



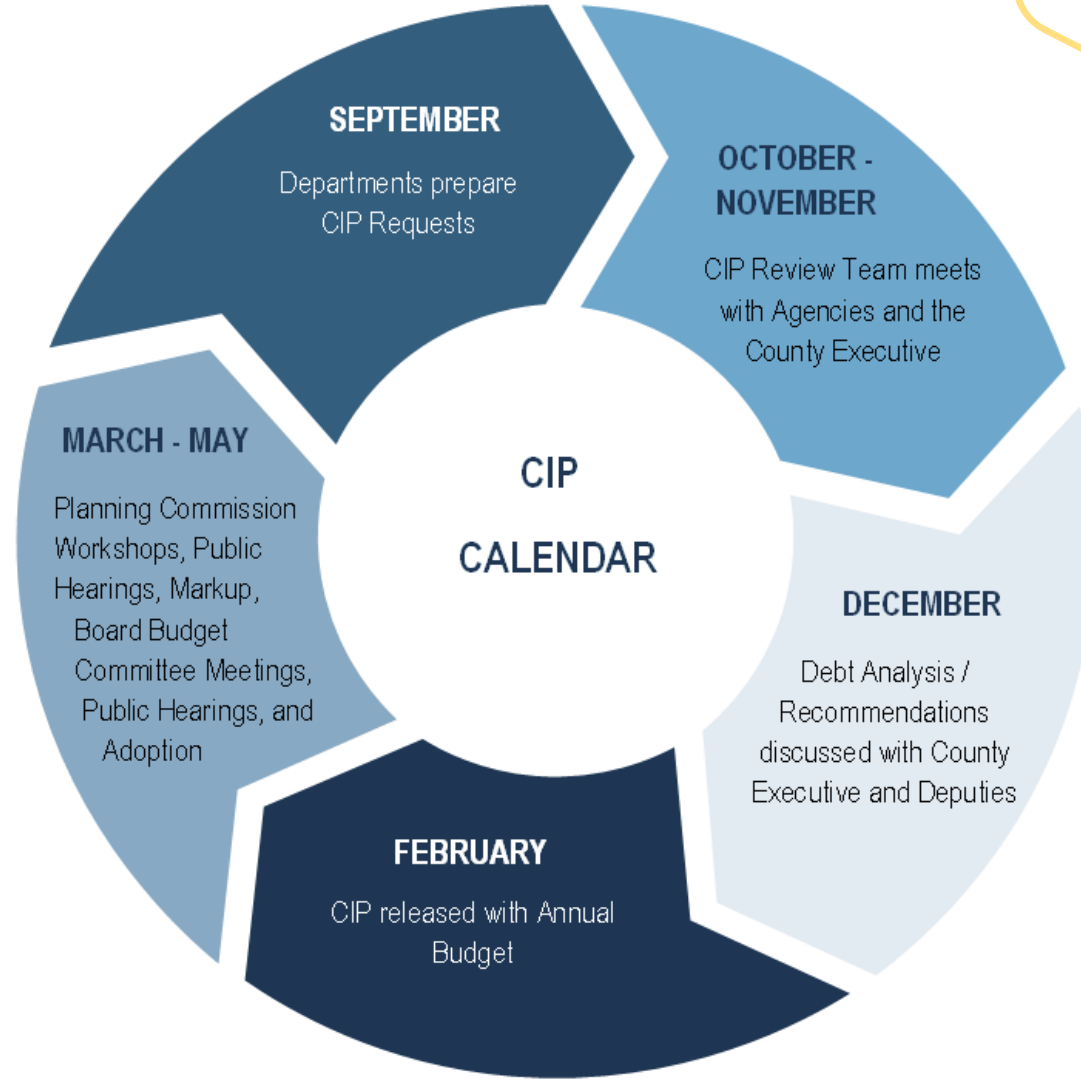
FY 2026 – FY 2030 ADVERTISED CAPITAL IMPROVEMENT PROGRAM

FEBRUARY 27, 2025

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CIP Calendar



CIP Overview

- The FY 2026 – FY 2030 Capital Improvement Program (with Future Fiscal Years Through 2035) totals \$15.1 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

