

# Board of Supervisors Budget Committee

March 10, 2026



FY 2027 – FY 2031

# CAPITAL IMPROVEMENT PROGRAM



# CIP Overview

- The FY 2027 – FY 2031 Capital Improvement Program (with Future Fiscal Years Through 2036) totals \$15.9 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

- Joint County/Schools CIP Committee – Recommendations 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
    - ✓ Bond sales reached \$400 million in January 2025
  - 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
    - ✓ FY 2027 represents first year reaching this goal
  - 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

# Bond Program

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- 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)
- Larger complex projects are funded by alternative financing

# Bond Program Link to Debt Policies

- *Ten Principles of Sound Financial Management*
  - Below 3 percent debt to market value ratio (currently 0.95 percent)
  - Below 10 percent debt to General Fund Disbursements ratio (currently 6.43 percent)
  - Debt Service affordability is a significant consideration
    - ✦ FY 2027 debt service increased \$18.82 million (\$7.42 million for County and \$11.40 million for Schools to fund programmed debt service payments)

# January 2026 General Obligation Bond Sale

- \$400 million bond sale (Series 2026)
  - Schools \$230 million
  - County \$170 million
- January 2026, interest rate of 3.37%
  - Down from January 2025 interest rate of 3.57%
  - Lower than the Bond Buyer Index which stood at 4.76% the day of the sale

Category	Amount
Schools	\$230,000,000
Transportation – WMATA	42,975,000
Public Safety	50,000,000
FCPA	32,000,000
Human Services	31,025,000
Libraries	<u>14,000,000</u>
Total	\$400,000,000

# Recommended Changes to Bond Referendum Plan

- Changes are necessary to ensure that capital program balances new construction, renovation projects, and maintenance
  - Frequent system failures in aging facilities
  - Refocus limited resources on facilities with the most urgent needs
  - Scale back the scope of renovations, limit the use of temporary facilities, and defer the construction of new facilities

Category	Year	Proposed Plan
Health and Human Services	2026	• Springfield Community Center moved from 2026 to 2032
Early Childhood	2026	• Removed from Bond Referendum Plan
Libraries	2026	• Kings Park and Herndon moved from 2026 to 2032 • Chantilly and Centreville moved from 2032 to 2028 and 2029, respectively, as part of potential housing redevelopment initiatives
Public Safety	2030	• Reduced project scope to focus on capital renewal

# HHS Bond Referendum Proposed Changes

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- Springfield Community Center
  - Planned for 2026 at \$25m, deferred to 2032
  - Several options being considered ranging from \$28 to \$42 million
  - Significant investment in current lease space for the Burke/Springfield Active Adult Center
- Early Childhood Facilities
  - Making progress toward incorporating early childhood facilities in other capital projects including Kingstowne Complex, The Commons Mount Vernon, Hybla Valley, Willard, Fairfax Crest
  - No additional specific locations identified to date
  - Staff continues to review and evaluate opportunities

# 2026 HHS Proposed Bond

- Health Laboratory \$35 million
  - Only local public health lab in Virginia
  - Performs over 250,000 analytical tests annually
  - Capacity was expanded in December 2020 using a modular lab
  - Existing and modular labs are space-constrained to expand or change as testing methods and public health evolve
  
- Tim Harmon Campus
  - A New Beginning (Residential treatment serving individuals with severe substance use disorder and co-occurring mental health disorders)
  - Fairfax Detoxification Center (medical withdrawal management)
  - Youth Treatment Center Colocation (mental and substance treatment services for youth)



# 2026 Proposed Parks Bond

- Park Bond \$180 million
  - Parks
  - Rec Centers
  - Deferred Capital Renovations
  - New Construction
  - Natural, Cultural & Land Acquisition



**Audrey Moore Rec Center  
Built in 1977**

# Libraries Referendum Proposed Changes

- Chantilly and Centreville Libraries
  - Building systems experiencing frequent equipment failures (maintenance intensive HVAC, life safety and electrical systems)
  - Potential to redevelop both sites and include Affordable Housing
  - Maximize site development opportunities, colocation and community spaces
  - Concepts still being developed – anticipate Libraries would remain the same size
  - Chantilly (including the critical Technical Operations Center) planned for 2032, advanced to 2028
  - Centreville planned for 2032, advanced to 2029
- Herndon and Kings Park – deferred to 2032
  - Continue to utilize annual funding for system issues that arise

