



City Council
Capital Improvement Plan
Work Session
October 7, 2025





Agenda

- **Financial Management Policies**
- **What is Limiting our Ability to Increase Capital Funding**
- **CIP Timelines**
- **Unfunded Projects**
- **Priorities Exercise**



Financial Management Policies

- Debt as Percentage of Fair Market Real Property Value
- Debt Service as Percentage of General Government Expenditures
- 10-Year Debt Payout Ratio
- Recurring General Fund Cash Capital Transfer as Percentage of General Fund Expenditures



Limits on Growing CIP

Debt Capacity

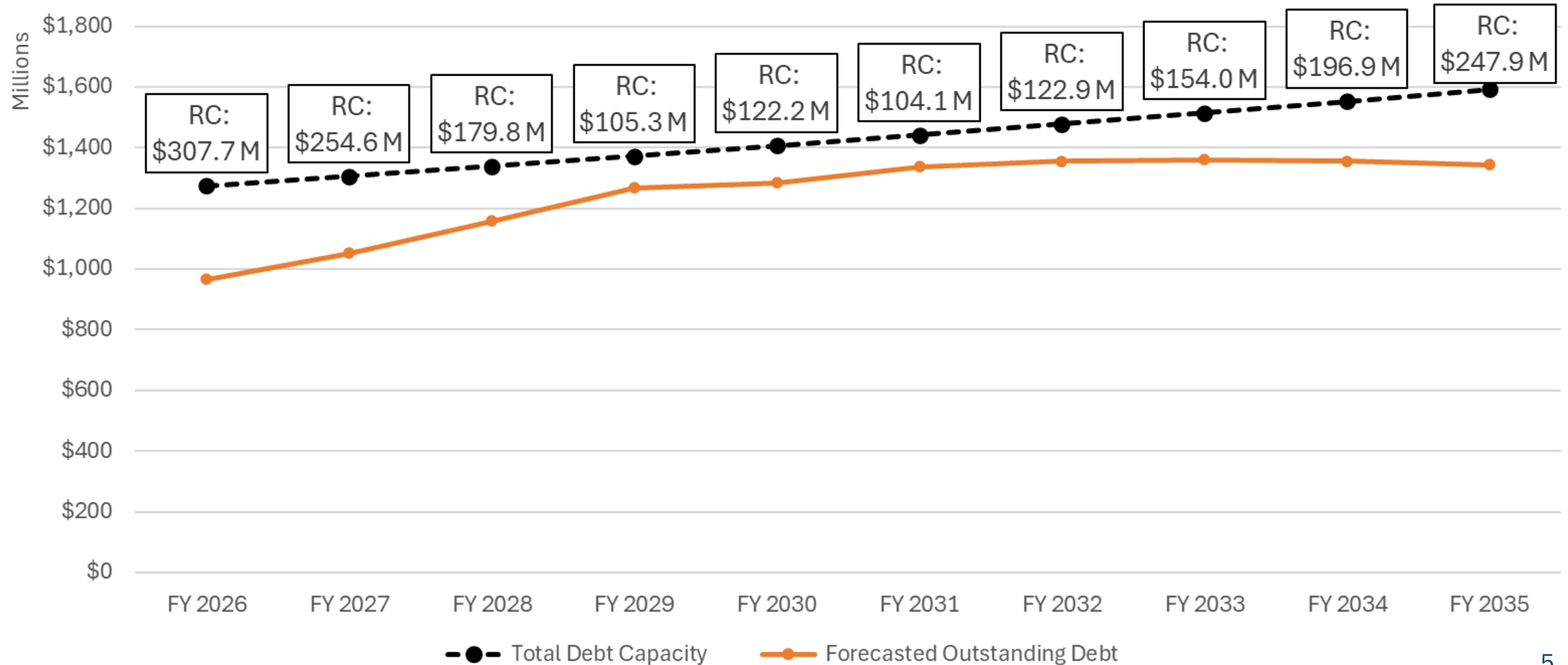
Growth in borrowing (beyond planned levels) would result in non-compliance with Council adopted debt management policies.

Affordability

Growth in cash capital or debt service (from additional borrowing) competes with operating budget programs & services.