- The final report of the Joint County/Schools CIP Committee was 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
 - The January 2025 Bond sale was the first sale at \$400 million
 - Represents a total increase of \$100 million (split evenly between County/Schools)
 - 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 – not yet fully implemented
 - 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*

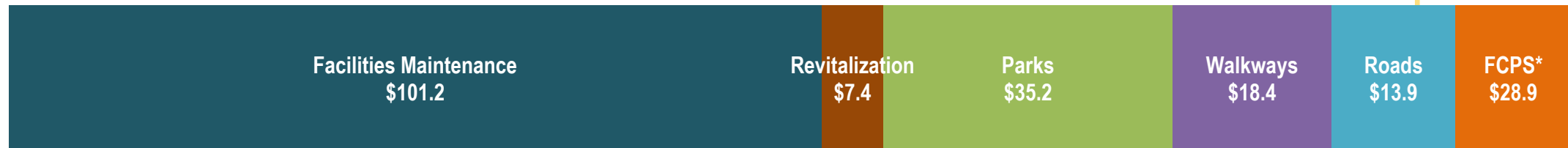
General Fund Capital Program

- \$31,757,700 in FY 2026
- Decrease from FY 2025 by \$700,000 associated with Park Authority targeted reductions proposed to balance the FY 2026 budget (\$250,000 for trail maintenance, \$250,000 for athletic court maintenance, \$200,000 for forestry operations)
- A full penny is not included in the FY 2026 proposal: \$5 million is split evenly between the County and Schools and is consistent with the FY 2025 Adopted Budget Plan
- Debt Service payments associated with increased bond sales for both County and Schools of \$15.3 million is included
- Supplemented by adjustments at the Third Quarter or Carryover Reviews and the Sinking Fund

Capital Sinking Fund

- Populated at year end based on 30 percent of year end balances
- Since FY 2014, over \$205 million has been set aside for capital reinvestment
- Allocation formula approved by the Board of Supervisors: 45 percent for Facilities Management Department (FMD), 25 percent for Schools, 15 percent for parks, 7 percent for walkways, 5 percent for County-owned roads and 3 percent for revitalization improvements

Allocation of Sinking Fund Contributions (in millions)



* FCPS was added to the Sinking Fund allocation for the first time as part of the *FY 2022 Carryover Review* as a result of recommendations from the Joint CIP Committee

Bond Program

- 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

January 2025 General Obligation Bond Sale

- \$400 million bond sale (Series 2025)
 - Schools \$230 million
 - County \$170 million
- January 2025, interest rate of 3.57%
 - Up from January 2024, interest rate of 3.27%
 - Significantly up from January 2021 interest rate of 1.23%
 - Much lower than the Bond Buyer Index which stood at 4.28% the day of the sale

Category	Amount
Schools	\$230,000,000
Transportation – WMATA	44,000,000
Public Safety	55,000,000
FCPA	25,000,000
Human Services	25,000,000
Libraries	21,000,000

Bond Referendum Plan

- **Health Department Laboratory**

- Added to the 2026 Bond Referendum at \$35 million
- Feasibility Study is complete
- Current facility is space-constrained, hindering safety, training, and the capacity to expand or change testing methods as public health needs evolve
- The County's laboratory is the sole local public health lab in Virginia

- **Early Childcare**

- Adjusted from \$50 million in 2026 to \$25 million in 2026 and \$25 million again in 2032
- Recommended due to current fiscal constraints and required operating costs
- The County has successfully supported childcare centers using year end balances, including Hybla Valley, Kingstowne, and Original Mount Vernon
- Childcare will continue to be considered in colocation projects, which could be funded outside of the General Obligation Bond program

- **Library Facilities**

- Centreville Library has been deferred to 2032 Bond
- 2026 Bond will include two of the top three priority Library projects (Kings Park Community, Herndon Fortnightly Community)
- Based on current experience and escalation in the construction market, the cost projections for these library projects increased significantly

Bond Referendum Plan

- Schools: 2025, 2027 and 2029 at \$460 million (No change)
- Metro: 2028 at \$200 million (No change)
- Public Safety: 2030 at \$178 million (No change)
- Park Bonds: 2026 at \$180 million (No change)
 - Park Bond sales were previously projected at \$25 million annually until FY 2029
 - Updated Bond Referendum Plan projects an increase in bond sales to \$30 million beginning in FY 2027
- Redirection of older bonds
 - Staff works to maximize the effectiveness of every bond dollar by considering timing constraints, project schedules, and cost escalation
 - Some projects approved as part of previous referendum are now incorporated into colocation projects. As a result, G.O. bonds allocated for these projects can be redirected to help offset increased costs being experienced in other projects

