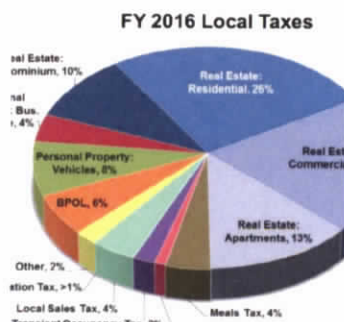
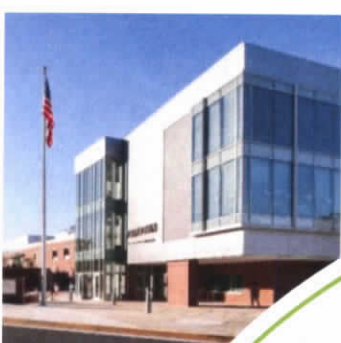
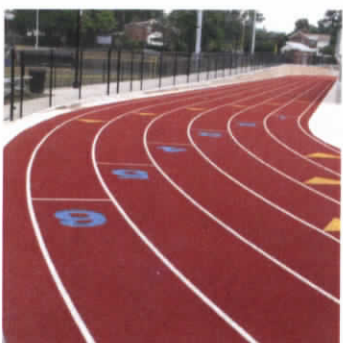
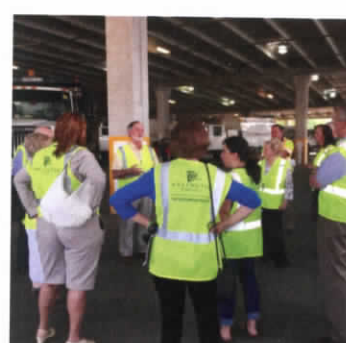
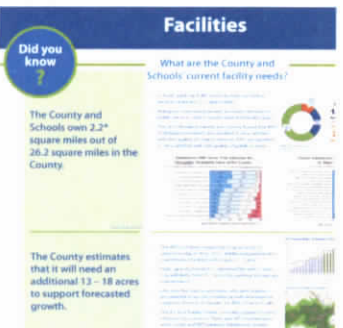


A resource and facilities plan for our future

Jim Hurns
200
11-14-15

Submitted by the
Study Committee

November 6, 2015



November 6, 2015

Dear Chair Hynes, Chair Violand- Sánchez, and County Board and School Board members,

It is our pleasure to transmit the Final Report of the Community Facilities Study Committee for your review and action.

The 23-member committee, created by joint action of both Boards, has worked hard since January to learn from policy experts, listen to many community voices, exchange ideas, and hammer out recommendations to improve decision-making about future public facilities and generally strengthen Arlington's responses to major community challenges and unsettling change.

Our Report amasses detailed information about local population changes, economic pressures, public finance and facility needs. Its central message is short:

Arlington is experiencing growing pains. Our population is expanding and expected to keep growing, up to 31% in the next 25 years. While our 26-square-mile county gets more crowded, our business climate is changing and our economic outlook is not clear. The facilities needed to sustain a healthy community—schools, parks, bus yards, fire stations, community centers and such—are already competing for precious space, limited funds, and public support. Those pressures will get more intense and the choices even harder in the years ahead.

How should Arlington respond to these challenges? The Committee's recommendations include:

- A new system for more open, systematic and coordinated County and School Board decisions about setting priorities for future facility budget and location decisions
- A solid framework for timely, thoughtful and transparent decisions about siting of facilities and new uses of public space
- Keener analysis of local population trends, in order to sharpen projections of school enrollment and improve planning for needed housing and services for young families, seniors and other groups
- Continued economic development initiatives to revitalize our commercial office sector
- Creative ways to get maximum benefits from public space, such as co-locating programs and building over I-66

A central theme of the report is the need for better communications and collaboration – between County and Schools as institutions, between staff and residents/workers, and among the myriad

groups and interests in our dynamic community. We already see progress on this front. The Facilities Study has been a pioneering and productive partnership—launched by both Boards, bringing together civic leaders from all over Arlington, bolstered by input from the 250-plus members of our Resident Forum and countless others, and informed and supported by a tireless team of very capable County and APS staff. We can always do better with civic engagement, but this is an excellent start.

On behalf of the Committee, thank you for the opportunity to tackle these big issues. We look forward to your thoughtful responses on November 10th and stand ready to help with the next steps in Arlington's progress.

Sincerely,



John Milliken, Chair
Community Facilities Study Committee



Ginger Brown, Vice-Chair
Community Facilities Study Committee

Cc:

Dr. Patrick K. Murphy, APS Superintendent
Mr. Mark J. Schwartz, Acting County Manager

Enclosure

Table of Contents

Executive Summary	9
List of Recommendations	20
Chapter 1: Introduction & Background	23
Arlington Today	25
Community Facilities Study	28
Prior Strategic Studies	31
Other, Overlapping Studies	32
County & APS Improvements	35
Chapter 2: Public Facility Basics	37
Demographic Forecasts & Projections	39
Facility Inventory & Projected Needs	51
Revenues & Capital Funding	59
Chapter 3: Strategic Community Challenges	77
A Scarcity of Land for Public Facilities	80
Dealing with Changing Demographics	82
A Threatened Commercial Tax Base	85
Strategic Facility Planning and Priority Setting	90
The Need to Revamp Community Dialogue	99
Chapter 4: Next Steps	101
Implementation	103
Additional Studies	110
Appendices	113
1. Community Facilities Study Charge and Committee Members	115
2. County and APS Efforts Already Underway	121
3. Facility Inventory	123
4. CIP Funding Sources	141
5. Priority Setting Framework: Guiding Questions and Needs Assessment	
Criteria/Considerations	143
6. Siting Principles & Process	146
7. A Summary of Resident Forum Table Discussions	158

A Companion Document includes the 2015 Committee Meeting Presentations and additional data on County Forecasts and APS Projections

List of Figures

Figure 2-1:	2000 - 2010 Census: Race and Ethnicity	40
Figure 2-2:	Arlington Population by Generation, 1980 - 2010	41
Figure 2-3:	Arlington Household Income, 2000 - 2013	42
Figure 2-4:	Historic Enrollment, 1961 - 2014	43
Figure 2-5:	Annual Change in APS Enrollment, 2001 - 2015	44
Figure 2-6:	APS Enrollment by Housing Type, September 2013	45
Figure 2-7:	APS K-12 Student Generation Factors by Housing Type, 2005 and 2013	46
Figure 2-8:	Arlington Population and Employment Forecasts (MWCOC Round 8.4)	47
Figure 2-9:	APS 10 Year Student Enrollment Projections, Fall 2014	48
Figure 2-10:	Summary of County Forecast and APS Projection Inputs and Outputs	49
Figure 2-11:	Land Owned by County Board or School Board	54
Figure 2-12:	FY 2016 General Fund Revenue Sources	61
Figure 2-13:	FY 2016 Local Tax Sources	62
Figure 2-14:	Residential Portion of Total Tax Base for Northern Virginia Jurisdictions, 2008-2014	63
Figure 2-15:	CY 2015 Real Estate Assessments by Category	64
Figure 2-16:	Breakdown of Commercial Assessments, 2001-2015	64
Figure 2-17:	Countywide Office Vacancy Rate, 2011-2015	65
Figure 2-18:	Annual Tax Revenues from Typical Office and Apartment Buildings	66
Figure 2-19:	County Revenue Forecasts	68
Figure 2-20:	County and Schools Adopted CIP Needs (in 000s)	74
Figure 2-21:	County and Schools Adopted CIP Funds (in 000s)	75
Figure 3-1:	County CIP Process and Timeline	91
Figure 3-2:	APS CIP Process	91



Executive Summary

Executive Summary

With steady growth, evolving demographics, and a changing economy, now is the appropriate time for Arlington to take a step back and examine strategies to meet our community facility needs. Arlington is considered an enviable place to live and do business, with a highly-rated school system, a solid economy, distinctive neighborhoods, and strong community voices. These successes are a double-edged sword, as we are challenged to keep pace and address the needs of the entire community.

Old solutions can't solve every problem. Facilities built by past generations are aging, and in many cases demand for services is exceeding capacity. To overcome our insufficient land holdings, we will need to think differently and use our resources more efficiently.

The County Board and School Board selected a cross section of the Arlington community for their depth of civic experience to lead a community dialogue on these issues. The Community Facilities Study Committee members immersed themselves in Arlington's current and future demographic, economic, and facility trends over the last nine months. They exchanged ideas and formed thoughtful, practical recommendations to influence future decisions.

The County and School Boards asked the Committee to identify the principal strategic challenges that Arlington faces, point out the barriers to overcoming those challenges and recommend ways to address them. This Report documents the conclusions reached by the Committee in those topic areas.

Arlington is challenged today and is entering an era of tough choices with diverse needs competing for money, space and community support.

In addition, this is a time of unusual change in the leadership of the County and Schools. The Committee recommends that addressing the challenges identified in this Report be a priority for both elected and appointed officials.

This summary describes these challenges and highlights the Committee's recommendations to the County and School Boards. The Committee urges the Boards to act expeditiously on two primary recommendations:

- Create a formal, integrated strategic needs assessment and priority setting process between APS and the County with these three elements:
 - A Facilities Strategic Planning Committee consisting of two County Board and two School Board members
 - An integrated staff team including APS and all relevant County departments, and
 - A Joint Facilities Advisory Commission
- Implement the proposed Public Facility Siting Process

By implementing these two recommendations, a foundational structure would be in place to guide the challenging work ahead to identify and prioritize public facility needs as well as to establish a guiding process for the siting of future public facilities

What do we see as the principal challenges?

1. A scarcity of land for public facilities
2. Dealing with changing demographics
3. A threatened commercial tax base
4. Strategic facility planning and priority setting, and
5. The need to revamp our community dialogue

A Scarcity of Land for Public Facilities

Land is Arlington's scarcest resource. The County is only twenty-six square miles, the smallest and most densely populated County in the country. Of that twenty-six, 9.5 is owned by federal, state or regional bodies or taken up by transportation rights of way. Another 14.2 is privately owned. County and Schools account for the final 2.2, and that land is already crowded with heavily used community facilities and other public uses.

As Arlington's population grows (forecast to reach 283,000 by 2040 based on the adopted General Land Use Plan), the demand for more schools, open space and facilities for public services will grow as well. For example, we will not only need to build schools for more kids but also provide sports fields and basketball courts for those kids to use, facilities to park and service the school buses that transport them, and space to store the equipment that repairs and plows snow from the streets they use. And a similar range of needs will be required for every age group, from adult recreation and continuing education to library services and natural and green space.

The challenge for the future is, first, to make better use of the land and facilities (including public buildings and other public uses) we have and, second, to look for opportunities to "create" more land. What does that mean? It means building up, rather than out. It means building over and under whenever possible. It means making facilities flexible and adaptable and appropriate for joint use, whenever possible. And it means finding land where it does not now exist, such as decking over on I-66. These solutions are likely to present engineering challenges and are almost certain to be more expensive, but, because land is our scarcest resource, novel and creative approaches may prove to be the most prudent.

To help meet these growing needs, Arlington should formalize a “land acquisition fund,” adopt policies for its use and include all types of public facilities as well as the costs associated with any “newly created” land.

Recommendations:

1. Make maximum use (and reuse) of the facilities we have
2. Encourage joint or shared use of facilities
3. Build up, under and over rather than out
4. Create “new” land
5. Collaborate with other jurisdictions for shared uses
6. Establish a land acquisition fund

Dealing with changing demographics

Arlington will grow, adding another 70,000 residents if we follow the currently adopted land use plan. The challenge is addressing the needs of those parts of the population that are growing and, particularly those population elements that are critical to our economic future. Diversity is one of our strengths. We are a place where a wide range of people want to live. We attract exceptional people from all walks of life and, importantly, we attract the businesses that want to employ them. We are appealing to the 29 year old who does not want to own a car and wants to live in an urban setting; to the 67 year old who wants to continue to live in the community where her children were raised; and to the young family attracted by the quality schools and the outdoor and indoor spaces and places that are inviting for children.

But some obvious challenges arise. Increasingly, middle-class families, those earning 80-120 percent of median income, cannot afford to live in Arlington. How do we keep the 29 year old when he or she has children and is looking for a suitable, affordable place to live? Are the schools prepared to handle the growing and diverse population that Arlington is likely to attract? Do we have the active recreation facilities, urban gathering spaces, and natural areas and trails they seek? These millennials are the heart of Arlington’s future workforce and a critical ingredient in attracting 21st century businesses to locate and grow here. Whether the young adult will stay in Arlington to raise his or her family is one of the central, difficult to answer questions about Arlington’s future. We do know that the quality of the schools and parks and recreation centers will be an attraction. We do know that the close-in transit-oriented environment appeals to many young adults. But will we have the housing to accommodate them and will the County

and the Schools have anticipated their numbers correctly so that perceived school crowding will not be a disincentive?

The Committee spent a great deal of time on the issue of projecting future County and School populations and has made a series of recommendations to coordinate more effectively the availability and use of demographic data between the Schools and the County. On the critical issue of housing that is affordable to those starting out, the Committee has discussed several approaches for the County to consider further and in more detail. On the issue of meeting the needs of a diverse student body, the Committee recommends an enhanced and coordinated program of wrap-around services involving County, School and non-profit community resources. And, finally, on the issue of meeting the needs of the growing over 65 population, the Committee recommends that more Arlington-specific data be collected and analyzed so that we can plan for seniors in their 60s, 70s, 80s, and beyond.

Recommendations:

7. Improve forecast and projection methods
8. Improve cohort data research, particularly for millennials and those 65 and older, and use demographic factors to help define future facility needs
9. Develop strategies to retain the millennial population, specifically increasing the availability of “starter” housing, child care, and preschool
10. Evaluate and enhance wrap around services, coordinating school and after-school needs

A Threatened Commercial Tax Base

Like all local governments in Virginia, Arlington relies heavily on the real estate tax for its revenues. Unique among its Virginia neighbors, 50% of Arlington’s real estate taxes come from commercial properties which include office, retail, hotel and rental apartments. The comparable figure in Fairfax is 25%, in Prince William, 21%, which means a greater proportion of the local budgets in those counties is derived from residential real estate taxes, compared to Arlington.

Decades of a thriving commercial office market has afforded Arlington top-rated schools and a wide variety of public amenities, all while keeping residential taxes low. But that model is threatened now because of a rapid rise in the vacancy rate in commercial office buildings, which is currently 21 percent, more than double its historic level. This is meaningful to every Arlingtonian because every one percent increase in the office vacancy rate equates to a half cent on the real estate tax rate, or \$29.00 for the average single family home.

The causes of this rapid rise in office vacancies are several, which means that there is no easy solution. Base Relocation and sequestration at the federal level have reduced the presence of federal agency tenants and their private consultants; the rise of teleworking and the trend toward shared office space has reduced the demand for private office space; and the opening of the Metrorail Silver Line has brought competition from office markets to our west in Tysons and Reston. As Arlington's apartment market strengthens and fills space that may have otherwise become office development, the demands placed on public facilities will increase.

Arlington can no longer rely on its location and reputation to sell itself. It must step up its game in marketing and improve its receptivity to business, both those currently located here and those wanting to come. It must focus on new markets such as research and education and build on the technology businesses in Crystal City and Ballston. It must be willing to respond quickly and with flexibility to requests for minor or temporary changes to buildings or their environs. The Committee recommends an enhanced role for the Business Improvement Districts in allowing such changes.

The Committee recognizes that office development can sometimes put added pressure on County facilities and services, pose additional traffic issues, and challenge the aesthetic vision that some Arlingtonians have of their neighborhoods and the County. In order to make clear the trade-offs the County Board must make, the County staff report accompanying a commercial development project should include a statement of its economic impact, including both costs and benefits likely to be generated by the project. In addition, the County Board should revise its charge to the appointed citizen Economic Development Commission to assign it the job of reviewing the recommended staff economic impact statement for commercial development projects and providing its comments directly to the Board.

Recommendations:

11. Step up marketing efforts to attract commercial office tenants.
12. Add an economic impact section to private development project staff reports.
13. Amend the charge of the EDC to include provision of a letter to the County Board regarding the economic impact of each project.
14. Enhance the role of the Business Improvement Districts (BIDs), and adopt other improvements, to attract and retain businesses.
15. Focus on a variety of housing to match the wide range of incomes and ages in the County.
16. Embark on a cost efficiency effort for public facilities and services, and bolster community awareness of key revenue and budget issues.

Strategic Facility Planning and Priority Setting

As the Committee dealt with the task of developing a process for the County and School Boards to use in the siting of public facilities, the question arose of how the County and Schools strategically prioritize their future facility needs. How does a particular project find its way into the Capital Improvement Plan, and how does that relate to the County's broader vision of its future? What is the role of the community in thinking through these strategic priority setting decisions?

Our recommendations are designed to achieve four goals:

- Institutionalize better coordination between Schools and County and among the several County departments, including development of specific criteria or considerations for prioritizing facility needs.
- Improve the opportunity for public participation and input into the early stages of priority setting for future facilities.
- Bring together the information about ongoing demographic and economic changes in the County and schools with the early planning and thinking about future facilities.
- Identify long-range strategic issues and their implications for facility needs and provide a basis for prioritizing candidates for inclusion in a future update of the CIP.

We recommend the Boards establish a Facilities Strategic Planning Committee consisting of two County Board and two School Board Members (with a rotating Chair). This committee would monitor and provide strategic guidance on public facilities and associated budgets to the full Boards for their respective ultimate decision-making processes. The Facilities Strategic Planning Committee would also provide guidance to a Joint County/APS staff team. This staff team would be chaired by a designated senior person from the County Manager's office and composed of the key facilities planning staff from APS and County departments. The staff person designated to lead the effort must be senior enough to provide direction and leadership to the rest of the team and be charged with taking a longer strategic view of needs. A longer term, data-driven strategic view of needs—in conjunction with a recognition and understanding of immediate priorities—is critical to ensuring a balanced view of capital facility needs.

The Facilities Strategic Planning Committee would receive annual updates on demographic trends, development market projections and other factors (including the natural aging of structures) and, for schools, the general geography of future school needs that might impact the need for future facilities, whether County or Schools.

In developing a master list of projected future needs, the four-person Committee would review those facilities currently in the pipeline (e.g. the adopted CIP and other previously identified needs) and also the various adopted plans that are part of the Comprehensive Plan, and supporting documents including sector and area plans that are adopted for different areas of the County.

Community involvement would be achieved through a new Joint Facilities Advisory Commission, with members appointed by both the County and School Boards. This commission would provide a venue for broader community input and coordination with other established advisory commissions.

Under this proposed approach, once the public facility needs have been listed and prioritized, in a more open way with community members, this work would feed into other processes on specific projects. As charged by the Boards, the Committee is proposing a new siting process that would be followed by the County and Schools when a new site is needed for a facility. This framework would guide all types of large and complex public facility projects including new schools, fire stations, storage and infrastructure “back of house” needs.

Recommendations:

17. Create a formal, integrated strategic needs assessment and priority setting process for APS and the County with these three elements:
 - A Facilities Strategic Planning Committee consisting of two County Board and two School Board members
 - An integrated staff team including APS and all relevant County departments, and
 - A Joint Facilities Advisory Commission
18. Implement the proposed Public Facility Siting Process

The Need to Revamp the Community Dialogue

Arlington has always prided itself on its level of civic participation, from the early 1950s when a generation of residents, many of them federal employees, wrested control of the schools from the segregationist-minded state government, to the blossoming of citizen-led land use planning and design for our Metrorail corridors. But, in reality, even the most robust civic process reaches only a small percentage of the population. While Arlington, like many communities, has an established network of civic associations for each “neighborhood,” the role of these groups and participation levels continue to change. And that is becoming more the case as a new generation gets its information from new sources and communicates in different ways. Our conclusion is that the County and Schools have to redouble their efforts to engage with the diverse population that lives and/or works here.

What does this mean as a practical matter? It means developing accessible, educational and actionable information and distributing it through effective channels. It means more vigorous and creative communications and two-way civic engagement efforts, first from the elected officials who set the policy but, just as importantly, from the professionals in the County and Schools who carry out the policies and provide the services. Traditional community meetings have a place. But we have a diverse population, some of whom respond best to information in a digital environment. Communications from the County and Schools should be clear and allow easy response. Not everyone is interested in – or able to – regularly visit County or School offices or troop over to the County office building to sit around a table and talk for several hours at a community meeting, or obtain information equally through neighborhood groups or listservs.

That does not mean that people are not concerned about what is happening in the community. To increase participation, new formats and different kinds of places and times for meetings (or virtual meetings) are needed and

people need to better understand what is being asked of them and how their input matters or will be handled. In the course of this Study, the Committee experimented with some new forms of communication while also using established partners to reach broader segments of the community. However, even with new tools some segments remain difficult to reach – those working multiple jobs, parents with an overload of family responsibilities, students, non-English speaking, renters, and those less digitally-connected – which is why the Committee stresses the importance of a system-wide rethinking of our communications and civic engagement strategies and practices. The elected officials and staff should experiment with new communications media and, importantly, find ways of reaching those whose participation rates have historically been low. Not an easy task, but one critical in keeping Arlington moving forward together.

Recommendations:

19. Examine communication processes and practices
20. Improve opportunities for meaningful public participation, and make better use of the community's time and talents
21. Continually experiment with new techniques for civic engagement and new channels of communication

This Document

In response to the Boards' adopted charge, the Committee also drilled into specific Arlington facts, policies, and case studies to accomplish its work. This report provides a summary of those most critical factors and their respective relationship to the challenges facing Arlington in the future. It also provides one location to find basic information that will be needed to guide future facility planning, including facility inventories and the current and future outlook regarding demographic and economic conditions.

A Final Word

The Committee appreciates the opportunity that the County and School Boards have given us to learn more about our community and work with each other and with the Resident Forum to offer you these recommendations. We want to give a special thanks to County and Schools staff and especially to Jennifer Smith, who coordinated the overall effort, and with Matt Ladd and Lisa Stengle led the talented staff team as well as to former County Department Director Susan Bell who contributed her experience and history in the County to the project team.

List of Recommendations

Challenge 1: A Scarcity of Land for Public Facilities

1. Make maximum use (and reuse) of the facilities we have, ensuring that existing space is efficiently used and that new space is adaptable for future purposes.
2. Encourage joint or shared use of facilities, taking into account the operating characteristics of any existing use, such as open space.
3. Build up, under and over rather than out to use land most efficiently.
4. Create “new” land by building over right-of-way and on top of structures such as parking garages.
5. Collaborate with other jurisdictions to review whether opportunities exist for both facility and service sharing.
6. Establish a land acquisition fund to position the County to acquire parcels when they become available.

Challenge 2: Dealing with Changing Demographics

7. Improve forecast and projection methods (Phase 2 consultant work):
 - Analysis of student generation factors (SGF) by different housing characteristics, including trends between 2010 and 2015;
 - Comprehensive demographic analysis of County population by age cohort;
 - Cohort component demographic model for County population forecasts;
 - Long-term (6-10 years) student population projection model; and
 - Trend reporting and best practices.
8. Improve cohort data research, particularly for millennials and those 65 and older, and use demographic factors to help define future facility needs.
9. Develop strategies to retain the millennial population, specifically increasing the availability of “starter” housing (i.e. entry-level homeownership), child care, and pre-school.
10. Evaluate and enhance wrap around services, coordinating school and after-school needs.

