

# **George Mason High School & West Falls Church Economic Development Project**

## **FY2019 Budget Town Hall**

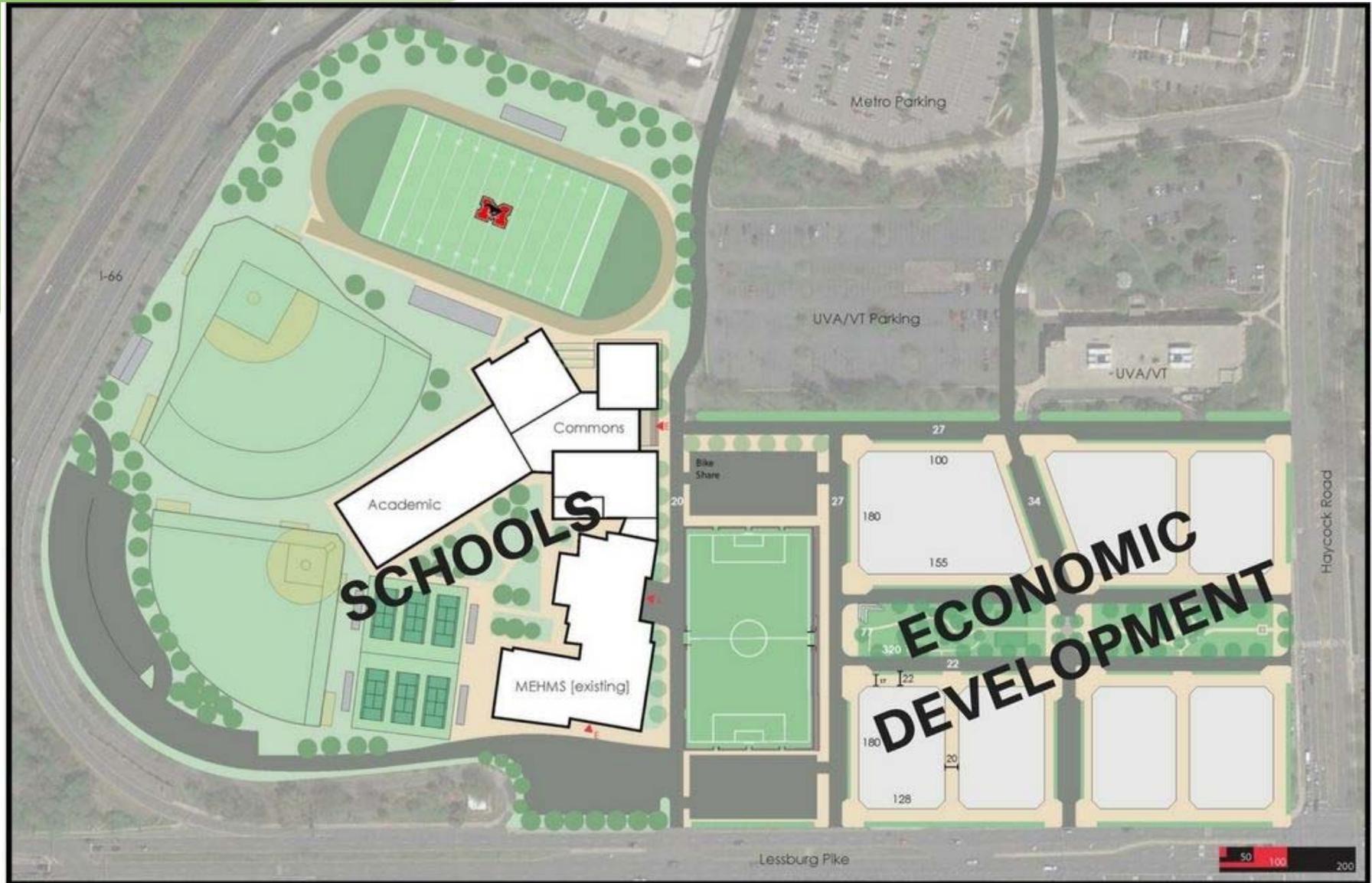
**March 18, 2018**

Wyatt Shields, City Manager

Dr. Peter Noonan, Superintendent



March 18, 2018



March 18, 2018

# GMHS Debt Service Assumptions

- Interest rates from 3.5% to 5%
- 30-year level debt issuance
- GMHS/MEHMS phased over 3 years:
  - FY 2018: \$10M (8%)
  - FY 2019: \$60M (50%)
  - FY 2020: \$50M (42%)

