

Superintendent's Proposed FY 2023-32 CIP

Work Session #1

May 17, 2022



Work Session #1 Agenda

6:30 Welcome and Introductions

CIP schedule and questions

6:35 Detailed CIP Proposal

- Superintendent's CIP Goals
- Project Funding and Timeline
- Projects with additional details and cost

7:05 Questions and Discussion

8:30 Adjourn



APS Engage Website

- Updates about the CIP throughout the process:
 - School Board Work Session/Meetings related to CIP
 - Presentations
 - Timeline
 - Project cost studies

Additional Communications

- Information on CIP development shared throughout process via APS School Talk Engage messages, social media, APS School Ambassador updates, news release
- June 15 School Board Public Hearing on Superintendent's Proposed FY 2023-32 CIP

Follow the CIP Process:

www.apsva.us/engage/cip/



Questions? Write to:
engage@apsva.us

Spring 2022 Schedule

2022	School Board Meetings and APS Activities
May 12	✓ School Board Info –Superintendent Proposed FY 2023-32 CIP
May 17	CIP Work Session #1
May 24	Work Session #2
June 7	Work Session #3
June 9	Information Item - School Board's Proposed FY 2023-2032 CIP
June 15	Public Hearing - School Board's Proposed 2023-32 CIP
June 21	Work Session #4, if needed
June 23	Action Item - School Board's Proposed FY 2023-2032 CIP
Nov. 1	Arlington Votes on 2022 Bond Referendum

Upcoming CIP Work Sessions

Dates	Work Session and Topics
May 17	#1 - Review of Superintendent's Proposed FY 2023-32 CIP <i>Proposes budgets for continuing capital needs, ACC project and sets up criteria to prepare for the next CIP and future renovations</i>
May 24	#2 - Arlington Career Center and Long-Term Renovation
June 7	#3 - Feedback from FAC and JFAC Chairs and Adjustments for the School Board's Proposed CIP
June 21	#4 - If needed

All work sessions are held in the School Board Room and begin at 6:30 p.m.

CIP Process Logistics

Responding to School Board Questions

- Staff will record questions not answered during CIP Work Sessions
- Board may pose questions in writing to Superintendent at any time
- Responses to CIP questions by the appropriate ELT member will be sent each Friday
- Response log will be posted on BoardDocs and the Engage web page <https://www.apsva.us/engage/cip/>

Detailed CIP proposal

FY 2023-32 CIP Goals

CIP proposal based on APS student success & well-being

Superintendent's goals for the FY 2023-32 CIP include funds that achieve the following:

- Prioritize an annual and consistent investment to improve and upgrade our existing infrastructure.
- Build a new facility to serve full-time Arlington Career Center students, students from across APS high schools, and
- Prepare for future enrollment as Arlington plans for growth.