Proposed Revised Bond Referendum Plan

Year	Category	Description			Total
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2026	County	Human Services	\$100 mil	Health Laboratory, Tim Harmon Campus, Springfield Community Resource	\$346 mil
		Early Childhood	\$25 mil	Early Childhood Facilities	
		Libraries	\$41 mil	Herndon Fortnightly Community, Kings Park Community	
		Parks	\$180 mil	County Park Authority	
Fall 2027	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil
Fall 2028	County	Transportation	Metro Contribution		\$200 mil
Fall 2029	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$460 mil

Bond Plan Link to Debt Policies

- *Ten Principles of Sound Financial Management*
 - Below 3 percent debt to market value ratio (currently 0.94 percent)
 - Below 10 percent debt to General Fund Disbursements ratio (currently 6.51 percent)
 - Bond sale in January 2024 included \$145 million for the County and \$205 million for Schools
 - Bond sale in January 2025 included \$170 million for the County and \$230 million for Schools
 - Debt Service affordability is a significant consideration
 - FY 2026 increase for debt service = \$15.3 million

Projects Proposed for Other Financing

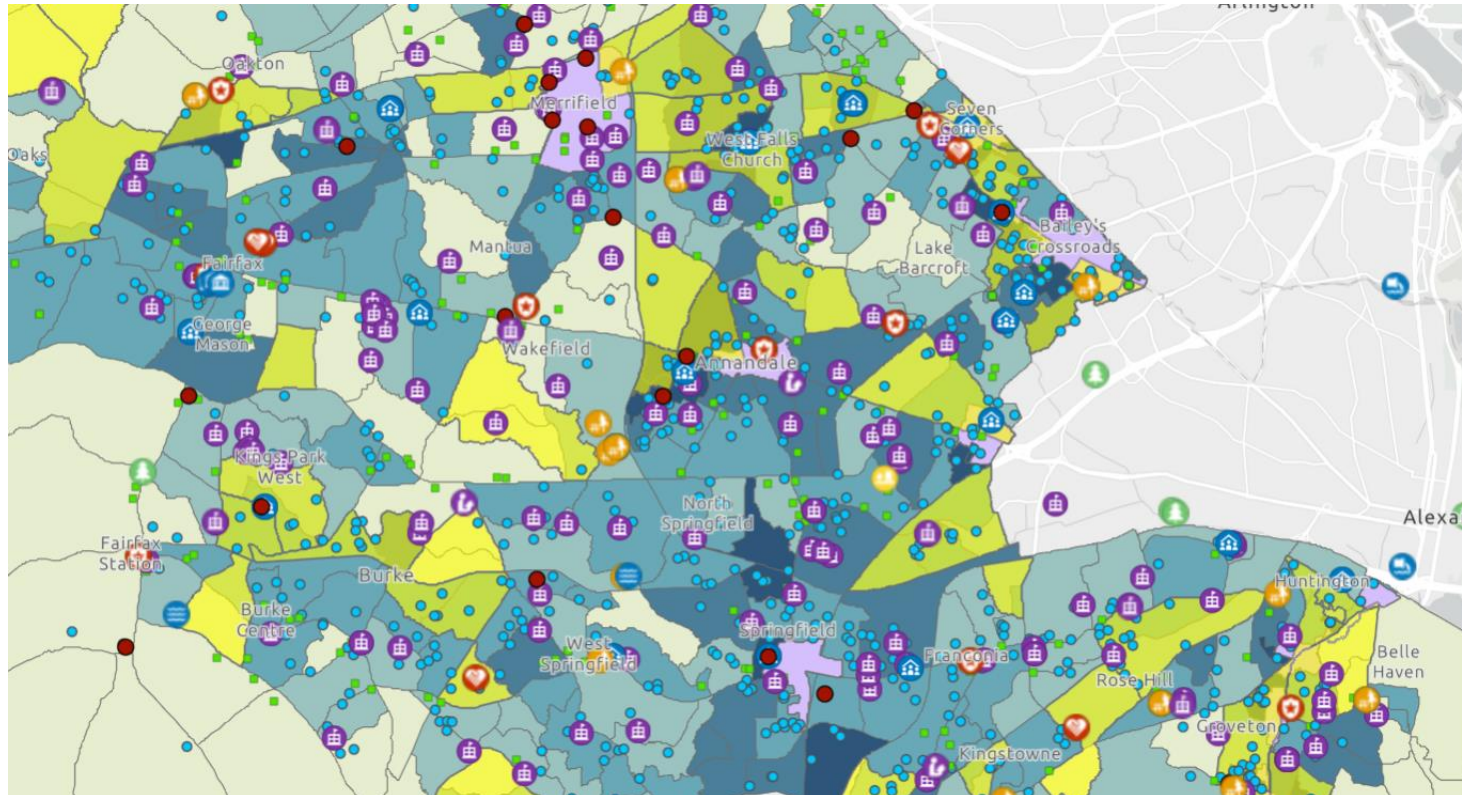
- General Obligation bond financing can be a challenging financing structure for some projects based on complexity of projects and/or timing
- Other financing arrangements are considered for more complex projects and are included in the County debt ratios (3% and 10%), but not included in \$400 million annual General Obligation sales limit
- Projects in the FY 2026-FY 2028 timeframe include:
 - Judicial Center Redevelopment - Judicial Annex (Building One)
 - Penn Daw Complex (Fire Station, Shelter, Supportive Housing)
 - Reston Town Center North Redevelopment (Shelter, Library, Community Spaces)
 - Mount Vernon Area Colocation (currently being studied)