<b>Month &amp; Year</b>	<b>High School Project</b>	<b>Economic Development</b>
<b>December 2017</b>	<b>Issue Request for Conceptual Proposals</b>	
<b>January 2018</b>		<b>Adopt Comprehensive Plan Amendment</b>
<b>February 2018</b>	<b>Issue Request for Detailed Proposals</b>	
<b>March 1, 2018</b>		<b>Issue Request for Proposals</b>
<b>May 2018</b>		<b>Adopt Site Zoning</b>
<b>June 2018</b>	<b>Select School Design and Construction Team</b>	<b>Issue Request for Detailed Proposals</b>
<b>October 2018</b>		<b>Select Top-Ranked Development Partner</b>
<b>May 2019</b>	<b>Finalize School Plans and Cost (GMP)</b>	<b>Finalize Land Lease/Sale Agreement &amp; Conceptual Development Plan</b>
<b>June 2019</b>	<b>Issue Construction Bonds</b>	
<b>July 2019</b>	<b>Construction Begins</b>	<b>Site Plan, Building Permits</b>
<b>Summer 2021</b>	<b>School Opens</b>	
<b>Fall 2021</b>		<b>Economic Development Construction Begins</b>

# Request for Proposals (RFP)

- Step 1: Request for Conceptual Proposals
  - Qualifications, Experience, Financial Capacity, general approach.
  - Select ~4 top ranked respondents
- Step 2: Request for Detailed Proposals
  - Conceptual Development Program & Plan
  - Value for site, phasing,

# Campus Coordinating Committee

- Purpose: to ensure that design, scheduling, and financial decisions for both the school and future economic development are made in a coordinated fashion
- 8 Members:
  - 4 appointed by City Council
  - 4 appointed by School Board

# **City of Falls Church**

## **FY2019 BUDGET & CAPITAL IMPROVEMENTS PROGRAM**

**March 18, 2018**

# Summary

- **Operating Budget**
  - 1.7% growth in General Gov't Expenses
  - 2.8% growth in School Transfer
  - Negative 3 cents on RE Tax Rate
- **Capital Investments & Annual Debt Service**
  - Paying for the increases projected in July and during GMHS Bond Referendum
  - 6 cents on RE Tax Rate
- **WMATA Capital**
  - \$1.1 M City cost increase in FY2019
  - Proposed budget funds “worst case”
  - 2.5 cents on the RE tax rate

# FY2019 Budget Overview

	FY2018	FY2019	\$Change	%Change
General Gov't	\$37,207,314	\$37,838,254	\$ 630,940	1.7%
School Transfer	41,148,000	42,319,046	1,171,046	2.8%
WMATA	954,819	2,305,000	1,350,181	141.4%
Debt Service	6,445,512	9,612,000	3,166,488	49.1%
CIP Financing	600,000	1,240,000	640,000	106.7%
Pension ROI	-	(640,000)	(640,000)	-
Interfund Transfers	1,010,567	1,290,000	279,433	27.7%
<b>Total Expenditures</b>	<b>\$87,366,212</b>	<b>\$93,964,300</b>	<b>\$6,598,088</b>	<b>7.6%</b>