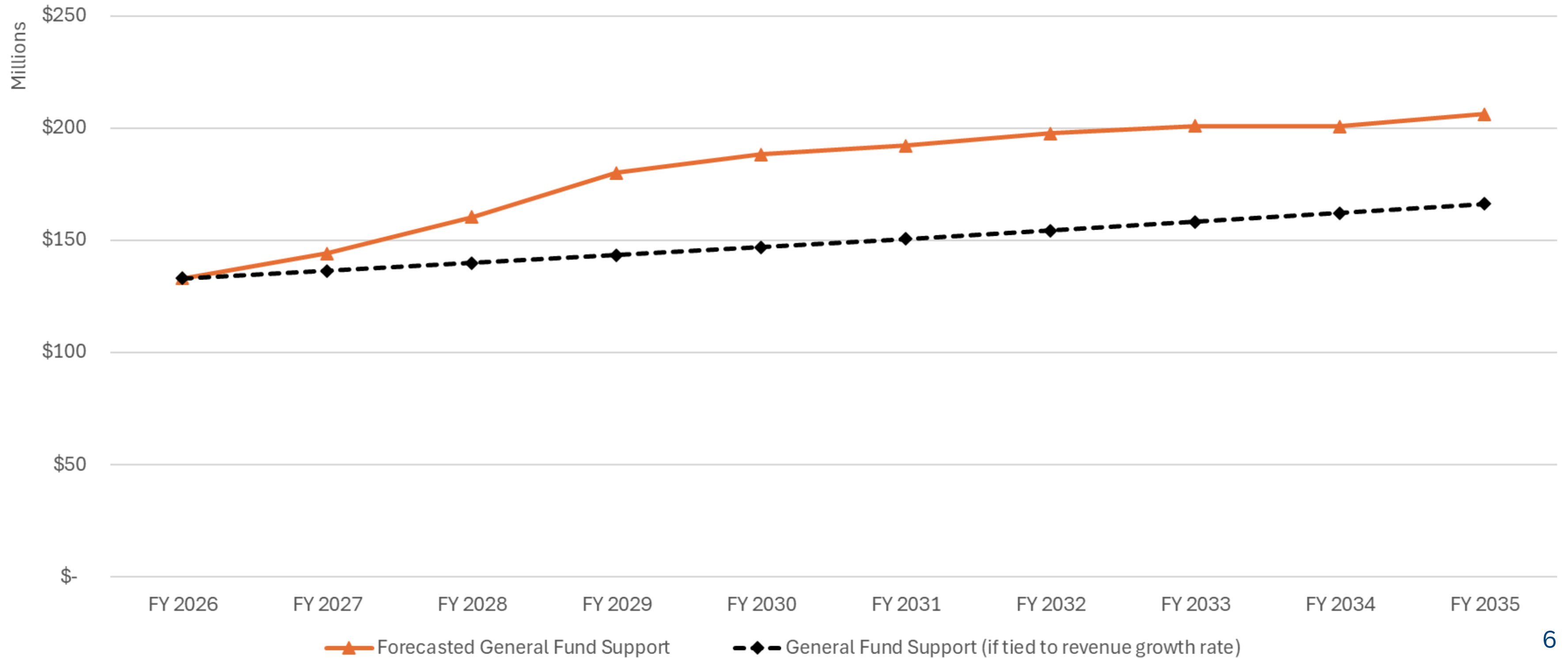


Debt Capacity





Operating Budget Affordability





Prior Capital Investments

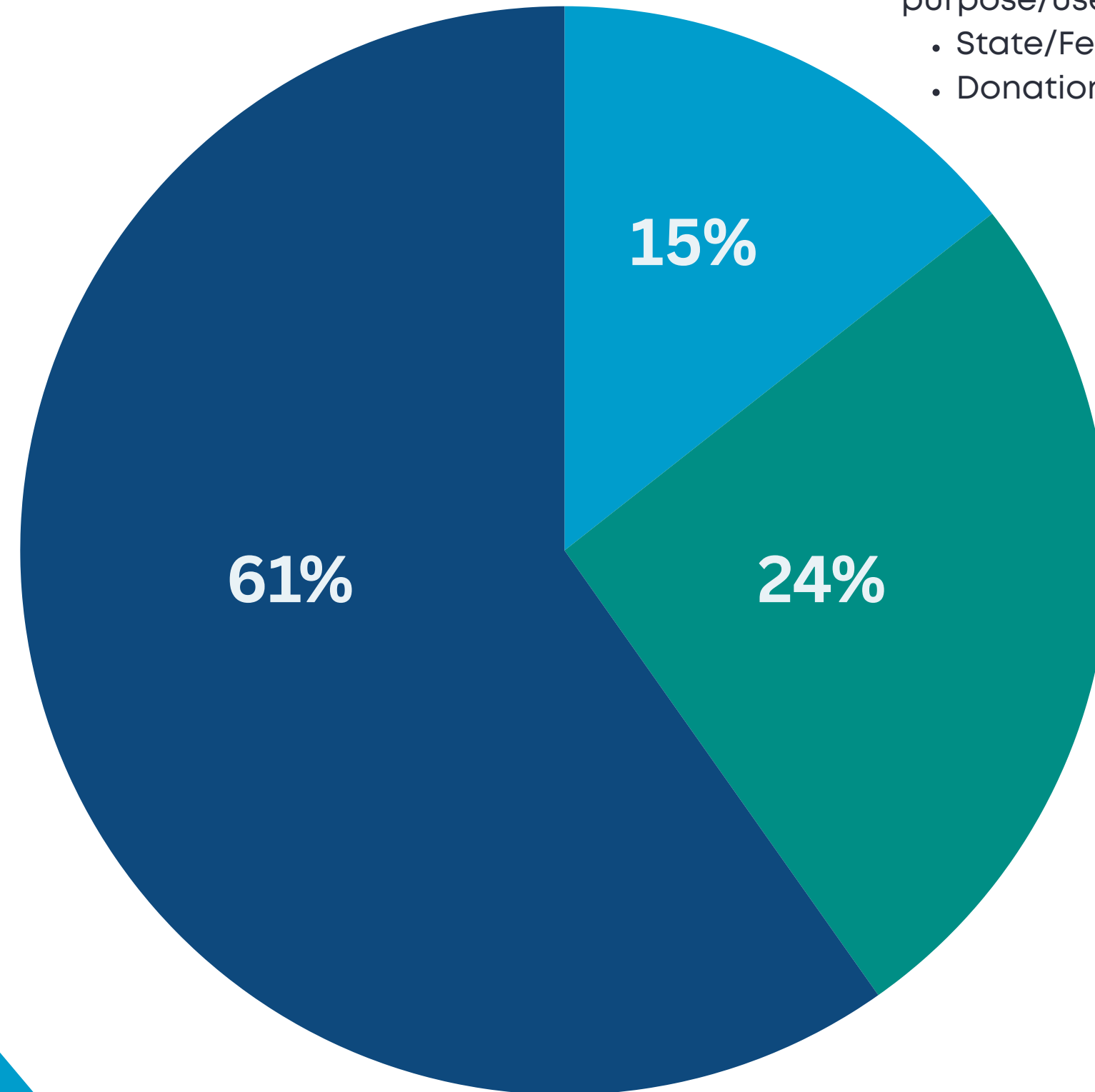
Approximately **\$1 billion**
in bond funding

Principal payments on
these projects alone total
\$33-\$50 million annually

- Landmark Mall Redevelopment
- Del Pepper Community Center
- Ferdinand T. Day Elementary School
- 1703 N. Beauregard Street Building Purchase
- Douglas MacArthur Elementary School
- Minnie Howard Pool Addition
- High School Project
- Waterfront Flood Mitigation
- Four Mile Run Bridge Program
- George Mason Elementary School
- City Hall, Market Square Plaza, and Garage Renovation
- Old Town Pool



Approved FY 2026-FY 2035 CIP (\$2.1B)



City Unrestricted Funding (\$1,278.6 M)

Funding is not restricted in how it can be used. Examples:

- General Fund Cash Capital
- G.O. Bonds serviced by General Fund

Non-City Funding (\$307.7 M)

Funding provided by external partner for specific purpose/use. Examples:

- State/Federal Grants
- Donations

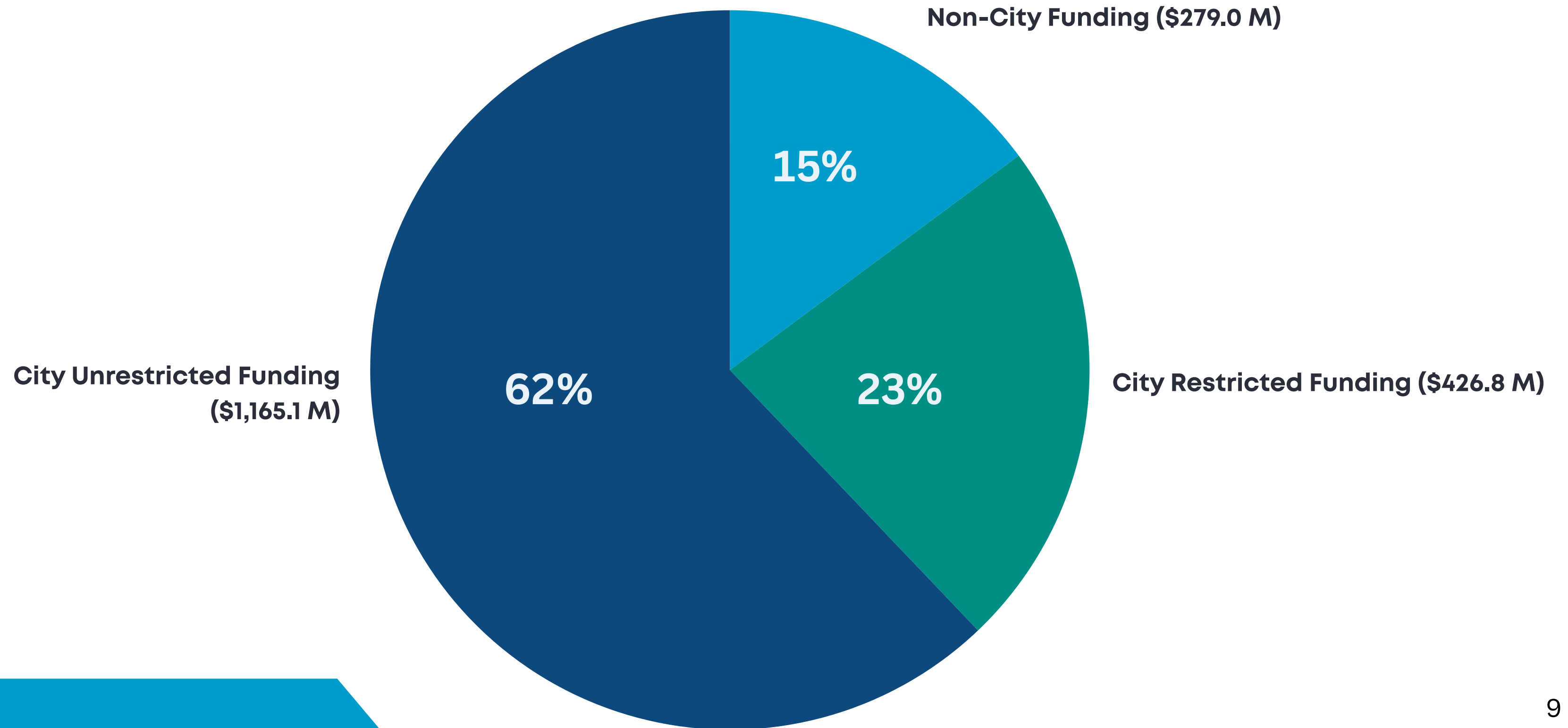
City Restricted Funding (\$490.4 M)

Funding can only be used for specific purposes. Examples:

- Sanitary Sewer Fee Revenue
- Meals Tax Deduction for Affordable Housing



Years 2-10 of Approved CIP (\$1.9B)

