

**School Board's Adopted
FY 2019-28
Capital Improvement Plan**



School Board's Adopted FY 2019-28 Capital Improvement Plan

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Benjamin Burgin
Assistant Director of Design & Construction

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Director, Office of Finance

Robert Ruiz,
Principal Planner, Planning and Evaluation

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School Board Message



Office of the School Board 2110 Washington Boulevard • Arlington, Virginia 22204

August 21, 2018

The Honorable Katie Cristol, Chair
Arlington County Board
2100 Clarendon Blvd. Suite 300
Arlington, VA 22201

Dear Chair Cristol,

On behalf of the School Board, thank you for the County Board's ongoing collaboration with us and support for our FY 2019-28 Capital Improvement Plan (CIP). The School Board greatly appreciates the County Board's partnership as we manage school capacity needs in this challenging fiscal environment. We all benefit by working closely and collaboratively to address this top-priority community need.

Throughout our County, the results of our previous collaborations are taking shape in the ongoing construction of the new Alice W. Fleet Elementary School, the new middle school at Stratford, and the new secondary school at the Wilson site, all of which will open in September 2019 as the Montessori program moves from Drew Model to the Patrick Henry Elementary School building. We are excited about the visioning being done by the jointly-appointed Career Center Working Group to help define a plan for an additional 800 high school seats and optimize future phased development of public facilities at a site that holds enormous potential for our community. In addition, we continue making the most of existing APS resources by increasing capacity for more students through internal modifications at several schools, relocatable classrooms, and adding Kindergarten classes at option schools.

As APS prepares to grow from about 27,000 students today to more than 32,000 students by 2027, meeting capacity needs continues to be a focus. On June 21, the School Board approved the FY 2019-28 CIP, which was developed with the help of staff and input from community members. In every CIP process, we seek to maintain Arlington's tradition of academic excellence while prudently staying below the 10% bond capacity threshold in our funding request for schools.

This was a challenging process this year, and resulted in the School Board drawing on our capital reserves to fund all or part of certain capital project priorities and delaying the proposed opening of a new elementary school and an addition to an existing middle school until after this CIP's 10-year period. The School Board allocated about \$31.0 million in capital reserves for a portion of the Career Center's sports field, underground parking garage, and 800-seat addition, as well as full funding for a transportation staff facility at \$2.1 million and field conversions to synthetic turf at \$1.97 million.

Barbara Kanninen, *Chair* • Reid Goldstein, *Vice-Chair* • Monique O'Grady • Tannia Talento • Nancy Van Doren
PHONE: (703) 228-6015 FAX: (703) 228-7640

The FY 2019-28 CIP includes funding for the 725-seat elementary school at the Reed site, as well as 600 high school seats at the Education Center, 250 seats at the Career Center (due to internal modifications), and planning and design for an 800-seat addition at the Career Center site. Please see Attachment A in this report, “APS FY 2019-28 CIP—Projects by Year and Funding Source,” which includes all the projects currently underway or planned to open to address capacity needs.

In adopting the FY 2019-28 CIP, the School Board is requesting a bond referendum in November 2018 of \$103.00 million for the following projects:

- | | |
|---|-----------------|
| • New Elementary School at the Reed Building | \$44.25 million |
| • Career Center/Arlington Tech Internal Renovation (HS Seats) | \$6.00 million |
| • Career Center Project, planning and design funds | \$5.90 million |
| • Education Center Renovation (HS Seats) | \$32.25 million |
| • Major Infrastructure Projects (MC/MM) | 14.60 million |

The School Board recognizes that the County Board has also faced competing needs for funding in a difficult fiscal environment, and we value the opportunity to continue working together to leverage resources and meet school and community needs as efficiently as possible. Going forward, the School Board requests that the following anticipated needs be considered as the County plans and studies future sites:

- Elementary school site(s)
- Secondary school additions or sites
- Early years annex and/or potential instructional program swing space (temporary use with 200-300 seats)
- Athletic fields (permanent use)
- School bus parking (temporary use)
- White fleet parking (temporary use)
- Administrative offices and trade shops for Facilities and Operations

On behalf of the School Board, I thank you and look forward to continuing our partnership that keeps Arlington strong and ready for the future. With so many competing needs for land and resources in Arlington, we appreciate the County Board’s support for schools that have healthy, safe and academically-challenging learning environments in which students can flourish.

Sincerely,



Dr. Barbara Kanninen

Cc: School Board Members
Superintendent Patrick Murphy

Executive Summary

Arlington County continues to be a desirable place to live and raise families, as evidenced by the growth in our public school student population. With that growth comes the responsibility to manage our Arlington Public Schools (APS) facilities to accommodate present and future students and provide high quality learning environments. Every two years, the Capital Improvement Plan (CIP) process allows APS to examine how school facilities need to change to respond to expected future enrollment and the infrastructure investments required for the upkeep of our schools and operations.

The 2019-28 CIP process was defined by a number of challenges including:

- Limitations on bonding capacity available to address the need for new schools
- Growing enrollment
- School infrastructure upkeep and improvements

The FY 2019-28 CIP required evaluating trade-offs for the potential number of future seats by school level and their timing. The School Board and APS staff weighed the merits of eight scenarios that provided various combinations of school seats and opening dates. Each scenario was studied to understand how it would affect the balance between projected enrollment and the number and timing of seats provided in relation to the availability of bond funding and relocatable classrooms.

With the eighth and final scenario in the FY 2019-28 CIP process, the School Board committed \$411.6 million in bond funding for 4,236 school seats by Fall 2027. In addition, the School Board dedicated monies for the Career Center site to include a field and parking garage by 2023 and a performing arts facility by 2025; a transportation staff facility renovation by 2019; Minor Construction/Major Maintenance (MC/MM) projects throughout the 10-year CIP period; and field conversions to synthetic turf. Not all funds dedicated to these CIP priorities came from bond funding; over \$35.0 million in capital reserves were allotted to partially or fully fund certain priorities, such as a transportation staff facility. This was done to keep the associated FY 2019-28 CIP bond issuances within acceptable financial thresholds.

In keeping with the School Board commitment to keep the community informed of the CIP process, a dedicated “Engage with APS” webpage was created to update county residents on the process timeline; raise awareness on opportunities for open office hours and venues to get answers to CIP-related questions and community information sessions; provide answers to School Board questions on the CIP; and allow for community input on CIP priorities included in the Superintendent’s Proposed CIP.

APS sought input from various stakeholders, including the Advisory Council on School Facilities and Capital Programs (FAC), which assisted in assessing periods of time when it would be ideal to add seats by grade level. FAC’s recommendations were based on identifying future school years when it is expected that the difference between seats and projected enrollment will exceed the current balance in seats and students.

In addition, community input on the CIP was considered and incorporated into the evolving CIP scenarios. As the process evolved, the School Board directed staff to produce CIP scenarios that constructed high school seats earlier than the Superintendent’s Proposed CIP and added an

underground garage with an at-grade field, which was absent in the Proposed CIP. By the time the final CIP scenario was developed, the School Board dedicated \$146.4 million in new bond funding and \$31.0 million in capital reserves for the field and parking to be constructed by Fall 2023, and an 800-seat addition and performing arts facility by Fall 2025. The list below identifies projects that will be included in the November 2018 bond referendum.