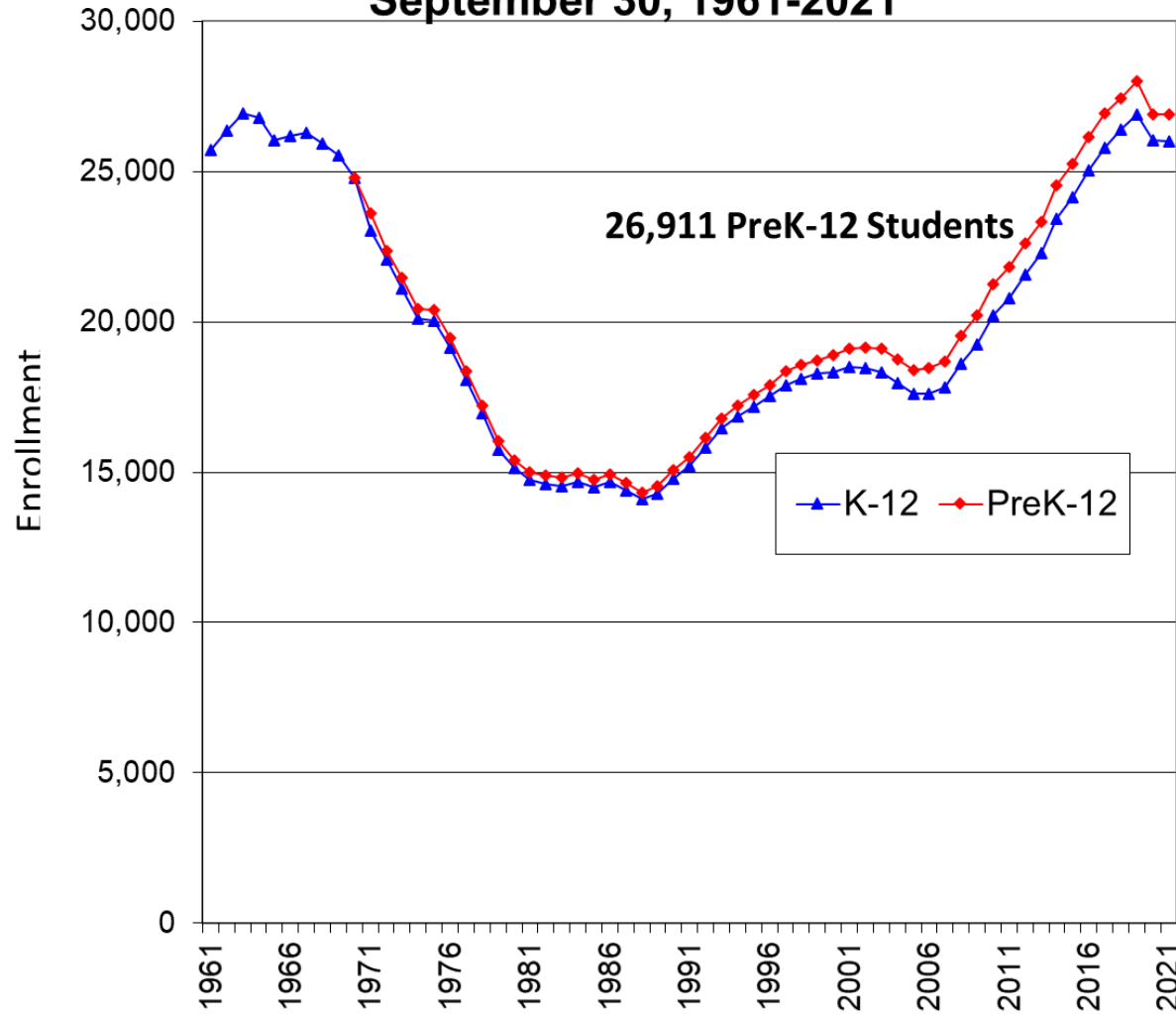


Projects Defined by the School Board

SB CIP Direction	Supt’s CIP Goals	Superintendent’s Proposed FY 2023-32 CIP
<input checked="" type="checkbox"/>	Infrastructure	1. Funds Major Infrastructure Projects
<input checked="" type="checkbox"/>	Infrastructure	2. Continues to fund projects in the FY 2022-24 CIP
<input checked="" type="checkbox"/>	Infrastructure	3. Long-Range Plan to Renovate Existing School Facilities
No	Infrastructure	4. Initiates Funds for New Projects <ul style="list-style-type: none"> • Modernize APS Enterprise Resource Planning System • Safety and Security Projects <ul style="list-style-type: none"> • Lock and Key Systems Replacement • Public Address Systems Replacement • Kenmore Field Conversion to Synthetic Turf
<input checked="" type="checkbox"/>	ACC	5. Prepares to Temporarily Relocate Arlington Community High School (ACHS)
<input checked="" type="checkbox"/>	ACC	6. Funds the Arlington Career Center
<input checked="" type="checkbox"/>	ACC	7. Proposes Long-Term Use of the Career Center Campus *The CIP does not include funds for long-term recommendations

Recognizes Enrollment is Changing

**Total K-12 and PreK-12 Enrollment
September 30, 1961-2021**



Enrollment may be leveling off

- Too early to use projections beyond first few years for making long-term decisions
- 2021-22 monthly enrollment is increasing, and Sept. 2022 enrollment may exceed projections

Collaboration with Arlington County

Thank you to County Board, County Manager, and County staff!