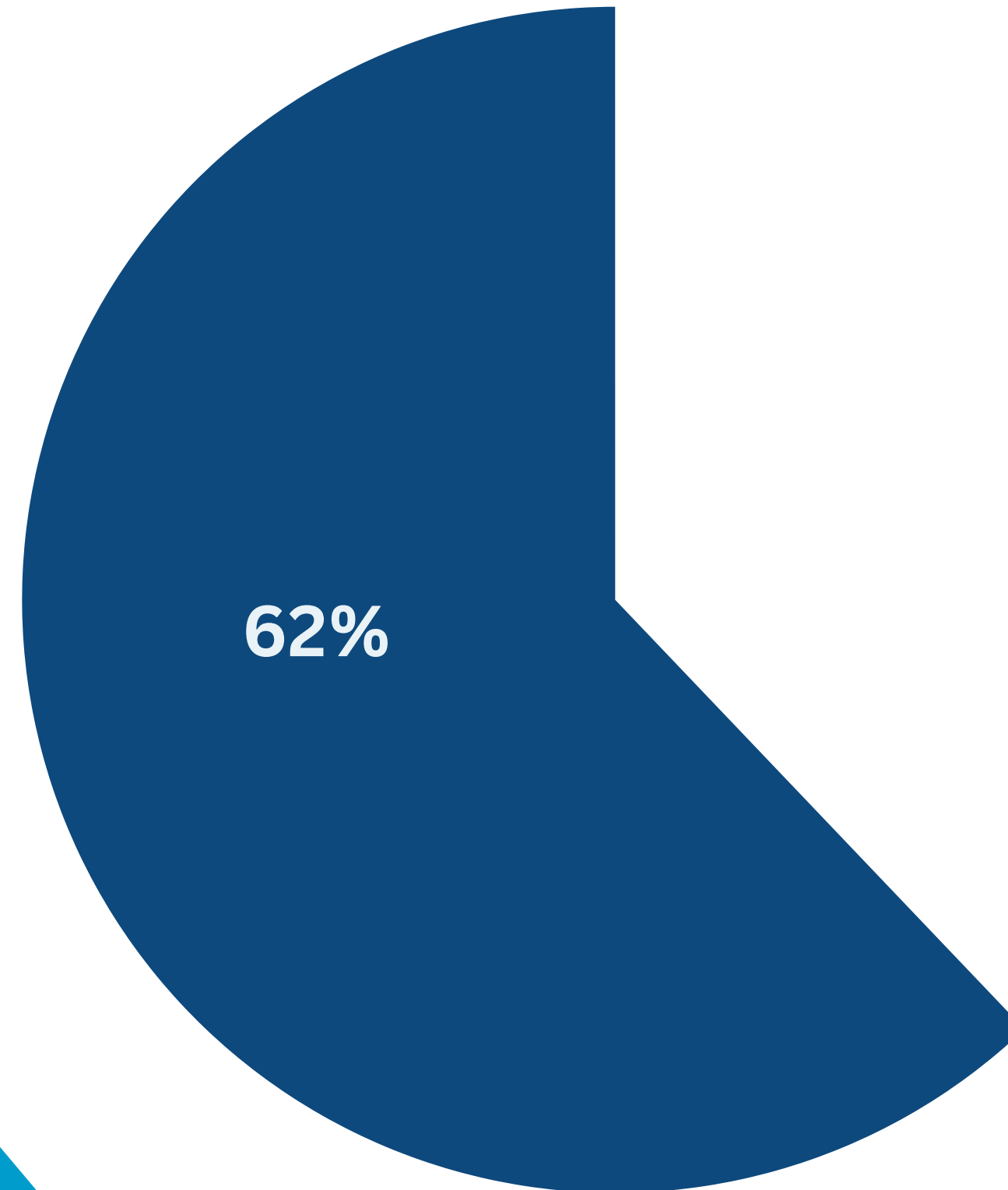




Years 2-10 of Approved CIP (\$1.9B)