- Reed (725 elementary school seats)..... \$44.25 million
- Career Center/Arlington Tech (250 high school seats), \$6.0 million
- Planning and design funds for field, parking garage, and 800 high school seats at the Career Center \$5.90 million
- Education Center (600 high school seats)..... \$32.25 million
- Major Infrastructure Projects (MC/MM) \$14.60 million

Attachment A: School Board's Adopted CIP

Project Description	OTHER FUNDING SOURCES					BOND FUNDING										TOTAL BOND FUNDING	TOTAL PROJECT COST	
	Operating	MC/MM (not bonds)	Capital Reserve ¹	Joint Fund		Previous Bond Funding	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027			FY 2028
				APS	ArlCo		Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026			Fall 2027
Stratford (1,000 seats in 2019) *	\$ 0.80		\$ 0.25	\$ 2.11	\$ 2.11	\$ 22.25	\$ 9.03										\$ 9.03	\$ 36.55
Wilson (114 seats in 2019) *	\$ 1.90		\$ 7.00	\$ 3.00	\$ 3.00	\$ 82.90	\$ 3.00										\$ 3.00	\$ 100.80
Major Infrastructure Projects (bond-funded MC/MM)							\$ 7.20	\$ 7.40	\$ 7.60	\$ 7.80	\$ 8.00	\$ 8.20	\$ 8.40	\$ 8.60	\$ 8.80	\$ 9.00	\$ 81.00	\$ 81.00
Reed - Expanded (725 seats in 2021)	\$ 1.25		\$ 4.00	\$ 2.75	\$ 2.75		\$ 24.10	\$ 17.75	\$ 2.40	725							\$ 44.25	\$ 55.00
Career Ctr/Arl Tech (FY17-26 project; 250 seats in 2021) **	\$ 0.75					\$ 12.00	\$ 1.00	\$ -	\$ 5.00	250							\$ 6.00	\$ 18.75
Career Center Project - field and parking garage (2023); 800 seat Addition and performing arts facility (2025)	\$ 1.30		\$ 31.00			\$ 6.00	\$ 2.80	\$ 3.10	\$ 19.90	\$ 21.00	\$ 34.00	\$ 60.40	\$ 5.20	800			\$ 146.40	\$ 184.70
Education Center (600 HS seats in 2021)	\$ 0.75					\$ 4.00	\$ 16.00	\$ 14.10	\$ 2.15	600							\$ 32.25	\$ 37.00
MS: Renovation/Addition Location TBD (300 seats in 2030)			\$ -										\$ 2.50	\$ 2.70	\$ 13.90		\$ 19.10	\$ 35.00
New ES in Existing Building (725-750 seats in 2029) ²	\$ 1.30		\$ -									\$ 5.10	\$ 5.50	\$ 28.90	\$ 31.10		\$ 70.60	\$ 73.90
Transportation Staff Facility Renovation			\$ 2.10														\$ -	\$ 2.10
Drew Model School refresh (summer 2019)		\$ 0.95															\$ -	\$ 0.95
Patrick Henry building refresh (summer 2019)		\$ 0.85															\$ -	\$ 0.85
Field conversions to synthetic turf (APS share)			\$ 1.97														\$ -	\$ 1.97
Turf field replacements (APS share)		\$ 2.89															\$ -	\$ 2.89
TOTAL PROJECTS	\$ 8.05	\$ 4.69	\$ 46.32	\$ 7.86	\$ 7.86	\$ 127.15	\$ 63.13	\$ 42.35	\$ 37.05	\$ 28.80	\$ 42.00	\$ 68.60	\$ 18.70	\$ 16.60	\$ 40.40	\$ 54.00	\$ 411.63	\$ 631.46

300 Shows the number of seats coming online that year

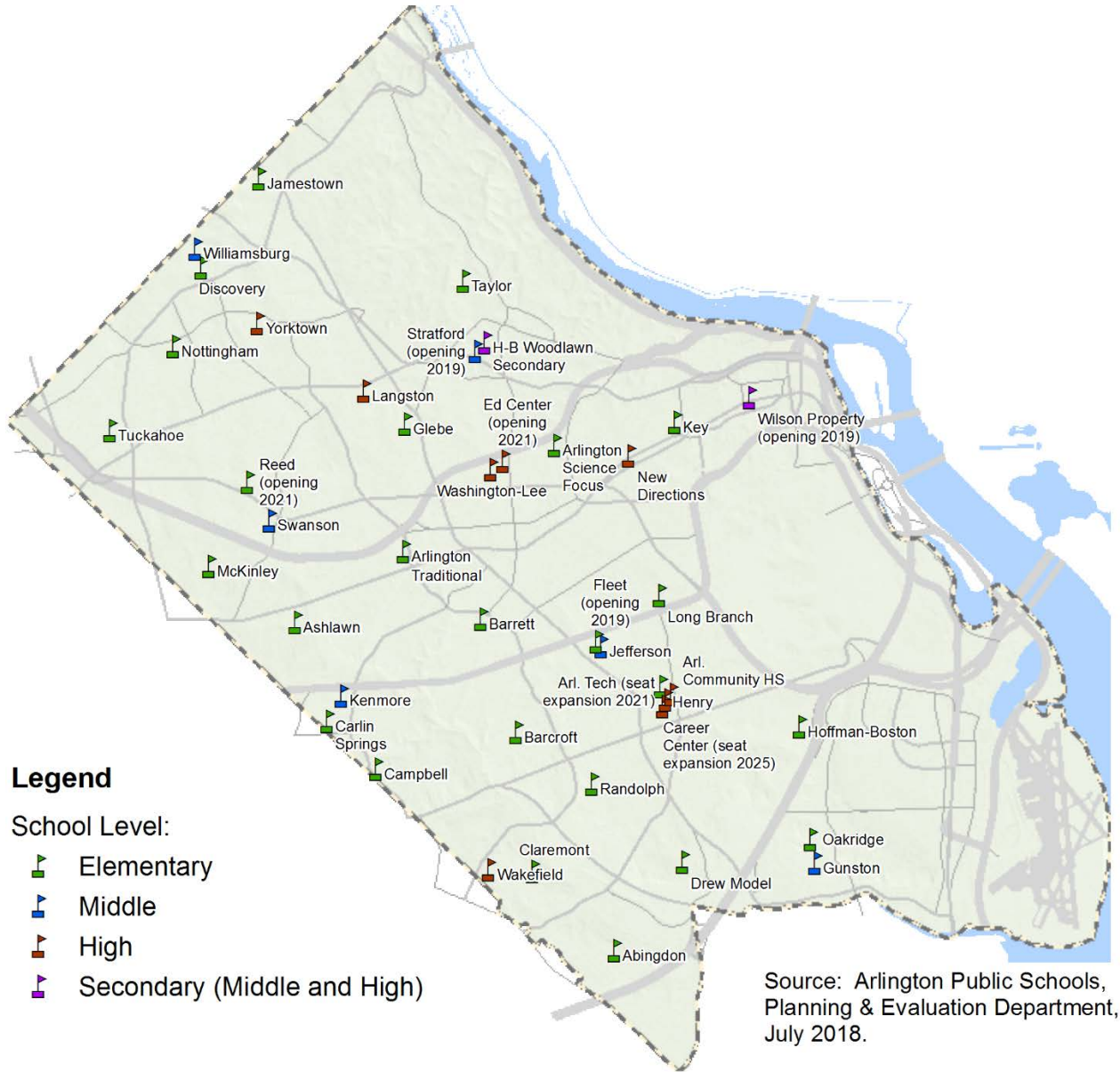
BOND REFERENDA AMOUNTS	2018	2020	2022	2024	2026
	\$ 103.00	\$ 58.10	\$ 114.00	\$ 32.80	\$ 109.60 ***

Debt Service Ratio Target ≤9.8%	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Debt Service Ratio -- APS	9.28%	9.57%	9.78%	9.56%	9.35%	9.45%	9.93%	9.38%	9.47%	8.84%	
Annual Bond Issuance	\$ 63.13	\$ 42.35	\$ 37.05	\$ 28.80	\$ 42.00	\$ 68.60	\$ 18.70	\$ 16.60	\$ 40.40	\$ 54.00	\$ 411.63
Annual APS Debt Service Increase		\$ 1.98	\$ 2.10	(\$ 0.06)	\$ 0.01	\$ 2.13	\$ 4.84	(\$ 2.44)	\$ 2.13	(\$ 3.15)	\$ 7.53

¹ This is a plan to allocate funds to Capital Reserve over the next ten years in order to mitigate the need for bond funding for needed buildings
² Bonds for Stratford and Wilson being sold in FY 2019 are from previous bond referenda.
³ The Career Center/Arlington Tech project funding was \$12.75 million in the FY17-26 CIP. Of that amount, it is estimated that \$4.54 million will have been used over the summers of 2017 and 2018 for internal modifications generating 350 seats. The remaining \$8.21 million along with the new funding in the FY19-28 CIP will be used to provide the 250 additional seats needed for Arlington Tech.
⁴ Adjusted cost for renovation of existing building in lieu of full cost of building new ES.
⁵ The 2026 bond referendum amount includes an additional \$2M for the New ES project and \$15.9M for the MS Renovation/Addition (not shown in this chart).

