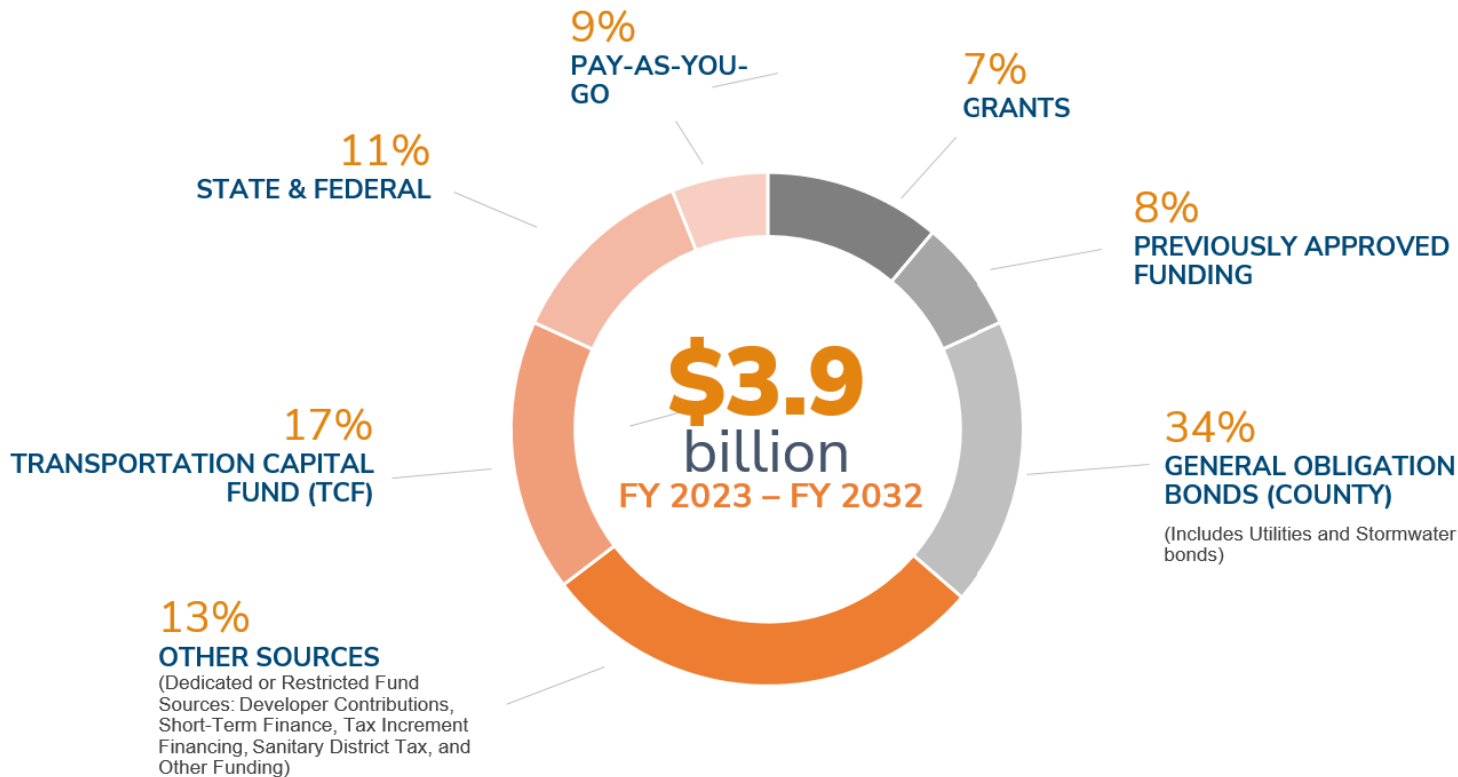




Proposed Capital Improvement Plan FY 2023 – FY 2032 CIP

- Submission of a 10-Year Plan for Debt Service & Metro

Debt Service Overview



\$1.35BB – 34%

Total GO Bonds

\$833MM – 21%

GENERAL GOVERNMENT

Parks & Recreation
Community Infrastructure
Transportation & Metro

\$243MM - 6%

STORMWATER

\$272MM - 7%

UTILITES

***\$345MM**

(Not included in \$3.9BB Proposed CIP)
ARLINGTON PUBLIC SCHOOLS

Proposed 2022 Referenda

| Bond Funded Projects by Referenda Year (in \$Millions) | | | | | | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| Referenda Category | Proposed 2022 | Planning | | | | Total |
| | | 2024 | 2026 | 2028 | 2030 | |
| Parks | 20,375 | 33,580 | 40,125 | 24,880 | 58,140 | 177,100 |
| Community Infrastructure | 52,300 | 62,400 | 49,000 | 72,700 | 49,000 | 285,400 |
| Metro & Transportation | 52,630 | 76,500 | 78,050 | 82,155 | 81,820 | 371,155 |
| Total County Referenda | 125,305 | 172,480 | 167,175 | 179,735 | 188,960 | 833,655 |

\$833MM – 21%

GENERAL GOVERNMENT

Parks & Recreation

Community Infrastructure

Transportation & Metro

| | | | | | | |
|----------------------------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Arlington Public Schools* | 165,010 | 41,640 | 38,750 | 50,000 | 50,000 | 345,400 |
|----------------------------------|----------------|---------------|---------------|---------------|---------------|----------------|

| | | | | | | |
|-------------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Stormwater | 39,760 | 60,235 | 52,560 | 43,785 | 46,645 | 242,985 |
| Utilities | 177,360 | 24,715 | 37,395 | 32,700 | - | 272,170 |

* APS based on referenda amounts included in APS' Adopted FY 2023 - FY 2032 CIP

***\$345MM**

(Not included in \$3.9BB Proposed CIP)

ARLINGTON PUBLIC SCHOOLS

County 2022 Referenda - \$125,305,000

Parks & Recreation – June 14 Worksession

| | Total |
|--|-------|
| Arlington Boathouse | 2,925 |
| Bailey's Branch Park Renovations | 740 |
| Douglas Park, Phase 1 | 2,065 |
| Emerging Uses Program | 2,000 |
| Jennie Dean Park, Phase 2 | 4,400 |