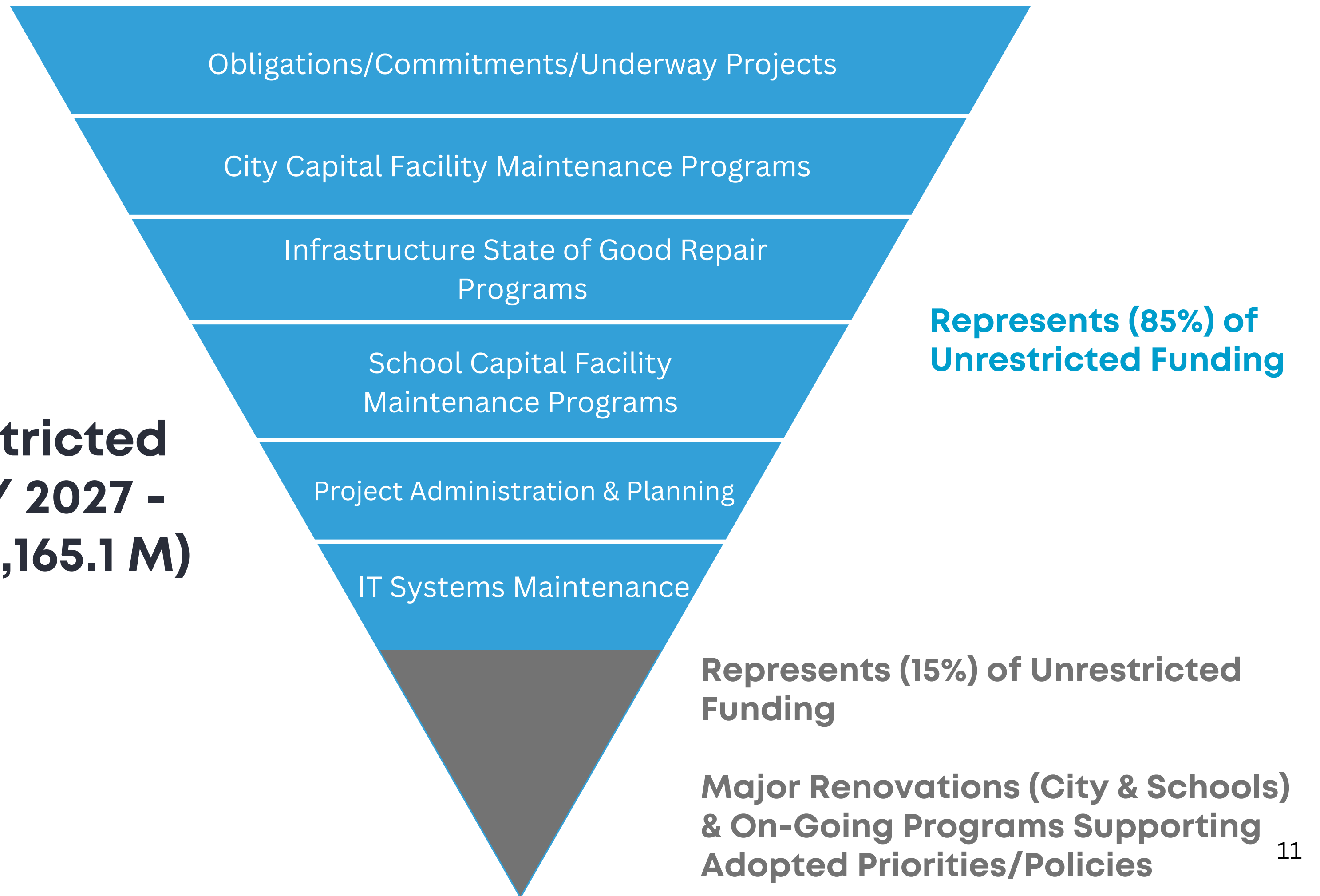
**Focus of Today's
Conversation**

**City Unrestricted Funding
(\$1,165.1 M)**





City Unrestricted Funding FY 2027 - FY 2035 (\$1,165.1 M)





