


City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 17, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: AUTHORIZATION OF RECOMMENDED CAPITAL PROJECT ALLOCATIONS AND PLANNED EXPENDITURES

ISSUE: City Council authorization of the recommended capital project allocations and planned expenditures.

RECOMMENDATION: That City Council:

- (1) Authorize the capital project allocations and planned expenditures, for the capital projects as detailed in the Capital Improvement Expenditure Summary (Attachment 1); and
- (2) Approve a T.C. Williams High School Funding Plan (Attachment 3).

DISCUSSION: This docket item provides a summary of Capital Improvement Program (CIP) planned expenditures for which allocations are being requested at this time. It includes projects reflected in the City's FY 2005 to FY 2010 CIP approved by City Council on May 3, 2004, or approved in capital budgets prior to FY 2005. A project title listing appears on the next page, and a detailed summary and CIP budget document reference page appear in Attachment 1.

The largest project for which an allocation is being requested is T. C. Williams High School for which the approved CIP includes a total of \$80.5 million starting in FY 2004, with funding provided in each year (based on estimated cash drawdowns) through FY 2008. At the time of the issuance of this docket item, the final budget for the T.C. Williams project is not known as negotiations with the two contractors which have submitted proposals have not been completed. As indicated in the attached memorandum to the School Board (Attachment 2), School staff have indicated, based on what they know from initial contractor submissions, that "the final negotiated cost for construction and other requirements associated with the project will exceed the approved budget" of \$80.5 million.

Over the last few months City and School staff have discussed contingency funding plan options in the event that the T. C. Williams project came in over \$80.5 million. Also, as a result of receiving additional State education aid, Council was able to fully fund the FY 2005 School operating budget using the higher State aid and, from the resultant savings to establish a \$2.5 million K-12 educational contingent in the City's General Fund budget. As an additional possible

funding source, the Schools have been discussing the rescheduling of previously planned school capital projects to create additional capital resources for T. C. Williams during its construction period.

As a result, a T.C. Williams capital funding plan is presented to Council for approval (Attachment 3). The approval by Council of such a funding plan is required before a contract award can be made by the Schools. It is currently contemplated that the combination of the FY 2005 \$2.5 million K-12 contingent, the expectation that a similar amount will be available (as a result of continued increased state educational aid) in future years, and the funds freed up from the rescheduled school capital projects program will be sufficient to fund an increased T.C. Williams Project budget.

The following capital project allocations are recommended:

Schools

T.C. Williams High School (FY 2004 and FY 2005 CIP funds)	\$ 36,792,240
William Ramsay Elementary School	112,500

Renovation of Existing City Facilities

Public Safety Building	\$ 1,600,000
Animal Shelter Re-use	242,000
Lloyd House	198,000
Space Management Program	50,000
Torpedo Factory Art Center	50,000
Environmental Compliance	35,000

Libraries

Duncan Library	\$ 1,533,000
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Recreation and Parks

Land Acquisition (Open Space)	\$ 1,000,000
Athletic Field Improvements	180,000
Landscaping of Public Sites	145,000
Drainage Improvements	100,000
All-Sports Facility	100,000
Charles Houston Recreation Center	100,000
Patrick Henry Recreation Center	100,000
Playground Renovations	100,000

Sewers		
Correction of Infiltration/Inflow	\$	4,574,000
Stream Assessment Program		200,000
Municipal Separate Storm Sewer System (MS4) Permit Program		25,000
Traffic and Rapid Transit		
Alexandria Transit Corporation (ATC) DASH Bus Replacements	\$	4,061,810
Bus Shelters		40,000
Woodrow Wilson Bridge Project		
Freedmen's Cemetery Enhancements	\$	145,000
Recreation		75,000
Streetscape Improvements		20,000
System Development		
Public Safety Radio System	\$	3,552,842
Real Estate Assessments System		300,000
Library Automated Catalog System		250,000
Alexandria Justice Information System (AJIS) Enhancements		150,000
Infrastructure Projects		
Institutional Network (I-Net) Development	\$	1,300,000
Network Operations Center		200,000
Telephony Integration		100,000
Storage Area Network (SAN)		50,000
Network Security		50,000
Upgrade Workstation Operating Systems		30,000
Northern Virginia Community College (capital contribution)	\$	137,500
Northern Virginia Regional Park Authority (capital contribution)	\$	294,973

ATTACHMENTS:

Attachment 1 - Capital Improvement Program Planned Expenditures
Attachment 2 - School Staff Memo of June 3, 2004
Attachment 3 - T. C. Williams Capital Funding Plan

STAFF:

Mark Jinks, Assistant City Manager
Alfred Coleman, Budget/Management Analyst, Office of Management and Budget

This attachment provides summary information on capital improvement program projects for which work will be initiated and expenditures incurred during the upcoming months. Funding for all of the projects discussed below is included in the City's Approved FY 2005 Capital Improvement Program (CIP) budget or in prior year capital budgets.

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Index Code/ Sub-object	Title			
Project 001-205	Schools	\$36,792,240	\$36,792,240	Page 46 of the
Account No. 200730	(T.C. Williams			City's Approved 2005
Sub-object 2121	High School)			CIP Budget Document

This allocation will provide funding for final design and construction of a new 457,000 square foot, three story high school that will accommodate 2,500 students. This project will replace the existing 39 year old, 360,450 square foot high school which currently serves grades 10-12, the Secondary Training and Education Program and City Recreation Department programs. The new facility also includes a two-story parking structure and an additional playing field. The project will also provide for an environmentally sound, high performance, sustainable or "green" school which is anticipated to result in Leadership in Energy and Environmental Design (LEED) certification. The School Board expects to award a construction contract and begin construction in the summer of 2004. A total of \$80.5 million has been previously planned in the City's CIP for the construction of the new high school, with \$3.5 million having already been allocated. However, the costs of this project, based on contractor submissions, have come in over the \$80.5 million amount previously planned in the CIP. As a result, a new funding plan to accommodate the higher costs is necessary, and has been prepared (Attachment 3). (Funding Source: Bond Proceeds - FY 2004 and FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 001-161 Account No. 200625 Sub-object 2121	Schools (William Ramsay Elementary School)	\$112,500	\$112,500	Page 46 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the addition of parking lot lighting and a new storm water management system at this facility. These items were added to the scope of work for the joint City/Schools Ramsay Multipurpose Room/Jerome "Buddie" Ford Nature Center project during the City plan review process. This project to design and construct program and classroom space using the gymnasium that was formerly the William Ramsay Recreation Center which was vacated when the recreation program was moved to the new recreation facility is currently underway and is scheduled for completion in fall 2004. (Funding Source: Bond Proceeds - FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-319 Account No. 220780 Sub-object 2121	Renovation of Existing City Facilities (Public Safety Center)	\$1,600,000	\$1,600,000	Page 117 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding to complete two project elements. The first element will fund the architectural and engineering (A&E) plans required to begin the repair/replacement of the first floor slab at the Public Safety Center. Over the past 16 years significant first floor, non-structural slab settlement has occurred. A study completed in FY 2001 determined that the slab had settled as much as four inches in some areas of the building due to ongoing consolidation of decaying organic and soft material in the third soil strata and that further settlement due to decaying material can be expected. Completion of these A&E plans will allow for bidding on the project in late August or early September 2004 with the actual construction to repair/replacement the slab to begin in late fall/early winter 2004.

