

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 25, 2022

TO: CHAIR MACEK AND MEMBERS OF THE PLANNING COMMISSION

FROM: KARL W. MORITZ, DIRECTOR, DEPARTMENT OF PLANNING AND ZONING

SUBJECT: ADVISORY RECOMMENDATIONS TO THE CITY MANAGER, UNDER SECTION 6.14 OF THE CITY CHARTER, REGARDING THE CAPITAL IMPROVEMENT PROGRAM

ISSUE: The Planning Commission is asked to provide advisory recommendations to the City Manager on the Capital Improvement Program (CIP) as required under Section 6.14 of the City Charter.

RECOMMENDATION: Indicate concurrence with the staff recommendation that the proposed CIP is generally consistent with the City's Master Plan.

BACKGROUND: One of the responsibilities of the Planning Commission is to provide guidance to the City Manager on the CIP. Section 6.14 of the City Charter states, "The city manager shall obtain and transmit to the council the advisory recommendations of the planning commission with regard to the consistency of proposed capital improvement projects with the master plan and the priority and timing of those projects in comparison to other elements in the master plan."

Accompanying this memo is one from Morgan Routt, the Director of the Office of Management & Budget, transmitting the Proposed Fiscal Year (FY) 2023 – FY 2032 CIP, as well as the City Manager's Proposed Budget Presentation. The FY 2023 Budget Calendar [can be found on the City's website](#). The proposed CIP can be found at alexandriava.gov/Budget. Appendix B of the CIP notes the Small Area Plan associated with each project in the CIP.

The FY 2021 Annual Master Plan Status of Implementation Report provided for the Planning Commission's review earlier this year demonstrates the City's implementation progress made over the previous year on the City's Small Area Plans and topical plans. This report can be found on [Planning and Zoning's implementation website](#).

DISCUSSION

The programming of capital projects into the City's CIP is one tool in implementing the infrastructure and community amenities projects identified in the City's Master Plan. In addition, the Proposed FY 2023-2032 CIP includes funding for affordable housing projects implementing the Housing Master Plan and development studies to support small area planning work that will be undertaken in FY 2023. The following items are proposed for inclusion in the FY 2023-2032 CIP.

Affordable Housing

Over the 10-year CIP, **\$76.2 million** is committed for Affordable Housing projects. For FY 2023, the proposed CIP reflects **\$8.4 million for investments** in Affordable Housing which includes \$4.9 million in funding from the restaurant and meals tax dedication approved by City Council in 2018 (\$53.7 million over the 10-year CIP), an additional \$1 million committed to Affordable Housing by the City as part of the region's efforts to attract the Amazon HQ2 campus to Northern Virginia, and \$2.5 million of funds received by the City as part of the American Rescue Plan Act (ARPA). These funds are used in numerous ways such as gap financing for development/new construction, preservation, rehabilitation, planning, predevelopment, and employee homeownership assistance.

To ensure the continued effective use of the City housing funds, and to meet the City's 2013 Housing Master Plan goals regarding production and preservation (2,000 committed affordable units by 2025), as well as targets established for affordable and workforce housing through the Regional Housing Initiative endorsed by City Council in March 2020 (an additional 2,250 units in Alexandria by 2030), a robust pipeline of projects has been created that could be potentially implemented. In particular, the \$2.5 million in FY 2023 ARPA funding is requested to conduct a physical needs assessment and execute the capital needs identified at the 284-unit **Arlandria-Chirilagua Housing Cooperative property**. The Cooperative, which is privately owned by its members, is one of the city's key housing assets for very low-income renters.

Small Area Planning

- Development Studies (\$250,000 in FY 2023): The development studies project is the parent project for various studies undertaken by the City to begin feasibility, planning and design work to implement or support small area plans that have either been adopted or are in the process of being developed by the City. This funding will be used for updates to the City's Master Plan through development, updates, and/or implementation of Small Area Plans. Expenditures are dependent on City Council's final Long Range Planning Work Program which gets approved in May. The proposed expenditures reflect the proposed draft work program, which may be adjusted over the course of the budget cycle. In addition, the City may secure potential grants for specific initiatives which could change the total expenditures.

