

# County Manager's Proposed Capital Improvement Plan (CIP) FY 2025 – FY 2034

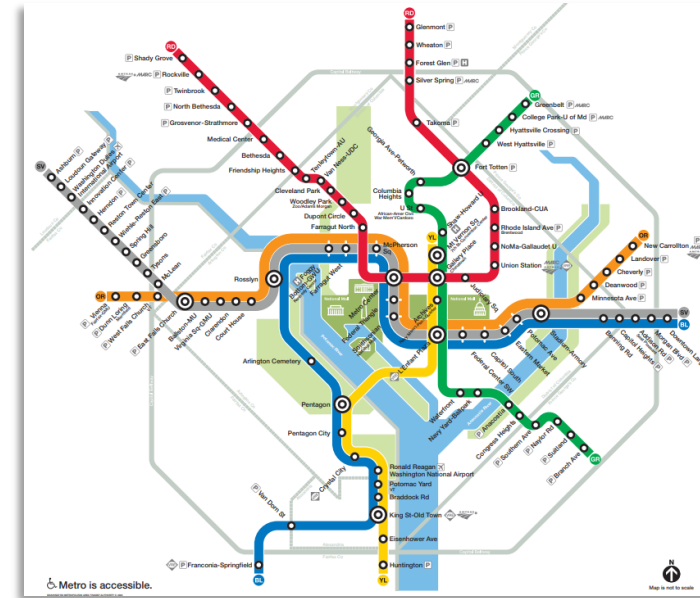
## Metro & Debt Service

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June 6, 2024

# Metro Funding in the CIP

- Arlington is part of the Metro Compact
- Agreement to fund both Operating and Capital
- Jurisdictional Funding Formula Determines Share
  - Separate Rail, Bus, and Paratransit Formulas
  - Capital follows same formula for capital projects
  - 6.9% of Operating budget subsidy in FY25
  - 8.0% of Capital budget subsidy in FY25

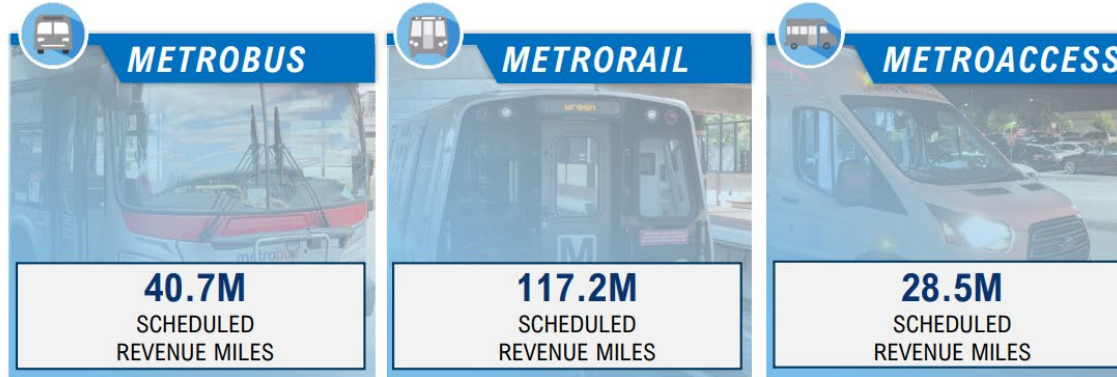
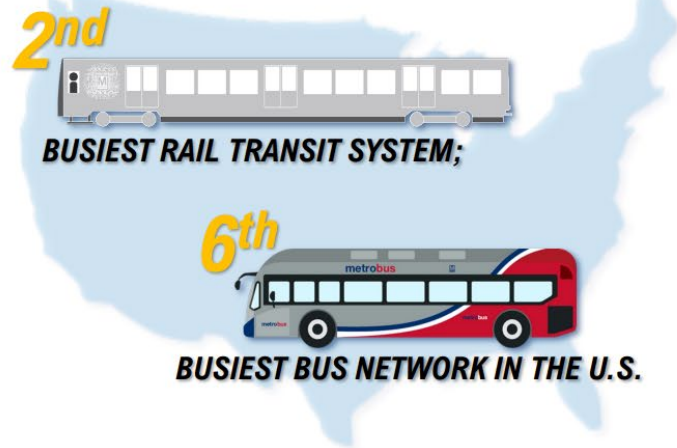
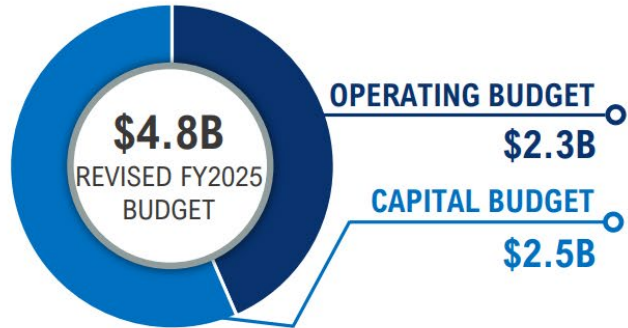


