

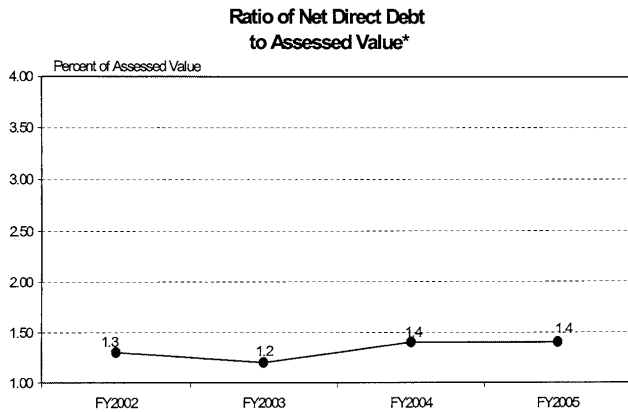
THE PRINCE GEORGE'S COUNTY FY 2007-2012 APPROVED CAPITAL IMPROVEMENT PROGRAM

FISCAL POLICY STATEMENT

One of the fundamental criteria used in determining the schedule of projects in the Capital Improvement Program is the County's ability to make debt service payments on general obligation bonds (GOB's) issued to finance the capital costs of facilities. The County's debt service policy allows GOB sales to the extent that:

- 1. The ratio of net direct bonded debt to assessed value will not exceed 3.0%, based upon full market value.
- 2. The ratio of General Fund net debt service costs (i.e., principal and interest payments less recoveries) to General Fund expenditures will not exceed 8.0%.

Over the last ten years, the ratio of net bonded debt to assessed value has remained relatively consistent. This indicates that the growth in the assessable base has kept pace with the County's need to finance new capital facilities and retire outstanding debt. The following table illustrates the County's conformance to its fiscal policies:



PLANS AND POLICIES WHICH AFFECT THE CIP

1. The General Plan and Master Plan

The Amended General Plan for Prince George's County, approved by the District Council on March 16, 1982, emphasizes the provision and maintenance of public facilities in the developed portions of the County. The Plan also advocates that future development be encouraged in areas where adequate facilities are already in place, thereby reducing the need for costly capital expenditures. Toward this end, the General Plan defines an area beyond which suburban-level development would be allowed only after judicious consideration in conjunction with the Ten-Year Water and Sewerage Plan and the Sectional Map Amendment processes. The Plan provides guidance in relating this growth to essential transportation facilities. In addition, the Plan contains a Public Facilities Element, which describes existing and projected levels of service as well as basic public facility-related policies and guidelines.

Area and subregional Master Plans have been prepared for the entire County. These plans are more specific than the General Plan and are officially designated as General Plan amendments. Most of the Master Plans prepared since 1970 include recommendations for the staging of development. These staging elements estimate the rate at which new or partially developed areas will develop and forecast the needs for schools, libraries, fire stations, street improvements and other public facilities. The recommendations for the timing of the development, particularly in new areas, may be to defer development until a major public facility, such as an arterial link or a sewer main extension, is in place.

2. Comprehensive Ten-Year Water and Sewerage Plan

Since 1970, the County has been required to prepare and update annually a ten-year plan and program for the extension of water and sewer service. The Plan includes water and sewer systems maps which show those areas currently provided with public water and sewer service and those areas which will be provided with service during the next ten-year period, on a phased basis. The Ten-Year Water and Sewerage Plan is the principal County policy statement as to where, when and at what rate growth can be expected to occur. The Plan has been used as a major guide to Master Plan staging, and is considered in zoning decisions and the granting of subdivision approvals. The Plan is also the major guide to the programming of other public facilities in the CIP, particularly with respect to providing services to new development.