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City of Falls Church
Planning Commission
Revised 2-15-2019

Planning Commission Meeting Date: 2-19-19	Title: FY2020-2025 6-Year Capital Improvements Program	Agenda No.: 6A
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Proposed Motion:

I move that the Planning Commission recommend that the City Council **approve**, pursuant to Section 6.19 of the City Charter and Section 17.08 of the City Code the FY2020-2025 Capital Improvements Program (CIP) as presented on February 4 and 19, 2019, as summarized on CIP notebook pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 based on the following justifications:

1. The CIP is consistent with the adopted Comprehensive, Small Area and Master Plans;
2. The CIP approaches the citywide capital infrastructure and reinvestments needs in a holistic manner;
3. The CIP is enhanced through purposely planned and balanced reinvestment needs, funding options and staff resources;
4. The CIP is fiscally responsive and compliance with adopted financial policies in context of pending amendment for large debt issuance;
5. The CIP must address long-term dedicated and sustainable funding for Pay As You Go local funding for facility reinvestment and other capital needs to provide for fiscal balance of cash and debt financing; and
6. The CIP provides sufficient match funding to leverage grants to address significant transportation needs.

Originating Department Head: Cindy Mester, Deputy City Manager/ HR Director CLM 02-11-2019	Report Prepared By: Same
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4 Changes to staff report since packet distribution are highlighted in gray.

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6 **REQUEST AND RECOMMENDATION:**

7 Following the presentation on February 4 and public hearing of February 19, 2019, staff is
8 seeking Planning Commission recommendation of approval for the FY2020-2025 Capital
9 Improvements Program (CIP).

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11 Staff recommends that the Planning Commission approved the FY2020-2025 CIP as reviewed on
12 February 4 and on 19, 2019 per pages 3-1 to 3-6.

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14 **CHANGES SINCE MEETING PACKET DISTRIBUTION:**

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- School Board readopted their CIP project submissions as reflected on lines 158 and attachment 4
- Funding sources changed for school facility reinvestment project as reflected on lines 166 and attachment 4

19 **CHANGES SINCE PLANNING COMMISSION WORK SESSION:**

- 20 • No questions were received from the Planning Commission which is reflected in lines
21 151-154.
- 22 • The proposed motion is the same as presented at the February 4, 2019 work session.
- 23 • A new section was added to the staff report at line 157 to reflect the four items that
24 changed at or since the February 4th work session.
- 25 • Responses to the January 22, 2019 Planning Commission staff report covering CIP
26 priority focuses have been incorporated at lines 171-293.

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28 **BACKGROUND – Capital Budget Planning**

29 The requirement for the annual consideration and adoption of a six-year Capital Improvements
30 Program is provided in Section 6.19 of the City Charter, and Section 17.08 of the City Code.
31 The inset below contains the relevant provisions.

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33 Sec. 17.08. ... The city manager shall subsequently submit to the commission a proposed
34 capital improvements program together with a report on the financial condition of the
35 city, insofar as it may relate to any contemplated capital fund projects. In the preparation
36 of its capital improvement recommendations, the commission shall consult with the city
37 manager, the school board, the heads of departments and interested citizens and
38 organizations, and shall hold such public hearings as it shall deem necessary. It shall
39 submit its recommendations to the city council, at such time as the council shall direct,
40 together with estimates of cost of such projects and the means of financing them, to be
41 undertaken in the ensuing fiscal year and in the next four (4) years.

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43 Sec. 6.19. Capital budget.

44 At the same time that he submits the current expense budgets, the city manager shall
45 submit to the council a program previously acted upon by the city planning commission,
46 as provided in Chapter 17 of this Charter, of proposed capital improvement projects,
47 including schools, as defined in section 7.02 of this Charter, for the ensuing fiscal year
48 and for the four (4) fiscal years thereafter, with his recommendations as to the means of
49 financing the improvements proposed for the ensuing fiscal year. This program shall be
50 termed the "capital budget" and may be adopted by resolution.

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52 The adoption of the CIP by the City Council signifies the Council's identification of a set of
53 priorities for capital spending over a six-year period. However, the City Council may delay or
54 limit the construction or improvement of any proposed project over the course of the six-year
55 period as economic conditions, available resources, and needs may dictate.