WMATA CIP Investment Categories	
Safety, Reliability, State of Good Repair	Track & Structure Rehabilitation
Railcar Rehab & Replacement	Parking Garage Improvements
Station Improvements	Bus & Paratransit Vehicle Replacement
Rail Power System Reliability	IT & Infrastructure Modernization



# Metro Funding in the CIP

## Metro At-A-Glance



### Within ½ mile of Metrorail stations and bus stops in the Compact area:

- 60% of population (2.8M people)
- 70% of jobs (1.7M jobs)
- 50% of employers (134,400 businesses)

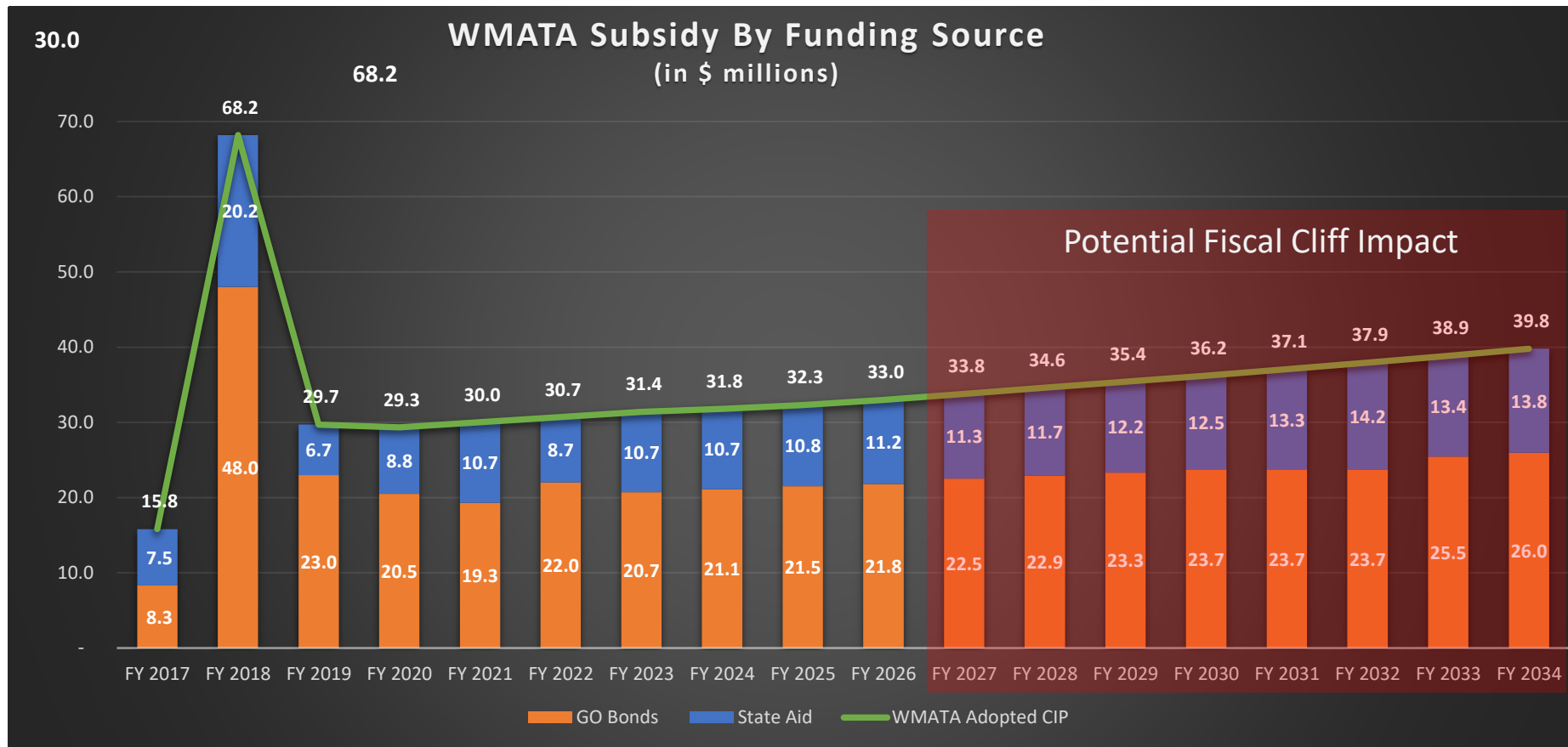
### The ½ mile around Metrorail stations is just 3% of the region's land but contains:

- 30% of property value (\$328B)
- 40% of jobs
- 65% of new office development
- 50% of new apartments
- 25% of affordable housing
- 13 Fortune 500 headquarters

### 98 RAIL STATIONS



# Historical WMATA Capital Subsidy



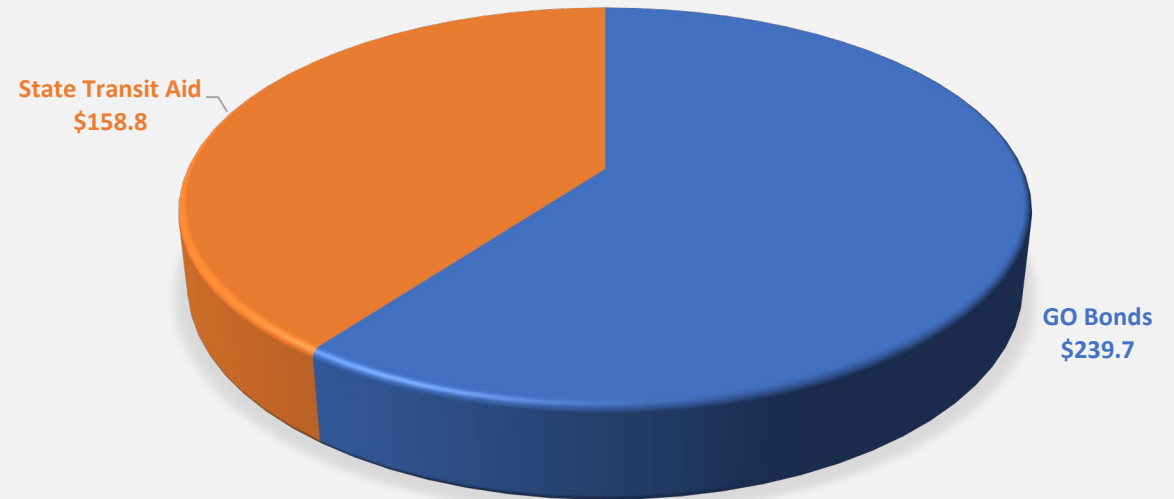
\*Includes Arlington's share of the Commonwealth's \$154 million Dedicated Funding Contribution (~7.5 million annually beginning in FY 2019)

# Funding Sources

**60%**  
**General Obligation  
Bonds**  
**\$239.7 million**

**40%**  
**State Transit Aid**  
**\$158.8 million**

FUNDING SOURCES  
FY2025 – FY 2034



# Major Changes Since Last CIP

	FY23-32 ADOPTED	FY25-34 PROPOSED
2022 Referendum	\$42,600,000	
2024 Referendum	\$44,100,000	\$44,325,000
2026 Referendum	\$45,800,000	\$46,260,000
2028 Referendum	\$47,600,000	\$47,470,000
2030 Referendum	\$49,900,000	\$49,190,000
<u>2032 Referendum</u>	<u>\$ _____</u>	<u>\$52,425,000</u>
<b>Total 10-Year Request</b>	<b>\$230,000,000</b>	<b>\$239,670,000</b>

**4.2% increase in GO bond funding over 10-years**

# Regional Capital and Operating Subsidies

	(A) 2023 Population	(B) FY 2025 GF Revenues	(C) Operating Subsidy	(D) Capital Subsidy	(C/A) Per Capita Op Subsidy	(D/A) Per Capita Cap Subsidy	(C/B) Op Subsidy % of GF Revenue	(D/B) Cap Subsidy % of GF Revenue
Arlington County	234,000	1,650,235,433	96,171,132	24,800,000	411.0	106.0	5.83%	1.50%
Fairfax County	1,142,000	5,460,493,825	160,711,024	44,100,000	140.7	38.6	2.94%	0.81%
Alexandria	155,000	911,250,331	55,571,919	13,800,000	358.5	89.0	6.10%	1.51%
Loudoun County	436,000	2,714,483,693	19,952,133	5,900,000	45.8	13.5	0.74%	0.22%
Washington DC	679,000	13,150,264,000	461,645,181	109,400,000	679.9	161.1	3.51%	0.83%
Montgomery County	1,058,000	2,783,090,742	221,217,505	50,500,000	209.1	47.7	7.95%	1.81%
Prince George's County	947,000	2,392,785,999	266,784,765	52,100,000	281.7	55.0	11.15%	2.18%
<b>Total Population</b>	<b>4,651,000</b>	<b>29,062,604,023</b>	<b>1,282,053,658</b>	<b>300,600,000</b>				