Schools are a priority as the County considers development

Arlington Community High School getting a new home, a major public benefit

- Amazon's HQ2 at PenPlace will include a new facility for ACHS, opening summer 2026

Land use plans and studies identify space for future schools and/or expansions, **if enrollment levels rise** and APS needs additional capacity

- **Pentagon City Planning Study** identifies a County-owned property like Virginia Highlands Park/Aurora Hills Library/Community Center* site
- **Plan Langston Boulevard** will use a similar approach

*Site is identified in the County Manager's list of County-owned sites that APS could potentially use.

https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/5/2019/12/County_Manager_APS_Letter_2019-11-18.pdf

Superintendent's Proposed FY 2023-32 CIP Project Funding

Project Description <i>(projects in italics are from the FY22-24 CIP)</i>	OTHER FUNDING SOURCES					BOND FUNDING										TOTAL FUNDING
	Operating and Other	MC/MM (not bonds)	Capital Reserve ¹	County Funding	Previous Bond Funding	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	
<i>Seats Available in/Completion Date (X)</i>						<i>Fall 2022</i>	<i>Fall 2023</i>	<i>Fall 2024</i>	<i>Fall 2025</i>	<i>Fall 2026</i>	<i>Fall 2027</i>	<i>Fall 2028</i>	<i>Fall 2029</i>	<i>Fall 2030</i>	<i>Fall 2031</i>	
IMPROVEMENTS AT EXISTING FACILITIES																
<i>Major Infrastructure Projects</i>					\$28.40	\$8.20	\$8.60	\$9.00	\$9.50	\$10.00	\$10.50	\$11.00	\$11.60	\$12.20	\$12.80	\$131.80
<i>Kitchen and Entrance/Security Vestibule Renovation Program²</i>			\$7.38		\$12.80	\$7.48	\$9.07	\$6.01								\$42.74
<i>Gunston and Wakefield Entrances</i>						X										
<i>Taylor and Williamsburg Entrances</i>							X									
<i>Campbell and Swanson Kitchens and Entrances</i>							X									
<i>Drew and Randolph Kitchens</i>								X								
<i>Barrett and Carlin Springs Kitchens</i>									X							
<i>Science Focus Kitchen/Entrance and Ashlawn Kitchen</i>										X						
<i>Langston, Kenmore, Long Branch and Hoffman-Boston Entrances</i>							X									
<i>Tuckahoe, Jamestown and Nottingham Entrances</i>								X								
<i>Claremont Entrance</i>									X							
<i>The Heights Building - Phase 2, Option A</i>			\$2.85	TBD	\$9.97	\$1.42										\$14.24
<i>Synthetic field turf replacement (APS share)³</i>		\$2.41				X	X	X								\$2.41
<i>Long-range Plan to Renovate Existing Facilities</i>										TBD	TBD	TBD	TBD	TBD	TBD	\$0.00
<i>Enterprise Resource Planning (ERP) System Modernization⁴</i>	\$8.28		\$3.72													\$12.00
<i>Lock and Key System Replacement</i>			\$4.05													\$4.05
<i>Public Address System Replacement</i>			\$1.35													\$1.35
<i>Kenmore field conversion to synthetic turf (APS share)</i>												\$3.02				\$3.02
ENROLLMENT CAPACITY																
<i>Career Center Campus Project - ACC building, field, garage</i>	\$1.25				\$37.40	\$38.87	\$57.74	\$28.18	\$11.18							\$174.62
PLANNING																
<i>To provide options for projected seat needs or improvements to existing facilities</i>					\$2.00											\$2.00
TOTAL PROJECTS	\$9.53	\$2.41	\$19.35	\$0.00	\$90.57	\$55.97	\$75.41	\$43.19	\$20.68	\$10.00	\$10.50	\$11.00	\$14.62	\$12.20	\$12.80	\$388.23

ADDITIONAL BONDING CAPACITY AVAILABLE	\$31.00	\$0.00	\$5.00	\$0.00	\$75.00	\$57.00	\$27.00	\$37.00	\$36.00	\$52.00	\$320.00
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Color coding in the chart above corresponds with the bond referendum year in which it would be approved by the voters as shown on the line "Bond Referenda Amounts" below (e.g., figures in green above would be in the 2022 referendum).

