

Capital Improvement Program and Capital Budget

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INTRODUCTION

The Capital Improvement Program (CIP) is the County's six-year financial plan for constructing and renovating permanent facilities such as schools, libraries, fire stations and roads. Capital projects often take two to three years to complete. The CIP provides a detailed, year-by-year schedule of all planned expenditures and financing requirements for each construction project.

The capital budget refers to expenditures planned for the first year of the CIP and provides the appropriation authority to spend the funds. The funds contained in the capital budget customarily support only a particular phase of a project, such as design, land acquisition or construction.

Since capital facilities provide benefits over a long period of time, the County normally spreads out their costs, paying for them through general obligation (GO) bonds and other forms of long-term indebtedness. This ensures that capital costs are not borne solely by today's taxpayers, but that future beneficiaries of capital projects also pay for them.

PLANS AND POLICIES THAT AFFECT THE CIP

The General Plan and Master Plan

In 1998, the Prince George's County Council found that the 1982 General Plan was no longer adequate to guide future County growth and development.

As a result, the County Council adopted The Biennial Growth Policy Plan in November of 2000. Per the Approved General Plan by the Maryland-National Capital Park and Planning Commission in October 2002, the Biennial Growth Policy Plan's fundamental recommendation represented a comprehensive Smart Growth initiative that utilized a system of growth tiers, corridors and centers to guide future land use and development in Prince George's County.

Then, in May 2014, the Prince George's County Council adopted Plan Prince George's 2035, the Approved General Plan. Plan Prince George's 2035 includes comprehensive recommendations for guiding future development within Prince George's County. The plan designates eight Regional Transit Districts, which are the focus of the County's planned growth and mixed-used development, and which have the capacity to become major economic generators. Six Neighborhood Reinvestment Areas are designated for coordinated funding and resources needed to stabilize and revitalize these areas. Also identified in the plan are Rural and Agricultural Areas composed of low-density residential, agricultural uses and significant natural resources that are recommended for continued protection and investment to maintain critical infrastructure. The plan contains recommended goals, policies and strategies for the following elements: Land Use; Economic Prosperity; Transportation and Mobility; Natural Environment; Housing and Neighborhoods; Community Heritage, Culture, and Design; Healthy Communities; and Public Facilities. Plan implementation through prioritization of strategies, measuring short- and long-term success, public and municipal

engagement, intergovernmental coordination and public-private partnerships are also described.

Comprehensive 10-Year Water and Sewerage Plan

Per the Approved 2018 Water and Sewer Plan, this plan embodies County goals, objectives and legal requirements for providing water and sewer service in Prince George's County while working with the solid waste, housing and transportation plans in providing guidance for the implementation of the County's General and Area Master Plans.

Furthermore, the water and sewer plan also acts as a statement of policy by implementing the land use and development policies set by the County and as a working document which guides County planning. The Plan provides parameters that define how public and private water and sewer services are provided to the County.

Comprehensive 10-Year Solid Waste Management Plan

The County's Approved Comprehensive 10-Year Solid Waste Management Plan for FYs 2017-2026 was adopted by the County Council on May 12, 2017. The plan is designed to meet the County's present and future needs for solid waste management programs and facilities. It identifies sources of solid wastes, provides for acceptable disposal sites and facilities and explores recycling and resource recovery possibilities. The Plan was developed through close cooperation among County departments and agencies. The CIP includes several projects recommended for implementation by the Solid Waste Plan.

Public Land and Facilities Inventory

The inventory provides a computerized and mapped inventory of all land and facilities that are owned by, leased to, or donated to the Prince George's County Government, the Washington Suburban Sanitary Commission, the Prince George's Community College, the Prince George's County Board of Education and the Maryland-National Capital Park and Planning Commission.

Public Facility Development Program

This program synthesizes policy recommendations from County land use plans and agency studies and plans using a 15-year time horizon. It ensures project conformity to County plans and examines best build alternatives with special attention to site requirements.

