

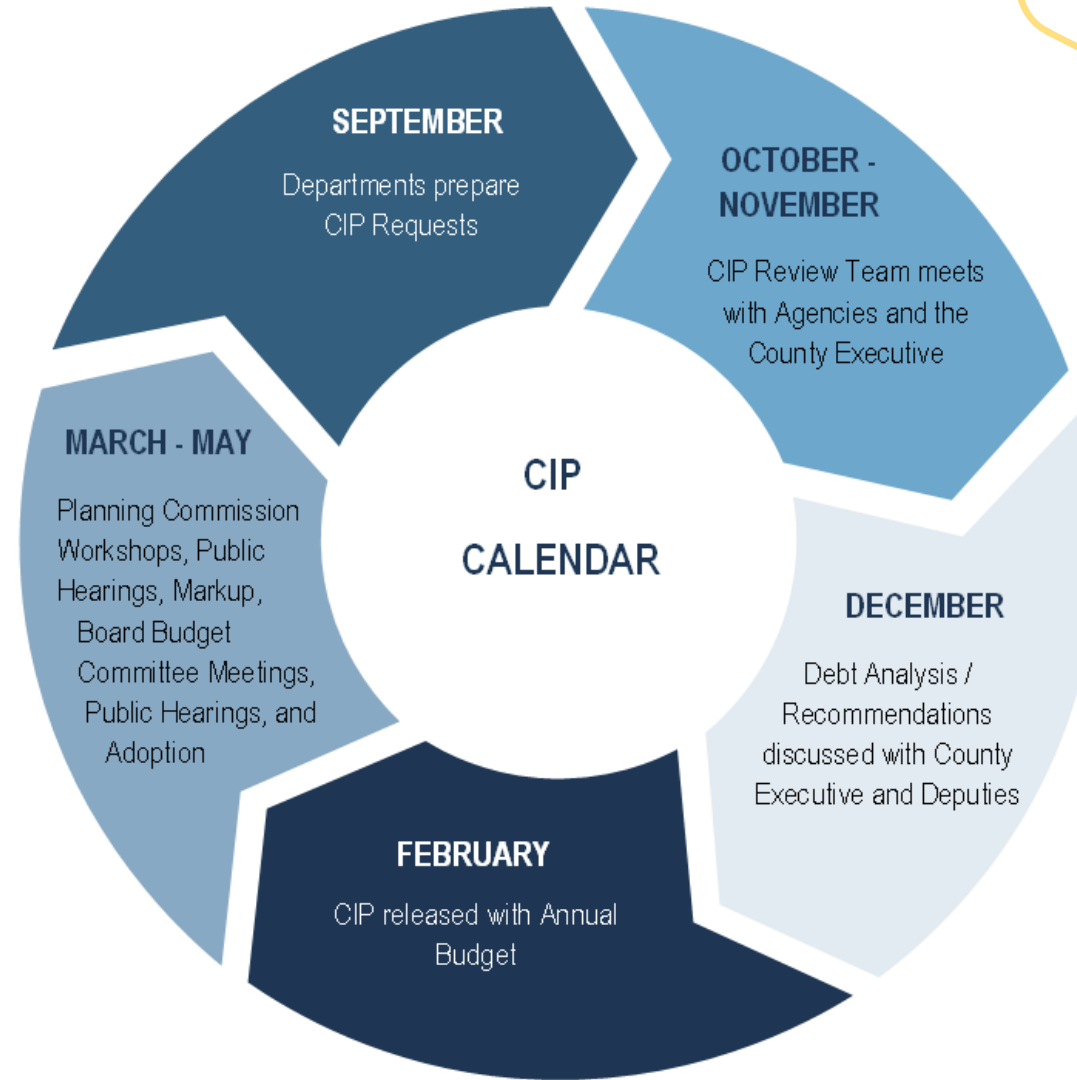


# FY 2026 – FY 2030 ADVERTISED CAPITAL IMPROVEMENT PROGRAM

Planning Commission CIP Workshop  
March 5, 2025



# CIP Calendar



# CIP Overview

- The FY 2026 – FY 2030 Capital Improvement Program (with Future Fiscal Years Through 2035) totals \$15.1 billion
- The CIP includes County managed and non-County managed (NOVA Parks, Water Supply) Capital Programs. County managed programs include:
  - Self-Supported Capital Programs (Stormwater, Solid Waste, Transportation, Wastewater) developed and approved as part of the Annual Budget
  - General Fund Supported Capital Program developed and approved as part of the Annual Budget
  - General Obligation Bond/EDA Bond Financed Program developed as part of the 5-10 year CIP