Completion of the project may take up to two years. Many Police Department functions have been moved to rental space due to a shortage of space in the building and to enable other offices to be moved off the first floor in preparation for the slab repair as noted below. The second portion of this allocation will provide for the relocation of Police and Sheriff operations located on the first floor (Property and Evidence, Records, elements of the Sheriff's Office and the Detention Center Commander) from the first floor to the second and third floors and the reconfiguration and refurbishment of the second and third floors as required as a result of the relocation. This backfill project began in May 2004 and will be completed by September 2004. The previous occupants of the second and third floors have been or will be moved to temporary leased space off-site including Police Administration, Patrol, and Criminal Investigations due to space shortages at the existing Public Safety Center. This allocation will also provide for the completion of the build-out of the temporary leased off-site space. (Funding Source: Bond Proceeds - FY 2004 Funds (220780 - \$1,400,000; 221099 - \$200,000))

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Index Code/ Sub-object	Title			
Project 005-602	Renovation of	\$242,000	\$242,000	Page 107 of the
Account No. 221280	Existing City			City's Approved 2005
Sub-object 2121	Facilities			CIP Budget Document
	(Animal Shelter			
	Re-use)			

This allocation will provide funding for the fit-up and build-out of the old animal shelter facility located at 910 South Payne Street, most likely for re-use as a storage facility since we are in great need of added storage space. This allocation will provide for the fumigation of the first floor interior and relocation or disposal of surplus property; new lighting; toilet fixtures; floor, wall and ceiling treatments on the second floor as well as insulation; attic access, roof and gutter repairs; new heating, ventilation and air conditioning system (HVAC); sprinkler heads; electrical wiring repairs; doors; building security; fire alarms; exterior site clean-up and preparation; and asphalt paving of a parking lot; new exterior fencing and gates. This project is scheduled to begin in early summer 2004 and be completed by the end of summer 2004. (Funding Source: Cash Capital - FY 2004 Funds)

CAPITAL IMPROVEMENT PROGRAM PLANNED EXPENDITURES
May 31, 2004 Report, Docketed June 22, 2004

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Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-104	Renovation of Existing City	\$198,000	\$198,000	Page 104 of the
Account No. 220974	Existing City		(\$99,000 - City;	City's Approved 2005
Sub-object 2121	Facilities		\$99,000 - federal)	CIP Budget Document
	(Lloyd House Roof)			

This allocation will provide funding for the replacement of the shingle roof, gutters and downspouts at the Lloyd House. This allocation will also provide for the repair and rehabilitation of damaged windows, the installation of forty-one storm windows, new exterior basement doors, a french drain system and kitchen appliances. All of these items were unable to be funded within the budget of the recently completed renovation project. This allocation represents \$99,000 awarded to the City in 2003 through the federal "Save America's Treasures" grant program and the matching City share of the grant. This project is scheduled to begin in summer 2004 and be completed by mid-fall 2004. (Funding Source: Cash Capital - FY 2005 Funds (\$99,000) and Grant Monies (\$99,000))

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-343	Renovation of Existing City	\$50,000	\$50,000	Page 115 of the
Account No. 221155	Existing City			City's Approved 2005
Sub-object 2121	Facilities			CIP Budget Document
	(Space Management Program)			

This allocation will provide funding to assist with the ongoing City-wide program for the continuation of architectural assessment of City-owned and leased buildings, the documentation and analysis of space needs versus space inventory, and the development of recommendations to meet City space needs (including how to optimize City-owned space and minimize leased space). Staff has initiated the Master Plan study, but additional assistance is needed to complete this comprehensive study by December 2004. (Funding Source: Cash Capital - FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-318 Account No. 221382 Sub-object 2121	Renovation of Existing City Facilities (Torpedo Factory)	\$50,000	\$50,000	Page 120 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for a flood water penetration study at the Torpedo Factory Art Center (TFAC). Following Hurricane Isabel, the Torpedo Factory sustained heavy water damage on the first floor, resulting in repair costs to the City, the Torpedo Factory Artists Association (TFAA) and individual artists. The existing flood gates at the Torpedo Factory prevented more serious damage from occurring. As a follow-up to the City's after action assessment report, the City will hire a consultant to review the effectiveness of the current flood gates and investigate other possible locations where water penetrated the building. The report will identify deficiencies in the current system and recommend improvements with the most up-to-date technology. This study is scheduled to begin in summer 2004 and be completed in early fall 2004. (Funding Source - Cash Capital FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-309 Account No. 221440 Sub-object 2121	Renovation of Existing City Facilities (Environmental Compliance)	\$35,000	\$35,000	Page 115 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for on-going, annual renovations, improvements or the acquisition of major capital equipment as required by federal and State environmental regulations. These regulations govern removal and disposal of hazardous materials found in building structures, including asbestos and polychlorinated biphenyls (PCBs), underground fuel tank storage requirements and remediation measures related to leakage, chlorofluorocarbon (CFC) production associated with air conditioning systems, and treatment and disposal systems for hazardous substances used in work processes. This allocation will

provide for the removal of contaminated fly ash found at the City's Public Safety Center during the installation of perimeter security measures, including the Security Screening Center. Contractors are required to remove and haul away the contaminated soil and backfill with environmentally compliant soil. Due to the urgency of completing the perimeter security project and removing contaminated soil, this project has been completed. (Funding Source - Cash Capital FY 2004 Funds)

Project Number	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 002-702	Libraries	\$1,533,000	\$1,533,000	Page 54 of the
Account No. 265785	(Duncan Library)			City's Approved 2005
Sub-object 2121				CIP Budget Document

This allocation will provide funding for a 5,300 square foot expansion of the Duncan Library in response to community growth, need and significant overcrowding at the facility. Duncan Library currently serves Potomac West and the North Ridge/Rosemont area, which comprises approximately 29 percent of the City's population. Duncan, in its current configuration, opened in December 1969 and is a 9,600 square foot facility with a book capacity of 45,000 volumes. Due to demand, the current collection consists of over 66,000 volumes. This allocation will provide for selected demolition at the facility for new plumbing, electrical, mechanical, structural and architectural work; the construction of the one story addition; site work improvements with a new Schools entry plaza, benches and sidewalks; new ADA accessible front entrance, walkways and restrooms; and "green" initiatives, including a "green" roof, energy efficient water cooled chiller and cooling tower, and day lighting system. This project is scheduled to begin in Summer 2004 and be completed in 2005. (Funding Source - Cash Capital FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-201 Account No. 215600 Sub-object 2121	Recreation and Parks (Land Acquisition - Open Space)	\$1,000,000	\$1,000,000	Page 85 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding to purchase available, desirable open space in the City; to continue in FY 2005 the City's contract with the Northern Virginia Conservation Trust; and to begin funding the Open Space Coordinator position added to the Department of Recreation, Parks and Cultural Activities budget during the FY 2005 add/delete process. This allocation will come from the \$5.6 million in Open Space capital funds available for FY 2005. This project is ongoing.(Funding Source - Cash Capital FY 2004 Funds (1¢ in dedicated funds from the 99.5¢ real estate tax rate)).