\*Excludes Fairfax City and Falls Church City

Rail Subsidy	Bus Subsidy
33% Weekday Ridership by Residence	15% Weekday Ridership by Residence
33% Density Weighted population	25% Density Weighted population
33% Share of Rail Stations	35% Regional Bus Revenue Miles
	25% Regional Bus Revenue Hours

Jurisdiction	Metrorail (46% of Subsidy)		Metrobus (42% of Subsidy)	
	# of Stations	% Of Stations	Revenue Miles	% of Miles
Arlington County	10	10.3%	1,730,649	7.2%
City of Alexandria	4.5	4.6%	1,257,195	5.2%
District of Columbia	40.27	41.5%	9,843,153	41.0%
Fairfax County	13.5	13.9%	1,751,639	7.3%
Montgomery County	11.5	11.9%	3,960,855	16.5%
Prince George's County	14.23	14.7%	5,319,269	22.2%
Loudoun County	3	3.1%	0	0.0%
City of Fairfax	0	0.0%	0	0.0%
City of Falls Church	0	0.0%	124,240	0.5%
<b>Total</b>	<b>97</b>	<b>100.0%</b>	<b>23,987,000</b>	<b>100.0%</b>

# Looking Ahead

- Capital subsidies should stay within 3% cap per the Dedicated Funding requirements
- Potential that significant operating budget gaps may shift preventative maintenance to capital
- Lack of a new funding source for operating may place pressure on capital subsidies to increase over 3%



