

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 20, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: CONSIDERATION OF REAPPROPRIATIONS ORDINANCE TO AMEND
FY 2008 APPROPRIATION -- ADDITIONAL INFORMATION -- PROJECTS
NOT PROPOSED FOR FY 2008

ISSUE: Use of FY 2007 year-end funds – additional information on projects not proposed.

BACKGROUND: Included among the recommendations of the proposed reappropriations ordinance (item 13 on November 19, 2007, legislative docket) Fiscal Year 2008 was some \$3.0 million in one-time projects proposed to be funded with FY 2007 year end funds. FY 2007 ended with a larger ending balance than was projected, some \$4.0 million was designated for the FY 2009 operating budget, and \$7.4 million was designated for the FY 2009 capital budget, and some \$3.0 million is proposed to be designated for the one-time projects in FY 2008. At its second legislative meeting in October, Council asked that staff prepare a list of projects that were considered for funding in FY 2008, but were not recommended. This report outlines what those projects were.

The one-time, non-reoccurring project list was prepared using three primary criteria. First, the need for project funding arose too late to be included in the FY 2008 adopted budget. A second criteria was that the projects needed to have a rationale for undertaking them in FY 2008 rather waiting for FY 2009. In some cases by acting in this fiscal year, savings would occur, or would occur a year earlier than otherwise would be the case. The final criteria was that the projects had to be of a one-time, non-reoccurring nature. The list of the projects proposed for funding are:

a) Marina dredging including the T-Pier dredging	\$1,428,000
b) Housing Studies (ARHA Strategic Plan, East Braddock Planning)	700,000
c) Economic Sustainability Fiscal Impact Analysis	150,000
d) Cameron Run Study by U.S. Army Corps of Engineers	490,000
e) Economic Sustainability – City-owned Asset Evaluation	<u>200,000</u>
Total	\$2,968,000

The projects considered, but not proposed, for funding for FY 2008 are:

Washington Street Paving: The stretch of Washington Street from First Street to the overpass to I-95 is in need of repaving. The current surface has aged to the point that because of cracks, crevasses and other changes in the surface, this roadway needs to be milled down and repaved. The cost of this project would be **\$1.45 million**. Because of weather conditions, this project could not be undertaken until early May of 2008, and therefore can be considered for FY 2009 CIP funding.

Mill Road Renovation: The Community Services Board has proposed to renovate the Mill Road facility that houses the detox program, homeless shelter, and other substance abuse related services. The renovations would reconfigure the layout of the building to expand capacity to meet Department and Commonwealth of Virginia performance contract targets in the number of consumers and bed days. Also, plumbing and information technology infrastructure improvements would be made and group therapy space increased. The total cost of this project would be \$590,000 with the costs being covered by a combination of state and local funds. The local funding requested by the CSB is **\$150,000**. Undertaking this project is not time sensitive, and could wait for funding in the FY 2009 CIP. This is also a project not contained in the current CIP as a future year capital project.

Mill Road Generator: The Community Services Board has proposed that a generator be added to the Mill Road facility so that when the power feed to this facility is lost (storm related, construction caused, etc.), the facility would have power to operate emergency lights and the fire alarm system. The cost of this generator would be **\$150,000**. While adding a generator is not required by the building code or by regulation, it would be desirable. However, this is a project whose timing is not urgent and that can wait for consideration as part of the FY 2009 CIP. This is also a project not contained in the current CIP as a future year capital project.

Group Home Generators: The Community Services Board also has proposed that small generators be added to their ten group homes so that those facilities have power to shelter in place in the case that power is lost (storm related, construction caused, etc). The cost of adding these generators is estimated at **\$125,000**. Adding generators is not required by Code nor by regulation. Timing of this project is not urgent and can wait for consideration as part of the FY 2009 budget. This is also a project not contained in the current CIP as a future year capital project.

Further National Harbor Initiatives: The funding directly available for National Harbor initiatives totals \$794,000, which is some **\$509,606** less than the list of desirable initiatives which the National Harbor Collaborative Work Group developed (see item #18 on the November 19, 2007, legislative meeting docket). Since some of these items have an ongoing operating cost into FY 2009, and since the available funds in Contingent Reserve totals over \$700,000 (including the \$400,000 addition from FY 2007 year end balances), Council has the flexibility to fund some of the National Harbor initiatives if it so chooses. Now that NVTa has decided to collect the new regional transportation taxes and fees as of January 1, 2007, funding for the King Street Trolley could be shifted from National Harbor funds to this new transportation funding source and free up to \$141,000 in FY 2008 for National Harbor purposes.

