



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of July 22, 2024

DATE: July 21, 2024

SUBJECT: Fiscal Year (FY) 2025 - FY 2034 Capital Improvement Plan Adoption

C. M. RECOMMENDATION:

1. Adopt the Fiscal Year 2025 – FY 2034 Capital Improvement Plan.
2. Adopt the attached FY 2025 County Bond Funds Appropriations Resolution (Attachment A).
3. Adopt the revised language to the Stabilization Reserve section of the Financial & Debt Management Policies.
4. Authorize the addition of one (1.0) full-time permanent FTE (full-time equivalent employee) in the General Fund to support facilities planning efforts. The FTE will reside in the General Fund and will charge their time to facilities planning studies as appropriate.
5. Authorize the addition of one (1.0) full-time permanent FTE (full-time equivalent employee) to support installation and maintenance of solar installations on County facilities. The FTE will reside in the General Fund and will charge their time to solar capital projects as appropriate.

ISSUES: This is a request for County Board consideration/adoption of the proposed FY 2025 – FY 2034 Capital Improvement Plan and the appropriation of County bond funds.

SUMMARY: The adopted CIP provides a 10-year plan for investment in County and School infrastructure and assets, totaling \$5.2 billion. The funding sources for the CIP include federal and state grants, bonds, pay-as-you-go (PAYG) funding, and dedicated and legally restricted funding sources such as water-sewer revenues and transportation taxes.

BACKGROUND: The adopted CIP covers FY 2025 – FY 2034 and includes investments in County government and Schools capital assets. The biennial 10-year CIP balances funding availability with competing needs for investment. Given current economic and construction market volatility, the CIP was prepared using conservative budget estimates with a primary goal

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County Attorney: *MNC*

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of financial sustainability. Investments over the 10-year planning period focus on community and County Board priorities, and County planning processes.

DISCUSSION: The table below summarizes the allocation of funds for the FY 2025 – FY 2034 Capital Improvement Plan by program area. The County and School CIPs total \$5.2 billion. Program summaries can be found on the following pages.

Capital Program Area	FY 2025 – FY 2034 Proposed	FY 2025 – FY 2034 Adopted	\$ Change
Arlington Neighborhoods	\$97,898	\$97,898	-
Economic Development	2,174	2,174	-
Information Technology / Equipment	212,616	212,616	
Parks & Recreation	308,750	308,750	-
Metro	398,470	398,470	-
Government Facilities & Energy Management	398,244	398,994	750
Regional Partnerships & Contingencies	14,459	11,959	-2,500
Transportation	1,854,508	1,855,008	500
Subtotal County CIP	\$3,287,119	\$3,285,869	-1,250
Water & Sewer Infrastructure	879,885	879,885	-
Stormwater Management	334,255	334,255	-
Total County CIP	\$4,501,259	\$4,500,009	-1,250
School Capital Program*	691,060	691,060	-
Total County & School CIP	\$5,192,319	\$5,191,069	-1,250

* Schools initial CIP included three options which ranged from \$681.3 million to \$696.5 million.

Changes made by the County Board between the proposed CIP and the adopted CIP include several reallocations from the unallocated contingent of \$3 million established by the Board at the adoption of the FY 2025 operating budget. The reallocations include:

- 1) A replacement of Climate Action Fund (CAF) monies for the Lubber Run resiliency project (\$1.25 million) to fund the planned installation of a natural gas back-up generator. The Proposed CIP assumed CAF funds would be allocated from the General Fund CAF contingent to fund a portion of the Lubber Run resiliency project with the installation of a gas generator as part of the total project cost. With the allocation of non-CAF funding to this project, the CAF funding will remain in the General Fund (rather than the CIP) to support other CAF qualifying projects and reduce the CIP by \$1.25 million.
- 2) Addition of \$500,000 to the Transportation Program to implement roadwork and easements along S. Carlin Springs Road to facilitate safety improvements, with the possibility of an additional \$500,000, or in total, up to \$1 million.
- 3) Addition of \$250,000 toward the study of facility improvements to the Madison Community Center.
- 4) Addition of \$250,000 to study the potential for construction of adult changing facilities in targeted public facilities.

- 5) Addition of \$250,000 to allow for additional resources (1.0 FTE) for the Department of Environmental Services to manage and implement a variety of studies and work funded in the CIP.

Arlington Neighborhoods and Economic Development investments total \$100.1 million. The Arlington Neighborhoods Program includes a total \$97.9 million across the 10-year period for investments in neighborhood beautification, street improvements, residential traffic management park enhancements, street lighting and landscaping projects. Economic Development includes investments of \$2.2 million to perform tasks related to maintaining the County's public art program, public facilities maintenance, and County and School's joint use facilities maintenance.