# County Manager's Proposed Capital Improvement Plan (CIP) FY 2025 – FY 2034

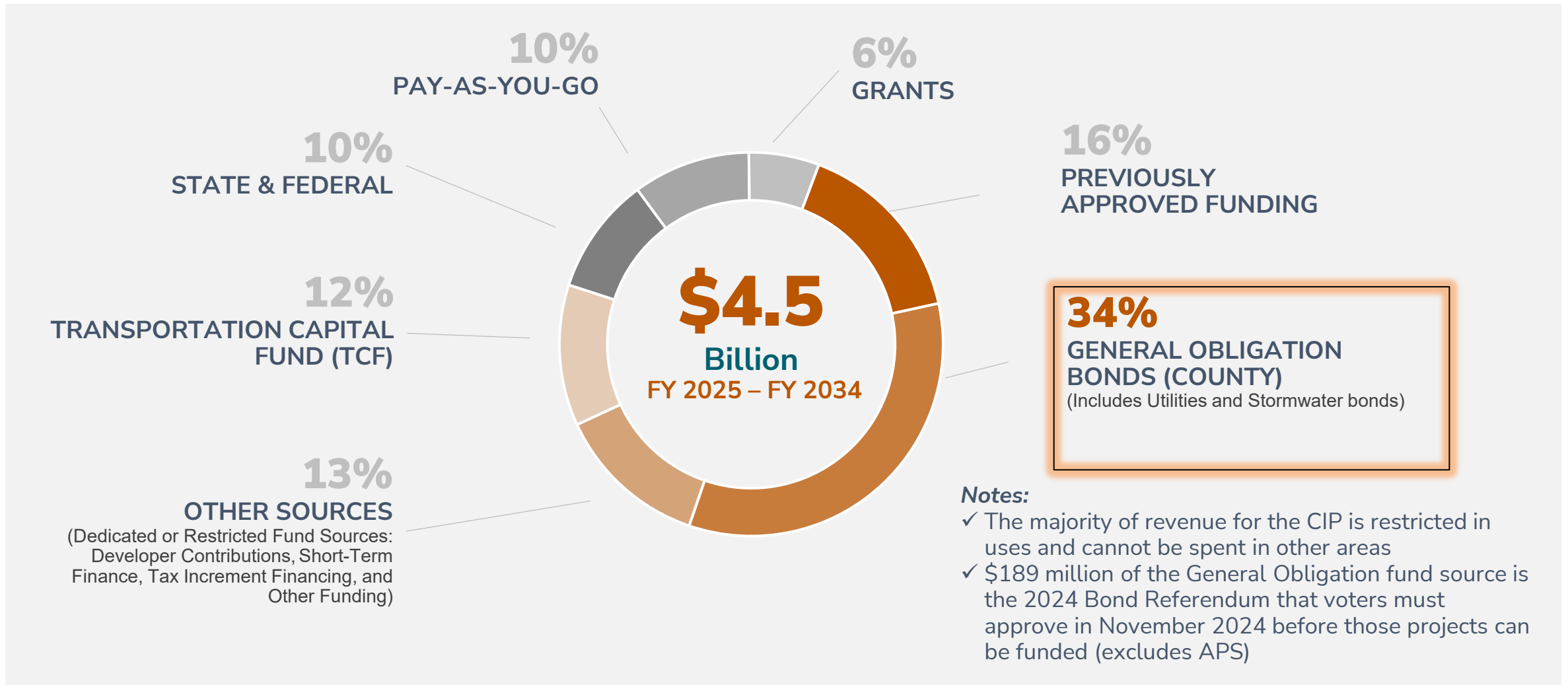
## Debt Service

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June 6, 2024



# How We Pay for the CIP



# Annual Debt Service Increases

## Consistent with Debt Policies but Still Significant

Growth in debt service should be sustainable and consistent with the projected growth of revenues. Debt service growth over the ten-year projection should not exceed the average ten-year historical revenue growth.

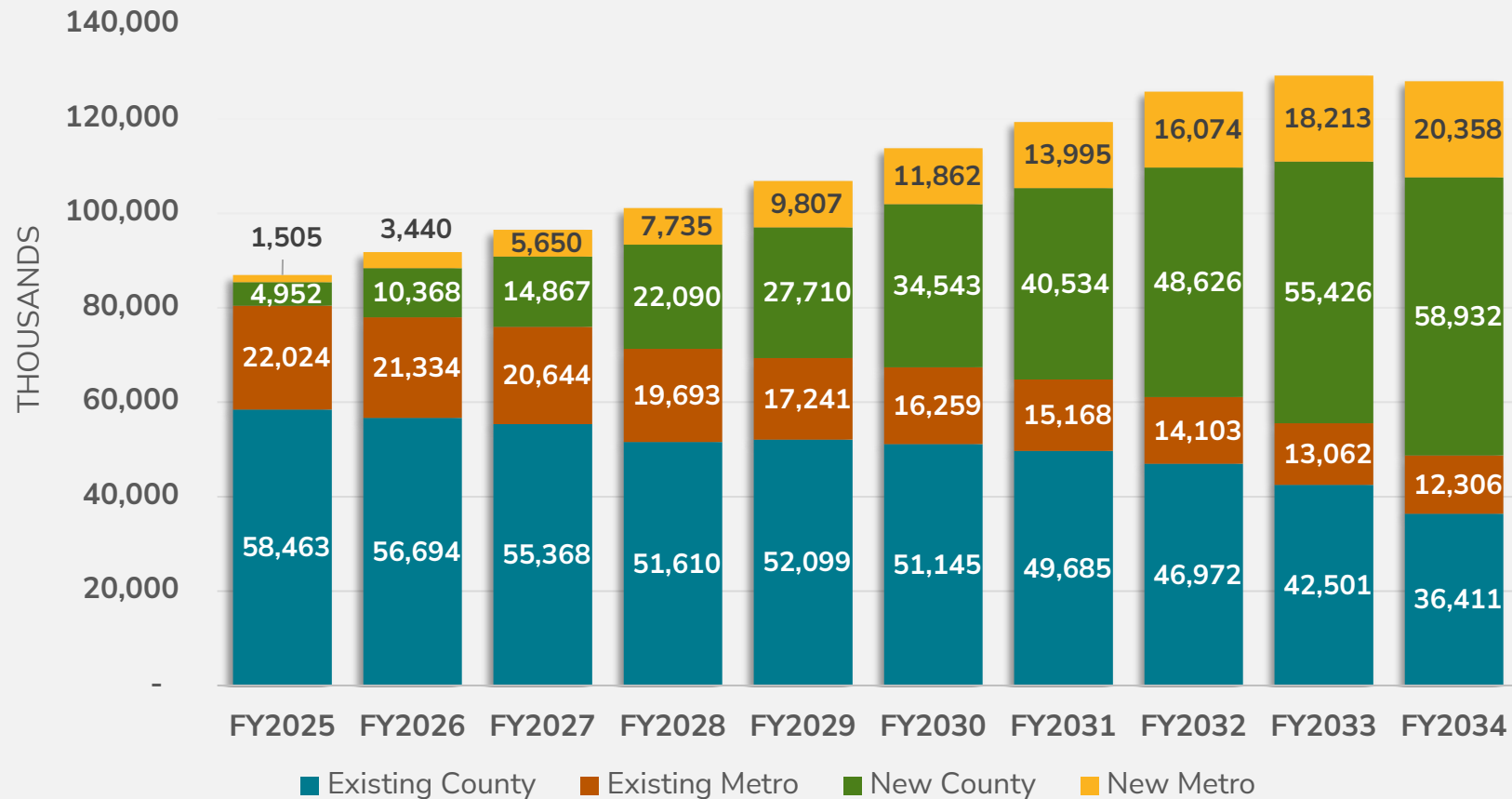
(in thousands)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
<b>COUNTY</b>										
Debt Service	85,323	90,070	94,764	99,367	105,097	112,060	117,631	124,005	127,459	126,273
Annual Inc / (Dec) \$		4,889	4,694	4,603	5,729	6,964	5,571	6,374	3,454	(1,186)
Annual Inc / (Dec) %		5.7%	5.2%	4.9%	5.8%	6.6%	5.0%	5.4%	2.8%	-0.9%
<b>SCHOOLS</b>										
Debt Service	67,292	69,772	72,124	74,865	77,532	80,159	82,156	83,812	84,545	81,907
Annual Inc / (Dec) \$		2,565	2,352	2,741	2,667	2,627	1,997	1,656	733	(2,638)
Annual Inc / (Dec) %		3.8%	3.4%	3.8%	3.6%	3.4%	2.5%	2.0%	0.9%	-3.1%
<b>AHIF – BARCROFT</b>										
Debt Service	7,200	7,200	10,730	10,495	10,459	10,424	10,379	10,344	10,297	10,259
Annual Inc / (Dec) \$		-	3,530	(235)	(36)	(35)	(45)	(35)	(47)	(38)
Annual Inc / (Dec) %		0.0%	49.0%	-2.2%	-0.3%	-0.3%	-0.4%	-0.3%	-0.5%	-0.4%