BOND REFERENDA AMOUNTS

2022 Referendum	2024 Referendum	2026 Referendum	2028 Referendum	2030 Referendum
\$165.20	\$24.51	\$20.50	\$25.62	\$25.00

Debt Service Ratio is calculated based on the FY 2023 School Board Adopted budget and County-provided revenue projections through FY 2032

Debt Service Ratio Target ≤9.8%

FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
8.04%	8.64%	9.38%	9.21%	9.37%	8.44%	7.82%	7.58%	7.25%	6.92%
Annual Bond Issuance	\$55.97	\$75.41	\$43.19	\$20.68	\$10.00	\$10.50	\$11.00	\$14.62	\$12.20
Annual APS Debt Service Increase	\$1.49	\$5.02	\$6.94	\$0.15	\$2.60	(\$6.23)	(\$4.03)	(\$0.94)	(\$1.79)

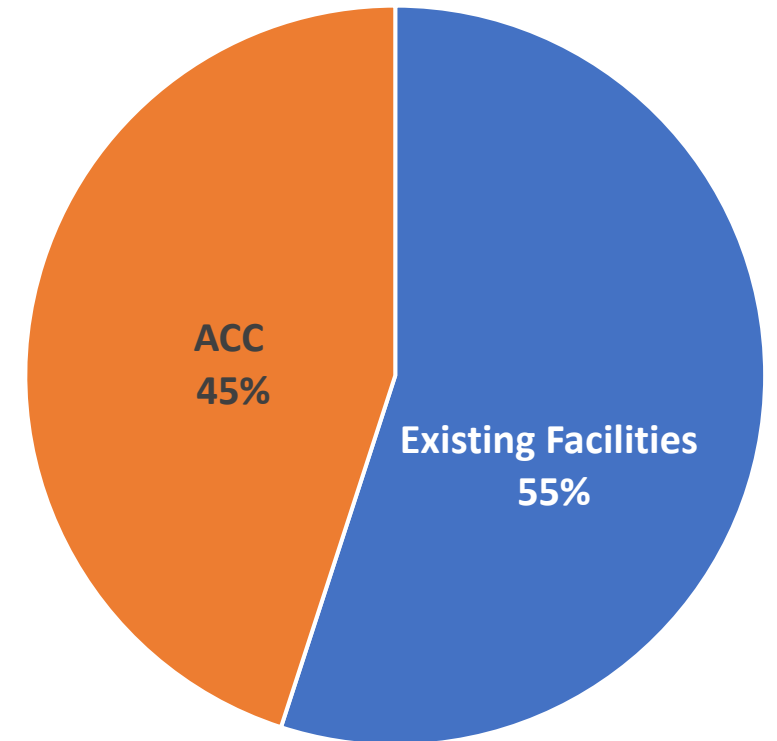
¹ Capital Reserve funds are allocated to projects in order to mitigate the need for bond funding.

² Of the \$7.48M shown in FY 2023, \$4.12M was already included in the FY 2021 bond referendum.

³ Replacements will occur as follows: FY23: Wakefield; FY24: W-L & Williamsburg; FY25: Greenbrier Stadium (YT)

⁴ In addition to the \$3.72M earmarked from the Capital Reserve, \$3.66M in grant funding is currently available. The remaining \$4.62M (estimated) will come from Reserves and/or FY23 and FY24 Closeouts.

- Funding is provided for a variety of projects at many schools across the ten years
- Proposed 2023-32 CIP allocates approximately
 - 55% for improvements to existing facilities, not including any future funding for the long-range renovation plan
 - 45% for the ACC project (new building, field, parking garage)



Accounting for Uncertainty

- All proposed project funding includes monies set aside for:
 - Escalation/Inflation – anticipated increases in construction costs
 - Contingency – unplanned/unforeseen conditions
- Given current market conditions of atypical rising construction costs, the proposed project funding was adjusted to increase both the per annum escalation rate and contingency amounts.
- The adjustments provide additional flexibility in mitigating future uncertainty.

Example: Escalation/Inflation Assumptions in ACC Project

- **10.4% (\$18.24M)** of the \$174.62M estimated total project cost is set aside for escalation/inflation¹
- Professional cost estimators recommend the escalation/inflation rates and are ultimately calculated on a percent per annum based on expected project duration
- For the ACC project, escalation/inflation rates are approximately:
 - Year 1 – 7% per annum
 - Year 2 – 5% per annum
 - Year 3 – 4.5% per annum
 - Year 4 and beyond – 4% per annum