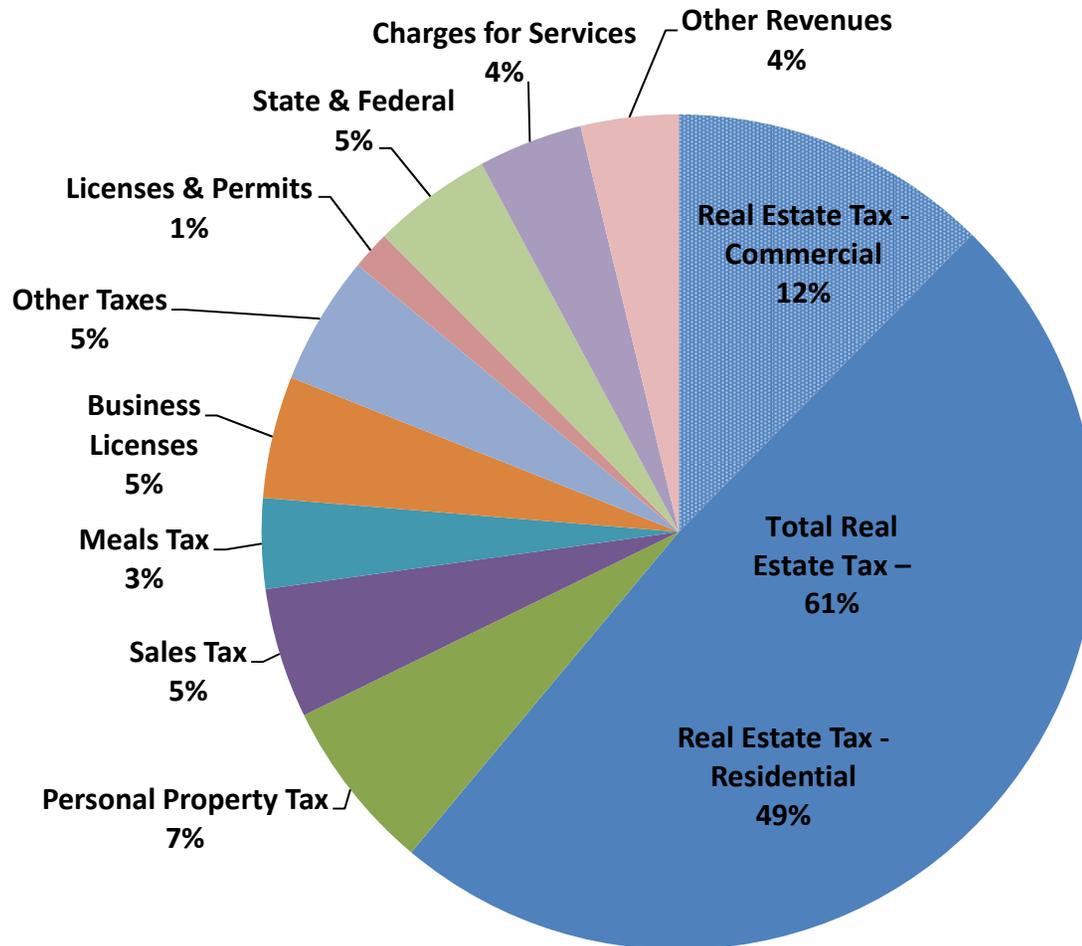
# Budget Guidance

Adopted by City Council on December 11, 2017

- **Maintain excellent services & schools**
- **2% operating growth cap**
- **Comply with fiscal policies**
- **Find efficiencies**
- **Competitive Employee Compensation**
- **Vibrant Business District Investments**
- **Neighborhood Traffic Calming**
- **WMATA: work to reduce City exposure**

# Operating Revenues

General Fund - \$93.9M



# Revenues

	<b>FY2018</b>	<b>FY2019</b>	<b>\$Change</b>	<b>%Change</b>
<b>Real Estate Tax</b>	<b>\$53,257,000</b>	<b>\$57,394,000</b>	<b>\$4,137,000</b>	<b>7.8%</b>
<b>Personal Property</b>	<b>5,713,900</b>	<b>6,278,200</b>	<b>564,300</b>	<b>9.9%</b>
<b>Sales Tax</b>	<b>4,649,000</b>	<b>4,742,000</b>	<b>93,000</b>	<b>2.0%</b>
<b>Meals Tax</b>	<b>3,094,750</b>	<b>3,279,000</b>	<b>184,250</b>	<b>6.0%</b>
<b>Other Taxes</b>	<b>4,493,000</b>	<b>4,702,000</b>	<b>209,000</b>	<b>4.7%</b>
<b>State &amp; Federal</b>	<b>4,493,223</b>	<b>4,353,290</b>	<b>(140,933)</b>	<b>-3.1%</b>
<b>Other Revenues</b>	<b>7,401,339</b>	<b>8,776,810</b>	<b>1,375,471</b>	<b>18.6%</b>
<b>Total Revenues</b>	<b>\$87,366,212</b>	<b>\$93,964,300</b>	<b>\$6,598,088</b>	<b>7.6%</b>