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-012 Account No. 215491 Sub-object 2121	Recreation and Parks (Athletic Field Improvements)	\$180,000	\$180,000	Page 92 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the replacement of deteriorated backstops and fencing and will provide grading and irrigation at the City's athletic fields. The City's fields are heavily used by Recreation teams, sponsored programs, the Alexandria Soccer Association, Schools and citizens. To improve the quality of the fields, staff has designed an irrigation schedule in an effort to have all fields irrigated within a few years. This project is ongoing as weather permits.(Funding Source - Cash Capital FY 2005 Funds)

Project Number	Project	Approved	Planned	Budget Document
Index Code/	Title	Funding	Expenditure	Page
Sub-object	Title	Available	Amount	Reference
Project 004-033	Recreation	\$145,000	\$145,000	Page 85 of the
Account No. 221335	and Parks		(\$140,000 - City;	City's Approved 2005
Sub-object 2121	(Landscaping of		\$5,000 - revenues)	CIP Budget Document
	Public Sites)			

This allocation will provide funding for the annual tree planting and care program to provide trees on public streets, in City parks and in open spaces to ensure maintenance of the City's canopy and to provide continuing visual and environmental quality. This allocation will provide for the replacement of trees along streets and in parks and natural areas that have been removed due to death, disease or storm damage. This allocation will provide for approximately 350 trees this year at an average cost of \$242 per tree for planting and initial care, including \$5,000 in revenue. This allocation will also provide for renovations and enhancements to the City's street medians and horticulture sites. This allocation will fund the purchase of annuals, perennials, bulbs, ground cover plants, and stone/mulch for medians, beds and gardens throughout the City including Slater's Lane, Founder's Park, Ben Brenman park and Armistead Boothe Park. This project is ongoing with the majority of planting occurring in late summer and throughout the fall season. (Funding Source - Cash Capital FY 2005 Funds)

Project Number	Project	Approved	Planned	Budget Document
Index Code/	Title	Funding	Expenditure	Page
Sub-object	Title	Available	Amount	Reference
Project 004-711	Recreation	\$100,000	\$100,000	Page 92 of the
Account No. 215550	and Parks			City's Approved 2005
Sub-object 2121	(Drainage			CIP Budget Document
	Improvements)			

This allocation will provide funding for the design, purchase and installation of drainage systems for the City's parks. Staff and citizens identified the fact that poor drainage at the City's parks reduced their availability for use and activities. Water pools after rains and does not dissipate sufficiently for use even days later. Staff has developed a drainage improvement plan to be implemented over the next six years at a total cost of \$1.2 million.

The first parks to be addressed are Beech, Hunter-Miller and areas of Simpson Park. Design work for the first site is scheduled to begin this summer. The schedule for the six-year program is also expected to be outlined this year with public meetings on some of the proposals next fall. (Funding Source - Cash Capital FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-179 Account No. 215800 Sub-object 2121	Recreation and Parks (All-Sports Facility)	\$100,000	\$100,000	Page 98 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding to begin a feasibility study of the potential construction of an all-sports facility. During the planning process for the construction of a new high school, the community and staff identified the need for a sports facility that could be used for a variety of sports activities and by both school groups/teams and residents. This allocation will be used to conduct the study to identify the types and sizes of fields needed, amenities, traffic patterns and other factors, including cost estimates. The Hensley Field area will be the focus of the study, with other sites studied only if it is determined that the Hensley Field site is not feasible. The study is scheduled to begin this summer after a consultant is hired. (Funding Source - Cash Capital FY 2005 Funds)

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Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-801	Recreation	\$100,000	\$100,000	Page 98 of the
Account No. 215699	and Parks			City's Approved 2005
Sub-object 2121	(Charles Houston Recreation Center)			CIP Budget Document

This allocation will provide funding for the preliminary design of renovations and improvements at the Charles Houston Recreation Center. The architectural firm, to be identified, will work with City staff, users of the facility, adjacent neighborhood residents and civic groups during the design process. Public meetings with users, residents, members of the Park and Recreation Commission and staff have already been held, and additional meetings with the architect will be held during the summer and fall of 2004. Once a program is established and concept agreed upon, the contracted architect will assist with project design specifications for the detailed design. The detailed design work is scheduled to begin in the winter of 2004, with construction projected to begin in FY 2006. (Funding Source - Cash Capital FY 2004 Funds)

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Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-803 Account No. 215590 Sub-object 2121	Recreation and Parks (Patrick Henry) Recreation Center)	\$100,000	\$100,000	Page 98 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the preliminary design of renovations and improvements at the Patrick Henry Recreation Center. The architectural firm, to be identified, will work with City staff, users of the facility, adjacent neighborhood residents and civic groups during the design process. Public meetings with users, residents, members of the Park and Recreation Commission, staff and the architect will be held during the summer of 2004. Once a program is established and concept agreed upon, the contracted architect will assist with project design specifications for the detailed design. The detailed design work is scheduled to begin in the winter of 2004 with construction projected to begin in FY 2006. This project will be a few months behind the project at the Charles Houston Recreation Center. (Funding Source - Cash Capital FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-701 Account No. 215632 Sub-object 2121	Recreation and Parks (Playground Renovations)	\$100,000	\$100,000	Page 92 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the repair or replacement of deteriorating play equipment and to provide small scale enhancements in parks and playgrounds in order to maintain safe play areas in playgrounds throughout the City. Parks identified this year are Beech and Mason Avenue. Staff is prioritizing the work to begin this summer. Projects, weather permitting, will continue throughout the fall. (Funding Source - Cash Capital FY 2005 Funds)

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Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 013-101	Sewers	\$4,574,000	\$4,574,000	Page 92 of the
Account No. 255200	(Correction of			City's Approved 2005
Sub-object 2121	Infiltration/Inflow)			CIP Budget Document