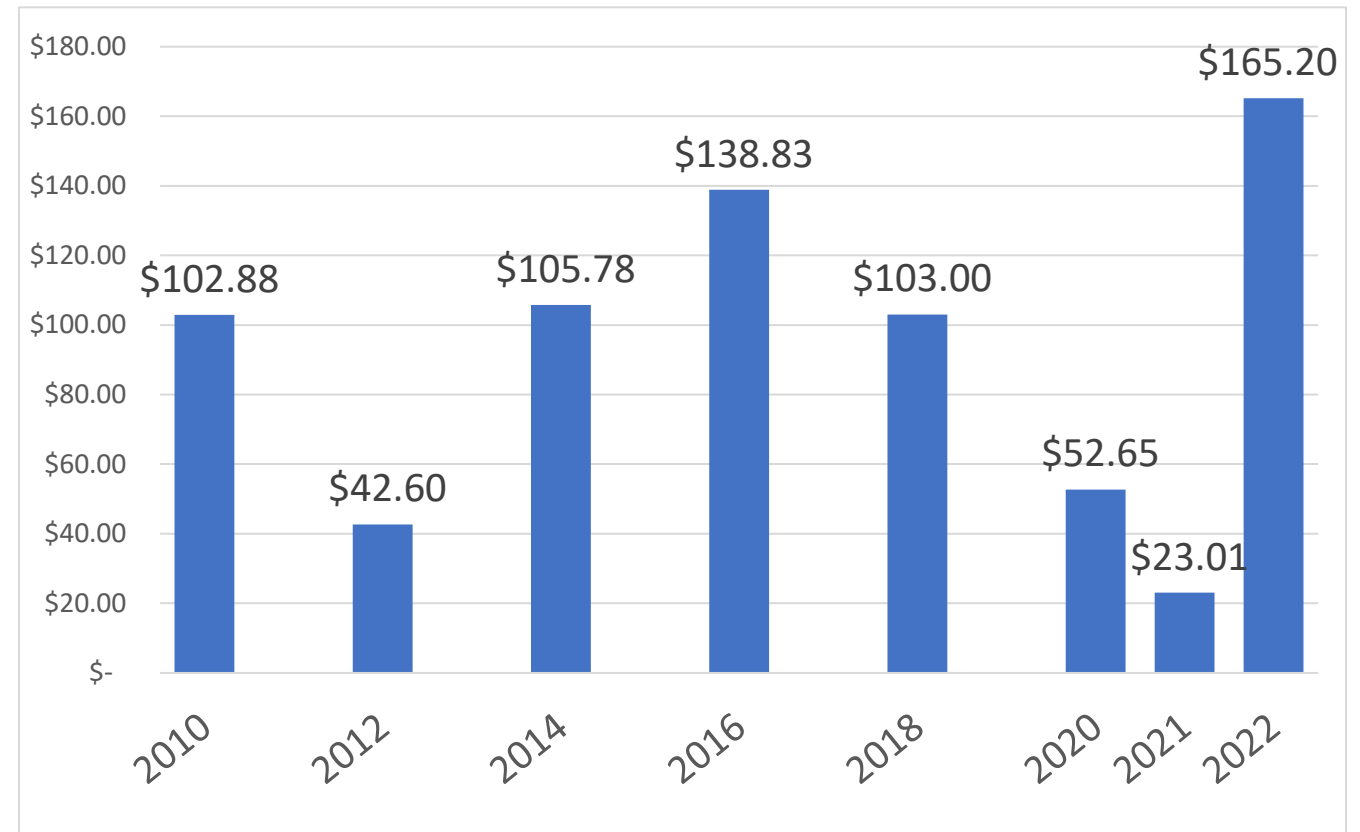
Note 1: See slide #28 in the Arlington Career Center Project Proposed Concept Design [Information Item Presentation](#) (April 7, 2022).

History of Bond Referenda

Context for the Proposed 2022 Bond Referendum

- 2020 and 2021 bond referenda were limited due to the pandemic
- Most capital plans put on hold
- Prior to the pandemic, 2014-2018 bond referenda averaged \$116M
- 2020-2022 bond referenda averaged \$80M
- 2022 bond catches up capital planning

Bond Referenda Amounts (Millions)



Funds Major Infrastructure Projects

Ongoing capital program for major building systems replacements that have reached the end of serviceable life. Examples include HVAC, electrical and lighting, and building envelope (roofing and windows).