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57 The development of the CIP starts with each department head submitting to the City Manager a
58 detailed listing of all immediate and long-range capital improvement needs, together with cost
59 estimates and recommendations as to priority and timing of the projects listed. An additional
60 factor to be considered is that CIP projects that are inactive for three fiscal years are either
61 eliminated or must be re-appropriated. If an approved CIP has no expenditure activity for 3-
62 years it must be re-appropriated. The specific code section relevant to this issue is: "No
63 appropriation for a capital improvement project contained in the capital budget shall lapse until
64 the purpose for which the appropriation was made shall have been accomplished or abandoned,

65 provided that any project shall be deemed to have been abandoned if three (3) fiscal years elapse
66 without any expenditure from or encumbrance of the appropriation therefor.”
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68 Staff presented the CIP to the Planning Commission on February 4, 2019 and they are scheduled
69 to adopt recommendations for City Council on February 19, 2019. The Planning Commission is
70 scheduled to conduct the public hearing on February 19, 2019 prior to the vote. The Commission
71 will evaluate the proposed CIP in the context of the Comprehensive Plan as well as means to
72 finance them.
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74 Following the delivery of the Planning Commission recommendations, the City Manager will
75 make his final CIP recommendation to the City of Falls Church Council as part of the overall
76 presentation for the City's FY2020 operating and 6-year capital budget on March 11, 2019.
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78 The development of the City's Six-Year Capital Improvements Program (CIP) allows the City to
79 take the shared and competing visions for the development of our public facilities through a
80 disciplined evaluation process. In FY2019, the City shifted to a six-year planning window along
81 with a 10-year look ahead. The six-year window aligns better with most grant-funding agencies.
82 The 10-year look ahead allows for improved forecasting of projects as well as funding needs. It
83 is important to note that the 10-year look ahead is a new framework and will be refined over this
84 next year. By identifying projects and capital needs several years into the future, the City
85 accomplishes the following objectives:
86

- 87 ▪ Cost estimates for long-term objectives and identified needs are linked to available
88 resources, and placed on a schedule for implementation;
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- 90 ▪ Major expenditures are scheduled in the context of a balanced Annual Operating
91 Budget and a six-year financial forecast.
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93 Capital projects are defined as a new, one-time project with a useful life of more than six years,
94 and costing \$150,000 or more. The cost estimates included in the CIP are intended to capture the
95 entire estimated project cost, including, as applicable, land acquisition, design, negotiated
96 agreements, and construction. The total request for each project is evaluated and, based upon
97 funding, is prioritized to meet the needs of the City.
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99 For FY2017 the City embarked on a new two-year CIP cycle process, whereby odd numbered
100 years will be for minor updates to the approved CIP, and even numbered years are open for more
101 significant changes and consideration of new projects. The goal of this “biennial CIP” approach
102 is to allow staff to focus more time and effort on carrying out already approved projects, by
103 redirecting some of the time and effort that is currently dedicated to developing and vetting new
104 projects each year.
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106 As FY2020 is an even numbered year, the intent was to permit new projects but due to staff
107 workload, existing CIP projects and financial constraints new project submissions were limited.
108 There are three new projects. The project needs, funding constraints and staff allocation
109 resources have been considered in the development of this six-year plan including the new
110 projects.

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CIP Projects versus Maintenance Projects

CIP projects generally require significant engineering design and construction, whereas maintenance projects (like road paving, crosswalk painting, sidewalk section replacement, roof replacement, carpet and landscaping) require routine upkeep every one to six years.

What is Capital Infrastructure?

This term refers to the built environment that makes the City of Falls Church safe, healthy, engaging, and beautiful and helps fulfill the City Council's vision of "A Special Place." Projects can be mandatory, like police emergency radios, but others build a quality community. Some construction project examples include:

- roads, sidewalks, crosswalks, bus shelters, traffic signals
- stormwater detention and pipes, sewer system, restoring flooding stream banks
- tennis and basketball courts, park trails, park play equipment
- HVAC, roofs, WiFi and fiber connectivity, renovation and expansion for public buildings (schools, City Hall, community center, library, police station, courts)
- police emergency radio and 911 equipment

The projects contained in the CIP support the goals and objectives outlined in the City's Comprehensive Plan and are intended to establish the long-term spending priorities identified by the City Council and are consistent with their 2025 Vision/Comprehensive Plan/Strategic Plan as well as adopted Financial Policies. The CIP is updated annually and is subject to change with each review.