| Monroe Park Playground Replacement | 1,130 |
| Natural Resiliency Program | 2,000 |
| Short Bridge Park | 1,140 |
| Three Urban Parks | 1,450 |
| Trail and Bridge Modernization Program | 1,500 |
| Woodmont Park Playground | 1,025 |

Parks & Recreation Total 20,375

Metro & Transportation – June 7 Worksession

| | Total |
|-----------------------------|--------|
| Metro Funding | 42,600 |
| Bridge Maintenance | 1,470 |
| Curb & Gutter Missing Links | 65 |
| ITS Device Replacement | 150 |
| Paving | 7,200 |
| Street Lighting | 1,145 |

Metro & Transportation Total 52,630

Community Infrastructure – June 14 Worksession

| | Total |
|---|--------|
| Arlington Neighborhoods Program | 4,000 |
| Central Library - Roof Replacement | 1,420 |
| Public Facilities Maintenance | 2,580 |
| Courthouse Complex Renovation & Infr. | 12,000 |
| Courts/Police Building Improvements | 13,100 |
| Fire Station Replacements and Additions | 7,400 |
| 3700 S. Four Mile Run | 4,350 |
| Fire Station Facility Maintenance Projects | 500 |
| Quincy Site | 4,700 |
| Facility Condition Assessments & Planning Studies | 250 |
| Trade Center Optimization Plan Implementation | 2,000 |

Community Infrastructure Total 52,300

Arlington Public Schools

| | Total |
|---------------------------------------|---------|
| Career Center / Arlington Tech | 135,970 |
| Kitchen / Entrance Renovations | 12,240 |
| Major Infrastructure Projects - MC/MM | 16,800 |

APS Total 165,010

County Financial Policies

Ratio of Debt Service to General Expenditures No Greater Than 10%

Over the ten-year planning period, this ratio will range from 8.5% to 9.9%, peaking in FY 2028.

Outstanding Debt as Percentage of Market Valuation of Tax Base No Greater than 3%

The amount of debt that the County carries is moderate when compared to its tax base. This ratio is projected to range from 1.3% to 1.7% over the ten-year planning period.

Ratio of Debt per Capita to Per Capita Income No Greater than 6%

The County estimates that the Debt-to-Income ratio will range from 4.4% to 5.9%, assuming 2.4% annual growth in per capita income.

