

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

July 3, 2019

**TO:** The Honorable City Council  
**FROM:** City Manager  
**SUBJECT:** FY 2020 - FY 2024 Capital Improvements Plan (CIP)

A resolution is prepared for City Council approval of the FY 2020 - FY 2024 Capital Improvements Plan (CIP). By ordinance, the City Manager is required to provide an updated Capital Improvements Plan to City Council no later than November 1 of each year. This was done on November 1, 2018 with the distribution of the FY 2020 - FY 2024 City Manager Recommended Plan. Further City Council discussion and inquiry of the Recommended CIP was provided during the November 13, November 20, December 11, and January 8 Work Sessions. On June 11, 2019, a final revised CIP was presented to City Council for consideration.

The proposed FY 2020 - FY 2024 CIP will continue to satisfy the four Capital Financing and Debt Management Policies adopted in January 2007:

- i. Debt burden (the ratio of outstanding debt to assessed value) will remain below 3%,
- ii. General Fund Debt Service will not exceed 9.5% of combined City and School Revenue,
- iii. Cash capital funding will exceed 20% of the Plan, and
- iv. Projected debt retirement rates will exceed the adopted goals of 30% in five years and 60% in ten years.

Equally as important as adherence to the adopted financial policies is that the proposed plan supports the strategic initiatives of the City and provides funding for those capital projects identified as most critical.

Attached to this memorandum is a summary of the five-year, \$547.7 million financial plan, along with a list of projects by category. Total General Fund

supported spending of \$382.4 million is funded from General Obligation Bonds of \$198.0 million, Cash Capital of \$35.5 million, and Grant/Other Funding of \$148.8 million.

Total capital spending for User-Fee Funds is projected at \$165.3 million, consisting of Waterworks projects totaling \$82.1 million, Sewer Rehabilitation projects totaling \$33.4 million, and Stormwater Drainage projects totaling \$49.7 million.

The proposed CIP reflects substantial investment in transportation infrastructure, which includes the replacement of the Route 105 Bridge over the reservoir, Campbell Road improvements, construction of Independence Boulevard through grant funds and developer contribution, programmed repairs to city bridges and culverts, and the reconstruction and resurfacing of arterial streets. Funding for streetlight, intersection, and sidewalk improvements throughout the City is for improved pedestrian safety.

The proposed plan continues funding for development and redevelopment efforts throughout the City. The plan provides continued funding in the Upper Warwick Boulevard/Denbigh area to support the acquisition of strategically located properties, streetscape and landscape enhancements, and other targeted redevelopment and rehabilitation efforts. The Capital Plan expands development and redevelopment efforts in the Southeast Community with the addition of the Choice Neighborhood Initiative; funding of \$10.3 million has been included over the five-year plan to support the revitalization of the Marshall-Ridley neighborhood. Other development and redevelopment efforts include funding for the Downtown Initiatives, City Center at Oyster Point Projects, Tech Center at Oyster Point/Jefferson Lab, and funding to support future economic development opportunities throughout the City.

The Schools Division in the revised Plan reflects the largest category of project funding in the FY 2020 - FY 2024 CIP at \$67.5 million of General Fund Cash Capital and General Obligation Bond funding. Funding identified will allow for the purchase of new buses, replacement of aging HVAC units, roofs and electrical service, site repairs, and construction for a Huntington Middle School facility, while the Schools Division and the City reviews the future of the site.

The plan maintains programs to renovate and repair the City's public facilities, including buildings, equipment, and parks, and will allow staff to continue to monitor and provide appropriate response to safety and environmental issues that may arise at City buildings and properties. Projects include replacement of the Jail Annex Master Control System, continued installation of emergency generators at critical facilities and traffic intersections throughout the City, and the replacement of fuel tanks at the City Hall fueling location.

Public building projects identified specifically include the design and construction of a new Grissom Library, the aquatic facility at the Denbigh Community Center, and a new Fire Station 11. Improvements are also recommended for Human Services operations at Rouse Tower and the South Morrison Family Education Center to improve client confidentiality and work space efficiency and privacy. Preliminary engineering is programmed to evaluate the replacement of aging municipal facilities in the northern part of the City (including Fire Station 9 and the North Police Precinct). New project funds have been proposed for the development of a Southeast Community Center.

In the area of Parks and Recreation, replacement of the ranger station and restroom facility located in Deer Park, and ramp and dredging improvements at Peterson's Yacht Basin, Leeward Marina, and Huntington Park Boat Ramp remain in the plan. Funding is recommended to upgrade lighting equipment and poles at various athletic fields throughout the City and to install a new irrigation system at the Newport News Golf Club's Cardinal Course.

Funding is proposed to replace and improve mission critical equipment throughout the City. This included fire vehicle and apparatus replacement, as well as Police Department in-vehicle tablets and radios. The proposed plan also includes funding to replace the integrated Police Department computer aided dispatch system (CAD), and the Records Management system (RMS), and the Jail Management system (JMS).

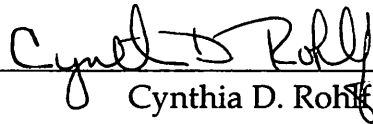
Significant investment is anticipated in the waterworks, sanitary sewer, and stormwater systems. A new automated meter reading/advanced metering system is a major investment planned for the water system and will increase meter reading efficiency and meter system functionality. The Sanitary

The Honorable City Council  
Page 4  
FY 2020 - FY 2024 Capital Improvements Plan (CIP)  
July 3, 2019

Sewer Consent Order (Virginia Department of Environmental Quality) and Municipal Separate Storm Sewer System Permit (Environmental Protection Agency) are expected to have continued impact on the sewer rehabilitation and stormwater categories, respectively.

I am confident that the proposed FY 2020 - FY 2024 Capital Improvements Plan reflects the City's most critical capital projects and maintains debt at a fiscally responsible level.

I recommend approval.

  
Cynthia D. Rohlf

CDR:ctc

Attachment

cc: Lisa J. Cipriano, Director, Department of Budget & Evaluation