Career Center Working Group

CIP Overview

A R L I N G T O N

February 21, 2018

What is the Arlington County CIP?

• Ten year **financially-constrained plan** for investment in Arlington's assets totaling \$3.3 billion

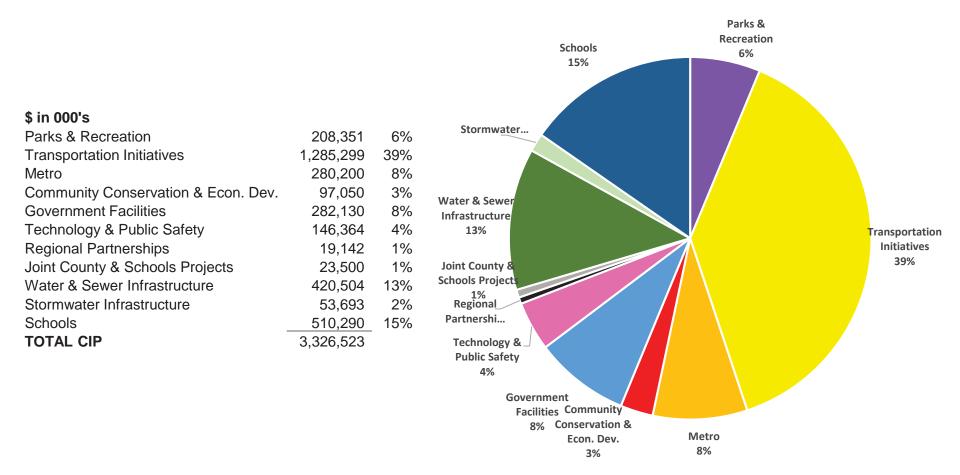
- Covers <u>all areas</u> of infrastructure
 - Driven by service delivery demands

• Balanced between "maintaining what we have" and new investments

• Financially sustainable & maintain County's triple-AAA bond ratings



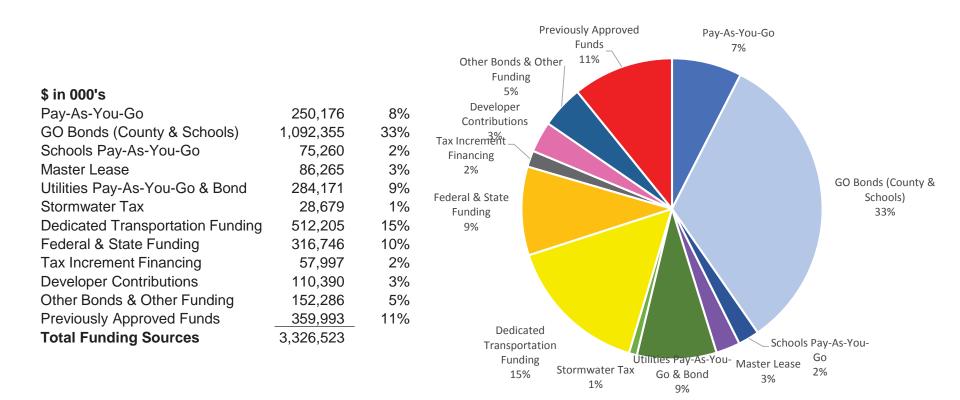
Where Do We Spend CIP Dollars?





How Do We Pay for the CIP?

Adopted FY 17-26 CIP





How can CIP funding sources be used?

al asset with governmental purpose by General Fund cash contributions kible in useful life limits a – technology, maintenance capital, planning studies
ssets with useful life of 3-10 years security interest in asset a – technology, rolling stock (fleet, fire trucks)
estricted in use for specific purposes s include Transportation (only enhancements); Utilities; Stormwater; Garage state grants for specific purpose of grant