Ongoing Projects

- Randolph roof replacement
- Barcroft HVAC replacement (partially grant funded)

Upcoming Projects

- Escuela Key roof replacement
- Hoffman-Boston HVAC replacement
- LED lighting upgrades at various sites



HVAC Replacement at Gunston (July 2019)

Funds Major Infrastructure Projects

Major Infrastructure Projects

Note: projects beyond those listed in the previous slide will be influenced by the Long-Range Plan to Renovate Existing School Facilities

Details

- Funds various system replacement projects that include, but are not limited to, HVAC, electrical and lighting, and building envelope (roofing and windows)
- Often requires scheduling when building is empty and is executed by non-APS contractors
- Work may be staged and funded over several years
- Recently completed projects include Randolph and Gunston HVAC replacements

Funding

- Annual bond funding proposed, increases each year to account for inflation
- Includes FY 2022-24 funds for Air Quality and HVAC Upgrades since Major Infrastructure includes HVAC replacement



Continues to Fund Projects in the FY 2022-24 CIP

Renovations: Kitchens and Entrances/Security Vestibules

Complete upgrades so all schools meet current standards.

- Standardizing kitchens with appropriate on-site food storage and preparation space, providing a minimum of two lunch lines to serve more students in less time
- Creating security entrances to ensure visitors check in at the main office

Upcoming Projects at 20 Schools

Entrance		Entrance and Kitchen	Kitchen
<ul style="list-style-type: none"> • Gunston • Wakefield • Taylor • Williamsburg • Langston • Kenmore 	<ul style="list-style-type: none"> • Long Branch • Hoffman-Boston • Tuckahoe • Jamestown • Nottingham • Claremont 	<ul style="list-style-type: none"> • Campbell • Swanson • Science Focus 	<ul style="list-style-type: none"> • Drew • Randolph • Barrett • Carlin Springs • Ashlawn

Existing Kitchen



Modern Kitchen



Continuing Projects from FY 2022-24 CIP

Renovations: Kitchens and Entrances/Security Vestibules

Details

- The FY 2022-24 CIP listed funding for several groups of projects. To permit greater flexibility administering the improvements, this CIP establishes a single line item for the **Kitchen and Entrance/Security Vestibule Renovation Program** with dedicated funding
- Claremont entrance added; was unintentionally omitted from the FY 2022-24 CIP
- Completion timeline was based on priorities established by Safety, Security, Risk and Emergency Management, and Food and Nutrition Services staff

Funding

- Total funding for the program increased compared to what was included in previously adopted CIPs (\$42.74M in FY23-32 CIP vs \$32.26M in FY22-24 and FY21 CIPs)
- The increase in estimated project costs is attributed to current market condition escalation, delays due to supply chain concerns, and the addition of a new facility (Claremont)