Challenge 3: A Threatened Commercial Tax Base

11. Step up marketing efforts to attract commercial office tenants.
12. Add an economic and fiscal impact section to private development (special exception/site plan and Form Based Code) project staff reports to provide information on the costs (e.g. the projected service demands and other costs to the community) and benefits (e.g. the taxes and other economic benefits) likely to be generated by a proposed project.
13. Amend the charge of the Economic Development Commission to include provision of a letter to the County Board regarding the economic impacts and benefits of each private development (special exception/site plan and Form Based Code) projects.
14. Convene a working group of the County and the business community to improve development review and permitting processes, reduce process and permit review time, and incorporate technology where appropriate, and to explore the possibility of delegating to the BIDS and other similar groups approval for temporary uses, and other similar types of activities that would otherwise need County approval and would help attract and retain businesses.
15. Focus on a variety of housing to match the wide range of incomes and ages (e.g. age in place) in the County.
16. Embark on a cost efficiency effort for public facilities and services in light of revenue challenges now and likely in the future, and bolster community awareness of key revenue and budget issues.

Challenge 4: Strategic Facility Planning and Priority Setting

17. Create a formal, integrated strategic facility needs assessment and priority setting process for APS and the County with three elements:
 - a Facilities Strategic Planning Committee consisting of two County Board and two School Board members;
 - an integrated staff team including APS and all relevant County departments; and
 - a Joint Facilities Advisory Commission.
18. Implement the proposed Public Facility Siting Process.

Challenge 5: The Need to Revamp Community Dialogue

19. Examine communication processes and practices to reach new audiences and better disseminate information.
20. Improve opportunities for meaningful public participation, and make better use of the community's time and talents.
21. Continually experiment with new techniques for civic engagement and new channels of communication, particularly social media, to reach a diverse population.

1

Introduction & Background

Chapter 1: Introduction & Background

Arlington Today



Clarendon Post Office Eagle

Arlington County has experienced a steady surge in development and population growth since the early 1980s with remarkable changes along the Rosslyn-Ballston, Jefferson Davis, and Columbia Pike transit corridors. Over the last ten years, Arlington's residential neighborhoods have also been changing as land values escalate and as widespread rebuilding and renovations replace and expand older homes. This tremendous growth—albeit largely planned over many decades in partnership with the community—has created pressures on the County's government and school facilities. At the same time, a weakened office market, shifts in the Federal government's operations within the region, land limitations within Arlington, and a more mobile, digitally connected community have elevated new concerns which will need to be carefully and thoughtfully accounted for as future facility planning occurs.

Several recent facility projects and initiatives have raised questions and concerns about how Arlington County ("County") and Arlington Public Schools ("APS" or "Schools") plan for and finance new public facilities. In response, the Arlington County and School Boards jointly launched the Community Facilities Study in January. The Boards envisioned that the Community Facilities Study would bring the community together to discuss how public facilities are planned and funded, how the County and Schools could increase collaboration, what mistakes have been made in the past and how to learn from them, and what positive strategies could be developed to improve public processes and communications.

The Study Committee established for this effort discussed these complex issues as it met over the course of the year. The Study Committee paid particular attention to Arlington's economic development outlook, changing demographics, and scarcity of land, factors intertwined with facility needs, planning, construction, and operations. These challenges, if left unaddressed, could threaten Arlington's overall sustainability as a community. As the process unfolded, it became apparent that the wider Arlington community could benefit from broader awareness and understanding of the complex issues both Boards and staff face in their efforts to run an effective, efficient, and transparent government and school system.

Snapshot of Arlington Today

Arlington County was originally part of the "10 miles square" parcel of land surveyed in 1791 to be the Nation's Capital. At approximately 26 square miles, it is the geographically smallest self-governing county in the United States. Arlington maintains a rich variety of stable neighborhoods and quality schools, and has received numerous awards for its smart growth policies and

practices and its emphasis on transit-oriented development. Home to some of the most influential organizations in the world — including the Pentagon — Arlington stands out as one of America's preeminent places to live, visit and do business. Arlington has enjoyed remarkable achievements thanks to a history of smart decisions rooted in community engagement.

A community-based vision helped Arlington protect neighborhood character while planning for the expansion of Metro rail transit in the 1970s. This was a pivotal point in forming the compact, urban environment we know today with:

- attractive, walkable neighborhoods;
- unbeatable transportation;
- a superior school system;
- a smart, creative workforce;
- parks and recreation facilities nationally recognized for their quality and diversity;
- lowest unemployment rates in the region;
- exceptional financial management and consistent triple-AAA bond rating;
- a high level of services and programs for businesses and residents; and
- strong partnerships across the region with nearby localities, universities, non-profit service providers, and the development community.

As of January 1, 2015, Arlington has an estimated population of 216,700, reflecting an increase of 4.4% since 2010. The population is forecasted to reach over 283,000 people, living in over 140,000 housing units by 2040. Reflective of the official September 30, 2015 count, over 25,000 students are enrolled in Arlington Public Schools. While only about 20% of Arlington households include children under the age of 18, APS has experienced annual enrollment growth ranging from 2.8% to 5.2% since 2008. This report highlights how these and other factors, including the current and future economic conditions, facility and land inventory, and public engagement, should influence future discussions and decisions about all public facilities.



"Bull's Eye" Concept for Rosslyn-Ballston Corridor, 1972

County and School Governance

Arlington operates under a “county manager plan of government”, which consists of a 5-member elected County Board with legislative authority, an appointed County Manager with administrative and executive powers, an elected 5-member School Board with authority over the school system, and an appointed Superintendent of Schools. The County Board has taxing authority. It adopts a budget each year for the entire County that sets the funding level for the Schools. The School Board adopts its own budget but does not have the authority to levy taxes. A revenue sharing agreement, in place since FY 2001, guides discussions between the County Board and School Board in structuring the portions of the revenue for each entity to meet and address the economic and resource demands. For FY 2017, APS is expected to receive 46.5% of local tax revenues to address increasing school enrollment and other increased costs. Each Board adopts its own Capital Improvement Plan on a biennial basis, although the debt capacity for bonding capital facilities is shared between County and Schools because the rating agencies consider and evaluate both bodies’ debt capacity comprehensively. The CIPs are approved on the same cycle; the most current School and County CIPs (FY 2015-2024) were adopted in June and July 2014, respectively. The School Board and County Board each establish and make policy decisions which are administered by the Superintendent and the County Manager, respectively. The County and Schools own and operate their land and facilities independently; however, the County Board has authority over land use and zoning decisions, with many public facilities requiring approval by special exception use permit. In numerous cases, facilities (particularly sports and recreation facilities) are shared between County and Schools under a shared use or joint use agreement. The County and School Boards have also developed Criteria for Consideration of Arlington County Facilities and Land in APS Capacity Planning Process to formalize their commitment to efficiently share space resources where feasible.

Community Facilities Study

The Charge

In January 2015, the County Board and the School Board jointly appointed a 23 member citizen committee to develop a resource and facilities strategic plan for the future for Arlington County. Officially entitled the Arlington Community Facilities Study – A Plan for the Future, this Final Report focuses on long-term opportunities and challenges for the County government and its school system.

The Study Committee was charged with:

- Examining and reconciling existing demographic forecasts for the County and Schools
- Compiling an inventory of existing County and School physical assets and a projection of new facility needs
- Proposing criteria and a process for siting any new County or School facilities
- Developing a forecast of County revenue trends by source under three alternative futures – high, medium and low growth and an analysis of best practices in public facility finance
- Identifying strategic community challenges that, if unaddressed, could threaten Arlington’s overall sustainability

A great deal of the Committee’s time was spent on the last item above, with the group concluding that the identification and discussion of key challenges for the future would be the most significant contribution the Committee could make.

As the Committee identified the key challenges that could impact the County Board and School Board’s ability to achieve the goals and vision for high-quality public facilities, a set of process improvements emerged as the primary method to meet and overcome those challenges. Additional recommendations to adopt new policies for creatively and efficiently using land for public facilities, obtain more demographic data to inform planning, and improve communications with the broad community, among others, were proposed. (See Appendix 1 for full Charge).

Committee and Resident Forum

Through the Charge, the two boards established a 23-member Committee representing a mix of civic and professional experience to meet the task, with some having been more active with Schools and others in County advisory boards and commissions. The study’s reach and exposure into the community were significantly expanded through the use of a novel technique called the Resident Forum. At the outset of the Study, the County and School



Boards contacted civic associations, PTAs, non-profit groups, business organizations, tenant groups, and other community organizations and asked each one to designate a representative from its group to serve as a member of the Resident Forum. Many did so, providing a direct communications link for the groups they represented. In addition, individuals could become members of the Resident Forum simply by signing up. The Resident Forum was composed of more than 250 people and represented over 52 of the County's civic associations. Over 100 other organizations were kept informed of the Study through an additional subscriber list following this effort. A multi-disciplined team of staff from both the County and APS assisted with this process, working closely with the Study Committee Chair and Vice-Chair.

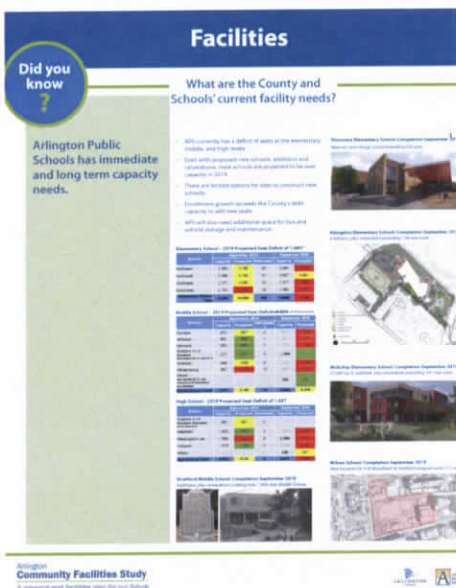
Community Facilities Study Process

The Charge outlined a study that would run through 2015 with a final report being prepared and presented by the Committee to the two Boards at the end of the year. The Committee met twice a month.

The first several months of the study were designed to educate the Committee and other participants on the County's revenues, the regional and local economic situation, the County's and Schools' current demographic picture and future growth forecasts and projections, the facility and land inventories, and capital facility funding. County and APS staff members, consultants, and other professionals in the Washington, D.C. region prepared the educational presentations. Each topic was typically covered over the course of two meetings. The first meeting provided an overview of the topic, and allowed time for questions and answers by the participants. The second meeting was a chance for participants, including the Resident Forum, to clarify their understanding of the topic, and to share their feedback. Table discussions focused on three or four guiding questions (e.g. What future challenges do you see to Arlington's basic economic model of reliance on the commercial sector for 50% of its real estate taxes?). Committee members facilitated the small group discussions among the Resident Forum and captured the feedback.

As educational sessions progressed, the Committee's and Resident Forum's focus shifted to challenges that could impact facility planning in the future and solutions to overcome them. Subcommittees were established to dig more deeply into four topics identified by the Committee: Demographics, Facilities, Economic Sustainability and Facility Siting. The compiled feedback from the Resident Forum table discussions was used by each of the subcommittees. (A summary of these table notes is provided in Appendix 7.)

The Study Committee held an open house in June to welcome and share information about the study and information learned thus far with the general public as well as to collect feedback on a list of challenges the Committee thought would be facing Arlington in the future. Over 100 people



One of several Public Open House event display boards, June 2015

attended the open house and over 70 people signed in to the promotional online chat for this event with the Chairs of the Study Committee. The Committee also shared information with the public at the County Fair in August.

The Charge to the Committee singled out one item, a process for the siting of public facilities, for a September report to the two Boards. A Siting Subcommittee and the full Committee, with input from the Resident Forum, spent considerable time on this issue and recommended a detailed process to be used when either Board wished to find a location for an identified need or determine the appropriate use or uses for an identified site. The Committee's full Report on the Siting Process is set forth in Chapter 3 and Appendix 6 of this Report.

This Final Report represents the consensus view of the Committee with considerable input from the Resident Forum. The Charge to the Committee called for a number of specific reports and reviews as mentioned above. These have been completed and are set out in detail in Chapter 2, 3 and in several Appendices. All of the educational presentations from the Community Facilities Study meetings are available in a companion document to this report and are available online.

Communication Efforts

This effort was intended to reach the broadest sense of the community beyond any one particular subset of the population or geographical area. To meet this challenge, a robust communications plan was deployed and several new techniques were tested. In the end, communication material about the effort reached many people in the community.

The Chair and Committee members made numerous presentations to community, non-profit, and business groups during the process, along with progress reports to each Board. These led to heightened community awareness of the study and the issues being discussed. Beyond the traditional communication measures of e-mail and the internet, other digital tools were used including

- messages shared through the APS' School Talk that reach over 36,000 subscribers via phone, email and text messages;
- Twitter(@ArlingtonVA, @planArlingtonVA, and @APSVirginia) and Facebook (Plan Arlington VA and Arlington Public Schools);
- live video feeds; and,
- an online chat with over 70 participants, to promote an open house event in June 2015.

Updates on the study were also included in this year's editions of The Citizen, mailed to every household in the County. As a way to disseminate and archive the educational presentations, video recordings of these





sessions are posted online; additionally, summaries of several meetings were prepared that could be easily shared with neighborhood groups and uploaded to non-County websites and listservs. A civic engagement toolkit was also prepared giving each Committee member a compiled set of resources to aid them with their outreach to civic groups, PTA's and other community organizations.

Prior “Strategic” Studies



In the mid-1980s, the County Board established a commission of community representatives to study the future vision of Arlington County. The group was charged with identifying challenges to the attainment of that vision and to develop recommendations and strategies that could help realize the type of community envisioned for the year 2000 and beyond. The “Future of Arlington – the Year 2000 and Beyond” report documented the findings and recommendations. School enrollment was declining then and development was not happening at a fast enough pace. The population was changing and the County government was not quite sure how it would meet the future demands. The community’s report highlighted numerous ideas that should be at the forefront of planning in the years to come and articulated the commission’s hope that its work would inspire others to take more interest in community planning and other initiatives to improve Arlington in the 21st Century. In 2000, the County Board chartered a new group to assess the progress made by the County since the 1986 study. The commission found that substantial progress had been made on the majority of the recommendations. In addition, the group sought comments from other commissions, boards, advisory groups and individuals to hear their views on the state of the County. Using that input, the group developed the County’s Vision Statement.



Other, Overlapping Studies

When the County Board and School Board established the Community Facilities Study, several other County and School initiatives were already underway or in the pipeline. The two Boards decided that those processes should continue in tandem with this study on their own respective tracks. Although many of the issues being examined with the specific initiatives overlap those being considered in the Community Facilities Study, the Study Committee did not delve into or duplicate the specific topics or recommendations being discussed as part of those studies. The Community Facilities Study Committee members and staff members involved in all projects have remained informed about each respective process. The following projects were underway concurrent with the Community Facilities Study:

Affordable Housing Master Plan

The County Board initiated the Affordable Housing Study in 2012 to evaluate existing policies, assess current programs and resources, and identify needs and gaps in provisions for affordable housing – housing for households with low and moderate income levels, generally at or below 60% of the Area Median Income (AMI). Sixty percent of AMI today is \$64,480 for a household size of four. In partnership with staff, the County Manager appointed a 19-member working group to share the community's affordable housing vision and provide guidance on the proposed goals and recommendations. In September, 2015, this body of work culminated with County Board adoption of a new, 11th element of the County's Comprehensive Plan. In the past, the County's policies for affordable housing were guided by goals and targets developed in collaboration with the Citizen Advisory Commission on Housing. The new plan proposes three goals that focus on housing supply, access, and sustainability. A companion document to the new master plan, the implementation framework, includes information on new and existing strategies—such as financial assistance, tools for construction, land acquisition, building rehabilitation, land use regulations and incentives, and housing programs to assist low-income and at-risk populations—that can be used separately or in combination to achieve the goals of the plan.

Public Spaces Master Plan

A process to update the Public Spaces Master Plan, last updated and adopted in 2005, was started in 2015 by the Department of Parks and Recreation (DPR). This element of the County's Comprehensive Plan guides the public space system at the highest level and provides goals and strategies for the future for the full breadth of public spaces, including all of the parks, natural resources and recreational programs and facilities that make up that system. Other supporting plans and policies, such as sector

plans, joint use agreements, and park master plans, all stem from this overarching vision and policy document. As with all updates to elements of the Comprehensive Plan, a community participation plan will engage the public and seek feedback on the stated goals and objectives, current and future facility needs, priorities, and implementation strategies. The County Manager established an advisory committee to work closely with staff through this process on the civic engagement activities and communication plans and to provide feedback on analysis and recommendations. The process, expected to be completed at the end of 2016, will culminate with the adoption of an updated plan to guide policies, projects, land acquisition for park and open space needs, and other strategies for the next 10 years and to identify other, longer-term goals and initiatives. The Plan is updated approximately every 10 years.

Lubber Run Community Center

Built in 1956, this community center is the oldest in the Arlington inventory. The facility does not meet ADA accessibility standards and does not meet current needs for indoor space and outdoor amenities. Funding to replace the center was included in the County's 2015-2024 CIP, although initially identified in the FY1999-FY2000 CIP. The new center will provide a full complement of recreational, social and learning activities for all age groups. DPR along with the Department of Environmental Services (DES) is leading this effort, which involves an extensive planning process and community collaboration. The conceptual planning and community engagement is expected to take place through 2016, including a review process with the Public Facilities Review Committee (PFRC). Building construction is anticipated from 2017 to 2019.

Fire Station #8 Siting Process

The County embarked on a process earlier this year to determine a future location for Fire Station #8, currently located on Lee Highway west of Glebe Road. After several public meetings, a new task force has been established to review candidate sites and make a recommendation on a preferred location and type of facility by March 2016. Funding for the relocation and construction of a new facility was included in the 2015-2024 CIP. The County identified this need previously to improve emergency responses for neighborhoods that are currently outside of the County's preferred four-minute response time radius. After a site for the fire station is determined by the County Board, a master planning process will be undertaken with a review process through the Public Facilities Review Committee (PFRC).

More Seats For Students Initiative

Stemming from the last CIP adopted by the School Board in 2014, the Schools facility staff are working on several fronts to increase capacity for a growing student body at all three educational levels: elementary seats in the southern part of the County and middle school seats in the northern part of the County, to be achieved in the near term; and, high school seats to be achieved later in the 10-year planning horizon. These initiatives include the following:

Stratford Middle School

At its December 18, 2014 meeting, the School Board voted to renovate and build an addition at the Stratford School site to establish a new neighborhood middle school with 1,000 seats. Stratford currently houses the Stratford Program and the H-B Woodlawn Program. The School Board also voted to construct a new school at the Wilson School site which would accommodate the relocated H-B Woodlawn and Stratford programs. The Building Level Planning Committee (BLPC) and the PFRC processes are evaluating the proposed renovation of and addition to the Stratford School building. The BLPC and PFRC processes are both in the concept design stage and major topics such as building placement, site access and circulation, parking, and historic preservation are under discussion. The School Board is expected to consider approval of the concept design in November 2015.

Wilson School

As noted above, the School Board voted to build a new secondary school with up to 775 seats at the Wilson School site. This proposed school will house the H-B Woodlawn and Stratford programs currently located in the Stratford School. This site was part of the area studied by the County as part of the Western Rosslyn Area Planning Study, which culminated with a County Board-adopted area plan in July 2015. The extensive public facilities in this small area—the future Wilson School, and its associated outside open spaces, a new Rosslyn Highlands Park, and a new Fire Station #10—will make this a community hub along the Wilson Boulevard corridor. At this time, APS is continuing the BLPC and PFRC processes to prepare and review preliminary designs. The School Board is expected to consider approval of the concept design in November 2015.

South Arlington Working Group

In May 2015, APS launched a process that responded to the School Board's goal of opening a new, 725-seat neighborhood elementary school in South Arlington, preferably by the fall of 2019. The group was charged with analyzing site options and providing input on related

program moves, with the overall goals of addressing crowding and enhancing instructional opportunities in South Arlington elementary schools. The working group has benefitted from the discussions occurring as part of the Community Facilities Study, in particular those related to the siting of new public facilities. Once a site is determined by the School Board, and if County owned is also approved by the County Board, the project would shift to the BLPC and PFRC processes, similar to those noted above.

The School Board established the structure of the Building Level Planning Committee (BLPC) to assist the Facilities and Operations staff and to advise the School Board on each major capital construction/renovation project. A separate BLPC is established for each major capital construction/renovation project.

The Public Facilities Review Committee (PFRC) was established by the County Board as a mechanism for advisory commissions and committees to have timely input on the development of County facility and Schools projects prior to public hearings. Its mission is to ensure that the highest quality of land use planning, design, transportation planning and other important community aspects are incorporated into civic projects. PFRC is a standing committee that meets as needed to review each project.

County and APS Efforts Already Underway

As the Community Facilities Study progressed and County and School staff increased their level of collaboration, each organization took steps to increase transparency, share information, and improve facility planning efforts. Some of the changes that each organization have been made as a result of this study are listed in Appendix 2.



2

Public Facility Basics

Chapter 2: Public Facility Basics

To set the stage for the Committee's discussion of challenges facing Arlington and its ability to meet the community's public facility needs (Chapter 3), this chapter reviews the basic elements that guide the planning, funding, construction and operations for Arlington's public facilities, and addresses the specific deliverables set out in the Charge for this study.

- Demographic forecasts and projections;
- The facility inventory, planned improvements, and projected needs; and
- Revenue and capital funding programs.

Demographic Forecasts and Projections

The stated purpose of the Community Facilities Study is to “build a consensus framework regarding future revenue and facility needs” in the context of Arlington’s projected economic and demographic growth. The Study Committee is specifically charged with “examining and, to the extent necessary, reconciling existing demographic and economic forecasts for 5, 10, and 20 years out to produce a single set of forecasts for both the County and Schools.” The Study Committee is particularly interested in issues related to generational changes and collaboration between the County and Schools on population forecasts and school projections. This report’s companion document provides more detailed information on Arlington’s Demographics, Forecasts, and Projections.

Demographics and Recent Trends

National and Regional Context¹

The Study Committee received a presentation from Dr. Lisa Sturtevant, Vice President of Research at the National Housing Conference, on key national and regional demographic trends and how these trends may affect Arlington. Dr. Sturtevant discussed how the recession and recovery have affected different generational groups. New household formation among the millennial generation (born 1982 to 2000) has lagged but is beginning to pick up. Within the region, millennials were driving the growth in Arlington and Washington D.C., but recent trends indicate that this population may be shifting to Fairfax, Montgomery, and Prince Georges Counties. The vast majority of baby boomers (born 1946 to 1964) are currently living in single family homes in the suburbs. Dr. Sturtevant expects that as this generation

1 Presentation on Regional Economic and Demographic Indicators, March 11, 2015, CFS Meeting

leaves the workforce, many will downsize to smaller homes, opening more suburban single family homes to millennials as they form families.

Arlington's Population and Housing²

As of January 1, 2015, Arlington had an estimated population of 216,700, reflecting an increase of 4.4% since 2010. On average, the County's population has grown about 1% per year since 2000. Figure 2-1 shows changes in the population's breakdown by race and ethnicity between 2000 and 2010. Over the decade, the Asian population increased by 22% to almost 20,000, and the Non-Hispanic White population increased by 16% to 132,961. The Hispanic/Latino population decreased by 11% to 31,382, and the Black or African American population decreased by less than 1% to 17,088.