# FY2019 Assessed Values:

**Single Family: + 4.7%**

**Townhouses: + 2.6%**

**Condos: + 1.7%**

**Commercial: + 3.6%**

**Apartments: - 0.6%**

**Overall: + 3.4%**

**Total Assessed Value: \$ 4.14 billion**

**Total AV Growth: \$136.3 million**

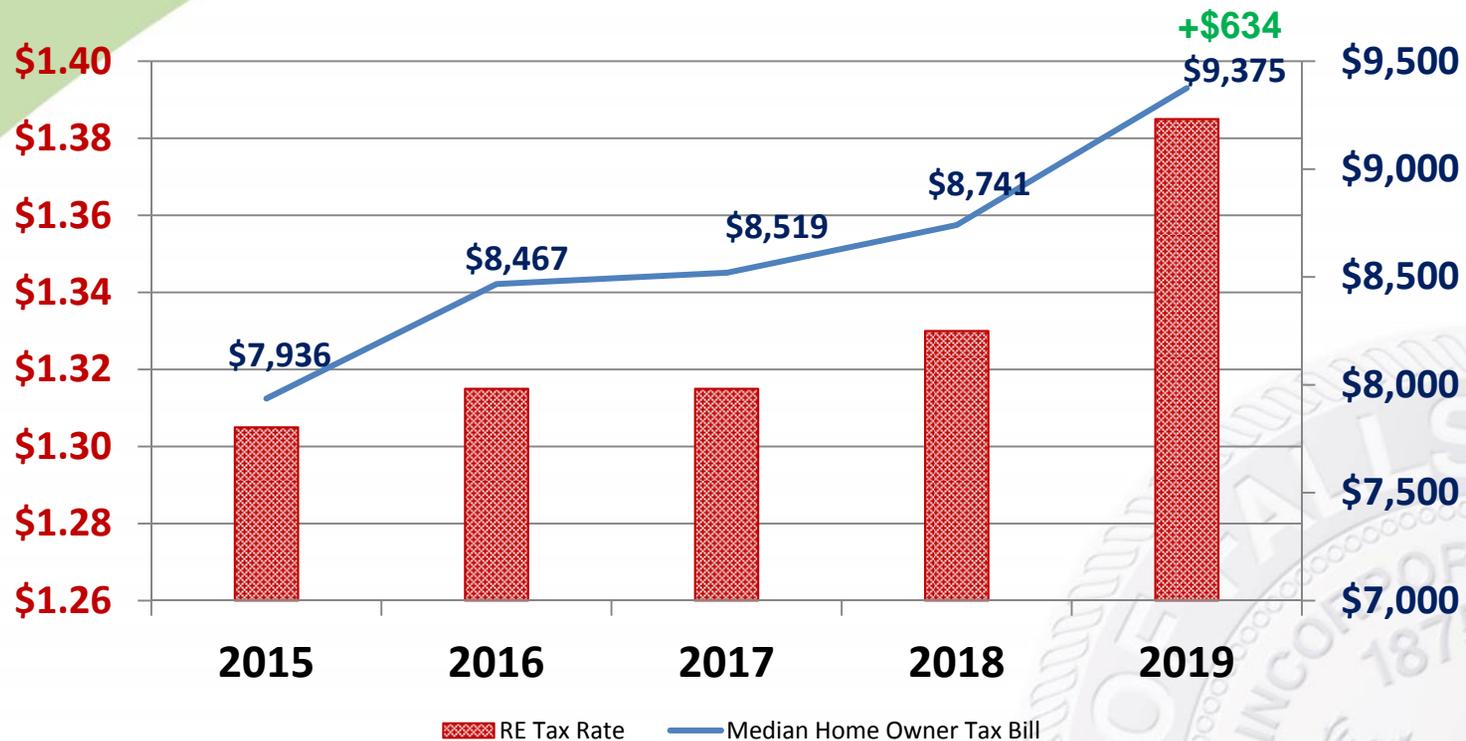
**New Construction: \$36.1 million**

# RE Tax Rates in Region

2018 (Proposed To Date)

<u>Real Estate Tax Rates</u>	<u>TY2018</u>	<u>Extras</u>	<u>Comparable Tax Rate</u>
Manassas Park City	\$ 1.550		1.550
Manassas City	1.440		1.440
Purcellville Town	1.415		1.415
Herndon Town	1.415		1.415
<b>Falls Church City</b>	<b>1.385</b>		<b>1.385</b>
Vienna Town	1.375		1.375
Leesburg Town	1.284		1.284
Fairfax County	1.155	0.088	1.243
Prince William Co	1.207		1.207
Alexandria City	1.130	0.063	1.193
Loudoun Co	1.100	0.050	1.150
Fairfax City	1.083	0.010	1.093
Arlington Co	1.006	0.058	1.064
<b>AVERAGE</b>	<b>1.273</b>		<b>1.293</b>

# Median Home Owner RE Tax Bill



**FY2019 median home value: \$676,900**

**Home assessments 2.8% market increase = \$262 increase**

**5.5 cent tax rate increase = \$372 increase**

# Net Revenue Requirement

## General Fund

	FY2019 Revenue Impact	RE Cents	Median Homeowner Impact
Debt Service*	\$ 2,416,488	6.0	\$406
Operating Budget	(1,302,068)	(3.0)	(203)
WMATA**	1,165,330	2.5	169
<b>Net Revenue Requirement</b>	<b>\$ 2,279,750</b>	<b>5.5</b>	<b>\$372</b>