CIP AS A GUIDE TO PUBLIC ACTION

The CIP provides information needed for short-range land use planning and development decisions and serves as a coordinating device for the planning of government agency facilities and services planning. It represents the County's commitment, and that of the semi-autonomous agencies, to provide public facilities in specific areas within the time period covered by the Program. Projects included in the first two years of the CIP are closely related to current development and can be expected to be carried out essentially as programmed. Projects shown in the later years of the CIP may be subject to modification either in scope or timing, based on the review of needs, the availability of funding or other circumstances which cannot be predicted with certainty so far in advance.

Use of CIP Information in Comprehensive Rezoning

The majority of rezoning actions are now carried out through comprehensive rezoning or the Sectional Map Amendment process. This involves the review of and amendment to the zoning of an entire area at one time. These reviews occur every 2 to 6 years and are intended to rezone sufficient land to meet development needs for the next 6 to 10 years. Programmed public improvements are an important determinant of which areas will be suitable for developments during the time period covered by the Sectional Map Amendments. Conversely, the review of land requirements may lead to recommendations for public improvements needed to serve a developing area.

Subdivision Approvals Based on Adequacy of Public Facilities

The Subdivision Ordinance specifies that "the Planning Board shall not approve a subdivision plan if it finds that adequate public facilities and services do not exist or are not programmed for the area within which the proposed subdivision is located." The purpose of this requirement is to ensure the health, safety and welfare of local residents and to prevent

excessive expenditure of public funds. This Ordinance is an important tool to prevent the premature subdivision of land and the resulting pressures to extend public facilities beyond the County's budget capabilities.

The CIP's Role in the Coordination of Public Improvements

The County's first CIP was published in 1967. Since that time, one of the objectives of County management has been to refine the CIP to make the programming of projects more precise in scope and timing. The intent is to provide reliable information about the availability of public improvements to both private sector and public sector decision-makers. Another objective is to improve coordination among the governmental bodies that provide and use public facilities. In developing areas, the availability of appropriate support facilities can be critical to the operation of a new project. Likewise, the capacity of existing roads, sewers and water supply lines is an important consideration in building or expanding public facilities in highly developed areas.

FY 2025 – 2030 CAPITAL IMPROVEMENT PROGRAM AND BUDGET

The FY 2025-2030 CIP consists of various projects totaling \$4.1 billion including projects for the Maryland-National Capital Park and Planning Commission (M-NCPPC). The tables below provide a summary of the CIP by fiscal year as well as by agency. The following sections provide an overview of the FY 2025 capital budget, including revenues and expenditures by functional area and highlights of key capital projects. For additional details, please consult the FY 2025- 2030 CIP book.

CIP Summary - All Agencies

Category/Description	Total Project Cost	Life to Date Actual	FY 2024 Estimate	Total 6 Years	Budget Year FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Beyond 6 Years
EXPENDITURE											
PLANS	\$497,679	\$194,826	\$66,484	\$142,443	\$55,959	\$30,250	\$21,532	\$13,836	\$12,796	\$8,070	\$93,926
LAND	207,226	105,144	31,584	42,627	7,805	6,247	7,707	7,382	7,306	6,180	27,871
CONSTR	9,747,346	2,305,868	2,049,352	3,782,046	622,444	889,138	803,240	547,265	505,475	414,484	1,610,080
EQUIP	143,388	32,159	11,067	49,222	29,592	3,056	3,056	3,639	4,784	5,095	50,940
OTHER	1,177,277	1,008,364	68,186	79,228	32,392	15,650	10,866	6,050	7,680	6,590	21,499
TOTAL	\$11,772,916	\$3,646,361	\$2,226,673	\$4,095,566	\$748,192	\$944,341	\$846,401	\$578,172	\$538,041	\$440,419	\$1,804,316
FUNDING											
GO BONDS	\$5,317,974	\$1,769,238	\$533,052	\$1,651,718	\$255,430	\$291,134	\$289,334	\$287,368	\$266,167	\$262,285	\$1,363,966
REVENUE	295,249	208,374	37,873	49,002	11,584	18,610	16,070	918	910	910	—
FEDERAL	183,757	18,284	18,827	142,286	43,814	24,255	29,525	25,532	14,160	5,000	4,360
STATE	1,873,517	545,730	375,071	682,846	150,327	106,786	149,684	85,351	125,946	64,752	269,870
SW BONDS	825,817	369,435	94,017	357,684	78,847	95,551	90,853	39,850	21,363	31,220	4,681
DEV	297,627	65,874	48,176	25,577	3,697	4,130	4,130	4,130	4,360	5,130	158,000
MNCPPC	565,774	276,547	81,860	207,367	91,364	39,003	35,000	16,000	11,000	15,000	—
OTHER	2,413,201	1,096,301	463,282	853,618	147,243	279,698	199,372	80,501	96,270	50,534	—
TOTAL	\$11,772,916	\$4,349,783	\$1,652,158	\$3,970,098	\$782,306	\$859,167	\$813,968	\$539,650	\$540,176	\$434,831	\$1,800,877
OPERATING IMPACT											
PERSONNEL	\$—			\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
OPERATING	—			—	—	—	—	—	—	—	—
DEBT	—			—	—	—	—	—	—	—	—
OTHER	—			—	—	—	—	—	—	—	—
TOTAL	\$—			\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—

