



FY 2022 – FY 2026 Capital Improvement Program (with Future Fiscal Years to 2031)

Board of Supervisors
Budget Committee
March 16, 2021

www.fairfaxcounty.gov/budget



FY 2022–FY 2026 Capital Improvement Program Overview

- The FY 2022–FY 2026 Capital Improvement Program totals \$11.34 billion (FY 2022 = \$1.22 billion)
 - The CIP includes County managed and non-County managed (NVRPA, 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 Programs (Commitments/Contributions/Maintenance and Infrastructure Replacement and Upgrades-Paydown Capital), developed and approved as part of the Annual Budget
 - ✦ General Obligation Bond/EDA Bond Supported Program, developed as part of the 5-10 year CIP

General Fund Capital Program

- General Fund Capital Program
 - \$18,678,045 in FY 2022
 - Includes \$13,188,045 in commitments, contributions and maintenance (71 percent)
 - Includes \$5,490,000 in capital improvements (29 percent)
 - Slight increase over FY 2021 of \$605,000 for previously approved maintenance of FCPS athletic fields
 - Redirection of other project savings to environmental projects
- For several years, the Annual Paydown Program has been supplemented by adjustments at the Third Quarter or Carryover Reviews (anticipated again in FY 2021) and the Sinking Fund

Bond Referendum Plan

- Details the long-range plan, outlining specific projects and schedules
- Includes County/FCPS bond referenda in alternate years
- Includes FCPS bond referenda at \$360 million every other year, reflecting the current FCPS annual bond sales limit of \$180 million

Year	Category	Description			Total
Fall 2021	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m
Fall 2022	County	Public Safety	\$72 m	Welfit Performance Testing Center, Chantilly Fire Station, Fox Mill Fire Station, Oakton Fire Station	\$97 m
		Human Services	\$25 m	Early Childhood Facilities	
Fall 2023	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m
Fall 2024	County	Human Services	\$89 m	Early Childhood Facilities, Tim Harmon Campus, Springfield Community Resource Center	\$381 m
		Parks	\$112 m	County Park Authority, Northern Virginia Regional Park Authority Capital Contribution	
		Transportation	\$180 m	Metro Capital Contribution	
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 m