Small Area Plan Implementation Projects

- Landmark Van Dorn, Eisenhower West and Beauregard Small Area Plans: \$120 million over the 10-year CIP, including \$63 million in FY 2023, to facilitate the redevelopment of the 4 million square foot **Landmark Mall site**. The City will fund \$86 million in onsite infrastructure improvements and \$54 million land acquisition in order for the hospital to construct its new facilities. The City will lease the land long-term to Inova through the City Industrial Development Authority. This redevelopment will also include the relocation of **Fire Station 208** (\$23 million in FY 2023 - FY 2028), anticipated to co-locate with workforce/affordable multi-family housing. **Transit Corridor “C” (West End Transitway)**: \$66.2 million in the CIP from FY2023 – FY 2026 to fund this phased project to construct a high-capacity Transitway between the Van Dorn Metrorail station and the Pentagon, supporting the development approved in the Landmark/Van Dorn and Beauregard Small Area Plans. The preliminary cost estimate for the full project is approximately \$140 million which includes design, right-of-way acquisition, utility relocation, construction, and rolling stock for the full build alternative, including dedicated lanes. In addition to the \$10 million awarded to the City in 2017 in **Smart Scale funding** for the project, **\$57.2 million was awarded for FY 2024 – FY 2025** for design, right-of-way, construction and buses for the project’s first phase, the design for which is anticipated to be completed in FY 2023. West End Transitway service is anticipated to begin operation by FY 2025. Phase 2 of this project aligns with the full build alternative that includes dedicated transit lanes on portions of Van Dorn Street and Beauregard Street. Additional funding and right-of-way will be required to implement the Phase 2 plan, and the City will continue to work with private developers for the additional right-of-way and seek other funding sources including federal funds.
- Southwest Quadrant Small Area Plan: The City was awarded **\$3.4 million in Smart Scale funding** for the design and construction of corridor improvements on South Patrick Street between Jefferson Street and Wolfe Street. Improvements include a widened, tree-planted median, pedestrian refuge areas, upgraded curb ramps, and new pedestrian signals, as recommended in the **2018 South Patrick Street Housing Affordability Strategy**. This work will help improve pedestrian safety and access, calm traffic, provide a gateway into Alexandria, and aesthetically improve the corridor. This project supports the City’s goals and actions laid out in the Alexandria Mobility Plan, Vision Zero Action Plan, and Environmental Action Plan. Design is expected to begin in FY 2023.
- Waterfront Plan: \$83.2 million over the ten-year CIP to support the design and construction of the Plan-recommended infrastructure, including **flood mitigation**, prioritized through community engagement processes. Projected construction costs have increased due to further scope refinement, further design development, and market drivers. Cost estimates have been escalated to anticipated mid-construction date. The most significant changes were due to more detailed design and cost analysis for the stormwater and pumping system, structural bulkhead, and

electrical infrastructure. The current CIP budget is funded at approximately 50% of the most recent cost estimate for the original baseline plan (plan as adopted in 2015). Alternative analyses and Value Engineering studies were conducted, and alternative options developed, to deliver on the goals of the project within the current CIP funding. Various options were shared with the community for feedback and validation of community priorities for various levels of funding (should additional funding be made available or awarded via grants). The progressive design-build process will continue to include further alternatives analysis, value engineering, and trade-off analysis to develop a firm scope within budget, while considering the best value in terms of total life-cycle costs. The process of assessing and confirming the City's procurement strategy commenced in January of 2022 and development of contract documents will continue until summer of 2022 when the Progressive Design-Build contract is advertised. The procurement process is projected to take approximately one year with a contract award anticipated, and the design process commencing, in late 2023. The design process is projected to be complete by late 2024; however, regulatory, environmental, and grantor review and approvals may impact and extend this timeline. Currently it is anticipated that construction could begin as early as late 2024 and may run for up to two years until late 2026; however, the schedule will be determined in collaboration with the design-build contractor. In 2021, the City applied for external grant funding which, if awarded, will help achieve the goals of the **Waterfront Small Area Plan** and deliver more project elements without increasing the CIP funding requirements. Additional external funding opportunities will continue to be explored and pursued, as project eligibility allows.