CIP Initiatives: Colocation Projects

- Maximize limited space, locate complementary programs/services together, reduce reliance on leased space, address gaps in service delivery, improve efficiencies
- Underway: Original Mount Vernon High School Redevelopment, Kingstowne Complex, Stormwater/Wastewater Facility
- Identified in near term: Judicial Center Redevelopment, Reston Town Center North Redevelopment, Penn Daw Complex (Fire Station, Shelter, Supportive Housing)
- Studies in progress: Mount Vernon area facilities, Willston Center

CIP Initiatives: Colocation Projects

- County task force continues to review potential colocation opportunities and is using mapping software to identify areas for future consideration



CIP Initiatives: Policy Plan Updates

- Public Facilities Element of the Policy Plan was approved by the Planning Commission on March 20, 2024, and the Board of Supervisors on May 7, 2024
- DPD has been collaborating with agencies to update several elements of the Countywide Policy Plan
 - Review, update, and streamline existing Policy Plan elements
 - Add new Policy Plan elements as needed
 - Ensure the Policy Plan is in alignment with the Countywide Strategic Plan, the One Fairfax Policy, and other recently adopted policies and initiatives

Update on Planning Commission Motions from FY 2025

- Consider funding from the bicycle and pedestrian access program to support safety measures at prioritized sites near Metro stations and other activity centers
 - DOT process prioritizes projects based on demand and need
 - The demand side includes density of trip generators like metro stations and activity centers
 - Staff continue to review access to metro stations and activity centers and develop ways to prioritize those projects

Update on Planning Commission Motions from FY 2025

- Formalize the CIP process of equity review
 - Equity was discussed at each agency CIP meeting with the County Executive and Deputies as part of the overall planning process
 - Each County CIP section includes a statement about the equity review process and equity initiatives
 - Agencies will discuss some of their initiatives at the Workshop
 - Agencies have included both internal and external equity examples
 - Internal example is gender-neutral design at Fire Stations
 - External example is the Charge up Fairfax Program - assists community associations to overcome the technical and financial barriers associated with installing Electric Vehicle Charging Stations

Next Steps/CIP Dates

- CIP on County website February 18
- PC CIP Committee Meeting February 27
- PC Workshop/Public Hearing March 5
- PC CIP Committee Meeting March 20
- CIP Discussed at BOS Committee March 25
- PC CIP Mark-up April 2
- BOS Public Hearings April 22,23,24
- BOS Mark-up/CIP Adoption May 6

FY 2026 - FY 2030 Advertised Capital Improvement Program (CIP) | Management and Budget