Examples of Upcoming EDA/Other Financing

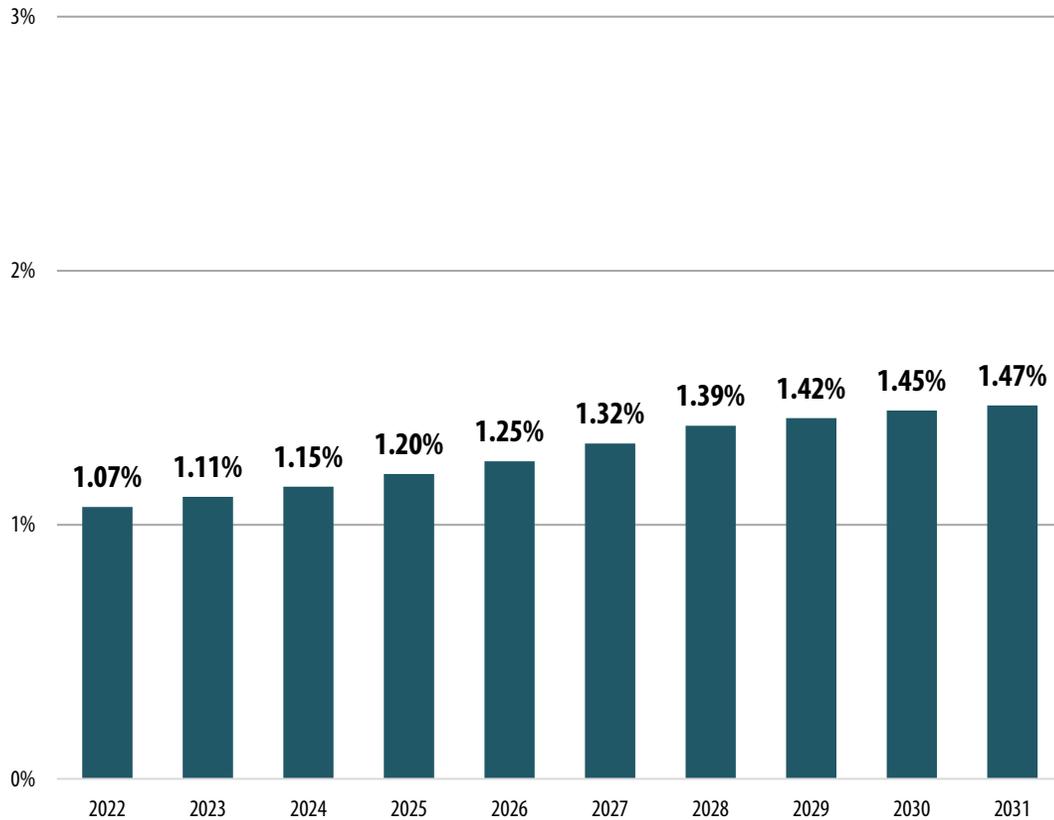
- FY 2021: \$240 million (new money) and \$28.6 million (refinancing), Wastewater Fund
 - Support the County's share of capital improvement projects at the County's and regional Wastewater Treatment Plants (WTPs) that provide wastewater capacity to the Wastewater System. Project funding requirements are driven by environmental regulations, and renovation and replacement of aging infrastructure.
 - Refinance a portion of the outstanding sewer debt for debt service savings.
- FY 2021: \$88 million, Stormwater/Wastewater Facility
 - Partial funding for the Stormwater/Wastewater Complex to consolidate functions and operations and maximize efficiencies between Stormwater and Wastewater Divisions. EDA bonds will finance the facility with the Stormwater Services Fund and Wastewater Fund supporting the debt service.
- FY 2022: \$14 million, Original Mount Vernon High School
 - Partial support for building renovation. Total estimated to be financed over several years is currently \$86 million.
- FY 2022: \$4 million, Judicial Center Complex
 - Initial funding to begin work on the Master Plan and urban vision for the redevelopment of the Complex. The project is envisioned to be completed in phases and include future Criminal Justice, Public Safety, Health & Human Services programs, and the restoration of the Historic Old Courthouse and grounds.
- FY 2022: \$5 million, Workhouse Campus Development
- FY 2023: \$4 million, Reston Town Center North
 - Initial design funding for the first phase (Library and Community Space). Total estimated to be financed over several years is currently \$215 million, including Library, Community Space, Human Service Center, Shelter and Parking Garage
- FY 2025: \$30.5 million, Lake Accotink
 - Dredging and construction of a forebay