- Note
- On online copy of the above table is available at <https://www.apsva.us/wp-content/uploads/2018/06/F-1-Scenario-A2.pdf>
 - Bond financing** is generated through the sale of general obligation bonds by Arlington County as authorized by County voters through bond referenda. Bond referenda are scheduled for even-numbered calendar years, with the next bond referendum in November 2018.
 - APS's **bonding capacity** is framed by the County Board-adopted financial and debt management policies. These policies provide the parameters for the amounts and timing of bond-financed projects to be included in the County's CIP, ensuring that the CIP is financially sustainable and that it supports the County's triple, triple-A bond ratings.
 - Within the 10-year CIP period, net tax-supported debt service payments should not exceed 10% of general expenditures, not including the Capital Projects Fund. This percentage is known as the **debt service ratio**.
 - A high **debt service increase** reflects an increase of \$3 million or more over the previous fiscal year.
 - The **MC/MM** identifies major maintenance investment needs for APS facilities, such as the repair and/or replacement of HVAC, roofing, and building envelope systems.
 - The **color coding** in the "Bond Funding" area of the chart pertains to the bond referendum year in which these project amounts will be included (see the "Bond Referenda Amounts" line just below the main chart). The color coding in the "Other Funding Sources" area of the chart shows additional Capital Reserve amounts from a previous version of the chart.

Arlington Public Schools Map



CIP Overview

Capital Improvement Plan

Managing enrollment growth and maintaining the quality of facilities are critical to the success of any school division. Constructing, renovating, and adding to existing school buildings are all lengthy processes. Typically, from the time the School Board makes a commitment, it takes five years to open a school. It begins by identifying the needs of the school division and is followed by obtaining bond authority from the citizens, after which construction may follow.

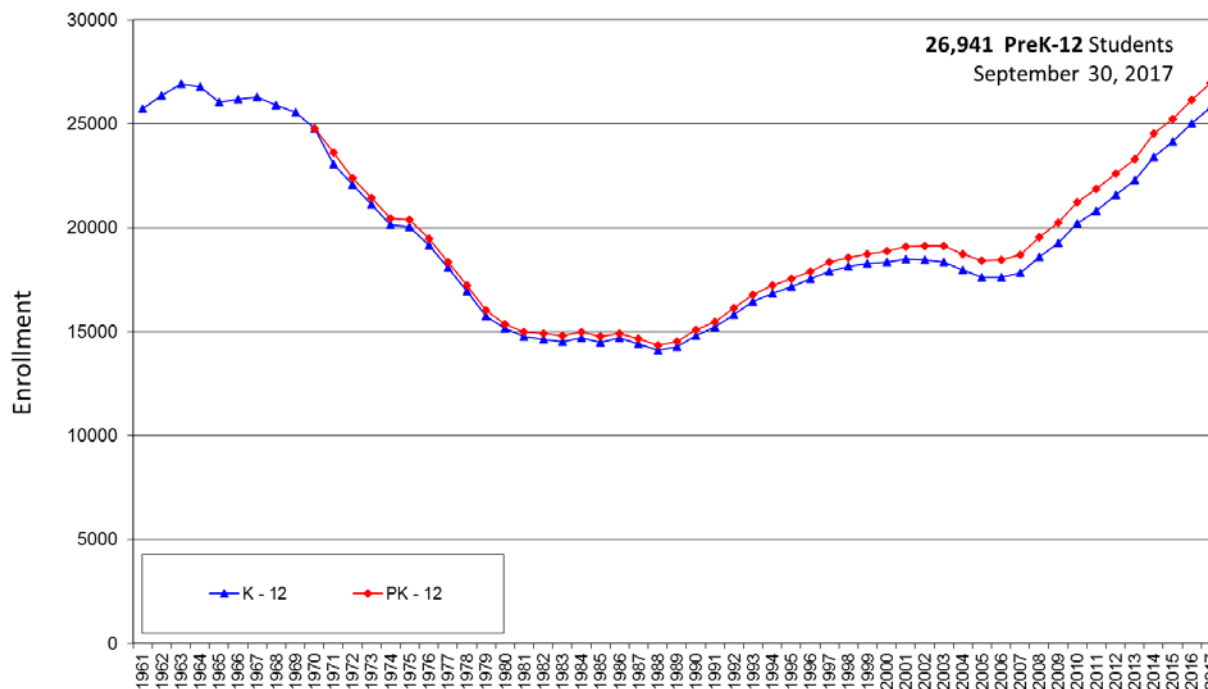
APS develops a 10-year CIP every two years. Each plan re-evaluates and/or confirms the previous plan to reflect changes in enrollment projections, changes to various conditions informing the plan, and changes in School Board priorities. Every CIP includes two broad categories of projects: The Major Construction projects, and a second category known as Minor Construction/Major Maintenance (MC/MM).

Major Construction projects include new buildings, additions and renovations. MC/MM projects primarily include HVAC, roofing, and infrastructure improvements. Regardless of the category, all CIP projects have a useful life of 20 years or more. Most CIP projects are funded by general obligation bonds, but they may also be funded with supplemental funding or current revenues set aside in the Capital Reserve.

Enrollment Growth

Underscoring the need to manage enrollment growth, Figure 1(below) shows historical enrollment trends. Since 2006, PreK-12 enrollment has increased by just over 8,500 students through 2017. In this period, enrollment growth has averaged about 3% year-over-year.

Figure 1. Total K-12 and PreK-12 Enrollment (September 30th), 1961-2017

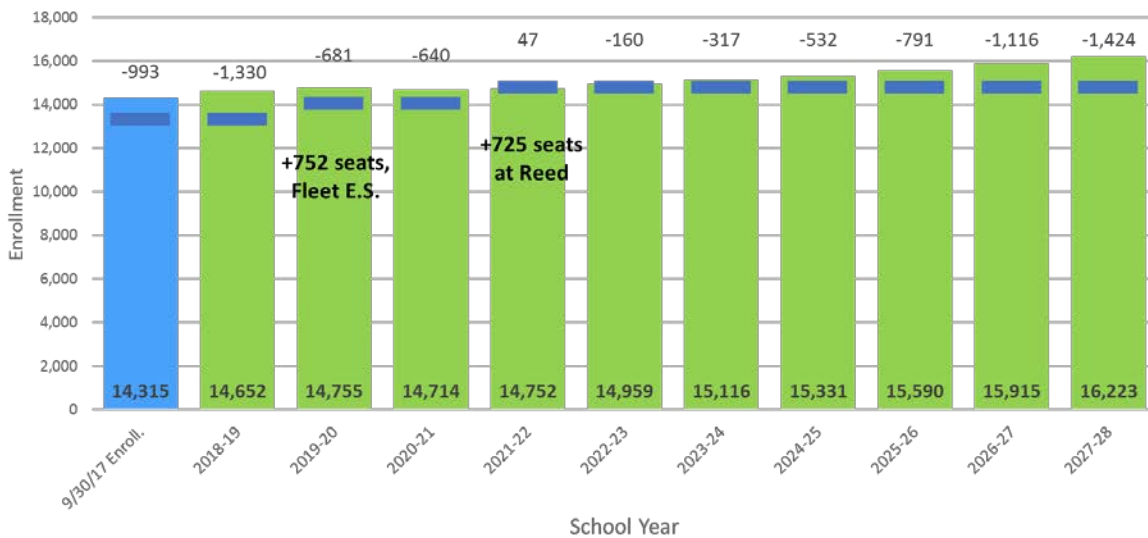


APS produces projections¹ that extend 10-years, the same period considered by the CIP. When the projected enrollment, by grade level, is compared to the estimated number of future permanent seats² produced by prior CIP funding, it helps illustrate periods of time when there are more students than seats. Figure 2 (next page) shows that after the 725 elementary seats are added at Reed in school year 2021-22—a 2017-26 CIP priority—there are likely to be about 160 more projected students than seats by the following school year. This difference grows to about 1,420 more students than seats by school year 2027-28. Similar to the CIP which is reevaluated every two years, projections are reviewed annually to assess changes in enrollment growth and monitor enrollment levels at each school to ensure balanced enrollment across schools.

