

# ARLINGTON COUNTY, VIRGINIA

## County Board Agenda Item Meeting of July 17, 2021

**DATE:** July 16, 2021

**SUBJECT:** Fiscal Year (FY) 2022 – FY 2024 Capital Improvement Plan (CIP) Adoption (The Public Hearing for this item has concluded).

### C. M. RECOMMENDATIONS:

1. Adopt the Fiscal Year 2022 – FY 2024 Capital Improvement Plan.
2. Adopt the attached FY 2022 County Bond Funds Appropriations Resolution (Attachment A).
3. Authorize the addition of seven (7) full-time permanent FTEs to support the implementation of projects for the transportation capital program which will be funded by the Transportation Capital Fund.

**ISSUES:** This is a request for County Board consideration/adoption of the proposed FY 2022 – FY 2024 Capital Improvement Plan and appropriate County bond funds.

**SUMMARY:** The proposed CIP provides a three-year plan for investment in County and School infrastructure and assets, totaling \$1.25 billion. Funding sources for the CIP include federal and state grants, bonds, pay-as-you-go (PAYG) funding, short-term financing, developer contribution, and dedicated funding sources such as water/sewer revenues, stormwater revenue, and dedicated transportation taxes.

**BACKGROUND:** Given the continued uncertainty of future economic conditions due to the financial impact of the COVID-19 pandemic, the County Manager proposed a three-year CIP in May 2021. This “bridging” capital plan allowed us to move beyond our “must-do” investments and afforded us the opportunity to invest in asset state-of-good repair and a limited set of community priorities as laid out in various Board-adopted plans, and importantly continue planning for future investments. While certainly an improvement over last spring’s outlook, this three-year CIP is still constrained. With the reduced revenue resulting from the pandemic and the continued commitment to reasonable and restrained spending, this CIP is focused on limiting

County Manager:

MJS / MJC

County Attorney:

MNC

Staff: Karin Talley, Department of Management and Finance

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the projected growth in annual County General Fund debt service for the next few years. By limiting the County debt service growth to \$3.7 million in FY 2023 and \$5.3 million in FY 2024, it allows the County to bridge through the next year of budget deliberations and the economic recovery, and then return to the normal 10-year CIP process in late spring 2022.

The CIP provides for more investment than we anticipated would be feasible at this same time last year. It meets existing commitments to regional priorities like Metro, restarts efforts toward a “state of good repair” for County infrastructure and makes down payments on commitments made through land use, planning, and program review efforts. Many of these planning efforts and the anticipation of better fiscal times ahead provide the start of the roadmap for the FY 2023 10-year CIP.

**DISCUSSION:** The table below summarizes the allocation of funds for the FY 2022 – FY 2024 Capital Improvement Plan by program area. The total County and School CIPs total \$1.38 billion. Program summaries can be found on the following pages.

**FY 2022 – FY 2024 Capital Improvement Plan**  
(in \$000’s)

<b>Capital Program Area</b>	<b>FY 22-24</b>	<b>FY 22-24</b>	
	<b><u>Proposed</u></b>	<b><u>Adopted</u></b>	<b><u>\$ Change</u></b>
Parks and Recreation	\$34,315	\$34,815	\$500
Transportation	710,128	710,328	200
Metro	93,200	93,200	
Public/Government Facilities	37,345	37,345	
Information Technology & Public Safety	68,881	68,881	
Regional Partnerships & Contingencies	4,312	4,312	
Community Conservation & Economic Development	23,500	23,500	
<b>Subtotal County Capital</b>	<b>971,681</b>	<b>972,181</b>	<b>700</b>
Water and Sewer Infrastructure	185,155	185,155	
Stormwater Management	95,850	95,850	
<b>Total County CIP</b>	<b>\$1,252,686</b>	<b>1,253,186</b>	<b>\$700</b>
Schools Capital Program		123,200	
<b>Total County &amp; Schools CIP</b>		<b>\$1,376,386</b>	

\*The Arlington Public School (APS) Board proposed CIP is not included in the table above because the School Board had not taken action at the time the County proposed its CIP.