Information Technology and Public Safety investments cover a wide variety of technology hardware, software, data management, and capital maintenance across all County departments totaling \$212.6 million in the adopted CIP. Funding for the County's information technology investments consist primarily of PAYG and Short-term financing. This funding allows for new features such as Constituent Digital Services, Constituent Single Sign-On, and continued upgrades and enhancements to applications including the Revenue Collection System and Human Resource and Finance System. Funds are primarily used for the replacement and/or refreshment of County assets including network equipment, servers, workforce devices such as PCs and laptops, conference and courtroom equipment, Connect Arlington and funds for Data Center Consolidation. The adopted CIP also reinvests in public safety technology and equipment -- including equipment replacement in the County Courthouse and Detention Center as well as investments in public safety radios, Emergency Call Center (ECC) equipment, mobile data computers, and Fire/Police/Sheriff records management systems.

Local Parks and Recreation program investments include \$308.8 million in funding for park trail and bridge modernization, parks capital maintenance, synthetic turf replacements and parks master plans. Projects included in the adopted CIP are in alignment with the adopted Public Spaces Master Plan. The CIP continues the park trail and bridge modernization program, including construction for replacement of pedestrian bridges at Alcova Heights Park, Bluemont Park and Rock Springs Park, trail milling and paving, and a trail pavement condition assessment study. Park capital maintenance projects include refreshment of the Public Spaces Master Plan, design for replacement of the Arlington Hall West Playground, construction of the Doctor's Run Playground replacement and pooled park project improvements at several existing parks. Funding is also included for the FY 2025 and FY 2026 replacement of the existing synthetic turf at Greenbrier Park/Yorktown stadium field, Long Bridge Park Field #3, Thomas Jefferson Middle School Lower Field, and the grass to synthetic turf field conversions at Kenmore Middle School.

The CIP also includes master plan program funds for Arlington Boathouse, Rosslyn Gateway Park, Drew Park, Jennie Dean Park Phase 2, Penrose Square Phase 2, Quincy Park, Shirlington Park, Short Bridge Park, Three Urban Parks, New Park at 26th Street N. and Old Dominion Dr., Virginia Highlands Park and Nearby Public Spaces, Crystal City Parks and Public Space, Fairfax Drive Public Spaces, the Emerging Uses Program (pickleball), and the Natural Resiliency Program.

Metro includes \$398.5 million for our required Metro contribution which is in line with the expenditures projected in the previous CIP.

Public and Government Facilities & Energy Management includes investments of \$399 million. Highlights include capital maintenance of our 89 owned buildings to maintain them in a state of good repair (roof replacements; heating, ventilation, air conditioning (HVAC) upgrades), increasing our electrical energy commitments within County buildings to include solar ready, electric vehicle (EV) charging, equipment replacements and energy resilience. The CIP also includes renovations to the 29-year-old Courts/Police building to include upgrades to courtrooms, addressing space inefficiencies, as well as technology backbone infrastructure improvements. It provides for a comprehensive study of the nearly three-decade old Detention Center and placeholder implementation of recommendations from that study. This CIP continues critical Fire Department investments, including funding for a new fire station on the west end of Columbia Pike. Other facility highlights include Crystal City and Columbia Pike Libraries, Courthouse Complex Renovations and Infrastructure, the consolidation of the Situational Awareness Intelligence Unit, EOC and Department of Public Safety Communications and Emergency Management as well as planning studies for the Lee and Madison Community Centers, and facility condition assessments to provide projected replacement timelines and estimated replacement costs.

Transportation funding totals \$1,855 million including a number of significant investments for bridge renovation, the Columbia Pike Multi-Modal program, Crystal City, Pentagon City and Potomac Yards Streets program, Metro station entrances, ART facilities, Columbia Pike transit facilities, and numerous other safety and accessibility projects throughout the County. The CIP continues the County's commitment to developing and managing a multimodal transportation system that expands travel choices, provides equal access to all users, and supports community sustainability goals. This CIP also reflects ongoing support for the implementation of the Vision Zero Action Plan with the goal of eliminating all critical injury crashes in the public right-of-way by 2030. It further ensures maintenance of the County's transportation infrastructure in a state of good repair. To this end, it includes \$143.9 million for paving to maintain the targeted paving condition index (PCI) of 75 – 80, as well as \$11.9 million to fund proactive maintenance of sidewalks, curbs, and gutters. The goals of the Transportation Master Plan are considered in the projects that are funded in this adopted CIP.

Water and Sewer Infrastructure includes \$879.9 million with an emphasis on maintenance capital, wastewater treatment improvements, and drinking water redundancy and resiliency projects. The CIP includes \$388.0 million for water-sewer maintenance capital, \$169.0 million for water distribution, \$3.4 million in sanitary sewer improvements, and \$319.5 million to Water Pollution Control Plant improvements. This program maintains a state of good repair for close to 1,000 miles of water and sanitary sewer lines across the county. The Water Distribution Master Plan, Sanitary Master Plan, and Water Pollution Control Plant Solids Master Plan guide and prioritize the projects included in the adopted CIP.