¹ To learn more about how projections are used in the CIP process, see the March 2018 “Arlington Facilities and Student Accommodation Plan” (AFSAP) report for more information at <https://www.apsva.us/wp-content/uploads/2018/03/AFSAP-Decision-Points-FINAL-03-06-19.pdf>

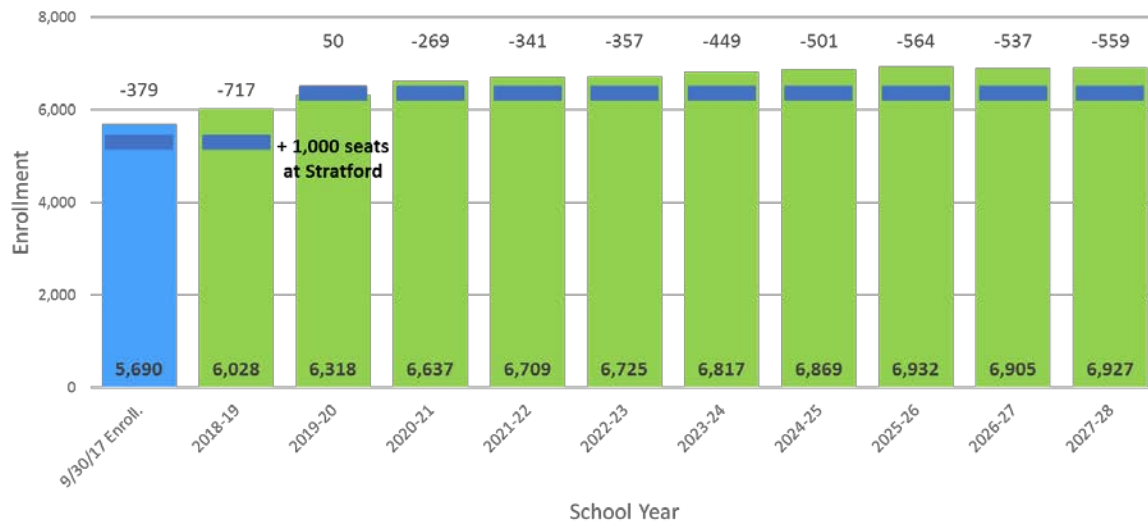
² Permanent seats are associated with a current or future school structure. Permanent seats do not include relocatable classrooms.

Figure 2. Projected Enrollment and Seats from Prior CIP, PreK to Grade 5



Likewise, Figure 3 shows the effect on the balance between seats and projected enrollment when 1,000 middle school seats are added at Stratford—a 2015-24 CIP project—in school year 2019-20. In that school year, there is a temporary surplus of seats, but by the following school year, there are about 160 more projected students than seats. This difference grows to about 560 more students than permanent seats by 2027-28.

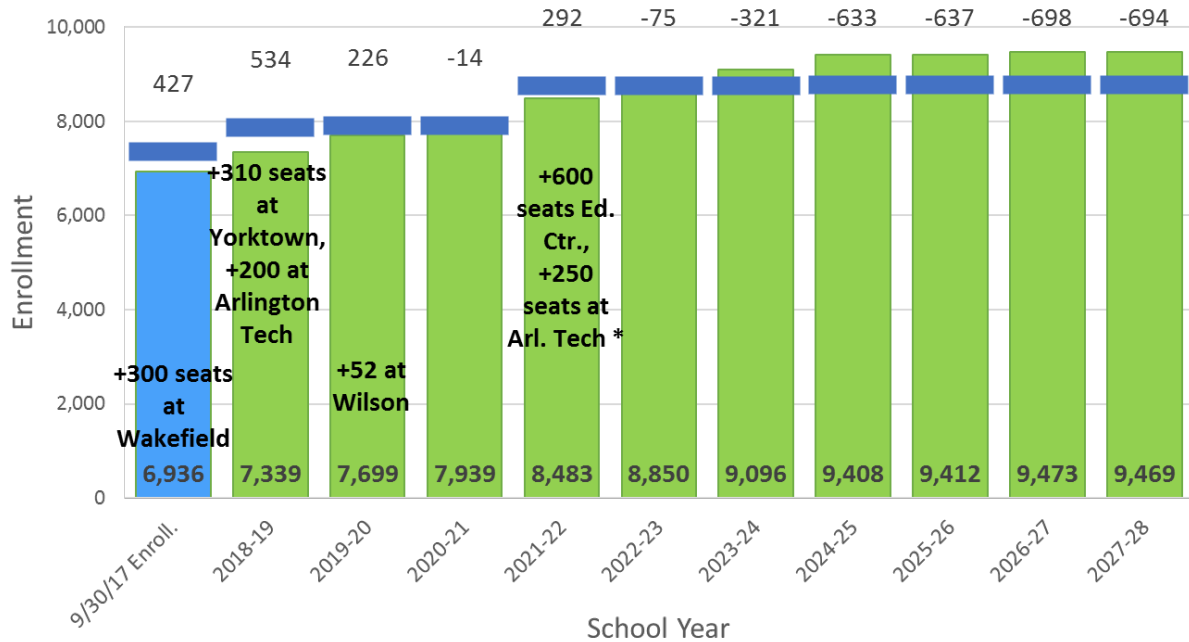
Figure 3. Projected Enrollment and Seats from Prior CIP, Grades 6 to 8



The same is true at the high school level. Even when 600 seats are provided through repurposing of the Education Center and 250 seats are added to Arlington Tech through internal modifications, by the following school year in 2022-23 there are expected to be about

75 more students than seats at the high school level, due to enrollment growth; see Figure 4. This difference grows to about 700 more students than seats by 2027-28.

Figure 4. Projected Enrollment and Seats from Prior CIP, Grades 9 to 12



Because the seat capacity from prior CIP projects which have either started construction or will start near-term construction is outpaced by enrollment growth, the School Board must re-evaluate prior CIP projects that have not started and contemplate new capital projects. APS staff and the School Board were assisted in assessing periods of time when it would be ideal to add seats by grade level by the [Advisory Council on School Facilities and Capital Programs \(FAC\)](#). FAC’s recommendations were based on identifying future school years when it is expected that the difference between seats and projected enrollment will exceed the current balance in seats and students. The current balance is used as a criterion because APS is currently managing such differences between students and seats. Figure 5 (next page) identifies those periods of time—shown circled—when FAC assessed it would be ideal to add seats.

Figure 5. Periods Identified as Ideal for Adding Seats by Grade Level for FY 2019-28 CIP.

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Elementary School	(640)	47 +725 at Reed	(160)	(317)	(532)	(791)	(1,116)	(1,424)
Middle School	(269)	(341)	(357)	(449)	(501)	(564)	(537)	(559)
High School	(14)	292 +600 at Ed. Center, +250 at Arl. Tech	(75)	(321)	(633)	(637)	(698)	(694)

Note

- The numbers represent the difference between seats and students, with the red figures representing a deficit of seats and black figures representing a surplus of seats.
- The 250 seats at Arlington Tech are the remaining seats needed to complete the FY 2017-26 CIP project for planned growth at Arlington Tech to 600 students. The FY 2017-26 CIP project seats were to be delivered by September 2018. This timeline has shifted to allow a comprehensive phased development planning effort to occur through the Career Center Working Group (CCWG) prior to beginning any capital expansion project.

Process

The process to shape the priorities of the FY 2019-28 CIP began in Fall 2017 with the drafting of the [Arlington Facilities Student Accommodation Plan \(AFSAP\)](#) and its publication in March 2018. The AFSAP provides an overview of projected enrollment by school level and the implications for future seat capacity.

With the publication of the AFSAP, preparations for the FY 2019-28 CIP started in early March 2018. Using the AFSAP for context, APS staff and the FAC identified periods of time when it would be ideal to add permanent seats to manage growth by school level.

By late April, APS Design and Construction Services received cost estimates for an array of capital projects that might be considered in the FY 2019-28 CIP from two different professional cost estimators engaged for this purpose, see [Appendix B](#). Similarly, APS Finance and Management Services worked to determine an estimate of bonding capacity³ so staff could perform cash flow analyses on a combination of potential capital projects. All three topics were covered at the School Board’s [Work Session #1](#).

