



FY 2017 – FY 2021 Capital Improvement Program

April 1, 2016



CIP Highlights

- The total FY 2017 – FY 2021 Capital Improvement Program totals \$9.5 billion
 - The CIP includes County managed and non-County managed (NVRPA, Water Supply) Capital Programs
 - County Managed programs are financed by General Obligation Bonds, EDA bonds, Paydown, and Revenue Supported Projects (Solid Waste, Transportation, Wastewater projects)
 - The bond program (both General Obligation and EDA) represents \$1.86 billion and is managed within the County's debt ratios



CIP Highlights

- Improved process started in FY 2016 continued in FY 2017
 - Started earlier and spent more time in CIP development
 - County Executive met with agencies throughout the fall
 - Future projects prioritized
 - Bond Referendum Plan reviewed and revised
- Bond Referendum Plan (CIP, Page 28)
 - A more detailed and long-range plan, outlining specific project schedules
 - More predictable plan for the Board, County agencies, FMD, and the public
 - Includes FCPS bond referenda at \$310 million every other year
 - Includes County bond referenda in alternate years

Fall 2016 Bond Referendum

Fall 2016 Referendum Proposed at \$312 million

Human Services/Community Development: \$85 million

Eleanor Kennedy Shelter (Built in 1904, last renovated 1986)

Patrick Henry Shelter (Built in 1952, last renovated 1985)

Baileys Crossroads Shelter (Built in 1987)

Embry Rucker Shelter (Built in 1987)

Sully Community Center (currently located in VDOT Right-of-Way)

Lorton Community Center (current lease space to expire in 2018)

Parks and Northern Virginia Regional Park Authority: \$107 million

Fairfax County Park Authority \$94.7 million

NVRPA \$12.3 million (\$3 million per year for 4 years, \$300,000 one-time contribution for the Jean Packard Center)

Metro Capital Contribution : \$120 million

Sustains Metro capital contribution at \$30 million per year for 4 years

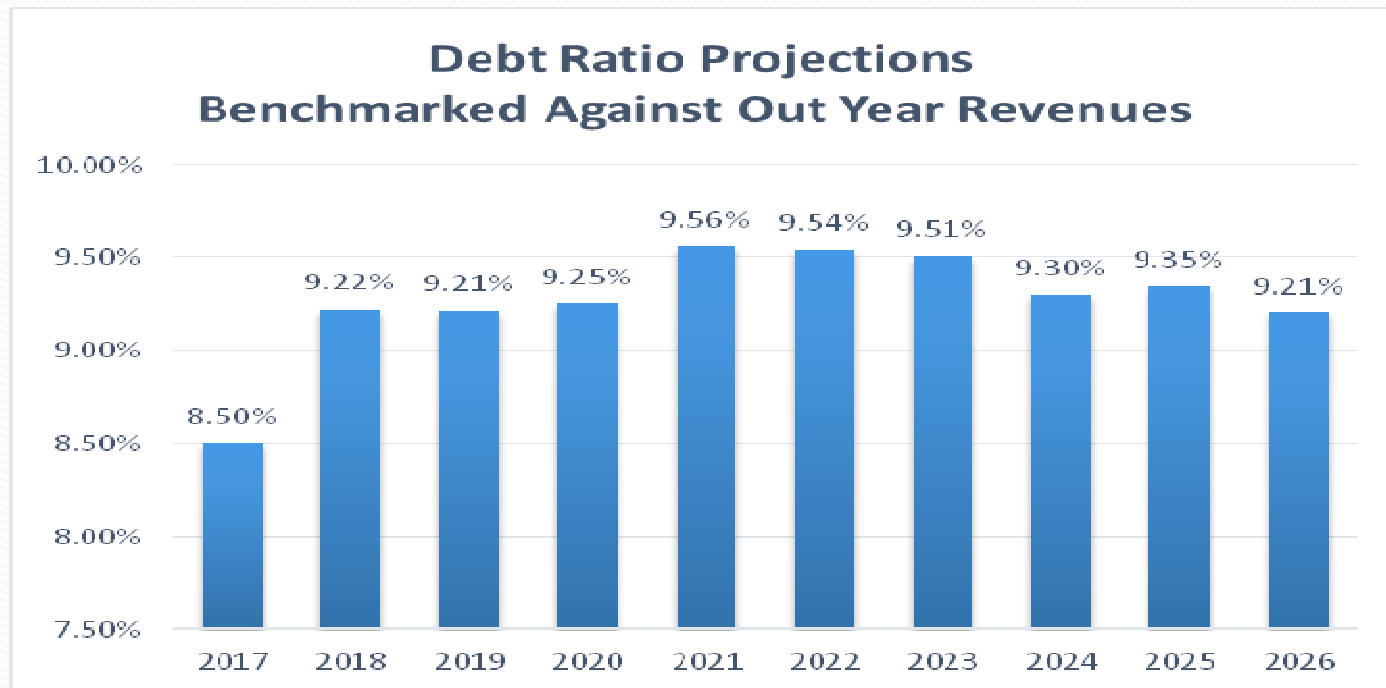


Bond Referendum Plan

- Reviewed debt capacity in light of Bond Referendum Plan (plan will need to be reviewed annually)
 - Debt Analysis
 - 10% ratio of Debt Service to General Fund Disbursements per Ten Principles
 - 3% ratio of net debt to estimated real estate value per Ten Principles
 - \$275 million bond sale limit per year per Ten Principles (Board may need to consider raising sales limits during the next 5 years, last increased from \$200m to \$275m in FY 2007)
 - Increase in General Fund support for debt service

