STAFF REPORT

Planning Commission
January 27, 2025

Title: TOH FY2026 – FY2031 Capital Improvement Plan (CIP) Update

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Summary Information

Description	The Capital Improvement Program (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

Updates to the January 13, 2025 Planning Commission Staff Report

The Capital Improvement Plan (CIP) remains flexible until it is officially adopted by the Town Council. Since the last work session, several updates have been made to project schedules, costs, and funding allocations:

1. **Fuel Storage Tanks**: Scheduled for installation in FY2025 and removed from the FY2026–FY2031 CIP.
2. **Department Name Change**: The "Storm Sewer" department has been renamed to "Storm Water" to clarify its focus on water management, not sewage conveyance.
3. **Stream Restoration Program**: Transferred from "Government Facilities Infrastructure Projects" to "Storm Water Projects."
4. **Adjustments to Schedule**:
    - Locust Street Project and Herndon Parkway/Sunset Drive Intersection Project have shifted from FY2026 to FY2027.
    - Runnymede Park – Atkins House Project and the Police Wellness Facility Project are now slated for FY2027.
    - The W&OD Trail Lighting Project has been rescheduled from FY2026 to FY2027.
    - Downtown Redevelopment (Arts Center): Costs and funding deferred to FY2031.
    - Police Radio Consoles Project: Moved to FY2028.
    - Herndon Municipal Center/Chambers Backlog Project: Moved to FY2028.
5. **Cost and Funding Updates**:
    - Monroe Street-Park Avenue Intersection Improvement Project: Costs are now set at $222,627.
    - 1481 Sterling Road's Future Determination Project: Planning/Studies costs for FY2026 will be covered under Professional Services.
    - Storm Water Vehicles: Funding now allocated from Capital Reserves.
6. **Project Reclassification**:
    - The PC Life Cycle Project has been removed from the CIP and integrated into Operations & Maintenance (O&M).

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The 37 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 (13)
Network Infrastructure's End-of-Life Equipment 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
Herndon Municipal Center/Chamber Backlog

Storm Water Management (3)
Stream Restoration
Storm Water Facility Repair
Storm Water 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

Adjustments to the CIP reflect changes in priorities and funding strategies, ensuring alignment with the Town Council's goals

Total Recommended CIP:	FY 2026	FY 2026 - FY 2031
1. General Government Projects:	$ 10,754,425	$ 169,174,768
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
	$ 30,132,006	$ 265,144,768

Planning Commission Alternatives

The following alternatives are available to the Planning Commission for its decision on the FY 2025 – FY 2030 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.

Additional Staff Comments

As in previous years, the proposed CIP as recommended to the Planning Commission may be subject to some adjustment when the Town Manager develops his 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 (PDF) is available on the town website for comparison and comprises pages 265-466 of the adopted FY2025 budget.

Prepared and Approved By

John M Verdin

John M Verdin, CIP Program Manager