This allocation will provide funding for the evaluation and remediation of infiltration/inflow conditions in older parts of the City's separate sanitary sewer system. The areas include the sanitary sewer systems tributary to the Commonwealth Interceptor and areas in the Holmes Run sewer area. During wet weather, infiltration and inflow into these older sanitary sewers have created overload conditions causing basement back-ups. This project will identify leaking sewers and connections which allow excessive infiltration/inflow to enter sewers and correct the problem through repair of the sewers and removal of direct storm water such as down spouts. Loss of capacity due to infiltration/inflow in the Four Mile Run area (tributary to the Commonwealth Interceptor) at times causes sanitary sewer overflows (SSOs) from the Four Mile Run Pump Station. This allocation will provide for construction and inspection services for the Commonwealth Interceptor and Taylor Run. Construction in the Commonwealth Interceptor area will begin Fall 2004 and is estimated to be completed in early Spring 2006. (Funding Source - Bond Proceeds FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 012-503	Sewers	\$200,000	\$200,000	Page 179 of the
Account No. 255077	(Stream Assessment			City's Approved 2005
Sub-object 2121	Program)			CIP Budget Document

This allocation will provide funding for Phase II of the Stream Assessment Program. The Stream Assessment Program involves developing a database of the City's streams, channels, lakes and ponds. Phase I of this program was conducted in conjunction with Chesapeake Bay Ordinance to conduct a stream classification based on their perenniality. The stream surveys conducted under Phase II of the project will identify storm sewer outfall locations, assess the condition of physical stream structures, stream maintenance needs, biological inventory of flora and fauna, and other stream characteristics including water quality. The data collected will be used to establish the baseline and benchmark the current condition and health of the streams. Data will be used to prioritize efforts in watershed management, prioritize stream restoration and infrastructure repair work and will serve as the basis for developing future budgetary maintenance and restoration needs. The data will support the following programs: 1) Article XII of the City's Zoning Ordinance, which regulates storm water discharges from development sites in order to comply with Virginia's Chesapeake Bay Preservation Act; 2) Alexandria's National Pollutant Discharge Elimination System Phase II permit from the Virginia Department of Environmental Quality; 3) Environmental restoration fund projects; and 4) stream maintenance projects. This allocation will be funded from the Channel Restoration capital project (OCA - 250090) (Funding Source - Cash Capital FY 2004 Funds - OCA 250090))

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 012-501 Account No. 255230 Sub-object 2121	Sewers (Municipal Separate Storm Sewer System (MS4) Permit Program)	\$25,000	\$25,000	Page 180 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the work required for continued compliance under the Virginia Pollutant Discharge Elimination Permit - Municipal Separate Storm Sewer Permit (MS4). The Federal Water Quality Act of 1987 required that small municipalities obtain storm water discharge permits for their municipal separate storm sewer system (MS4) under Phase II of the National Storm Water Program. The City submitted an application for a MS4 permit to the Virginia Department of Environmental Quality (VDEQ) and received an approved permit effective July 8, 2003. The permit requires that the City develop, implement and enforce a storm water management program designed to reduce the discharge of pollutants from the MS4 to the maximum extent practicable (MEP), protect the water quality and satisfy the appropriate water quality requirements of the Clean Water Act. The permit allows up to five years from the date of the permit issuance for the City to develop and implement the program. The City's Storm Water Management program will have to be fully implemented by the end of the first permit term (2008). This allocation will provide for consultant services and water quality testing equipment and materials. This project is ongoing. (Funding Source - Cash Capital FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 010-602 Account No. 240002 Sub-object 2121	Traffic and Rapid Transit (Alexandria Transit Corporation (ATC) Bus Replacements)	\$4,061,810	\$4,061,810	Page 133 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the scheduled replacement of 14 DASH transit buses, at a cost of \$270,500 per bus, plus radios and a spare power train. The DASH bus system was implemented in 1984 as a supplement to Metrobus service operating in the City. In FY 1990, nine new buses were purchased to provide new DASH bus routes to improve bus connections in Eisenhower Valley and to the new Van Dorn Metrorail station. Additional buses have been purchased since FY 1992, bringing the total DASH fleet as of the end of FY 2003, to 57 buses. This project provides for the phased replacement of 14 model year 1991 buses which have reached the end of their useful life of approximately 12 years. With the elimination of the oldest buses from DASH's fleet, DASH will (upon delivery of the 14 new units) switch its entire bus fleet from low sulfur diesel fuel to cleaner ultra low sulfur diesel. This will result in a major improvement in the overall DASH bus fleet's air emissions. It should be noted that since the hybrid electric bus technology (i.e., both internal combustion and electric battery/motor technology) is in the early stages of implementation in just a few U.S. cities, it is not proposed to be considered for this bus purchase. However, when the next DASH bus purchase takes place (now planned for FY 2007) hybrid bus technology will be seriously considered. (Fund Source: State Urban Funds - \$1,655,220; FY 2005 and FY 2006 DASH Retained Earnings - \$2,330,399 (\$1,228,000 - FY 2005; \$1,102,399 - FY 2006); Cash Capital (\$76,191) - FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 010-601 Account No. 240093 Sub-object 2121	Traffic and Rapid Transit (Bus Shelters)	\$40,000	\$40,000	Page 134 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the replacement of existing bus shelters at various locations throughout the City and the construction of new bus shelters when new sites are identified and approved by the City. This allocation will provide for the installation of up to 10 shelters at heavily used stops throughout the City. This project is ongoing. (Funding Source: Cash Capital - FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 003-801 Account No. 215520 Sub-object 2121	Woodrow Wilson Bridge Project (Freedmen's Cemetery Enhancements)	\$145,000	\$145,000 (State and Federal funds)	Page 67 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for a Request for Proposal (RFP) for the demolition of buildings, hiring of temporary personnel for archaeology testing and the hiring of a property acquisition consultant related to the purchase of property on or adjacent to Freedmen's Cemetery and enhancement of the cemetery as part of the alternative mitigation agreement between the City of Alexandria and the Federal Highway Administration. In June 2000, the City requested that the Federal Highway Administration (FHWA) consider a reduction in the size of the Urban Deck at Washington Street which was to be built as a part of the Woodrow Wilson Bridge Project. The City suggested a number of alternate strategies to replace mitigation for the project that will be lost as a result of the proposed reduced deck size. In December 2000, the Alexandria City Council approved the reduced deck size, conditioned upon the receipt of alternative mitigation. FHWA has agreed to the modifications as proposed by the City, including the acquisition and construction of new active outdoor recreation facilities, enhancements to Freedmen's Cemetery, streetscape improvements on South Washington Street, and

local traffic improvements. Funding for these modifications will be provided by FHWA and VDOT, in accordance with a cost sharing arrangement established by FHWA and VDOT, pursuant to which FHWA will fund 80% and VDOT will fund 20%. The RFP and hiring of temporary personnel and consultants are scheduled to be completed by January 2005. (Fund Source: State and federal revenues)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 003-801	Woodrow Wilson	\$75,000	\$75,000	Page 67 of the
Account No. 215520	Bridge Project		(State and	City's Approved 2005
Sub-object 2121	(Recreation)		Federal funds)	CIP Budget Document

