Action Item A-2

FY2027 Capital Improvement Plan

Background

The attached FY2027 Capital Improvement Plan continues the Board's practice of adopting an annual, multi-year capital planning document to guide the agency's long-term investment in facilities and infrastructure.

This year's CIP recommendation is narrowed to focus on major new construction projects. While last year's plan included some building maintenance items, staff recommends postponing expansion of those categories until an internal review can be completed regarding the appropriate treatment of recurring building maintenance, equipment replacement, and other expenditures to ensure a consistent distinction between operating and capital expenses.

Staff expects to complete that work during the current fiscal year so future Capital Improvement Plans provide a comprehensive picture of the agency's long-term capital needs.

As with any Capital Improvement Plan, this document is intended to serve as a planning document that will be reviewed and updated annually as project priorities, costs, schedules, and funding opportunities evolve.

Discussion

The most significant recommendation reflected in the FY2027 CIP is to schedule execution of the Comprehensive Agreement for Phase 2 of the Integrated Care Building in FY2028, rather than FY2027. Under this schedule, execution of the Comprehensive Agreement—and the commencement of construction activities—would occur no earlier than July 1, 2027, assuming the necessary funding commitments are secured.

This revised schedule provides additional flexibility while allowing the agency to continue advancing design, fundraising, and financing activities. Staff expects to have a much clearer understanding of the project's financial feasibility this fall following discussions with James City County, Poquoson, Williamsburg and York County, whose financial support will be critical to moving the project forward.

The plan also incorporates a 3% annual compounded construction cost escalation factor to provide more realistic long-range cost projections.

Fiscal Impact

Adoption of the Capital Improvement Plan establishes the agency's long-range capital planning assumptions but does not appropriate funds or authorize construction contracts. Individual projects and expenditures will continue to be presented to the Board for approval through the annual operating budget, future Capital Improvement Plans, and separate contract actions, as appropriate.

Recommendation

Staff recommends approval of the FY2027 Capital Improvement Plan as presented.

DRAFT Capital Improvement Plan FY 27

	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36
New Construction										
Integrated Care Building Comprehensive Agreement		$ 30,000,000								
Integrated Care Building Soft Costs			$ 6,000,000							
Day Services Building Land Acquisition				$ -						
Day Services Building Interim Agreement					$ 1,500,000					
Day Services Building Comprehensive Agreement						$ 12,500,000				
Day Services Building Soft Costs							$ 2,500,000			
York Poquoson Building Land Acquisition								$ -		
York Poquoson Building Interim Agreement									$ 1,000,000	
York Poquoson Building Comprehensive Agreement										$ 6,500,000
York Poquoson Building Soft Costs										$ -