Schools Major
Renovations or
Service Expansions

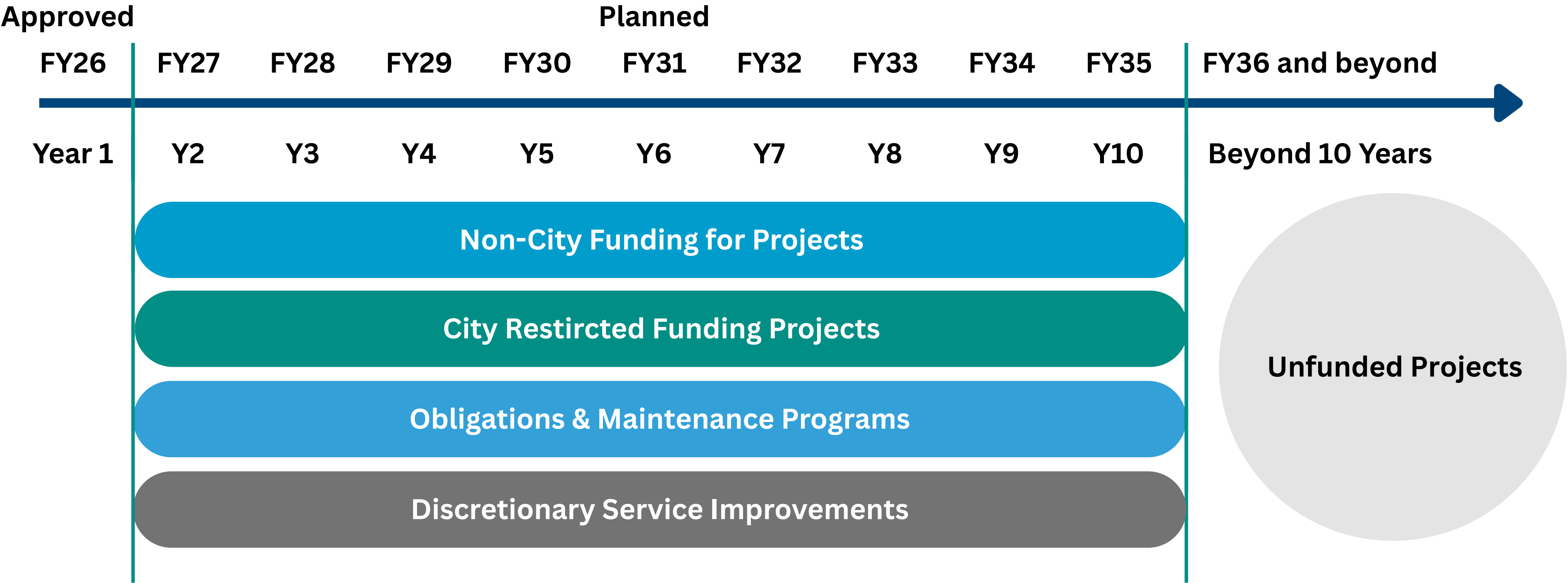
City Major
Renovations or
Service Expansions

Support of Policies
and Implementation
of Adopted Plans

**Major
Renovations &
Capital
Projects over
next 10 years***



CIP Timeline





CIP Timeline

Approved

Planned

FY26

FY27

FY28

FY29

FY30

FY31

FY32

FY33

FY34

FY35

FY36 and beyond

Year 1

Y2

Y3

Y4

Y5

Y6

Y7

Y8

Y9

Y10

Beyond 10 Years

***How Do Unfunded Projects Move
Into Funded 10-Year Plan?***

Unfunded Projects



CIP Timeline

Approved

Planned

FY26

FY27

FY28

FY29

FY30

FY31

FY32

FY33

FY34

FY35

FY36 and beyond

Year 1

Y2

Y3

Y4

Y5

Y6

Y7

Y8

Y9

Y10

Beyond 10 Years

How Do Unfunded Projects Move Into Funded 10-Year Plan?

- *Time (added to last year of new plan)*
- *Reprioritization of Projects*
- *Change in Funding Availability*
- *Leveraging External Funding Opportunities*

Unfunded Projects



How do we determine what fits in plan?

CIP Criteria:

1. Health and Safety:

- Does failure to complete this project pose a risk to public health or safety and/or is it required to meet legal, compliance, or regulatory mandates?

2. Facility/Lifespan:

- What is the expected life span of the current asset, and what do condition assessments or facility index data suggest about its future viability?
- If a project is changed, does it impact work/funding planned in maintenance programs?
- If the project is pushed out, how much does cost increase due to increases in costs of labor & materials?



How do we determine what fits in the plan?

CIP Criteria (continued):

3. Alignment with plans:

- Is the project recommended in an adopted City plan, such as a Small Area Plan, Real Estate studies or community assessment informed by stakeholder input?
- As part of that plan, have we identified who will benefit from the project and does it ensure an equitable approach to who is impacted?
- What public outreach has occurred to date?

4. Coordination with Similar Projects:

- Does this project align geographically or functionally with other planned CIP or CFMP projects, creating potential cost efficiencies?
- Is there a dependency for other projects? Does this project need to be sequenced with others?

5. Opportunity to leverage external funding/partnerships:

- Can this project leverage non-City funding or be advanced through partnerships?



