FY 2027 – FY 2031 Capital Improvement Program Summary

CIP Development

The FY 2027 – FY 2031 Adopted Capital Improvement Program (CIP) was developed with input from County agencies and in accordance with the recommendations of the Joint County Board/School Board CIP Committee. The CIP is ultimately governed by the Board-adopted *Ten Principles of Sound Financial Management.* When adopted, the CIP provides the framework for the County Executive, the Planning Commission, and the Board of Supervisors to plan for capital project requirements and manage the financing to support those projects. Notably, due to budget reductions in the last two fiscal years and increased project costs, the development of the FY 2027 – FY 2031 CIP included a more in-depth review of both the Bond Referendum Plan and debt service requirements for future years. The FY 2027 program also begins rebuilding baseline funding for essential infrastructure renewal needs. This is in addition to adjustments to the County's bond program, which includes scope reductions and deferrals of renovation and construction projects, and is intended to focus resources on maintaining existing facilities while managing future debt service growth.

Bond Referendum Plan

The majority of the capital projects in the CIP require financing and are supported by the General Obligation Bond Program. The CIP includes a Bond Referendum Plan which identifies future referenda proposed for both the County and Fairfax County Public Schools (FCPS). The Bond Referendum Plan is reviewed annually as projects may need to be added, and cost estimates adjusted. The County's capital construction program continues to experience project escalation and rising cost projections. Due to the current experience in the construction market, projected facility renovation costs have increased and have required staff to adjust the schedules for some projects. The Referendum Plan reflects changes to some of the Total Project Estimates (TPEs) based on the most recent experience in the construction market.

In FY 2023, considerable adjustments to the General Obligation bond program were approved, deliberately slowing the pace of new capital projects based on pandemic-related project delays and inflationary impacts, which had created a backlog of outstanding bonds. In subsequent years, additional changes were made in response to shifting priorities, updated spending patterns, and increased complexities as many planned facilities were incorporated into broader collocated projects and required alternative financing. These changes, coupled with the recent increase in the annual bond sale limits, have helped to ease the immediate pressures on the bond program.

However, additional changes are necessary to ensure that the broader capital program strikes the appropriate balance between new construction, renovation projects, and maintenance. Seventy-four percent of the facilities managed by the Facilities Management Department (FMD) are at least 20 years old, and, increasingly, these facilities are showing their true age. Recently, a failure of the central heating system at the Historic Courthouse and a severe plumbing issue at the Pennino building caused significant disruption to employees and services and resulted in immediate closures of the buildings. On an almost daily basis, FMD is responding to HVAC, plumbing, electrical, elevator, and other building system issues. These frequent system failures underscore the urgency of proactive investment in place of costly and inefficient emergency repairs.

As part of the development of the FY 2027 – FY 2031 CIP, staff conducted a more comprehensive review of facilities requiring frequent and significant maintenance, aligning them with the current capital renewal and bond referenda plans. This review produced three clear takeaways. First, the need to increase investments in facility maintenance by restoring funding to the baseline budget and continuing to supplement it through quarterly reviews. The FY 2027 Adopted Budget Plan begins addressing this need with an additional $7.5 million for capital renewal for both the County and Schools. Second, the need to continue to evaluate the overall bond program and refocus limited resources on facilities with the most urgent needs. This includes scaling back the scope of renovations to focus on critical building systems, limiting the use of temporary facilities except when essential, and deferring the construction of new facilities where possible. And third, the County is

increasingly relying on alternative financing mechanisms, such as Economic Development Authority (EDA) bonds, to deliver large and complex facilities. This practice makes it difficult to sustain both a fully programmed General Obligation bond program and a significant EDA-financing program, particularly as construction costs continue to rise.

Several changes to the FY 2027 Bond Program are highlighted in the table below.

Changes to Bond Referendum Plan		
	Year	Updates to Plan
Schools	2027, 2029, 2031	No change
Health and Human Services	2026	Springfield Community Center moved from 2026 to 2032
Early Childhood	2026	Removed from Bond Plan
Libraries	2026	Herndon Fortnightly and Kings Park moved from 2026 to 2032; Chantilly and Centreville moved to EDA financing in 2028 and 2029
Parks	2026	No change
Metro	2028, 2032	No change
Public Safety	2030	Reduced scope of all projects to focus on capital renewal

Details of the changes to the Referendum Plan include:

Health and Human Services Facilities: The Springfield Community Center previously planned for the 2026 bond referendum is deferred to the 2032 referendum. This recommendation is informed, in part, by the significant investment already made in the Center's existing leased space. Recognizing that this delay will be disappointing to many in the community, it is necessary to concentrate limited resources on critical renovations at existing facilities. Options for the scope of programing will be reviewed in advance of the 2032 referendum.