- Torpedo Factory Art Center Revitalization: \$3M in the 10-year CIP to implement the Action Plan for Vibrancy and Sustainability at **Torpedo Factory Art Center**. The Action Plan is designed to achieve priority results and outcomes to establish a foundation for a renewed Torpedo Factory Art Center. The goal is to improve the efficiency of operations and sustainability of the Art Center, while also broadening and deepening its connections to the community and re-configuring the first-floor spaces to create a more dynamic public experience of the Art Center. At their meeting on December 14, 2021, City Council adopted a set of principles for the Torpedo Factory Art Center, directed staff to implement the Action Plan, and to explore alternative governance of the Art Center as part of a yet-to-be-established Cultural Development Authority. In FY 2023, this project provides funding for the community engagement strategy and research needed to inform the City about an alternative governance structure and the components of a 21st Century Art Center. Funding may also be used for implementation of elements of the Action Plan.
- Braddock Metro Neighborhood Plan: The CIP includes two developer contribution/City matching funds established to fund community amenities identified by the Plan – the **Braddock Community Amenities Fund** (CAF) and the **Braddock Open Space Fund** (OSF). In order to fulfill the City's obligation to

match developer contributions collected for this fund to date and anticipated in the next four years, the CIP includes a request to increase the annual set-aside for the next four years. Doing so allows for the planning and design of Plan recommended streetscape projects. A majority of the collected funds have been used in the **2019 completion of the Fayette Streetscape Project** and the **2021 Queen Street Business Corridor Grant Program**. The small area plan recommends support of locally owned, neighborhood-oriented businesses in the Braddock area, especially along the Queen Street corridor, including using a portion of the implementation funds for the stabilization and revitalization of these businesses. Over the past year, Alexandria Economic Development Partnership (AEDP) staff engaged with and assisted numerous businesses that are located within the Queen Street corridor. Many of these businesses were impacted by and are still experiencing the effects of the COVID-19 economic downturn. Staff from AEDP and the City developed an initiative to utilize a portion of the Braddock implementation funds, as per the policy adopted by City Council in 2008, to provide tailored services and assistance to support the recovery and resiliency of small businesses within the Queen Street corridor.

As developer contributions are received or committed in future years, they will be programmed into the Capital Improvement Program.

- Old Town North, Eisenhower West, Landmark Van Dorn Small Area Plans: \$1.5 million in FY 2024 in addition to prior appropriations (\$2.3 million) to continue the study, design and construction of **Green Infrastructure** projects, reflecting an expanded and accelerated program addressing the city's flood and stormwater infrastructure needs. The FY 2024 funding will be used to conduct an initial identification and prioritization study for the next green infrastructure project to be implemented. Funding for additional projects, if identified, may be supplemented with funding from the MS4 Water Quality Improvements project. Infrastructure is a critical element of the Master Plan and completion of these projects will provide the following benefits: increase stormwater infiltration, reduce stormwater runoff, provide stormwater treatment (nutrients and sediment), and decrease the volume of discharges; along with providing co-benefits including creating habitat, reducing heat island effect, and enhancing air quality.

Transportation projects recommended in Small Area Plans but not yet included in the CIP are prioritized and tracked in the unconstrained Transportation Long Range Plan biannually prioritized by the Transportation Commission or have not progressed to the stage of being proposed as a capital project. Other infrastructure projects recommended in Small Area Plans may be projects that will be constructed as part of a developer contribution package.

Funding for Capital Project Planning and Review Staff

Over the past decade, the City's CIP has significantly expanded in scope, volume, and complexity, particularly as a result of an increased commitment to City and School facility needs, state and federal mandates regarding stormwater management and sanitary sewer

systems, and significant investments in local and regional transportation systems. Consistent with FY 2022, the Proposed CIP includes funding for staff directly working on the implementation of the City's capital plan.

Joint City/School Facility Planning: The Joint City Schools Facilities Master Plan recommended by the Ad Hoc Joint City-Schools Facility Investment Task Force was initiated in early 2020. The lists below highlight major City and ACPS capital facility projects proposed for funding in this CIP.