Stormwater Management includes \$334.4 million for capacity improvements, stream and water quality projects and maintenance capital. The CIP includes \$242.2 million for capacity improvements, \$41.2 million for water quality projects, and \$50.9 million for a variety of

maintenance capital projects. The program reflects the effort required to enhance and update the County's stormwater infrastructure to manage urgent needs and long-term resilience, driven primarily by watershed scale projects to minimize the risk of flooding. Over \$191 million is being invested in four critical watersheds throughout the county which include Spout Run, Crossman Run, Lubber Run, and Torreyson Run. The CIP also includes water quality projects to reduce pollutants in adherence to the Virginia Department of Environmental Quality's (DEQ) Municipal Separate Storm Sewer System (MS4) Permit and the Chesapeake Bay Total Maximum Daily Loads (TMDL).

Arlington Public Schools adopted its FY 2025 – FY 2034 CIP on June 20, 2024. The Schools' CIP totals \$691.06 million, including \$84.0 million of general obligation bonds. The Schools' 10-year plan includes funding for kitchen improvements, entrance and vestibule renovations, security improvements, moving the Montessori program to the Career Center and synthetic turf field conversion at Kenmore Middle School.

County Bond Funds Appropriations: Since a portion of the FY 2025 appropriation is for bond funded projects to be approved on the November 5, 2024 Referenda, appropriation of those projects is requested now but is contingent upon and will not occur until the respective referendum for each project is approved by voters, has been filed with the Circuit Court, and the required 30-day contest period has expired. All project expenditures being appropriated as FY 2025 bond funds are as planned in the FY 2025 – FY 2034 CIP and are consistent with the debt projections included in the CIP.

Change to Financial Policy – Stabilization Reserve: The minimum amount for the Stabilization Reserve has been increased from 1.0 percent to 1.3 percent of the General Fund Budget based on action taken by the County Board at the adoption of the FY 2025 Operating Budget.

PUBLIC ENGAGEMENT: In the early phases of CIP engagement in March and early April, almost 3,200 people participated, with 2,686 of those being online. Eleven pop-up engagements were held around the County; this form of engagement helped reach a diverse population.

In addition to online responses and feedback received at pop-ups, program specific information was discussed at Board work sessions on June 6, June 11 and June 25; a joint worksession with the County/School Board on June 4; a Planning Commission meeting on June 3 as well as other commissions (Park and Recreation Commission, Sports Commission, Forestry and Natural Resources Commission, Fiscal Affairs Advisory Commission, Economic Development Commission and the Transportation Commission); and finally, a CIP public hearing held on July 10.

FISCAL IMPACT: Should the CIP be adopted, the annual debt service included in both the Schools' Adopted CIP and the County's CIP remains in compliance with the County Board's limitations on debt issuance and debt service as outlined in the Financial and Debt Management Policies. The planned issuance of new debt, combined with previously issued debt, maintains debt and debt service levels necessary for the County's triple-AAA bond ratings. Debt service in FY 2025 is consistent with the amounts budgeted in the County and APS' Adopted FY 2025

operating budgets, with moderate growth in annual debt service projected in future fiscal years to support the planned issuance of new bonds over the 10-year planning horizon.

FISCAL YEAR 2025 COUNTY APPROPRIATIONS RESOLUTION

Be it resolved by the County Board of Arlington County, Virginia, that the following appropriations of \$129,795,000 are hereby made for the Fiscal Year 2025 for Authorized But Unissued Bonds; Be it further resolved that the following appropriations of \$129,795,000 will be made only upon approval by voters at the November 5, 2024 ballot and after results have been certified and filed with the Circuit Court and the required thirty day period for contesting each bond referendum has expired:

COUNTY BOND FUNDS:	Authorized But Unissued Bonds Appropriation	2024 Referenda¹ Appropriation	Total Appropriation
Street and Highway Bond Fund (314)	-	13,540,000	13,540,000
Neighborhood Conservation Bond Fund (316)	-	0	0
Government Facility Bond Fund (317)	10,300,000	27,855,000	38,155,000
Public Recreation Bond Fund (324)	-	7,480,000	7,480,000
Metro Bond Fund (333)	-	21,800,000	21,800,000
TOTAL COUNTY BOND FUNDS APPROPRIATIONS:	\$10,300,000	\$70,675,000	\$80,975,000
STORMWATER BOND FUND APPROPRIATIONS:	21,780,000	-	\$21,780,000
UTILITY BOND FUNDS:			
Water Bond Fund (525)	23,640,000	3,400,000	\$27,040,000
Sanitary Sewer Bond (528)	-	-	\$0
AWT Plant Bond (530)	-	-	\$0
TOTAL UTILITY BOND FUNDS APPROPRIATIONS:	\$23,640,000	\$3,400,000	\$27,040,000
TOTAL APPROPRIATIONS FOR COUNTY	\$55,720,000	\$74,075,000	\$129,795,000

¹ 2024 Referenda will be appropriated upon approval by voters at the November 5, 2024 ballot and after results have been certified and filed with the Circuit Court and the required thirty day period for contesting the bonds has expired.