

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 26, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO # 111: NEW POLICE FACILITY - LAND ACQUISITION FUNDS

This memorandum is in response to Councilman Krupicka's request for an explanation of the need to retain the funds previously funded in prior years in the Capital Improvement Program (CIP) for the acquisition of land for the new Police facility in light of the Ad Hoc Citizens Task Force's recommendation to use the City-owned site at Duke Street and Wheeler Avenue for the new Police facility.

DISCUSSION

To permanently address overcrowded conditions at the Public Safety Building (PSB), previous Council approved CIPs planned that a new Police Department facility will need to be built or acquired. As a result, a total of \$76.6 million over six-years was planned for in the FY 2004-FY 2009 CIP (see attachment) for:

Public Safety Center and Police Facility Capital Plan

(\$ in millions)

<u>Police Facility</u>	
– Purchase land	\$16.6
– Design	4.8
– Construction	<u>44.0</u>
Subtotal	\$65.4
– Police temporary relocation	\$ 3.6
– Public Safety Center Slab Settlement Repair	<u>\$ 7.6</u>
TOTAL	\$76.6

In June 2004, City Council established a citizen task force to review two potential sites for the new Police Department facility identified by staff, one at the Winkler property near Beauregard Street and the other at Duke Street and Wheeler Avenue that is City owned. On December 10, 2004, the Ad Hoc Citizens Task Force to Review Sites for the New Police Department presented its site

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recommendations to City Council. The Task Force recommended the City-owned site at Duke Street and Wheeler Avenue as the location for the new Police Department facility. Council asked staff to meet with the community to explain this Police facility proposal and return to Council for a decision on the City-owned site. The community meetings will be held in May 2005 and staff expects to return to Council for a decision on the City-owned site in June 2005.

USE OF AN ALTERNATIVE SITE

Although the Task Force has recommended the City-owned Duke Street and Wheeler Avenue site, the formal authorization to proceed has not yet taken place. Should, for any reason, it be determined that this site is not suitable for the new Police facility, due to traffic or community reasons, the site selection process will need to continue. The potential cost for an alternative site was estimated at \$16.6 million (the amount planned for and budgeted in FY 2004) or more based on current market values. Also, if Council were to reprogram these funds to another capital project(s), it would potentially communicate to the community prior to planned community meetings that a decision on selecting the Wheeler site had been formally made by Council.

USE OF RECOMMENDED CITY-OWNED SITE

If the Duke Street and Wheeler Avenue site is formally selected, there will be significant costs related to preparing the site for the construction of the new facility, as well as the relocation of the existing T&ES and Recreation and Parks operations. The relocation of the T&ES and Recreation operations would occur in the following sequence: (1) the T&ES facilities, currently located below the Duke Street and Wheeler Avenue intersection, including the salt dome and two small structures, would be demolished and relocated to South Quaker Lane, the current site of the T&ES and Recreation Maintenance Facilities; (2) the T&ES and Recreation Maintenance Facilities currently located on South Quaker Lane would be demolished and relocated to the City-owned property at 2900 Business Center Drive (corner of Roth Street and Business Drive); (3) 2900 Business Drive would need to be built-out to accommodate the T&ES and Recreation operations. The provision of new or substantially improved T&ES and Recreation facilities has long been contemplated but never provided anywhere near sufficient funding. Specifically, the costs related to the preparation of the Duke Street and Wheeler Avenue site and the relocation activities noted above are tied to the following:

1. Environmental Studies and Cleanup - This is part of any site redevelopment activity in an industrial area. Because the Duke Street and Wheeler Avenue site has been and is currently used for maintenance operations including the salt dome, remediation is likely to be required to prepare the site for subsequent new construction.
2. Demolition of Existing Structures on the Site - There are two buildings, approximately 4,500 square feet in total, and the salt dome which would have to be demolished.
3. Relocation of the T&ES Maintenance Division and Recreation and Parks Maintenance Facility - These operations would be relocated from their current, outdated, and in poor condition, facilities (which are in need of replacement) located on South Quaker Lane to the City-owned property at 2900 Business Center Drive

(corner of Roth Street and Business Center Drive). The relocation would require the necessary build-out of the Business Center Drive facility to make the location suitable for these operations.