February 4, 2019 Work Session

During the work session, it was identified that two transportation project sheets were not printed for the distributed notebooks. These missing pages were distributed to the Planning Commission on February 5 and are included as an attachment to this staff report.

Additionally, slide 34 of the February 4 presentation reversed the unfunded dollar amounts assigned to West Broad Street POA, N. Washington POA and Multimodal and Accessibility which are corrected respectively to \$43.2M, \$18.1M and \$3M. The presentation slide was corrected prior to public posting on the website.

The Park Master Plan FY26-29 project sheet had an unfunded \$2M entry that was not reflected on the General Fund summary line, page 3-2. This project component addresses unmet needs within adopted park master plans and being adopted in the CIP permits staff to explore grant opportunities. Many grants are competitive and require adoption in locality plans as an eligibility requirement and/or award more points. The revised page 3-2 is in attachment 3.

The Chair requested that the Planning Commission members send any CIP questions, following their opportunity to review the full CIP project details, to the Planning Director so staff would be prepared to address on February 19. No questions have been received as of the preparation of this staff report.

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February 13, 2019 Changes to the FY20-25 CIP:

On February 12, 2019 the School Board readopted their December 2018 CIP submissions to reflect the staff recommended changes as proposed to the Planning Commission on February 4. The changes was the creation of the School Facility Reinvestment project (page 6-2) to facilitate long-term and ongoing reinvestment into facilities parallel to the general government approach. School Board individual project requests for two schools in FY20 and FY21 were rolled into one project that also planned-out for 10-years. As of February 4 this project was unfunded but documented the facility needs.

As Finance reviewed second quarter projections, an increase that allowed staff to recommend a new revenue sharing split and the schools portion is now allocated to this project. This resulted in revisions to the funding source from unfunded to PayGo which is now reflected on pages 3-2 and 6-2.

FY 2020-2025 Capital Improvement Program (CIP) Priority Focus:

On January 22, 2019 the Planning Commission adopted a set of questions for the staff to address during the initial work session. These priority focus items were included in the presentation on February 19. The responses are noted below with each focus area.

The questions/topics identified by the Commission include:

- CIP items related to the Comprehensive Plan & Community Development

Response:

- This core topic is an embedded concept in submitted projects before the Planning Commission.
- Additionally, the February 4 presentation highlighted the comprehensive plan and associated guiding documents on slides #8, 9, 42, 43 and 45 which are expanded upon in CIP notebook tabs 01, 02 and 04-10.

- Facilities

- City Hall – How have delays impacted project costs?

Response:

- Initial substantial completion now January 19th, 2 month delay
- Move-back delay increases largely temporary office expenses and storage
- Project team is working through costs for unforeseen items and weather; utilizing Construction Manager at Risk (CMAR)/ HITT and Owner contingency funds

- Library – How do the Founders Row voluntary concessions (VCs) impact project budget?

Response:

- 35% design costs just received and under review by staff
- Application of Founder’s Row VCs under consideration based on project costs/ timing; requires Council action to appropriate the funds

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- Parks

- Will the Fellows project budget include infrastructure, sidewalks, etc.?

Response:

- The 2nd park developed in the last 30-years, the next step is the development of the park master plan and submission of a site plan.
- Will be a public process to include public hearings.
- This planning effort will include the determination of amenities and sidewalks.

- What is the status of the Downtown Plaza, including design, project costs, and schedule?

Response: current reduced scope of work is within the approved original \$250K budget