**Total Real Estate Tax Proposed: \$1.385**

**Median Home AV Growth: \$262 + 5.5 cents: \$372 = Total: \$634**

\*Debt service impact excludes cost of bond issuance funded with bond proceeds

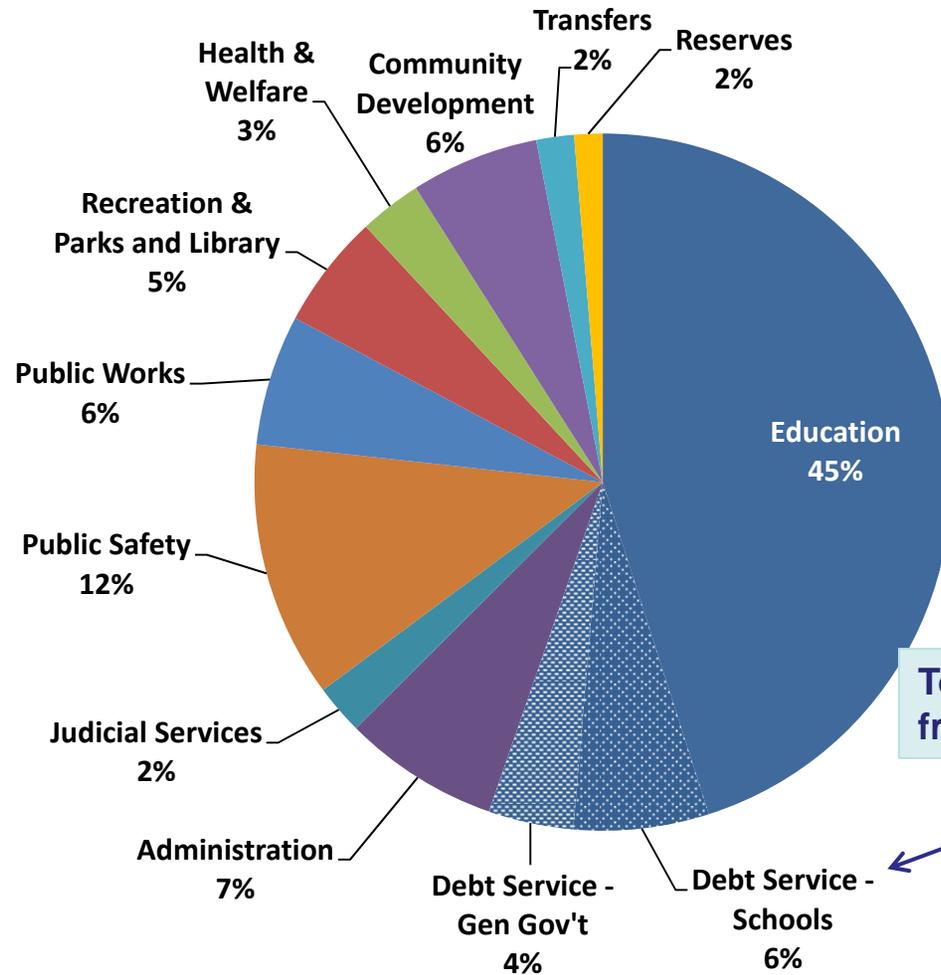
\*\*WMATA impact excludes use of NVTA 30% Funds

# Property Tax Relief

- **Lower income eligibility thresholds**
  - ✓ \$90k additional benefit beginning June 2019
  - ✓ \$327k budget allocation for eligible elderly, disabled, and Veteran real estate tax relief
  - ✓ Ordinance to be reviewed at upcoming work session

