TOWN OF Herndon VIRGINIA **Planning Commission Working Session**

STAFF REPORT

Agenda Item: **TOWN OF HERNDON FY 2026 – FY 2031 CAPITAL IMPROVEMENT PLAN (CIP)**. The Planning Commission will take public comment on the Town's Capital Improvement Plan (CIP) and will consider a recommendation to the Acting Town Manager.

Meeting Date: **January 13, 2025**

Staff Contact: John Verdin, CIP Program Manager
john.verdin@herndon-va.gov

Summary Information:

Description	The Capital Improvement Plan (CIP) is a financial planning document outlining a six-year schedule for public improvements. It functions as a complementary policy document alongside the Town of Herndon 2030 Comprehensive Plan and the town's Annual Operating Budget.
Purpose	The CIP provides a financial roadmap for major Town initiatives that have a long-range impact upon the physical infrastructure, environment, utilities, and quality of life, and operations of the Town.
Content	The CIP contains major projects that the Town plans to pursue over the next six fiscal years, describes the project, identifies its need, and sets forth yearly costs and funding sources.
Enabling	State Code: §15.2-2239. "Local planning commission to prepare and submit annually capital improvement programs to governing body or official charged with preparation of budget."
Process	The Acting Town Manager is requesting, per the State Code, the Commission's recommendation regarding the proposed CIP and ranking of the proposed projects and proposals for additional projects for future years. The Acting Town Manager will consider the Commission's recommendation while developing the

	proposed FY 2026 Annual Budget for presentation to the Town Council. The first year of the proposed CIP, FY 2026, will move forward for adoption with the FY 2026 budget for consideration by the Town Council. The complete FY 2026 – 2031 CIP will be considered for adoption by the Town Council concurrent with the adoption of the FY 2026 budget.
Current Action	The Acting Town Manager and staff are seeking recommendation and guidance regarding the FY 2026 – FY 2031 CIP

Description:

The CIP is a financial planning document that establishes a six-year schedule for public improvements. It serves as a companion policy document to the Town of Herndon 2030 Comprehensive Plan and the town's Annual Operating Budget. As allowed by the Code of Virginia, the Planning Commission will make a recommendation to the Acting Town Manager regarding the CIP. This allows the manager to consider the Commission's recommendation prior to recommending the budget and CIP to the Town Council.

Important considerations with respect to prioritization are certain projects where the Town has a contractual or legal obligation in place, projects that affect critical public safety or projects where there are major Federal and State funding timeline obligations and/or local match funding commitments. Town Council budget guidance and strategic initiatives will also shape their approach to the CIP.

The 40 proposed General Government projects are categorized as follows, with new projects appearing in ***bold***:

Multimodal Transportation and Enhancements (16)
Central Elden Walkability Improvements
East Elden Street Improvement and Widening – VDOT
Monroe Street – Park Avenue Intersection Improvements
Herndon Parkway/Sunset Park Drive Intersection
Herndon Parkway Improvement at Worldgate
Extension
Locust Street ADA Sidewalk Improvements
Monroe Street's Sidewalk Connectivity
South Elden Steet. (Herndon Pkwy. to Sterling Rd.)
Spring Street's Sidewalk Connectivity
Improvements
Sterling Road Multi-Modal Improvements
Ferndale Ave. Improvements

Safety Action Plan
Center Street Reconstruction
Wayfinding & Identification Signage
Monroe Street's Sidewalk Extension
Sidewalk, Minor Trails and Bicycle Facilities

Government Facilities Infrastructure (16)
Network Infrastructure's End-of-Life Equipment Replacement
PC Life Cycle Replacement
VMWare Infrastructure Replacement
1481 Sterling Future Considerations
Runnymede Park – Atkins House Demolition
Police Infrastructure Improvements
Police Secure Gate
Police Radio Consoles
Police Wellness Facility
Town Hall Square & Depot
Energy Conservation
Downtown Redevelopment for Art Center
Town-wide Security Initiative
Town Shop Underground Fuel Storage Tanks Herndon Municipal Center/Chamber Backlog

Stormwater Management/ Environmental Enhancement (1)
Stream Restoration

Storm Sewer Management (2)
Storm Sewer Facility Repair
Storm Sewer Vehicles

Parks and Recreation (6)
Herndon Community Center - Refurbishment
Herndon Community Life Cycle Projects
Park Equipment Replacement Program
Runnymede Park Passive Environmental Education
Sports Field and Park Improvements
W&OD Trail Lighting

Fiscal Impact:

Total Recommended CIP:	FY 2026	FY 2026 - FY 2031
1. General Government Projects:	$ 12,997,945	$ 168,603,044
2. Golf Course Fund Projects:	$ 2,200,000	$ 0
3. Water and Sewer Fund Projects:	$ 15,028,000	$ 95,970,000
4. Cemetery Fund Projects:	$ 2,149,581	$ 0
	$ 32,375,526	$ 268,603,044

The proposed Capital Improvements Program will be integrated into the overall financial planning of the Town. The program will plan for the judicious use of General Fund revenues, grant funding, Enterprise Fund (Golf Course, Water and Sewer, Cemetery) revenues and potential bond proceeds within specific policy guidelines established within the Town's Operating Budget and Comprehensive Annual Financial Report.

The proposed CIP makes use of approximately $95,886,500 in grant funding from several sources in support of the $133,945,975 multimodal transportation projects. Capital Reserves are being used to fund design and engineering for several multimodal projects. Additional financial support is needed for partially funded projects currently totaling $23,333,000.

Within the Water and Sewer Fund, additional debt financing will be needed for Water Sewer Capacity Purchase and Sewer System Conveyance. The other Water and Sewer projects are supported mainly by operating revenues connection and user availability fees which support project costs totaling $57,970,00.

Included in the FY2026 – FY 2031 CIP is the summary of funding by source, listing each type of funding source separately, with the amounts for each project.

Additional Staff Comments:

As in previous years, the proposed CIP as recommended to the Planning Commission may be subject to some adjustment when the Acting Town Manager develops their Annual Budget and CIP recommendations to the Town Council. Currently, the FY 2026 Operating Budget for town departments is being refined. Future General Government projects dependent on General Funds contributions average $3.5M per year.

Current projects reflect the urgency for safety and resiliency. The CIP Review Committee reviewed, prioritized, and determined each project's readiness using the criteria presented to the Planning Commission in previous years. Projects that have a well-developed scope and have full or partial funding identified and/or secured are presented in the financial documents in the FY2026 - FY2031 CIP. The projects that need additional work on their scope as well as identify funding are presented in the CIP

as Future Projects.

The adopted FY2025 - FY2030 CIP is available on the town website for comparison and comprises pages 265-466 of the adopted FY2025 budget.

Planning Commission Alternatives:

The following alternatives are available to the Planning Commission for its decision on the FY 2026 – FY 2031 CIP:

1. Recommendation for approval as presented.
2. Recommendation for approval with amendments.
3. Continuance until a date specific.

Staff Recommendation:

Recommendation for approval as presented.