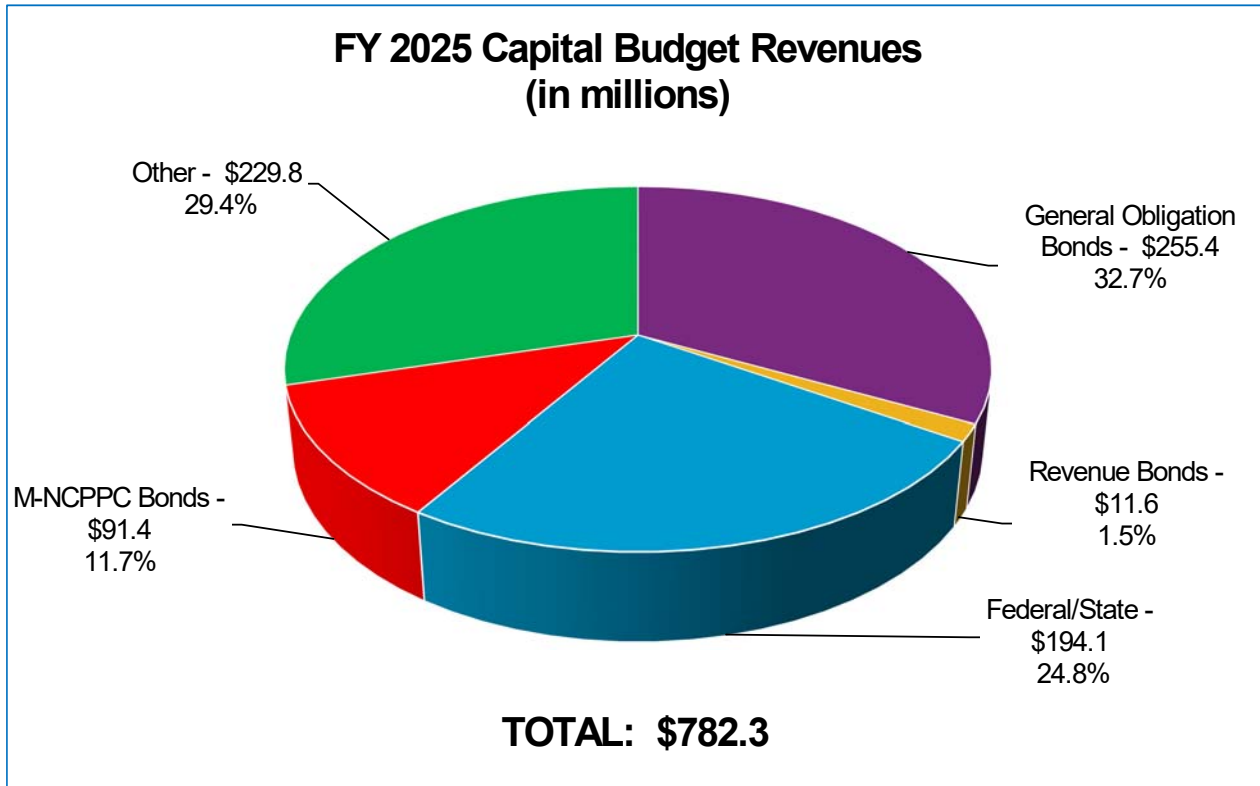
SUMMARY OF THE FY 2025 - 2030 PROPOSED CAPITAL IMPROVEMENT PROGRAM EXPENDITURES

(Dollars in Thousands)

AGENCY/PROGRAM	FY 2025 APPROVED CAPITAL BUDGET	FY 2025 - FY 2030 APPROVED CAPITAL PROGRAM
Board of Education	\$ 172,692	\$ 1,315,268
Parks Department / M-NCPPC	308,708	934,730
Public Works and Transportation	50,689	588,813
Stormwater Management	62,591	388,141
Community College	36,242	184,750
Revenue Authority	-	188,500
Central Services	45,041	256,626
Department of the Environment	16,484	61,038
Memorial Library	3,195	38,023
Fire/EMS	8,465	62,665
Redevelopment Authority	7,654	19,584
Courts	3,418	16,430
Health Department	24,721	32,706
Federal Programs	5,292	5,292
Office of Information Technology	3,000	3,000
Soil Conservation District	-	-
Total	\$ 748,192	\$ 4,095,566

NOTE: Starting in FY 2024, the CIP programs for the Police Department and the Department of Corrections have been merged into the Office of Central Services CIP program.

FY 2025 CAPITAL BUDGET REVENUES



The FY 2025 capital budget totals \$748.2 million and it is supported by new revenues of \$782.3 million.

GENERAL OBLIGATION BONDS

General obligation bonds are the primary source of the funding plan for the budget. In FY 2025, GO bonds total \$255.4 million, or 32.7%, of the total funding for the capital budget.

FEDERAL AND STATE AID

Federal and State aid provides \$194.1 million, or 24.8% of funding for the capital budget.

M-NCPPC BONDS

M-NCPPC bonds support 11.7% of total funding at \$91.4 million.

