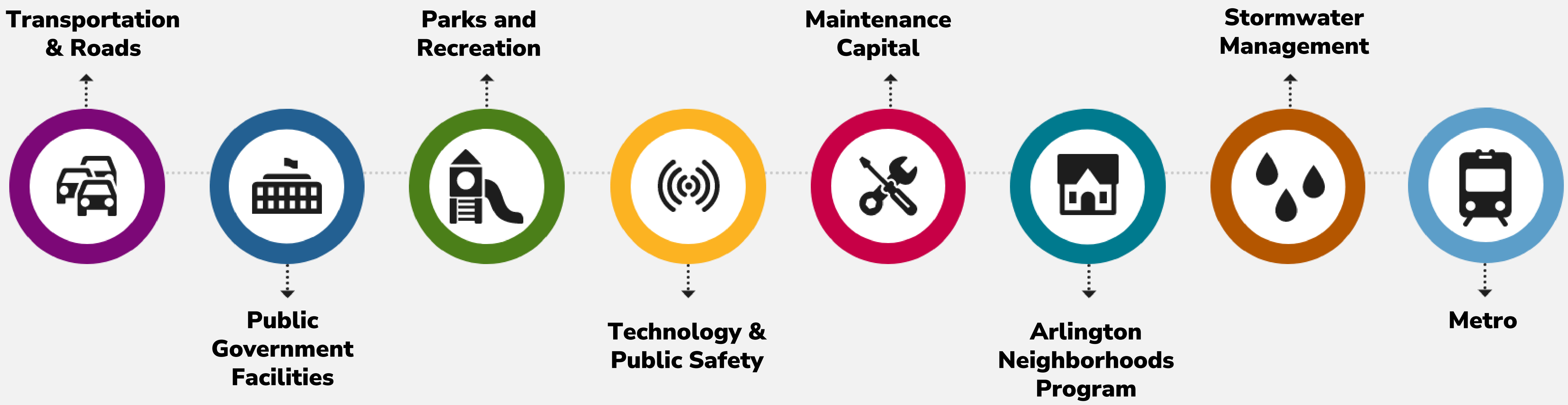
County Manager’s Proposed Capital Improvement Plan (CIP)

FY 2027 – FY 2036

County Board/School Board Work Session
June 3, 2026

ARLINGTON
VIRGINIA

Capital Plan for FY 2027-FY 2036: $4.3B



Guiding Principles

Strengthening financial sustainability
Mindful of impacts of debt service on operating budget, uncertain external pressures (e.g. inflation / interest rates)

Meeting Regional, and Regulatory Obligations
e.g., Metro

Supporting the environment and community resiliency

Responding to Emerging Service Demands

Maintaining County's existing assets
e.g., facilities, trails and bridges, technology systems, and roofs

Annual Debt Service Increases

Focus on reducing impact on operating budgets

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.

(in thousands)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
COUNTY										
Debt Service	89,737	93,383	97,844	102,274	106,735	111,789	116,611	121,033	125,815	131,101
Annual Inc / Dec $	1,542	3,646	4,461	4,430	4,461	5,055	4,822	4,422	4,782	5,286
Annual Inc / Dec %	1.7%	4.1%	4.8%	4.5%	4.4%	4.7%	4.3%	3.8%	4.0%	4.2%
SCHOOLS										
Debt Service	67,514	70,743	73,658	77,261	80,806	83,214	84,684	85,048	88,411	88,354
Annual Inc / Dec $	(1,393)	3,228	2,915	3,603	3,546	2,408	1,470	364	3,362	(56)
Annual Inc / Dec %	-2.0%	4.8%	4.1%	4.9%	4.6%	3.0%	1.8%	0.4%	4.0%	-0.1%
TOTAL COUNTY/APS DEBT SERVICE										
Debt Service	157,252	164,126	171,501	179,534	187,541	195,003	201,296	206,081	214,226	219,456
Annual Inc / Dec $	149	6,874	7,376	8,033	8,007	7,463	6,292	4,786	8,144	5,230
Annual Inc / Dec %	0.1%	4.4%	4.5%	4.7%	4.5%	4.0%	3.2%	2.4%	4.0%	2.4%

Ten-Year Debt Service Growth

County: 4.2%

APS: 2.8%

County/APS: 4.0%

Average 10-Year Historical Revenue Growth

FY2015-FY2025

5.4%

Adhering to Debt Policies*

1. **Debt Service as a Percentage of General Government Expenditures No Greater Than 10%**
   The CIP remains in the 9.1%-9.2% range as a maximum; focus on debt service growth