Growth in Debt Service over the Ten-Year Planning Period No Greater than Ten-Year Historical Growth in Revenues

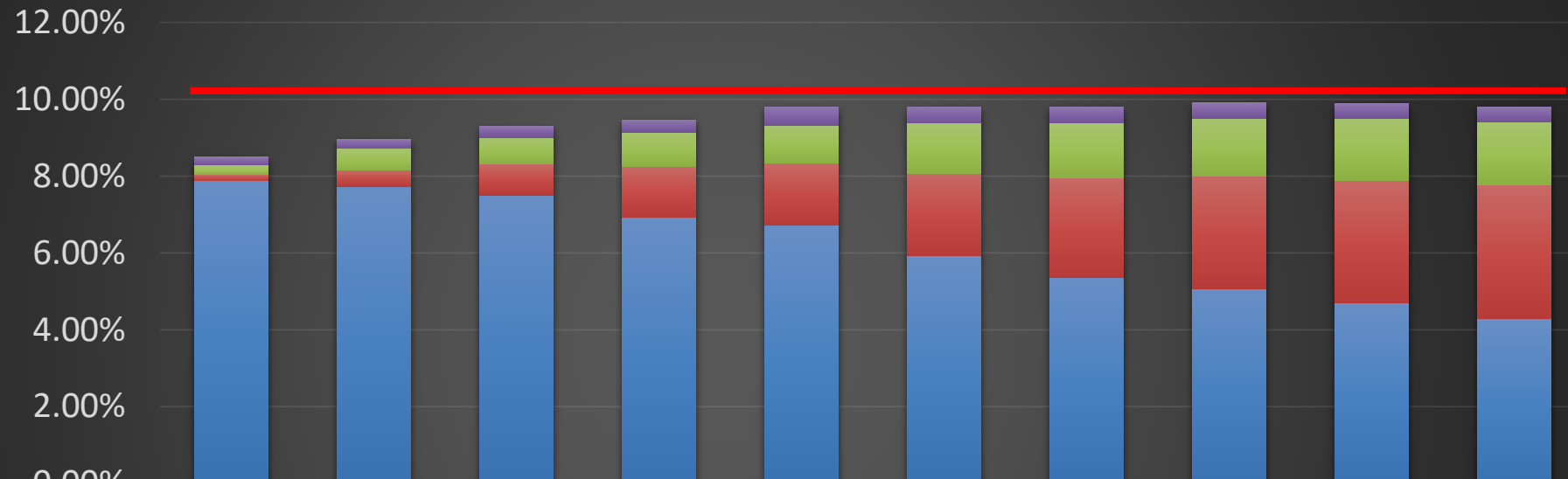
Average annual growth in total County and APS debt service is estimated at 3.8% compared to historical average ten-year revenue growth of 4.5%.

Adhering to Debt Policies

The County's Policies look at debt service on a combined County/APS basis, consistent with rating agencies

