

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 multiple 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 land acquisition, design, 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 (M-NCPPC) 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 Sewer 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 2024 - 2033 Ten Year Solid Waste Management Plan was adopted by the County Council on April 9, 2024. 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 (WSSC Water), the Prince George's Community College, the Prince George's County Board of Education, and the M-NCPPC.

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 CIP. 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 two to six years and are intended to rezone sufficient land to meet development needs for the next six to ten 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 2027 – 2032 CAPITAL IMPROVEMENT PROGRAM AND BUDGET

The FY 2027-2032 CIP consists of various projects totaling \$4.1 billion, including projects for the 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 2027 capital budget, including revenues and expenditures by functional area and highlights of key capital projects. For additional details, please consult the FY 2027-2032 CIP book.

CIP Summary - All Agencies

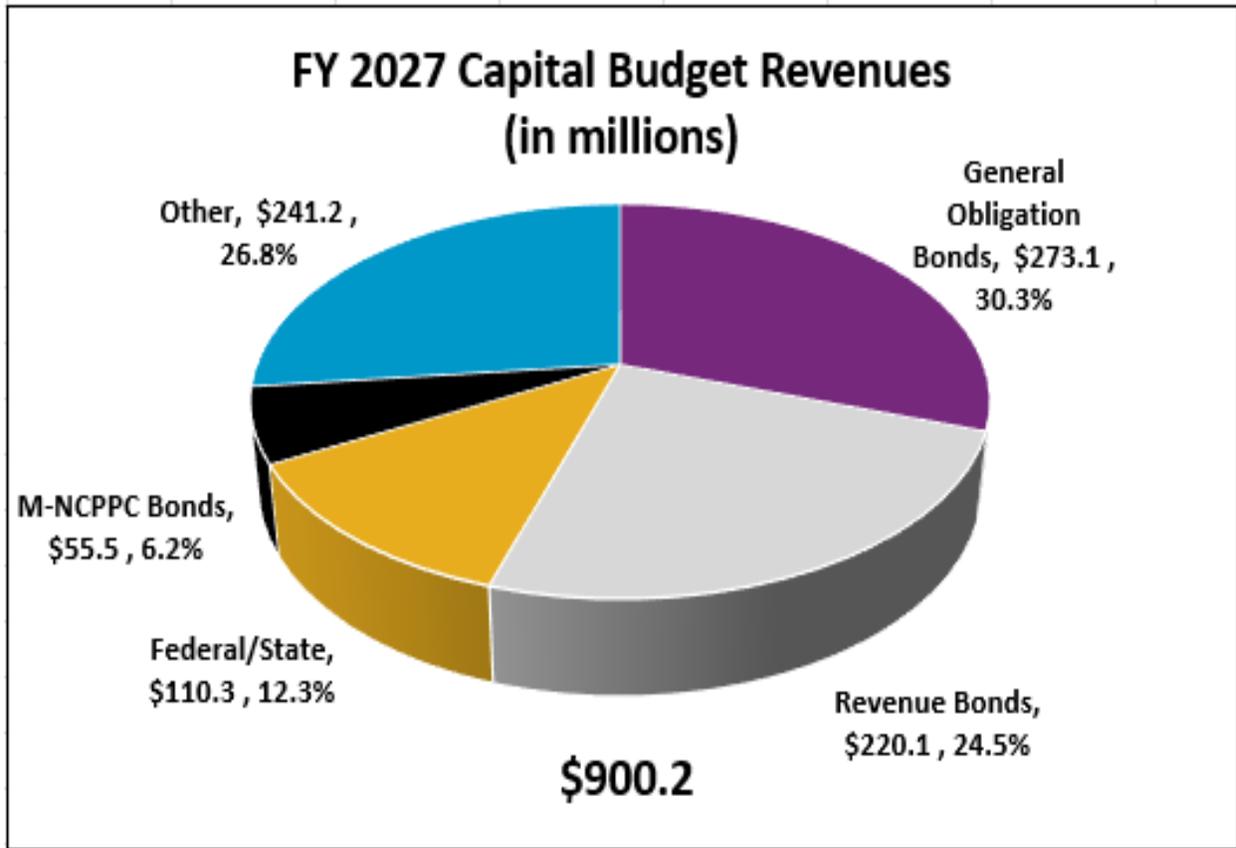
Category/Description	Total Project Cost	Life to Date Actual	FY 2026 Estimate	Total 6 Years	Budget Year FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Beyond 6 Years
EXPENDITURE											
PLANS	\$678,293	\$264,268	\$140,801	\$154,876	\$21,228	\$18,992	\$31,485	\$33,054	\$27,855	\$22,262	\$118,348
LAND	258,106	165,303	21,267	37,818	10,405	4,175	6,116	5,884	5,599	5,639	33,718
CONSTR	10,225,595	3,126,841	1,830,728	3,766,304	786,794	846,988	639,085	495,064	519,114	479,259	1,501,722
EQUIP	197,268	58,822	38,598	39,793	5,650	7,534	13,074	3,750	4,819	4,966	60,055
OTHER	1,352,377	1,110,423	48,944	87,269	37,604	11,239	8,920	10,354	9,312	9,840	105,741
TOTAL	\$12,711,639	\$4,725,657	\$2,080,338	\$4,086,060	\$861,681	\$888,928	\$698,680	\$548,106	\$566,699	\$521,966	\$1,819,584
FUNDING											
GO BONDS	\$5,775,201	\$2,111,670	\$704,869	\$1,641,286	\$273,061	\$309,404	\$275,424	\$240,901	\$263,507	\$278,989	\$1,317,376
REVENUE	563,694	268,689	19,416	275,589	220,116	28,809	10,100	12,450	2,107	2,007	—
FEDERAL	237,230	59,019	78,587	95,133	19,627	20,916	18,760	13,606	14,072	8,152	4,491
STATE	2,065,538	677,900	366,327	683,301	90,721	126,696	118,391	94,989	134,610	117,894	338,010
SW BONDS	951,742	493,381	145,140	313,221	66,820	57,830	75,876	46,845	28,859	36,991	—
DEV	283,287	45,459	52,681	22,407	500	4,130	4,130	4,130	4,387	5,130	162,740
MNCPPC	724,645	446,835	82,360	195,450	55,450	57,700	37,500	20,400	24,400	—	—
OTHER	2,110,302	1,308,451	181,806	619,953	173,876	153,997	83,275	53,889	76,108	78,808	92
TOTAL	\$12,711,639	\$5,411,404	\$1,631,186	\$3,846,340	\$900,171	\$759,482	\$623,456	\$487,210	\$548,050	\$527,971	\$1,822,709
OPERATING IMPACT											
PERSONNEL	\$799			\$799	\$240	\$416	\$67	\$37	\$39	\$—	\$—
OPERATING	1,619			1,619	158	643	82	667	69	—	—
DEBT	—			—	—	—	—	—	—	—	—
OTHER	—			—	—	—	—	—	—	—	—
TOTAL	\$2,418			\$2,418	\$398	\$1,059	\$149	\$704	\$108	\$—	\$—