This allocation will provide funding for a Request for Proposal(RFP)related to property acquisition related to the property in the vicinity of Duke Street and Telegraph Road on Business Center Drive as a site for recreational outdoor facilities as part of the alternative mitigation agreement between the City of Alexandria and Federal Highway Administration. In June 2000, the City requested that the Federal Highway Administration (FHWA) consider a reduction in the size of the Urban Deck at Washington Street which was to be built as a part of the Woodrow Wilson Bridge Project. The City suggested a number of alternate strategies to replace mitigation for the project that will be lost as a result of the proposed reduced deck size. In December 2000, the Alexandria City Council approved the reduced deck size, conditioned upon the receipt of alternative mitigation. FHWA has agreed to the modifications as proposed by the City, including the acquisition and construction of new active outdoor recreation facilities, enhancements to Freedmen's Cemetery, streetscape improvements on South Washington Street, and local traffic improvements. Funding for these modifications will be provided by FHWA and VDOT, in accordance with a cost sharing arrangement established by FHWA and VDOT, pursuant to which FHWA will fund 80% and VDOT will fund 20%. The RFP is scheduled to be completed by January 2005. (Fund Source: State and federal revenues)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 003-801 Account No. 215530 Sub-object 2121	Woodrow Wilson Bridge Project (Streetscape Improvements)	\$20,000	\$20,000 (State and federal funds)	Page 67 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for engineering design services for streetscape improvements to uniformly upgrade South Washington Street, north of the Urban Deck in a manner that is both effective for moving traffic and compatible with the historic nature of Old Town and based on the concept development of the City's Gateway as agreed to as part of the alternative mitigation agreement between the City of Alexandria and Federal Highway Administration. In June 2000, the City requested that the Federal Highway Administration (FHWA) consider a reduction in the size of the Urban Deck at Washington Street which was to be built as a part of the Woodrow Wilson Bridge Project. The City suggested a number of alternate strategies to replace mitigation for the project that will be lost as a result of the proposed reduced deck size. In December 2000, the Alexandria City Council approved the reduced deck size, conditioned upon the receipt of alternative mitigation. FHWA has agreed to the modifications as proposed by the City, including the acquisition and construction of new active outdoor recreation facilities, enhancements to Freedmen's Cemetery, streetscape improvements on South Washington Street, and local traffic improvements. Funding for these modifications will be provided by FHWA and VDOT, in accordance with a cost sharing arrangement established by FHWA and VDOT, pursuant to which FHWA will fund 80% and VDOT will fund 20%. Engineering design is scheduled to be completed by January 2005. (Fund Source: State and federal revenues)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 005-501 Account No. 265298 Sub-object 2121	Systems Development (Public Safety Radio System)	\$3,552,842	\$3,552,842	Page 218 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the planned upgrade of the City's existing 800 Mhz analog, two site Public Safety Radio System up to a four site, dual mode analog/digital radio system to provide both improved coverage and expanded system capacity. The City's current radio system was originally installed in the mid 1980's as a single site (Masonic Temple), eight channel, trunked, analog system. As a trunked system it was designed to carry all of the radio frequency (RF) traffic of all user City departments, including public safety, DASH and T&ES, as well as the Schools' security personnel. Lack of adequate coverage was quickly identified as a problem, and the system was upgraded several years later to a two-site simulcast system (Mark Center site was added). In the mid-1990's, in light of reliability problems with the trunked system, a conventional three-channel back-up system was installed. These systems have operated acceptably until the past several years. There are currently more than 1,200 radios operating on the City's trunked radio system which represents an increase of at least 50% compared to its initial load. As a result, the current system capacity is being approached. In addition to software failures which make system management problematic, key portions of the infrastructure (usually repeaters located at the broadcast sites) are failing at increasing rates and, because they are the older analog type, they cannot be replaced quickly. Coverage has also gradually deteriorated due to the aging radio infrastructure and the interference caused by the proliferation of cellular telephone sites and new building construction. Thus, not only does the existing radio system infrastructure need to be replaced but the system must be expanded and coverage improved to maintain a viable communications capability. In 2002, the City contracted with CTA Communications Inc., an engineering group specializing in land radio and public safety radio system design and implementation. After extensive review and analysis, CTA made recommendations concerning the primary radio system, the back-up system and implementation phasing alternatives. Based on CTA's recommendations, the City's Public Safety Radio Committee recommended: (1) the upgrade of the City's primary and back-up systems with a dual mode analog/digital system which will operate with the City's existing field radios and provide direct interoperability with digital systems in place or being implemented in surrounding jurisdictions (Arlington, Fairfax and others); (2) the addition of two new radio broadcast sites and expansion of the

system to 11 channels to provide improved coverage and expanded system capacity; and (3) the implementation of a conventional back-up radio system using existing National Public Safety Advisory Committee (NPSPAC) frequencies. The project cost is estimated to be approximately \$7.0 million. In addition to this allocation, an additional \$800,000 is budgeted in FY 2006, and the City has \$2.5 million in Federal Byrne Grant monies designated for the replacement of the Public Safety Radio System that were awarded to the City in July 2003. Final design is scheduled to be completed in the summer of 2004 with system installation scheduled to begin in February 2005. Installation is scheduled to be completed in April 2005 with system testing and acceptance to be completed in the summer of 2005. (Fund Source: Cash Capital - FY 2002 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-509	Systems Development	\$300,000	\$300,000	Page 211 of the
Account No. 265504	(Real Estate Assessments)			City's Approved 2005
Sub-object 2121				CIP Budget Document