ATTACHMENT: Detailed Descriptions of Projects to be Funded with FY 2007 Funds

STAFF:

Mark Jinks, Deputy City Manager

Bruce Johnson, Director, Office of Management and Budget

Supplemental Appropriations Ordinance
Listing of Projects to be Funded with FY 2007 Funds in FY 2008

Attachment III, Page 1

T-Pier Dredging	<p>The FY 2008 CIP included \$0.5 million for the first phase dredging of parts of the City Marina. Because of siltation, dredging needs to be done every 5 to 7 years. The original thought was to do the dredging in phases, but when the scope of work was being developed it became clear that the mobilization costs for each phase would be substantial, but could be reduced if the phases were combined. Staff recommended and Council agreed to reallocate \$0.7 million in TES capital funds so both phases could be done making the current project budget \$1.2 million. Also during the course of developing the details of the project, senior staff learned that the T-Pier (which traditionally requires a deeper draft) had silted to the point that many tall ships and large cruise and luxury ships could no longer use the T-pier and were not stopping in Alexandria.</p> <p>Because under federal and state regulations there is a very short window to undertake dredging in the Potomac River, bids for this project were sought this fall and have now been received. Based on the bid received, if the City was to undertake the Marina dredging would be \$1.7 million and the T-Pier dredging could be added on at a cost of \$0.9 million. This would bring the total dredging costs to \$2.6 million. This would be sufficient to dredge the estimated 27,000 cubic yards of river sediment (which equals to 2,700 filled dump trucks). If the T-Pier dredging was done not in FY 2008, but a year later in FY 2009, because of mobilization costs, the costs for the T-Pier dredging could be as much as \$1.2 million. Given the substantial cost savings to undertake the T-Pier dredging now, the fact that T-Pier dredging will eventually have to be done, and the desire to put Alexandria back on the map as the desired destination of tall ships and other large vessels, it is recommended that \$1.4 million in FY 2007</p>	\$1,428,000
-----------------	--	-------------

Supplemental Appropriations Ordinance
 Listing of Projects to be Funded with FY 2007 Funds in FY 2008

	year end balances be used for dredging purposes. This, when combined with the \$1.2 million on hand will provide the \$2.6 million to undertake the full dredging project.	
Housing Studies	During the course of this past Spring and Summer, the City and ARHA engaged in a series of discussions on the future long range needs and plans for public housing in the City. In October, a new memorandum of understanding (MOU) was agreed to by Council and ARHA. Included in that was an undertaking of a ARHA-wide strategic plan, as well as the undertaking on a Braddock East Land Use Plan which encompasses largely ARHA properties. At that time staff indicated that significant funds would be needed to undertake these tasks. This proposed appropriation would provide \$400,000 for an ARHA strategic plan (the funds would be held and administered by the City), as well as \$250,000 needed for Planning and Zoning resources to carryout the Braddock East planning in the next twelve months. Finally, \$50,000 is recommended to be set aside for the Office of Housing to assist in implementing the MOU, as well as working on the strategic plan and the Braddock East Plan.	\$700,000
Fiscal Impact Analysis and Model	One of the recommendations of the Economic Sustainability Work Group was that the City should update the fiscal impact analysis of land use types (hotel, office, etc) which was developed in 1999, and also develop a fiscal model that can be used to calculate the fiscal impact of major new development projects as they are being considered by the City. Council has been interested in having this information available and included as part of the land use decision making processes. This one-time expenditure of \$150,000 would update the 1999 information and also provide a model that could be used on an ongoing basis.	\$150,000

22
5

Supplemental Appropriations Ordinance
Listing of Projects to be Funded with FY 2007 Funds in FY 2008

Attachment III, Page 3

Cameron Run Study Phase 2	During the summer of 2006, portions of Cameron Valley experienced severe flooding as did areas adjacent to Cameron Run in Fairfax County. In order to understand the dynamics of the flooding in this area and potential solutions, the U.S. Army Corps of Engineers developed a two stage study plan. The first phase was to study the Fairfax County area, and the second stage was to study the Alexandria areas impacted by Cameron Run flooding. The Fairfax stage has been completed and the Corps will soon begin the Alexandria phase. It is important that the Alexandria phase be studied at this time because of the necessity of seeking and then implementing Alexandria solutions concurrent with Fairfax solutions. Therefore \$490,000 is recommended to be allocated for this second stage study for Alexandria by the Corps of Engineers.	\$490,000
City-owned Asset Evaluation	The Economic Sustainability Report recommended, as a high priority recommendation, that the City undertake a review of its real estate assets to determine if the City would be better served fiscally by selling or leasing some of those assets. In order to undertake such a study, a consulting firm would need to be hired at an estimated one-time cost of \$200,000. Given that such a study could produce substantial revenues to the City (far greater than the study costs), it is recommended that funds be appropriated at this time for this Asset Evaluation.	\$200,000

22
8.
6

Supplemental Appropriations Ordinance
Listing of Projects to be Funded with FY 2007 Funds in FY 2008

Attachment III, Page 4

Contingent Reserves	In order to give Council additional budget flexibility during FY 2008, it is recommended that the General Fund contingent reserve be increased by \$400,000 to a total of \$729,400. This will enable Council to consider funding needs as they arise during the year, including allocating additional resources for the proposed but unfunded initiatives in Alexandria related to getting ready for the opening of the National Harbor/Gaylord Convention Center complex next April.	\$400,000
---------------------	--	-----------

5/9

7