

**FY 2011- FY 2015
Capital Improvement Program and
Debt Capacity**

Budget Committee Meeting
March 26, 2010



Agenda

- Proposed Bond Program
- Bond Program Alternative
- Capital Renewal Short Term Borrowing
- Future Challenges
- Schedule

Selected Significant Accomplishments

- Dulles Rail Construction Underway (MWAA project management, multiple county agency involvement)
- Approval of Dulles Rail Phase II Tax District
- Approval of the Wiehle Ave. Joint Development Contract
- Approval of the MOSAIC CDA
- Issuance of Sewer Revenue Bonds (Equalization tank complete; Effluent re-use, nitrogen removal contracts)
- Several Storm Water Management Projects (Royal Lake Spill way upgrade partnership; Southern Oaks SWM Pond dam replacement; Mill Run Crossing SWM Pond; Byrd Library storm sewer replacement)
- Savings of \$35 million from accelerated General Obligation Bond Sale

Selected Significant Accomplishments

- Four LEED certified buildings (Crosspointe Fire Station- Gold, Oakton and Burke Libraries - Silver and Fairfax Center Fire Station - Certified)
- Several renovation/expansion projects to be completed in Spring/Summer (Thomas Jefferson Library, Martha Washington Library, Richard Byrd Library, Gregory Drive Treatment Facility, Mt Vernon Mental Health Center, Less Secure Shelter)
- Completed interchanges at Frying Pan and Willard on Route 28
- Fairfax County Parkway EPG section under construction
- West Ox Bus Operations Center completed

Bond Sale Program

- CIP continues commitment to FCPS with sales at \$155 million through FY 2012 in accordance with 6-year temporary supplement approved starting in FY 2007
- Beginning in FY 2013, FCPS sales revert to previous level of \$130 million upon expiration of 6-year supplement
- Projected County sales continue support for existing voter approved projects
- Proposed short term borrowing plan for County renewal (\$35 million) included
- Reservation for construction of Massey and Woodburn MHC replacements (\$158 and \$110 million respectively) included
- Assumes County Executive recommended revenues and disbursements

County Capital Renewal

- A backlog of \$35 million of deferred renewal projects currently exists
- \$31 million of the \$35 million represents Category F: urgent/safety related, or endangering life and/or property; Category D: critical systems beyond their useful life or in danger of possible failure; or Category C: life-cycle repairs/replacements needed where repairs are no longer cost effective
- Approximately \$10 million per year is needed to keep pace with normal wear and tear of County facilities after addressing backlog
- CIP proposes short term borrowing over three years (5 year max term) to accelerate renewal projects, eliminate backlog and avoid further deterioration
- Level of General Fund support remains consistent
- Convert interest and principal payments to pay-go as debt is paid off to provide minimum maintenance of effort

Bond Referendum Proposal

- CIP continues steady level of support for FCPS and Metro
- County bond referendum on hold until revenue recovery
 - Fall 2010 Metro Matters \$120 million
 - Fall 2011 FCPS \$240 million
 - Fall 2012 County Referendum Deferred
 - Fall 2013 FCPS \$240 million
 - Fall 2014 County Referendum if fiscal situation permits

DEBT CAPACITY ANALYSIS

FY 2011 - FY 2015 Projected Capital Improvement Program (\$ in millions)

PURPOSE	UNISSUED ¹	FY 2010						2011-2015	2016-2020	REMAINING BALANCE
			FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	TOTAL	PROJ.	
Libraries (2004)	21.58	10.20	6.52	4.66	0.20	0.00	0.00	11.38	0.00	0.00
Roads (2004, 2007)	122.56	14.10	20.00	20.00	20.00	20.00	20.00	100.00	8.46	0.00
NVRPA (2008)	8.40	2.70	2.70	3.00	0.00	0.00	0.00	5.70	0.00	0.00
Metro (2004)	63.28	53.71	9.57	0.00	0.00	0.00	0.00	9.57	0.00	0.00
Human Services (2004)	18.00	10.20	0.00	0.00	0.00	0.00	7.80	7.80	0.00	0.00
Public Safety Facilities (2002, 2006)	116.18	13.60	29.40	40.10	24.80	4.50	0.00	98.80	0.00	3.78
Commercial Revitalization(1988)	6.63	0.00	1.29	2.00	2.00	0.00	0.00	5.29	0.00	1.34
Parks (2004, 2006, 2008)	66.34	11.50	13.25	13.25	13.25	13.25	1.83	54.83	0.00	0.00
Schools (Bus garage) (2007)	48.40	1.40	1.00	23.00	23.00	0.00	0.00	47.00	0.00	0.00
Subtotal County	471.365	117.41	83.73	106.01	83.25	37.75	29.63	340.37	8.46	5.12
Fund 390, Schools (2005)	246.325	151.70	94.63	0.00	0.00	0.00	0.00	94.63	0.00	0.00
(2007)	233.730	0.00	60.37	155.00	18.36	0.00	0.00	233.73	0.00	0.00
(2009)	232.580	0.00	0.00	0.00	111.64	104.34	0.00	215.98		
Subtotal Schools	712.635	151.70	155.00	155.00	130.00	104.34	0.00	544.34	0.00	0.00
Total General Obligation Bonds	1,184.000	269.11	238.73	261.01	213.25	142.09	29.63	884.71	8.46	0.00
Other Financing (General Fund Impact) ²		0.00	5.00	15.00	15.00	158.00	110.00	303.00	0.00	
Total Current Program	1,184.000	269.105	243.73	276.01	228.25	300.09	139.63	1187.71	8.46	0.00

¹ Effective December 1, 2008, includes all bonds authorized as of the November 4, 2008 referenda.