# Public Safety Referendum Proposed Changes

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- Public Safety Facilities – 2030
  - Fire: Chantilly Fire Station, Frying Pan Fire Station, Pohick Fire Station, Well-fit Performance Center
  - Police: Sully Police Station, West Springfield Police Station
  - Reduced scope to focus on capital renewal and some minor layout changes for efficiency
  - Concentrate on Mechanical, Electrical and Plumbing (MEP) systems
  - Project scopes to be reviewed in advance of 2030

# Proposed Bond Referendum Plan

## FY 2027-FY 2031 CIP Bond Referendum Plan

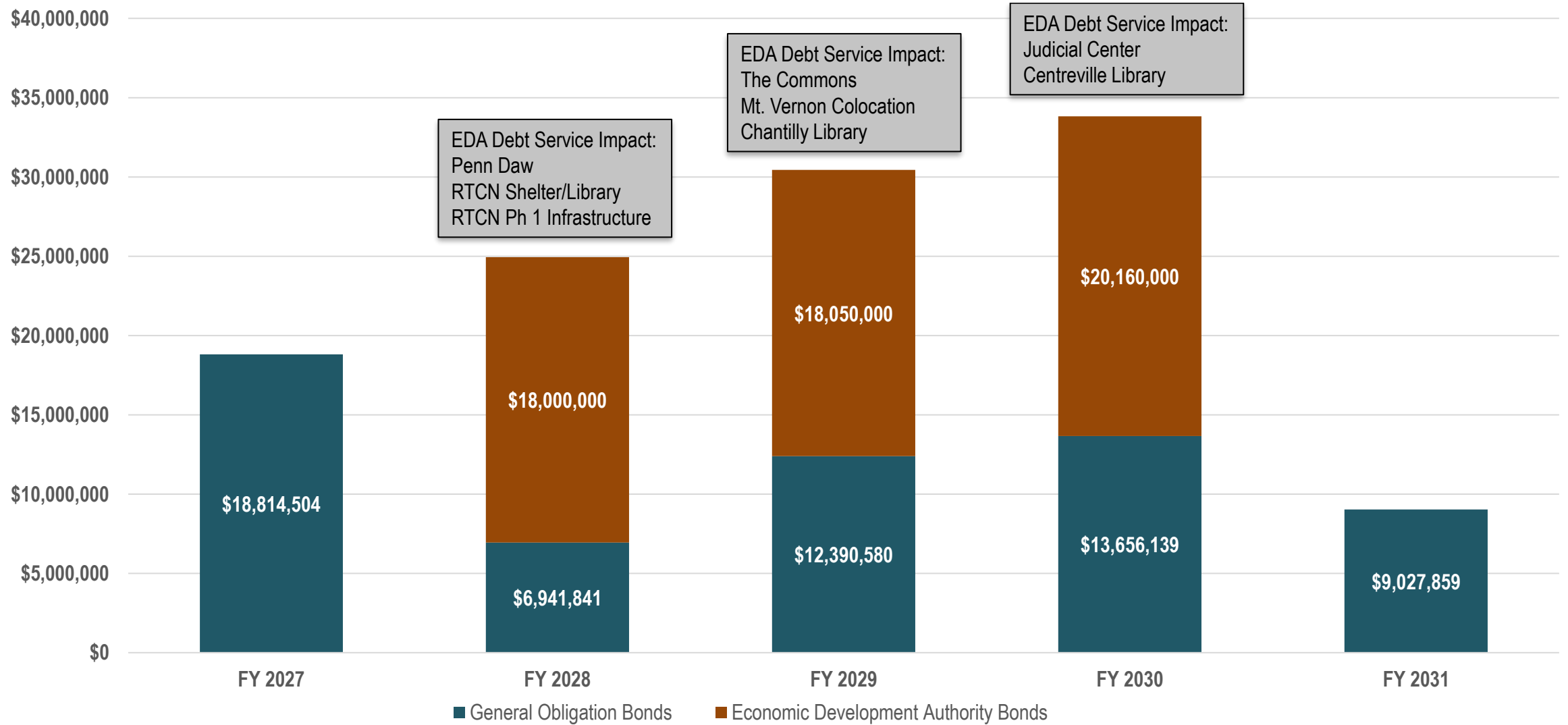
Year	Category	Description			Total
Fall 2026	County	Human Services	\$75 mil	Tim Harmon Campus, Health Lab	\$255 mil
		Parks	\$180 mil	Fairfax County Park Authority	
Fall 2027	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2028	County	Transportation	\$200 mil	Metro Contribution	\$200 mil
Fall 2029	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2030	County	Public Safety	\$116 mil	Chantilly Fire Station, Frying Pan Fire Station, Pohick Fire Station, Well-fit Performance Center, Sully Police Station, West Springfield Police Station	\$116 mil