DEBT SERVICE AS A PERCENT OF GENERAL FUND EXPENDITURES NO GREATER THAN 10%

NOT TO EXCEED
10%
→



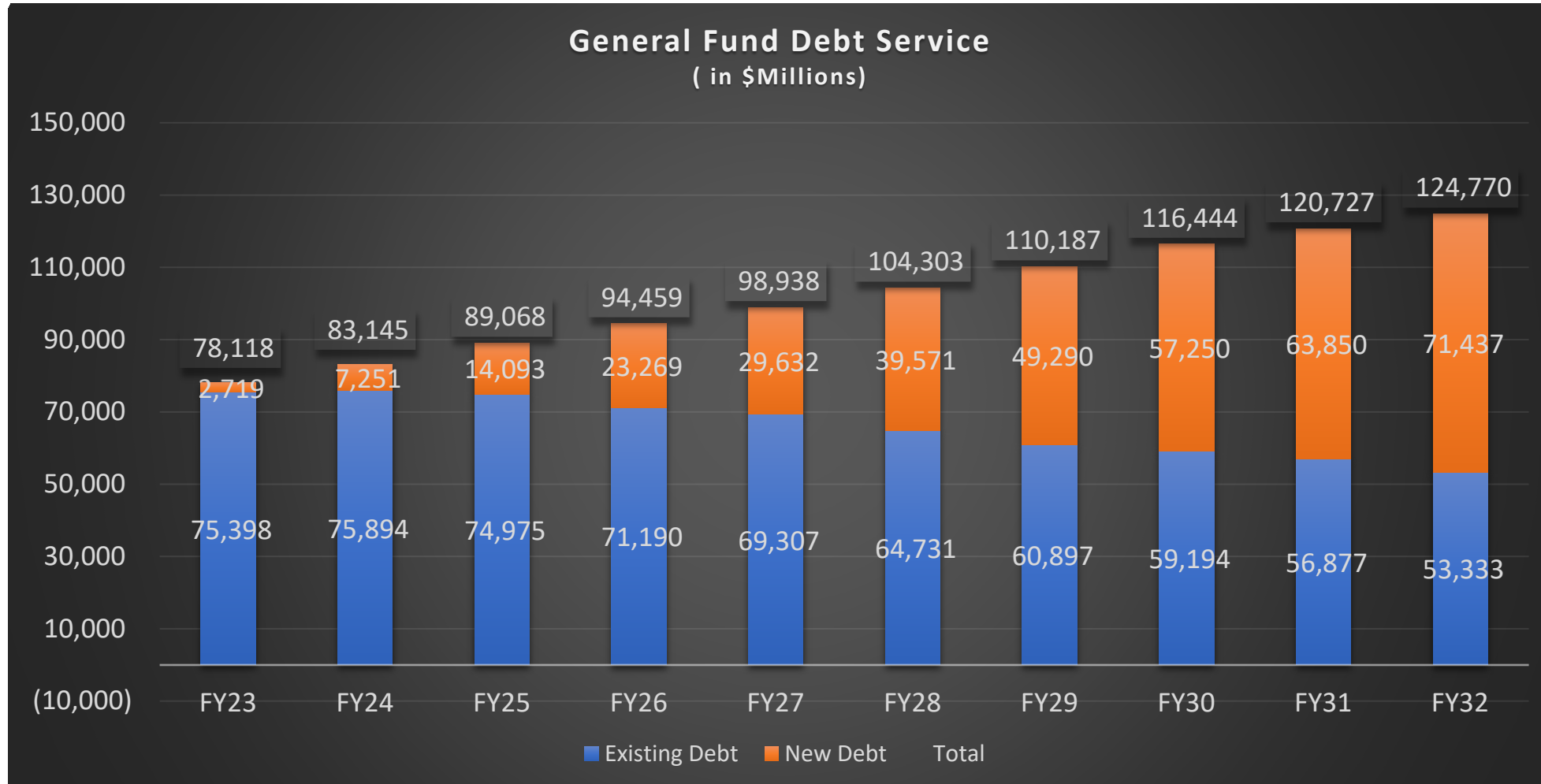
| | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total | 8.50% | 8.97% | 9.29% | 9.47% | 9.79% | 9.80% | 9.80% | 9.90% | 9.90% | 9.80% |
| Barcroft DS | 0.20% | 0.24% | 0.28% | 0.32% | 0.48% | 0.42% | 0.41% | 0.40% | 0.39% | 0.38% |
| New APS DS | 0.25% | 0.57% | 0.70% | 0.90% | 0.97% | 1.31% | 1.45% | 1.50% | 1.62% | 1.66% |
| New County DS | 0.16% | 0.43% | 0.81% | 1.32% | 1.64% | 2.13% | 2.59% | 2.93% | 3.19% | 3.49% |
| Total Existing DS | 7.88% | 7.73% | 7.50% | 6.93% | 6.71% | 5.94% | 5.36% | 5.07% | 4.70% | 4.28% |

Financial Policies – Debt Service Growth Consistent With 10-Year Historical Revenue Growth