At the start of this process, the necessary information—impact of projected enrollment, cost of potential projections, and bonding capacity—was assembled. Then CIP scenarios were developed with the goal to manage growth through capital projects that addressed different

³ APS’s bonding capacity is framed by the County Board-adopted financial and debt management policies. The policies provide the parameters for the amounts and timing of bond-financed projects to be included in the County’s CIP, ensuring that the CIP is financially sustainable and that it supports the County’s triple, triple-A bond ratings.

school levels and needs, as well as the timing of projects, within the financing constraints. The first scenario developed for Work Session #1 was for information purposes and demonstrated the impact of funding all the school facilities that met the timing for projected seat needs, as identified by FAC and APS staff (see Figure 5). This first scenario illustrated the trade-offs implicit with each CIP, since providing all school seats when needed led to going over the two key funding thresholds for several fiscal years: the (1) Debt Service Ratio, which cannot exceed 10% per the County Government's policy, and an (2) annual debt service increase which is preferred to be kept below \$3.0 million.

The second scenario was the [Superintendent's Proposed FY 2019-28 CIP](#) that provided all the seats by school level as recommended by FAC, while shifting some of the timing so that every project's funding fit within the bonding capacity. This CIP scenario added seats at the elementary, middle, and high school levels, including 800 seats at the Career Center by 2026 with no field or additional parking.

After the Superintendent's Proposed CIP was released, the School Board held a series of work sessions that developed scenarios to add 800 seats at the Career Center site earlier than 2026 and provide additional parking and/or field. At each work session, the School Board discussed the implications of each scenario to bond capacity, relocatable classrooms, and balance between projected enrollment and proposed seats. Figure 6 (next page) summarizes the different scenarios that were developed across the process, and Figure 7 details key dates in the CIP development calendar.

Figure 6. CIP Scenario Iterations with School Board Direction and Dates

School Board Work Session or Meeting Date	CIP Scenario Iteration and School Board Direction
Work Session #1, April 24	Baseline CIP scenario - Included all projects required to address seat needs in the required timeframe
Information Item, May 3	Superintendent’s Proposed CIP – Adjusted timeline to fit within the bonding capacity Delays opening of Career Center 800 seats, New Elementary School, and adjusted Career Center/Arlington Tech
Work Session #3, May 15	School Board’s requested Scenarios A & B A - Opens Career Center in fall 2024, delays openings of New Elementary School and Middle School Addition B- Uses Education Center for elementary seats, repurposes Henry for Career Center seats, delays plans for New Elementary School and Middle School Addition
Work Session #4, May 22	School Board’s requested Scenario B1 A variation of Scenario B without a parking garage at the Career Center
Joint School Board and County Board Work Session, May 29	School Board’s requested Scenario A1 A variation of Scenario A that adjusts timing of New Elementary School from 2031 to 2029 and the Middle School Addition from 2031 to 2030
Information Item, June 7	School Board’s Proposed CIP Scenario A1
Work Session #5, June 12	School Board’s Proposed CIP Scenario A2 Includes all projects from Scenario A1, builds field, below grade parking deck in 2023 ahead of 800+ seats in 2025

Figure 7. FY 2019-28 CIP Development Calendar

Date	CIP Schedule
March 9	The Arlington Facilities and Student Accommodation Plan (AFSAP) is released
March 22	Information Item
April 12	Work Session
April 17	Career Center Working Group, Joint Work Session with County Board
April 19	Monitoring Item
April 24	Work Session #1
May 3	Supt's Proposed FY19-28 CIP
May 7	Work Session #2
May 14	Community Outreach - CIP Information Session at Washington-Lee
May 15	Work Session #3
May 16	Community Outreach - CIP Information Session at Swanson
May 21	Community Outreach - CIP Information Session at Career Center
May 22	Work Session #4
May 29	Joint Work Session with County Board
June 7	School Board's Proposed FY 2019-28 CIP
June 12	Work Session #5
June 21	School Board adopts final FY 2019-28 CIP
July 14	County Board adopts final FY 2019-28 CIP (includes schools)
Nov. 6	Voters consider 2018 Bond referendum

Engagement

Throughout the FY 2019-28 CIP process, APS endeavored to keep the community informed about progress on the CIP and to answer questions regarding the evolving scenarios. For this purpose, APS offered in-person, social media, and online avenues for community engagement for the CIP.

Beginning in April 2018, Planning and Evaluation staff developed the FY 2019-28 CIP website, https://www.apsva.us/engage/cip_fy19-28/, with explanatory text on the CIP process, a schedule of School Board meetings and work sessions relevant to the CIP, and links to all content related to the CIP as it became available, such as copies of presentations or answers to [School Board members' CIP questions](#). The webpage also included a dedicated [communications page](#) with summaries of select School Board work sessions and links to news stories on the CIP, podcasts that explain the CIP process, and news releases on CIP-related milestones. This information was distributed to stakeholders via School Talk messages and weekly updates to APS Ambassadors; in addition, the [APS Twitter account](#) tweeted about CIP updates and the [APS Facebook page](#) featured posts about CIP activities.

Besides informing the community about the CIP process through online and social media channels, staff conducted in-person outreach. In April, staff held Open Office Hours at

Wakefield High School, the Education Center, and Kenmore Middle School to answer questions on the CIP process.

Community input was also gathered through other engagement processes including the 1,300 New High School Seats, Education Center instructional focus, Reed BLPC, and Career Center Working Group.

By May 2018, when the CIP process was further along and the School Board was weighing the merits of competing CIP scenarios, additional community outreach was organized to answer questions on the CIP scenarios and status. To this end, three Community Information Sessions were organized at Washington-Lee High School, Swanson Middle School, and Patrick Henry Elementary School. All these sessions were held in the evening and sites were selected to address questions from parents of students attending all three grade levels. In attendance were staff with different areas of expertise, including finance, enrollment projections, and the future projects at the Career Center, Education Center, and the Reed School site, so they could answer a variety of questions.

The FY 2019-28 CIP process also included an opportunity for community input on the Superintendent's Proposed CIP through an online questionnaire that asked the following:

In reviewing the Superintendent's proposed Fiscal Year 2019-28 Capital Improvement Plan (CIP), please share your thoughts on the major capital projects and infrastructure needs of APS, and how this CIP addresses these needs and our community's priorities.

This questionnaire resulted in seventy-nine (79) responses. All responses-- with any personal information removed, were [posted online](#) for the public's review and were shared with APS staff and the School Board so they could assess the range of answers to the questionnaire as they deliberated the merits of various CIP scenarios.

Capital Investments

The CIP funds two types of capital projects: Major Construction and Minor Construction/Major Maintenance (MC/MM) projects. For these capital projects to be funded with proceeds from bond sales, their total costs must be more than \$500,000 and have a useful life of 20 years or more. In addition, a project's useful life must be equal to or longer than the repayment schedule for the bonds issued for it.

Major Construction projects include new facilities, additions, and renovations:

- **New Facilities:** a new school built on a new or existing site with play fields, common spaces, and attendance boundaries (or attendance policies in the case of option schools)
- **Additions:** space added to an existing school to create new classrooms and other spaces as well as site work and other infrastructure required to support the new space
- **Renovation:** replacement of selected finishes or systems and reconfiguration of spaces as necessary to bring the facility up to code and/or current standards

Figure 8 shows ongoing major construction projects funded through prior CIP rounds, new major construction projects funded through the FY 2019-28 CIP, and other priorities funded through capital reserves.