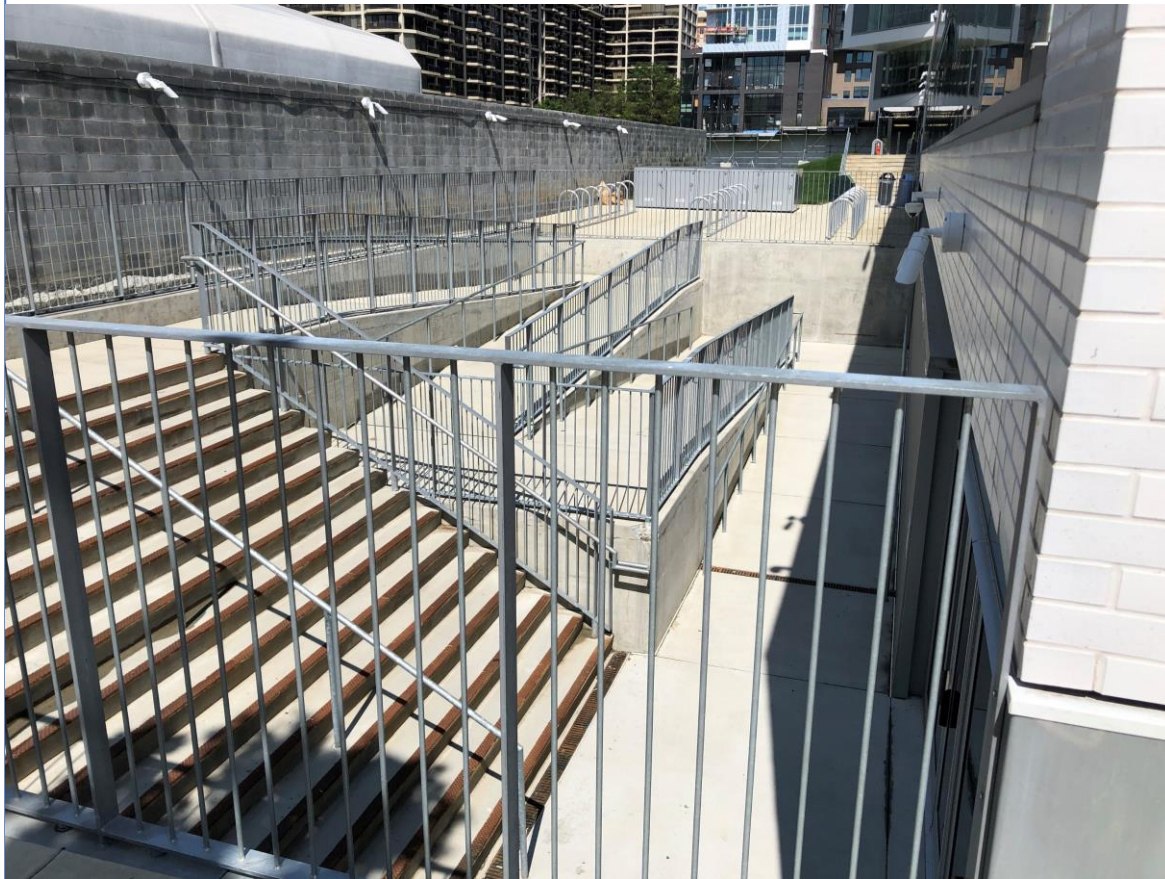
The Heights Building Phase Two is Critical to Provide Universal Access to the Campus

Completes the site which opened in Aug 2019; Phase Two was delayed to accommodate the temporary fire station. The project provides/completes a **universally accessible campus** with the following:

- A path to a main entrance adjacent to the Shriver Program;
- Convenient accessible parking for staff and visitors, immediately adjacent to a building entrance;
- Off-street parent pick-up/drop-off; and
- A new synthetic turf field.

Universal Access to the Heights Building

Today



Upon Completion



The Heights Building Phase 2

Details

- County Board action on the Use Permit is expected later this year and will inform completion date and cost

Funding

- No new funding is identified; future bond funds are as adopted in the FY 2022-24 CIP

Continuing Projects from FY 2022-24 CIP

Replace Synthetic Turf Fields

Details

APS and Arlington County's Department of Parks and Recreation replace synthetic turf fields on a schedule through a cost sharing agreement.

- FY 2023 – Wakefield HS, \$491,000
- FY 2024 – Washington-Liberty HS and Williamsburg MS, \$1,087,000
- FY 2025 – Greenbrier Stadium (Yorktown HS), \$828,000

Funding

- Replacement fields cannot be paid for by bonds, must be paid for with current revenue
- If included in annual MC/MM budget, then MC/MM should be increased to account for the additional cost of the field replacements

Immediate Goals of the Long-Range Renovation Plan:

FY 2023-32 Adopted CIP

- Propose a framework and guidelines for evaluating schools
- Identify potential funding source and availability

First Renovation Targeted to Begin Fall 2026

- With specific projects defined and prioritized in future planning, funding will be specified in next CIP

Additional Information Will Be Provided at Work Session #2



APS needs to modernize the Enterprise Resource Planning (ERP) System used by Finance and Human Resources to perform their core job functions

- The ERP system is known within APS as STARS
- STARS was implemented in 2005
- Oracle is phasing out support for the APS's current ERP platform
- Recommendation is to move to Oracle Fusion Cloud
- Modernization, which will take place over the next three years, will:
 - Help APS remain in regulatory compliance,
 - Improve how we serve stakeholders, and
 - Proactively improve operational efficiencies

New - Modernize Enterprise Resource Planning System

Details

- Project will take approximately 32 months
 - Phase 0 – Analysis, fact-finding, and RFP Phase (5 months) - currently underway
 - Phase 1 – Core Function Migration (est. 13 months)
 - Phase 2 – Additional Enhancements (est. 14 months)
- Modernizing the ERP system will cost an estimated \$4M per year for the next 3 years (FY23-25)

Funding

- Sources: \$3.66M in grant funding currently on hand; \$3.72M earmarked from non-bond funded Capital Reserves; remainder to come from Reserves and/or FY23 and FY24 Closeouts



Lock and Key Systems Replacement

- APS currently has 16 different key systems throughout the division
- Need to transition all lock and key systems, especially those in classrooms, to push-button operation for safety and security.