Figure 2-1: 2000 - 2010 Census: Race and Ethnicity

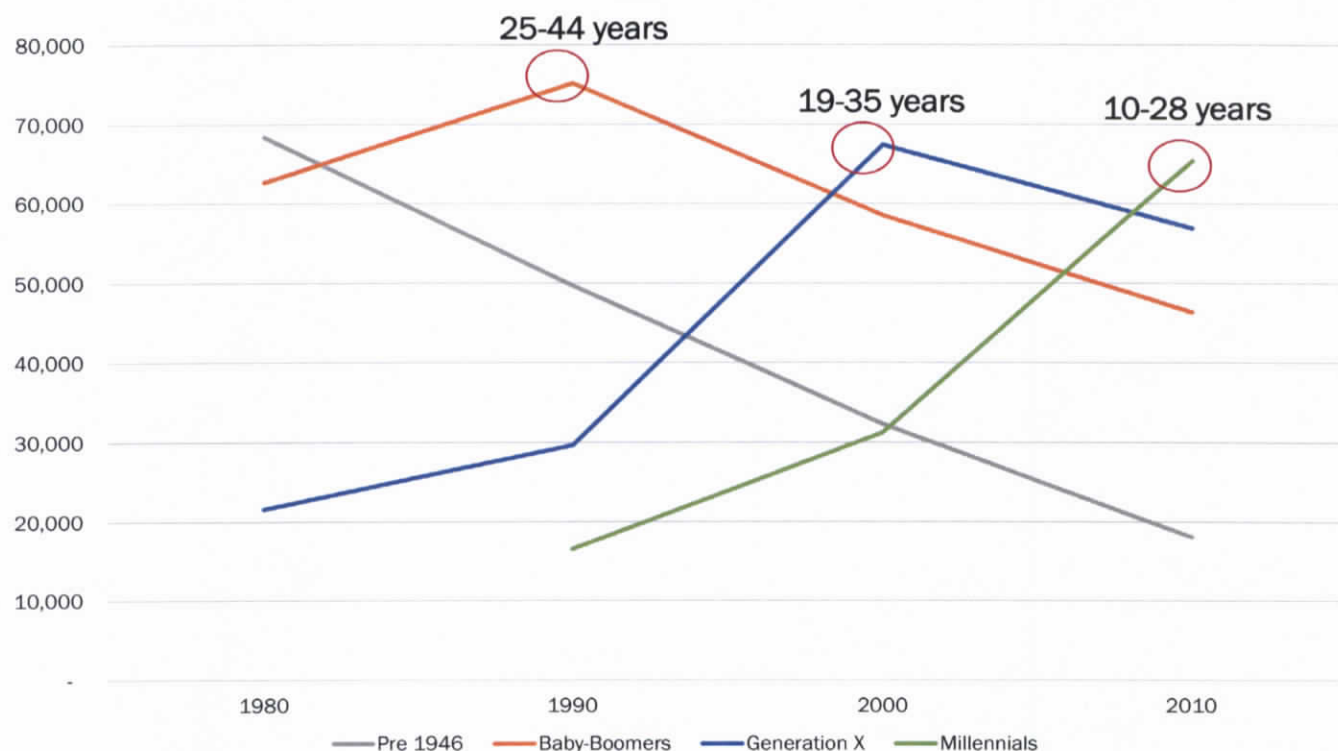
	2000		2010		Change	
	Number	Percent	Number	Percent	Number	Percent
Total Population	189,453	100.0%	207,627	100.0%	18,174	9.6%
Population of One Race	149,084	78.7%	170,949	82.3%	21,865	14.7%
White	114,489	60.4%	132,961	64.0%	18,472	16.1%
Black or African American	17,244	9.1%	17,088	8.2%	-156	-0.9%
American Indian & Alaska Native	418	0.2%	394	0.2%	-24	-5.7%
Asian	16,232	8.6%	19,762	9.5%	3,530	21.7%
Native Hawaiian & Other Pacific Islander	114	0.1%	133	0.1%	19	16.7%
Some Other Race	587	0.3%	611	0.3%	24	4.1%
Two or More Races	5,101	2.7%	5,296	2.6%	195	3.8%
Hispanic or Latino (All Races)	35,268	18.6%	31,382	15.1%	-3,886	-11.0%

Arlington has also been experiencing generational shifts, although this is not a new trend. As Figure 2-2 illustrates, the local population of each generation tends to peak when in young adulthood (20s and 30s) before tapering off. The millennial generation (born 1982 to 2000) is currently the dominant generation in the County, but it remains to be seen whether this age cohort will stay in the County as they grow older and begin to form households or if many will leave as previous generations have done. The question of what the millennials will do next has significant implications for Arlington's economy

² Data and Statistics in this section come from the 2015 PROFILE (Urban Design and Research Section, Arlington County Department of Community Planning, Housing and Development) and County staff presentations at the March 11 and 25, 2015, CFS Meetings.

and facility needs over the next twenty years.³ The baby boom generation (born 1946 to 1964) has started to reach retirement age and will continue to do so over the next fifteen years. It will also be important to monitor trends within this cohort, as Arlington's walkable neighborhoods and condominiums and apartments with convenient access to transit could attract baby boomers from other cities and counties.

Figure 2-2: Arlington Population by Generation, 1980 - 2010

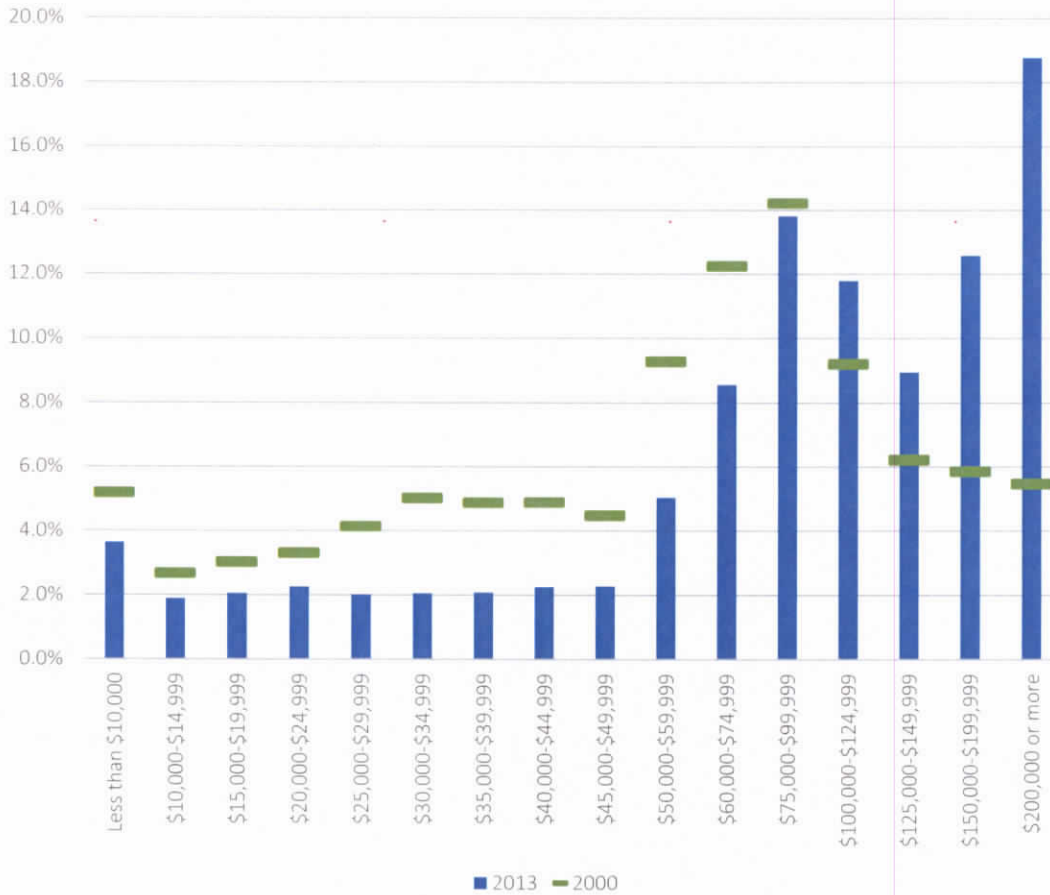


Other recent trends in Arlington's population and housing:

- The average household size for single family homes has increased since 2000. Single family owner-occupied housing increased by 0.3 persons per household, and single family renter-occupied housing increased by 0.6 persons per household. Household sizes for other housing types remained relatively stable.
- The fastest growing age cohorts between 2010 and 2013 were 35 to 44, Over 65, and Under 5.
- The estimated percentage of households with children under age 18 in 2013 was 20.5%. This percentage has remained relatively consistent since 2000 (19.3%).

³ This issue has received significant media attention recently, including a Washington Post article (Sullivan, P. (2015, August 29). Millennials have transformed Arlington, but will they stay? The Washington Post. Retrieved from <http://www.washingtonpost.com>)

Figure 2-3: Arlington Household Income, 2000 - 2013



- 64% of Arlington's housing supply is multi-family⁴, and 94% of the net new housing built over the last five years is also units in multi-family residential buildings.
- The County's single family neighborhoods are changing, as older houses are torn down and replaced with new ones and existing houses are expanded through additions. These trends are significant as the majority of school enrollment growth since 2005 has been students living in single family detached housing.
- Real estate assessments for the average Arlington residence have also changed significantly, from \$202,770 in 2000 (about \$280,000 in 2015 dollars) to \$579,800 in 2015.
- Since 2000, the percentage of Arlington households with incomes over \$200,000 has increased significantly (see Figure 2-3). Note that the Consumer Price Index increased by approximately 35% between 2000 and 2013, meaning that \$100,000 in the year 2000 is equivalent to approximately \$135,000 in 2013 dollars.

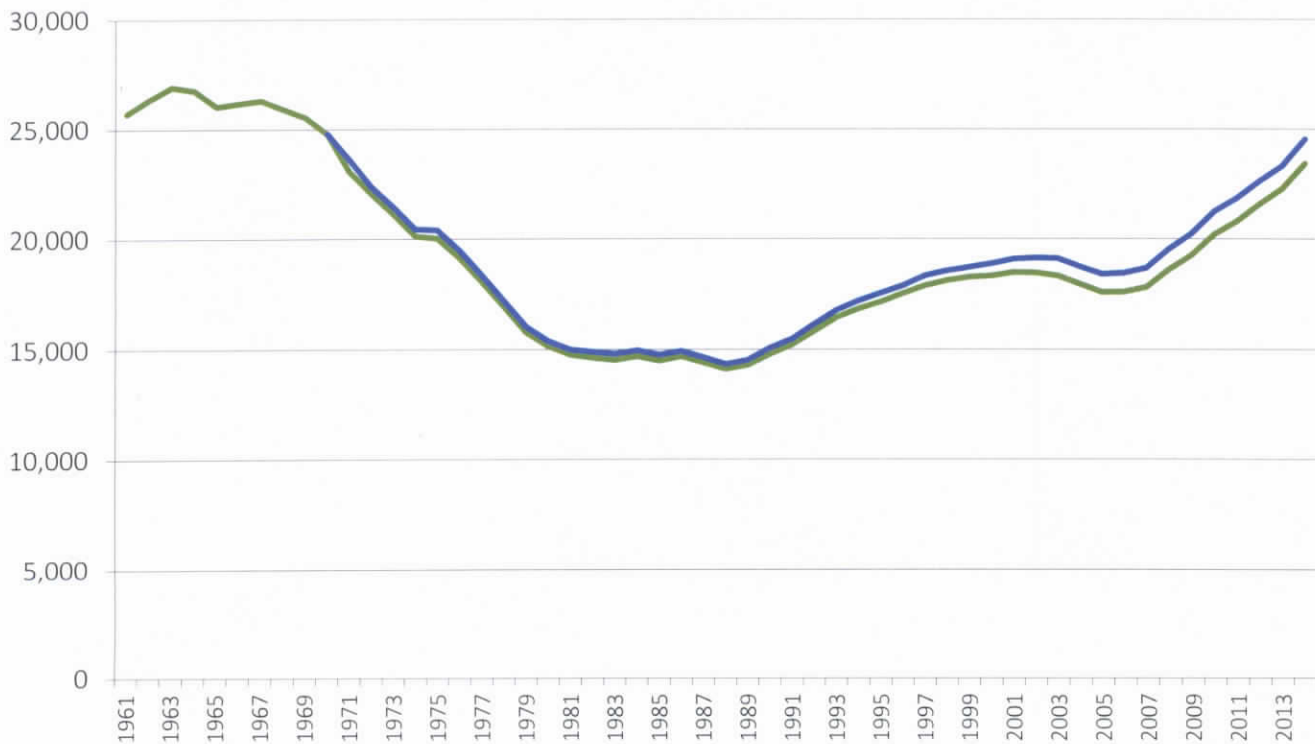
⁴ Arlington County defines multi-family housing as a building with three or more housing units. Many residents of multi-family housing are actually one-person or other non-family households

Arlington's School Enrollment⁵

Arlington Public Schools enrollment has seen major changes over the last 50 years. The timeline below addresses some major milestones in fall enrollment.

- In 1963 enrollment peaked with 26,927 students.
- From 1964-1967 enrollment remained above 26,000.
- In 1968 enrollment decreased and over the next 20 years, enrollment fell by an average of 3% each year.
- 1988 enrollment hit a low of 14,344 students.
- Over the next 14 years enrollment climbed steadily, growing on average by 2% each year, to a total of 19,140 in 2002.
- From 2003-2005 enrollment decreased by an average of 1% each year.
- In 2008, enrollment increased 850 over the previous year, an increase of 4.5%, starting a trend of unprecedented growth.
- From 2008 to 2015 enrollment increased by 5,704 students to a total of 25,238. Annual growth rates in enrollment ranged from 2.8% to 5.2% over this time period.

Figure 2-4: Historic Enrollment, 1961 - 2014



⁵ Data and Statistics in this section come from the APS staff presentations at the March 11 and 25 and October 14, 2015, CFS Meetings.

Figure 2-5: Annual Change in APS Enrollment, 2001 - 2015

Year	Total Enrollment, PreK-12	% Change over Previous Year
September 2015	25,238	+2.9%
September 2014	24,529	+5.2%
September 2013	23,316	+3.1%
September 2012	22,613	+3.5%
September 2011	21,841	+2.8%
September 2010	21,241	+5.0%
September 2009	20,233	+3.6%
September 2008	19,534	+4.5%
September 2007	18,684	+1.3%
September 2006	18,451	+0.2%
September 2005	18,411	-1.8%
September 2004	18,744	-2.0%
September 2003	19,120	-0.1%
September 2002	19,140	+0.2%
September 2001	19,097	+1.1%

The decline in school enrollment starting in late 1960s resulted in consolidation and reorganization of a number of APS schools and programs. In 1975, APS closed Madison Elementary School, the first closure due to shrinking enrollment. In the following years, six more elementary schools and two junior high schools closed. Some of the closed schools were turned over to the County government (e.g., Madison, Fairlington). Some of the schools that closed due to shrinking enrollment, were reopened as schools when enrollment increased in the 1990s (e.g., Hoffman-Boston, Gunston).

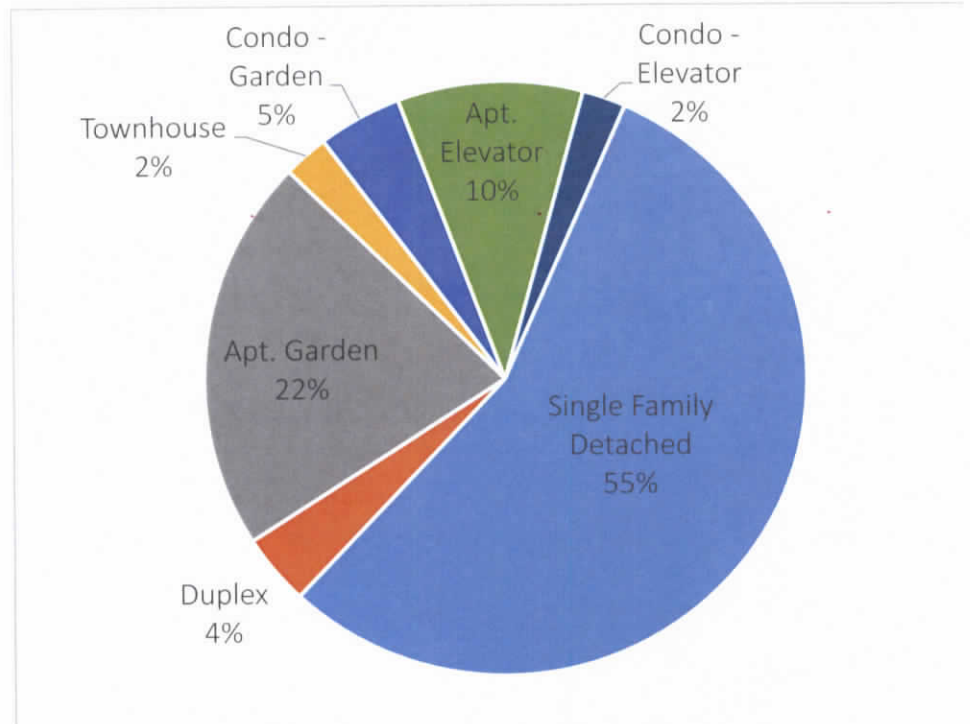
School Enrollment by Housing Type⁶

In the 2013-14 school year, more than half of the 22,136 students enrolled in APS lived in single family homes. Twenty-two percent of students lived in garden apartments (walk-up apartment buildings), 10% lived in apartment buildings with elevators, 7% lived in condos (any type) and 6% lived in a duplex or a townhome.

As part of the projection process, APS computes a Student Generation Factor (SGF) to estimate the number of students that will be generated by future residential development approved by Arlington County. The SGF is a mathematical representation of the relationship between the number of students enrolled at APS on September 30th for a given year and the number of housing units in Arlington County. The SGF is calculated for

⁶ Data and Statistics in this section come from the APS staff presentations at the March 11 and 25, 2015, CFS Meetings.

Figure 2-6: APS Enrollment by Housing Type, September 2013



different housing types (e.g., single family detached, townhouse, rental garden apartments). For the projection process, the SGF for each housing type is used to estimate the future student yield for housing units that are approved but not yet built. APS and the County are currently working with a consultant team to study the relationship between housing characteristics and school enrollment at a finer grain, such as how the number of bedrooms in a housing unit affects student generation. This work is described further in *Forecasts and Projections*.

In fall of 2013, the SGF for single family detached houses was 0.42. This means that for every 100 single family detached houses in Arlington, 42 students attended APS.

Over the past decade, student generation factors have increased for all housing types except duplexes and elevator condominiums. This increase is especially pronounced among single family detached housing, which accounted for 57% of student growth between 2005 and 2013 even though these houses were only 13% of the net housing growth over the same time period. However, because 94% of the net new housing built over the last five years is in multi-family units, staff will need to closely monitor future changes in the SGF for apartments and condominiums.

School enrollment is nearing levels last seen in the 1960s and is expected to grow by another 7,800 students over the next decade. The significant increases that started in 2008 have made it difficult for APS to increase capacity to keep pace with enrollment.

Figure 2-7: APS K-12 Student Generation Factors by Housing Type, 2005 and 2013

Housing Type	2005 APS Students	2005 County-wide Units	2005 SGF	2013 APS Students	2013 County-wide Units	2013 SGF	Change in Students, 2005 - 2013
Single Family Detached	9,807	27,422	0.36	12,256	28,909	0.42	2,449
Duplex	1,015	2,242	0.45	859	2,261	0.38	-156
Townhouse	348	3,639	0.10	537	4,063	0.13	189
Total Single Family	11,170	33,303	0.34	13,652	35,233	0.39	2,482
Apartment – Garden	4,123	16,745	0.25	4,751	16,236	0.29	628
Condo – Garden	632	9,465	0.07	1,000	11,134	0.09	368
Apartment – Elevator	1,507	24,743	0.06	2,212	28,024	0.08	705
Condo – Elevator	427	10,748	0.04	521	15,690	0.03	94
Total Multi-Family	6,689	61,701	0.11	8,484	71,084	0.12	1,795

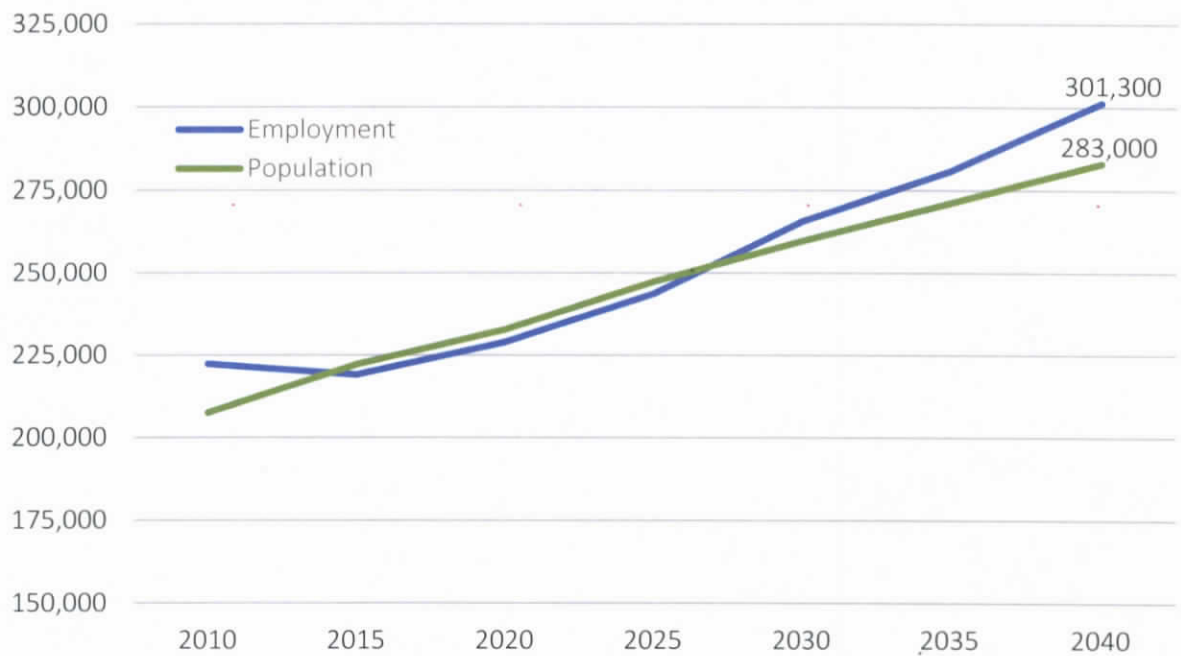
Forecasts and Projections⁷

The terms *forecast* and *projection* are both calculations of future conditions with one important distinction. A projection applies statistical techniques to extrapolate current trends. A forecast is a projection that accounts for policy decisions. Arlington's predicted school enrollment numbers are projections because they use current enrollment and recent trends to determine future enrollment. Arlington's predicted population and employment numbers are forecasts because projections based on current data and trends are modified to account for the County's General Land Use Plan, an adopted policy document that guides decisions on future growth.