This allocation will provide funding for the replacement of the City's Real Estate Assessment System, CARAT. The current system is more than 10 years old and does not provide desired flexibility in undertaking assessments analysis, in tracking changes and trends, as well as in developing summary reports. Redeveloping this system in a standard, contemporary database is critical to the future integration of a Geographic Information System (GIS), Permit Processing, and other real estate property based systems. The contract for the replacement of the current system is scheduled to be awarded in the fall. (Fund Source: Cash Capital - FY 2004 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-530 Account No. 265400 Sub-object 2121	Systems Development (Library Automated Catalog System)	\$250,000	\$250,000	Page 204 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the replacement of the Library's automated library catalog system. The current system has evolved over the past two decades and was last upgraded with a web-based interface in 1996, and was further upgraded in FY 2002. These upgrades to the current system have eliminated the requirement to replace the system outright until FY 2005. This project will enhance productivity internally, but more importantly, it will improve the library patron's access to the library's collections, its on-line reference resources and other special services such as remote reserving and renewing of materials, delivery to the homebound, and movement of materials between and among branches upon request. Technical services staff will benefit from a seamless process beginning with branch-level ordering of materials, direct ordering to vendors, simple tracking, expedited cataloging and rapid processing for delivery and shelving. The system will enable branch staff to order materials from their workstations and continually track items until they are received in the branches. The Request For Proposal is scheduled to be released in Summer 2004 with vendor selection scheduled for September 2004. Installation is scheduled to begin in November 2004 and be completed in March 2005. (Fund Source: Cash Capital - FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-540 Account No. 265950 Sub-object 2121	Systems Development (Alexandria Justice Information System)	\$150,000	\$150,000	Page 219 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for modifications to the Alexandria Justice Information System (AJIS) based on changes to federal, state and local statutory requirements. There is also a need to integrate existing systems currently in use by different AJIS user agencies. AJIS was completed and implemented in FY 2004. This allocation will also fund the development of the capability to support web interface migrating to a different database environment and

other enhancements. This project is ongoing and will protect the City's investment by ensuring that the system will continue to grow to meet changing statutory and technological requirements. (Fund Source: Cash Capital - FY 2004 Funds)

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Index Code/ Sub-object	Title			
Project 015-003	Infrastructure	\$1,300,000	\$1,300,000	Page 240 of the
Account No. 260143	Projects		(Cable franchise	City's Approved 2005
Sub-object 2121	(Institutional		required payments	CIP Budget Document
	Network Development)		from Comcast)	

This allocation will provide funding to begin the system upgrade and replacement of the Institutional Network (I-Net). The City was a leader in this area and began deploying its fiber I-Net in 1998. Neighboring jurisdictions have only recently begun installing their own fiber I-Net systems. The I-Net now serves over 70 government, school and library locations throughout the City and provides critical safety communications services. In the years since the system's specifications were first set and demands estimated, the City has seen demand for bandwidth grow and has seen technology change rapidly. Equipment purchased five years ago is now rapidly approaching the end of its useful life and planning for its replacement has begun. Additionally, concerns over the resiliency of the system in the event of an emergency or disaster has fostered a review of the I-Net's structure and has led to plans for additional communications paths to the network in critical areas to improve stability should an emergency event occur. This project is funded by revenues from Comcast Cable Communications and sustains the continued activation of the fiber optic network Jones a system equipment upgrade and replacement, and will begin to address improved system resiliency. A Request For Proposal has been issued. Staff are currently in the process of reviewing bids and selecting a vendor. (Fund Source: Cable franchise agreement required Comcast payments - FY 2004 and FY 2005 Funds)

CAPITAL IMPROVEMENT PROGRAM PLANNED EXPENDITURES
May 31, 2004 Report, Docketed June 22, 2004

ATTACHMENT 1, PAGE 23

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-600 Account No. 265001 Sub-object 2121	Infrastructure Projects (Network Operations Center Upgrade)	\$200,000	\$200,000	Page 250 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding to move the Information Technology Services' (ITS) Network Operations Center (i.e., the computer room) from City Hall to Tavern Square. Currently, City Hall is unable to provide sufficient space for the core functions that are now housed within it, which is why it was recommended by the City Manager, and Council agreed to rent additional space in Tavern Square and to move certain City functions from City Hall to Tavern Square. The City's existing Network Operations Center (NOC) is no longer able to efficiently handle the changing demands of providing IT services in the space it currently occupies. There are recurring issues with power and power connections and space. In order to free up space in City Hall as well as gain additional space for the NOC, a plan has been developed to move the NOC and most of ITS staff offices to Tavern Square. The landlord will fund the majority of the build-out costs through the lease. However, the City will be responsible for any "above building standard" items, which include heating, ventilation and air conditioning (HVAC), general NOC technological needs, and emergency generator power requirements for ITS and telecommunications. This move is scheduled to take place in summer 2004. (Fund Source: Cash Capital - FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-410 Account No. 265454 Sub-object 2121	Infrastructure Projects (Telephony Integration)	\$100,000	\$100,000	Page 243 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the City-wide phased replacement of telephone switches for City and Library facilities. This project anticipates the future convergence of telephone and computer services, known as telephony. This allocation will provide (as part of a multi-year telephone system upgrade plan) funds to replace six telephone switches at

Charles Barrett, Charles Houston, Chinguapin, Cora Kelly and Oswald Durant Recreation Centers, as well as the General Services Carpentry Shop. The existing phone switches have been leased since 1998 and have become difficult to maintain and expensive to repair. The new switches and desk sets will be more reliable and will enable staff to take advantage of additional productivity improvements that these system offer. These replacements are scheduled to take place in summer and fall 2004. (Fund Source: Cash Capital - FY 2005 Funds)

Project Number Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 015-414 Account No. 265170 Sub-object 2121	Infrastructure Projects (Storage Area Network)	\$50,000	\$50,000	Page 239 of the City's Approved 2005 CIP Budget Document

This allocation will provide funding for the purchase of additional hardware to augment the space of the City's Storage Area Network (SAN) to accommodate the storage of e-mail. Because of the tremendous growth of stored emails and file sizes the City is in the process of amending its existing email retention and storage standards and related technology; however, additional SAN hardware will be needed as part of these changes. SAN is a high-speed network that connects disk subsystems directly to servers or clients. They expand the amount of data which can be stored. SANs also help relieve network congestion and bypass distance limitations imposed by older system storage designs. With the constant growth in the amount of data requiring storage, the demand for additional network storage capabilities continues to rise. A SAN is superior to the expensive and eventually space limited solution of adding additional disk drives to individual servers. This project is ongoing. (Fund Source: Cash Capital - FY 2005 Funds)

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Index Code/ Sub-object	Title			
Project 015-413	Infrastructure	\$50,000	\$50,000	Page 244 of the
Account No. 265876	Projects			City's Approved 2005
Sub-object 2121	(Network Security)			CIP Budget Document

This allocation will provide funding for the acquisition and installation of computer network security devices; both hardware and software appliances, such as intrusion detection systems, as well as professional services related to the security of the City's Information Technology infrastructure. This project will minimize the risk of unauthorized access to and unauthorized destruction of City data. The Security project will provide resources to enhance protection of the City's network from unauthorized access through external connections such as connections to other jurisdictions and the Internet that are used by numerous City departments. Additionally, this project provides funds to protect against unauthorized communications between devices located within the City's network. This project is ongoing. (Fund Source: Cash Capital - FY 2004 Funds)

