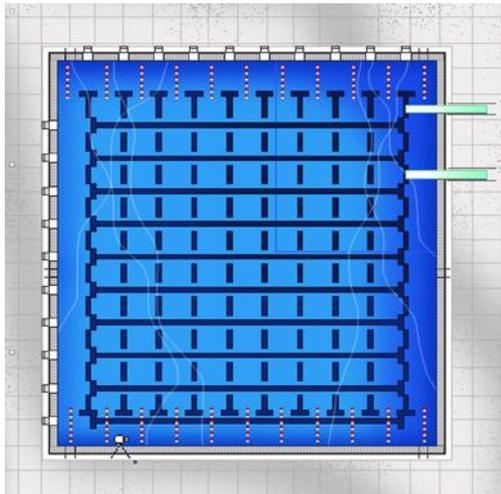
### Anticipated Project Timeline

Anticipated Timeline	Project Element
May 2015 – July 2015 (two months)	Solicit and Procure Engineer
August 2015 – February 2016 (six months)	Complete Engineering and Design Documents
March 2016 – June 2016 (three months)	Solicit Construction Bid, Award Contract, Obtain Permits
July 2016 – August 2016 (up to two months)	Construction

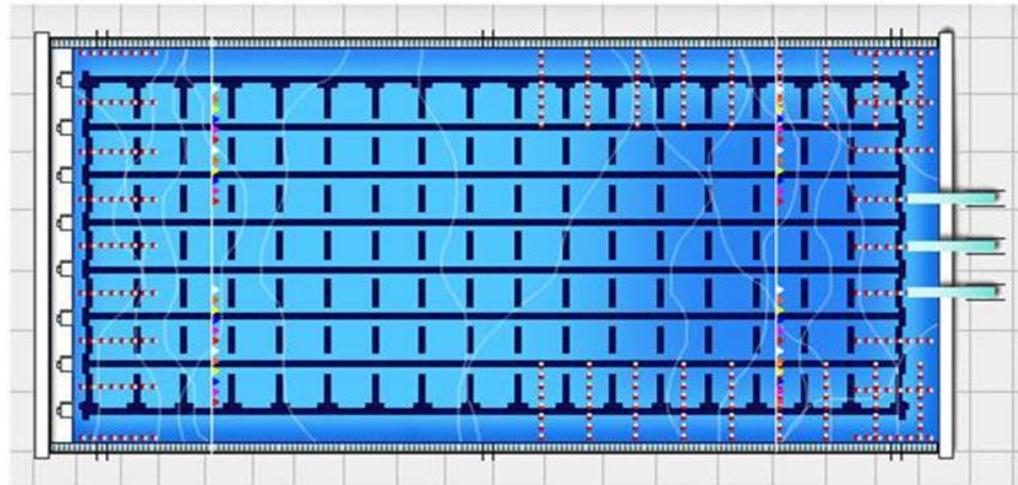
# RECREATION & PARKS

## AQUATICS FACILITIES - CHINQUAPIN

Chinquapin Aquatics Facilities	FY 2016	FY 2017	FY 2018
Last Year's CIP	\$4.5M	\$12.5M City \$2.5M Private	\$0
City Manager's Proposed CIP	\$0	\$4.5M	\$15.4M City \$2.5M Private



25-yard x 25-meter  
25-yard lanes  
(10) 25-meter lanes



50-meter x 25-yard  
(8 or 10) 50-meter Lanes  
(17-22) Cross Course 25-yard Lanes

**Shift in timing of funding represents the need for additional study of project scope**



# KEY BUDGET DEVELOPMENT DATES

<b>Tuesday, March 3</b>	5:00	FY 2016 Proposed Budget Presentation (Council Chambers)
<b>Wed., March 11</b>	6:30	Public Budget Presentation (Beatley Library)
<b>Thursday, March 12</b>	6:30	Work Session: Compensation/Revenues/5-Year Financial Model (City Hall; 1101)
<b>Monday, March 16</b>	4:00	Public Hearing: FY 2016 Budget (Council Chambers)
<b>Tuesday, March 17</b>	6:30 8:00	Work Session: Alexandria City Public Schools (ACPS Headquarters) Introduction of Tax Rate Ordinance (ACPS Headquarters)
<b>Thursday, March 19</b>	6:30	Work Session: "Safe, Secure & Just Community" Focus Area (City Hall; 1101)
<b>Monday, March 23</b>	6:30	Work Session: Capital Improvement Program (City Hall; 1101)
<b>Tuesday, April 7</b>	6:30	Work Session: "Healthy & Thriving Residents" Focus Area (City Hall; 1101)
<b>Thursday, April 9</b>	6:30	Work Session: "Livable, Green & Prospering City" Focus Area (City Hall; 1101)
<b>Tuesday, April 21</b>	5:30 6:30 7:30	Work Session: "Accountable, Effective & Well-Managed Government" Focus Area (City Hall; 1101) Work Session: Budget & Fiscal Affairs Advisory Committee (City Hall; 1101) Public Hearing: FY 2016 Tax Rate (Council Chambers)
<b>Tuesday, April 28</b>	7:00	Legislative Meeting: Preliminary Add/Delete Discussion (Council Chambers)
<b>Monday, May 4</b>	6:30	Special Meeting: Final Add/Delete Discussion (Council Chambers)
<b>Thursday, May 7</b>	6:30	Special Meeting: Budget Adoption (Council Chambers)

**Note:** Introduction of Tax Rate Ordinance and FY 2016 Tax Rate Public Hearing will start no earlier than stated time. Start time may be later, if previous meeting runs longer than scheduled.