Major City Capital Facility Projects in the proposed FY 2023-2032 CIP:

• City Hall Renovation and HVAC Replacement	\$ 70,095,500
• City Hall Swing Space	\$ 35,347,800
• DCHS Consolidation and Co-Location	\$ 73,200,000
• Fire Station 205 (Cameron Street)	\$ 28,706,300
• Fire Training Center Renovation	\$ 1,216,800
• Landmark Fire Station	\$ 23,351,300
• Fleet Building CFMP	\$ 1,350,000
• Market Square Plaza and Garage Structural Repairs	\$ 4,957,000
• Minnie Howard Campus Project (High School)	\$ 12,093,300
• New Burn Building	\$ 3,015,900
• Office of the Sheriff CFMP	\$ 14,126,000
• Vola Lawson Animal Shelter	\$ 1,383,000
• Witter Wheeler Campus Funding reservation	\$ 14,576,800

Major ACPS Capital Facility Projects in the proposed FY 2023-2032 CIP

• 1703 N. Beauregard (Swing space/new school)	\$ 37,293,300
• Cora Kelly Elementary School	\$ 86,728,000
• George Mason Elementary School	\$ 80,060,700
• High School Project/Minnie Howard replacement	\$157,433,900
• Transportation Facility Modernization	\$ 10,000,000

P&Z Involvement in Development of the CIP

The Director of Planning and Zoning serves on the CIP Steering Committee, the group responsible for outlining major policy issues facing the CIP and crafting a balanced CIP recommendation for the City Manager. Through this Committee, Planning and Zoning ensures that both the projects and the details of the projects are consistent with adopted planning policies, small area plans, and functional plans.

Staff believes that the proposed CIP maintains consistency with the City's Master Plan.

FISCAL IMPACT: Details are included in the Proposed FY 2023 – FY 2032 CIP.

STAFF:

Karl Moritz, Director, Department of Planning & Zoning
Morgan Rout, Director, Office of Management & Budget
Carrie Beach, Division Chief, Department of Planning & Zoning
Arthur Wicks, CIP Coordinator, Office of Management & Budget
Julia R. Taylor, Analyst, Office of Management & Budget
Katherine Carraway, Urban Planner, Department of Planning & Zoning

ATTACHMENTS:

1. Memo from Office of Management & Budget
2. FY 2022 City Manger's Proposed Budget Presentation

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 7, 2022

TO: CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: MORGAN ROUTT, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *Morgan Routt*

SUBJECT: TRANSMITTAL OF THE PROPOSED FY 2023 - FY 2032 CAPITAL IMPROVEMENT PROGRAM FOR REVIEW BY THE PLANNING COMMISSION

Attached (via hyperlink, noted as Attachment 1) you will find the Proposed FY 2023 - FY 2032 Capital Improvement Program (CIP) for review at your April 7, 2022 meeting. The Planning Commission is requested to review the proposed capital improvement projects with regard to the consistency of these proposed projects with the City's master plan. This is pursuant to Section 6.14 of the City Charter, which states "the City Manager shall obtain and transmit to the Council the advisory recommendations of the Planning Commission with regard to the consistency of proposed capital improvement projects with the master plan and the priority and timing of those projects in comparison to the elements in the master plan."

Subsequent to the City Manager's release of the Proposed Operating and Capital Budgets on February 15, 2022, a work session was held on February 23, 2022 to begin City Council's deliberation of the CIP. Additionally, responses to budget questions submitted by City Councilmembers on operating and capital budget issues will be provided as completed. "FY 2023 Budget Questions and Answers" are posted and available for review on the Office of Management and Budget (OMB) page of the City's website (<http://alexandriava.gov/Budget>).

The results of the Commission's review are requested prior to the add/delete work session of City Council, which is scheduled for April 26, 2022. Please feel free to contact Morgan Routt, Budget Director at (703) 746-3744, or via e-mail at morgan.routt@alexandriava.gov, if you have any questions regarding the proposed projects included in the CIP.

For your information, City Council set the dates noted in Attachment 2 for consideration of the FY 2023 budget, including the Proposed FY 2023 - 2032 CIP. Staff presentations and video recordings of the meetings that have already occurred are available in the Archive on the City Dockets & Webcasts website (https://alexandria.granicus.com/ViewPublisher.php?view_id=57).

