

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: FY 2012-2017 Capital Improvement Program

Meeting Date: February 28, 2011
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Pavel Gubanikhin
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ISSUE STATEMENT

This item is a request for the council to take action on the draft FY 2012 – 2017 Capital Improvement Program.

BACKGROUND

The Capital Improvement Program (CIP) is a planning document that forecasts the City's capital needs over a six-year period based on various City-adopted long-range plans, goals and policies. The Capital Improvement Program for the Airport, Parks and Open Space, Public Buildings and Facilities, Stormwater, Transportation and Wastewater totals approximately \$314.4 million in funded and unfunded projects. The Financial Summaries section of the document contains tables summarizing all CIP projects, a six-year funding summary, and maps indicating the geographic location of funded CIP projects.

The goals of the CIP are to:

- Provide a balanced program for capital improvements given anticipated revenues over a six-year planning period;
- Illustrate unmet capital needs which are beyond the capacity of anticipated funding levels, and;
- Provide a plan for capital improvements which can be used in preparing the capital budgets for the coming two fiscal years.

The underlying strategy of the CIP is to plan for land acquisition, construction, and major preservation of public facilities necessary for the safe and efficient provision of services. A critical element of a balanced CIP is the provision of funds to preserve or enhance existing facilities and provide new assets that will aid response to service needs and community growth.

Funded Projects

As drafted, projects with secured and identified funding in this CIP total approximately \$152.3 million.

Approximately \$46.9 million of anticipated spending on Transportation projects represents the largest portion of the CIP. The Pavement Preservation Program projects account for \$41.6 million of the Transportation projects.

Airport is the second largest category with \$46.8 million in proposed projects. Terminal Building Expansion accounts for \$16.2 million in this category. Other significant projects include the Concourse C Addition, Automated Car Wash Facility, Access Road Improvements and Taxiway Rehabilitation. Smaller projects include overlay of runways, taxiway reconstructs, and acquiring snow removal equipment vehicles.

Public Buildings and Facilities projects include significant improvements during the CIP period totaling \$25.5 million. Projects include preservation and maintenance of existing City facilities such as the Hult Center and Parking Garages.

The Stormwater system is planning to invest \$13.5 million on improvements in this CIP. A major new project is the Underground Injection Control (UIC) Facility Removal, which is prompted by new Department of Environmental Quality (DEQ) requirements to remove stormwater drywells. Other projects include various streambank and outfall stabilization projects, restoration and enhancement of the wetlands in West Eugene, and ongoing stream corridor acquisition.

The City's Wastewater system is scheduled to spend \$13.1 million on capital projects in the next six years. Included in these improvements is \$12.1 million to preserve and rehabilitate the aging wastewater system, decrease inflow and infiltration and address increased wet weather flows.

The Parks and Open Space program is anticipating about \$6.6 million of improvements during the CIP period. Of this amount, \$3.7 million is dedicated to preservation and maintenance of existing park assets, while \$2.0 million will be used for neighborhood and community park land acquisition supported by the Parks System Development Charges (SDC) revenues.

Unfunded Projects

Also included in the CIP are projects totaling \$162.1 million for which funding has not been identified. Transportation projects continue to reflect significant need for additional funding. The CIP includes approximately \$98.3 million of unfunded transportation projects that would upgrade and enhance capacity and preserve and maintain existing assets, as well as build new bike paths, collectors and other improvements. The Public Buildings and Facility category contains approximately \$38.6 million in unfunded projects. The Parks and Open Space category has \$15.5 million in unfunded projects.

CIP Development and Review

In the fall of even-numbered years, staff compiles the Draft CIP using input and requests from a variety of sources, including neighborhood groups, individual citizens, adopted plans and policies.

The draft CIP document was made available on the City's web site in mid-January of 2011. Information about the draft FY 2012-17 CIP was also sent electronically to all of the neighborhood association chairs and co-chairs, as well as the representatives of the Neighborhood Leaders Council (NLC). Hard copies of the draft CIP were made available to the public at all Library locations, the Finance Division, and the City Manager's Office.

On February 2, 2011, the Budget Committee reviewed and discussed the draft CIP. The Budget Committee approved a motion to recommend that the council adopt the draft CIP, with 12 members in favor, one opposed, and one abstaining.

A notice about the February 22, 2011, City Council Public Hearing on the CIP was sent via email to all of the neighborhood association chairs and co-chairs, representatives of the Neighborhood Leaders Council (NLC), and citizens on the Budget Interested Parties e-mail group.

On February 22, 2011, the City Council held a public hearing on the CIP.

RELATED CITY POLICIES

The City's Financial Management Policies include a goal to have a capital improvement program that adequately maintains and enhances the public's assets over their useful life. In part, the policies state that the City will plan for capital improvements over a multi-year period and the projects will directly relate to the long-range plans and policies of the City.

COUNCIL OPTIONS

The council may exercise one of the following two options:

1. The council may choose to adopt the FY12-FY17 CIP based on the recommendations of the Budget Committee and City staff.
2. The council may choose to amend the CIP by identifying changes in the projects and/or funding sources and subsequently adopt the FY12-FY17 CIP.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that the council adopt the FY12-FY17 CIP as recommended by the Budget Committee and City staff.

SUGGESTED MOTION

Move to adopt the FY12-17 Capital Improvement Program as recommended by the Budget Committee and City staff.

ATTACHMENTS

None.

FOR MORE INFORMATION

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