Proposed FY 2019-2028 Capital Improvement Plan (CIP)

County Manager’s Overview

Joint County/Schools Work Session
Tuesday, May 29, 2018 @ 6:30 p.m.
$2.8 billion
over 10 years
TO PRIORITIZED CAPITAL INVESTMENTS

Proposed FY 2019-2028 Capital Improvement Plan (CIP)
County Manager's Overview for County/Schools Work Session
Priorities in this CIP

FOUNDATIONAL INVESTMENTS

STATE OF GOOD REPAIR

EXISTING COMMITMENTS
What We Heard From the Public

3,000+ respondents

4,000+ comments

Schools
Maintenance and new construction

Maintenance of existing assets
Roads/paving, parks, community centers, water/sewer, libraries
(“Fix what we have first”)

Metro
Pedestrian safety
Sidewalks, crosswalks, crossing signals, streetlights

Fiscal responsibility
How We Pay for the CIP

28% TRANSPORTATION CAPITAL FUND (TCF)¹
$771 million

New Funding: $594 million
- C&I Tax¹ ($275 million)
- NVTA Regional¹ ($237 million)
- NVTA Local¹ ($82 million)

4% PAY-AS-YOU-GO
$114 million
Funded through annual operating budget

26% GENERAL OBLIGATION BONDS (COUNTY)
$709 million

$2.8 billion over 10 years

29% OTHER SOURCES¹
$804 million
- Utility Capital Funds¹ ($151 million)
- Utility GO Bonds¹ ($218 million)
- Developer Contributions¹ ($126 million)
- Short-Term Finance ($102 million)
- Tax Increment Financing¹ ($60 million)
- Sanitary District Tax¹ ($33 million)
- Other Funding¹ ($114 million)

7% STATE & FEDERAL¹
$199 million

6% PREVIOUSLY APPROVED FUNDING¹
$176 million
Includes Authorized but Unspent, Issued but Unspent, and Other Previously Approved funds

Chart excludes revenues for Arlington Public Schools, estimated to total approximately $400 million over the next 10 years.

¹Restricted-use funding sources: Approximately 64% of the revenue for the CIP is collected for specific, pre-designated purposes and therefore is not available for discretionary funding purposes.
Limited Flexibility in Near/Medium Term

• Significant increase in Metro obligation
• Existing contractual commitments and Board direction
• Lower-than-expected tax revenues
• Increased costs for current projects
  o Such as Nauck Town Square; APS also seeing cost increases.
  o Using newer contracting tools like design-build and Construction Manager at Risk to get price certainty.
Foundational Investments

METRO & TRANSIT

• $54 million over 2 years, $293 million over 10 years
  o Meets obligations under new regional funding agreement
  o Highest funding level for Metro ever proposed

• Transit Development Plan (TDP) Columbia Pike
  o $91 million over 10 years that fully funds operating costs of new and existing services. Maintain investments in transit stops, fleet and transitway extension

ARLINGTON PUBLIC SCHOOLS

• Maintains last 8 years of funding level assumed in previous CIP ($296 million)

• Includes close to $100 million in additional funding in final two years
Transportation

LOCAL TRANSPORTATION & Other County Projects

METRO

OUR TRANSPORTATION INVESTMENT PRIORITIES

Transit Development Plan (TDP)

$91 million in dedicated or restricted transportation funds to support growing operating needs. No TDP operating dollars were included in the previous CIP.

State of Good Repair

$204 million from PAYG, NVTA Local, GO Bonds, TCF C&I

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Other County CIP Priorities

STATE OF GOOD REPAIR

PARKS & RECREATION
$105 million
for major maintenance,
including $30 million for turf
replacements and additions

PUBLIC/GOVERNMENT FACILITIES
$87 million
for major maintenance

TECHNOLOGY & PUBLIC SAFETY
$66 million
including PC replacement,
network maintenance, and
public safety technology

EXISTING COMMITMENTS

PUBLIC/GOVERNMENT FACILITIES
Fire Station 8
$14 million in proposed 2018 referenda

Lubber Run Community Center
Previously approved and funded

Nauck Town Square
$1.2 million in proposed 2018 referenda

PARKS & RECREATION
Jennie Dean Park
$16 million in proposed 2018 referenda

Long Bridge Aquatics and Fitness Facility
Previously approved and funded; no new funding

Rosslyn Highlands Park
$3.45 million in proposed 2018 referenda
County/Schools Collaboration

FIELDS

Synthetic Field Conversions & Replacements

- **Ongoing cost sharing** for high school fields
- **Proposed cost sharing** for TJ Upper Rectangular and Kenmore Rectangular and Diamond fields

Joint Memorandum of Agreement (MOA) Working Group

- Create MOAs for middle schools and address high school scholastic programs
- Evaluate cost sharing opportunities for middle school conversions/replacements
- Explore ways to accommodate additional field time for high school scholastic athletics
- Explore further collaboration opportunities at elementary schools
County/Schools Collaboration

FACILITIES

APS Bus Parking

• Ongoing operational coordination on County-owned or leased sites to meet growing parking needs for APS buses and drivers, and APS support fleet

Barcroft Parking Garage

• Lease agreement permits Schools trade staff to use garage during daytime

Gunston

• Middle School expanded into Community Center, adding 5 classrooms (2 joint use)
• Schools paid for the replacement of the Community Center Fitness Room
Adhering to Debt Policies

Debt Service as % of General Government Expenditures

- 9.0% in 2019
- 9.3% in 2020
- 9.7% in 2021
- 9.9% in 2022
- 9.9% in 2023
- 9.9% in 2024
- 9.8% in 2025
- 9.9% in 2026
- 9.9% in 2027
- 9.7% in 2028

NOT TO EXCEED 10%
Recent Ratings Review

TRIPLE-Aaa RATING AFFIRMED

However, agencies showed significant interest in our…

- Adherence to adopted debt policies, including 10% ceiling on debt service
- Anticipated future fund balances and recent declines
- Future budgeting approaches and outcomes to maintain a balanced budget
Looking Ahead

• Pressures likely to continue, but financial landscape remains uncertain

• Will have a chance to revisit and reexamine these decisions in two years when funding decisions at the State level will be revisited