



Legislation Details (With Text)

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Title: Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Make Supplemental Appropriations for the Support of the Alexandria City Public Schools for Fiscal Year 2017.

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Attachments: 1. 16-6269_Att 1 - ACPS Ordinance Cover, 2. 16-6269_Att 2 -ACPS Ordinance, 3. 16-6269_Att 3 - ACPS Fund Balance resolution, 4. 16-6269_Att 4 - ACPS Operating Budget to CIP Resolution

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 8, 2017
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Make Supplemental Appropriations for the Support of the Alexandria City Public Schools for Fiscal Year 2017.

ISSUE: Consideration of an Appropriation Ordinance to amend Fiscal Year (FY) 2017 Appropriation by \$4.5 million for the Alexandria City Public Schools (ACPS) 1701 Beauregard Project.

RECOMMENDATION: That contingent upon the conclusion of a review of the ACPS submitted traffic study and findings by City Staff of no material issues, that City Council approve on first reading this proposed ordinance (Attachment 1) appropriating \$4.5 million to the ACPS Capital Account for the acquisition and conversion of 1701 Beauregard into a new ACPS elementary school, and schedule the proposed ordinance for second reading and adoption at the public hearing on March 18, 2017.

DISCUSSION: The proposed ordinance would establish increased capital budget authority for Alexandria City Public Schools (ACPS). Changes to the capital appropriation levels for the City government and ACPS

requires an ordinance and a public hearing.

The FY 2017 Capital Improvement Program (CIP) included funding \$16.1 million to retrofit to-be-determined leased space to accommodate additional West End elementary school capacity. The ACPS is planning to purchase and retrofit a nearly vacant office building at 1701 Beauregard Street to create an elementary school on the City's West End. A deposit has been made for the building purchase and an evaluation period has been ongoing. The purchase price of the building is \$15 million and the anticipated costs to retrofit the building as an elementary school are \$22 million. The proposed \$4.5 million in appropriation amendments in this ordinance would increase the available ACPS budget authority in the CIP to address the combined costs of purchase and retrofitting, which are currently estimated to be approximately \$37 million.

There are two main elements to the \$4.5 million in appropriation changes proposed: an appropriation of \$1.9 million of ACPS Fund Balance, which would be transferred from the ACPS Operating Budget to the Capital Improvement Fund and a reduction in the appropriation from the City to the ACPS operating budget of \$2.5 million from lease savings. The savings would be added to the City's Cash Capital transfer to fund the increased costs in the CIP. This is a net zero change for the City's current General Fund transfers for ACPS purposes. Currently, the City's operating budget includes all costs associated with the CIP, including all cash capital and debt service, regardless of whether it is a City or Schools project. Finally, the ordinance includes an increase to the Capital Improvement Program for FY 2017 of \$4.5 million. Additional funds that would help offset the increase in the project cost would come from existing projects that are already included in the ACPS current CIP. Since these adjustments are occurring within the same fund and do not change the total appropriation amount of the CIP, they would be handled as budget transfers. The amounts and elements of this ACPS funding plan are identical to that previously presented to City Council.

In January when this \$4.5 million appropriation request from ACPS was originally scheduled for Council consideration, City staff were concerned about the significant lack of progress in addressing the issues necessary to process the 1701 Beauregard Development Special Use Permit (DSUP) application, and for City staff to develop recommended conditions for the Planning Commission and City Council consideration. Given that City monies previously appropriated to ACPS were the funding source, a City staff recommendation that the \$4.5 million appropriation to Council in January would have been an implicit statement that the issues associated with conversion of 1701 from office to elementary school use had been sufficiently addressed to endorse, through an appropriation recommendation, the purchase of 1701 by ACPS. With insufficient progress evident, on January 18, I indicated to ACPS that the appropriation request from ACPS would not be processed until significant progress had been made on addressing the major land use, transportation and building code issues that the purchase and conversion of 1701 raised.

Subsequent to my January notice to ACPS, City and ACPS staff have been meeting frequently and addressing the issues that needed to be resolved, as well as ACPS and/or its consultants have been developing the information and reports to give City staff the necessary basis for then recommending the appropriation. This week a complete site traffic study, which is last major key piece of information needed, was provided to the City and is being currently analyzed on a fast-track basis by City staff. It is expected that by the time of the public hearing on the appropriation on March 18, the analysis of the traffic study will have been completed and the City will be able to determine if the traffic circulation and volume on the 1701 site works. If so, the appropriation will be recommended without qualification, if not the appropriation request recommendation likely will be proposed to be deferred to the next Council public hearing which is scheduled for April 22.

The attached ordinance provides the specific details to execute this amendment to the FY 2017 Appropriation Ordinance. An amendment of this nature, which impacts three different funds, requires several actions.

Section 1 - Appropriation of ACPS Fund Balance to the ACPS Operating Budget as an Interfund Transfer to the Capital Projects Fund - \$1.9 million.

Section 2 - Deappropriation of Component Unit Fund - ACPS to reduce the City General Fund appropriation to the Schools. These funds would have been used for operating lease costs of \$2.5 million.

Section 3 - Interdepartmental General Fund transfer from the City's Operating Appropriation to ACPS to Non-Departmental Cash Capital - \$2.5 million.

Section 4 - Appropriation to the Capital Projects Fund to increase the West End Elementary School Capacity Project - \$4.5 million.

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2017 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2017 Appropriation

Attachment 3: ACPS Resolution to Appropriation Designated General Fund Balance

Attachment 4: CPS Resolution to reduce City Appropriation and Increase the Capital Improvement Program

STAFF:

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