



FAIRFAX COUNTY

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V I R G I N I A

February 23, 2004

Honorable Board of Supervisors
County of Fairfax
Fairfax, Virginia 22035

Mr. Chairman, Ladies and Gentlemen:

It is my pleasure to submit for your review and consideration the Fairfax County *Advertised Capital Improvement Program (CIP) for Fiscal Years 2005 – 2009, with Future Fiscal Years to 2014*. The CIP is an important document which is linked strategically to the Comprehensive Plan and the County's Budget. I believe the CIP reflects the needs of the County and the goals and priorities of our community while recognizing our financial capabilities.

For the second consecutive year, the CIP will be released concurrently with the FY 2005 Advertised Budget Plan and will be available on CD-ROM.

During the development of the CIP the following primary objectives were accomplished:

1. Continued to consult and closely coordinate with the Board of Supervisors, the Planning Commission, and other Boards, Authorities and Commissions regarding the CIP process, status and recommendations;
2. Applied the principles and criteria adopted by the Board of Supervisors in FY 2003 to prioritize and rank all existing and future CIP projects;
3. Reviewed the County's current debt and bond referendum capacities to determine the resources available to support identified CIP projects;
4. Provided flexibility for the Board of Supervisors to respond to emerging community needs, such as emergency preparedness or transportation requirements;
5. Identified a portion of the funding required to address capital renewal needs at some County facilities; and
6. Refined and simplified the CIP submission process and worked with County agencies to develop their CIP requirements.

1. Continued to Consult and Closely Coordinate

Staff from the Office of the County Executive, the Department of Management and Budget, the Department of Planning and Zoning and the Department of Public Works and Environmental Services, continued to consult and closely coordinate with the Board of Supervisors, the Planning Commission, the Planning Commission CIP subcommittee, and other Boards, Authorities and Commissions during the development of the CIP. This improved coordination enabled those involved with the CIP process to be better informed and to more fully participate in the development of program recommendations.

2. Applied the Principles and Criteria to Prioritize and Rank All CIP Projects

For the second year, the Principles and Criteria adopted by the Board of Supervisors in FY 2003 were used to develop a priority ranking of all existing and future CIP projects. Application of these criteria ensures that each recommended project supports the policy objectives of both the Board of Supervisors and the Comprehensive Plan. These criteria are used to rank the priority of projects, indicate the relative time period in which a project may be initiated, and allocate available resources.

3. Reviewed the County's Debt and Bond Referendum Capacities

A review of the County's debt and bond referendum capacities is conducted annually. During the development of the FY 2005 – FY 2009 CIP, this review demonstrated that the County could maintain total annual bond sales of \$200 million per year for both County and School projects, as previously planned. This level of sales is possible within the approved debt ratios (debt service below 10 percent of General Fund disbursements and net bonded indebtedness below 3 percent of estimated market value) as well as within the limits of existing resources. As of June 30, 2003, the ratio of debt service to General Fund disbursements is 8.7 percent and net bonded indebtedness as a percentage of estimated market value is 1.48 percent. Therefore, I am recommending continuing the allocation of approximately one-third of the regular annual bond sales, or \$70 million per year, for County projects and two-thirds of annual bond sales, or \$130 million per year, for School projects in the CIP. In addition, in order to support the Board of Supervisors approval of a comprehensive Four Year Transportation Plan on February 9, 2004, I have included an additional \$50 million in bond sales above and beyond the adopted \$200 million level as a temporary exception between FY 2005 and FY 2008. Issuance of these bonds can be accomplished well within the Board's established debt ratio limits as noted above.

Concurrently, staff has been reviewing the future capital needs for the County. To date, approximately 133 capital projects (i.e., fire stations, libraries, human service facilities) and capital programs (i.e., walkways, streetlights, storm drainage programs) have been identified for future requirements beyond the CIP period. Of this amount, preliminary cost estimates have been developed for approximately 81 percent or 108 projects and programs. For planning purposes, these preliminary estimates indicate a projected requirement of over \$1.8 billion. Concept design for the remaining 19 percent of the projects and programs is required and cost estimates are being developed. Cost estimates for long term CIP projects are based on preliminary project descriptions provided by the requesting agency, and include all estimated costs for land acquisition, permits and inspections, project management and project engineering, consultant design, construction, utilities, fixed equipment, and information technology infrastructure. Preliminary scoping and concept work have not been completed for these projects and estimates are in today's dollars. Therefore, each estimate is considered an Estimate - No Scope, No Inflation (ENSNI). It is expected that total funding requirements will grow as these cost estimates are refined.

Proposed Bond Referenda

In order to better plan for the future, I have identified County bond referenda every other year beginning in the fall of 2004 through the fall of 2012. This future bond referendum schedule will begin to address some of the many County capital project and program requirements. Three referenda are planned during the 5 year CIP period, including a 2004 referendum totaling \$310 million, a 2006 referendum totaling \$80 million and a 2008 referendum totaling \$62 million. The 2004 referendum includes: parks, the Northern Virginia Regional Park Authority, libraries, transportation and human services/juvenile facilities. The 2006 referendum includes both public safety and neighborhood improvement/commercial revitalization components. The 2008 referendum includes parks and the Northern Virginia Regional Park Authority. These referenda can be supported within the current debt service capacity. The details of the up-coming 2004 referenda are described as follows:

Parks: A \$50 million park bond referendum includes monies for land acquisition and park development. There continues to be a need to act quickly and acquire land for the preservation of open space before market prices become prohibitive. In addition, funds will be required to develop newly acquired space.

NVRPA: A \$10 million regional park bond referendum would provide for the County's annual contribution to the Northern Virginia Regional Park Authority (NVRPA) capital program. This referendum would support a level of \$2.5 million per year for four years.