Project Number	Project	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Index Code/ Sub-object	Title			
Project 015-493	Infrastructure	\$30,000	\$30,000	Page 238 of the
Account No. 265322	Projects			City's Approved 2005
Sub-object 2121	(Upgrade Workstation Operating Systems)			CIP Budget Document

This allocation will provide funding to upgrade the operating system on City computer work stations with an appropriate version of Windows. This project also provides additional work station memory and larger capacity hard drives as necessary. These upgrades are required to enhance the security and integrity of the City's network, and also for the next generation of City e-mail messaging, financial, public safety, Geographic Information System (GIS) and other applications. The City replaces workstations on a four-year cycle which includes new operating systems. This funding is for those workstations which are not in need of physical replacement, but still require upgrades in order to comply with vendor upgrades to City applications, operate new programs or to operate many programs simultaneously. This project

is ongoing. (Fund Source: Cash Capital - FY 2004 Funds)

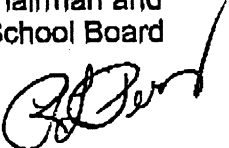
Project Number	Project Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 016-001		Northern Virginia	\$137,500	\$137,500	Page 187 of the
Account No.200014		Community College			City's Approved 2005
Sub-object 2121					CIP Budget Document


This allocation will provide funding for the City's share of the Northern Virginia Community College's (NVCC) capital costs for FY 2005. Capital costs are determined by a formula that is based on the population of the nine participating jurisdictions. (Funding Source: Cash Capital - FY 2005 Funds)

Project Number	Project Index Code/ Sub-object	Project Title	Approved Funding Available	Planned Expenditure Amount	Budget Document Page Reference
Project 004-901		Northern Virginia	\$294,973	\$294,973	Page 89 of the
Account No.215327		Virginia			City's Approved 2005
Sub-object 2121		Regional Park			CIP Budget Document

This allocation will provide funding for the City's share of the Northern Virginia Regional Park Authority's (NVRPA) capital costs for FY 2005. Capital costs for the NVRPA are paid by the Authority's member jurisdictions based on a formula that determines each jurisdiction's annual share. Regional park facilities in Alexandria include the Cameron Run Regional Park and the Carlyle House. The capital improvements scheduled for the Alexandria facilities in FY 2005 include renovations to the concessions stand and a new splash pad play area at Cameron Run Pool; and heating, ventilation and air conditioning (HVAC) and fire suppression upgrades at Carlyle House. (Funding Source: Cash Capital - FY 2005 Funds)

TO: The Honorable Chairman and
Members of the School Board

THROUGH: Rebecca L. Perry 
Superintendent

FROM: John D. Johnson, III 
Assistant Superintendent
Financial and Administrative Services

DATE: June 3, 2004

Issue: Development of a funding plan to finance the construction of the T. C. Williams High School Project.

Background: The City Council passed a resolution on May 25, 2004 which recognized and endorsed the School Board's efforts to proceed with plans to construct the new high school under the Public-Private Educational Facilities and Infrastructure Act of 2002 (PPEA). The resolution also approves entry by the School Board into a comprehensive agreement subject to "approval by City Council of a funding plan and a capital allocation for the T. C. Williams High School Project at Council's June 22, 2004, or subsequent meeting."

Policy: DB, Annual Budget

Discussion: At present, staff is in the process of negotiating with two contractors who have submitted proposals to build the new high school.

The approved budget for the high school project is \$80.5M. The initial cost proposals from the two contractors are based on construction drawings that were only 80% complete at the time proposals were due. Therefore, the cost proposals include some costs as contingencies for items not included in the drawings. On June 1, 2004, contractors received the 100% complete construction drawings and the initial cost proposals are being modified at this time. As a result of the modification, staff expects the cost proposals to decrease.

The final negotiated cost for construction and other requirements associated with the project will exceed the approved budget. In order to move forward with the high school project, it will be necessary to develop a funding plan as required by the City Council.

The following is the recommended funding plan:

- A. Council added an Educational Contingent Reserve in the FY05 and subsequent budgets in the amount of approximately \$2.5M annually.

Therefore, the first \$10M needed to increase the high school project budget can be funded by the \$2.5M Educational Contingent Reserve in each of the budgets for FY05, FY06, FY07 and FY08.

- B. Funds required over the \$10M can come from deferral of approved CIP projects, either by a combination of elementary school projects and the Minnie Howard project or entirely from funds budgeted for the Minnie Howard project.

The projects selected for deferral can be reprogrammed in the CIP budget in FY09 and beyond. Once it is determined how much is needed to be deferred, the Superintendent will make a recommendation to the Board on which capital projects should be deferred.

Additional Information: John D. Johnson, III, Assistant Superintendent, Financial and Administrative Services or Mark X. Burke, Director of Planning and Construction.

Action: Approval of the funding plan outlined above for the additional funds required for the T. C. Williams High School Project.

JDJ:RLP:bc

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 17, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *ps*

SUBJECT: REVISED T.C. WILLIAMS PROJECT FUNDING PLAN

PROJECT COSTS: As indicated in the Capital Projects Allocation report docketed for the June 22 City Council meeting, it is expected that the current capital project budget for the T.C. Williams High School project of \$80.5 million will not be sufficient to fund the project. The costs have increased in part due to changes in market conditions, including the increased prices in building materials. (See attached Washington Post article of January 14 (Attachment A).) In particular, steel prices have skyrocketed largely due to market demand overseas. Also, it appears that the cost estimates prepared earlier by the Schools' architects did not sufficiently take into account the complexity and significant site constraints of the T.C. project. Most other new high schools in the region and state which have been constructed in recent years are more "greenfield" projects where the site development and construction issues are far less complex and, therefore, less costly. Also, the LEEDS costs appear to have been substantially underestimated.

The Schools staff are still negotiating the details of the construction contract, including price issues. The Schools may need to remove some project elements, and make them options which can later be added back and funded out of the project's contingency, if the contingency funds are not needed for change orders for the base building.

At this time, a finalized T.C. Williams project budget is not known. However, it is clear that at least \$10.0 million more than the \$80.5 million, or more than \$90.5 million, will be needed.

PROJECT FINANCING: To cover the first \$10.0 million of additional project costs, it is proposed that the City transfer the \$2.5 million K-12 contingent from the General Fund (which is not needed due to the higher of state aid received) to the City's Capital Projects Fund as a cash capital transfer. Since the higher state aid the Schools will receive in FY 2005 will continue in FY 2006 and beyond, the City will be able, in FY 2006, 2007 and 2008, to make a similar transfer of \$2.5 million to the City's Capital Projects Fund. The T.C. Williams Project is scheduled to be completed in FY 2008. These four years of additional \$2.5 million in transfers total \$10.0 million towards the additional project costs. This narrows the gap to be closed, but does not, in all probability, close it.

