

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 1, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 127 : TECHNICAL ADJUSTMENTS TO THE OUT YEARS OF THE CAPITAL IMPROVEMENT PROGRAM (CIP) RELATED TO LOST NVTA FUNDING

When Council adopts the budget and CIP on Monday night, Council will be adopting not only the FY 2009 year of the CIP, but also adopting the FY 2010 to FY 2014 years of the CIP. Given the loss of NVTA revenues affects the FY 2010 to FY 2014 CIP, it is recommended that the previously funded NVTA projects for FY 2010 to FY 2014 remain in the CIP, but become “unfunded projects.” Also, any FY 2009 project that lost its NVTA funding, and did not receive FY 2009 City funding, would be moved to FY 2010 in the CIP and also be listed as unfunded.

In addition, it is recommended that the general unallocated NVTA contingent listed in the CIP for FY 2010 to FY 2014 be zeroed out of the CIP because there are no projects identified to be undertaken with those lost NVTA funds. Also, we would recommend that the formerly NVTA-funded \$2.5 million Potomac Yard Metrorail contingent in FY 2009 that was not funded by Council be deleted from the CIP, as well as the contingent amounts for this potential project in FY 2010 to FY 2014. When the Planning Commission reviewed the CIP, they expressed concern that the contingent NVTA funds for the Potomac Yard Metrorail Station of \$15 million (i.e., \$2.5 million per year for 6 years) was putting the CIP ahead of future land use decision processes. Given the loss of NVTA revenues, keeping this formerly NVTA-funded contingent in the CIP is no longer necessary as the funding source no longer exists. As a result, I would recommend that the Potomac Yard Metrorail contingent funds in the CIP be removed. The Potomac Yard Metrorail feasibility funding of \$474,500 that Council has tentatively decided to fund out of prior year’s reallocated CIP funds would remain listed in the CIP.

Finally, as described in budget memo #27, it is proposed that the \$8.5 million Potomac Yard BRT project’s funding be shifted from the lost NVTA funds to funding from the City issuance of general obligation bonds. The timing of the project is such that this bond issuance would not occur until late in FY 2009, and therefore there would not be a debt service payment until FY 2010.

The attached chart details these proposed changes and shows the following:

- CIP projects to be zeroed out;
- CIP projects not funded in FY 2009 shifted to FY 2010 unfunded projects;
- CIP project (Potomac Yard BRT) to be funded by bond issuance; and
- CIP projects to be funded with cash capital.

NVTA Related Technical Adjustments						
(In Millions)						
CIP Project to be Zeroed Out						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Contingent for NVTA Unspecified Projects	\$0.000	\$0.000	(\$1.015)	(\$1.172)	(\$1.041)	(\$0.903)
Contingent for Potomac Yard*	(\$2.500)	(\$2.500)	(\$2.500)	(\$2.500)	(\$2.500)	(\$2.500)
Total	(\$2.500)	(\$2.500)	(\$3.515)	(\$3.672)	(\$3.541)	(\$3.403)
CIP Projects Not Funded in FY 2009 Shifted to FY 2010 UnFunded Projects						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
DASH Capital Request**	\$0.000	(\$2.091)	(\$1.125)	(\$1.181)	(\$1.240)	(\$1.302)
Edsall Road	\$0.000	\$0.000	(\$0.615)	\$0.000	\$0.000	\$0.000
King Street Paving**	\$0.000	(\$0.822)	\$0.000	\$0.000	\$0.000	\$0.000
Madison/Montgomery	\$0.000	(\$2.010)	\$0.000	\$0.000	\$0.000	\$0.000
King Street Parking Lot Reconfiguration**	\$0.000	(\$1.400)	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$0.000	(\$6.323)	(\$1.740)	(\$1.181)	(\$1.240)	(\$1.302)
CIP Project to be Funded by Bond Issuance						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Potomac Yard BRT	\$8.500	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$8.500	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
CIP Projects to be Funded with Cash Capital						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Dash Facility Grant Match	\$0.672	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Washington Street Paving	\$0.822	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$1.494	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

*A total of \$500,000 has been added to this project for FY 2009 from funds no longer needed for the Highway Video Program.

**FY 2009 funding amounts have been shifted and are included in the FY 2010 funding totals.