Figure 8. 10-Year CIP, New and Ongoing Major Construction Projects (from Bond Funds)

Major Construction Project Name	Additional Seats Provided	Opening Date	2018 Bond Funds (in Millions)	Capital Reserves, Allocated Over Next Ten Years (in Millions)
Ongoing Projects				
New Middle School at Stratford Site	1,000	2019	-	-
New Secondary Program (Middle and High) at the Wilson Property	114	2019	-	-
New Projects				
New Elementary School at Reed Building	725	2021	\$44.25	-
Career Center/Arlington Tech internal renovation	250	2021	\$6.00	-
Career Center Project, field and parking garage (planning and design funds)	-	2023	\$5.90	\$31.00
Career Center Project, additional high school seats and performing arts facility (planning and design funds)	800	2025		
Education Center High School seats	600	2021	\$32.25	-
New Elementary School in existing building	725-750	2029	-	-
Middle School renovation/addition at location TBD	300	2030	-	-
Bond funded MC/MM	-	'19-'28	\$14.60	-
Transportation staff facility renovation	-	2019	-	\$2.10
Field conversions to synthetic turf (APS share)	-	'19 and '21	-	\$1.97

MC/MM projects primarily include HVAC, roofing, and infrastructure improvements. Priorities for these projects come from a ten-year plan developed by staff that runs concurrently with the CIP and is based on a series of annual inspections and condition reports. Schools and departments are also invited to participate directly in the MC/MM process by submitting requests for projects at individual buildings. Figure 9 (next page) lists two projects in the FY 2019-28 CIP which use MC/MM funds.

Figure 9. 10-Year CIP, MC/MM Projects Not Funded by Bond Funds

MC/MM Project Name	Year	MC/MM Funding in Millions (not bonds)
Drew Model School refresh	2019	\$0.95
Patrick Henry building refresh	2019	\$0.85

Each fall, the MC/MM committee—comprising staff from the Facilities and Finance departments, representatives from each principals’ group, and a member of the FAC—convenes for a series of meetings to review and prioritize projects from the 10-year plan and the new requests submitted according to the following criteria:

- Mandates
- Health and safety
- Immediate instructional needs
- Essential building repairs
- General instructional enhancements
- General building enhancements

CIP Funding

Major Construction and MC/MM projects may be funded through bond financing, current revenues, reserves, County funds on joint-use projects, and, in some cases, through a combination of all four sources. Bond financing is generated through the sale of general obligation bonds by Arlington County as authorized by County voters through bond referenda.

Arlington County schedules bond referenda for even-numbered calendar years, which correspond to odd-numbered fiscal years; for example, the next bond referendum is scheduled for November 2018 (FY 2019). In the past, Arlington County voters have approved school bonds by a large majority. As proposed for some projects in this CIP, APS has often funded the design of a Major Construction project in one bond referendum year and then construction of the project in the next bond referendum year. The practice of funding design and construction of projects in separate bond referenda years allows the project to be well underway prior to the second bond referendum year, at which time estimates of construction and total project costs will have been refined to reflect input from the school and community and more detailed development of the design.

Projects with total costs of more than \$500,000 and useful lives of 20 years or more are typically funded with proceeds from bond sales, although, in the FY 2019-28 CIP, certain facilities are partially or wholly paid with capital reserves. To keep the current CIP’s Debt Service Ratio⁴ below 10%, about \$31.00 million in capital reserves were allocated to the construction of the Career Center Project’s classroom seats, field, parking garage, and performing arts facility. For the same reason, renovation of a Transportation staff facility and field conversions to synthetic turf are completely funded with capital reserves, with about \$2.10 and \$1.97 million allocated respectively. If a project is financed with bonds, it must have a useful life equal to or longer than the repayment schedule of the bonds issued for it.

⁴ Within the 10-year CIP period, net tax-supported debt service payments should not exceed 10% of general expenditures, not including the Capital Projects Fund. This percentage is known as the debt service ratio.

Estimated Project Costs

Estimated costs included in the CIP for Major Construction projects represent total project costs. Total project costs comprise construction costs; soft costs and contingencies calculated based on current costs; plus an allowance for escalation, or potential cost increase, through the midpoint of construction.

For each project under consideration, a preliminary scope of work was developed by Architecture/Engineering (A/E) consultants with input from Design and Construction Services staff. Two independent estimates were prepared for each project based on the preliminary scope of work; one by a cost estimator on the A/E team, and another by a Construction Manager. The two estimates were reconciled with one another to ensure that each was based on the same assumptions and scope of work. This process ensured that APS obtained two separate professional opinions of probable cost for each project. Staff selected the higher of the two numbers to use in the total costs for the projects included in the FY 2019-28 CIP.

The total project cost estimates were initially based on 2019 dollars; see Appendix B for a list of all project costs considered in the FY 2019-28 CIP. To plan for projects that would be completed after 2019, 4% compounded annual escalation was added to account for increasing costs of labor and materials through the anticipated mid-point of construction for each project. Anticipated escalation causes the total cost of a project to vary according to the year in which it is scheduled for completion.

Because of the conceptual nature of the estimates, several design, construction, and soft cost contingencies are included in all CIP project estimates. Design cost contingency is an estimated cost that is added to total project cost for development of the design drawings. This contingency's estimated cost typically goes down as a facility's design becomes better defined and more details during the process from conceptual design through bid documents. Construction contingencies are included to cover unanticipated costs arising during construction and soft cost contingencies are included because many of APS's direct costs are unclear at this early stage of a project.

Publications that Informed the CIP

Arlington Facilities and Student Accommodation Plan (AFSAP)

The AFSAP is generally produced every other calendar year to provide a comprehensive look at student enrollment and building capacity; it is used to inform the CIP. A copy of the March 6, 2018, AFSAP can be found at <https://www.apsva.us/wp-content/uploads/2018/03/AFSAP-Decision-Points-FINAL-03-06-19.pdf>.

2018-24 Strategic Plan

The Strategic Plan is a six-year plan that charts a course for students, staff and APS overall. The Strategic Plan addresses the needs and aspirations of students, parents, citizens, teachers, administrators and staff, while mapping out the school system's core activities. On June 7, 2018, the School Board adopted the 2018-24 Strategic Plan. In September 2018, the Superintendent will propose final strategies and performance objectives of the Strategic Plan for School Board approval. A copy of the Strategic Plan can be found at

<https://www.apsva.us/wp-content/uploads/2018/06/SB-Adopted-APS-2018-2024-Strategic-Plan-DRAFT-removed.pdf>

Facilities Optimization Study, SY 2017-18

The APS Facilities Optimization Study provides the number of relocatable classrooms that may be deployed at each APS school. The study was developed by APS staff. It provides data with which to make informed decisions about adding capacity to APS schools through the use of relocatable classrooms.

Committees that Informed the CIP

Advisory Council on School Facilities and Capital Programs (FAC)

The FAC, comprising parents and citizens, reports directly to the School Board. The FAC assists the School Board in the continuous, systematic review of school facilities and the annual and long-range Capital Improvement Program (CIP). FAC offers recommendations and suggestions to the School Board on the AFSAP, which includes the 10-year CIP, and for future funding for school facilities.

Building Level Planning Committees (BLPC)

Following a decision to proceed with a capital project, the School Board appoints a BLPC. The BLPC members include two representatives of the civic association within which the school is located, one representative from each civic association within the school attendance zone, parents, County, APS and school staff, and other significant stakeholders. The BLPC works with the architect appointed by the School Board to determine the best way to meet the goals and objectives for the project as approved in the CIP. The BLPC assists in developing the concept design and creating the schematic design that is recommended to the School Board for approval.

Public Facilities Review Committees (PFRC)

The PFRC was formed by the County Board to ensure that the highest quality of land use planning and the Principles of Civic Design in Arlington are applied to all County and APS capital projects. The PFRC is a standing committee comprising representatives of each County Commission to which are added representatives from affected civic associations for each specific project under review. The PFRC focuses on the placement of the building or additions on the site, site layout and amenities, and the overall relationship to and impact of the project on the neighborhood in which it is to be located. On APS projects, the PFRC works in concert with the BLPC during concept and schematic design and makes recommendations to the County Board.

Appendix A – Motion for Adoption of FY 2019-28 CIP: June 21, 2018

The School Board is tasked by the Code of Virginia to oversee the delivery of public education in the county. This includes making decisions on providing and/or managing school facilities and properties, such as establishing a CIP. The Board conducts their business in accordance with Robert's Rules of Order, consequently all their official actions are made by voting on motions. Below is the June 21, 2018, motion approving the APS FY 2019-28 CIP:

Motion for Adoption of FY 2019-28 CIP: June 21, 2018

Every two years, the School Board adopts a Capital Improvement Plan (CIP) addressing capital needs over the next ten years. This approach to capital planning anticipates needs for the next decade, while providing flexibility to adjust to changing circumstances.