**TEN-YEAR GROWTH**  
 County: 4.5%  
 APS: 2.4%  
 County/APS: 3.6%

**Ten Year Revenue Growth 2013-2023**  
 4.4%

# Existing Debt Service & Major Projects Financed

EXISTING VS NEW  
GENERAL FUND DEBT SERVICE



## Major Projects in Existing Debt

WMATA (\$317MM)

Fire Stations 3 & 8 (\$25MM)

Long Bridge Aquatics & Fitness Center (\$42MM)

Lubber Run Community Center (\$47MM)

Arlington Mill Community Center (\$30MM)

North Quincy Site Acquisition (\$27MM)

2020 14<sup>th</sup> Street North Acquisition (\$20MM)

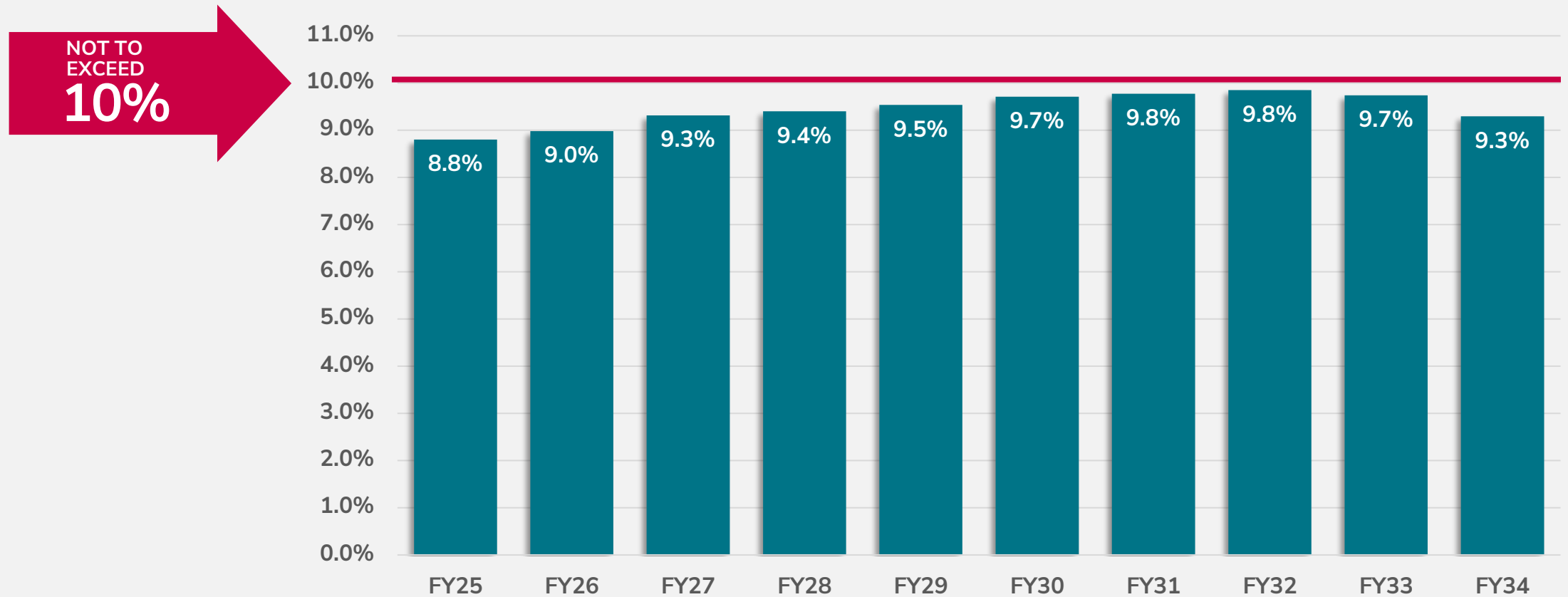
Head Start / 2920 S Glebe Road (\$11MM)