Arlington County produces 30 year forecasts of population, households, housing units, and employment. The County forecasts future development based on the County's plans and policies. Factors, such as average people per household, are applied to future development to forecast population, housing units, households, and employment. These forecasts are provided to the Metropolitan Washington Council of Governments and are required by the Clean Air Act. The primary purpose of the County's forecasts is to provide inputs for regional transportation modeling, but they are also used by the

⁷ Forecasts and projections in this section come from the County and APS staff presentations at the March 11, 2015, CFS Meeting.

Figure 2-8: Arlington Population and Employment Forecasts (MWCOC Round 8.4)

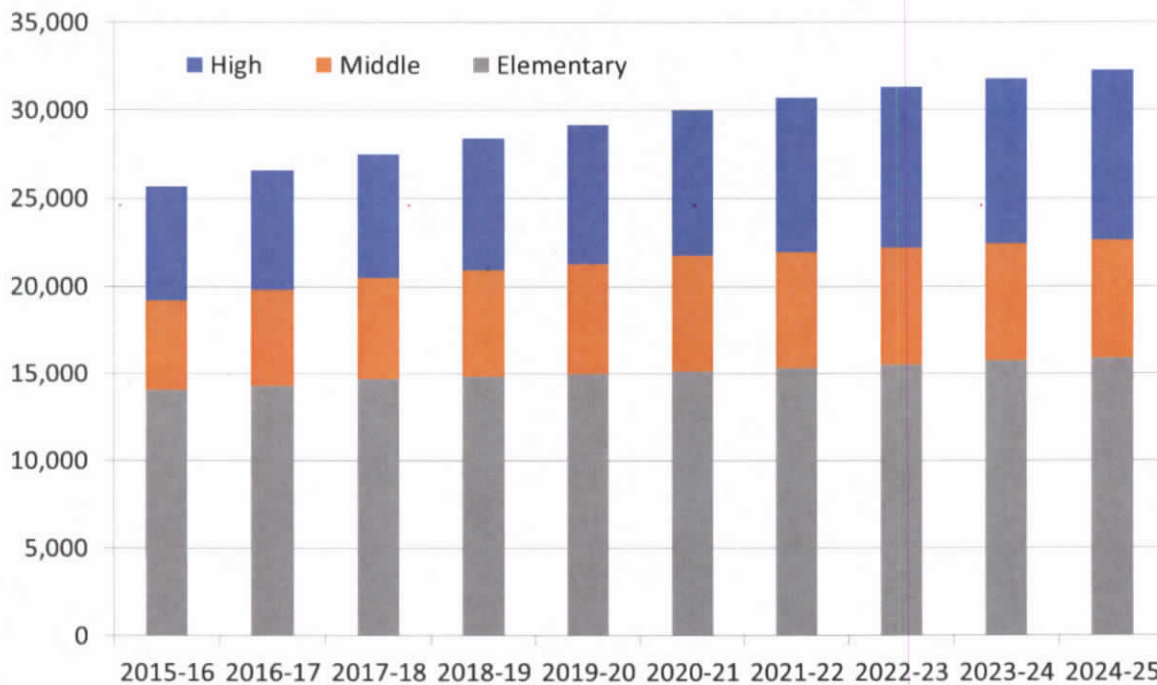


public and private sectors for a variety of activities, including planning for public facilities. The forecasts are updated on an annual basis to incorporate major land use plans approved by the County Board. Figure 2-8 shows the County's most recent population and employment forecasts, to the year 2040.

Arlington Public Schools produce 10 year projections of student enrollment. It uses a grade progression ratio method, which is the methodology used by most school districts in the United States. Grade progression ratio projects the future student population as current students advance from one grade to the next. Schools' projections are used to generate budget costs, determine staffing levels, and predict future school facility needs. The projections are updated twice per year. Figure 2-9 shows Schools' student enrollment projections through the 2024-2025 school year.

At the initial Community Facilities Study meetings, Study Committee and Resident Forum members expressed concern that the County and Schools are using different projection and forecast numbers for their planning efforts. This is partly true because the County and Schools are projecting and forecasting different things for different purposes. The County forecasts future development and the total County population. Schools project a subset of the total population, children attending public schools. However, the County and Schools do use the same housing development data as part of their methodology. Figure 2-10 details the inputs used by the County and Schools to generate their unique forecast and projection outputs.

Figure 2-9: APS 10 Year Student Enrollment Projections, Fall 2014



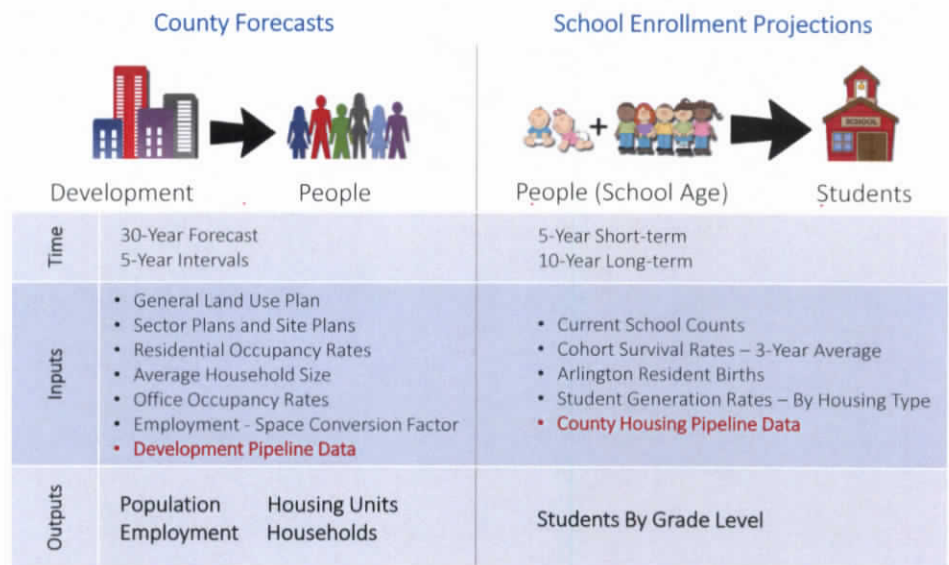
The significant growth in school enrollment in recent years, combined with projections that the pace of growth will continue over the next decade, led to concerns within the community about the accuracy of the County's and Schools' forecasts and projections. The County and Schools brought in a team of consultants, Statistical Forecasting and RLS Demographics, to review and evaluate the County's and Schools' methodologies. The consultants concluded that the forecast and projection methodologies⁸ employed by the County and Schools are valid and appropriate for Arlington. The consultants also determined that two different datasets and methodologies are necessary to meet different purposes.

While the consultants validated the forecast and projection methodologies, they recommended steps that could be taken to further improve accuracy, including the following:

- Developing annual reports and improving the web site (Schools) and comprehensively documenting the forecast methodology (County)
- Refining school enrollment projections by analyzing housing data such as unit type, number of bedrooms, and length of homeownership (County)

8 Statistical Forecasting LLC and RLS Demographics Inc. (2015). A Review of Projection Methodologies for the Arlington County Government and Arlington Public Schools. Retrieved from <http://www.arlingtonva.us/>

Figure 2-10: Summary of County Forecast and APS Projection Inputs and Outputs



- Monitoring emerging trends in multi-family housing and potential changes in student generation rates (Schools)
- Supplementing the County's forecasts with a cohort-component and demographic analysis, which could help predict future births and students by focusing on the County's population of women of child-bearing age and fertility rates (County)

The County and Schools generally agreed with the consultants' recommendations and are in the process of implementing the short term recommendations, such as improving transparency and accessibility of information. This in-progress or completed work is described in Appendix 2. For the longer term recommendations, the County and Schools are entering a second phase of work with the consultants that will test out proposed refinements to the methodologies. That work is expected to wrap up after the Community Facilities Study is complete. The results of this second phase will be shared with the County Board, School Board, and the public.

Facility Inventory and Projected Needs

The Committee was charged with identifying Arlington's key facility assets (an inventory of existing County and School assets) and future needs in the next 5, 10, and 20 years based on demographic trends.

For the purposes of this report, a community facility is defined as land, buildings or infrastructure that is or will be owned, operated or leased by Arlington County or Arlington Public Schools, or that is otherwise developed or managed by them in partnership with a private or non-profit entity, to provide community services and/or to support a specific County or School function. Community facilities support a wide range of services and functions which usually fall into one or more of the following general areas:

- Administration
- Human Services
- Libraries
- Operations and Storage
- Parking
- Parks, Recreation, and Cultural
- Public Safety
- Schools and Education
- Transportation
- Utilities and Stormwater

The Study Group Committee felt it was important to define “community facilities” to provide boundaries for the needs assessment and facility prioritization efforts. As suggested in the definition, the County and Schools have, at times, partnered with private entities to develop facilities or programs that provide a public benefit. An example of this practice is the Kettler Capitals Iceplex in Ballston, which was developed as a public-private partnership with shared facilities.

The Committee recognizes that public facilities are also provided by the Federal and State governments as well as interjurisdictional organizations such as the Northern Virginia Regional Park Authority (NVRPA) and the Washington Metropolitan Area Transit Authority (Metro). Private and non-profit organizations in Arlington also provide essential services to the public, such as health care, but these privately-operated facilities are not considered part of the Community Facilities Study.

Facility Inventory Overview

Arlington's public facilities reflect every stage of the community's growth. Several boundary stones mark the borders surveyed for the national Capital's original 10-mile-square. Major streets follow 18th century pathways and routes carved during the Civil War. Older neighborhoods still use water and sewer pipes from the first rounds of suburban residential development before and during World War II. In the past half-century an array of facilities – schools, fire stations, community centers, transit facilities, waste treatment plants, playgrounds and stream valley parks – have accrued to meet the needs of our increasingly dense, diverse community with its transit-oriented, high-rise redevelopment corridors.

While building new facilities to expand capacity and respond to changing needs, the County and Schools have also built additions and invested in major and minor renovations to stretch the useful life of many buildings. In recent years the County Board has put more priority on renovations and major maintenance of County facilities, while the School Board has made major investments in new construction to serve the growing student population. See below for discussion of facility projects currently included in the County and APS Capital Improvement Plans.

Appendix 3 provides an inventory of facilities operated by the County and/or Schools. Most facilities are owned by either the County or Schools, which maintain separate real estate holdings. Some facilities are leased. In some instances, multiple facilities are located on the same property or building, such as the Thomas Jefferson Middle School and Community Center or the Aurora Hills Branch Library and Community Center. The public facilities are generally distributed as follows:

Arlington County Facilities

- 8 libraries
- 24 recreation/cultural centers
- 13 human services facilities
- 10 fire stations
- 4 administrative offices and/or complexes
- 23 facilities for County operations and 20 facilities for County storage
- 8 parking garages
- Over 100 County parks (see Public Open Space for further discussion)
- Approximately 1,000 lane miles of roadways and associated streetlights, traffic signals, and parking meters
- Sidewalks
- Bicycle facilities (lanes, cycle tracks, parking, Capital Bikeshare stations)
- Transit facilities, including 244 bus shelters



Glencarlyn Branch Library Community Garden



Arlington Mill Community Center



Fire Station #3: Cherrydale/Military Road



Nottingham Elementary School

- Utilities including water mains, sanitary sewers, storm sewers, fire hydrants, stormwater management facilities, and the ConnectArlington fiber-optic network

Arlington Public Schools Facilities

- 23 elementary schools
- 5 middle schools
- 3 high schools
- 4 facilities that house one or more instructional programs: H-B Woodlawn/Stratford, Reed, Career Center, Langston
- Other facilities: Education Center, Planetarium, Facilities Warehouse, Outdoor Lab, Syphax Education Center, and the Marshall Building



Arlington Mill Community Center interior

Facilities frequented by the public are distributed around the County, making them mostly convenient destinations within neighborhoods. Most of these facilities, built at a time when land was more readily available in the County, are single purpose, providing a discreet core function. Although Thomas Jefferson is an early example of a joint facility, the County and Schools have explored joint use facilities more regularly in the past few years. Joint use partnerships have occurred between the County and Schools among different County departments or with private entities to gain more land and operational efficiencies. The Westover-Reed library and school; the Shirlington Library and Signature Theater; and the Arlington Mill Community Center are examples of facilities that use public land creatively and offer multiple uses. The Arlington Mill Residences is a project built by a non-profit entity through a long term lease of public land, with features such as underground parking shared with the County. Virtually all schools are shared use facilities, with the community having access to and use of fields and school rooms in the evenings and on weekends.

In addition to the facilities that are most obvious to the general public, substantial infrastructure investments and a core set of facilities – those supporting the County's and Schools' "back of house" needs – are required to operate the public facilities as well as sustain the needs of residents, employees, and visitors in Arlington on a daily basis. The water pollution control plant, the street maintenance fleet storage and maintenance yards, bus storage, transit facilities and bus shelters, and police and fire training facilities, among others, are examples of these facilities which typically go unnoticed while the County delivers service every day including clean drinking water, waste water treatment, reliable transit service, well-lit and navigable streets, refuse and recycling collection, school bus transportation, and public safety and emergency services. These facilities have storage and maintenance needs that are land-intensive, and often the operations can require activity day and night, involve noisy machinery, and visibly expose storage sheds, heavy equipment, and construction and building stockpiles.

All communities have these needs. Arlington is no different. However, with limited total land area and very little vacant land, expanding these back-of-house facilities to keep pace with a growing population has become increasingly difficult.

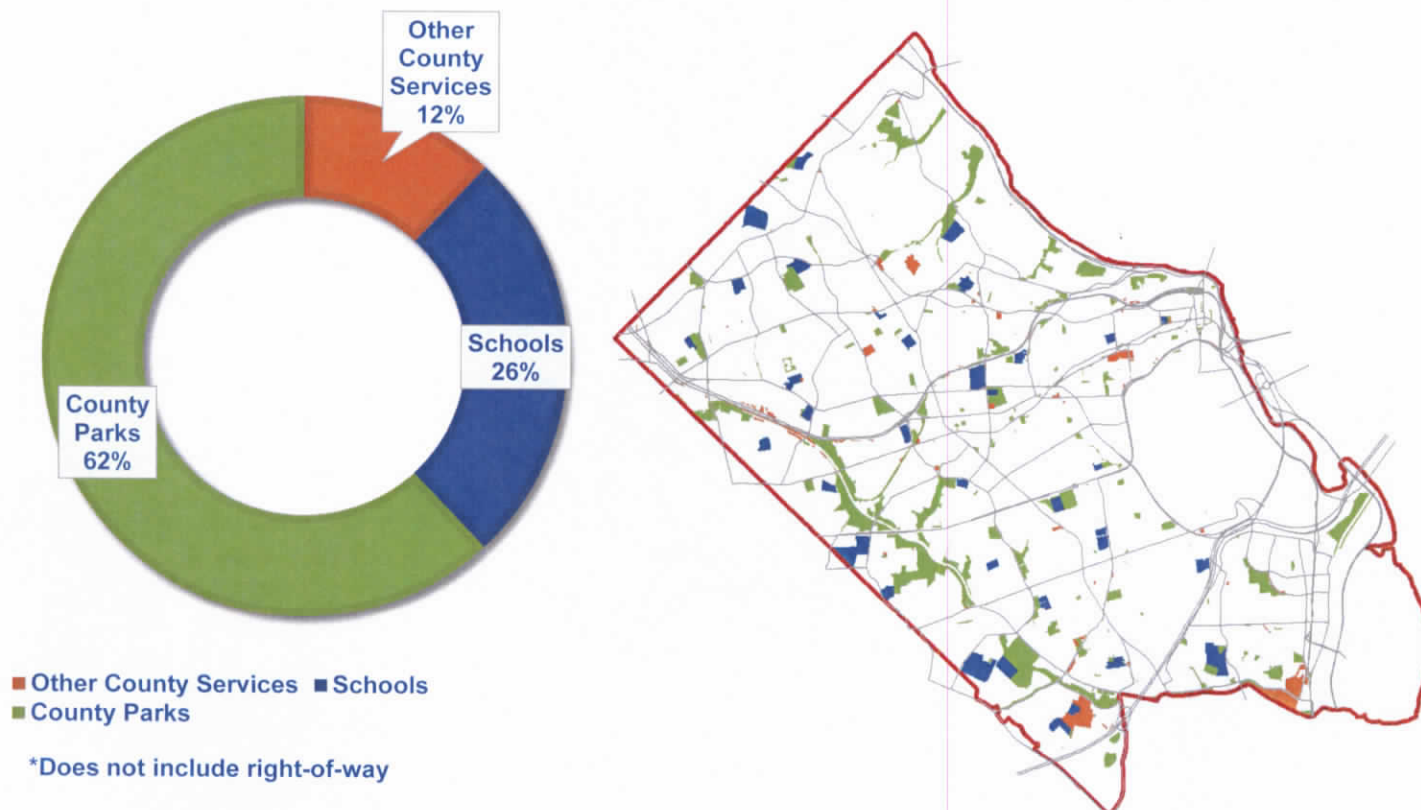
Land

Arlington County occupies approximately 26 square miles, making it one of the smallest counties in the nation. That land is divided as:

- 14.4 square miles in private ownership;
- 6.0 square miles in public rights-of-way;
- 3.5 square miles owned by other governmental entities; and
- only 2.2 square miles of County and School owned land.

Of the 2.2 square miles, approximately 62 percent is occupied with County parks, 26 percent occupied by Schools, and 12 percent occupied by other County services, such as fire stations, libraries, and the back-of-house facilities at the Trades Center complex.

Figure 2-11: Land Owned by County Board or School Board





Doctors Run Park



Public Open Space

The public open space system in the County is extensive with a mix of parks for fields and sport activities, urban plazas, playgrounds, water spray parks, seating areas, parks for dogs, natural environments, resource protection areas, and a host of fitness, learning, recreational and cultural resources within community centers, including gymnasiums, classrooms, senior activity areas, and game rooms. As one of 11 elements of the County's Comprehensive Plan, the Public Spaces Master Plan guides the vision and policies for the open space system.

Today, there are over 2,200 acres of parkland in the County. The County owns over 900 acres of parkland; NVRPA owns approximately 150 acres; and the most extensive area, over 1,150 acres, is controlled by the Federal government. This publicly-owned parkland is augmented by private land that is covered by public access or conservation easements. The County's parkland currently includes a combination of natural resource areas, (approximately 130 acres that help the County meet its storm water and air pollution control requirements), Resource Protection Areas (approximately 245 acres of environmentally sensitive land adjacent to streams and other water bodies), and 141 parks of varying sizes, conditions and amenities for low- to high-intensity community use. Over 19,000 street trees are planted along the County's public rights-of-way, and the tree canopy covers approximately 40% of the County's land. (For a more detailed breakdown of the park and natural resources facilities, see Appendix 3 and presentation made to the Committee on April 22, 2015).

The Department of Parks and Recreation (DPR) manages the County's open space system and implements improvements to facilities through master planning processes that include community input. These master plans seek to maximize the public's use and enjoyment of County parks for both active recreation use and passive activities in natural habitats. The County also acquires private property to add to the open space supply, although funding available for land acquisition has decreased from an average of \$8 million per cycle between 1996 and 2008 to an average \$2.6 million per cycle since 2009. The majority of these acquisitions are small (less than 1 acre in size) expansions to existing parks or natural areas. Private development also provides new parks and improvements to existing parks through the site plan process. An example of a major parkland acquisition over the last 15 years is Long Bridge Park, a 30-acre sports and recreation destination at the northern end of Crystal City.

While Arlington's supply of open space is extensive, many parks are heavily used and often reserved by organized groups and leagues, reducing opportunities for drop-in enjoyment by the broader community. Recent data has shown an 11 percent increase in facility reservations from FY 2013 to FY 2014. Class registrations were up 34 percent and youth sports were up 33 percent between FY 2011 and FY 2014. DPR continually assesses park conditions and usage, as well as collects user demands through routine

community surveys, in order to improve facilities and programming as well as expand access for the broader community.

The programming and operation units of DPR have taken steps to keep pace with increased demand through use of multi-purpose fields, synthetic fields and lighting to extend hours and reduce maintenance, and sharing spaces with private schools. In some cases special requests for field use have been declined and program registrations have been limited. Capacity has also been increased to meet the demands through collaborative agreements between the County and Schools. The County and Schools have five joint use facilities (i.e., combined school and community centers such as Gunston Middle School/Community Center) and additional shared use facilities (i.e., fields on school properties for after-hour community use) that expand the community's use of open space and similarly fulfill the students' needs for sports teams, recess, physical activity classes, and scholastic teams.

Although there are success stories from sharing facility resources, the open space system has been pressured by recent and forecasted population growth. As a result, the needs, future planning and land acquisition for parks, open space, and cultural and recreational facilities are among the primary discussion topics raised by community members in all civic engagement arenas. The Community Facilities Study Committee noted the changing demographic profile and reiterated the need for more concerted effort to strategically plan for open space acquisition (see Chapter 3 for more information). The Committee recognized that these issues would be examined in more detail as part of the process to update the Public Spaces Master Plan (PSMP). That effort, it is expected to explore considerations and/or metrics that can be used in the future to plan for and acquire land and other recreation resources to meet the growing community's open space needs.

Projected Facility Needs

Planned and Projected County Facilities

The County's Capital Improvement Plan (CIP) for fiscal years 2015 to 2024, a document which outlines immediate and emerging capital projects and funding needs and priorities, includes three major renovation projects, two new facilities and a myriad of public space improvement projects:

- Replacement and expansion of the salt storage facility along 26th Street North;
- Replacement of the Lubber Run Community Facility, originally built in 1956, with a new, improved and larger facility;
- Expansion of employee parking in the Trades Center complex.
- Construction of a new fire station #8 to serve the northern part of the County;



Clearing snow at Wilson Boulevard and N. Oakland Street, December 2009



ART Bus

- Construction of a new Arlington Transit (ART) bus maintenance and storage facility to meet some of the existing supply and routes;
- Parks Maintenance Capital Program;
- Master planning processes for Jennie Dean Park, Four Mile Run Near-Stream Improvements, Long Bridge Park, Mosaic Park, Quincy Park, Tyrol Hills Park, and parks in Crystal City and Ballston-Virginia Square; and
- Installation of new synthetic turf fields and scheduled replacement of existing fields.

Looking ahead as the planning process begins for the biennial CIP update (FY 2017 – 2026), the County expects to prioritize additional transportation facilities, fire stations, storage areas, and additional improvements for core infrastructure facilities in order to meet the forecasted population and employment growth, the County's goals for high-performing and expanding transit service, and the demand for document archival and storage needs. It is anticipated that the following facilities will be needed in the near future and could require thirteen to eighteen acres of land:



- Additional ART buses, as the County expands this service and takes over routes currently operated by WMATA; and associated storage and maintenance facilities to meet the expected 50% growth by 2020;
- Transit parking and maintenance facilities for the transit service ultimately selected for the Crystal City and Columbia Pike corridors;
- One new fire station and three relocated facilities to ensure that all neighborhoods meet the emergency response time levels; and
- Increased storage for a multitude of County operations, particularly for police services and capacity in the Trades Center complex.