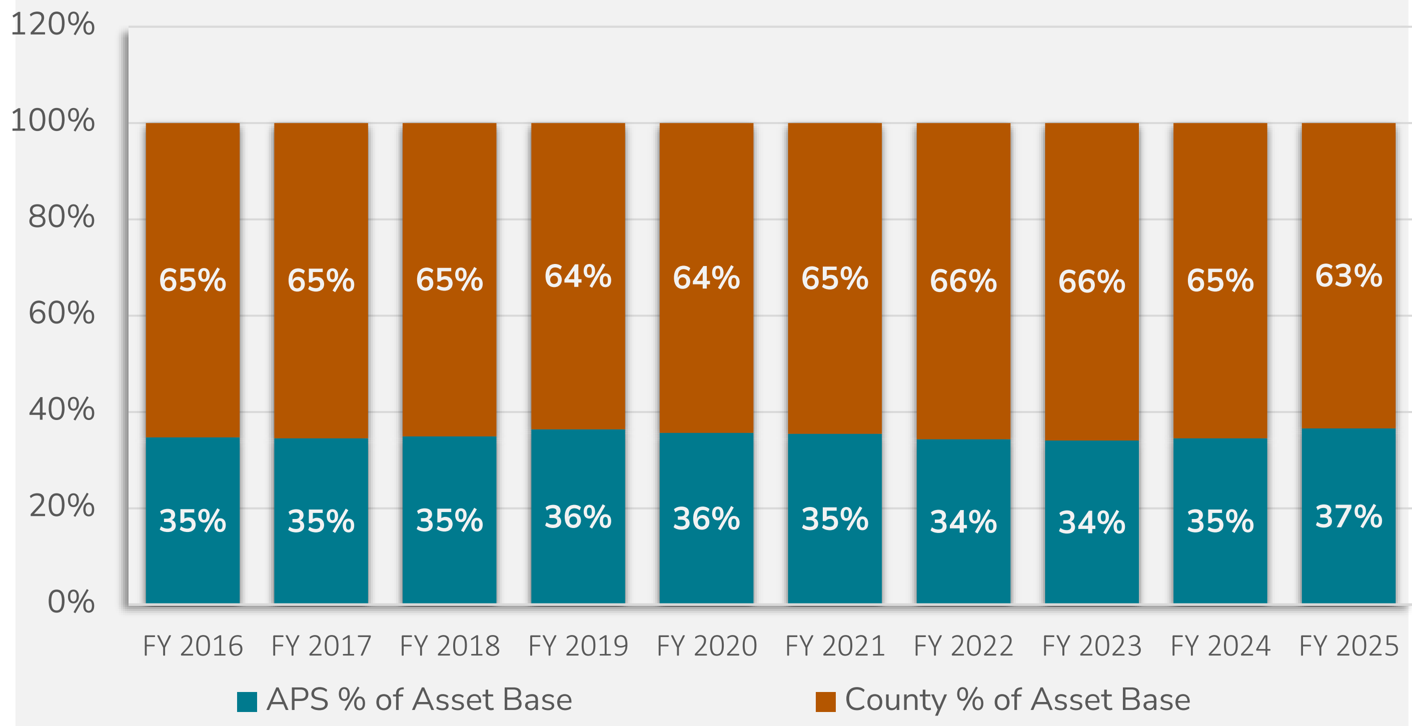
2. **Ratio of Debt Per Capita To Per Capita Income No Greater Than 6%**
   The CIP peaks in FY 2029 at 4.4% before falling to 3.5% in FY 2036.

3. **Outstanding Debt As Percentage of Market Valuation of Tax Base No Greater Than 3%**
   The CIP remains under this policy and ranges from 1.3% - 1.5% over the ten-year horizon.

4. **Growth In Debt Service Over The Ten-Year Planning Period No Greater Than Ten-Year Historical Growth In Revenues**
   Total County and APS debt service growth is estimated at 4.0% annually compared to 10-year historical average ten-year revenue growth (FY 2015 – FY 2025) of 5.4%.

*** These four debt policies were management guidelines thru 2007 before being formally adopted in 2008.**

Asset Base and Debt



County & APS Referenda History
(in $ millions)

Fiscal Years	APS	% Share	County	% Share	Total
2008-2024	823.4	44.8%	852.8	55.2%	1,601.2
2010-2024	733.0	42.1%	832.0	57.9%	1,481.0
2012-2024	714.9	43.0%	773.9	57.0%	1,404.8
2014-2024	672.3	44.5%	663.1	55.5%	1,251.3
2016-2024	566.5	43.9%	549.8	56.1%	1,032.3
2018-2024	427.7	43.9%	372.9	56.1%	716.6
2020-2024	324.7	44.4%	232.0	55.6%	472.7

Proposed 2026 Bond Referenda

Total County Referenda = $182.3MM
(excluding APS)

General Government ($161.5 million)
Community Infrastructure $56.8 million
Local Parks & Recreation $34.9 million
Metro and Transportation $69.7 million

Utilities ($20.7 million)

APS ($60 million)
Superintendent's Proposed FY 2027 – FY 2036 CIP

- 2026 Referenda primarily fund projects in FY 2027 and FY 2028
- $242.3 million of referenda including Superintendent's Proposed 2026 Schools Referenda

Program Summaries (10 Year Totals)