SUMMARY OF THE FY 2027 - 2032 PROPOSED CAPITAL IMPROVEMENT PROGRAM EXPENDITURES

(Dollars in Thousands)

AGENCY/PROGRAM	FY 2027 PROPOSED CAPITAL BUDGET	FY 2027 - FY 2032 PROPOSED CAPITAL PROGRAM
Board of Education	\$ 193,739	\$ 1,349,427
M-NCPPC	324,131	1,060,683
Public Works and Transportation	150,142	612,835
Stormwater Management	84,375	370,963
Office of Central Services	73,511	305,671
Community College	2,000	166,168
Department of the Environment	2,000	45,3731
Fire/EMS Department	4,765	30,760
Memorial Library	6,565	87,929
Redevelopment Authority	-	21,798
Health Department	9,146	10,646
Circuit Court	2,500	15,000
Federal Programs	5,807	5,807
Office of Information Technology	3,000	3,000
Revenue Authority	-	-
Soil Conservation District	-	-
Total	\$ 861,681	\$ 4,086,060

FY 2027 CAPITAL BUDGET REVENUES



The FY 2027 capital budget totals \$861.7 million and it is supported by new revenues of \$900.2 million.

GENERAL OBLIGATION BONDS

General obligation bonds are the primary source of the funding plan for the budget. In FY 2027, GO bonds total \$273.1 million, or 30.3%, of the total funding for the capital budget.

FEDERAL AND STATE AID

Federal and State aid provides \$110.3 million, or 12.3% of funding for the capital budget.

M-NCPPC BONDS

M-NCPPC bonds support 6.2% of total funding at \$55.5 million.