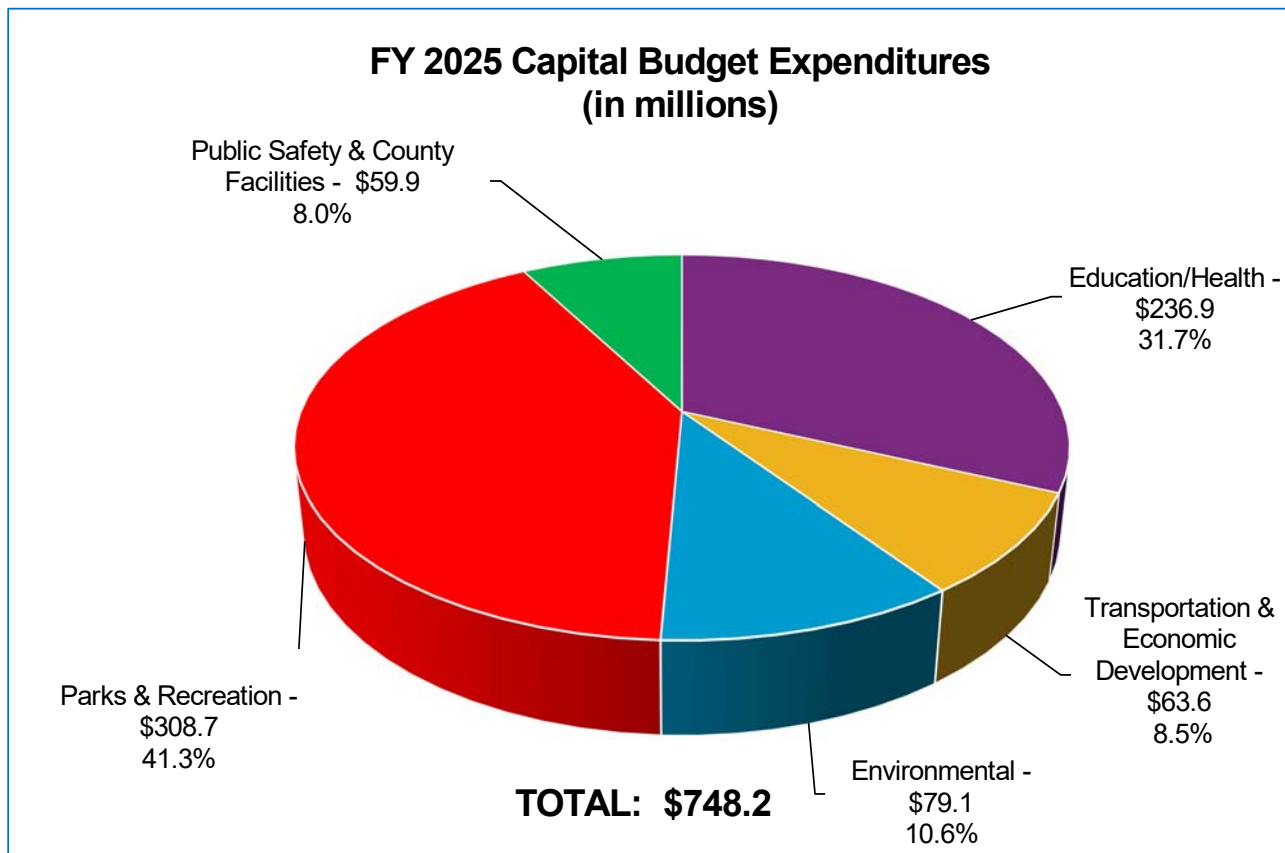
REVENUE BONDS

Revenue bonds provide \$11.6 million, or 1.5%, of the funding for capital projects.

OTHER FUNDS

The remaining \$229.8 million or 29.4% consists of stormwater bonds, miscellaneous revenues and developer contributions. The specific funding sources for all expenditures are identified on each individual capital project page in the CIP budget.

FY 2025 CAPITAL BUDGET EXPENDITURES



Education and Health

The education and health portion of the FY 2025 Capital Budget is \$236.9 million or 31.7% of the total budget. This category includes expenditures for the Board of Education, Prince George’s Community College, Prince George’s Memorial Library and the Health Department.

Key Projects

BOARD OF EDUCATION

- The FY 2025 Capital Budget contains County funding in support of systemic repairs to schools in need of roofs, boilers, windows, piping, HVAC and elevators.
- Significant investments will continue for the design and construction of the New Northern Adelphi Area High School, High Point High School and the Suitland Annex Replacement.

LIBRARY

- Improvements to ensure compliance with the Americans with Disabilities Act continue to be a top priority.
- Renovating branch libraries will continue in FY 2025. This includes HVAC systems repair and replacement, information technology infrastructure upgrades, public restroom upgrades, painting and CCTV cameras.

COMMUNITY COLLEGE

- Construction for the Renovate Marlboro Hall project will continue in FY 2025 with an anticipated completion date in summer 2025.
- Improvements will continue in FY 2025 under the College Improvements project. This will include the installation of two new scoreboards and the replacement of the roof at the Novak Field House.

Transportation and Economic Development

The transportation and economic development component is budgeted at \$63.6 million, or 8.5%, of the total FY 2025 capital budget. Agencies within this category include the Department of Public Works and Transportation, Revenue Authority of Prince George's County and the Redevelopment Authority of Prince George's County. Transportation funding comes primarily from general obligation bonds. Additional revenues come from developer contributions and from the federal government, primarily in support of the bridge construction program.