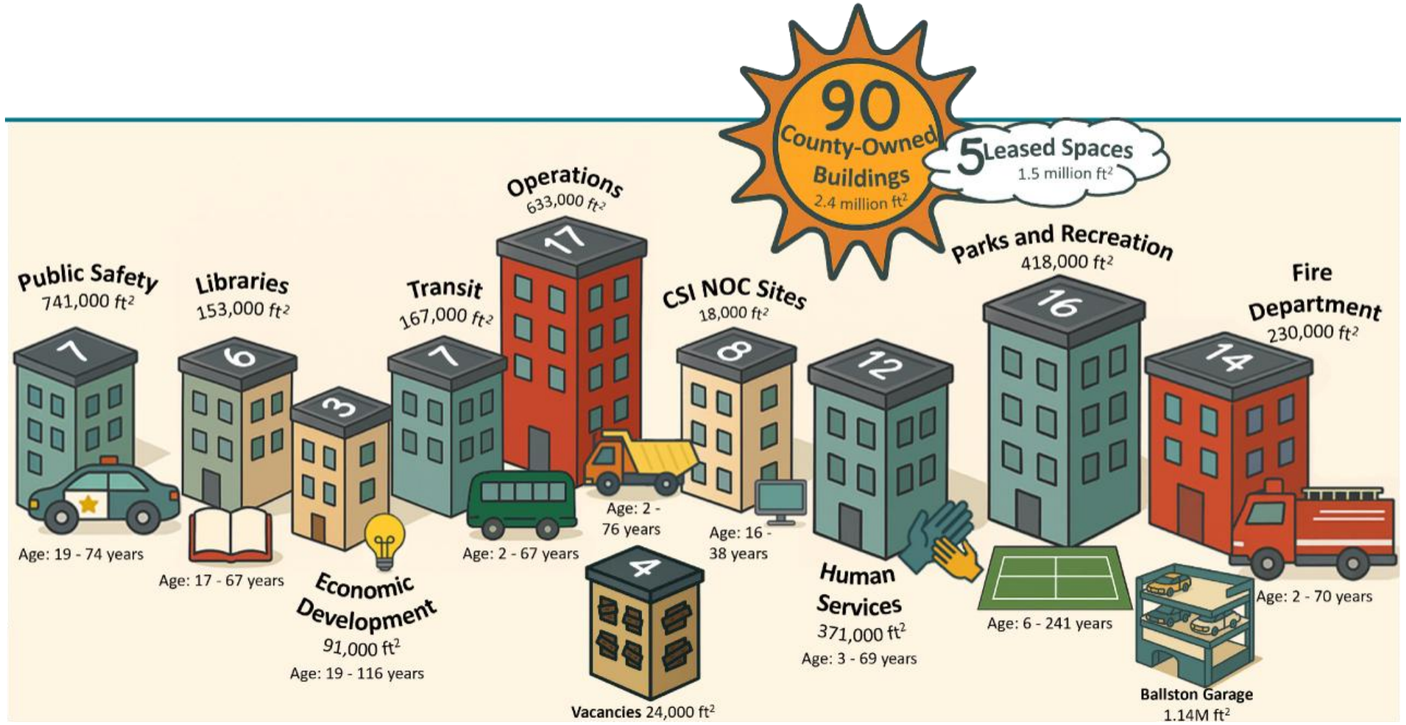
Program	Amount (000s)	% of Total
TRANSPORTATION	$1,540,817	36%
WATER AND SEWER INFRASTRUCTURE	$971,715	23%
METRO	$442,615	10%
PUBLIC AND GOVERNMENT FACILITIES	$448,393	10%
LOCAL PARKS AND RECREATION PROGRAMS	$286,076	7%
INFORMATION TECHNOLOGY/EQUIPMENT	$264,702	6%
STORMWATER MANAGEMENT	$265,135	6%
ARLINGTON NEIGHBORHOODS PROGRAM	$77,074	2%
REGIONAL PARTNERSHIPS AND CONTINGENCIES	$11,825	0.3%
ECONOMIC DEVELOPMENT	$1,038	0.02%
Total	**$4,309,390**	**100%**

Maintenance

PUBLIC/GOVERNMENT FACILITIES: $448.4 MILLION

$147.5 million in Facility Maintenance for 90 buildings – over 2.4 million square feet, 32 of which are over 50 years old

- $42M increase (or 40% increase) compared to prior 10-year planned investment to address deferred maintenance backlog
- Includes more formalized, enhanced programs for: **Critical Systems Infrastructure** (CSI, to address generators, security systems, and fire alarms); **HVAC Program; Roof Program**



Alignment in County and APS CIPs

Facilities and Sites

Thomas Jefferson Trades Center

Synthetic Field Replacements

Synthetic Fields at Joint Use Facilities

ConnectArlington

Shared Fiber Connectivity and Coordination with Schools

FY 2027 - FY 2036 CIP Timeline

May 19 — County Manager presents Proposed CIP to the County Board

May-July — Board Work Sessions

May 28: Arlington Neighborhoods Program, Stormwater and Utilities
June 2: Parks & Recreation, Public Safety and Technology
June 3: APS and County Joint
June 9: Debt, Metro and Transportation
June 23: Facilities
July 9: Commissions

July 7 — Public Hearing

July 14 — Final Board Mark-Up

July 21 — Board Adoption

County Manager's Proposed Capital Improvement Plan (CIP)

FY 2027 – FY 2036

County Board/School Board Work Session
June 3, 2026

ARLINGTON
VIRGINIA