# Joint CIP Committee

- The final report of the Joint County/Schools CIP Committee was approved by the Board of Supervisors on December 7, 2021
- Recommendations from the Committee included:
  - Gradual increase in annual General Obligation bond sale limits from \$300 to \$400 million
    - The January 2025 Bond sale was the first sale at \$400 million
    - Represents a total increase of \$100 million (split evenly between County/Schools)
  - Dedication of the equivalent value of one penny on the Real Estate Tax rate to be utilized for Debt Service payments and to increase Capital Paydown investments – not yet fully implemented
  - Increase the Capital Sinking Fund from 20 to 30 percent of year-end balances, with Schools included in the allocation – implementation began as part of the *FY 2022 Carryover Review*

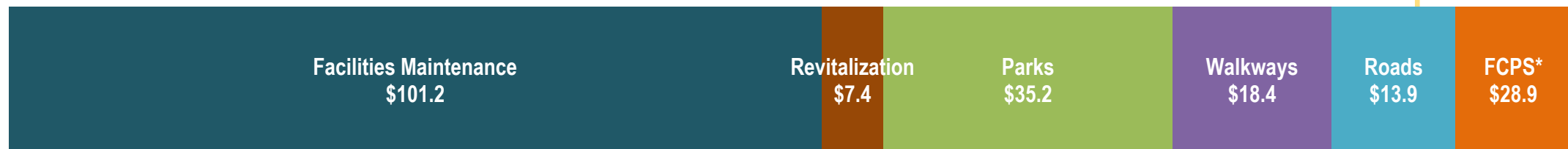
# General Fund Capital Program

- \$31,757,700 in FY 2026
- Decrease from FY 2025 by \$700,000 associated with Park Authority targeted reductions proposed to balance the FY 2026 budget (\$250,000 for trail maintenance, \$250,000 for athletic court maintenance, \$200,000 for forestry operations)
- A full penny is not included in the FY 2026 proposal: \$5 million is split evenly between the County and Schools and is consistent with the FY 2025 Adopted Budget Plan
- Debt Service payments associated with increased bond sales for both County and Schools of \$15.3 million is included
- Supplemented by adjustments at the Third Quarter or Carryover Reviews and the Sinking Fund

# Capital Sinking Fund

- Populated at year end based on 30 percent of year end balances
- Since FY 2014, over \$205 million has been set aside for capital reinvestment
- Allocation formula approved by the Board of Supervisors: 45 percent for Facilities Management Department (FMD), 25 percent for Schools, 15 percent for parks, 7 percent for walkways, 5 percent for County-owned roads and 3 percent for revitalization improvements

## Allocation of Sinking Fund Contributions (in millions)



\* FCPS was added to the Sinking Fund allocation for the first time as part of the *FY 2022 Carryover Review* as a result of recommendations from the Joint CIP Committee

# Bond Program

- Most CIP projects are financed by General Obligation Bonds
- Sunset Rule
  - All referenda expire in eight years from date of voter approval
  - Two-year extension permitted upon petition to Circuit Court
- Referenda are sold over multiple years
- Staff review project cashflow needs and sell only those amounts required for the current fiscal year
- Actual spenddown varies by category
  - Influenced by factors such as project scope, construction timeline, community outreach



# January 2025 General Obligation Bond Sale

- \$400 million bond sale (Series 2025)
  - Schools \$230 million
  - County \$170 million
- January 2025, interest rate of 3.57%
  - Up from January 2024, interest rate of 3.27%
  - Significantly up from January 2021 interest rate of 1.23%
  - Much lower than the Bond Buyer Index which stood at 4.28% the day of the sale

Category	Amount
Schools	\$230,000,000
Transportation – WMATA	44,000,000
Public Safety	55,000,000
FCPA	25,000,000
Human Services	25,000,000
Libraries	21,000,000



# Bond Referendum Plan

- Health Department Laboratory

- Added to the 2026 Bond Referendum at \$35 million
- Feasibility Study is complete
- Current facility is space-constrained, hindering safety, training, and the capacity to expand or change testing methods as public health needs evolve
- The County's laboratory is the sole local public health lab in Virginia

- Early Childcare

- Adjusted from \$50 million in 2026 to \$25 million in 2026 and \$25 million again in 2032
- Recommended due to current fiscal constraints and required operating costs
- The County has successfully supported childcare centers using year end balances, including Hybla Valley, Kingstowne, and Original Mount Vernon
- Childcare will continue to be considered in colocation projects, which could be funded outside of the General Obligation Bond program

- Library Facilities

- Centreville Library has been deferred to 2032 Bond
- 2026 Bond will include two of the top three priority Library projects (Kings Park Community, Herndon Fortnightly Community)
- Based on current experience and escalation in the construction market, the cost projections for these library projects increased significantly