During the development of the FY 2019-FY 2028 CIP, the School Board focused on providing seats for students in the areas of most critical need in light of the continued, sustained growth in student enrollment. The development process that began in the fall of 2017 culminates in this CIP and will be detailed in a report to be completed by the end of July 2018.

The School Board concluded that, to meet its Strategic Plan goal of operational excellence, and focusing on the areas of greatest need, capital improvements for this CIP would focus on elementary seats, high school seats and continued investment in maintenance of our facilities.

The School Board recognizes that its first priority in this CIP is identifying the funding needed for the 2018 bond, in order to begin work on the areas of most critical need. The School Board further recognizes that additional community input and further collaboration with the Arlington County Board and staff will be necessary moving forward.

Consistent with these goals, I move that the School Board adopt the FY 2019-FY 2028 Capital Improvement Plan.

Elementary School Capacity

Reed – Expanded

- Estimated New Seats: 725
- Projected Completion: start of school, September 2021
- Maximum Estimated Project Cost: \$55,000,000
- 2018 Bond Funding: \$44,250,000 (Project funding also includes \$4.0 million from reserves, \$5.5 million from joint funding, and \$1.25 million in other funds)

Elementary Seats to be Determined

- Estimated New Seats: 725 -750
- Projected Completion: start of school, September 2029
- Maximum Estimated Project Cost: \$73,900,000

- 2018 Bond Funding: \$0 (Project funding also includes \$70.6 million in future bonds, and \$1.3 million in other funds)

Middle School Capacity

Middle School Renovation/Addition Location to be Determined

- Estimated New Seats: 300
- Projected Completion: start of school, September 2030
- Maximum Estimated Project Cost: \$35,000,000
- 2018 Bond Funding: \$0 (Project funding also includes \$35.0 million in future bonds)

High School Capacity

Career Center/Arlington Tech

- Estimated New Seats: 250
- Projected Completion: start of school, September 2021
- Maximum Estimated Project Cost: \$18,750,000
- 2018 Bond Funding: \$6,000,000 (Project funding also includes \$12.0 million in previous bonds, and \$0.75 million in other funds)

Career Center Project

- Estimated New Seats: 800
- Projected Completion: start of school, September 2025
- Maximum Estimated Project Cost: \$184,700,000
- 2018 Bond Funding: \$5,900,000 (Project funding also includes \$6.0 million in previous bonds, \$140.5 million in future bonds, and \$31.0 million from reserves funding, and \$1.3 million in other funds)

Education Center

- Estimated New Seats: 600
- Projected Completion: start of school, September 2021
- Maximum Estimated Project Cost: \$37,000,000
- 2018 Bond Funding: \$32,250,000 (Project funding also includes \$4.0 million in previous bonds, and \$0.75 million in other funds)

Infrastructure

Major Infrastructure Projects (bond-funded MC/MM)

- Maximum Estimated Total Project Costs: \$81,000,000 over the 10 years of the CIP
- 2018 Bond Funding: \$14,600,000 (Includes \$66.4 million future bonds)

Transportation Staff Facility Renovations

- Maximum Estimated Project Cost: \$2,100,000
- 2018 Bond Funding: \$0.0 (Project funding also includes \$2.1 million from reserves)

Field Conversions to Synthetic Turf & Turf Field Replacements (APS Share)

- Maximum Estimated Total Project Costs
 - \$1,970,000 Field Conversions
 - \$2,890,000 Turf Field Replacements
- 2018 Bond Funding: \$0.0 (Project funding includes \$1.97 million from reserves, \$2.89 million from MC/MM funds)

Building refreshes

- Maximum Estimated Total Project Costs
 - \$950,000 Drew Model
 - \$850,000 Patrick Henry
- 2018 Bond Funding: \$0.0 (Project funding includes \$1.8 million from MC/MM funds)

MOTION

WHEREAS, Section 15.2-2640 of the Code of Virginia of 1950, as amended (the “Code”), requires that the School Board of Arlington County (“School Board”) request, by resolution, that the County Board of Arlington County (“County Board”) adopt a resolution regarding the contracting of a debt and the issuance of general obligation bonds of Arlington County for school purposes;

NOW, THEREFORE, BE IT RESOLVED, that the School Board, as required by Section 15.2- 2640 of the Code, does hereby request that the County Board adopt a resolution setting forth the maximum amount of its general obligation bonds to be issued for capital projects for school purposes and requesting that the Circuit Court of Arlington County order an election on the question of contracting a debt and issuing the general obligation bonds of Arlington County in an amount not to exceed \$103,000,000 for the purpose of paying the costs of capital projects for school purposes. This resolution shall take effect immediately.

Appendix B – Total Project Cost Estimates

A list of all capital projects considered in the FY 2019-28 CIP and their cost is below and can also be found at <https://www.apsva.us/wp-content/uploads/2018/04/Capital-Projects-Considered-for-FY-2019-28-CIP-as-of-April-24-2018.pdf> and <https://www.apsva.us/wp-content/uploads/2018/05/FY-2019-28-CIP-Work-Session-Presentation-May-7-2018.pdf>.

Capital Projects Considered for FY 2019-28 CIP

Elementary School

Potential capital projects	Description	Seats	Total project cost 2019 Dollars (millions)		Sequencing of construction phasing	Included in the 2017-26 CIP	Web Link
			Low estimate	High estimate			
New elementary school at the Reed site	Reed building renovation/expansion to create 110,000 sq. ft. building with surface parking Note: Project is currently in the schematic design phase.	725-750	N/A	\$55.00	N/A	Yes - 725 seats by 2021, \$49.00 million	https://www.apsva.us/design-and-construction/new-elementary-school-at-reed-building/
Additional seats for elementary school use	Buck property building renovat	250+/-	\$14.00	\$14.70	TBD	No	-
Options for future new 110,000 sq. ft. elementary school, site TBD	with surface parking	725-750	\$51.90	\$61.00	N/A	Yes - 400 to 725 seats to be completed by 2025, \$68.92 million	-
	with parking below an adjacent	725-750	\$59.80	\$70.40	N/A	Yes - 400 to 725 seats to be completed by 2025, \$68.92 million	-
	with parking below the school	725-750	\$54.60	\$64.30	N/A	Yes - 400 to 725 seats to be completed by 2025, \$68.92 million	-

Middle School

Potential capital projects	Description	Seats	Total project cost 2019 Dollars (millions)		Sequencing of construction phasing	Included in the 2017-26 CIP	Web Link
			Low estimate	High estimate			
Options for future Renovation/ additions	Gunston - 42,000 sq. ft. addition for general classrooms - 14,700 sq. ft. light renovation to existing building	300	\$19.60	\$23.10	TBD	No	-
	Kenmore - 42,000 sq. ft. addition for general classrooms - 14,700 sq. ft. light renovation to existing building	300	\$19.50	\$22.90	TBD	No	-
	Williamsburg - 42,000 sq. ft. addition for general classrooms - 8,400 sq. ft. light renovation to existing building	300	\$16.50	\$19.40	TBD	No	-
Future middle school, new bldg. 180,000 sq. ft.	with surface parking at a site TBD	1,000	\$86.90	\$102.10	TBD	No	-

Notes

- (1) All amounts are in 2019 dollars – 4% per year compounded escalation must be added based on planned project completion date to arrive at final estimated cost.
- (2) Total project cost includes costs for construction, design/project management/other professional services fees, commissioning, utility services, permitting, furniture, equipment (including technology), moving, legal expenses, project contingencies, and APS staff.
- (3) The 250 seats at Arlington Tech are the remaining seats needed to complete the FY 2017-26 CIP project for planned growth at Arlington Tech to 600 students. The FY 2017-26 CIP project seats were to be delivered by September 2018. This timeline has shifted to allow a comprehensive phased development planning effort to occur through the Career Center Working Group (CCWG) prior to beginning any capital expansion project.
- (4) Projects highlighted in yellow represent components of the 1,300 secondary seats from the FY 2017-26 CIP.

