



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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The Honorable Deb Jung
Chairperson, Howard County Council
3430 Courthouse Drive
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Dear Chairperson Jung,

I am pleased to present the Howard County Council with my proposed Fiscal Year (FY) 2021 Capital Improvement Program for Howard County. The proposed FY 2021 capital budget totals \$250.4 million, with \$94.6 million funded by General Obligation (GO) bonds. Despite the fiscal challenges we face, my proposed budget supports strategic priorities of the community, including education, flood mitigation, facilities for senior residents, transportation, infrastructure, public safety and economic development.

The proposed budget:

- Makes unprecedented investment in our school system;
 - Providing the highest level of County capital funding over a decade, exceeding the amount requested by the Board of Education (BOE); and
 - Including a one-time infusion of funds to cover deferred State aid, keeping all three priority projects on schedule – the New High School #13 project, Talbott Springs Elementary School Replacement, and Hammond High School Renovation/Addition; and
- Advances the construction of an expanded East Columbia 50+ Center, allowing this long-awaited project to be completed in FY 2022 as originally planned;
- Continues significant flood mitigation efforts in Ellicott City and Valley Mede as part of the EC Safe and Sound plan;
- Launches the design and construction of the New Cultural Center in Downtown Columbia, which was first envisioned in 2010;
- Addresses various transportation, infrastructure, watershed, recreation and parks and public safety projects; and
- Delivers, for the first time in over a decade, a realistic multi-year capital projects plan that aligns with projected funding availability based on fiscal reality.

I would like to acknowledge the many residents, community leaders, and organizations who provided their input during our listening sessions and public hearings.

Funding constraints will remain a daunting and growing challenge for our capital projects. The COVID-19 epidemic and an economic downturn is anticipated to have a significant impact on operating budget revenues, which funds the annual principal and

interest payment for the debt borrowed to finance capital projects as well as various County services including K-12 education.

Our debt capacity is stressed by both existing bonds - which obligates future resources continuously on annual debt service payment - and weakening revenues. For the second year in a row, the Spending Affordability Advisory Committee (SAAC) recommended lowering the GO bond authorization to \$70 million, urging the County to manage its debt burden with a forecasted weak performance in county revenues.

To support high-priority needs, this budget proposes \$94.6 million in GO bonds, higher than SAAC recommendation but in line with the past 5-year average. The budget also assumes a proposed Transfer Tax increase from 1.0% per transaction to 1.5% based on State enabling legislation (HB1454-2020). This addition in revenues would allow a one-time issuance of \$19.7 million in Transfer Tax backed bond to support priority school projects and also provides needed support to Recreation and Parks and Fire projects, without putting pressure on existing resources in the operating budget.

Similarly, the New Cultural Center (NCC) in downtown Columbia will be funded primarily through program revenues and incremental tax revenues from the Downtown Columbia Tax Incremental Financing (TIF) District to avoid extra costs to the operating budget.

Despite these funding efforts, some planned or requested projects will have to wait longer or be scaled back to live within our fiscal means. Efforts were made to include critical projects in our 6-year plan, indicating our continued commitment to bring those to reality. We must spend within our means and avoid incurring unaffordable long-term liabilities that overburden future governments and residents.

As you review the proposed capital budget, I hope you will appreciate the significant efforts made and the hard choices involved. I am confident that we have delivered a well-thought out proposal that supports the priorities of this community and balances our fiscal constraints.

Education

Education continues to be our top funding priority in Howard County. This proposed capital budget provides funds to renovate aging school buildings, build new schools to address overcrowding, support renovations, add classrooms, and improve technology.

The FY 2021 proposed HCPSS capital budget totals \$92.7 million, the highest total HCPSS capital budget in the last 16 years. Our proposed budget invests \$68.7 million in County funds to our school system, the highest county funding in the last 14 years.

County funding exceeds the BOE request of \$54.7 million by \$14 million and includes a one-time issuance of \$19.7 million in Transfer Tax supported bond to help offset deferred state aid and keep critical projects moving on schedule. Such a one-time boost, leveraged through a proposed Transfer Tax increase, will not be available in future years.