Parks and Recreation Program includes \$34.8 million in funding for park trail and bridge modernization, parks capital maintenance, and synthetic turf replacements. Projects included in the adopted CIP are in alignment with the adopted Public Spaces Master Plan and its goals to move the Park program forward. The CIP continues the enhanced park trail and bridge program, including the replacement of one bridge at Lubber Run and the Glencarlyn Park bridge. Park capital maintenance includes the full renovation of the aging Bluemont Park tennis courts, picnic shelter and related amenities and given its location in a resource protection area, it will require substantial redesign. Funding is also included for the replacement of three existing synthetic turf fields as they reach the 8- to 10-year age to ensure safety for field users. Conversion of the upper grass field at Thomas Jefferson Park to synthetic is also planned. The CIP does include planning funds for the Arlington Boathouse given the progress and momentum with our federal partners on this generational project. Finally, an additional \$500k are included in the adopted CIP for the planning of Gateway Park in fiscal year 2022.

Transportation Program totals \$710.3 million in investments including a number of significant investments for bridge renovation and maintenance, the Columbia Pike Multi-Modal program, Crystal City, Pentagon City and Potomac Yards Streets program, Metro station entrances, ART facilities and Columbia Pike transit facilities. This total reflects a budget adjustment to include risk of project execution to more accurately forecast annual expenditures. The unadjusted program totals \$710.3 million in projects. The goals of the Transportation Master Plan are considered in the projects that are funded in this adopted CIP. The program includes \$35.7 million for paving, maintaining the targeted paving condition index (PCI) of 75 – 80. To help achieve accelerated implementation of projects in the transportation program, an additional 7.0 FTEs are requested that will be fully funded by the Transportation Capital Fund (no impact to the General Fund). A change from the proposed to the adopted CIP is the addition of \$200k for an engineering feasibility study for the Arlington Boulevard Multi-Use Trail.

Metro Program includes \$93.2 million for our required Metro contribution which is in line with the expenditures projected in the previous CIP.

Public and Government Facilities Program investment of \$37.3 million. Highlights include capital maintenance of building systems (roof replacements; heating, ventilation, air conditioning (HVAC) upgrades; electric system upgrades) and renovation of the 27-year-old Courts/Police building to include upgrades to courtrooms and judge's chambers, as well as technology backbone infrastructure improvements. To consolidate some Fire business processes, infrastructure and interior improvements are being made to the 2020 N. 14th Street building located directly across from the Courts/Police building.

Information Technology investments of \$43.4 million are primarily focused on maintenance and replacement of PCs, servers, network equipment, and radio systems. Funding for new technology systems to help manage the Child Welfare and Day-Care Child-Care Licensing systems for the Department of Human Services is also included. Most significantly, the proposed CIP includes \$14 million to replace the County's aging human resources and financial system (PRISM).

Public Safety investments focus \$25.5 million on end-of life equipment replacement such as fire defibrillators, mobile data computers and, public safety radios. In addition, funding is provided for improvements to the Justice Center Security System.

Water and Sewer Infrastructure includes \$185.2 million with an emphasis on maintenance capital, water distribution and sanitary sewer improvements. The CIP includes \$185.2 million for utilities, which includes the implementation of the Solids Master Plan, the Washington Aqueduct Capital (\$15.7million) and Gravity Transmission mains (\$5.7 million), along with our state of good repair programs for close to 1,000 miles of water and sanitary sewer lines across the County. The Water Distribution Master Plan and Sanitary Master Plan were both pivotal in helping prioritize the projects included in the adopted CIP. Several significant projects underway include the Fairfax Water Interconnection, Spout Run Sanitary Sewer Relining, and the South Troy Street Water & Sewer Improvements.