Debt Analysis

Ten Principles of Sound Financial Management: Debt Service Expenditures not to exceed 10 % of General Fund Disbursements



Debt Analysis

Ten Principles of Sound Financial Management: Debt Service Expenditures not to exceed 3 % of Estimated Market Value

Projected Net Outstanding Debt Benchmarked Against Out Year Total Assessed Value



Paydown (Pay-as-you-go) Program

- Increased Capital Support through General Fund Paydown Program
 - \$28,853,427 in FY 2017, an increase of \$6,811,659 over FY 2016
 - ADA improvement requirements
 - Infrastructure maintenance requirements, including County buildings, parks facilities, trails/sidewalks, County maintained roads/service drives
 - Athletic Field Maintenance
 - Developed a 10 year replacement plan for turf fields
 - Proposal to increase Athletic Service Fee revenue and General Fund support by \$500,000 each, providing an additional \$1,000,000 for turf replacements
 - Includes an increase in Athletic Services Fee from \$5.50 to \$9.50 per participant per season and an increase in tournament fees from \$15 to \$25 per team per tournament for rectangular fields only
 - Currently 86 turf fields of which 63 are non-stadium fields and the responsibility of the County
 - Environmental Improvement projects
 - Other on-going development and planning projects
 - Design for Massey Building Demolition
 - Design for Burkholder Renovations
 - Planning for Original Mt Vernon High School interim and long term uses
 - Planning for other Public Private partnership projects

Paydown Program Details

<u>Commitments (30.4%)</u>	
Salona Purchase	\$891,600
Capital Contribution to Northern Virginia Community College	\$2,517,489
Contribution to FCPS for SACC	\$1,000,000
ADA Compliance - Parks	\$2,000,000
ADA Compliance - FMD	<u>\$2,370,000</u>
	\$8,779,089
<u>Infrastructure Replacement and Upgrades (56.9%)</u>	
FMD Replacement and Upgrades	\$5,000,000
Athletic Field Maintenance Program (General Fund only)	\$6,135,338
Parks (Buildings and Grounds)	\$1,909,000
Laurel Hill (maintenance and security)	\$1,260,000
Trails/Road Maintenance	\$900,000
Commercial Revitalization Maintenance	<u>\$1,210,000</u>
	\$16,414,338
<u>Other (12.7%)</u>	
Developer Defaults	\$200,000
Environmental Projects	\$535,000
Planning projects (original MVHS, Massey demo design, P3 projects)	\$2,700,000
Emergency Directives	\$100,000
Interest on conservation bonds/survey monumentation	<u>\$125,000</u>
	\$3,660,000
Total	\$28,853,427



Capital Sinking Fund

- Includes recommendation for the allocation of funds associated with the Capital Sinking Reserve Fund.
 - Capital Sinking Reserve Fund was recommended by the Infrastructure Financing Committee (IFC)
 - *IFC Report: “The County and Schools should each establish an Infrastructure Replacement and Upgrades Capital Sinking Fund (the “Capital Sinking Fund”) as the new budgetary mechanism for funding of Infrastructure Replacement and Upgrades requirements. Principal funding for these projects would come from a joint commitment to devote a designated amount or percentage of carryover funds to the Capital Sinking Fund. This commitment would begin with the FY 2014 Carryover, and the Committee suggests “ramping up” this commitment over three to five years until the Boards reach a funding level of 20 percent of the unencumbered Carryover balance of both the County and Schools budget not needed for critical requirements.”*
 - Populated for two years as part of the FY 2014 and FY 2015 Carryover Reviews (currently \$8.4 million)
 - This allocation of funds will be considered by the Board of Supervisors as part of the *FY 2016 Third Quarter Review*



Capital Sinking Fund

- Allocation is based on a percentage of the total annual maintenance requirements as presented to the IFC for County and Park facilities, trails/sidewalks, County-owned Roads and Service Drives and Revitalization maintenance
- First allocation of funds will focus on reinvestment backlog
 - FMD: 55 percent or \$4,607,153
 - Parks: 20 percent or \$1,675,328
 - County Roads/Service Drives: 10% or \$837,663
 - Walkways: 10% or \$837,663
 - Revitalization maintenance: 5% or \$418,832
- Going forward, balances that are identified at future Carryover Reviews would be allocated immediately based on these percentages
- Staff recognizes that there may be some need for flexibility from the established plan in the future



Other CIP Highlights

- CIP includes an increase to the Stormwater rate from \$0.0250 to \$0.0275 per \$100 of assessed real estate value (1/4 penny increase consistent with the 5 year plan approved by the Board)
- Staff continues to enhance the communication and collaborative efforts underway on Public Private Partnerships and Joint Venture projects. The CIP includes a separate section on these projects with additional details.



Website

CIP Website:

<http://www.fairfaxcounty.gov/dmb/fy2017/advertised/cip.htm>

CIP Adoption:

April 19, 2016