This investment underscores the importance of advancing critical school construction and maintenance projects that address barriers to the effective education of our students.

The proposed FY 2021 County funding of HCPSS capital budget as shown below strongly supports the three top priorities of the BOE, systemic renovation and other maintenance needs:

- New High School #13 to address school overcrowding (\$11.3 million)
- Talbott Springs Elementary Replacement with programmatic and physical upgrades (\$15.1 million)
- Hammond High School Renovation/Addition to increase capacity (\$21.5 million)
- Systemic renovation (\$13.5 million)
- Other on-going needs, such as technology, roofing, and relocatable classrooms (\$7.3 million)

We are very excited that this significant investment would support three critical capital projects – New High School #13, Talbott Springs Elementary, and Hammond High School. My six-year plan includes sustainable future County funding that allows all three projects to be completed on time.

This plan represents my commitment to maximize support to our school system while balancing fiscal reality with sustainable funding. I am thankful to our State partners and County Council for their support to help raise needed funding sources, including the School Surcharge, Transfer Tax, and State aid.

Our focus on education continues with projects for Howard Community College (\$5.4 million) to complete the design and start construction of a new mathematics and athletics complex. The proposed budget also includes \$2.0 million for systemic renovation.

Funding the Howard County Library System is also critical to achieving our goals of providing a world class and holistic education to residents of all ages. The proposed budget includes \$550,000 for the renovation of the Glenwood Branch needed for study room and class room space.

Community Services

The population of older adult residents continues to grow at a rate 4-5 times that of our student population. To meet our increasing needs to provide the best services to our aging community, we will strengthen services and facilities that benefit them.

This budget includes \$16.2 million in County funding to support the design and construction of an expanded East Columbia 50+ Center, including an upgrade for LEED Gold certification to achieve long-term energy efficiency. The project is expected to be completed in FY 2022 as originally planned. The Florence Bain 50+ Center (the most actively used 50+ Center in the County) renovation is expected to be finished in FY 2021.

Old Ellicott City and Valley Mede

We continue to work diligently to mitigate flooding in the Tiber-Hudson Watershed and protect our treasured Ellicott City from future storms. This effort includes storm drain improvements and the continued design and construction of large flood mitigation facilities identified in the EC Safe and Sound Plan.

This year's proposed budget of \$20.2 million, which includes anticipated State aid, will allow us to move expeditiously on these projects in Ellicott City and continue the design of drainage improvements to reduce the impact of flooding on the Valley Mede and Chatham neighborhoods.

New Cultural Center (NCC)

The NCC was first envisioned as a public amenity when Downtown Columbia Plan was passed unanimously in 2010, serving as a hub for visual and performing arts in Downtown Columbia. The NCC, which will also contain approximately 180 mixed-income residential units, will be the new home for Toby's Dinner Theater.

In addition to Toby's, the Department of Recreation and Parks (DRP) and the Columbia Center for the Theatrical Arts (CCTA) will administer art and cultural programming at the NCC.

This project, estimated to cost up to \$63 million, will primarily be supported by issuing bonds backed by incremental tax revenues from the Downtown Columbia TIF District and revenues generated from DRP and CCTA programming.

Stormwater and Watershed Management

We have worked diligently over the past several years to improve the County's water quality and continue to be one of the leaders in the State. This spending plan proposes to modify the stormwater fee on residential properties to make it more progressive and align better with the commercial and neighboring jurisdictions fee structure. The proposed restructuring and adjustments will allow us to continue stormwater treatment efforts that prevent polluted run-off from reaching the Chesapeake Bay.

To date, we have treated over 2,300 acres of impervious surface, exceeding the State's target, by implementing best management practices that limit the amount of nitrogen, phosphorus and sediment from entering our waterways.

Transportation and Infrastructure

The proposed budget includes \$4.9 million Pay As You Go (PAYGO) funding to continue addressing road resurfacing needs. The FY 2021 focus will be maintaining critical infrastructure: repairing bridges/emergency structures, potholes, sidewalks, storm drains, and culverts, as well as improving traffic signals and intersections. We will also focus on maintaining and enhancing our water and sewer critical projects.