# Expenditures

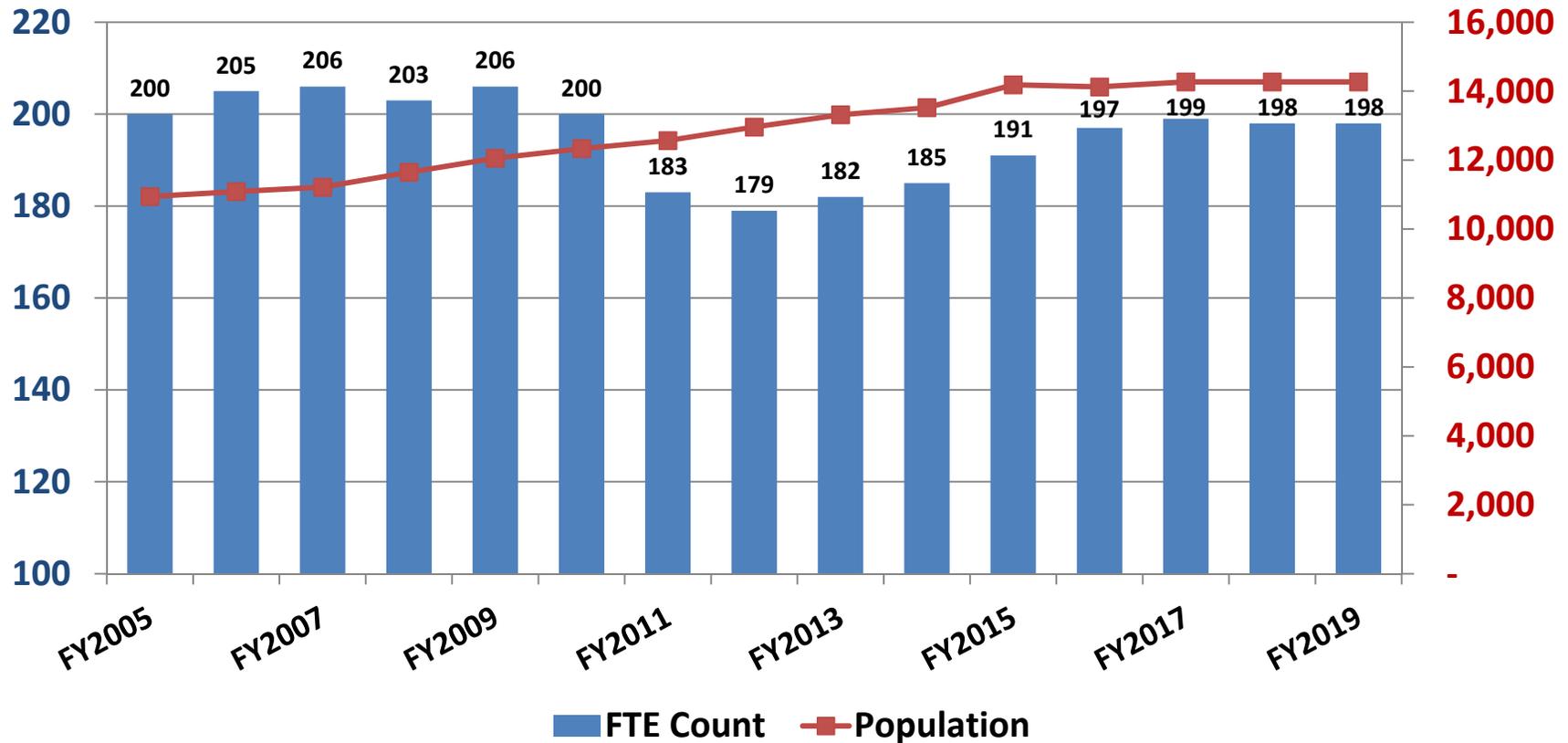
General Fund - \$93.9M



Total Debt Service increases from 7% to 10% of the budget

# Positions Over Time

(General Fund Full Time Equivalence)



**Over 15 year period: + 30% population growth; - 4% decrease**

# Vibrant Commercial Districts & Neighborhood Traffic Calming

- **Downtown investments**
  - Park Avenue “Great Streets” Project
  - \$435k in grants
- **Tree lighting, flower baskets, sidewalk sweeping**
  - \$60k dedicated per year from Hotel Tax
- **Neighborhood Traffic Calming:**
  - \$200,000 funded for FY2019
  - \$639k grant approved for FY2020, 2021
  - Citizen generated requests

# CIP Projects

## Projects Completed this year:

- Voting Equipment Replacement
- Westmoreland Stormwater Project
- Traffic Signal Timing
- Cherry Hill Park Playground
- Neighborhood Traffic Calming



# CIP Projects

## Projects underway:

- Van Buren Bridge Rehab & Pedestrian Expansion
- S. Washington Transit Plaza, Streetscape & Undergrounding
- Dorchester Area Sewer Expansion
- Cherry and Broad Intersection
- Bike Share
- Larry Graves Turf Field

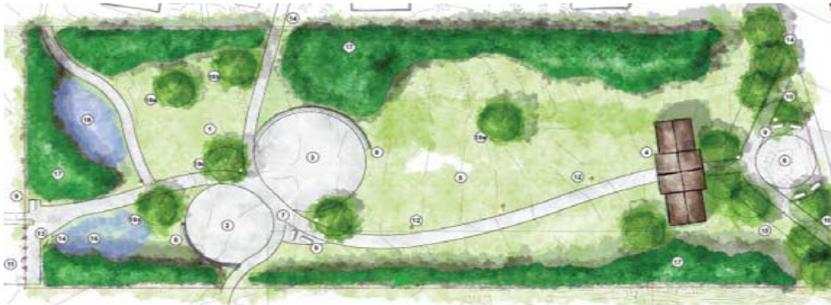


- Roosevelt Blvd & Roosevelt Ave Pedestrian Improvements

# CIP Projects

## Projects underway:

- **Mt. Daniel Elementary School**
- **Big Chimneys Park**
- **City Hall Public Space & Safety Improvements**