Attachments

Attachment 1: FY 2023 – 2032 Proposed Capital Improvement Program (CIP) -

<https://www.alexandriava.gov/budget/fy-2023-proposed-operating-budget-cip>

Attachment 2: FY 2023 Budget Calendar and Work Sessions

cc: Emily Baker, Deputy City Manager
Karl Moritz, Director, Planning & Zoning
Jeff Farner, Deputy Director, Planning & Zoning
Carrie Beach, Division Chief, Planning & Zoning
Arthur Wicks, Capital Improvement Program Manager
Julia Taylor, Budget Management Analyst for CIP

Attachment #2 FY 2023 Budget Calendar and Work Sessions

Tuesday, February 15 – FY 2023 Proposed Budget Presentation City Council

7:00 p.m. – HYBRID (i.e. VIRTUAL & IN-PERSON)

Thursday, February 17 – FY 2023 Proposed Budget Public Presentation

7:00 p.m. – VIRTUAL

Wednesday, February 23 – Budget Work Session #2: Capital Improvement Program (CIP)

7:00 p.m. – HYBRID

Wednesday, March 2 – Budget Work Session #3: ACPS Operating and CIP

7:00 p.m. – HYBRID

Monday, March 7 – Budget Public Hearing

5:30 p.m. – HYBRID

Tuesday, March 8 – Set the Maximum Property Tax Rates

7:00 p.m. – HYBRID

Wednesday, March 16 – Budget Work Session #5: Healthy and Thriving Residents Focus Area

7:00 p.m. – HYBRID

Wednesday, March 23 – Budget Work Session #6: Livable, Green and Prospering City Focus Area

7:00 p.m. – HYBRID

Wednesday, March 30 – Budget Work Session #4: Safe, Secure and Just Community Focus Area

7:00 p.m. – HYBRID

Wednesday, April 6 – Budget Work Session #7: BFAAC / Accountable, Effective and Well-Managed Government Focus Area

7:00 p.m. – HYBRID

Saturday, April 23 – City Council Public Hearing on the Maximum Property Tax Rate

9:30 a.m. – HYBRID

Tuesday, April 26 – Budget Work Session #8: Preliminary Add/Delete

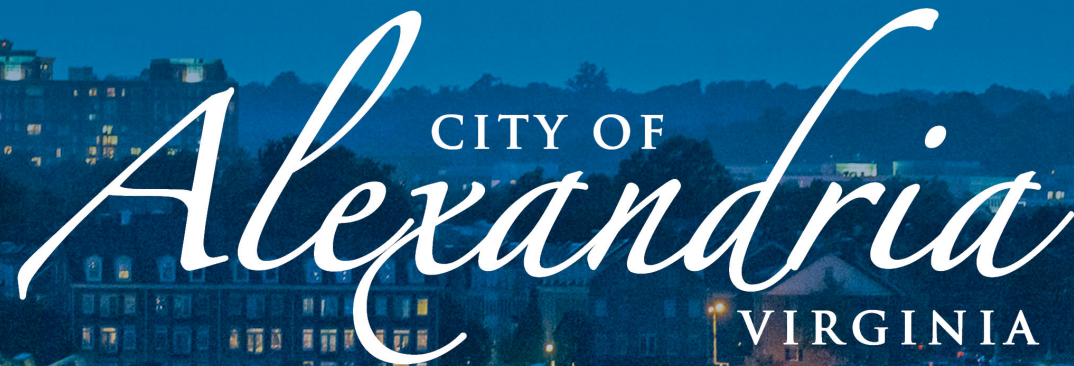
6:00 p.m. – HYBRID

Monday, May 2 – Budget Work Session #9: Final Add/Delete

7:00 p.m. – HYBRID

Wednesday, May 4 – Budget Adoption / Tax Rate Adoption

7:00 p.m. – HYBRID



FISCAL YEAR 2023 PROPOSED BUDGET

**FY 2023 – FY 2032 Capital Improvement Program (CIP)
Planning Commission**

April 07, 2022



City Charter

- **Excerpt from Section 6.14 – Capital Budget.**

“The city manager shall obtain and transmit to the council the advisory recommendations of the planning commission with regard to the consistency of proposed capital improvement projects with the master plan and the priority and timing of those projects in comparison to other elements in the master plan.”