ABC's of General Obligation (GO) Bonds

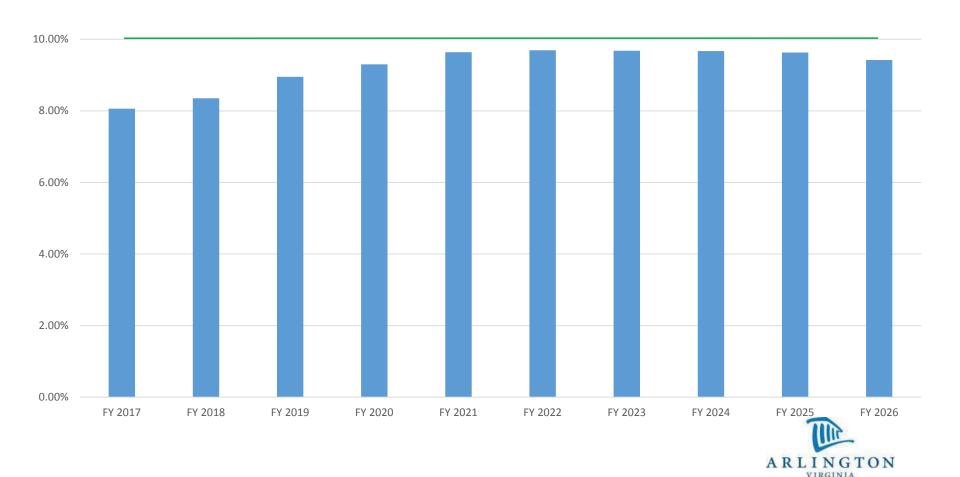
- Primary financing source used by County for major general government infrastructure
- In Virginia, GO bonds issued by counties require voter approval
 - Cannot reallocate between referenda questions
- Carry full faith and credit of Arlington County
- Lowest cost of capital available, especially given Arlington's bond ratings
 - Generally interest is tax-exempt to the investor
- Arlington's GO bonds typically have 20 year maturity
- Limited by debt capacity guidelines which are viewed as combined for the County & APs
 - Four primary metrics



Debt Service as % of General Government Expenditures

 How much of budget is consumed by FIXED debt service costs – no greater than 10%





CIP Process & Inputs



CIP Process Background

Biennial process

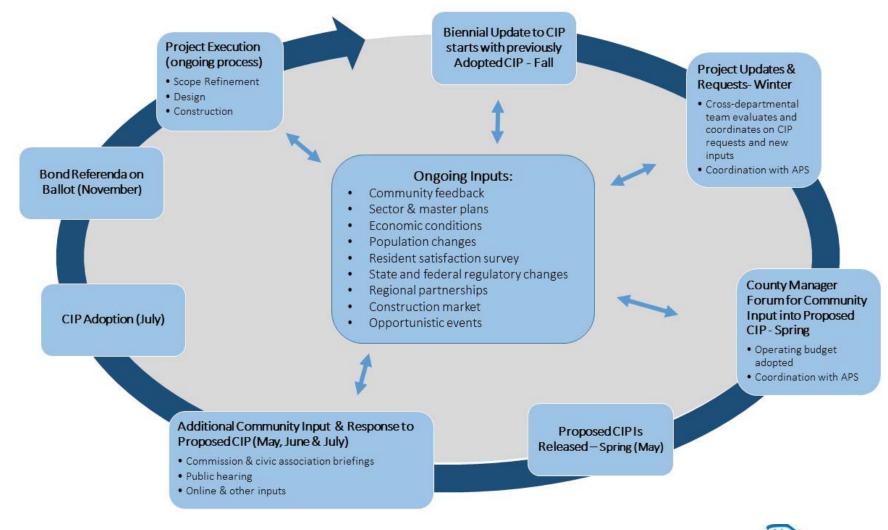
• Aligns with schedule of bond referenda for even-numbered calendar years.

• Ten year time horizon

- Reflects longer-term nature of major infrastructure projects
- Shifted from six year horizon in 2013
- Planning document can and will change based on changing conditions



CIP Process & Timeline





Other Inputs into CIP

Reinvestment projects:

- Maintenance capital condition / inventory assessments
- Paving condition index

Resident Satisfaction Survey

Near-Term Impacts of Various Plans:

- Master Transportation Plan
- Transit Development Plan
- Public Spaces Master Plan
- Various Sector Plans
- Project-Specific Plans Long Bridge
- Stormwater Master Plan
- Chesapeake Bay Preservation Plan
- Water Master Plan
- Water Pollution Control Plant Master Plan
- Sanitary Sewer Master Plan
- Community Energy Plan
- Special service delivery studies public safety
- Economic development



New Pressures & New Process Changes

- Metro's capital needs are increasing dramatically
 - Arlington County represents approximately 10% of Metro's capital CIP
 - Regional solution is needed
- Increasing construction costs & rising interest rates

- County Manager commitment to conduct additional needs assessments over the next four to six years
- JFAC
- Expanded community engagement



- The CIP strives to balance between reinvestment vs. new projects
- The CIP covers the entire spectrum of County infrastructure, facilities, and technology and is largely based on service delivery demands
- The CIP is flexible, responding to changing priorities & external factors
- The CIP is financially sustainable
 - Debt ratios are moderate and consistent with tripleAAA bond rating standards
 - Debt levels are balanced against other operating budget needs



Questions?