Public Address (PA) Systems Replacement

- Many PA systems in schools are approaching 25 years old
- Many systems are failing, and replacement parts are unavailable
- This CIP would address the six schools most in need

Summer 2022 (FY 2023)	Summer 2023 (FY 2024)	Summer 2024 (FY 2025)
<ul style="list-style-type: none">• Nottingham• Taylor• Washington-Liberty	<ul style="list-style-type: none">• Gunston• Kenmore	<ul style="list-style-type: none">• Jefferson



Lock and Key Systems Replacement

Details

- The project is projected to take one year to complete (FY 2023)

Funding

- Total cost is \$4.4 million

Public Address (PA) Systems Replacement

Details

- The project is projected to take three years to complete the six schools most in need

Funding

- Funding of \$1.35M in this CIP



Details

- County and Schools CIPs both include a share of the cost to convert Kenmore's grass field to synthetic turf in FY 2030

Funding

- Field conversions can be paid for with bonds
- Per the cost sharing agreement, APS' share of the conversion cost is \$3.02 million



Plans to Temporarily Relocate ACHS



Amazon's HQ2 development at PenPlace includes a new permanent facility, available by summer 2026

Summer 2023 Relocation

- ACHS will move to a temporary location with appropriate transit connections available for students
- Move will allow construction of the ACC Project to begin

Relocate Arlington Community High School (ACHS)

Details

- The FY 2022-24 CIP project, as initially contemplated, is no longer needed
- Funding to support the temporary ACHS location can be estimated once a site is identified.

Funding

- Reallocate the \$6.18 million in previous bond funding identified in the FY 2022-24 CIP to the Career Center project
- Relocation must be funded by a source other than bonds, of a value TBD to support the temporary ACHS location

Includes Funds for the Arlington Career Center

Builds a New Facility for the Arlington Career Center

- **Completes the modernization of high schools**
- **Provides state of the art learning spaces for diverse student body**
- **Adds curricular offerings for full-time ACC students**
- **Doubles career and technical (CTE) classes for students enrolled at other high schools**
- **Allows for the growth of Arlington Tech**
- **Proactively prepares for enrollment - considering increased housing density in Arlington County land use plans and studies**

1 Main entry of new ACC

Arlington Career Center (ACC) Project

Builds new school for ACC, parking garage and field

Capacity for 1,795 students, using concept design approved by School Board on April 28, 2022

Details

- Opens new school facility by Dec. 2025, parking garage and field by April 2027
- Concept Design shaped by BLPC and PFRC with further engagement planned for the Schematic Design phase
- A proposed Schematic Design is anticipated for School Board review and action in September 2022

Funding

- \$174.62 million total project cost
- Source: \$173.37M from bonds; \$1.25M from operating funds

Realigns Certain CIP Funds from FY 2022-24 CIP

FY 2022-24 CIP Designation	Amount (in millions)	FY 2023-32 CIP Designation
<ul style="list-style-type: none"> Planning Funds to provide options to meet 10-year projected seats needs 	<p>\$2.00</p>	<ul style="list-style-type: none"> Planning Funds to provide options for projected seat needs OR improvements to existing facilities
<ul style="list-style-type: none"> Air Quality and HVAC Upgrades 	<p>\$10.50</p>	<ul style="list-style-type: none"> Major Infrastructure Projects Major infrastructure includes HVAC replacement
<ul style="list-style-type: none"> Career Center Campus Project – Phase 1 Relocation of Arlington Community High School 	<p>\$6.18</p>	<ul style="list-style-type: none"> Career Center Campus Project – ACC building, field, and garage

Questions and Discussion

Superintendent's Proposed FY 2023-32 CIP

Work Session #1

May 17, 2022

Appendices

Additional Details

Projects in the Superintendent's Proposed FY 2023-32 CIP

School Board Recommended Direction for the FY 2023-32 CIP Timeline