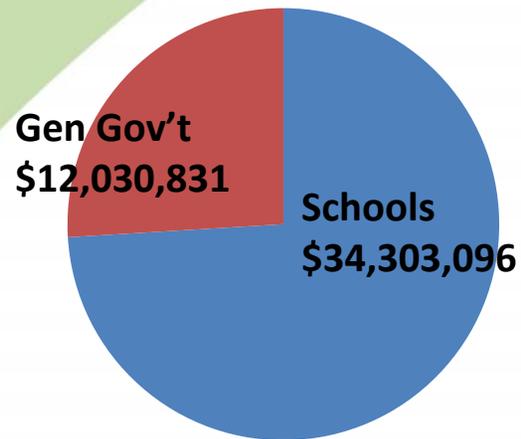


# FY2019 Funded Projects

- **Library:** **\$7.3M**
- **Fire Station HVAC & Boiler:** **\$223K**
- **City Facilities Reinvestment:** **\$350K**
- **Local Transportation Projects:** **\$3.8M**
  - Intersections (West & Lincoln & West & Great Falls)
  - Downtown POA (Park Ave and Streetscape Rehab)
  - West Broad Street POA (pedestrian safety, Under ground utilities)
  - Neighborhood Traffic Calming
  - Oak Street Bridge replacement
- **WMATA Subsidy:** **\$2.3M**