Key Projects

- Pavement rehabilitation and concrete rehabilitation work will continue in FY 2025 under the Curb & Road Rehabilitation 2 project.
- The Transportation Enhancements 2 project includes funding for critical capital needs that may arise such as traffic calming devices, thermoplastic pavement markings, installation and repair of guardrails and other safety related road improvements.
- FY 2025 funding will support the replacement and rehabilitation of several bridges, including Livingston Road and Governor Bridge Road.
- DPWT will continue the design of the Green Street Improvements project utilizing the "complete street concept" to include environmental and bio-retention facilities, pedestrian and bicyclist safety improvements, landscaping enhancements and street lights.
- The Blue Line Corridor project will provide State funding to support infrastructure projects along the Blue Line Corridor, including improvements around the Largo, Garrett Morgan Boulevard, Addison Road/Seat Pleasant and Capitol Heights metro stations.
- New and upgraded traffic signal installations will be supported at various locations under the Street Lights Signals 2 project.
- The FY 2025 budget provides funding for two economic development projects- Carillon Parking and FBI Headquarters Infrastructure Improvements.

Parks and Recreation Facilities

A portion of the capital budget spending is for park and recreation facilities, accounting for \$308.7 million, or 41.3%, of the total expenditures. This part of the capital program is administered by the M-NCPPC. Funding comes from a combination of sources that include the sale of bonds by the Commission, State aid under Program Open Space, "Pay-As-You-Go" (PAYGO) funding and contributions from grants. The budget supports the acquisition of park land and the development of park facilities, including the purchase of playground equipment and the construction of new community centers.

Key Projects

PARK ACQUISITION

The total cost for park acquisition is \$5.0 million for FY 2025 and covers two acquisition categories that will be funded by Parkland and the Historic Agricultural Resources Preservation (HARP) program.

PARK DEVELOPMENT

The total cost for approved park development is \$59.0 million for FY 2025. This category includes specific park development projects, trail development, public safety improvements and other facility development.

INFRASTRUCTURE MAINTENANCE

The total cost for approved infrastructure maintenance is \$67.2million for FY 2025. This category includes aquatic facilities, historic properties, community centers, park buildings and stormwater infrastructure.

Environment

The capital budget for the Environment category totals \$79.1 million, or 10.6% of the FY 2025 budget. The two major areas that are addressed under this component are solid waste management and stormwater management. Solid waste management capital projects are funded primarily by revenue bonds. The debt service costs for these bonds are supported by tipping fee charges to trash haulers and other revenues collected by the Solid Waste Management Enterprise Fund.

Key Projects

- The FY 2025 program continues operational and facility improvements and repairs for Brown Station Road Landfill as well as post-closure requirements for Sandy Hill Landfill. For the Brown Station Road Landfill, the FY 2025 Program includes design funding to fill in Area C, extending the County's landfill capacity to the year 2045 or beyond, scalehouse upgrades and to continue design for upgrades to the existing leachate pretreatment facility as required by the regulatory arm of WSSC.
- The Materials Recycling Facility FY 2025 program includes funding for conveyor upgrades, security fencing and other facility upgrades.
- FY 2025 funds support stormwater pond reconstruction and the purchase of essential equipment to support the food scrap composting program for the Organics Composting Facility.

Public Safety and County Facilities

Constructing public safety and other County facilities comprise the remainder of the FY 2025 capital budget. These two functions account for \$59.9 million, or 8%, of the FY 2025 capital budget. The public safety category includes facilities for the Police, Fire/EMS and Corrections departments. Projects under the County facilities portion of the capital budget consist primarily of renovations to current facilities. The funding for these projects are from the sale of general obligation bonds.

In FY 2024, the Office of Central Services began to manage CIP projects previously managed internally by the Police Department and the Department of Corrections. Beginning in FY 2025, the Office of Central Services will begin to manage some CIP projects previously managed internally by the Fire/EMS Department. These changes represent an effort to centralize CIP project management.

Key Projects

FIRE/EMS

- Renovation of the Hyattsville Fire/EMS station is expected to be completed in FY 2025.
- Improvements and rehabilitation of various fire stations will continue in FY 2025.

COURTS

- Renovations and security improvements to the Courthouse will continue in FY 2025.