Trades Center (\$17MM)

TJ Parking Deck (\$12MM)

# Adhering to Debt Policies

## 1. Debt Service as % of General Government Expenditures



\*Includes APS debt per "MPSA Option 2" on page 34 of the Superintendent's Proposed CIP presentation on May 16, 2024



# Adhering to Debt Policies (Cont.)

## 2. Ratio of Debt Per Capita To Per Capita Income No Greater than 6%

*The CIP peaks in FY 2027 at 5.4% before falling to 4.5% in FY 2034.*



## 3. Outstanding Debt As Percentage Of Market Valuation Of Tax Base No Greater Than 3%

*The CIP remains under this policy and ranges from 1.3% - 1.5% over the ten-year horizon.*



## 4. Growth In Debt Service Over The Ten-Year Planning Period No Greater Than Ten-Year Historical Growth In Revenues

*Total County and APS debt service growth is estimated at 3.6% annually compared to 10-year historical average ten-year revenue growth (FY13 – FY23) of 4.4%.*



# Adhering to Debt Policies (Cont.)

## Increase to Stabilization Reserve

*Stabilization Reserve: Consistent with past practice, the County will maintain a stabilization reserve to address unexpected, temporary events, such as major weather events or a local/regional emergency requiring immediate incurrence of cost in response; revenue declines; new/unfunded state, regional or federal programs; unexpected capital expenditures; and local or regional economic stress. Amounts, in most instances, would be used for one-time (vs. on-going) needs in the course of a fiscal year, and are not intended to be a source of funds to balance the budget during the annual budget development process.*

*Use of contingent monies requires approval by the County Board. The minimum amount of the contingent will be ~~1.0~~ **1.3** percent of the General Fund Budget and will be revisited annually as part of the budget process. Any draw on the stabilization reserve will be replenished within the subsequent two (2) fiscal years.*

**Aligns with action taken at FY 2025 Budget Adoption**

# Proposed County Government 2024 Bond Referenda



## Total County (\$174.4M)

Community Infrastructure \$76.2M  
Local Parks & Recreation \$25.8M  
Metro and Transportation \$72.4M



## Utilities

Utilities \$14.2 million

2024 Referenda primarily funds projects in FY 2025 and FY 2026

# Proposed All Funds Bond Referenda

Bond Funded Projects by Referenda Year (in \$Millions)						
Referenda Category	Proposed 2024	Planning				Total
		2026	2028	2030	2032	
Parks	25,770	40,970	23,630	28,680	78,370	197,420
Community Infrastructure	76,150	53,335	55,740	115,630	36,700	337,555
Metro & Transportation	72,405	78,640	82,165	84,645	88,210	406,065
<b>Total County Referenda</b>	<b>174,325</b>	<b>172,945</b>	<b>161,535</b>	<b>228,955</b>	<b>203,280</b>	<b>941,040</b>
<b>Arlington Public Schools*</b>	<b>72,970</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>472,970</b>
<b>Stormwater</b>	<b>0</b>	<b>51,460</b>	<b>77,285</b>	<b>45,275</b>	<b>44,175</b>	<b>218,195</b>
<b>Utilities</b>	<b>14,220</b>	<b>51,460</b>	<b>83,435</b>	<b>122,890</b>	<b>89,335</b>	<b>361,340</b>

\* APS based on referenda amounts included in APS' Proposed FY 2025 - FY 2034 CIP under "MPSA Option 2"