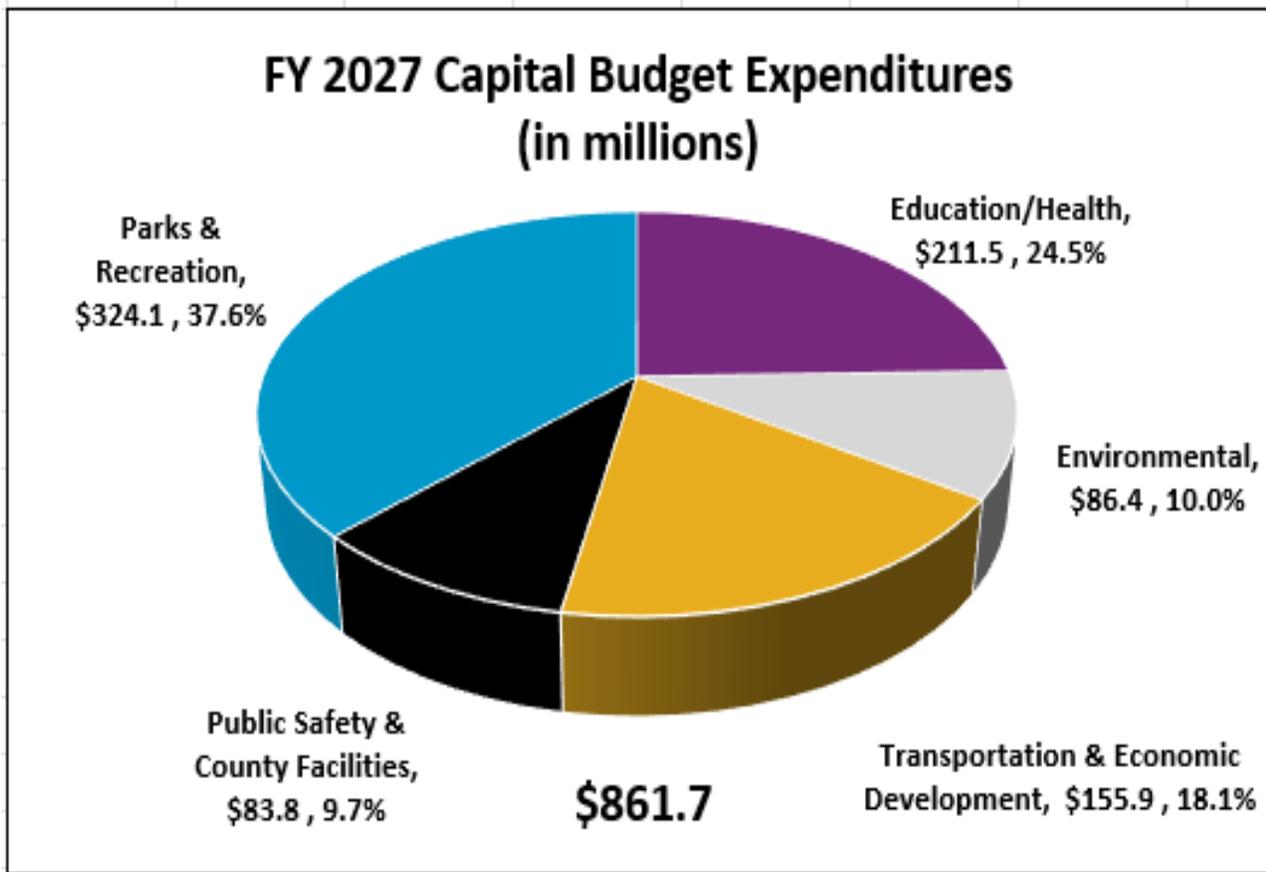
REVENUE BONDS

Revenue bonds provide \$220.1 million, or 24.4%, of the funding for capital projects.

OTHER FUNDS

The remaining \$241.2 million or 26.8% consists of “Pay-As-You-Go” (PAYGO) funding, stormwater management bonds, developer contributions, and other funding sources. The specific funding sources for all expenditures are identified on each individual capital project page in the CIP budget.

FY 2027 CAPITAL BUDGET EXPENDITURES



Education and Health

The education and health portion of the FY 2027 capital budget is \$211.5 million or 24.5% 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 2027 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 William Schmidt Educational Center, 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 2027. This includes HVAC systems repair and replacement, information technology infrastructure upgrades, public restroom upgrades, painting, and CCTV cameras.

COMMUNITY COLLEGE

- Construction will begin at the Charles Micken Dukes Student Center in FY 2027. Improvements will continue in FY 2027 under the College Improvements project. This will include the replacement of the roof-top HVAC system at the Novak Field House.

Transportation and Economic Development

The transportation and economic development component is budgeted at \$155.9 million, or 18.1%, of the total FY 2027 capital budget. Agencies within this category include the Department of Public Works and Transportation, Revenue Authority of Prince George's County, the Redevelopment Authority of Prince George's County, and federal Community Development Block Grant funds managed by the Department of Housing and Community Development. 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 2027 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 2026 funding will support the replacement and rehabilitation of several bridges, including Brandywine Road, Governor Bridge Road and Livingston Road.
- Funding continues in FY 2027 to support planned transit oriented development efforts in the New Carrollton Metro Station area.
- 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 & Traffic Signals 2 project.