² Potential financing support for PPEA/Other Projects under consideration or in negotiation (Public Safety Headquarters/Massey, Woodburn, Capital Renewal).

DEBT CAPACITY ANALYSIS

FY 2011 - FY 2015 Projected Capital Improvement Program (\$ in millions)

	AUTH. BUT UNISSUED	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	2011-2015 TOTAL	2016-2020 PROJ.	REMAINING BALANCE
COUNTY PROGRAM										
CURRENT PROGRAM	471.37	117.41	83.73	106.01	83.25	37.75	29.63	340.37	8.46	5.12
New Referendums:										
Metro Matters II (2010)	120.00	0.00	0.00	20.00	20.00	20.00	20.00	80.00	40.00	0.00
To Be Determined (2012)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
To Be Determined (2014)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Subtotal New Referendums	120.00	0.00	0.00	20.00	20.00	20.00	20.00	80.00	40.00	0.00
SUBTOTAL COUNTY	591.37	117.41	83.73	126.01	103.25	57.75	49.63	420.37	48.46	5.12
SCHOOLS PROGRAM										
CURRENT PROGRAM	712.64	151.70	155.00	155.00	130.00	104.34	0.00	544.34	0.00	0.00
New Referendums (2011, 2013)	480.00	0.00	0.00	0.00	0.00	25.66	130.00	155.66	324.34	0.00
SUBTOTAL SCHOOLS	1192.64	151.70	155.00	155.00	130.00	130.00	130.00	700.00	324.34	0.00
TOTAL General Obligation	1784.00	269.11	238.73	281.01	233.25	187.75	179.63	1120.37	372.80	5.12
Other Financing Support		0.00	5.00	15.00	15.00	158.00	110.00	303.00		
Summary										
Debt Service as % of General Fund			9.01%	9.45%	9.60%	9.50%	9.66%			
Policy Sales Limit		275.00	275.00	275.00	275.00	275.00	275.00	1375.00		

Bond Program Alternative

- Increase Schools to \$155 million per year indefinitely (\$75 million total increase for this CIP)
- Adjustment will have small, but significant impact on the current program debt capacity
- Leaves very little room for other adjustments without deferring or eliminating other projects should revenues continue to decline

Bond Program Alternative

FY 2011 - FY 2015 Projected Capital Improvement Program

(\$ in millions)

	AUTH. BUT UNISSUED	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	2011-2015 TOTAL	2016-2020 PROJ.	REMAINING BALANCE
COUNTY PROGRAM										
CURRENT PROGRAM	471.37	117.41	83.73	106.01	83.25	37.75	29.63	340.37	8.46	5.12
New Referendums:										
Metro Matters II (2010)	120.00	0.00	0.00	20.00	20.00	20.00	20.00	80.00	40.00	0.00
To Be Determined (2012)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
To Be Determined (2014)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Subtotal New Referendums	120.00	0.00	0.00	20.00	20.00	20.00	20.00	80.00	40.00	0.00
SUBTOTAL COUNTY	591.37	117.41	83.73	126.01	103.25	57.75	49.63	420.37	48.46	5.12
SCHOOLS PROGRAM										
CURRENT PROGRAM	712.64	151.70	155.00	155.00	130.00	104.34	0.00	544.34	0.00	0.00
New Referendums (2011, 2013)	480.00	0.00	0.00	0.00	25.00	50.66	155.00	230.66	249.34	0.00
SUBTOTAL SCHOOLS	1192.64	151.70	155.00	155.00	155.00	155.00	155.00	775.00	249.34	0.00
TOTAL General Obligation	1784.00	269.11	238.73	281.01	258.25	212.75	204.63	1195.37	297.80	5.12
Other Financing Support		0.00	15.00	15.00	15.00	158.00	110.00	313.00		
Summary										
Debt Service as % of General Fund			9.01%	9.48%	9.63%	9.59%	9.81%			
Policy Sales Limit		275.00	275.00	275.00	275.00	275.00	275.00	1375.00		

Future Challenges

- Dulles Rail capital contribution shortfall
- Metro – potential additional safety requirements; increased County O&M share from Silver line
- Tyson’s transit oriented development infrastructure support
- Other Redevelopment projects (Springfield, Annandale, Route 1, Bailey’s, Metro West, Dunn Loring, Dulles Rail Phase II station areas, Laurel Hill Adaptive Re-use)

Staff will return with a schedule in the next year for meetings to discuss a long-term strategy (10 to 20 years) for planning and funding.

CIP Schedule

- March 4: Planning Commission Agency Workshop
- March 18: Planning Commission Public Hearing on CIP
- March 24: Planning Commission Subcommittee on CIP
- March 26: Board of Supervisors' Work Session on CIP
- March 31: Planning Commission Mark-up of CIP
- April 6, 7, 8: Board of Supervisors' Public Hearings on Budget and CIP
- April 20: Board Mark-up of Budget and CIP
- April 27: Board Adoption of Budget and CIP

CIP available on-line at www.fairfaxcounty.gov/dmb