# Bond Referendum Plan

- Schools: 2025, 2027 and 2029 at \$460 million (No change)
- Metro: 2028 at \$200 million (No change)
- Public Safety: 2030 at \$178 million (No change)
- Park Bonds: 2026 at \$180 million (No change)
  - Park Bond sales were previously projected at \$25 million annually until FY 2029
  - Updated Bond Referendum Plan projects an increase in bond sales to \$30 million beginning in FY 2027
- Redirection of older bonds
  - Staff works to maximize the effectiveness of every bond dollar by considering timing constraints, project schedules, and cost escalation
  - Some projects approved as part of previous referendum are now incorporated into colocation projects. As a result, G.O. bonds allocated for these projects can be redirected to help offset increased costs being experienced in other projects

# Proposed Revised Bond Referendum Plan

Year	Category	Description			Total
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2026	County	Human Services	\$100 mil	Health Laboratory, Tim Harmon Campus, Springfield Community Resource	\$346 mil
		Early Childhood	\$25 mil	Early Childhood Facilities	
		Libraries	\$41 mil	Herndon Fortnightly Community, Kings Park Community	
		Parks	\$180 mil	County Park Authority	
Fall 2027	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2028	County	Transportation	Metro Contribution		\$200 mil
Fall 2029	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil

# Bond Plan Link to Debt Policies

- *Ten Principles of Sound Financial Management*
  - Below 3 percent debt to market value ratio (currently 0.94 percent)
  - Below 10 percent debt to General Fund Disbursements ratio (currently 6.51 percent)
  - Bond sale in January 2024 included \$145 million for the County and \$205 million for Schools
  - Bond sale in January 2025 included \$170 million for the County and \$230 million for Schools
  - Debt Service affordability is a significant consideration
    - FY 2026 increase for debt service = \$15.3 million

# Projects Proposed for Other Financing

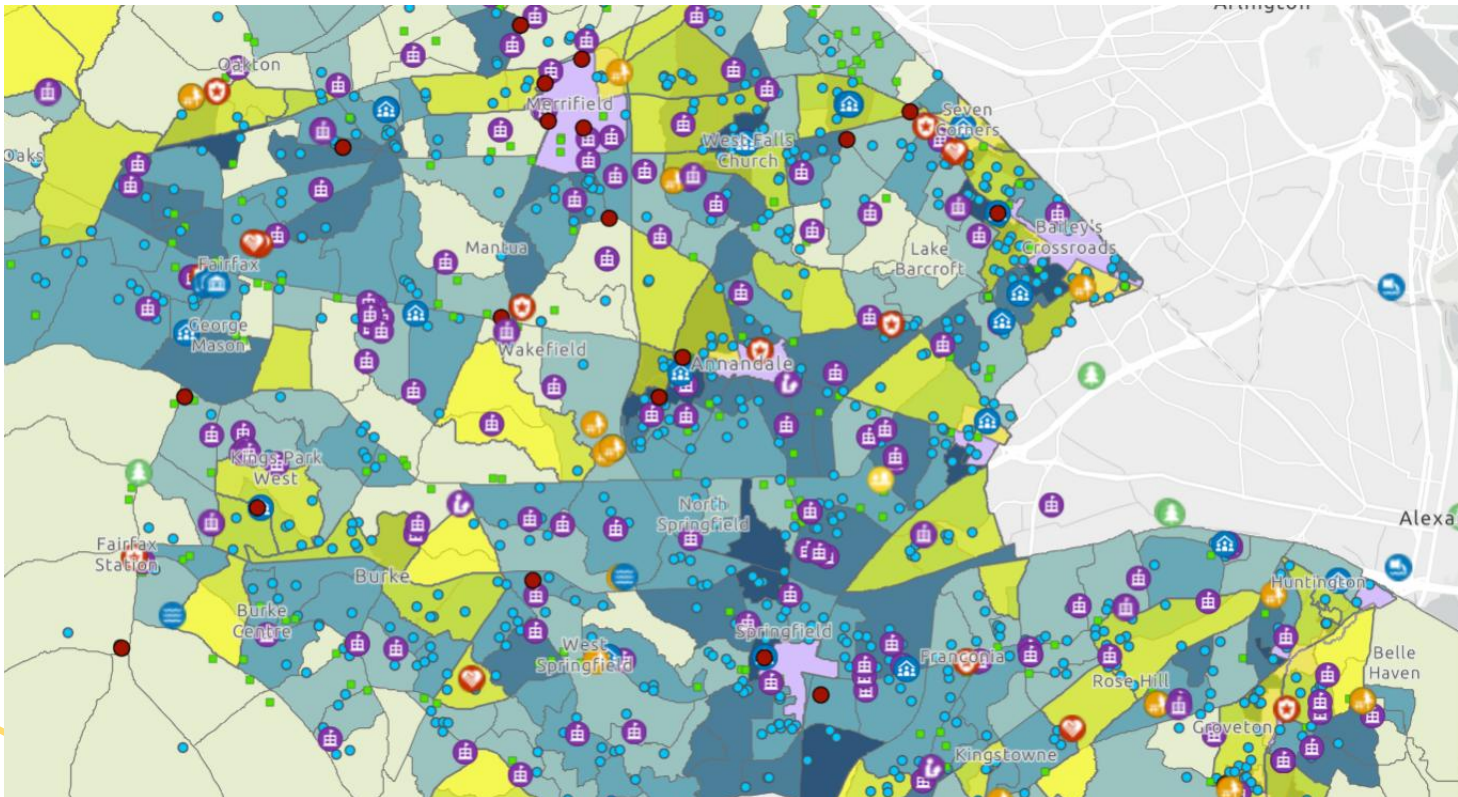
- General Obligation bond financing can be a challenging financing structure for some projects based on complexity of projects and/or timing
- Other financing arrangements are considered for more complex projects and are included in the County debt ratios (3% and 10%), but not included in \$400 million annual General Obligation sales limit
- Projects in the FY 2026-FY 2028 timeframe include:
  - Judicial Center Redevelopment - Judicial Annex (Building One)
  - Penn Daw Complex (Fire Station, Shelter, Supportive Housing)
  - Reston Town Center North Redevelopment (Shelter, Library, Community Spaces)
  - Mount Vernon Area Colocation (currently being studied)