Discovery Elementary School

Planned and Projected School Facilities

As noted in this report's section on Demographic Forecasts and Projections, APS' enrollment increased by nearly 5,000 students between 2008 and 2014. Enrollment is projected to increase by an additional 7,800 students through 2024. The Schools' adopted CIP (FY 2015 – 2024) includes the following construction or renovation projects that will add seats for students:

- Construction of Discovery Elementary School (630 seats) (completed and opened September 2015)
- Interior renovations at Washington-Lee High School to expand student capacity (300 seats) (expected completion Fall 2015)
- Building renovation and additions (241 seats expansion) at McKinley Elementary School (expected completion September 2016)
- Building renovation and additions (136 seats expansion) at Abingdon Elementary School (expected completion September 2017)
- Building renovation and addition at Stratford Middle School (1,000

seats) (expected completion September 2019)

- Construction of Wilson School for H-B Woodlawn and Stratford programs (775 seats) (expected completion September 2019)
- A new elementary school in the southern part of Arlington (see *South Arlington Working Group* in Chapter 1)

Even with the expected completion of the CIP projects listed above, APS is projecting enrollments that exceed school capacity. The inventory of schools in Appendix 3 compares projected capacity and enrollment for the year 2019. The recently adopted Arlington Facilities and Student Accommodation Plan (AFSAP) identifies additional school and supporting service needs to meet this growing demand. Planning discussions have started or will start soon on the following projects:

- A new elementary school in the southern part of Arlington (see *South Arlington Working Group* in Chapter 1)
- Interior renovations at other secondary schools to gain additional capacity
- Conversion of the Career Center school to a capacity generating high school, one that provides comprehensive learning
- Placement of relocatables (temporary classrooms on school campuses) to fill short-term needs
- Additional capacity for bus parking and associated staff parking

Long-Term Needs

Beyond these identified needs, the Committee recommends that a strategic planning framework be established that would institutionalize a process for identifying future public facility needs and responding to changing demographic and economic conditions. In addition, as the Public Spaces Master Plan update process gets underway, it is expected that additional open space needs will be identified which will have to be prioritized with other County public facility projects. See Chapter 3 for more discussion.

Revenues and Capital Funding

Revenue Overview

The two Boards tasked the Committee with examining future revenue projections based on an analysis of trends in commercial and residential real estate values as well as best estimates of other taxes, fines, fees, and Federal and State aid. Before looking into the future, the Committee gained a basic understanding of the current revenue situation.

At a macro level, Arlington's financial practices facilitate service delivery and provide taxpayer benefits. These financial practices are set in policies adopted by the County Board and include maintaining the triple-AAA credit rating, fully funding pension and retiree benefits, managing debt at a moderate level, and maintaining strong reserve levels.

Arlington's proximity to the nation's capital, balanced economy, smart growth planning, and highly educated workforce help produce Arlington's growth in revenues. Northern Virginia's and Arlington's strong employment and solid real estate market are the foundation for steady incremental growth in the County's major revenue streams. While legal and policy limitations impact taxing capacity, Arlington has implemented all but one tax – admissions tax – that the County has the authority for. This creates a diverse tax base.

Within the largest revenue source – real estate property taxes – Arlington's unique balance between residential and commercial assessments provides fiscal and service delivery benefits. Recent increases in commercial vacancy rates have resulted in small shifts in the tax burden. A continuation or worsening of this trend could impact residential tax bills or force the County to make decisions on decreasing services. Therefore, it is critical that Arlington continue its efforts to support economic development and the strengthening of the commercial base.

Best Practices in Financial Management

The County's financial and debt management policies guide the County's capital investments, debt issuance and long-term financial management. The policies are generally based on bond rating agency guidance and criteria for highly rated jurisdictions and best practices in local government finance. Significant factors in achieving stability and growth, Arlington's sound financial practices include:

- Triple-AAA bond ratings
 - Arlington is one of approximately 39 counties in the United States to be awarded a triple Aaa/AAA/AAA credit rating. In May 2015, the three primary rating agencies all reaffirmed this highest credit rating attainable for jurisdictions. Ratings issued by Fitch, Inc.

(AAA), Moody's Investors Service (Aaa), and Standard & Poor's (AAA) validate that Arlington's financial position is outstanding, and it reflects the strong debt position, stable tax base, and sound financial position.

- Maintaining this highest level of credit rating ensures that Arlington's debt costs remain at the lowest possible level. This in turn makes funding available for other uses.

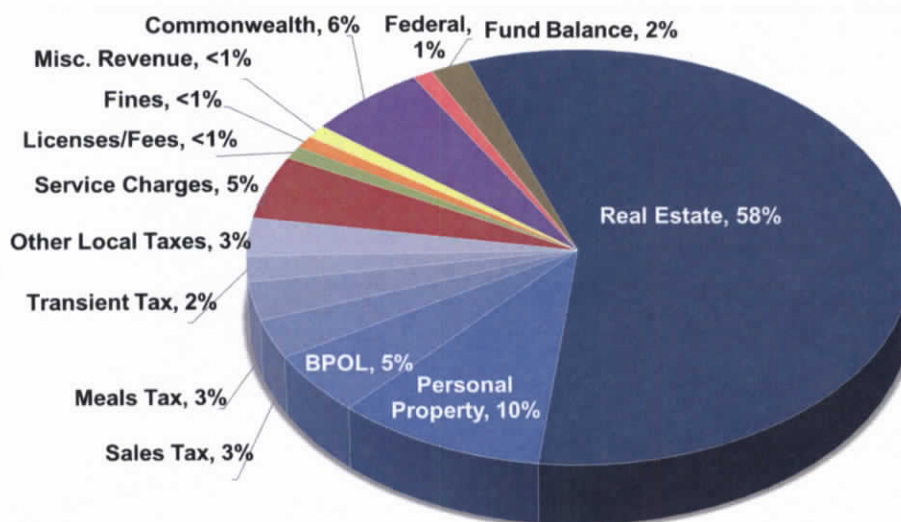
Strong reserve levels

- Operating Reserve: This reserve is set at no less than five percent of the General Fund budget. Appropriations from the Operating Reserve may only be made by a vote of the County Board to meet a critical, unpredictable financial need. Any draw on the operating reserve will be replenished within the subsequent three fiscal years.
- Self-insurance Reserve: This reserve is equivalent to approximately one to two months' claim payments based on a five-year rolling average.
- Economic & Revenue Stabilization Contingent: This contingent can address revenue declines and local or regional economic stress. Contingent monies will only be used at the recommendation of the County Manager with approval by the County Board. The minimum amount of the contingent will be \$3 million and will be revisited annually as part of the budget process. Any draw on the economic & revenue stabilization contingent will be replenished within the subsequent two fiscal years.
- General Fund General Contingent: This contingent is to be used to cover unforeseen expense items or new projects initiated after a fiscal year has begun. Funding may be allocated from this contingent only with County Board approval.
- Fully funded pension
 - By policy, the County fully funds its pension using an actuarially accepted method of funding.
- Funding plans in place for retiree healthcare
 - By policy, the County fully funds retiree healthcare using an actuarially accepted method of funding.
- Moderate debt limits & reinvestment in infrastructure
 - The County uses debt instruments, including general obligation bonds, revenue bonds, industrial development authority (IDA) revenue bonds, and master lease financing in order to provide re-investment in public infrastructure and to meet other public purposes, including inter-generational tax equity in capital investment. More information on these funding sources is provided in Appendix 4.
 - The County adheres to the debt affordability criteria adopted by the County Board, which maintains moderate debt levels.

Adhering to these best practices in financial management, together with the diversification of revenue, creates stability and allows Arlington to maintain a high level of infrastructure investments and operating service delivery. Even during difficult economic times when many other jurisdictions are struggling, the County does not have to divert resources from service delivery to maintain a solid foundation – including a fully funded pension and maintenance of and investment in the infrastructure. Thus, the County has been able to maintain high levels of service delivery and meet County and Schools policies including:

- The average APS class size (students per classroom teacher) during the 2014-15 school year was lower than the average of 8 neighboring districts in the Washington DC area (WABE, 2015):
 - Elementary classrooms averaged 19.6 students compared to 20.6
 - Middle school classrooms averaged 20.1 students compared to 24.7
 - High school classrooms averaged 19.6 students compared to 25.6
- Streets maintained by the County instead of the State resulting in higher levels of service including bike infrastructure;
- Metro and ART service;
- Commitment to affordable housing and human services support;
- Robust library and community center services; and
- Water/sewer improvements to enhance environmental quality.

Figure 2-12: FY 2016 General Fund Revenue Sources



Diversity in Revenue Sources

General Fund revenues for FY 2016 are forecast to be \$1.16 billion. Total tax revenues are expected to be \$970.5 million. Non-tax revenues include licenses, permits, fees, charges for services, and federal and state aid. The County's single largest revenue source is real estate taxes, generating \$667.8 million and making up 58% of total revenue in the FY 2016 adopted budget. Real estate taxes are based on annual assessments of residential (single family, townhouses, and condominiums) and commercial (office, retail, apartments, and hotels) properties, multiplied by one of the lowest tax rates in the region at \$0.983 per \$100 in assessed value plus a \$0.013 per \$100 stormwater tax.

Within the real estate revenue, the split between commercial and residential property assessments has historically been about 50/50. This unique balance is one of the most compelling and unique aspects of Arlington's financial structure, and provides fiscal and service delivery benefits. In the Northern Virginia region, only Alexandria is somewhat close to this split with 57% residential; other jurisdictions' residential assessments make up at least 70% of total assessments. Alexandria, like Arlington, has a significant portion of its tax base made up of office development and rental apartments, which both contribute to the commercial assessments, unlike the neighboring jurisdictions with primarily single-family residential neighborhoods.

From an historical perspective, this balance of land uses in Arlington was developed intentionally and has been maintained over several decades.

Figure 2-13: FY 2016 Local Tax Sources

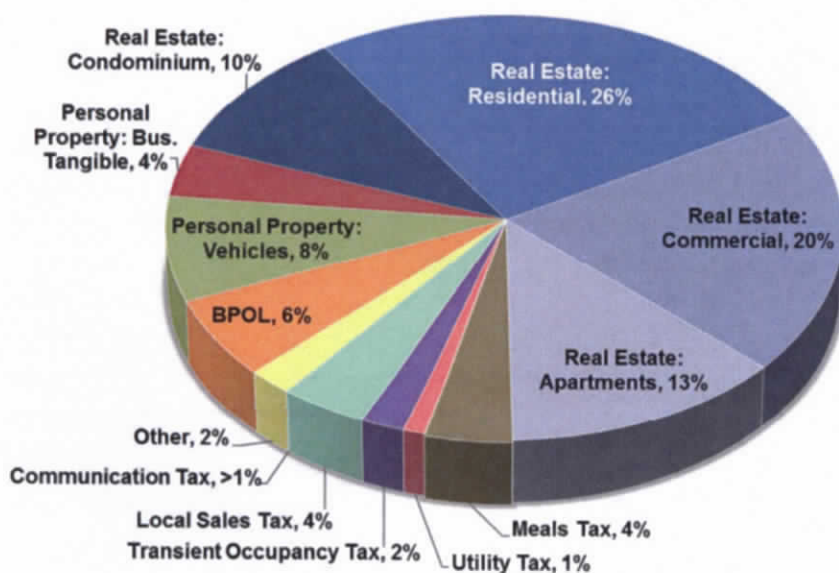
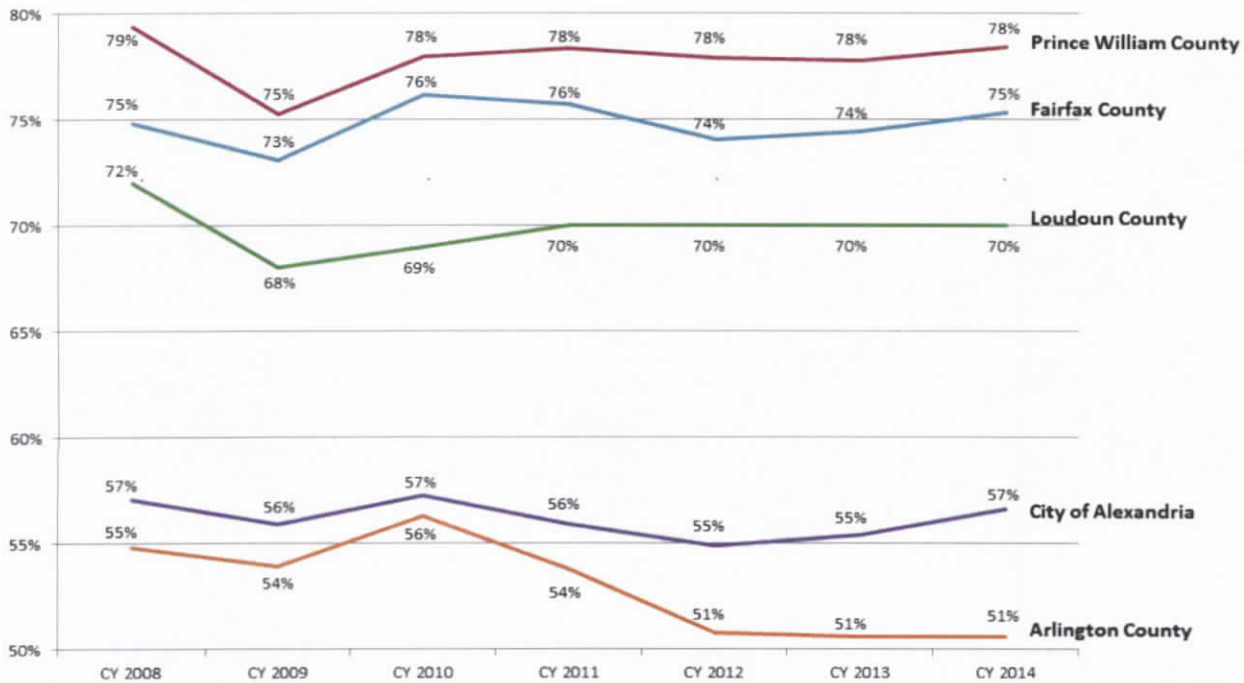


Figure 2-14: Residential Portion of Total Tax Base for Northern Virginia Jurisdictions, 2008-2014



The decision to run Metro through the Rosslyn-Ballston and Jefferson-Davis corridors and the planned land use patterns along these transit corridors have helped to diversify the tax base while preserving low density neighborhoods outside the corridors.

The success of the 50/50 split has a direct impact by easing the tax burden on the residential homeowner – particularly when compared to the Northern Virginia neighboring jurisdictions – and impacts the services that Arlington provides. Arlington’s residential tax base is composed of all ownership units with single family houses, townhouses, and condos. The commercial tax base includes office, apartment, hotel, and general commercial (primarily retail) uses. Figure 2-15 breaks down the current tax base by its different residential and commercial components.

Recent office vacancy trends have resulted in small shifts within the commercial category; the current office vacancy rate of 20.8% is twice the norm. The office portion of total assessments has slowly decreased while strength in the apartment sector has increased its share of the total. Figure 2-16 shows how the apartment portion of total assessments increased from 14% in CY 2001 to 21% in CY 2015 while other commercial (office, hotel and retail) has decreased from 37% to 28% of total assessments over the same time period.

Figure 2-15: CY 2015 Real Estate Assessments by Category

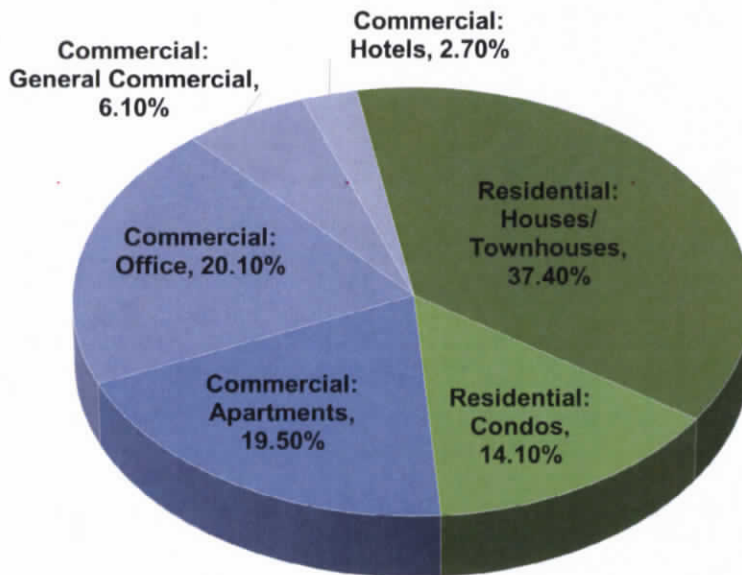


Figure 2-16: Breakdown of Commercial Assessments, 2001-2015

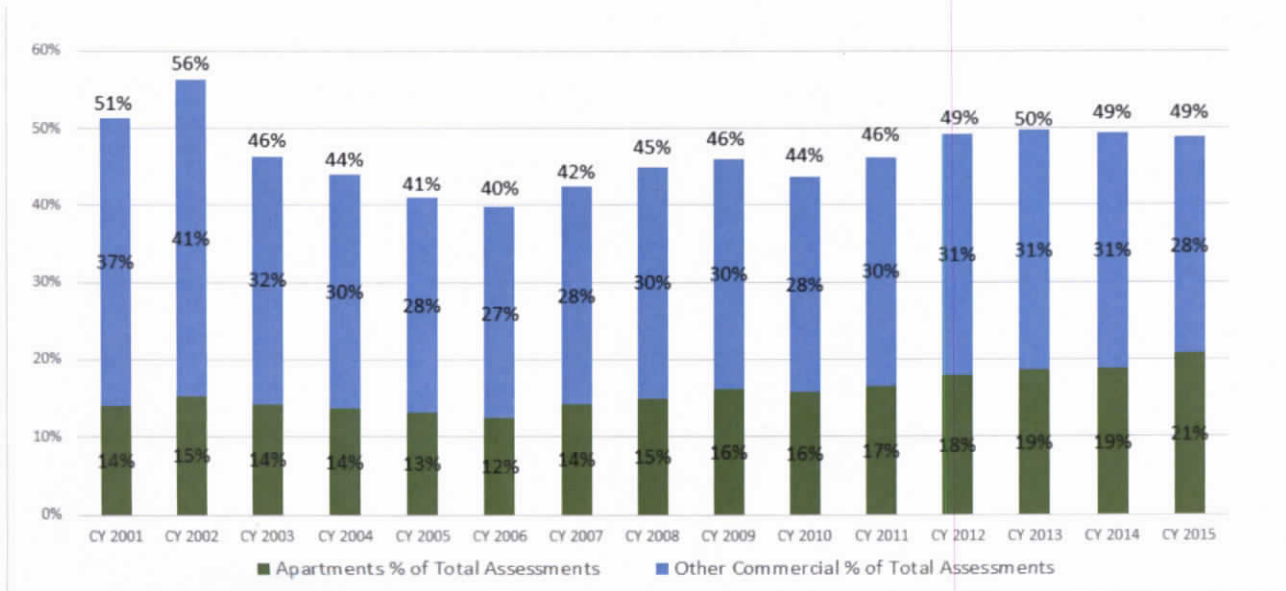


Figure 2-17: Countywide Office Vacancy Rate, 2011-2015

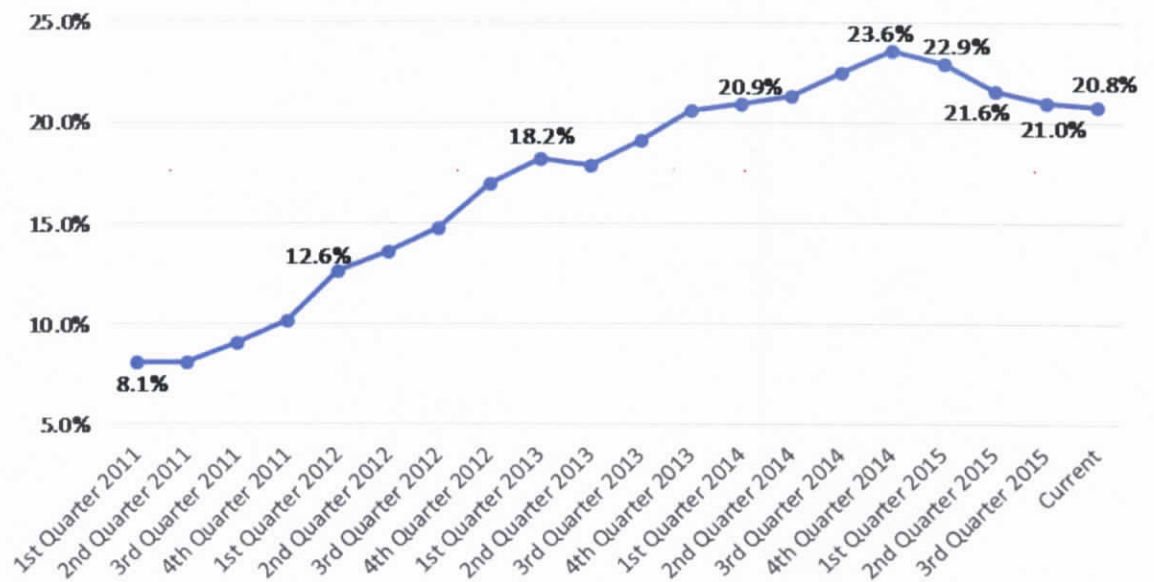


Figure 2-17 shows the significant increase in the office vacancy rate since 2011. A continuation or worsening of this trend could impact residential tax bills or force the County to make decisions on decreasing services.

The impact of these vacancy trends is clear when one considers that each 1% improvement in the vacancy rate will add approximately \$3.4 million in tax revenue annually.

New office development in the County contributes higher tax revenues on a per square foot basis than apartments or residential uses. It also brings daytime workers to Arlington who support other commercial development (e.g., restaurants, retail), requires fewer County services than Arlington residents, and helps to pay for and balance the demand on the transportation infrastructure. A typical 300,000 square foot office building adds approximately \$3.0 million in annual taxes. A new rental apartment building with 200 units would generate less tax revenue - approximately \$1.0 million in annual taxes - with greater demands on County services more including additional pressures on schools, public space, and transportation.

Therefore, it is critical that Arlington continues its efforts to support economic development and the retention of the office portion of the commercial base in the face of challenges including a shrinking federal presence, a shift in the way businesses use office space, and growing competitiveness in the region.

Figure 2-18: Annual Tax Revenues from Typical Office and Apartment Buildings

300,000 square foot Commercial Office Building \$3.0 million impact	Real Estate Taxes: \$1.4 million
	BPOL & Business Tangibles: \$1.4 million
	Meals, Sales, and Transient Occupancy Taxes: \$220,000
200 unit Apartment Building: \$1.0 million impact	Real Estate Taxes: \$800,000
	Personal Property Taxes: \$170,000
	Meals, Sales and Transient Occupancy Taxes: \$50,000

In addition to real estate taxes, other major tax sources in Arlington include the following:

- Personal Property Tax: Levied on tangible property of individuals (vehicles) and businesses (machines, furniture, equipment, fixtures, & tools);
- Business, Professional, Occupational License Tax: business tax levied self-reported gross receipts at rates based on the type of business; and
- Sales: local 6% tax on non-food sales;
- Meals: 4% tax on levied on prepared foods and restaurant meals; and
- Transient Occupancy Tax: 5% local tax is levied by Arlington on the amount paid for hotel and motel rooms.