Parks and Recreation Facilities

A portion of the capital budget spending is for park and recreation facilities, accounting for \$324.1 million, or 37.6%, 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, 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 will be adjusted in the Spring to reflect the Program Open Space allocation.

PARK DEVELOPMENT

The total cost for approved park development is \$15.3 million for FY 2027. 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 \$80.8 million for FY 2026. This category includes aquatic facilities, historic properties, community centers, parks, playgrounds, athletic fields and courts, and stormwater infrastructure.

Environmental

The capital budget for the environmental category totals \$86.4 million, or 10% of the FY 2027 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 2027 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 2027 program includes design funding for the Area C project, extending the

County's landfill capacity to the year 2045 or beyond, scalehouse upgrades, and to continue design for upgrades to the existing leachate pre-treatment facility as required by the regulatory arm of WSSC Water.

- The Materials Recycling Facility FY 2027 program includes funding for concrete replacement, procurement of a new conveyor belt, and installation of a plastic vacuum for the optical sorter.
- FY 2027 funds support a new pond construction initiative required by the Soil Conservation District and various improvements to meet State regulations for the Organics Composting Facility
- FY 2027 funding continues to support planning and construction of Countywide restoration of untreated impervious areas to meet MS4/NPDES Permit, Chesapeake Bay and local requirements.
- Funding in FY 2027 will support identifying and analyzing small groups of existing dams and performing a standard breach analysis to evaluate potential flood impacts in downstream areas as part of the Stormwater Classified Dams project.
- Planning and construction of flood protection and drainage relief projects continues in FY 2027 to correct home flooding, alleviate road flooding and correct residential yard drainage facilities will continue.

Public Safety and County Facilities

Constructing public safety and other County facilities comprise the remainder of the FY 2027 capital budget. These two functions account for \$83.8 million, or 9.7%, of the FY 2027 capital budget. The public safety category includes facilities for the Police, Fire/EMS and Corrections departments as well as the Circuit Court. Projects under the County facilities portion of the capital budget consist primarily of renovations to current facilities as well as information technology projects managed by the Office of Information Technology. The funding for these projects is primarily from the sale of general obligation bonds.

In FY 2027, the Office of Central Services began to manage many of the CIP projects previously managed internally by the Fire/EMS Department. This change represents a continuation of the effort to centralize CIP project management.

Key Projects

FIRE/EMS

- Renovation of the Hyattsville Fire/EMS station is expected to be completed in FY 2027.
- Improvements and rehabilitation of various fire stations will continue in FY 2027.

COURTS

- Renovations and security improvements to the Courthouse will continue in FY 2027.

CENTRAL SERVICES

- The Shepherd's Cove Family Shelter project will complete the design and permitting phase and begin construction.
- The County Administration Building project in Upper Marlboro will continue construction in FY 2027.
- Improvements and rehabilitation of various County-owned buildings will continue in FY 2027.
- The Central Control/Administrative Wing Expansion Project, which is in the design phase, includes major updates to the control room software.
- Construction will continue in FY 2027 for the Prince George's Homeless Shelter.
- Improvement and rehabilitation of various Police Stations will continue in FY 2027.
- FY 2027 funding for the Detention Center Housing Renovations project supports for the completion of

renovations on housing units 5 and 6 and the beginning of renovations to units 14 and 15.

- District VI Police Station funding will support the move to temporary swing space as construction begins.

OFFICE OF INFORMATION TECHNOLOGY

- Funding to support strategic information technology initiatives that support County priority projects, improve citizen access to County services, promote government operational efficiency and effectiveness, foster quality customer service, and enhance performance and security capabilities.

OPERATING IMPACTS

Most capital improvement projects generate future operating budget costs in one or more of three ways: debt service, which uses current revenues to repay previously issued debt (similar to how a mortgage or car loan works); PAYGO, which uses current revenues or available fund balance to offset the need to issue debt or to fund projects that are not eligible for debt financing (similar to a down payment on a house or car); and changes to ongoing operating expenses, which can include increases due to the construction of new facilities (e.g., utilities, landscaping, maintenance, etc.) or decreases due to renovations to existing facilities (e.g., energy efficiency improvements, lower maintenance costs, etc.).

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 2027 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 2027 General Fund budget includes \$218.3 million for debt service costs and represents 4.4% 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 6.9% as of June 30, 2025, which is within this limit based on the County's audited financial statements. This is projected to decrease to 6.8% percent by June 30, 2026.
 - 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 1.3% of the net direct debt to assessed value for FY 2025.

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 2027 PAYGO information is displayed in Non-Departmental – Grant and Transfers section of the budget and totals approximately \$4.2 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, and maintenance 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 under construction for future CIPs once the budget transitions to its new production system. 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. Some preliminary information has been developed for the parks and recreation facilities by M-NCPPC.