CENTRAL SERVICES

- Planning and design will continue for the Shepherd's Cove Women's Shelter.
- The County Administration Building project in Upper Marlboro will continue construction in FY 2025.
- Improvements and rehabilitation of various County-owned buildings will continue in FY 2025.
- Construction will continue for the Special Operations Division Facility (formerly Barlowe Road Renovations) including community space.
- Construction of the Forensic Lab Renovations is expected to be completed in FY 2025.
- Improvement and rehabilitation of various Police Stations will continue in FY 2025.
- FY 2025 funding supports the Detention Center Housing Renovations Phase II for the renovations on housing units 5 and 6.
- District VI Police Station funding will support the renovation of the roof and other critical structural needs and temporary swing space as needed.

OPERATING IMPACTS

Most capital improvement projects generate future operating budget costs in one or more of three ways: debt service; current revenues that fund projects not eligible for debt financing; PAYGO which offsets the need to issue debt; and changes to the operating budget to support new or renovated facilities.

Key Operating Impacts

Debt Service

- The capital budget's primary impact on the operating budget is the debt service cost. These costs are paid from local revenue in the general fund operating budget and reflect costs associated with issuing long-term bonds to finance the CIP. Debt service is funded in the FY 2025 operating budget and includes interest and principal payments for debt issued for capital projects. A detailed description and explanation of these costs are included in the Non-Departmental section of the operating budget under Debt Service. The FY 2025 General Fund budget includes \$184.3 million for debt service costs and represents 4% of total general fund spending.
- To ensure that capital spending levels do not adversely impact the operating budget and the County's ability to maintain current services in future fiscal years, debt levels are carefully monitored. The two principal debt ratios used by the County as debt policy guidelines are:
 - The ratio of General Fund debt service to County source revenue is not to exceed 8.0%. The level of this ratio is 7.2% as of June 30, 2023, which is within this limit based on the County's audited financial statements. This is projected to decrease to 6.7% percent by June 30, 2024.
 - County policy limits net direct debt to no more than 3.0% of the full market assessed value of property. The County's statutory debt limit under the Annotated Code of Maryland is 6.0% of its assessable base. The County remains within this limit at 1.5% of the net direct debt to assessed value for FY 2023.

Current Revenue and PAYGO

- Certain CIP projects are funded directly with County current revenues to avoid costs of borrowing. These amounts are included in the operating budget as specific transfers to individual projects within the capital budget. PAYGO funding, is an additional amount included in the operating budget as a direct bond offset to reduce the amount of borrowing required for project financing. PAYGO funding can include current year revenues or transfers from the County's undesignated fund balance reserves. The FY 2025 PAYGO information is displayed in Non-Departmental – Grant and Transfers section of the budget and totals approximately \$9.5 million.

Operating Budget Impacts

- Capital projects that represent new initiatives or that add additional space to existing facilities impact the operating budget. The most significant effect occurs when additional personnel must be hired to staff the newly constructed facility. Other impacts can include custodial, utility, maintenance and debt service costs. For renovations of existing facilities or infrastructure, the impact on the operating budget is minimal. In the case of resurfacing, road maintenance costs should decrease resulting in operating budget savings.
- Individual environmental projects in the stormwater category do not add significantly to agency operating costs. When taken in aggregate, however, the addition of thousands of feet of new storm drain and numerous holding and detention ponds does have operational impacts. The grounds around flood control systems, drainage channels, retention basins and storm drain easements must be maintained in connection with the new construction. Catch basins and main lines must be cleaned and kept clear of

debris, as well. The operating costs will be supported by the Stormwater Management Enterprise Fund.

- A detailed analysis of the operating budget impacts is currently under construction in the FY 2025-FY2030 CIP book due to changes in the County's budget and publication systems. When developed, this information will aid in the review and decisions on the timing of public facilities and to show what a new building or road will cost in addition to its construction costs and any required debt service payments. Each project page will display operating budget impacts of each individual project where applicable. This information is anticipated to be displayed and completed in the FY 2026 – FY 2031 CIP budget book.