While other jurisdictions in Virginia have authority to levy these same taxes, Arlington's mix of commercial and residential is again a strength and creates more diversity in the tax base. For example, the Business, Professional, Occupational License Tax (BPOL) as a percentage of total revenues is higher than other jurisdictions. Also, because Arlington's daytime population is 25% higher than the resident population, there are more non-residents in Arlington spending money and contributing to the sales and meals tax revenues. In Northern Virginia, only Alexandria has a higher daytime population than its resident population; however, it is only 6% higher. Arlington leads the state in tourism, which means the transient occupancy tax revenue is higher than in other jurisdictions as well.

State and federal revenue as a percentage of total revenue has been declining over the past few years. State revenue has decreased from as much as 10% of the County's budget in the early 2000s to about 6% in the most recent budget. Federal revenue has declined from 3-4% of the total budget in the early 2000s to about 1% today.



Hour of Code at Drew Model Elementary School

Revenue Sharing with Arlington Public Schools

The County and Schools entered into a cooperative effort in FY 2001 to design a revenue sharing agreement as a way to fairly and appropriately apportion revenue for budget development purposes. Over the succeeding years the structure and revenue sharing calculations have been adjusted to reflect the changing economic and resource demands of both the County and Schools. Since FY 2002, various adjustments have been made for enrollment, funding retiree healthcare, maintenance capital, affordable housing, and other County and School priority initiatives.

During CY 2014, the County Board and School Board worked collaboratively to structure revenue sharing principles that provide a framework for sharing local tax revenues in a predictable and flexible way. In January 2015, both Boards adopted principles that emphasize the community priority of high quality education and utilizing community resources in a balanced and fiscally responsible way.

The agreement outlines four main principles:

1. Revenue sharing provides a transparent, predictable, and flexible framework for developing the County and School budgets.
2. The planning for the next budget year will begin with the revenue sharing allocation adopted for the current fiscal year and any critical needs identified by the Schools, including enrollment growth, will be considered as a top funding priority.
3. One-time funding (shortfalls or gains) will be shared between the County and Schools based on the current year's allocated tax revenue percentage. One-time funds from bond premiums will be allocated to either the County or Schools based on the bonds issued and will be used solely for capital projects.
4. Funds available from the close-out of the fiscal year will be used to contribute to the County's required operating reserve based on the revenue sharing percentage for that fiscal year and APS will also contribute to a limited joint infrastructure reserve fund to meet the infrastructure needs with school expansions and new school construction.

These principles are the basis for budget development and a starting point for collaborative funding discussions as both entities begin to develop their proposed budgets each year for their respective board. In FY 2016 adopted transfer is \$451,866,545 – \$451,637,045 in ongoing funding and \$229,500 in one-time funding – which is a 2.6 percent increase over the FY 2015 adopted budget. The revenue sharing percentage is currently 46.5% of ongoing local tax revenues.

Forecasting

One charge for the Community Facilities study was to prepare a 20-year forecast. Because forecasting for this timeframe is not reliable, this is not something that Arlington does. The County is consistent with its local peers and prepares a five-year forecast, which is updated every budget and CIP cycle. This long-term strategic financial planning typically presents two scenarios based on current policies and services to demonstrate the impact of different economic assumptions on the financial future.

For the Community Facilities Study, a forecast of County revenue was developed with three alternative economic growth scenarios – medium/baseline, high, and low growth. The assumptions driving these forecast scenarios are shown in Figure 2-19:

Overall, near term budget gaps are expected to be manageable for a continuing services budget but revenue growth is not expected to be robust enough to fully fund County and Schools expenditure pressures. However, forecasts will change with economic shifts, policy choices, and demand for services.

Figure 2-19: County Revenue Forecasts

	Medium/Baseline	High Growth	Low Growth
Residential Market	Stable, averaging 3% growth	Strong for 2-3 years (4-6%), then stabilizing to 3%	Rapid slowdown – 1.5% to 2.0%
Office & related tax sources	Flat or declining through FY 2019 as vacancy rates are worked through; then steady recovery	Recovery occurs more quickly – stabilized without further losses by FY 2018	Protracted recovery with additional losses
Other tax sources (sales, meals)	Slow, steady growth – 1.5% to 3.0%	Accelerated growth – 2-3%	No growth or slight declines
Average tax revenue growth over 5 years	2.5%	3.3%	1.0%
Annual Budget gaps	\$0.9M to \$32.3M	Up to \$23.7M	\$36.9M to \$43.3M

Arlington Community Facilities Study

A resource and facilities plan for our future

Joint School Board & County Board Work Session
November 10, 2015

Presentation of Committee's Final Report



Who Took Part in this Report?

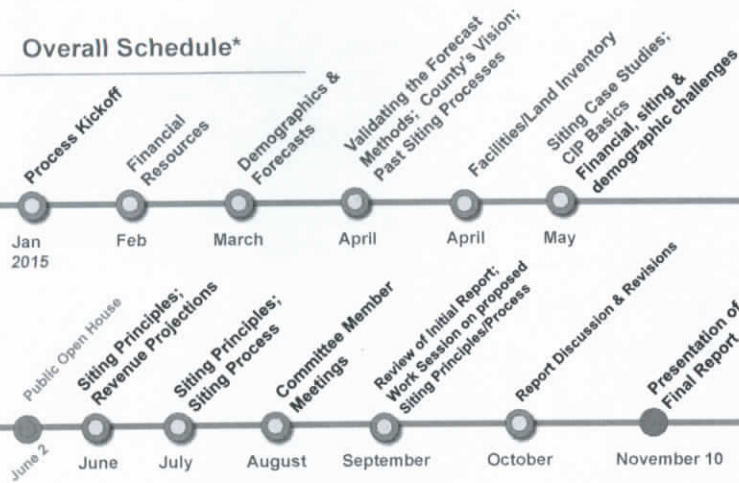
- **Committee:** 23 dedicated and strong-willed members
- **Resident Forum:** 250+ knowledgeable participants, full of good ideas
- **County & APS Staff:** hard working, cooperative with us and with each other
- **Public:** open houses, County Fair, Twitter, commenters, civic associations, business groups and civic clubs – inquisitive and willing to listen and comment



Arlington
Community Facilities Study
A resource and facilities plan for our future



Overall Schedule*



Learning Meetings
*Schedule subject to refinement

3

What is in the Final Report?

1. Executive Summary
2. Background
3. Specific Deliverables
 - Current Inventory of Public Facilities
 - Demographic Forecasts and Projections
 - Projected Facility Needs (*current thinking*)
 - Revenue Overview
 - Best Practices in Fiscal Management
 - Proposed Siting Process for future public facilities (*Appendix 6*)
4. Strategic Community Challenges
5. Next Steps and Recommended Follow Up Studies



Arlington
Community Facilities Study
A resource and facilities plan for our future



4

The Study Committee is Charged With...

"Identifying strategic community challenges that, if unaddressed, could threaten Arlington's overall sustainability..."

- A scarcity of land for public facilities
- Dealing with changing demographics
- A threatened commercial tax base
- Strategic facility planning and priority setting
- The need to revamp the community dialogue

Arlington
Community Facilities Study
A resource and facilities plan for our future



5

Challenge #1

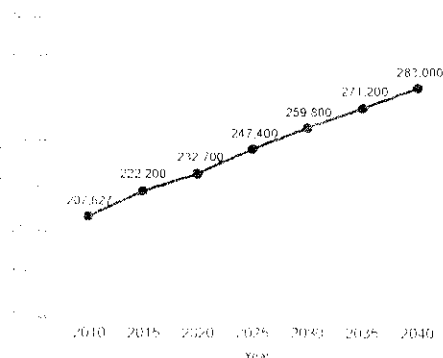
A scarcity of land for public facilities

Arlington
Community Facilities Study
A resource and facilities plan for our future



6

Arlington's Population Forecast to 2040



Source: MWCOR Round 8.4 Forecast

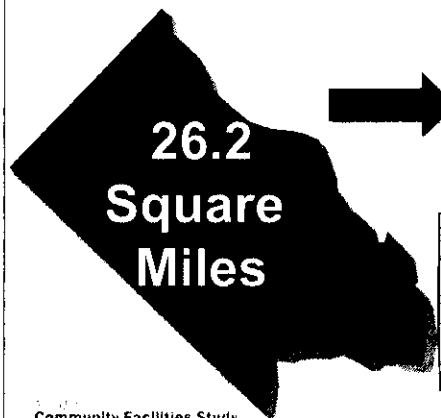
Community Facilities Study



Change from
2010 - 2040:

Increase of
Approximately
75,400 people
(+36%)

A Finite Amount of Space to Work With



County & School
Owned Land

2.2

Square Miles

SCHOOLS, PARKS, & ALL
COUNTY FACILITIES
PROVIDING SERVICES
SHARE THIS 2.2 SQUARE
MILES OF SPACE.

Community Facilities Study



A Finite Amount of Space to Work With

Private Property

14.4
Square Miles

Right-Of-Way

6.0
Square Miles

County & School Land

2.2
Square Miles

Unimproved Land

3.5
Square Miles

Community Facilities Study



Challenge #1 Recommendations

- Make maximum use (and reuse) of the facilities we have
- Encourage joint or shared use of facilities
- Build up, under and over rather than out
- Create "new" land
- Collaborate with other jurisdictions for shared uses
- Establish a land acquisition fund

Community Facilities Study



Challenge #2

Dealing with changing demographics

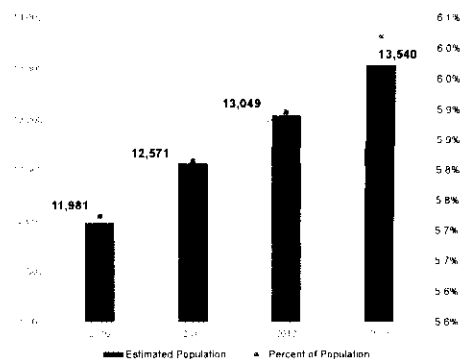
- Where do the millennials go when they have children?
- Can young adults afford to live here?
- Do we have housing and services for those over 65? 85?
- Are we using the best techniques to project future school population?

Arlington
Community Facilities Study
A resource and factbook plan for our future



11

Growth of Arlington's 0 - 5 Population



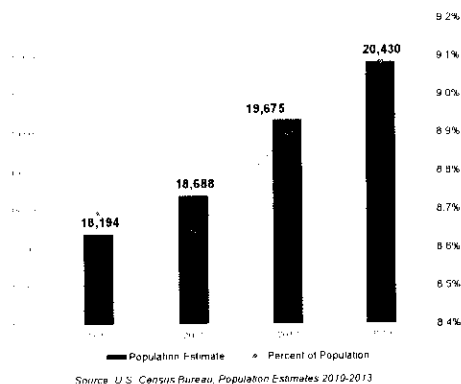
Source: U.S. Census Bureau, Population Estimates 2010-2013

Community Facilities Study



- The under 5-years cohort has continued to increase since 2010.
- As a share of Arlington's total population, this cohort has increase from 5.7% in 2010 to 6.0% in 2013.

Growth of Arlington's 65+ Population

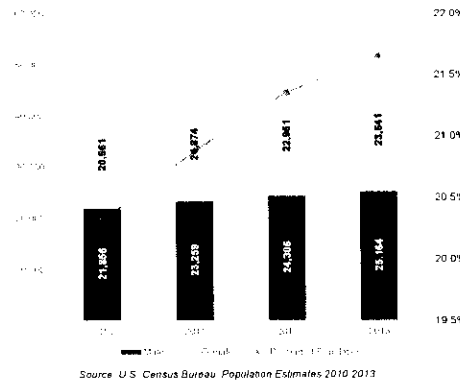


- Those over the age of 65-years has grown by 12% since 2010.
- This age cohort makes up about 9% of Arlington's total population.
- Need to know more about their service and facility needs.

Community Facilities Study



Growth of Arlington's 30 - 39 Population



- The age cohort of those age 30-39 years continues to grow from 20.3% to 21.7% of the total population.
- This group accounts for 40% of all growth since 2010.
- Females make up 48% of this age group and 47% of the growth since 2010.
- Will they stay here?

Community Facilities Study



Why Does This Matter?

- Demographics drive service & facility needs: County and Schools
- Next generation of population
- Next generation of children
- Key element of workforce and local economy



Community Facilities Study



Challenge #2 Recommendations

- Improve forecast and projection methods
- Improve cohort data research, particularly for millennials and those 65 and older, and use demographic factors to help define future facility needs
- Develop strategies to retain the millennial population, specifically increasing the availability of "starter" housing, child care, and preschool
- Evaluate and enhance wrap around services, coordinating school and after-school needs

Community Facilities Study



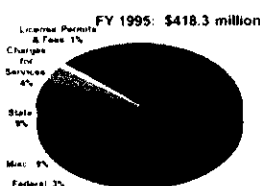
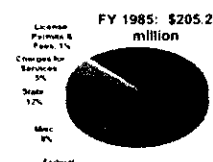
Challenge #3

A threatened commercial tax base

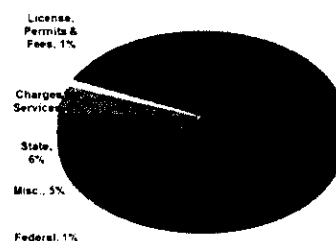
Arlington
Community Facilities Study
A resource and facilities plan for our future



General Fund Revenue by Source



FY 2015: \$1.15 billion

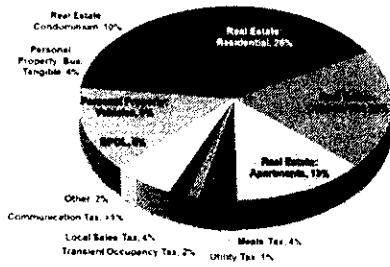


Community Facilities Study



Local Tax Revenue by Source (FY 2016 General Fund)

FY 2016 Local Taxes



Real estate taxes **68%**

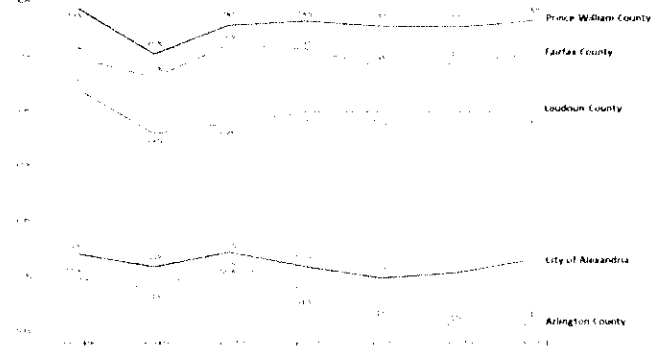
Portion of real estate taxes from commercial property **50%**

Community Facilities Study



Real Estate Impact on Homeowner Regionally

Residential Assessments as a % of Total Tax Base



Community Facilities Study



Problem: A 21% Vacancy Rate in Commercial Office

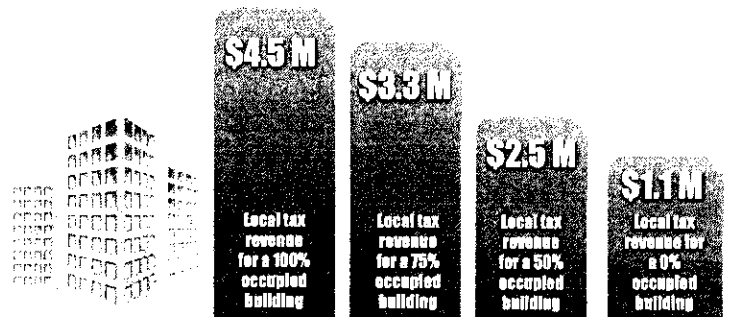
Why?

- Sequestration and Base Realignment and Closure (BRAC)
- Changing culture in use of office
- Competition from markets with new transit access (Metro Silver Line)

Community Facilities Study

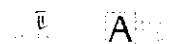


Each 1% of Office Occupancy is Worth \$3.4 Million in Local Taxes



Note: Assume 100% occupancy = 400,000 SF of BSA in a building in the Crystal City neighborhood. Based on private sector for-profit survey.

Community Facilities Study

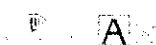


What Does That Mean?

- Each 1% of office occupancy = \$3.4 million in revenue
- \$3.4 million revenues = 1/2 ¢ on real estate tax rate
- 1/2 ¢ on real estate tax rate = \$29 on the average single family home



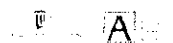
Community Facilities Study



Challenge #3 Recommendations

- Step up marketing efforts to attract commercial office tenants
- Add an economic impact section to private development project staff reports
- Amend the charge of the EDC to include provision of a letter to the County Board regarding the economic impact of each project
- Enhance the role of the BIDs, and adopt other improvements, to attract and retain businesses
- Focus on a variety of housing to match the wide range of incomes and ages in the County
- Embark on a cost efficiency effort for public facilities and services, and bolster community awareness of key revenue and budget issues

Community Facilities Study



Challenge #4

A need for strategic planning & priority setting

- What are long term demographic trends?
- What does that mean for future services and facilities?
- How do we plan for that?
- Are we structured to make the hard choices?

Challenge #4 Recommendations

- Create a formal, integrated strategic needs assessment and priority setting process for APS and the County with these three elements:
 - ✓ A Facilities Strategic Planning Committee consisting of two County Board and two School Board members
 - ✓ An integrated staff team including APS and all relevant County departments, and
 - ✓ A Joint Facilities Advisory Commission
- Implement the proposed Public Facility Siting Process

Facility Siting Principles and Process

- **Four phase process:** project management tool to make siting decisions efficiently, effectively, and with ample community input
- Designed to be flexible and can be easily adapted to different situations
 - Finding a site for a known facility need
 - Determining the best use(s) for a known site
- Common set of principles and a process for both County and Schools
- Strong emphasis on civic engagement and communication, especially in the early stages of process

Siting Principles

1. Be as transparent as possible: share information broadly and communicate regularly.
2. Time and funding are limited: undertake siting processes in a timely and cost-conscious manner.
3. Use resources efficiently: explore multiple-use facilities and designs that could be adaptable over time.
4. Balance County-wide and local needs.
5. Guide discussions and decisions with established plans, policies and goals.
6. Distribute facilities equitably across the County as much as possible.

Challenge #5

The need to revamp our community dialogue

- How do we involve those who are uninvolved?
- Can we reach beyond our current circle of active people new communications technologies?
- How do we ensure civic engagement, not just "sit and listen"?

Challenge #5 Recommendations

- Examine communication processes and practices
- Improve opportunities for meaningful public participation, and make better use of the community's time and talents
- Continually experiment with new techniques for civic engagement and new channels of communication

Next Steps

- Efforts Already Underway
- Implementation Plan
- Additional Studies

Efforts Already Underway

Committee recognizes that County and APS have been taking steps to increase collaboration, share information, and improve facility planning:

- Collaboration between senior County and APS staff
- New annual report of APS enrollment projections and web page detailing County forecasting process
- Additional APS staff for student projections and facilities planning
- Increased funding for marketing and promotions to reduce office vacancies
- South Arlington Working Group process for siting a new elementary school

Implementation Plan

Chapter 4: Next Steps

Table 4.1: Implementation Plan		
Challenge	Recommendation	Additional Information
Challenge 1: Improving the quality of life in the community	1.1. Create a new, integrated, and ongoing process for development and facility planning that includes the County and APS staff.	1.1.1. The County and APS staff will create a new, integrated, and ongoing process for development and facility planning that includes the County and APS staff.
	1.2. Develop a new, integrated, and ongoing process for development and facility planning that includes the County and APS staff.	1.2.1. The County and APS staff will create a new, integrated, and ongoing process for development and facility planning that includes the County and APS staff.

Additional Studies

1. Periodically examine the County's development vision as expressed through the Comprehensive Plan.
2. Evaluate service and facility needs for those 65 and over, and develop new strategies and partnerships that allow for and encourage people to remain in the community as they age.
3. Reevaluate the BLPC and PFRC processes
4. Need to unify disparate neighborhoods and population

A special thanks to...

Jennifer Smith (Arlington County)

Lisa Stengle (Arlington Public Schools)

Matt Ladd (Arlington County)

Susan Bell (Consultant)

... and strong staff support from those mentioned in the Committee's Report

Arlington
Community Facilities Study
A resource and facilities plan for our future

Key Takeaways on Revenues

In summary, Arlington's taxing capacity is impacted by legal and policy limitations. Despite these limitations, the County's balance between residential and commercial assessments is unique and provides fiscal and service delivery benefits. The County's financial practices, reinforced by triple-AAA ratings, facilitate service delivery and provide taxpayer benefits.

In the coming years, it is expected that real estate assessments will see some growth with residential growth normalizing as office assessments recover. Under the baseline revenue forecast scenario, near term budget gaps are expected to be manageable for continuing services. However, even with the forecasted recovery in assessments, revenue growth is not expected to be robust enough to fully fund County and Schools expenditure pressures, and meeting increasing demands for expanded services will take time. These forecasts will continue to be revised, particularly if shifts in the commercial tax base continue.

Best Practices in Public Facility Finance

Overview

In the study's charge, the Committee was asked to identify "Arlington's key facility assets and needs - County and Schools 5, 10 and 20 years out" using an inventory of existing County and School facilities as well as "Develop the criteria for prioritizing projects in the CIP." The Committee's goal is to "build a consensus framework regarding future revenue and facility needs that will inform County and School Board decision-making related to meeting the community's requirements for additional school, fire station, vehicle storage sites and other facility needs..." In reaching this goal, key questions asked by the Committee included "What are our facility needs for schools, fire stations, recreation, and transportation vehicle and other storage?" as well as "How do we pay for these needs?"

The County's and Schools' Capital Improvement Plans (CIPs) lay out a ten-year plan of capital needs and a ten-year funding plan to achieve those needs. The CIP is one of the most significant planning processes for the County and Schools since it not only identifies the immediate needs but also seeks to capture longer-term capital needs in all areas of infrastructure. It balances maintenance of existing infrastructure with new investments, all driven by service delivery demands, and it is flexible enough over time to adjust to changing priorities and external factors. The CIP is financially sustainable and adheres to financial and debt management policies to ensure that the County maintains its triple-AAA bond ratings.

Debt Management

The CIP adheres to the debt capacity guidelines formally in place since 2002 and re-confirmed by the County Board in July 2014. The County's debt capacity ratios measure affordability against key "wealth" indicators of the County and are very similar to those of other triple-AAA jurisdictions in the region. Because the rating agencies consider County and Schools as a single entity for debt capacity, these guidelines are used by both organizations. These are considered best practices in public finance and serve as guidance for debt affordability, an essential practice by the bond rating agencies.

1. The ratio of net tax-supported debt service to general expenditures should not exceed ten percent, within the ten-year projection.
2. The ratio of net tax-supported debt to full market value should not exceed three percent, within the ten-year projection.
3. The ratio of net tax-supported debt to income should not exceed six percent, within the ten-year projection.
4. Growth in debt service should be sustainable and consistent with the projected growth of revenues. Debt service growth over the ten year projection should not exceed the average ten year historical revenue growth.
5. The term and amortization structure of County debt will be based on an analysis of the useful life of the asset(s) being financed and the variability of the supporting revenue stream. The County will attempt to maximize the rapidity of principal repayment where possible. In no case will debt maturity exceed the useful life of the project.
6. The County will refund debt when it is in the best financial interest of the County to do so. When a refunding is undertaken to generate interest rate cost savings, the minimum aggregate present value savings will be three percent of the refunded bond principal amount.