Libraries: A \$52.5 million library bond referendum includes monies to design and construct two new community libraries and to renovate/expand four existing facilities. The two new community libraries are planned for the Oakton and Burke areas of the County to meet the demands for increased library services. Renovation and potential expansion is planned for four of the oldest County libraries: Thomas Jefferson Community, Richard Byrd Community, Dolley Madison Community, and Martha Washington Community. These libraries are between 30 and 40 years old, cannot readily be adapted to the requirements of modern technology, need quiet study space and consistently exceed the minimum standards for use. In addition, \$2.5 million has been proposed to begin to address the capital renewal requirements at aging County libraries. This funding will support the repair and replacement of HVAC, plumbing, electrical systems, roofs, fire alarms, and parking lot paving at prioritized libraries throughout the County.

Transportation: A \$165 million transportation bond referendum would provide \$110 million toward the County's share of the Metro Infrastructure Renewal Program (IRP), the System Expansion Program (SEP) and the System Access Program (SAP). The IRP includes both bus and rail capital projects which are necessary as this infrastructure ages. WMATA staff has identified the need to significantly increase the funds spent to repair and replace these capital assets. The SEP is designed to accommodate expansions and extensions to the existing system, including rail to Tyson's Corner and Dulles Airport. The SAP program includes additional access to the existing Metrorail and Metrobus systems to meet growing demand and could include new rail cars and buses and additional parking spaces.

In addition, on February 9, 2004 the Board of Supervisors approved a \$100 million Four Year Transportation Plan to fund major transit and highway projects, spot intersection improvements and pedestrian improvements. Funding for the Plan will include \$50 million from Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) grant funds and \$50 million from County General Obligation bond funds. Issuance of the \$50 million in bond funds is expected to be accomplished within the next four years on an accelerated pace. In order not to delay or interfere with any other planned bond projects, such as schools, parks or public safety facilities, issuance of these bonds will be accomplished through a temporary exception to sales limits as required to fully finance the program.

The remaining \$5 million would be earmarked for additional pedestrian initiatives, including trails and sidewalks throughout the County.

Human Services and Juvenile Facilities: A \$32.5 million human service/juvenile bond referendum would provide \$20 million for human service capital projects, \$10 million for juvenile facilities, and \$2.5 million for capital renewal. The human service requirements include renovations and expansions to the Mount Vernon and Woodburn mental health facilities, as well as possible renovation of the Gregory Drive facility. These facilities are in need of renovation to address health and safety issues and require additional space to meet service demands. An additional \$10 million would be earmarked for juvenile facilities which could include a juvenile offenders facility and a halfway house for juveniles. As in the case of adult offenders, the need for juvenile detention space continues to grow. The remaining \$2.5 million has been proposed to begin to address the capital renewal requirements at human service and juvenile facilities. This funding will support the repair and replacement of HVAC, plumbing, electrical systems, roofs, fire alarms, and parking lot paving at prioritized human service and juvenile facilities throughout the County.

4. Provided Flexibility

Although the CIP is a strong planning tool, I recognize that the County must be able to respond quickly to challenges and opportunities that may arise. For example, the tragic events of September 11th and the subsequent anthrax situation compelled us to further evaluate our public safety communications and emergency management facilities and to partner with the Commonwealth of Virginia to develop a new Public Safety Operations Center (PSOC) on the Camp 30 – West Ox properties. Opportunities for acquisition of open space, stormwater management issues, transportation requirements and other needs may require additional attention. The FY 2005 – FY 2009 CIP provides the needed flexibility to address some of these issues in future years.

5. Identified a Portion of the Funding Required to Address Capital Renewal

Fairfax County owns and manages 155 buildings (excluding schools, parks, housing and human services residential facilities) with approximately 7.1 million square feet of space. With such a large inventory, and the possible construction and acquisition of additional space, it is critical that a program of facility repair and renewal be adequately supported.

In order to better define the County's capital renewal needs, a comprehensive facilities condition assessment was completed for 92 building sites consisting of approximately 4.2 million square feet of space. The assessment included a complete visual inspection of roofing and all mechanical and electrical systems for each facility to identify maintenance and repair deficiencies. This assessment indicated requirements over \$60 million. It is expected that total funding requirements will increase as additional facilities are evaluated.

As the County's facilities continue to age, funding must be identified to avoid system failures that disrupt County services. The FY 2005 – FY 2009 CIP begins to address critical capital renewal needs by including \$5 million of funding in the proposed 2004 bond referenda for renewal of library and human/juvenile services facilities. I am committed to evaluating other options such as additional pay-as-you-go financing, creation of a sinking fund similar to the vehicle replacement program or other possible funding mechanisms for capital renewal of aging County facilities.

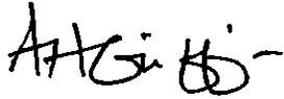
6. Refined and Simplified the CIP Process

Finally, staff has continued to enhance the CIP process, refining the agency submission process and communicating more frequently with County agencies during the development of the CIP. In FY 2004, the appearance of the CIP was completely transformed. The revised document was very well received by users, the Board of Supervisors and other Boards, Authorities and Commissions. Staff continues to improve and enhance the document as needed. The CIP will once again be released concurrently with the FY 2005 Advertised Budget Plan, and will be available on both the Budget CD-ROM and the County's website.

Conclusion

I believe the *FY 2005 – FY 2009 Capital Improvement Program, With Future Fiscal Years to 2014*, is a comprehensive approach for effectively planning for the County's capital requirements, managing its existing capital facilities, and completing needed new capital projects. I look forward to working with the Board of Supervisors, boards and commissions, the County staff, and the community to complete this important work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. Griffin". The signature is stylized and cursive.

Anthony H. Griffin
County Executive