Stormwater Fund includes \$95.9 million for capacity improvements, water quality projects and maintenance capital. Projects and project criteria from the Stormwater Master Plan are incorporated into the adopted stormwater CIP. Highlights include \$26.8 million for the Spout Run Watershed, \$16.7 million for the Cardinal Elementary School Stormwater Detention, and \$5.4 million for the Ballston Pond Watershed Retrofit. These investments reflect the significant effort that will be required to update the County's stormwater infrastructure. Other projects underway include the Donaldson Run Tributary B Stream Restoration, and Ballston Pond.

Arlington Public Schools Arlington Public Schools adopted its FY 2022 – FY 2024 CIP on June 24, 2021. The program totals \$123.2 million, including \$23.01 million of general obligation bonds. The Schools CIP includes funding for kitchen improvements and major HVAC replacements, entrance and vestibule renovations, improvements to The Heights Building and synthetic turf field replacements.

County Bond Funds Appropriations Since a portion of the FY 2022 appropriation is for bond funded projects to be approved on the November 2, 2021 Referenda, appropriation of those projects is requested now but is contingent upon and will not occur until the respective referendum for each project is approved by voters, has been filed with the Circuit Court, and the required 30-day contest period has expired. All project expenditures being appropriated as FY 2022 bond funds are as planned in the FY 2022 – FY 2024 CIP and are consistent with the debt projections included in the CIP.

**PUBLIC ENGAGEMENT:** Due to the impact of COVID-19, community input on the CIP was sought primarily through online channels of communication. Input for the FY 2022 – FY 2024 CIP was solicited in April. This resulted in over 700 total online responses. In addition, an online feedback form was posted in June and constituents were encouraged to share information to the County Board on the County Manager's proposed CIP.

In addition to the on-line engagement survey, program specific information was discussed at Board work sessions on May 25, June 22 June 24 and July 13; a joint County-Schools work session on June 9; a CIP public hearing held on June 29; a Planning Commission meeting on July 6 as well as meetings with other commissions (Sports Commission, Parks and Recreation

Commission, Natural Resources and Forestry Commission, Transportation Commission, Fiscal Affairs Advisory Commission, and Civic Federation).

When the County Manager released his proposal, the news release, Board presentation and Manager's Message were translated into Spanish, Mongolian, Amharic and Arabic.

**FISCAL IMPACT:** The annual debt service includes both the Schools Adopted CIP and the County's proposed CIP. The CIP complies with the County Board's debt and financial policies, resulting in projected debt levels that are consistent with the County's triple-AAA bond ratings.

**ATTACHMENT A**

**FISCAL YEAR 2022 COUNTY APPROPRIATION RESOLUTION**

Be it resolved by the County Board of Arlington County, Virginia, that the following appropriations of \$57,505,000 are hereby made for Fiscal Year 2022 for projects to be approved on the November 2, 2021 bond referenda. Appropriations are effective only after a) approval by the voters of the bond referenda, b) the results have been certified and filed with the Circuit Court, and c) the required thirty-day period for contesting each bond referendum has expired:

<b>COUNTY BOND FUNDS:</b>	<b>2021 Referenda <sup>1,2</sup> Appropriation</b>
Street and Highway Bond Fund (314)	8,000,000
Government Facility Bond Fund (317)	9,535,000
Public Recreation Bond Fund (324)	1,800,000
Metro Bond Fund (333)	20,700,000
<b>TOTAL COUNTY BOND FUNDS APPROPRIATIONS:</b>	<b>\$40,035,000</b>
For the operation and maintenance of Public Schools and Community Activities Facilities to be expended on order of the School Board	
<b>Schools Bond Fund (887)</b>	<b>\$17,470,000</b>
<b>TOTAL APPROPRIATIONS FOR COUNTY</b>	<b>\$57,505,000</b>

<sup>1</sup> 2021 bond referenda appropriations are effective only after a) approval by the voters of the bond referenda, b) the results have been certified and filed with the Circuit Court, and c) the required thirty-day period for contesting each bond referendum has expired

<sup>2</sup> Only the 2021 referenda approved bonds planned to be issued in FY 2022 are included in the appropriation for FY 2022