CIP Development Process

- **June 2021:** CIP development process kicks off
- **July 2021:** Departments submitted Phase I capital project Complexity Forms
- **August - September 2021:** OMB reviewed Complexity Form submissions and sets-up documents for Phase II Project/Program Submissions
- **October 2021:** departments submit Phase II Project/Program Submissions
- **November 2021 – December 2021:** Capital Improvement Program Steering Committee (CIPSC) crafts recommendations for the City Manager
- **January 2022 – February 2022:** City Manager develops recommendations and finalizes Proposed CIP

What is CIPSC?

- Committee with members from the most capital intensive City departments (T&ES, RPCA, DGS, ITS, DPI, and P&Z), charged with:
 - Crafting recommendations for a balanced proposed CIP
 - Identifying policy priorities and themes for the CIP
 - Presenting recommendations to the City Manager
- Committee chaired by Deputy City Manager Emily Baker



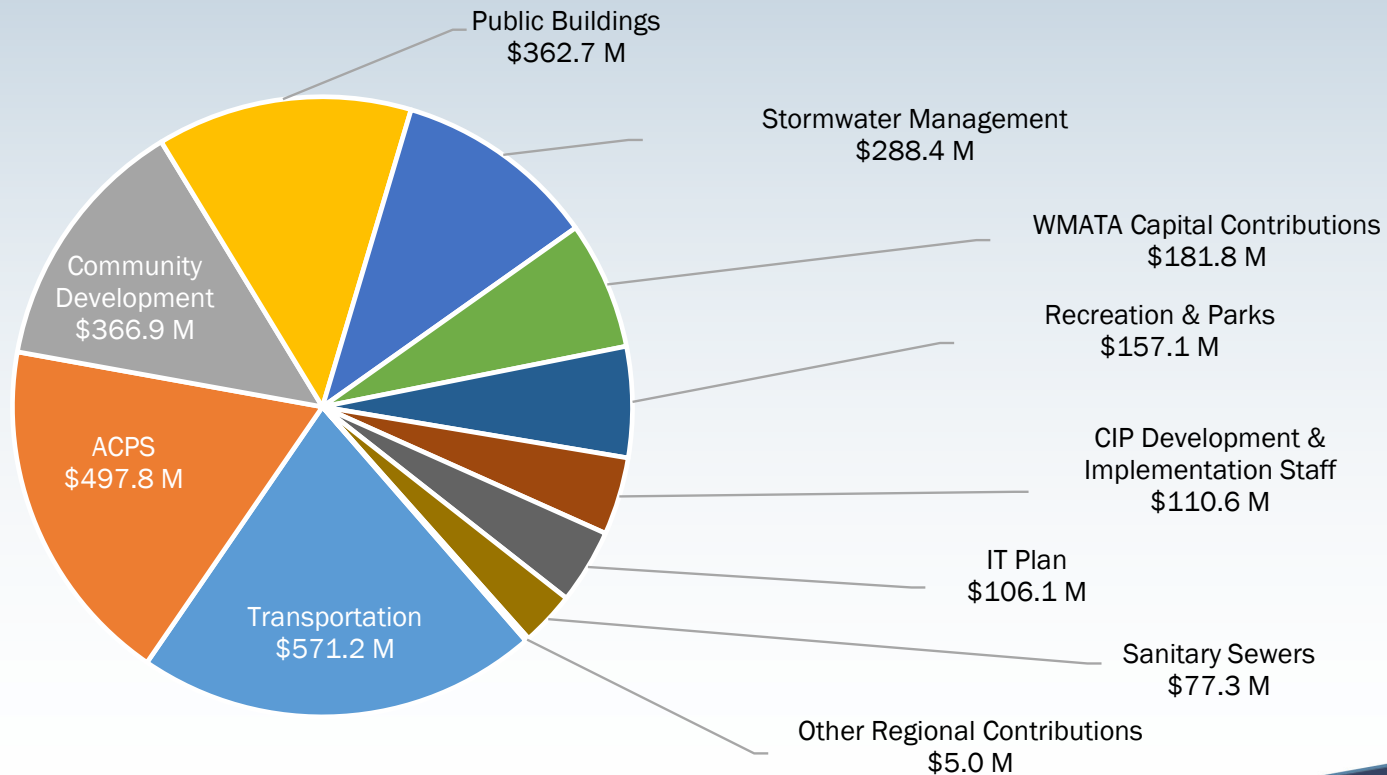
Proposed CIP Highlights

- Proposed CIP totals \$2.73 Billion
 - \$63.5 M increase (+2.4%) in funding
 - CIP is 39% Cash funded and 61% bond funded
 - CIP is consistent with City Debt Policy Guidelines, but close to limits
- Proposed CIP fully funds \$497.8 M School Board CIP request
- Major changes driven by increased investments in City space and an aquatics facility at new High School; purchase of 1703 N. Beauregard; Landmark Mall Site Purchase (Tranche #2); 4850 Mark Center Drive building purchase