# Proposed FY 2025 – FY 2034 Debt Summary

Bond Funding	Proposed 2024	Planning				Total FY 25-34
		2026	2028	2030	2032	
<b>LOCAL PARKS &amp; RECREATION</b>						
Parks Maintenance Capital	5,825	9,400	8,385	8,590	8,790	40,990
Arlington Boathouse	-	9,555	-	-	7,215	16,770
Three Urban Parks in Ballston-Virginia Square	8,055	-	-	-	-	8,055
Drew Park	1,540	-	-	-	-	1,540
Parks Land Acquisition and Open Space	1,500	3,030	3,060	3,090	3,125	13,805
Synthetic Fields	2,400	-	-	-	-	2,400
Trail & Bridge Modernization	3,435	5,075	5,180	2,525	860	17,075
Shirlington Park	-	-	-	1,030	4,315	5,345
Gateway Park	-	11,635	-	-	-	11,635
Nature Resiliency Program	1,515	1,010	1,010	1,010	1,010	5,555
Virginia Highlands Park and Nearby Public Spaces	-	-	-	-	1,485	1,485
Emerging Uses Program	1,500	1,010	505	1,010	1,010	5,035
Fairfax Drive Public Spaces	-	-	-	900	13,085	13,985
Langston Boulevard Public Space Improvements	-	-	-	-	2,020	2,020
New Park at 26th Street N and Old Dominion Dr	-	255	4,600	-	-	4,855
Short Bridge Park	-	-	-	5,690	-	5,690
Quincy Park	-	-	890	4,040	31,490	36,420
Penrose Square Phase 2	-	-	-	795	3,965	4,760
<b>Sub-total</b>	<b>25,770</b>	<b>40,970</b>	<b>23,630</b>	<b>28,680</b>	<b>78,370</b>	<b>197,420</b>
<b>METRO</b>						
Metro (pg. E-1)	44,325	46,260	47,470	49,190	52,425	239,670
<b>COMMUNITY CONSERVATION</b>						
Arlington Neighborhoods Program	14,000	14,000	14,000	14,000	14,000	70,000
<b>INFORMATION TECHNOLOGY</b>						
Connect Arlington	995	2,630	1,965	2,265	2,580	10,435



# Proposed FY 2025 – FY 2034 Debt Summary

Bond Funding	Proposed 2024	Planning				Total FY 25-34
		2026	2028	2030	2032	
<b>TRANSPORTATION</b>						
Paving	22,035	23,500	24,695	25,950	27,265	123,445
Curb & Gutter Missing Links	240	275	295	315	335	1,460
Bridge Maintenance	530	1,615	1,725	1,830	1,940	7,640
Bridge Renovation and Replacement	-	1,080	2,085	1,570	-	4,735
Street Lights	1,380	1,050	200	275	315	3,220
Neighborhood Complete Streets	855	1,120	1,340	1,340	1,340	5,995
Transportation Systems & Traffic Signals	-	315	570	-	-	885
Street Safety Improvements	405	495	530	560	600	2,590
Sidewalk, Curb, Gutter Proactive Zone Maintenance	1,470	1,575	1,665	1,770	1,875	8,355
WalkArlington	410	435	465	490	525	2,325
Signals & ITS Maintenance	755	920	1,125	1,355	1,590	5,745
<b>Sub-total</b>	<b>28,080</b>	<b>32,380</b>	<b>34,695</b>	<b>35,455</b>	<b>35,785</b>	<b>166,395</b>
<b>PUBLIC / GOVERNMENT FACILITIES</b>						
Facilities Maintenance Capital	13,810	4,800	8,485	11,415	11,720	50,230
Fire Stations Replacements & Additions	-	-	250	35,605	-	35,855
Columbia Pike Library Refresh / Replacement	-	-	4,040	31,690	-	35,730
Carlin Springs Site	8,080	-	6,040	-	-	14,120
Courts / Police Building Improvements	9,175	5,050	7,595	4,070	8,400	34,290
Courthouse Complex Renovations & Infrastructure	-	14,745	-	-	-	14,745
Detention Facility Comprehensive Study	3,845	6,150	3,125	-	-	13,120
Lee Community Center	250	-	-	15,355	-	15,605
Commonwealth Attorney and ASAP Renovation	2,870	-	-	-	-	2,870
Office Space Utilization and Systems Furniture	6,020	5,960	4,180	1,230	-	17,390
Situational Awareness Center / DPSCEM Consolidation	9,760	-	-	-	-	9,760
Trade Center - NOC Relocation	-	-	6,060	-	-	6,060
Trade Center Optimization Plan Implementation	845	-	-	-	-	845
Quincy Site Planning	6,500	-	-	-	-	6,500
<b>Sub-total</b>	<b>61,155</b>	<b>36,705</b>	<b>39,775</b>	<b>99,365</b>	<b>20,120</b>	<b>257,120</b>
<b>Total County GO Bond Referenda</b>	<b>174,325</b>	<b>172,945</b>	<b>161,535</b>	<b>228,955</b>	<b>203,280</b>	<b>941,040</b>



# Proposed Capital Improvement Plan (CIP)

FY 2025 – FY 2034

Submission of a 10-Year  
Plan for Debt