Source

APS, Facilities & Operations Department. Data is as of April 24, 2018

Capital Projects Considered for FY 2019-28 CIP (Continued)

High School

Potential capital projects	Description	Seats	Total project cost 2019 Dollars (millions)		Sequencing of construction phasing	Included in the 2017-26 CIP	Web Link
			Low estimate	High estimate			
Renovation of existing facility for high school seats, 55,000 sq. ft.	Education Center <i>Note: part of the 1,300 seats included in the FY 2017-26 CIP</i>	500-600	\$30.40	\$34.20	Education Center will be fully vacated by June 30, 2018	Yes: 1,300 secondary seats to be completed in three phases for start of school in 2022, 2024 and 2026 locations TBD, \$146.71 million. June 2017: School Board action to locate 700-800 of the 1,300 seats at the Career Center and 500-600 at the Education Center.	https://www.apsva.us/instruction/new-high-school/ https://www.apsva.us/engage/education-center/
Additional seats for high school use, 30,000-35,000 sq. ft.	<u>Career Center/Arlington Tech</u> - addition for general classrooms on roof of existing building with new stair and elevator access - includes no additional parking - offsite leased parking will be required	250	\$14.00	\$16.90	Initial phase of Career Center expansion	Yes: 300 + seats for Arlington Tech, to be delivered by September 2018, \$12.75 million	https://www.apsva.us/career-center/ccwg-follow-journey/
	<u>Phase 1</u> - add 172,000 sq. ft., including general classrooms, specialty shops and multi-purpose gymnasium/assembly/performance space - 50,000 sq. ft. renovation of existing building <i>Note: part of the 1,300 seats included in the FY 2017-26 CIP</i>	800	\$102.50	\$105.10	N/A	Yes: 1,300 secondary seats to be completed in three phases for start of school in 2022, 2024 and 2026 locations TBD, \$146.71 million. June 2017: School Board action to locate 700-800 of the 1,300 seats at the Career Center and 500-600 at the Education Center.	https://www.apsva.us/career-center/ccwg-follow-journey/
	<u>Phase 2</u> - add 82,500 sq. ft. for general classrooms and theater/performance/assembly space - 50,000 sq. ft. renovation of existing building	500	\$60.90	\$72.70	Follows completion of Career Center Phase 1	No	https://www.apsva.us/career-center/ccwg-follow-journey/
Options for future high school, Career Center	<u>Phase 3</u> - add 82,500 GSF addition for general classrooms - 50,000 sq. ft. renovation of existing building	500	\$60.90	\$72.70	Follows completion of Career Center Phase 2	No	https://www.apsva.us/career-center/ccwg-follow-journey/
	<u>Phase 4</u> - add 82,500 sq. ft. for general classrooms	500	\$42.40	\$50.80	Follows completion of Career Center Phase 2	No	https://www.apsva.us/career-center/ccwg-follow-journey/
	Field/Parking Garage New multi-use field above 500 structured parking spaces below grade (required concurrent with or before completion of Career performing arts facility)	0	\$31.80	\$35.00	Required concurrent with or before completion of Career Center Phase 2 unless Henry building is	Anticipated in FY 2015-24 CIP.	https://www.apsva.us/career-center/ccwg-follow-journey/
	Swimming pool addition Demolition of Henry and construction of multi-use field	0	\$7.40	\$8.50		No	
	(cannot occur before replacement elementary seats are available)	(468)	\$5.80	\$6.80	Cannot occur before replacement elementary seats are available.	No	https://www.apsva.us/career-center/ccwg-follow-journey/

Notes

- (1) All amounts are in 2019 dollars – 4% per year compounded escalation must be added based on planned project completion date to arrive at final estimated cost.
- (2) Total project cost includes costs for construction, design/project management/other professional services fees, commissioning, utility services, permitting, furniture, equipment (including technology), moving, legal expenses, project contingencies, and APS staff.
- (3) The 250 seats at Arlington Tech are the remaining seats needed to complete the FY 2017-26 CIP project for planned growth at Arlington Tech to 600 students. The FY 2017-26 CIP project seats were to be delivered by September 2018. This timeline has shifted to allow a comprehensive phased development planning effort to occur through the Career Center Working Group (CCWG) prior to beginning any capital expansion project.
- (4) Projects highlighted in yellow represent components of the 1,300 secondary seats from the FY 2017-26 CIP.

Source

APS, Facilities & Operations Department. Data is as of April 24, 2018

Capital Projects Considered for FY 2019-28 CIP (Continued)

Other Projects

Potential capital projects	Description	Seats	Total project cost 2019 Dollars (millions)		Sequencing of construction phasing	Included in the 2017-26 CIP	Web Link
			Low estimate	High estimate			
Transportation staff facility, renovate 8,500 sq. ft.	Driver/attendant break room and restrooms expansion required due to increasing number of drivers and attendants required to meet growing enrollment	0	\$1.90	\$2.00	N/A	No	-

Notes

- (1) All amounts are in 2019 dollars – 4% per year compounded escalation must be added based on planned project completion date to arrive at final estimated cost.
- (2) Total project cost includes costs for construction, design/project management/other professional services fees, commissioning, utility services, permitting, furniture, equipment (including technology), moving, legal expenses, project contingencies, and APS staff.
- (3) The 250 seats at Arlington Tech are the remaining seats needed to complete the FY 2017-26 CIP project for planned growth at Arlington Tech to 600 students. The FY 2017-26 CIP project seats were to be delivered by September 2018. This timeline has shifted to allow a comprehensive phased development planning effort to occur through the Career Center Working Group (CCWG) prior to beginning any capital expansion project.
- (4) Projects highlighted in yellow represent components of the 1,300 secondary seats from the FY 2017-26 CIP.

Source

APS, Facilities & Operations Department. Data is as of April 24, 2018

Appendix C – Glossary of Terms

Bonding Capacity -The amount of bonds that can be issued in a given year that meets the debt service ratio. APS’s bonding capacity is framed by the County Board-adopted financial and debt management policies. These policies provide the parameters for the amounts and timing of bond-financed projects to be included in the County’s CIP, ensuring that the CIP is financially sustainable and that it supports the County’s triple, triple-A bond ratings.

Bond Financing – Funds generated through the sale of general obligation bonds by Arlington County as authorized by County voters through bond referenda. Bond referenda are scheduled for even-numbered calendar years, with the next bond referendum in November 2018.

Capital Improvement Plan (CIP) - Every two years, the School Board adopts a CIP that addresses APS capital needs—investments needed to improve or enhance the infrastructure of our schools—over the next ten years. The CIP includes major capital projects, such as new schools and school additions, as well as major maintenance and minor construction projects. See [CIP Overview](#) for more information.

Construction Contingency – An estimated value added to total project cost to cover unanticipated expenses that come up during construction.

Debt Service Ratio - Within the 10-year CIP period, net tax-supported debt service payments should not exceed 10% of general expenditures, not including the Capital Projects Fund. This percentage is known as the debt service ratio.

Debt Service Increase – In the APS CIP process, it reflects a debt service increase of \$3 million or more over the previous fiscal year.

Design Cost Contingency – An estimated cost added to total project cost to account for development of the design drawings. This contingency’s estimated cost is typically reduced as a facility’s design becomes increasingly well-defined from conceptual design through bid documents.

Escalation Cost - To plan for projects that would be completed after 2019, a 4% compounded annual increase, or escalation, was added to account for increasing costs of labor and materials through the anticipated mid-point of construction for each project. Anticipated escalation causes the total cost of a project to vary according to the year in which it is scheduled for completion.

Major Construction and Minor Construction/Major Maintenance (MC/MM) - major maintenance investment needs for APS facilities, such as the repair and/or replacement of HVAC, roofing, and building envelope systems.

Permanent Seat – school seats associated with a current or future school structure. Permanent seats do not include relocatable classrooms.

Soft Costs - Include architecture/engineering design fees, construction management, third-party testing and commissioning fees, permitting fees, moving and legal costs, furniture, fixtures, and equipment costs, and other miscellaneous costs needed to provide a complete project. Soft costs can vary greatly depending on the size, scope, and complexity of the project.

Total Project Cost - Includes construction costs; soft costs and contingencies calculated based on current costs; plus an allowance for escalation, or potential cost increase, through the midpoint of construction.