10-Year growth is 3.7% vs 4.5% average growth FY13-FY22

| | | | | | | | | | | | | 10-Year Average % |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|
| Debt Service | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | | |
| County | 78,118 | 83,164 | 89,210 | 94,872 | 99,439 | 104,836 | 110,707 | 114,950 | 119,138 | 124,790 | | |
| Annual Inc(Dec) | 2,917 | 5,047 | 6,045 | 5,663 | 4,567 | 5,397 | 5,871 | 4,243 | 4,188 | 5,652 | | 5.2% |
| APS | 60,027 | 65,051 | 66,927 | 67,296 | 70,269 | 70,256 | 69,029 | 69,402 | 69,784 | 68,741 | | |
| Annual Inc(Dec) | 1,531 | 5,025 | 1,876 | 369 | 2,974 | -13 | -1,227 | 373 | 382 | -1,044 | | 1.6% |
| Total County & APS | 138,144 | 148,216 | 156,136 | 162,168 | 169,708 | 175,092 | 179,736 | 184,353 | 188,922 | 193,530 | | Policy |
| Annual Inc(Dec) | 4,448 | 10,071 | 7,921 | 6,031 | 7,540 | 5,384 | 4,644 | 4,617 | 4,570 | 4,608 | | 3.8% |
| (in \$thousands) | | | | | | | | | | | | 10-Year Historical Revenue Growth |
| | | | | | | | | | | | | 4.50% |
| Debt Service | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | | |
| Barcroft | 3,375 | 4,125 | 4,875 | 5,625 | 8,628 | 7,758 | 7,762 | 7,768 | 7,768 | 7,771 | | |
| Annual Inc(Dec) | 1,875 | 750 | 750 | 750 | 3,003 | -869 | 3 | 7 | 0 | 3 | | |
| (in \$thousands) | | | | | | | | | | | | |

Growth in General Fund Debt Service



(in \$thousands)

Looking Ahead

- The FY 2023 – FY 2032 CIP adheres to County financial policies, including the “10% limit”
- Annual debt service increases are large but consistent with previous CIPs. May require near-term tax rate increases / budget reductions
- Further deterioration in office vacancy rates could impact debt capacity
- Any significant rise in interest rates or construction costs may require delaying projects
- The CIP, and total debt capacity, are updated biennially



Proposed Capital Improvement Plan FY 2023 – FY 2032 CIP

- Appendix

Total Annual Bond Issuance by Fund

- **AHIF is included in County Financial Policies**
- **Stormwater and Utility Fund have separate policies**

| General Obligation Bonds | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | Total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| County | 49,970 | 74,920 | 110,298 | 68,295 | 88,435 | 78,740 | 100,305 | 72,405 | 84,400 | 104,560 | 832,328 |
| APS | 56,020 | 73,750 | 45,320 | 24,430 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 349,520 |
| Stormwater | 14,710 | 35,915 | 33,375 | 44,660 | 41,025 | 25,660 | 17,020 | 26,765 | 25,295 | 21,350 | 285,775 |
| Utilities | 8,750 | 28,165 | 55,075 | 56,435 | 44,015 | 47,030 | 0 | 32,700 | 0 | 0 | 272,170 |
| Total | 129,450 | 212,750 | 244,068 | 193,820 | 198,475 | 176,430 | 142,325 | 156,870 | 134,695 | 150,910 | 1,739,793 |
| Revenue Bonds | | | | | | | | | | | |
| Barcroft | 150,000 | | | | | | | | | | 150,000 |
| Total All-Funds Bond Issuance | 279,450 | 212,750 | 244,068 | 193,820 | 198,475 | 176,430 | 142,325 | 156,870 | 134,695 | 150,910 | 1,889,793 |
| | | | | | | | | | | | |
| | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | |
| Total Issuance - County Financial Policies | 255,990 | 148,670 | 155,618 | 92,725 | 113,435 | 103,740 | 125,305 | 97,405 | 109,400 | 129,560 | 1,331,848 |
| Stormwater Fund Financial Policies | 14,710 | 35,915 | 33,375 | 44,660 | 41,025 | 25,660 | 17,020 | 26,765 | 25,295 | 21,350 | 285,775 |
| Utilities Fund Financial Policies | 8,750 | 28,165 | 55,075 | 56,435 | 44,015 | 47,030 | 0 | 32,700 | 0 | 0 | 272,170 |
| Total All-Funds Bond Issuance | 279,450 | 212,750 | 244,068 | 193,820 | 198,475 | 176,430 | 142,325 | 156,870 | 134,695 | 150,910 | 1,889,793 |

Financial Policies – Debt to Assessed Values Under 3%

Ratio of Tax-Supported & Subject to Appropriation Financing
as a Percentage of Market Value
Proposed FY 2023 - FY 2032 Capital Improvement Plan