Early Childhood Facilities: The Bond Referendum Plan included $25 million in both 2026 and 2032 for Early Childhood facilities. The plan has been adjusted and these two referendum have been removed. In the absence of specific plans for the use of these funds, it would not be prudent to include this item in the upcoming bond question. At the same time, the County continues to make progress in incorporating childcare facilities into other capital projects by prioritizing colocation opportunities. As a result, this adjustment should not impede the ability to expand the early childhood facility inventory.

Library Facilities: The Bond Referendum Plan included Herndon Fortnightly and Kings Park Community libraries in the 2026 Library Bond, with Chantilly and Centreville planned for the 2032 Referendum. Chantilly and Centreville have been determined to be among the most maintenance-intensive facilities in the inventory and are also part of potential redevelopment initiatives that may incorporate affordable housing components. As a result, it is no longer advisable to keep these projects within the General Obligation bond program, and they have been shifted to future EDA bond financing. Given the anticipated scale of these redevelopment efforts, the Program is unable to simultaneously accommodate renovations at Herndon Fortnightly and Kings Park within the five-year CIP horizon. Accordingly, these library renovations are proposed to be moved to the 2032 referendum. Under this revised approach, staff will continue to advance the modernization of library facilities; these changes simply reprioritize projects and rely on a different financing mechanism.

The above changes allow for cashflow projection levels to meet bond sale limits and accommodate increases in project costs. As a result, the Revised Bond Referendum Plan is as follows:

FY 2027-FY 2031 Bond Referendum Plan

Year	Category	Description	Total
Fall 2026	County	Human Services $75m Tim Harmon Campus, Health Lab Parks $180m Fairfax County Park Authority	$255m
Fall 2027	Schools	Capital Enhancement, Renovation, Infrastructure Management	$460m
Fall 2028	County	Transportation $200m Metro Contribution	$200m
Fall 2029	Schools	Capital Enhancement, Renovation, Infrastructure Management	$460m
Fall 2030	County	Public Safety $52m Police; $64m Fire	$116m

County Debt Capacity

A review of the County's debt capacity is also conducted annually. The CIP is analyzed for adherence to the *Ten Principles of Sound Financial Management*, specifically as it relates to several debt ratios. As of June 30, 2025, the ratio of debt to taxable property value was 0.95 percent, well below the 3 percent limit, and the ratio of debt to General Fund disbursements was 6.43 percent, well below the 10 percent limit. These two self-imposed debt ratio limits are designed to maintain a balance between essential operating program expenditures and those for capital needs while preserving the County's AAA credit rating.

Although future debt ratios are projected to be well below the Board's self-imposed limits, the affordability of the debt service payments is a significant concern. Funding debt service for both the County and FCPS capital programs is only one of the many operational demands on the County budget.

Finally, bond sales continue to benefit from the County's triple-A bond rating. On January 21, 2026, the County conducted a General Obligation bond sale and received an interest rate of 3.37 percent, slightly below the rate in January 2025 of 3.57 percent. This rate is evidence of the diverse mix of investors seeking highly rated municipal bonds. The favorable reception of the County bonds in the marketplace is also supported by the comparison of this interest rate to the Bond Buyer's 20 bond index, which stood at 4.76 percent on the day of the sale, 1.39 percent above the interest rate received on the County's bonds. In preparation for this bond sale, the County requested a bond rating from Standard and Poor's Corporation, Moody's Investors Service, and Fitch Ratings and the County's triple-A bond rating was affirmed by all three agencies.

Projects Proposed for Other Financing

The County has for several years used other financing mechanisms, such as EDA or Fairfax County Redevelopment and Housing Authority (FCRHA) bonds, to support complex County projects. The timing of General Obligation bond financing for some projects can be challenging given factors such as development agreements, leasing arrangements, colocation opportunities, and both expedited or delayed project timing due to other changes or opportunities.

Several projects are proposed in the 5-year CIP period to be funded by other financing mechanisms. The Penn Daw Fire Station and Supportive Housing Complex, and the first phase of the Reston Town Center North Redevelopment are planned to be supported by EDA bonds scheduled to be sold in FY 2027. Future projects include the Chantilly and Centreville Library redevelopment projects, the Lake Accotink Dredging project, permanent financing associated with the Commons (formerly Original Mount Vernon High School), the Mount Vernon Area Colocation project, the Judicial Annex, and the Historic Courthouse renovation.