# CIP Initiatives: Colocation Projects

- Maximize limited space, locate complementary programs/services together, reduce reliance on leased space, address gaps in service delivery, improve efficiencies
- Underway: Original Mount Vernon High School Redevelopment, Kingstowne Complex, Stormwater/Wastewater Facility
- Identified in near term: Judicial Center Redevelopment, Reston Town Center North Redevelopment, Penn Daw Complex (Fire Station, Shelter, Supportive Housing)
- Studies in progress: Mount Vernon area facilities, Willston Center




# CIP Initiatives: Colocation Projects

- County task force continues to review potential colocation opportunities and is using mapping software to identify areas for future consideration



## Legend:

Green/Blue Shading = Vulnerability Index  
Yellow Shading = Gaps in Childcare  
Purple Shading = Revitalization Areas  
Small Blue Dots = Existing Childcare  
Small Red Dots = County Leased Facilities  
Other Icons = CIP projects (Examples below)

Green = Parks   
Red = Public Safety   
Purple = Schools 



# CIP Initiatives: Policy Plan Updates

- Public Facilities Element of the Policy Plan was approved by the Planning Commission on March 20, 2024, and the Board of Supervisors on May 7, 2024
- DPD has been collaborating with agencies to update several elements of the Countywide Policy Plan
  - Review, update, and streamline existing Policy Plan elements
  - Add new Policy Plan elements as needed
  - Ensure the Policy Plan is in alignment with the Countywide Strategic Plan, the One Fairfax Policy, and other recently adopted policies and initiatives

# Update on Planning Commission Motions from FY 2025

- Consider funding from the bicycle and pedestrian access program to support safety measures at prioritized sites near Metro stations and other activity centers
  - DOT process prioritizes projects based on demand and need
  - The demand side includes density of trip generators like metro stations and activity centers
  - Staff continue to review access to metro stations and activity centers and develop ways to prioritize those projects

# Update on Planning Commission Motions from FY 2025

- Formalize the CIP process of equity review
  - Equity was discussed at each agency CIP meeting with the County Executive and Deputies as part of the overall planning process
  - Each County CIP section includes a statement about the equity review process and equity initiatives
  - Agencies will discuss some of their initiatives at the Workshop
  - Agencies have included both internal and external equity examples
    - Internal example is gender-neutral design at Fire Stations
    - External example is the Charge up Fairfax Program - assists community associations to overcome the technical and financial barriers associated with installing Electric Vehicle Charging Stations

# Next Steps/CIP Dates

- |                                  |                |
|----------------------------------|----------------|
| • CIP on County website          | February 18    |
| • PC CIP Committee Meeting       | February 27    |
| • PC Workshop/Public Hearing     | March 5        |
| • PC CIP Committee Meeting       | March 20       |
| • CIP Discussed at BOS Committee | March 25       |
| • PC CIP Mark-up                 | April 2        |
| • BOS Public Hearings            | April 22,23,24 |
| • BOS Mark-up/CIP Adoption       | May 6          |

FY 2026 - FY 2030 Advertised Capital Improvement Program (CIP) | Management and Budget