Major projects approved & unfunded

Approved CIP: FY2027 - FY2035

Large (\$50m+)

- Cora Kelly Elementary School

Medium (\$10m - \$50m)

- Fire Station 205 (Cameron Street)

Small (Under \$10m)

- Potomac Yard Park/Simpson Rectangular Design & Construction
- Ewald Park Improvements
- Chinguapin Field Design & Construction
- Fire Training Center Renovation

Unfunded

Large (\$50m+)

- New Middle School*

Medium (\$10m - \$50m)

- FS 207 Replacement (Duke Street)
- Alexandria West Recreation Center*
- West End Aquatics Facility/Pool
- Chinguapin Park Improvement Plan Renovation
- Leonard 'Chick' Armstrong Recreation Center Replacement
- Alexandria Community Shelter*
- Increase of Affordable Housing Pipeline Project Investments*

Small (Under \$10m)

- Potomac Yard Urban Deck and Stream Improvements
- Ewald Park Building*
- Joseph Hensley Park Improvement Plan Renovation (Phase II)
- Gadsby's Complex Interior Renovation
- Holmes Run Park Improvement Plan Renovation
- Four Mile Run Park Improvement Plan Renovation
- ACPS Transportation Facility Modernization
- Freedom House Interior Renovation
- 200 Block of King Street Construction
- Reservation of Funding for IT System Replacements
 - Business/Personal Property Taxes Portal
 - Computer Aided Dispatch
 - City Assets Management System
 - Recreation Management Software
 - Enterprise Resource Planning (ERP)

* Project referenced in April 3, 2025 Council Direction on Long Term Budget Discussions Memo

Note: Funding assumptions are preliminary, as many out-year projects have not yet been fully scoped. Additionally, this list is not exhaustive; additional needs emerge each year based on planning efforts and facility conditions.



Prioritization Question:

Of the CIP projects that are flexible, which projects are most aligned with the Council Priorities: *Housing Opportunities, Eliminate Community Disparities, Economic Strength, Employee Attraction & Retention?*

LARGE PROJECTS (\$50m+)	MEDIUM PROJECTS (\$10m - \$50m)	SMALL PROJECTS (under \$10m)
<ul style="list-style-type: none">• Cora Kelly Elementary School• New Middle School	<ul style="list-style-type: none">• Fire Station 205 (Cameron Street)• FS 207 Replacement (Duke Street)• Alexandria West Recreation Center• West End Aquatics Facility/Pool• Chinguapin Park Improvement Plan Renovation• Leonard ‘Chick’ Armstrong Recreation Center Replacement• Alexandria Community Shelter• Increase of Affordable Housing Pipeline Project Investments	<ul style="list-style-type: none">• Potomac Yard Park/Simpson Rectangular Design & Construction• Ewald Park Improvements• Ewald Park Building• Chinguapin Field Design & Construction• Four Mile Run Park Improvement Plan Renovation• Fire Training Center Renovation• ACPS Transportation Facility Modernization• Potomac Yard Urban Deck and Stream Improvements• Joseph Hensley Park Improvement Plan Renovation (Phase II)• Gadsby’s Complex Interior Renovation• Holmes Run Park Improvement Plan Renovation• Freedom House Interior Renovation• 200 Block of King Street Construction• Reservation of Funding for IT System Replacements

Fill in the blank:_____



Current Approved Scenario:

- Large (\$50m+)**
 - Cora Kelly Elementary School
- Medium (\$10m - \$50m)**
 - Fire Station 205 (Cameron Street)
- Small (Under \$10m)**
 - Potomac Yard Park/Simpson Rectangular Design & Construction
 - Ewald Park Improvements
 - Chinquapin Field Design & Construction
 - Fire Training Center Renovation

Other Example Scenarios:

**1 Large Project
3 Medium Projects**

5 Medium Projects

**1 Large Project
1 Medium Projects
4 Small Projects**

**1 Large Project
6 Small Projects**



Your Scenario to Fund:

If you could build your ideal “Major Projects” section of the CIP (15% of total unrestricted funding), what would you include?

Your Additional Projects if Funding Became Possible:

Which projects (up to five) that cannot be funded now would you include if funding became available due to:

- time
- external funding
- change in revenue
- removal/reduction of other projects?



Your Scenario to Fund:

**Your Additional Projects if
Funding Became Possible:**



Next Steps

- OMB to Provide High-Level Scenarios Based on Feedback
 - Scenarios and Feedback to Inform Council Budget Guidance
- Presentation of Proposed FY 2027 - FY 2036 CIP (February 2026)
 - Proposed CIP Budget Worksession