General Fund Supported Capital Program

The General Fund capital program in FY 2027 totals $39.83 million, including an amount of $22.26 million for commitments, contributions, and facility maintenance and $17.57 million for Paydown projects. The Paydown program excludes those projects that are on-going maintenance projects or annual contributions. Paydown includes infrastructure replacement and upgrades, ADA compliance, athletic field improvements, and other facility improvements. In recent years, it has been the Board of Supervisors' practice to fund some or all of the annual infrastructure replacement and upgrade project requirements using one-time funding as available as part of budget quarterly reviews.

The FY 2027 budget does include a significant increase to infrastructure upgrade/capital renewal projects. A total of $20 million, or $10 million each for the County and School infrastructure replacement programs is proposed which is an increase of $7.5 million each over the FY 2026 Adopted Budget Plan. The FY 2027 General Fund Supported Program is illustrated below:

FY 2027 General Fund Supported Capital Program*

	Commitments, Contributions, and Facility Maintenance	Paydown	Total General Fund Support
County Capital Program			
County ADA Improvements	$0	$1,550,000	$1,550,000
CIP Feasibility Studies	$1,400,000	$0	$1,400,000
Contributions – NVCC	$2,586,589	$0	$2,586,589
Contributions - NOVA Parks	$3,678,704	$0	$3,678,704
Contributions – SACC	$1,000,000	$0	$1,000,000
Environmental Initiatives	$1,300,000	$0	$1,300,000
County Maintenance Programs	$2,106,145	$0	$2,106,145
Payments and Obligations	$859,924	$200,000	$1,059,924
Reinvestment in County Roads and Walkways	$0	$1,000,000	$1,000,000
Revitalization Maintenance	$500,000	$0	$500,000
Traffic Calming	$0	$650,000	$650,000
Subtotal	**$13,431,362**	**$3,400,000**	**$16,831,362**
Parks Capital Program			
Parks ADA Improvements	$0	$300,000	$300,000

Athletic Field Maintenance and Sports Projects	$6,045,714	$1,365,140	$7,410,854
Parks Maintenance Program	$2,784,929	$2,506,355	$5,291,284
Subtotal	**$8,830,643**	**$4,171,495**	**$13,002,138**
Joint CIP Committee Recommendations			
County Infrastructure Replacement and Upgrades	$0	$10,000,000	$10,000,000
Subtotal	**$0**	**$10,000,000**	**$10,000,000**
Total General Fund Support	**$22,262,005**	**$17,571,495**	**$39,833,500**

* Reflects General Fund support only. Other funding sources, such as dedicated revenue and bond funding, are not included in these totals.

Maintenance and Capital Renewal

Ensuring the appropriate maintenance of the County's infrastructure is one of the most important fiscal challenges. The number of County facilities rapidly expanded decades ago, and many of those buildings, even those that have undergone renovations, are in dire need of significant repairs. Modern building systems are increasingly complex and have shorter life cycles, leading to higher maintenance demands. Following the Great Recession, baseline funding for capital renewal was largely eliminated, forcing reliance on one-time funding at quarterly reviews. While this approach has allowed the County to avoid cost increases for many years, it is not sustainable. As noted above, the FY 2027 Adopted Budget Plan includes a total of $20 million, or $10 million each for the County and School infrastructure replacement programs which is an increase of $7.5 million each over the FY 2026 Adopted Budget Plan.

In addition to increases to address aging capital infrastructure, the FY 2027 Adopted Budget Plan includes additional operational funding associated with maintenance needs to keep the County's existing facilities and other capital assets in safe working order. An increase of $1.00 million and 6/6.0 FTE positions is included for FMD, to establish a dedicated Residential Facilities Maintenance Section and support the unique maintenance demands of County-owned residential facilities that operate 24/7 and 365 days a year. This is the first year of a multi-year initiative. Funding of $1.04 million and 7/7.0 FTE positions is included for the Park Authority to provide dedicated maintenance staff at Laurel Hill Central Green and the Woodlands Education and Stewardship Center. Finally, an increase of $0.88 million and 2/2.0 positions is included in FMD for required utility, custodial, repair/maintenance, and landscaping costs associated with new or expanded facilities in FY 2027.