Bond Plan Link to Debt Policies

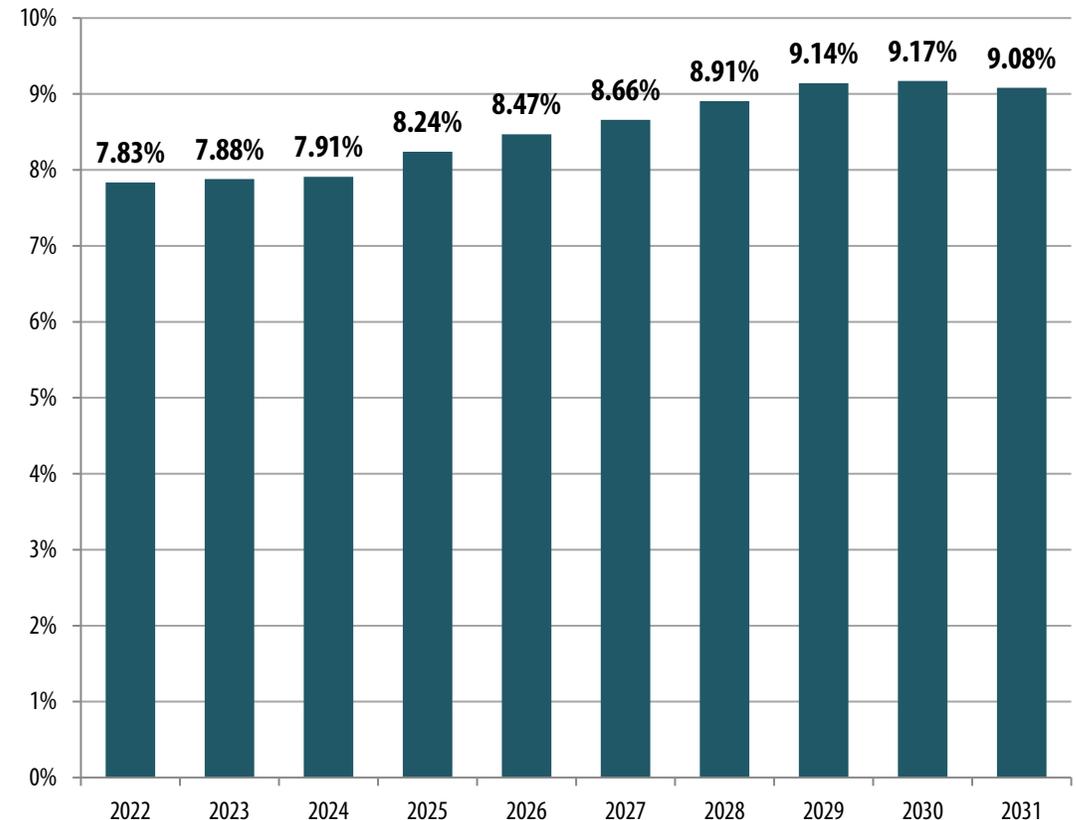
- Total Bond Plan includes General Obligation Bonds/EDA Bonds/other financing sources
- Ten Principles of Sound Financial Management
 - Below 3 percent debt to market value (currently 1.06 percent)
 - Below 10 percent debt to General Fund Disbursements (currently 7.47 percent)
 - Total sales limit is \$300 million per year
- Debt Service affordability remains key factor
- Bond sales continue to benefit from the County's triple-A bond rating. On January 26, 2021, the County conducted a General Obligation bond sale at an interest rate of 1.23 percent. This borrowing rate represents the lowest interest rate ever received for a new money bond deal in the County's history. It is also 77 basis points below the previous low interest rate of 2.00 percent that the County received in January 2020.

Debt Ratio Projections

**Net Outstanding Debt
Benchmarked Against Out Year Total Assessed Value**
County Policy 3% Limit



**Estimated Debt Service Payments
Benchmarked Against Out Year Revenues**
County Policy 10% Limit



New Joint CIP Committee

- Currently, staff is working closely with the members of the Joint County and Schools CIP committee
 - Includes 2 members of the Board of Supervisors (Supervisors Smith and Foust), 2 School Board members (School Board members Omeish and Cohen) and 2 ex-officio members from the Planning Commission (Commissioners Sargeant and Niedzielski-Eichner)
- It is anticipated that the Committee will review the entire debt program, including:
 - Debt capacity, including bond sale limits
 - Bonding versus paydown options
 - Timing and sizing of future referenda
 - Assumptions used in future-year CIP projections
- Any changes will have to be made with consideration of debt service affordability

Other Highlights of the FY 2022 CIP

- Staff is exploring future co-location opportunities. Current projects include:
 - Original Mount Vernon High School
 - Lorton Library/Community Center/Senior Center
 - Judicial Center Complex
 - Kingstowne Library/Franconia Police Station/Franconia Museum/Active Adult Center/Early Childhood Education
 - Wastewater/Stormwater Facility

Next Steps/CIP Dates

- FY 2022-FY 2026 CIP Released February 23, 2021
- Planning Commission CIP Committee Meeting February 25
- Planning Commission Workshop/Public Hearing March 11
- CIP Discussed at BOS Committee March 16
- Planning Commission CIP Committee Meeting March 25
- Planning Commission CIP Mark-up April 7
- BOS Public Hearings April 13,14,15
- BOS Mark-up/CIP Adoption April 27