This budget includes over \$6.5 million in county and grant funding to support pedestrian and bicycle improvements in Howard County. This funding will drive implementation of the recently adopted Howard County Pedestrian Master Plan, Bicycle Master Plan and

Complete Streets Policy and will provide significant safety, economic, environmental and health benefits for our community.

Public Safety

Our capital budget continues to prioritize public safety needs. The proposed budget includes \$3 million, which together with prior appropriation will fund the construction of a new North Columbia Fire Station. In its new location, this station will serve to relieve the demands associated with increased population density and call demands in North Columbia and surrounding areas. It will also provide coverage of Downtown Columbia during the planned Banneker Station reconstruction.

The budget includes \$2.7 million to provide various enhancements to existing public safety systems, including implementation of a new Computer-Aided Dispatch System, Next Generation 911, and Police Records Management System. It also includes \$2.1 million to renovate the existing Police building and address space needs.

The FY 2021 proposed budget also includes \$3 million for critical renovation for the Detention Center including security control and medical suite upgrades. This investment will keep the facility operational, compliant with requirements of the Health Insurance Portability and Accountability Act (HIPAA) and Americans with Disability Act (ADA) and enhance mental health services.

Business and Economic Development

We place a strong emphasis on supporting businesses, expanding our culture of innovation and cultivating entrepreneurs. This effort will strengthen our local economy and increase the commercial tax base, improving the quality of life for every resident.

The Maryland Innovation Center (MIC) is home to the Howard County Economic Development Authority, Maryland Center for Entrepreneurship and the Howard County Tech Council. The MIC also provides incubator space for start-ups and is a regional hub for business events. Prior County appropriation, leveraged with State funding and private investment, allowed the first phase of construction for the MIC to be completed in FY 2020. The FY 2021 proposed budget includes another \$1 million from expected lease revenue to support the final phase of renovations and equipment purchase.

Recreation and Parks

With \$3.6 million in proposed FY 2021 County funding through designated Transfer Tax revenues, we continue to invest in renovations to existing facility infrastructure and park improvement projects.

Prior appropriation for Blandair Park will allow us to proceed with the design of Phase 6, which includes design for site grading, utilities, a skatepark, outdoor basketball courts and a parking lot. Prior appropriation for Troy Park will allow for the design and partial construction of ancillary facilities for Field #1, which includes restrooms, a storage building, grandstand bleachers, and other site enhancements.

In FY 2021, we anticipate approximately \$1.7 million in State Program Open Space funding eligible for park development projects. This funding along with existing

Program Open Space balance will support the construction of Phase 6 of Blandair Park and completion of Field #1 improvements at Troy Park.

Additionally, the proposed budget includes an estimated \$1.7 million in Program Open Space land acquisition funding, which increases our capabilities to pursue parkland acquisition opportunities as they arise.

Long-Term Realistic Planning

For the first time in at least a decade, we are extremely pleased to deliver a six-year plan that aligns with our fiscal reality.

For years, the County had been producing a multi-year CIP plan with projects in out years equivalent of two to three times the affordable level, making it more of a wish list than a realistic plan. In the past, such a “plan” often caused confusion, led to unrealistic expectations and unavoidable disappointment later. It also resulted in a chronic annual practice of “kicking the can down the road.” This approach is different from most other governments and industry best practice. With leadership, consensus and public understanding, we are ending this practice.

Last year, we made a promise to work closely with the County Council, key stakeholders and the public, to collaborate and develop a sustainable, long-term strategic capital plan. I’m pleased to say that the promise is kept.

We understand that all projects in future years are still preliminary and subject to changes during the annual budget development process. The proposed plan provides a solid starting point and a sustainable long-term scenario, which allows for productive discussion and candid dialogue on strategic prioritization and balancing needs and tax burden.

This budget takes a pragmatic approach, while ensuring Howard County remains the best place to live, learn, work, play and grow. If you have questions during your review, please do not hesitate to contact me, or Budget Administrator Dr. Holly Sun, for assistance.

Sincerely,



Calvin Ball,
Howard County Executive