Capital Sinking Funds

In addition to funding approved as part of the annual budget, the Board of Supervisors has allocated a portion of available year-end balances to the Capital Sinking Fund. This funding provides for infrastructure replacement and upgrades, such as roofs, HVAC and electrical systems, and reinvestment in trails, pedestrian bridges, and other infrastructure improvements. The Capital Sinking Fund was previously populated based on 20 percent of available year-end balances. Based on the recommendations of the Joint CIP Committee, the Capital Sinking Fund was increased from 20 percent to 30 percent and includes FCPS in the allocation of funds. The funding is allocated as follows: 45 percent for Facilities Management Department (FMD), 25 percent for FCPS, 15 percent for parks, 7 percent for walkways, 5 percent for County-owned roads, and 3 percent for revitalization improvements.

Since FY 2014, a total of $219,178,810 has been dedicated to the capital sinking fund and allocated for infrastructure replacement and upgrades in the following areas:

Program Area	Total Allocated to Date
County Roads	$14,652,292
FCPS	32,463,678
FMD	107,562,878
Parks	37,343,028
Revitalization	7,780,271
Walkways	19,376,663
Total	**$219,178,810**

The Capital Sinking Fund allocations have enabled agencies to continue much of the important annual replacement and upgrade work required for infrastructure and facilities throughout the County.

Shared Use/ Colocation Opportunities

Several colocation and shared use projects are now underway, and the County and FCPS continue to explore future opportunities. Colocation sites offer a way to maximize limited space, locate complementary programs and services together, reduce reliance on leased space, address gaps in service delivery, and improve efficiency.

Feasibility study funding is currently supporting a master planning study which will explore colocation opportunities in the Mount Vernon area. Several projects are currently planned for this area including the Mount Vernon Fire Station, the Mount Vernon Police Station, and the Sherwood Library. The planning effort will explore County and FCPS facilities and other potential partners in the area. A second study is underway in the Mason District and will support a building condition assessment and explore opportunities for the Willston Multi-Cultural Center site. The Willston Multi-Cultural Center is planned to be redeveloped for educational, governmental, cultural, or human services uses.

Some of the major projects already underway or nearing completion include:

Kingstowne Complex:
The Kingstowne Complex collocates the Franconia Police Station, the Franconia District Supervisor's Office, the Franconia Museum, the Kingstowne Library, an Active Adult Center, and a childcare center into one comprehensive facility. The complex also includes garage parking and a County fueling station. Colocation of these facilities at this site supports a single, multi-agency complex and maximizes the use of the space, provides efficiencies, and enhances services for the community. This colocation also allows the Police Station and Supervisor's Office to remain operational during construction without the need for temporary space or disruptions to operations. Construction is underway and the Complex opened in April of 2026.

The Commons (formerly Original Mount Vernon High School Redevelopment):
A variety of programs and functions will be included in the phased redevelopment of site of the Original Mount Vernon High School, as coordinated with the Mount Vernon and Franconia District communities. It is anticipated that The Commons will provide pathways to opportunity for the community through a wide range of programs and spaces. The Teen/Senior Program from the Gerry Hyland Government Center relocated to the renovated space near the gym in spring 2020. This project is in the construction phase and is anticipated to be completed in late 2026.

Water Resources Infrastructure Facility (formerly Stormwater/Wastewater Facility):
This collocated facility will combine the functions of the Stormwater Planning Division, Maintenance and Stormwater Management Division, Wastewater Planning and Monitoring Division, and Wastewater Collection Division to maximize efficiencies of all operations. The new facility will address building and space deficiencies at the current Wastewater Collection facility and the Stormwater Management facility. EDA bonds financed the project and Stormwater and Wastewater revenues provide for the annual debt service requirements. Construction is underway and completion is projected in late 2026.

Other planned shared complexes include the Reston Town Center North redevelopment, the Penn Daw Fire Station/Permanent and Supportive Housing project, and the Judicial Complex redevelopment.

A County staff task force continues to work to identify future opportunities by comparing the needs in the CIP with several other County and School needs. As facilities are renovated or new facilities are planned, staff is evaluating the possibility of including Early Childhood Education space, Affordable Housing, and other complimentary County services to provide efficiency of services to citizens and savings in construction costs.

Future CIP Efforts and Challenges

The CIP evaluation process is evolving and is adjusted annually to accommodate infrastructure conditions, regulatory mandates, and current construction market conditions. The CIP is also developed based on the County values identified in the Strategic Plan and other social factors, such as equity and economic opportunity. County and FCPS staff continue to work together to identify opportunities to strengthen the links between the two capital programs.

Staff is also working through the challenges associated with project cost increases and will continue to monitor projects and identify when additional project funding is required for previously approved projects. The Board of Supervisors did approve a General Fund Construction Escalation Reserve to help offset some of the cost challenges on existing projects. Staff will continue to review the facilities requiring frequent and significant maintenance, aligning them with the current capital renewal and bond referenda plans.