The Schools have committed to closing the remaining to-be-determined gap. To do so, the School Board will review all Schools capital projects now scheduled for FY 2005, 2006 or 2007,

and select one or more such projects to reduce in scope or postpone until after FY 2008, thereby freeing up sufficient funds in the FY 2005 - FY 2007 period which could be reallocated to cover the finally determined T.C. Williams funding gap.

With the annual \$2.5 million cash capital transfer capable of continuing beyond FY 2008, \$5.0 million in additional cash capital funding can be provided to offset some part of the costs of reallocated projects in FY 2009 and FY 2010.

The School Board has not yet made specific decisions on which Schools projects (or portions thereof) will be rescoped or rescheduled. The Board plans to review the various planned Schools capital projects, receive public input, and then adopt a plan for funding the final T.C. Williams funding gap by rescoping and/or rescheduling specifically identified capital projects. This plan will be adopted in time for presentation at City Council's first legislative meeting in October.

Attachments:

- A. Washington Post Article on Construction Costs (June 14, 2004)
- B. Revised T.C. Williams Project Funding Plan

cc: Mark Jinks, Assistant City Manager
Bruce Johnson, Director, Office of Management and Budget
Al Coleman, Budget Analyst, Office of Management and Budget
Rebecca Perry, Superintendent, Alexandria City Public Schools
Jay Johnson, Assistant Superintendent, Alexandria City Public Schools

From the Ground Up

Materials Driving Up Cost of Construction

By DANA HEDGPETH
Washington Post Staff Writer

John P. O'Keefe, a senior vice president of the Clark Construction Group Inc. of Bethesda, the largest construction company in the Washington region, said he first saw price spikes in construction materials last fall, and they haven't let up much since.

"The first item that went up was raw steel, then structural steel and the reinforced steel we use for concrete," said O'Keefe, whose company is building some of the largest projects in the District, including the new, sprawling headquarters for the Transportation Department in Southeast. "Since then, the cost of steel has nearly doubled."

Forrester Construction Co. of Rockville said it lost about half a million dollars on a project at Andrews Air Force Base because the price for some materials went up after it signed the agreement. "We're left holding the bag," said Scott Forrester, a principal of the company.

Meanwhile, in the six months since Rand Construction Corp. bid on turning a massive warehouse in Prince George's County into offices, construction material prices have skyrocketed. Wire mesh, used to reinforce walls and for security, was \$30 for a 4-foot-by-8-foot sheet. Now it is \$46.

Metal studs, used to frame a wall, were a little over a dollar a foot and now cost \$2.50. Dry-wall was \$12 a sheet and now is \$15.

The cost for redoing the interior of the Prince George's building was supposed to be \$12 million, but it has gone up by \$400,000, said Matt Merz, a senior project manager at the Arlington-based Rand.

The main reason: American builders are competing for steel, cement and lumber not only among themselves but also with builders in China, where the economy is growing about 10 percent a year. This massive demand comes as housing markets in areas like D.C. are booming, said Kenneth D. Simonson, chief economist at the Associated General Contractors of America.

If interest rates continue rising, construction activity is expected to cool. That could cause prices to drop, and maybe even result in a surplus of some construction items, according to experts. But for now, construction companies are struggling with rising prices.

Take cement. A ton of cement is, on average, almost \$84, up 1 percent. The rising price is due to both a surge in construction and a drop in cement imports.

The U.S. produced 85 million tons of cement last year with kiln plants running 24 hours a day, seven days a week, at maximum capacity. Builders in the United States used 107.5 million tons, with imports making up the difference.

In recent times, however, China, with its surge in construction, has been tying up ships that would have been used to deliver cement from Asia, Europe and Latin America to the United States. "China is also importing grain, cotton, scrap metal and other goods, and you need dry-bulk ships, which is the same ship you need to carry cement," said Edward J. Sullivan, chief economist at the Portland Cement Association, a Chicago-based trade group of cement producers.

Sullivan said if shippers have the choice, they prefer to carry the other products over cement. "You can load and unload those kinds of goods quickly, but it's more difficult to do that with cement. It can take several days because it's heavy."

Other construction materials have gone up, too.

The cost of 100 pounds of steel is \$31.27, up 21 percent from a year ago, according to Engineering News-Record, which tracks pricing in 20 major cities.

A thousand feet of lumber sells for more than \$530, up 20 percent from last year, according to Engineering News-Record.

Plywood prices also are up. Last summer a sheet cost \$6; now it is \$16, said Michael Carliner, an economist with the National Association of Home Builders, a D.C.-based trade group.

Rising gasoline prices have hit contractors who use fuel-guzzling heavy equipment. Alberto Gomez, owner of Prince Construction Co. in the District, said he had to spend an additional \$2,000 to run his fleet of six trucks and other equipment to repave parking lots at Howard University.

Rand Construction's contract enables it to split the increased costs of materials for the Prince George's County warehouse with its subcontractors and the building's owners, said Linda D. Rabbitt, president of Rand, an \$85 million a year general contractor she founded in 1989.

Other contractors said the increased prices are causing them to adjust bids on projects. In some cases, property owners are shelving projects.

Boston Properties Inc. plans to add seven stories to a four-story building it owns in Southwest, but the higher steel costs are going to make it harder to make money on the deal. "We've seen steel prices go up, and that's meant you pay more for the sheet metal that goes in duct work, the rebar that goes in reinforcing concrete and the conduit for electrical wiring," said E. Mitchell Norville, a senior vice president and regional manager.

"Hopefully we're going to make it up somewhere," Norville said. "If interest rates stay low, we'll be okay. But if we get rising prices [on materials], and rising interest rates and rents start to fall off, then we're in trouble."

"It's sticker shock," said Gerard Heiber, a vice president at Sigal Construction Corp. of the District. "We've seen it in the private sector and in the public sector."

Dana Hedgpeth writes about commercial real estate and economic development. She can be reached at hedgpethd@washpost.com.

T.C. WILLIAMS HIGH SCHOOL PROJECT - PROPOSED FUNDING PLAN
(\$ in millions)

SOURCES										
City CIP Funds Previously Approved for T.C. Williams	\$18.0	\$22.3	\$19.6	\$17.3	\$3.3	----	----			\$80.5
K-12 Contingent Conversion to Cash Capital Transfer	----	2.5	2.5	2.5	2.5	----	----			10.0
SUBTOTAL	\$18.0	\$24.8	\$22.1	\$19.8	\$5.8	----	----			\$90.5
Previously Planned for Other School Capital Projects	TBD	TBD	TBD	TBD	TBD	----	----			TBD
TOTAL	TBD	TBD	TBD	TBD	TBD	----	----			TBD