Arlington County's CIP Development and Criteria

Arlington County's capital projects originate from a variety of sources. County Board appointed commissions, advisory groups, and task forces typically advise the Board on long-term plans that recommend certain types of improvements. In some cases, individual residents request improvements to their streets, playgrounds or other County facilities. Neighborhood associations and business groups may also suggest projects and work areas. Some projects are initiated by adopted County master plans, such as the Transportation Master Plan or the Storm Water Master Plan. It is an iterative process that starts with the most recently adopted CIP and factors in many updates. These factors include economic and revenue projections impacting debt capacity, updates of existing maintenance capital condition



CIP Funding Sources and Uses

and inventory assessments, commercial development activity, construction market conditions, external impacts of regional partnerships, federal and state regulatory changes, population changes, service delivery demands and even opportunistic events.

Since there are always more project proposals submitted than can be funded in a given year, various criteria are used to assist in prioritizing capital projects. These criteria include a test for immediate needs, safety, legislative or judicial requirements, the project's ability to be implemented in the timeline proposed, linkages to other approved and funded projects, linkages to an approved County master plan, other goals and objectives of the County, and direct benefit to citizens. Other considerations include current and future fiscal impact, cost of deferring a project, alternative funding sources, and County and private development goals and plans.

Public finance best practices are achieved through the development of the CIP's multi-year financial plans, debt affordability measures, review of capital project budgets and scope management and integration of operating impacts of new projects.

Arlington Public Schools' CIP Development and Criteria

APS' CIP development process includes 3 major phases on a 2 year cycle: the Arlington Facilities Student Accommodation Plan (AFSAP); CIP Planning Process; and the CIP itself.

AFSAP

The Arlington Facilities and Student Accommodation Plan (AFSAP) is prepared by staff every other year, and is the first step following a vote on the previous CIP. The AFSAP provides a comprehensive look at student enrollment and building capacity within Arlington Public Schools. The intent of this document is to provide APS staff with data from which they may make decisions about APS facilities and programs. Specific information about each school is provided, as well as an overall look at enrollment/capacity issues throughout the county.



APS CIP and AFSAP Process Chart

Arlington Public Schools' CIP Planning Process

APS' CIP Planning Process is an iterative exchange towards development of the CIP. The community is engaged in the process at multiple points. Direction is provided by the School Board and staff uses the direction to develop and to continuously refine the proposed CIP.

1. The School Board uses the AFSAP to develop a framework for the CIP, and affirms or adjusts the recommendations in the AFSAP. Using the CIP framework, staff:
 - explore options using community input and

- develop debt capacity projections for 10 year planning horizons.
- 2. Staff presents preliminary options and debt capacity projections are presented to the School Board
- 3. The School Board uses the information to provide directions on next steps. Staff:
 - develops options based on the direction. Site analysis studies address: 1) costs and impact on debt capacity; 2) timeline; 3) number of seats provided; 4) opportunities and challenges; and 5) alignment with design principles;
 - presents site analysis studies to the community for feedback; and
 - analyzes feedback and develops recommendations.
- 4. The Superintendent proposes CIP to the School Board.
- 5. The School Board holds public hearings to obtain community input on the Superintendent's proposed CIP.
- 6. The School Board adopts the CIP.

Various groups are engaged through the CIP planning process including:

- Advisory Council on School Facilities and Capital Programs (FAC);
- Individual school communities;
- Citizen groups;
- Civic associations;
- Broader community;
- County staff; and,
- APS teaching and administrative staff.

Investments in Service Delivery

The FY 2015-FY 2024 capital plans adopted by the County and Schools maintain County and School assets, further economic competitiveness, and continue the County's history of financial sustainability by funding investments in service delivery in line with the community's values including:

- Livable neighborhoods: neighborhood conservation, paving, safe routes to schools, complete streets, BikeArlington, and WalkArlington;
- Safe community: fire stations and apparatus, public safety technology, records management systems;
- Helping those in need: homeless services center and Mary Marshall Assisted Living Center;
- Core infrastructure: water and sewer infrastructure and stormwater management;
- Economic competitiveness: ConnectArlington/intelligent transportation systems;

- Robust quality of life: parks and open space, playgrounds, community centers, bike trails, and fields; and,
- Quality school infrastructure for optimal learning environment.

CIP Needs

The FY 2015-FY 2024 CIP's investments in Arlington's physical assets total \$3.2 billion. A breakdown of how Arlington spends CIP funds is graphically presented in Figure 2-20. The biggest allocation, 49%, is dedicated to transportation, Metro, street paving and transit projects¹. The second largest investment, 17%, is planned for schools. Core infrastructure projects such as utilities and stormwater comprise 13% of the plan while 8% is budgeted for public and government facilities, 6% is budgeted for parks and recreation, and the remainder is budgeted for information technology, public safety and other capital improvements.

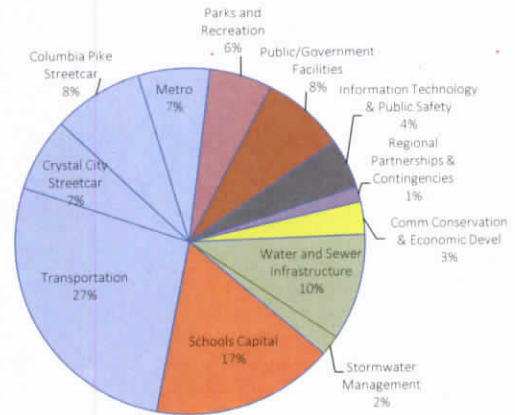
CIP Funds

The adopted FY 2015-2024 CIPs utilize a diverse set of funding sources and allow the County and Schools to balance debt financing sources against Pay-As-You-Go (PAYG) sources as well as leverage outside funding for capital priorities. While major capital facility projects will generally be funded through bonds, the County maintains an appropriate balance of PAYG versus debt, particularly in light of the County's debt capacity. General Obligation bonds (County and Schools), the largest portion of debt financing, comprise 34% of the CIP funding. Other debt financing sources, including master lease financing and other transportation bonds, total 7% of the CIP funding. Outside revenues such as state and federal grants, Northern Virginia transportation authority (HB2313) funds and developer contributions comprise another 23% of the pie. Local funds that are restricted and dedicated to core infrastructure such as stormwater management, utilities infrastructure and transportation capital equate to 19%. Other local funds, including PAYG allocations from the general fund, total 17%. See Appendix 4 for additional information on CIP funding tools.

¹ The FY 2015-2024 CIP was adopted before the decision to halt the Streetcar program.

Figure 2-20: County and Schools Adopted CIP Needs (in 000s)

<u>Program</u>	<u>FY 15 - FY 24</u>	<u>% of Total</u>
Transportation	863,353	27%
Crystal City Streetcar	217,431	7%
Columbia Pike Streetcar	268,121	8%
Metro	210,650	7%
Parks and Recreation	183,182	6%
Public/Government Facilities	243,648	8%
Information Technology & Public Safety	146,665	5%
Regional Partnerships & Contingencies	45,942	1%
Comm Conservation & Economic Devel	97,148	3%
Subtotal County Capital	2,276,140	
Water and Sewer Infrastructure	317,734	10%
Stormwater Management	61,280	2%
Total County Capital	2,655,154	
Schools Capital	534,054	17%
Total CIP Program	3,189,208	100%



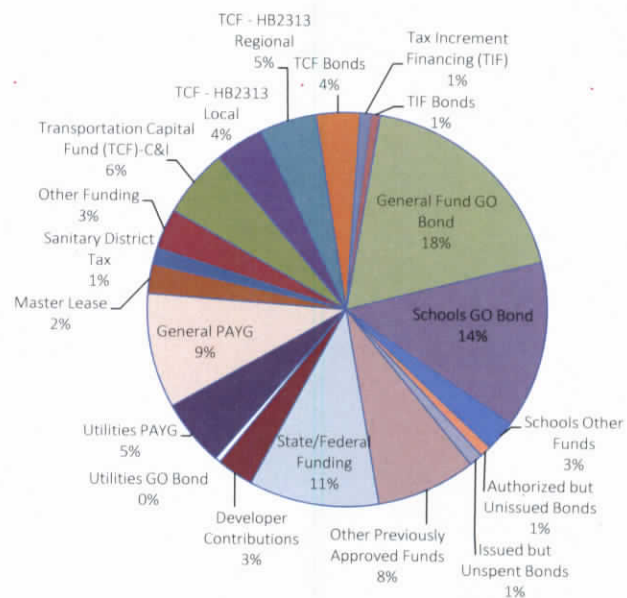
Includes APS

Key Takeaways on Public Facility Finance

The County and Schools CIPs strive to balance between reinvestment and new projects. They cover the entire spectrum of County and School infrastructure, facilities, and technology and are largely based on service delivery demands. The CIPs are also flexible, responding to changing priorities and external factors. Finally, the CIPs are financially sustainable. They are based on debt ratios that are moderate and consistent with triple-AAA bond rating standards, and the County's debt levels are balanced against other operating budget needs.

Figure 2-21: County and Schools Adopted CIP Funds (in 000s)

<u>Fund Sources</u>	<u>FY15-24</u>	<u>% of Total</u>
New Funding		
State/Federal Funding	338,584	11%
Developer Contributions	95,502	3%
Utilities GO Bond	14,000	0%
Utilities PAYG	174,494	5%
General PAYG	300,930	9%
Master Lease	76,938	2%
Sanitary District Tax	42,440	1%
Other Funding	104,346	3%
Transportation Capital Fund (TCF)-C&I	178,959	6%
TCF - HB2313 Local	126,711	4%
TCF - HB2313 Regional	147,504	5%
TCF Bonds	114,123	4%
Tax Increment Financing (TIF)	29,282	1%
TIF Bonds	22,616	1%
General Fund GO Bond	586,090	18%
Schools GO Bond	435,980	14%
Schools Other Funds	80,474	3%
Subtotal New Funding	2,868,973	
Previously Approved Funding		
Authorized but Unissued Bonds	29,664	1%
Issued but Unspent Bonds	34,534	1%
Other Previously Approved Funds	256,037	8%
Subtotal Previously Approved Funding	320,235	
Total Funding Sources	3,189,208	100%



3

Strategic Community Challenges

Chapter 3: Strategic Community Challenges

The heart of the Community Facilities Study was to identify strategic community challenges that could, if left unaddressed, threaten Arlington's overall sustainability as a community. Following informational sessions on demographics and forecasting, revenues and County economics, and planning policy and process, the Committee, with help from the Resident Forum, defined five main challenges for the County and the community:

1. A scarcity of land for public facilities;
2. Dealing with changing demographics;
3. A threatened commercial tax base;
4. Strategic facility planning and priority setting; and
5. The need to revamp community dialogue

Committee members concluded that land is scarcer than funds, and that changing demographics must inform the facility prioritizing process, particularly with regard to school facilities since APS must provide a seat for any student who comes to school. The Committee also found that the facility planning process and Capital Improvement Plan do not incorporate any effective way to prioritize facility needs, or to have community conversations about priorities.

The five challenges are linked—but not prioritized—and reflect some of the pressures of an evolving, developed community. While it is obvious that not all possible solutions are entirely within the County's control, the Study Committee concluded that focus on the challenges and their solutions by elected leadership and the community at large is necessary to ensure the future health of the community. For this reason, the Study Committee urges elected officials to keep these challenges and ideas at the forefront of their efforts on behalf of the community.



A Scarcity of Land for Public Facilities¹

Land is Arlington's scarcest resource. Combined, the County and APS own only 2.2 square miles² which houses schools, parks and all County facilities. Sixty-two percent of the 2.2 square miles are occupied by County parks—including stream valleys and natural areas best left undisturbed—and 26 percent by Schools. The County operates a variety of facilities including libraries, fire stations, the Trades Center, and recreation and community centers on County-owned land. Additional facilities such as the DHS offices and Courthouse Plaza operate in leased space. APS operates elementary, middle and high schools and additional facilities (Education Center, Planetarium and the APS portion of the Trades Center) as well as programs in leased space.

While many examples of joint and shared use are already in operation, these principles are not yet institutionalized practices. Though many facilities house a single use, longstanding partnerships between APS and the County help maximize facility use and provide numerous examples of shared use facilities (e.g. DPR classes in APS gyms, fields and school classrooms) and joint use facilities (e.g. Jefferson Middle School and Community Center) which are governed by a Memorandum of Understanding. Even with these efforts in place, continued growth in demand results in waiting lists for classes and sports programs, and fields scheduled beyond recommended standards. Urgent school capacity needs are being addressed through use of relocatables, which has resulted in the loss of playing fields and reductions in already limited recreation space; interior renovations; additions and new school construction on the Williamsburg Middle School campus and at Wilson School. School capacity issues led APS to charter the South Arlington Working Group which will soon make a recommendation on a new elementary school site. In addition, the APS CIP includes funds to evolve the Career Center into a capacity generating high school.

The County's planned growth will increase demands for schools, public services, all types of open space, recreational opportunities and critical but less visible "back of house" activities like fire stations and ART bus storage—all within the 26 square miles of the County. For example, the ART and school bus fleet will increase with expanded routes; these vehicles need several acres for storage, staging and maintenance. The County needs to build one new fire station and relocate three to improve response times and support projected population growth. Thirteen to eighteen acres of land

1 Data and statistics cited in this section came from the CFS presentation of April 22, 2015.

2 Road right-of-way occupies six square miles, other government land occupies 3.5 square miles and private property occupies 14.4 square miles.

in two-acre minimum parcels are needed to expand County services plus additional land for similar APS services.

Meeting the challenge of land for future facility needs requires a multi-pronged strategy. It is essential to recognize that existing uses, such as open space, serve public needs and must be taken into account if new uses are proposed to be added to a site:

- making better use of existing facilities,
- looking for opportunities to “create” more land, including over rights-of-way (e.g. the I-66 parking deck and Gateway Park) and new facilities like garage structures (e.g. Washington Capitals practice rink);
- building up, over and underground to reduce building footprints and preserve open space and
- consider providing facilities on land outside of the County particularly for seasonal storage needs (e.g. store snow plows in summer, warm weather equipment in winter).

It is well understood that land availability is a significant challenge as the County continues to grow. Acquisition is increasingly expensive and opportunities vary from year to year. County land acquisition funds are considerably less in recent years (an average of \$2.6 million since 2009) than in the 1996-2008 funding cycles where it averaged \$8 million per cycle. As a result, and excluding Long Bridge Park, the County has not been able to acquire much new open space. Establishing a land acquisition fund would allow the County to compete more effectively when key properties become available. Well-located sites like the 16-acre Buck property on North Quincy Street are rare opportunities. The uses for acquired sites would be determined with community input through the process outlined in the Siting Process.

Recommendations:

1. Make maximum use (and reuse) of the facilities we have, ensuring that existing space is efficiently used and that new space is adaptable for future purposes.
2. Encourage joint or shared use of facilities, taking into account the operating characteristics of any existing use, such as open space.
3. Build up, under and over rather than out to use land most efficiently.
4. Create “new” land by building over right-of-way and on top of structures such as parking garages.
5. Collaborate with other jurisdictions to review whether opportunities exist for both facility and service sharing.
6. Establish a land acquisition fund to position the County to acquire parcels when they become available.

Dealing with Changing Demographics³

The County's demographic profile has been changing over the last 15 years, putting pressure on all levels of the school system as well as open space, recreation and fire services. The fastest growing age cohorts in Arlington between 2010 and 2013 were 35-44 year olds, 0 – 5 year olds and those 65 years and older. Each of these groups has unique as well as shared service needs now and in the future. Using County plans and policies as a base, the County forecasts a 31 percent increase in population by 2040; employment is projected to grow 39 percent. Such significant growth will surely increase demands for all types of services and facilities and will necessitate the need for finer-grained data to inform future public facility planning.

Perhaps the most significant demographic change in the County in recent decades arises from APS enrollment growth, which is projected to continue over the next decade. Enrollment has increased steadily since the 1990s, growing 1 – 2% per year through the mid-2000s. Between 2008 and September 2015, enrollment grew between 2.8% and 5.2% per year. APS projects school enrollment to exceed 30,000 students by 2024. Much of this growth will come from today's 0 – 5 year olds; the ratio of kindergarten enrollment to births increased from 55% in 2005 to 75% in 2014. This rapidly rising enrollment means APS will continue to need additional facilities to meet the educational needs of students.

Changes in household size also can be an indicator of projected increases in school enrollment. Between 2000 and 2013 the average household size increased in both owner and renter occupied single family homes. The same is true for renter occupied multi-family housing. While the vast majority of new housing built in Arlington is multi-family apartments and condominiums, between 2005 and 2013 57% of the growth in the student population came from single-family houses.

In addition to the growing demand for school facilities, the surge in school-aged children in Arlington creates a need for wrap around services to supplement the core instruction that APS provides during the school day. Currently, APS, the Department of Parks and Recreation and a number of non-profit organizations provide after school programming for students who need additional assistance and care while their parents are at work. Examples of these programs include Extended Day, homework clubs, and enrichment classes. These wrap around programs may not be widely known throughout the community. Service providers should coordinate with each

³ The data and statistics used in this section were taken from the CFS presentation on March 11, 2015 and "Profile 2015," Department of Community Planning, Housing & Development

"Who will we be in 15 to 20 years?"

"We want our County officials to be mindful that they are part of something bigger."

"Who we are as a County is different based on where we live. We're not as cohesive as we think we are."

Note: Selected comments made during public meetings by Resident Forum members and the public are shown in the margins, reflecting ideas and opportunities for the future or concerns about current conditions or processes.



other to comprehensively assess these programs with the goal of ensuring that all children and families who could benefit from them are aware of what is offered; service gaps should be identified and addressed.

The 65+ age cohort—one of the fastest growing in the County—has grown an estimated 12% between 2010 and 2013. This age group is expected to have higher incomes, and is more likely to be working than in the past. Better health than previous generations will support increased demand for recreation, leisure activities and public transportation. Residents in this age group are the most likely to stay in the same house from year to year. Although the media draws attention to evolving trends among those 65 and older (e.g. downsizing from single-family houses to condos), there is no reliable source of local information on their needs and resources, making it difficult to plan for their future needs. Similarly, it is expected that the 85+ age cohort will have increased needs for assistance, such as housing options and transportation, and increased care options, and information is needed on this age group as well.

Millennials (born 1982 - 2000, approximately 15 - 33 years old in 2015) are the dominant generation in the County today. Much has been written about this age group, but it is as yet unclear whether this group will remain in urban areas like Arlington as they look to buy houses and start families or if they will follow the path of many Baby Boomers to the outer suburbs. Residents age 18 to 34 — the age group typically forming their own households — are the most mobile segment of the County population. Keeping millennials in the County is critical for the future labor force and will require increased affordable home ownership opportunities, child care and pre-school options.

Prior to the mid-1990s, single family houses were affordable to many middle class families, and Arlington also boasted thousands of garden apartments, which were built initially in the decades immediately before and after World War II. These affordable houses and apartments offered starter housing to generations of Arlingtonians. Unfortunately, a large percentage of this historically affordable housing has been lost over the last decades to the economic pressures of soaring land values, rising rents and the conversion of apartments to condominiums, hastened by the spike in housing prices due to the County's growing reputation for good schools and accessible public transportation.

While the current number of single family houses affordable to those with moderate incomes may be inadequate, the County has over 23,000 condominiums which may serve as starter home ownership options for some. With a 2015 average assessed value of \$380,000, these units are considered affordable for middle income households.

Increasing income disparity reduces diversity in the community. In 2000, the largest share of County households earned \$75,000 - \$99,999 (approximately \$100,000 - \$135,000 in 2013 dollars). In 2013, the largest share of households had incomes of \$200,000 or more. The estimated

2015 median household income for the County is \$106,400. But, historical housing patterns have led to wide variations in median income from neighborhood to neighborhood in the County, especially between the northeast and southwest parts of the County. (See *Housing and Affordability Issues* for additional discussion on this topic.)

The loss of older, market affordable housing has been especially severe in the corridors planned for transit-oriented redevelopment. This has resulted in the concentration of available affordable housing in fewer and fewer neighborhoods, accentuating income disparity. This disparity has to be recognized and addressed. The Columbia Pike Neighborhoods Area Plan and the recently adopted Affordable Housing Master Plan are steps in the right directions and will add additional diversity of housing in all parts of the County. The Committee believes that future County plans should set policies and goals to further improve economic diversity of the housing supply and specifically consider impacts on schools and communities in setting such policies.

Recommendations:

7. Improve forecast and projection methods (Phase 2 consultant work):
 - Analysis of student generation factors (SGF) by different housing characteristics, including trends between 2010 and 2015;
 - Comprehensive demographic analysis of County population by age cohort;
 - Cohort component demographic model for County population forecasts;
 - Long-term (6-10 years) student population projection model; and
 - Trend reporting and best practices.
8. Improve cohort data research, particularly for millennials and those 65 and older, and use demographic factors to help define future facility needs.
9. Develop strategies to retain the millennial population, specifically increasing the availability of “starter” housing (i.e. entry-level homeownership), child care, and pre-school.
10. Evaluate and enhance wrap around services, coordinating school and after-school needs.

A Threatened Commercial Tax Base⁴



Rosslyn and Gateway Park

“Arlington was complacent, and today, we are competing against places we have not competed against before.”

As previously noted, Arlington’s tax base is unique compared to neighboring communities with a 50/50 split between commercial (office, retail, multi-family residential, hotel) and residential development. This compares with a 75 percent residential – 25 percent commercial split in Fairfax County, a 70/30 split in Loudoun County and a 57/43 percent split in the City of Alexandria. Today, \$27.5 billion of a total \$57.5 billion in assessed land and improvements value is located in the Metro corridors, which is 11% of total land in the County. The County’s triple-AAA bond rating reflects the inherent strengths of this unique tax base, strong financial reserves, a fully funded pension system and moderate debt limits. The large percentage of the tax base attributable to commercial uses has helped keep real estate taxes relatively low for many years in comparison to neighboring communities; the land area (largely in the transit corridors) available for high density development remains virtually the same since the County adopted the first General Land Use Plan in 1961.

As the County and the Washington Region seek to recover from the recession there are a number of indicators that the 50/50 tax base split cannot be taken for granted in the future. The non-residential portion of the tax base is struggling.

The Importance of a Healthy Office Market

While the federal government and its contractors continue to occupy nearly 50 percent of Arlington’s office space, the federal presence has shrunk in the County by 2.4 million square feet of office space since 2011. Federal procurement dropped in the last three years; Arlington has lost 4,700 federal jobs since 2010. The effects of the Base Realignment and Closure Commission (BRAC) recommendations and sequestration continue to be felt with no assurance from the Congress that the latter will not be repeated.

As of October 2015, Arlington’s office vacancy rate is 20.8 percent, double the historical average of 10 percent (“County and Schools Reaffirm Revenue-Sharing Principles”, Press Release, October 15, 2015). To reduce the vacancy rate to 10 percent, 4.4 million square feet of currently vacant office space would need to be occupied.