4. Demolition of the T&ES Maintenance Division and Parks and Recreation and Parks Maintenance Facilities - Following the relocation of these operations to 2900 Business Center Drive, the vacated facilities on South Quaker Lane would need to be demolished (approximately 13,550 square feet of building and 30,000 of semi-covered parking).
5. Construction of a New Salt Dome, Laydown Yard and Relocation of the T&ES Operations from Duke and Wheeler to South Quaker Lane - A new salt dome, laydown yard, recycling center and T&ES Operations facility would be constructed on this site.
6. Establishment of Access From the Proposed Police Site on Wheeler Avenue to South Quaker Lane and Improvement of Circulation Among City Facilities from Wheeler Avenue to the Proposed Witter Fields (adjacent to the City property on Roth Street) - In order to provide a second access point to the new Police Department facility on Wheeler Avenue, a new initial access road will be constructed through the Fleet Services lot to connect the Police Facility to South Quaker Lane. Other roadway improvements are being considered in an effort to improve access to the City facilities along Business Center Drive, as well as to the new Witter Fields, proposed to be built on yet to be acquired CSX property adjacent to the City building at Roth Street and Business Center Drive.

ADDITIONAL QUESTIONS

How would staff suggest we structure the CIP so that there is little or no increase in CIP spending above the previous CIP budget until the use of the Police Facility land acquisition fund is determined? Under this approach, once the Police facility site is formally determined and costs are evaluated, left over funds could be distributed to other CIP projects.

While there are some new or expanded projects in the CIP, overall the \$325.0 million CIP as originally proposed increased by only \$6.7 million, or by just 2.1 percent. This low rate of increase reflects the need to keep the CIP at a manageable, financeable level so that major projects such as the new T.C. Williams High School or the new Police facility, previously planned for in the CIP, remain the focus of the CIP. With the actions taken by Council to reduce the real estate tax rate an additional four cents, a significant reduction in CIP projects (as described in Budget Memo #48, which included a net \$4.9 million funding reduction in FY 2006 – including a \$2.1 million reduction in FY 2006 funding for the new Police facility) and the shifting of funding of many of those projects to FY 2007. While these shifting actions at this point in time do not reduce the six-year CIP by that amount, when the FY 2007 to FY 2011 CIP is prepared there will likely also need to be a shifting out of projects beyond FY 2007 and unfund some CIP projects. Also, since City staff prepared the FY 2006 to FY 2011 CIP with the idea (i.e., a two-year full planning effort) that the FY 2007 year was fully costed and planned, absent major currently unknown cost or scope increases, there should be less CIP funding pressure for FY 2007 than there would normally be.

In response to the last comment about leftover funds, if in fact there becomes leftover funding for the new Police facility, T&ES/Recreation facilities, and related projects in the Wheeler-Quaker-Roth-Witter area, then those funds would be reallocated within the CIP. Such reallocations of major funds occur with the development of an updated CIP. As such, Council's concurrence with any proposed reallocations would occur as part of the budget process.

Staff believes a large portion of the \$16.6 million previously funded for land acquisition, if not all of it, would be required once the Wheeler site selection is finalized. A specific estimate of the costs associated with all of the site preparation elements has not yet been done because the full scope of the T&ES and Parks and Recreation requirements has not yet been determined. Therefore, whether it be the City-owned property or another site, if there were any funds reduced, in all likelihood these funds would need to be added back to next year's FY 2007-FY 2012 CIP to cover either the costs to prepare the site listed above or to fully fund the purchase of a non-City-owned site. Because those costs are not yet know, it is recommended that these monies remain in the CIP for this approved use. Also, if these prior-year budgeted capital funds were reduced in order to finance a further real estate tax rate reduction, the net result would be a much larger use of prior year one-time funds to balance the FY 2006 operating budget. Since these one-time funds would not be available in FY 2007, balancing the FY 2007 operating budget would become more difficult.

How quickly will we have a final determination of the site selection?

A number of elements will need to be completed before the final determination of a site, including a site assessment, traffic impact analysis, citizen and community meetings and final approval by City Council. Staff expects to bring the site selection decision to Council in June 2005 following community meetings next month. If the City-owned Wheeler Avenue site is not approved for a Police facility, the site selection process would need to be extended to identify other sites suitable for a Police facility.