FY 2023 – 2032 Proposed Expenditures

\$2.73 Billion



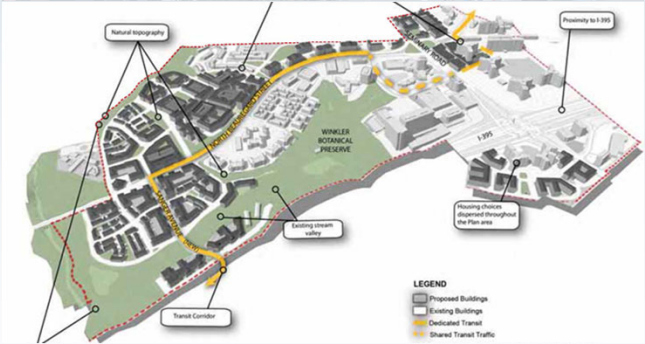
Sustainability of Capital Program

- General Fund Support of Capital Program projected to increase nearly **\$90 million** over next ten years
 - FY 2023 to FY 2024 alone is a **\$19.5 million increase**
- Increase between FY 2023 and FY 2024 aligns with tax rate increase contemplated in FY 2021 Proposed Budget, but deferred due to COVID-19 Public Health Emergency
 - +2¢ in FY 2021, FY 2023, and FY 2025
- Further smoothing of cost curve will require combination of revenue increases and descoping/deferring City & School projects to make for more sustainable increases



PLANNING & DEVELOPMENT STUDIES

- **Development Studies Project (10-yr, \$2.5M)**
 - Provides on-going funding stream for Master Plan updates and other feasibility, planning and design work related to implementing/supporting SAPs
- **FY 2023 funding (\$250,000) is intended to support the following:**
 - Alexandria West/Beauregard Small Area Plan Update – \$200,000
 - Economic Analyses for Small Area Plan Implementation – \$50,000



SMALL AREA PLAN IMPLEMENTATION

- **Old Town North**
 - Redevelopment of former power plant site
 - Linear park
- **Landmark Van Dorn/Eisenhower West**
 - Landmark Mall site redevelopment
- **Braddock**
 - Grant Program for Small Businesses
- **Waterfront**
 - On-going, phased, infrastructure implementation
- **Southwest Quadrant**
 - SPS pedestrian safety
- **Eisenhower East**
 - Pedestrian safety, open space implementation



Other Project Highlights

Project Name	FY 2023 Funding (millions)	10-Yr. Total (million)
Affordable Housing Funding	8.4	76.2
Capital Facilities Maintenance Programs (CFMPs) - Funding for repairs & renovations in City buildings	3.1	14.8
Complete Streets	0.7	9.0
Landmark Fire Station (formerly Fire Station 208 Replacement)	-	23.3
Landmark Mall Redevelopment Project	63.0	119.0
New Burn Building	-	3.0
Street Reconstruction & Resurfacing of Major Roads	7.1	63.4
Torpedo Factory Art Center Revitalization	0.5	3.0
Transit Corridor "A" - Route 1	-	10.0
Transit Corridor "B" - Duke Street	-	75.0
Transit Corridor "C" - West End Transitway	4.0	66.2
WMATA Capital Contributions	16.2	181.8

Upcoming Key Dates

- **April 14:** Add/Delete Proposals Due
- **April 20:** Budget Work Session: Topic TBD (if needed)
- **April 23:** Add/Delete & Property Tax Rate Public Hearings
- **April 26:** Preliminary Add/Delete Work Session
- **May 2:** Final Add/Delete Work Session
- **May 4:** Budget / Tax Rate Adoption