Further indications of change in the office market involve the way business uses office space. In the last decade, technology, cost of occupancy, commuting challenges and the work preferences of an increasingly younger workforce have resulted in reduced office space allocated per employee in both the private and public sectors. Technology facilitates alternative work

⁴ The data cited in this section was presented to the CFS at the February 11 and February 25, 2015 meetings.

schedules and locations. Both Deloitte and Accenture, located in Rosslyn and Ballston respectively, “hotel” far more employees than they house in their offices on any given day.

Recent development approvals and projects under construction show a clear market preference for residential development over office development. This has implications for schools, parks and other services. According to Profile 2015 and the Quarterly Development Updates published by the County’s Planning Division, from January 2014 – June 2015, 2,465 multi-family residential units were approved. The “WeLive” project in Crystal City was the second approval of an office building conversion to a residential building.

While the focus of the dilemma rightly should be on the declining office market, the County needs to be mindful of the growing impact of multi-family residential, the other large element that makes up the “commercial” sector. The portion of tax revenues from apartments has grown steadily from 12 to 21 percent of the real estate tax base over the last decade. During the same time period, other commercial uses (i.e. office, retail, and hotel) have been more consistent, ranging from 27 to 31 percent.

While the strong apartment market has been financially beneficial and has picked up some of the slack from the sagging office market, this trend, if continued, will have unintended consequences. Tilting the planned mix of uses in Metro corridors can alter markets for consumer services and affect the retail mix. Changes from office to residential have implications for schools and other County services including the transportation network. In the next few years, the County may face many requests to build residential rather than the currently disfavored office. Policymakers should think hard about the broader impacts before acting on these requests.

Growing competitiveness in the region is changing the relative desirability of the Arlington office market. New development in NOMA, Bethesda, Downtown and Capital Riverfront all compete for tenants. The 2014 opening of the Silver Line makes Reston, Tysons and points west more accessible and facilitates creation of strong employment centers in those submarkets.

In recognition of this new competition, and the economic impact of the high office vacancy rate, the County Board added new resources to the Economic Development budget—\$600,000 and 5 FTEs for business development and \$300,000 for marketing—in the FY 2016 budget.

*“Arlington will need to do more
with less.”*

“Improve processes to make it easier for large businesses who want to be in Arlington.”

Ease of Doing Business with the County

Arlington has long prided itself on robust public input processes for all types of County and School issues. Even with the detailed guidance of adopted plans and policies, however, the length of community review processes for private development projects can stretch to years rather than months. Though valued by the community and often beneficial for project design, these lengthy processes are at odds with the business community's preference for speed and predictability, and also can limit participation from residents who cannot commit significant time to community processes (See Revamping the Community Dialogue, below). In recognition of this concern, the Planning Commission and staff have undertaken efforts to improve the site plan review process.

Over the last several years there have been a number of efforts to help both large and small businesses in the County with a variety of issues including permitting, code requirements, signage and regulatory costs. Despite these efforts and the creation of an ombudsperson to mediate issues, negative perceptions persist. Over the last few months, the Department of Community Planning, Housing and Development (DCPHD) conducted a customer satisfaction survey and is taking steps to improve customer service, reduce site plan process and construction permit review times, improve technology for permitting and plan review, and increase consistency. Over 150 attended a Development Forum on these process improvements on September 10, and it is expected that additional events will be held to provide progress updates.

As noted above, the County faces stronger competition from neighbors in Tysons, D.C. and Alexandria. Proximity to downtown may not be as valuable as it once was. Businesses and developers may become less willing to make concessions to Arlington if attractive alternatives (i.e., lower rents, incentives) are reasonably close by. It is in the community's interest to take a solution-oriented, proactive approach to developing and revising processes to facilitate development that is consistent with the County's adopted plans and policies.

Housing and Affordability Issues

A third threat to the economic sustainability of the County stems from a lack of affordable rental housing and rising house prices. The County has used both zoning tools and financial resources to secure more affordable rental housing, allocating approximately \$55 million⁵ in affordable housing support, administration and tenant assistance in FY 2014. For those earning below 60 percent of the Area Median Income (AMI), the County, in partnership with non-profits, provides options in the form of affordable units

5 Tools for Affordable Housing in Arlington”, Arlington County, Department of Community Planning, Housing and Development, Planning Division, ” undated

(Committed Affordable units or CAFs) and rent assistance. For those earning more than 120 percent AMI, the market provides many rental and home ownership options. Recognizing that the Affordable Housing Master Plan process was well underway, the Study Committee did not look at affordable housing issues for those earning below 60 percent AMI. Instead, the Study Committee focused on housing as a contributing factor to the overall economic health of the community. The public sector workforce, particularly those in entry level positions, and many employees in the types of jobs being created by the private sector during the recent recovery from recession earn less than 60 percent AMI.

Thousands of millennials—the largest age group in the County—have come to Arlington for great jobs, transportation and an excellent quality of life. They, along with many others, stay for these reasons and the excellent school system when they start families. Despite the large number of single-family houses, townhouses and condominiums, many leave the County because they are unable to find an affordable home ownership opportunity. As reported in the Washington Business Journal (on-line edition, October 12, 2015), Arlington house prices rose 6.6 percent over a year ago (\$565,000), compared to an annual average gain of 1.7 percent for the close-in Washington Metropolitan area. Demolitions of older single-family houses continue at a record pace, further reducing the stock of affordable “starter houses.” New multi-family projects—garden or elevator buildings containing multiple apartments—are largely one-bedroom rental units which typically don’t appeal to families because the size and number of bedrooms limits occupancy; the condominium stock, though large, may not satisfy preferences for traditional single-family lifestyles and fee simple ownership. As house prices rise, the ownership challenge is particularly great for those earning between 60 percent and 120 percent AMI. Loss of the millennial population will worsen the economic stratification in the County and is directly related to the County’s attractiveness to employers.

On the rental side, the continued loss of market rate affordable units through rent increases, redevelopment and renovations has put pressure on the rental supply. Rents continue to rise faster than wages. Two in five rental households in the County spend more than 30 percent of their income on rent. Even with the addition of thousands of mostly one bedroom rental units in the last decade, high demand for rental housing resulted in an average monthly rent of \$1,834 in 2014. Millennials, seniors and those earning 60 percent to 120 percent AMI are particularly affected by these trends.



Ballston Commuter Store

Recommendations:

11. Step up marketing efforts to attract commercial office tenants.
12. Add an economic and fiscal impact section to private development (special exception/site plan and Form Based Code) project staff reports to provide information on the costs (e.g. the projected service demands and other costs to the community) and benefits (e.g. the taxes and other economic benefits) likely to be generated by a proposed project.
13. Amend the charge of the Economic Development Commission to include provision of a letter to the County Board regarding the economic impacts and benefits of each private development (special exception/site plan and Form Based Code) projects.
14. Convene a working group of the County and the business community to improve development review and permitting processes, reduce process and permit review time, and incorporate technology where appropriate, and to explore the possibility of delegating to the BIDS and other similar groups approval for temporary uses, and other similar types of activities that would otherwise need County approval and would help attract and retain businesses.
15. Focus on a variety of housing to match the wide range of incomes and ages (e.g. age in place) in the County.
16. Embark on a cost efficiency effort for public facilities and services in light of revenue challenges now and likely in the future, and bolster community awareness of key revenue and budget issues.

Strategic Facility Planning and Priority Setting

The Comprehensive Plan

The General Land Use Plan (GLUP), one element of the County's Comprehensive Plan, is required by the Code of Virginia. It establishes the overall character, extent and location of various land uses and communicates County policy to citizens, the business community and others (General Land Use Plan booklet, December 2011). It and the other ten Comprehensive Plan elements⁶ provide an essential framework for decision-makers. Sector Plans, Area Plans and Revitalization Plans provide more detailed policy guidance for specific areas of the County and also are developed with extensive citizen participation. Since their original adoption, the GLUP and other Plan elements have been periodically updated.

Despite a long history of comprehensive planning in the County, Comprehensive Plan elements are developed separately on different time cycles. Each one is developed and updated through an extensive community process. However, no clear process exists to reconcile competing objectives between Comprehensive Plan elements (or between Area plans and Plan elements) or to comprehensively (e.g. in a Plan element) address community facility needs such as libraries, public safety, technology and storage. As a result, these Plan elements may contain inconsistent or conflicting ideas which have neither been reconciled nor prioritized. When this occurs, community interests are pitted against each other, often playing out in community review of a public facility (i.e. a school or recreational facility) or a site plan project. This results in a "win – lose" scenario that may delay a decision, dilute the quality of results and undermine trust in the community process. Further, Comprehensive Plan elements often calculate projected growth quantitatively (e.g. number of new residential units/ square feet of commercial space) with insufficient attention to the characteristics of future residents and workers that may create new and different demands for County facilities and services.

⁶ Adopted Plan elements include the Affordable Housing Master Plan, the Chesapeake Bay Preservation Ordinance and Plan; the Community Energy Plan, the General Land Use Plan; the Master Transportation Plan (including eight subelements); the Public Spaces Master Plan (including three subelements); the Historic Preservation Master Plan; the Recycling Program Implementation Plan; the Sanitary Sewer System Master Plan; the Storm Water Master Plan; and the Water Distribution System Master Plan. General Land Use Plan Booklet, December 2011

Figure 3-1: County CIP Process and Timeline

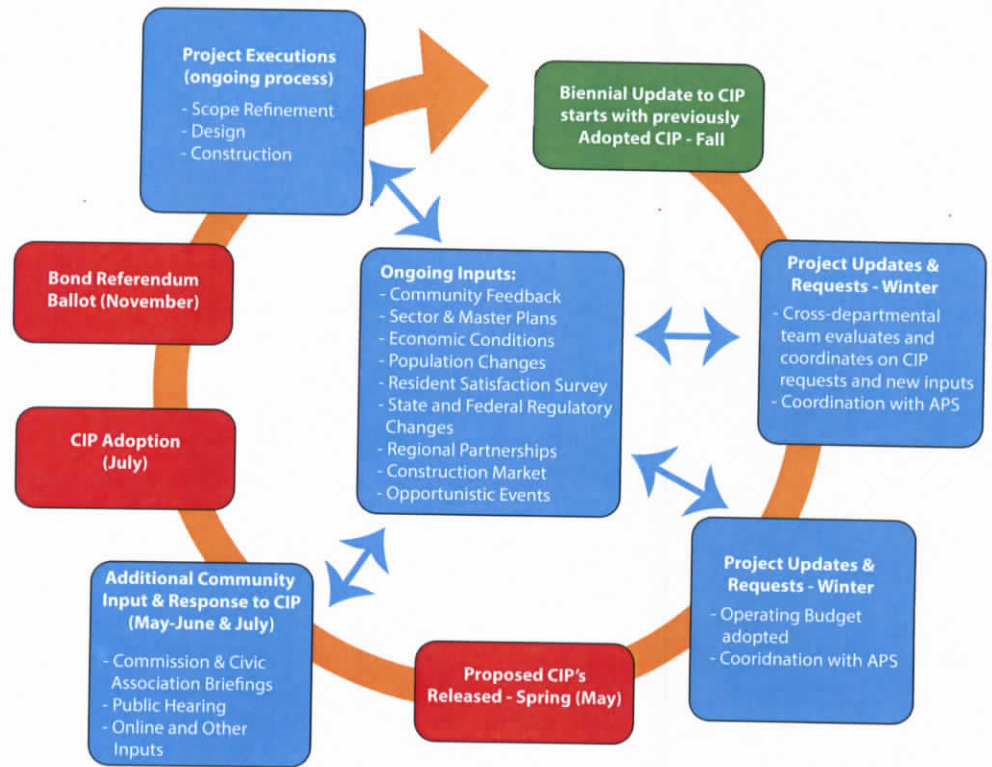
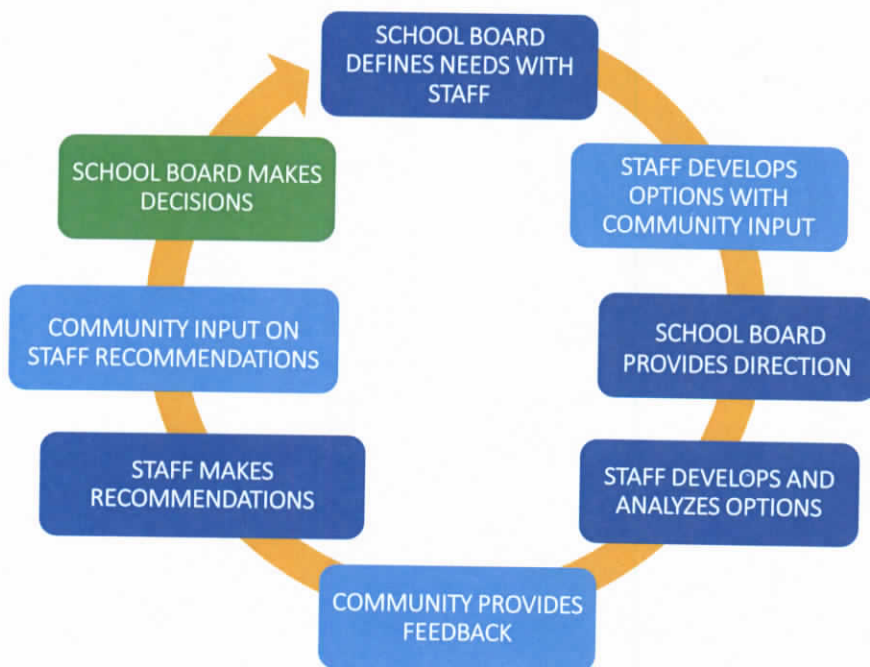


Figure 3-2: APS CIP Process



Capital Improvement Planning

The Capital Improvement Plan (CIP) is one of the critical supporting documents to the Comprehensive Plan.

Currently, facility needs are prioritized primarily through the County and APS Capital Improvement Plan (CIP) processes which are developed separately. County CIP planning begins with the previously adopted 10-year CIP; APS uses the Arlington Facilities and Student Accommodation Plan (AFSAP) as their starting point. The AFSAP identifies decision points around the need and location for new seats and redistribution of students or programs. APS works with its Advisory Council on School Facilities and Capital Programs (FAC) and Budget Advisory Council (BAC) throughout the year and has a number of check-ins with the community on draft School CIP proposals to obtain comment. The County does not have a similar committee to FAC, and develops the draft CIP internally through many months of review, presentations and discussions by departments. Projects are ranked using criteria such as health / safety issue, legal mandate, protect / preserve a capital asset, project readiness, cost-savings benefit and essential component of a larger project. The County also receives input from many Commissions (e.g., Parks and Recreation Commission, Transportation Commission, Planning Commission, etc.). The County Board holds multiple work sessions and a public hearing on the draft CIP prior to adopting it. Despite these established processes, Study Committee and Resident Forum members concluded that the CIP development and adoption processes are not sufficiently transparent, that projects still surprise the community and that better coordination between the County and APS is needed. It is not clear how projects get included in the CIP, why others are not included and what constitutes the “universe” of possible projects

“Surprises kill community ownership and buy-in.”

Setting Priorities for Community Facilities

The issue of the County and the Schools setting priorities for future funding and construction of public facilities has been a topic of discussion in all four of the Subcommittees. Neither the Comprehensive Plan, nor the County and School CIPs provide clear guidance on how projects are prioritized for inclusion in a CIP or for design or funding. This is particularly critical given that the competition for land and financial resources between school and other facility needs will only worsen with increased demand due to population growth and a shifting economic base. The Study Committee raised a number of concerns about the manner in which County and School community facility needs are identified, prioritized and funded. These concerns include a lack of knowledge by the community about what is needed and how specific projects are determined, missed opportunities to use land more efficiently, and the fact that the County and APS CIPs are not designed to strategically guide long-term plans for public facilities. The Study

“Can there be an expedited process that is inclusive of the community?”

“Joint planning would facilitate co-location, sharing of facilities, and increased collaboration which is needed to ensure maximized use of facilities.”

Committee concluded that a priority setting process must be devised as a foundation for the proposed siting process (see below) and to improve utility of the CIP.

The priority setting process is designed to achieve four goals:

- Institutionalize better coordination between Schools and County and among the several County departments including development of criteria for prioritizing facility needs
- Improve the opportunity for public participation and input into the early stages of facility planning
- Bring together the information about ongoing demographic and economic changes in the County and Schools with the early planning and thinking about future facilities.
- Identify long-range strategic issues and their implications for facility needs and provide a basis for prioritizing candidates for inclusion in a future update of the CIP.

Structure for Setting Priorities

The Study Committee recommends that a three-level structure be used to create closer alignment between the County and Schools' capital planning efforts and better community understanding of the full range of community facility needs including maintenance of existing facilities. The structure would consist of the Facility Strategic Planning Committee, a joint County/APS Staff Team and a citizen commission, the County Facility Advisory Committee. Together, they would establish the initial list of public facility priorities, maintain an updated facility priority list and seek public comment on those priorities.

First, The Study Committee recommends the establishment of a County Board and School Board Facility Strategic Planning Committee comprised of two County Board and two School Board Members (with a rotating Chair). This committee would be tasked with achieving improved coordination and collaboration across County and School projects. Through regular meetings during the year (3-4 times per year), this Committee of the Boards would monitor and provide strategic guidance on public facility planning and funding processes. This guidance would be provided to staff and the full Boards for their ultimate deliberations and decision-making about budgets, the CIP, and specific projects, and would include:

- annual briefings on changing demographics, development projects, and real estate market performance, and other factors that may impact the County's population and economic growth;
- review of future facility needs, and for Schools, the general geography of future needs;
- development of key strategies and aspirational themes that influence long-term public facility planning;

- review of current projects and schedules offering guidance on project adjustments (i.e. timing changes, confirming or endorsing project details) should the need arise, including guidance on potential formal actions needed by each Board;
- evaluation of project scope and analysis for emerging facility project proposals (as part of the Needs Assessment and CIP Funding Process outlined below) and trade-offs including consideration of co-located facilities;
- review of priority options; and
- input from staff, a commission-based working group, and the community.

Second, a Joint County/APS Staff Team chaired by a senior person from the County Manager's office and including key facilities planning staff from APS and County departments would support the Facility Strategic Planning Committee. The staff person designated to lead the effort must be senior enough to provide direction and leadership to the rest of the team and be charged with taking a longer strategic view of needs. That longer term, strategic view of needs—in conjunction with a recognition and understanding of immediate priorities—is critical to ensuring a balanced view of capital needs.

Initial tasks for the Joint County/APS Staff Team would include developing a base of knowledge on existing public facilities and compiling a list of future needs from Comprehensive Plan elements and area plans. The Joint County/APS Staff Team would have responsibility to:

- develop, for consideration by the Facility Strategic Planning Committee and the community, criteria/considerations for assessing and prioritizing facility needs, including maintenance of existing facilities;
- coordinate/collaborate County and School projects, seeking partnerships where possible;
- monitor preparation and implementation of CIP;
- monitor development, demographic, and economic data and organize briefings for the Facility Strategic Planning Committee;
- oversee community civic engagement and communications related to public facilities; and,
- coordinate a new commission-based working group focused on community facilities.

Third, community involvement would be primarily achieved through a newly created Joint Facilities Advisory Commission (JFAC) which would seek input from the public as well as Commissions such as the Planning, Transportation and Housing Commissions. It is expected that JFAC members would be jointly appointed by the County Board and the School Board, similar to the

*“Engage the community earlier
and sell the need.”*

*“Matching the demographic
forecasting, we should have
continuous planning to avoid
sudden and piecemeal planning.”*

appointment of the Community Facility Study Committee. JFAC would be responsible for developing and annually updating/validating the criteria, or considerations, used to assess immediate, mid-term and long-term facility needs within categories of public facilities. The Commission would seek public input on these criteria as well as the project lists which would be derived from Plan elements, Sector and Area Plans and the adopted CIPs.

To be effective, this group should be composed of residents with civic participation experience rather than drawn (e.g., as liaisons or representatives) from existing commissions; membership should be diverse in terms of age, culture and County geography; and at least some members should have experience in planning, public finance, design and construction. The JFAC would seek input from other advisory commissions annually on respective public facility recommendations. Opportunities for broad citizen input would be developed for both the priority setting process and development of the CIP.

Public Facility Needs Assessment

In developing the initial master list of projected future needs, the staff committee and JFAC would review those facilities currently in the approved CIP, adopted Plan elements, and supporting documents of the Comprehensive Plan including adopted sector and area plans for different areas of the County. Some of the public facilities identified in plans are incorporated into the CIP while others are not included or are intended to be provided through private development projects. Finally, the needs assessment would also need to include facility needs not yet in plans identified by departments but identified through input from service providers and others. The master list would be updated annually.

The Study Committee recognizes that facility needs are driven by demographics and concludes that developing a consolidated list of County and School public facility needs is an essential input to the facility prioritization process. A number of questions should be considered in determining specific community facility needs, including the types of facilities needed for a growing population with changing demographics, the types of needs that require facilities to be distributed through the County or centralized, and the timing of needs. Appendix 5 includes a list of questions to be considered when assessing facility needs.

Analysis

Once a need has been identified, staff may develop alternatives for how the need could be addressed. A cost-benefit analysis could be performed to help assess alternatives. Options may range from building expansion, relocation of a program, a change in service level, to new construction. Options for new construction may entail rebuilding at an existing site or may require a new site, which would trigger the Siting Process (see description

below). The analysis would also incorporate policy guidance from the Facility Strategic Planning Committee, such as opportunities for co-location, which could include preliminary recommendations for complementary uses. Complementary uses could be additional community facilities identified through the needs assessment process or could be non-facility uses that provide public benefits or meet public goals. Once a recommendation for meeting a need is developed, the preferred option is eligible for inclusion in the CIP.

CIP Funding Prioritization Process

Prioritization of facility needs is a crucial step that will guide the development of a CIP. The list of public facility needs should be evaluated as to how the need could be addressed; options could vary widely depending on priority and available funding. Fiscal considerations are a significant factor in determining which projects would be included in the 10- year CIP. Generally, projects in the near term CIP funding years (i.e., years 1-4) will have progressed through prior CIP cycles. Projects identified for out-year funding (i.e., years 5-10) would be informed by the needs assessment and related analysis. The School Board and County Board would each adopt their respective CIPs. Unfunded projects remaining on the needs assessment list would be reviewed again in future cycles.

The Study Committee felt strongly that JFAC should develop considerations for the different types of facilities to assist the JFAC and staff in developing project priority recommendations for consideration by the Facility Strategic Planning Committee and discussion with the community. Examples of these criteria and considerations are included in Appendix 5; the considerations could be weighted for a number of factors including the target population.

Siting Principles and Process

One of the primary tasks of the Community Facilities Study is to propose “criteria and a process for siting any new County or School facilities or adding new or expanded uses to existing facilities or sites.” With limited land, limited financial resources and many facility projects in the queue, it is vital to establish a process that is thorough, open, and both consistent and flexible. The Study Committee, with input from the Resident Forum, developed siting principles and a four-stage siting process that improves upon current practices (Appendix 6). The siting process is intended to function as a project management tool to make siting decisions efficiently and effectively, and with ample community input.

The key to a successful siting process is the existence of a master plan or a process for long-term coordinated planning of all facility needs.”