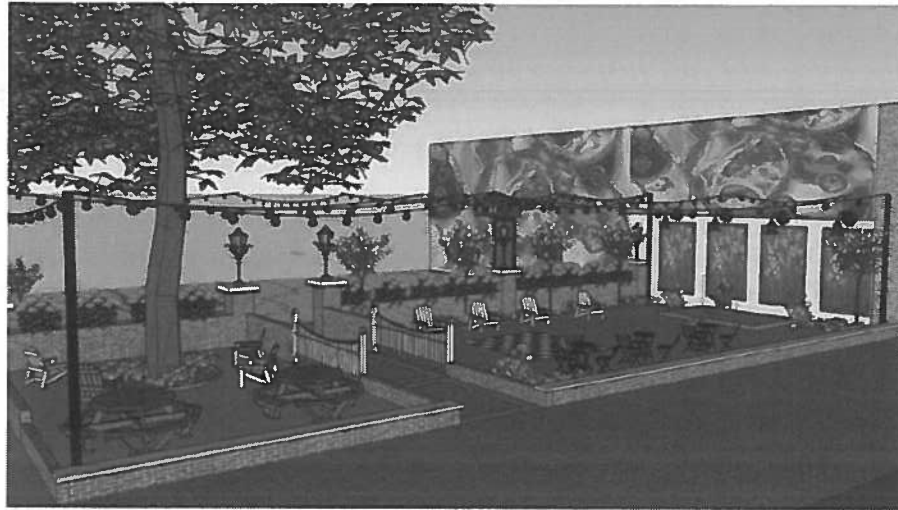
Phase 1 is complete and included:

- Pointing up and repairing the existing brick wall
- Installing a cap stone on top of the brick wall for seating
- Removing the existing central walkway (which has steps) and replacing it with an ADA accessible path and curb cut to the parking lot
- Removing the dead and undesirable trees in the large planter area
- Provide and opening in the brick wall so that the planter areas are accessible
- Remove the sidewalk around the brick walls and turn them into planter areas (to be planted in the spring as part of phase 2)

Centennial is currently pricing Phase 2, which includes:

- Installation of Synthetic turf
- Installation of a 10' x 16' concrete stage area
- Installation of electrical infrastructure
- Installation of outlets, string lights, and lights on the existing brick pillars
- Installation of cap stones on the brick pillars
- Installation of landscaping and irrigation

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Note: picket fence determined not desirable for movement impact; public art will be a separate effort

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- Sustainability

- How does the status of the City’s stormwater projects relate to the enterprise fund

Response:

- Projects are identified, along with guidelines to prioritize future projects, in the watershed management plan and funded through the enterprise fund revenues.
- Staff is assessing ongoing needs for funding and grant opportunities.
- Additionally, an updated stormwater rate analysis is recommended to verify needed rates going forward to fund capital and operating budgets.

- Potential for LED streetlight conversation program?

Response:

- City is collaborating with Northern Virginia Regional Commission (NVRC) and Dominion Energy Virginia (DEV) for design and cost structures to ensure matching to City standards.
- Also assessing full cost implications for future CIP projects.

- Transportation

- Status of existing Planning Opportunity Area and Multimodal Projects, including:

- South Washington Street Plaza and Multimodal Improvements

Response:

- Preliminary Engineering, Right of Way (ROW), utility undergrounding and paving complete
- Construction Invitation For Bid (IFB) under development, requires VDOT approval
- Pending SmartScale \$2M FY20 grant award for construction escalation, #3 ranked among the northern Virginia competitive

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- Downtown Park Avenue Great Streets
Response:
 - VDOT funding pre-scoping to reassess scope and costs
 - Pursuing additional funding for full plan implementation

- West Broad Street Pedestrian Crossings
Response:
 - Design underway with construction planned in FY21
 - 30% design plans just received and under staff review; construction cost estimate due

- Neighborhood Traffic Calming
Response:
 - Detailed report under Tab 8
 - Great Falls/Little Falls- resident meeting in February, light solutions in Spring
 - Annandale/Gundry- resident meeting in March, heavier solutions to be designed, coordinate with Big Chimneys
 - Additional petitions/ community work ongoing

- W&OD Dual Trails and Crossings
Response:
 - NVTVA 70% grant awarded, \$15.7M FY21-23
 - Staff developing plan for implementation lead which can be the developer, time-limited term employee or contracted owner representative

TIMING:

Public hearing and action is scheduled for February 19, 2019. The Commission action is requested by this date for the City Manager's inclusion in the proposed FY20 budget issued delivered on March 11, 2019.

ATTACHMENTS:

- 1) FY 2020-2025 Capital Improvement Program notebook, February 4, 2019 (electronic only)
- 2) FY2020-2025 Capital Improvement Program presentation, February 4, 2019 (electronic only)
- 3) CIP Notebook replacement pages 3-2, 8-13, and 8-14
- 4) CIP Notebook replacement pages 3-2, 6-2, 6-2a dated 2-13-2019

[Attachments 1 & 2 on website: <http://www.fallschurchva.gov/1501/Budget-Capital-Projects>]