# Proposed EDA Bond Plan

- Significant planned EDA bond sales will require coordination with the GO bond program to ensure debt service affordability.
- Project timing subject to change.

Project	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Penn Daw	\$65m					
Reston Town Center North	\$135m					\$36m
The Commons		\$90m				
Mt. Vernon Colocation		\$62m				
Chantilly and Centreville Libraries		\$53m	\$37m			
Judicial Annex			\$196m			
Historic Courthouse					\$95m	
<b>Total</b>	<b>\$200m</b>	<b>\$205m</b>	<b>\$233m</b>	<b>--</b>	<b>\$95m</b>	<b>\$36m</b>

# Projected General Fund Increases from Proposed Bond Program\*



\*Maintains annual GO bond sales \$400 million (\$230 million Schools & \$170 million County)

# Recent Facility Closures

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- Pennino Building
  - February 6<sup>th</sup> water valve failure caused significant damage to 3 floors of Pennino
  - Damage to elevators, electrical systems, IT infrastructure, ceilings, drywall, and flooring
  - While stabilization efforts are complete, substantial repair and replacement work remains
  - Utilizing County Insurance coverage
- Historic Courthouse
  - Central heating system failure
  - The system has been shut down to preserve the structure and other building systems
  - FMD has engaged a contractor to winterize the building and protect pipes
  - Staff reviewing options for replacement equipment

# Recommended FY 2027 Investments in Capital Renewal/Maintenance

- Increase of \$7.50 million is included for both County and Schools Capital Renewal
  - Of the County's 214 facilities, 75% are at least 20 years old, and building systems are reaching or exceeding their useful life
  - Critical investments are required in building systems – HVAC, plumbing, electrical, elevator – beyond what has been funded through quarterly reviews
  - Consistent with recommendations of the Joint CIP/Schools Committee
- FY 2027 budget proposal includes:
  - Support for the maintenance of new facilities \$882,812 and 2/2.0 positions
  - Enhanced maintenance for residential properties \$1,000,000 and 6/6.0 positions
  - Dedicated maintenance staff for The Commons Mount Vernon \$447,878 and 4/4.0 positions

# Next Steps/CIP Dates

- February 17 Capital Improvement Program presented to the Board of Supervisors
- February 26 Planning Commission holds CIP Committee Meeting
- March 4 Planning Commission holds CIP Workshop and Public Hearing
- March 10 Board of Supervisors Budget Committee meeting to discuss CIP
- March 26 Planning Commission holds CIP Committee Meeting
- April 8 Planning Commission marks up the CIP
- April 14-16 Board of Supervisors holds Public Hearings on FY 2027 Budget, FY 2027-FY 2031 Capital Improvement Program, and *FY 2026 Third Quarter Review*
- April 28 Board of Supervisors marks-up FY 2027 Budget, adopts FY 2027-FY 2031 Capital Improvement Program and *FY 2026 Third Quarter Review*

FY 2027- FY 2031 Advertised Capital Improvement Program (CIP)