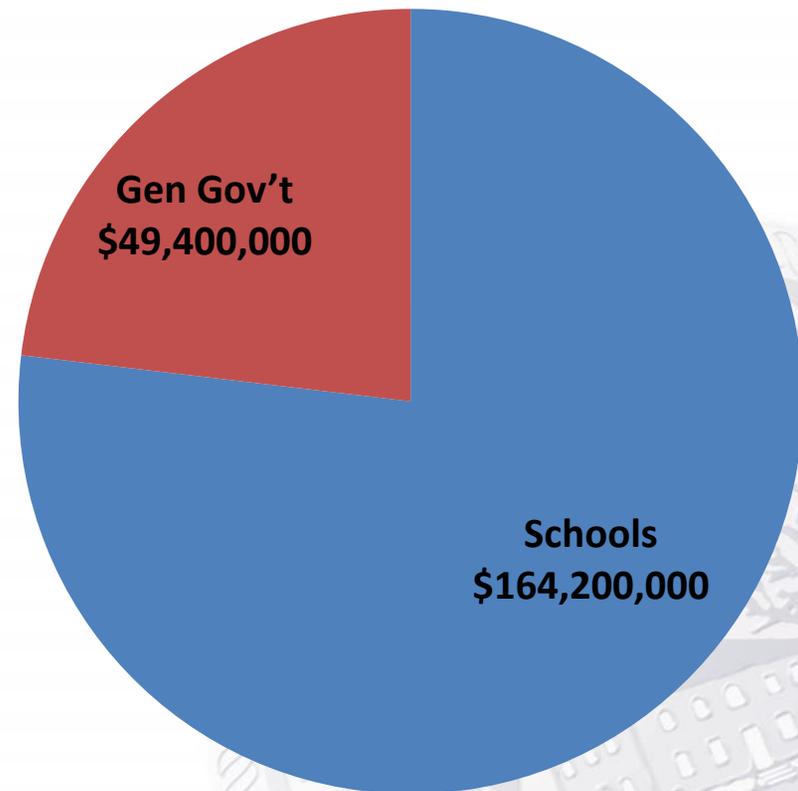
# General Fund Debt

Existing



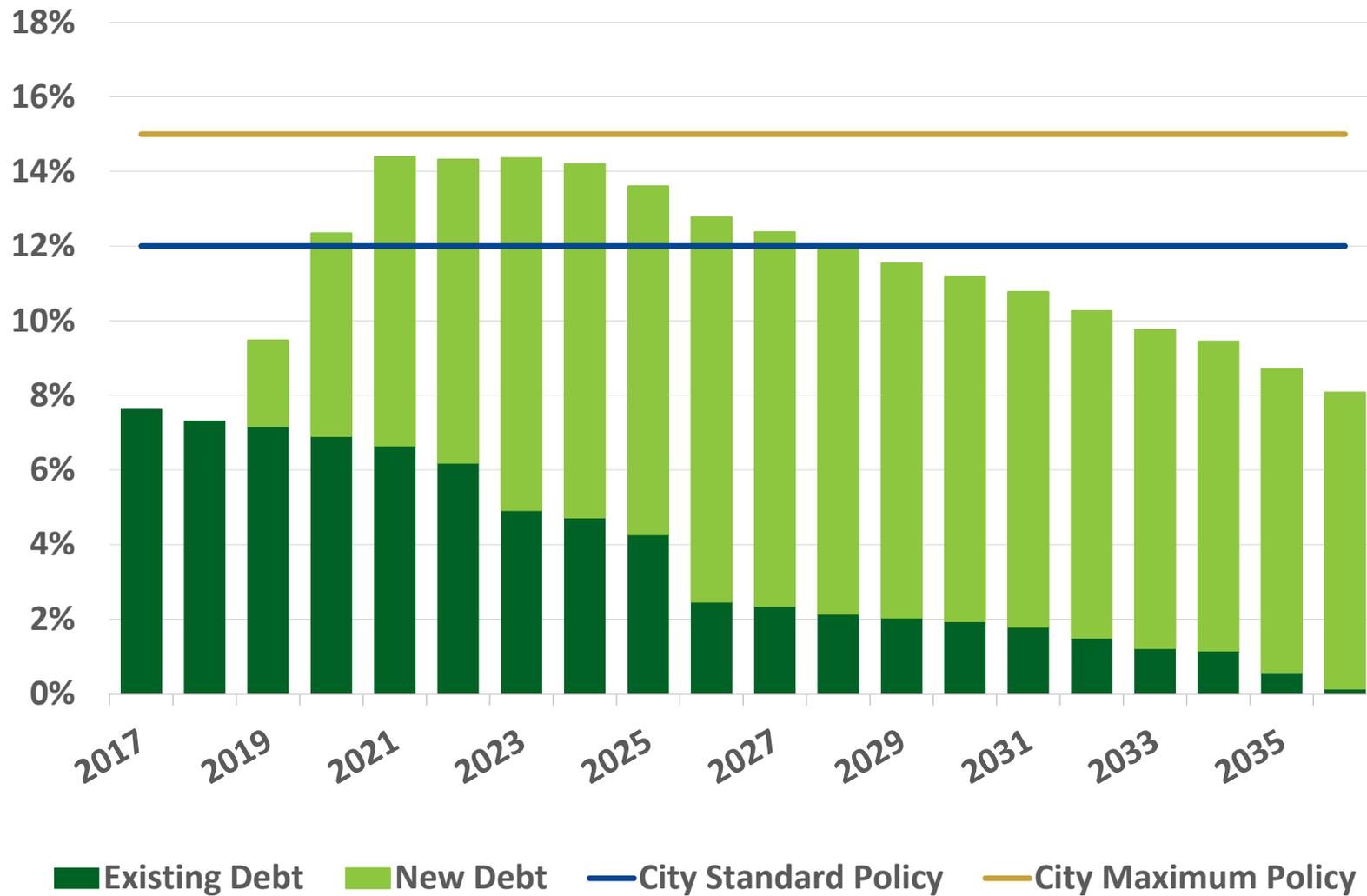
Total Debt = \$46,333,927

Full CIP



Total Debt = \$213,600,000

# Debt Service to Expenditures



# Capital Capacity Strengths

- **AAA / AAA / Aa+ ratings are indication of strength:**
  - ✓ **Fund balance at policy target**
  - ✓ **Strong Capital Reserves**
  - ✓ **Fully funded pensions**
  - ✓ **Significant economic development in the City**
  - ✓ **Record of strong financial management by City Council & Staff**

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- **WMATA Capital**
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# Schedule

- **March 19, 7:30 pm: Council Work Session**
- **March 26, 7:30 pm: Public Hearing**  
**1<sup>st</sup> Reading Budget and Tax Rate Ord.**
- **April 2, 7:30 pm: Council Work Session**
- **April 8, 2:00 pm: “Sunday Series” Town Hall**
- **April 9, 7:30 pm: Public Hearing**
- **April 16, 7:30 pm: Council Work Session**
- **April 23, 7:30 pm: Final Adoption**

**2<sup>nd</sup> Reading Budget and Tax Rate Ord.**

**July 1, 2018: Budget goes into effect**

# Schedule

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# Public Information & Comment

- Find Budget Presentations and data  
[www.fallschurchva.gov/budget](http://www.fallschurchva.gov/budget)
- Send comments to  
[budget@fallschurchva.gov](mailto:budget@fallschurchva.gov)

