

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Hearing: FY 2014-2019 Draft Capital Improvement Program

Meeting Date: February 25, 2013
Department: Central Services
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Agenda Item Number: 4
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ISSUE STATEMENT

This item is a request for the City Council to conduct a public hearing on the draft Capital Improvement Program (CIP) for fiscal years 2014 through 2019 (FY 2014-2019). This public hearing is an opportunity for members of the public and other stakeholders to provide their input on the capital projects included in the draft CIP.

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 FY 2014-2019 CIP for the Airport, Parks and Open Space, Public Buildings and Facilities, Stormwater, Transportation and Wastewater totals approximately \$329.9 million, of which \$177.1 million is funded and \$152.8 million is unfunded. The Financial Summaries section of the CIP document contains tables summarizing all CIP projects, a six-year funding summary, and maps indicating the geographic location of funded CIP projects.

The primary goals of the CIP are to:

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

Capital projects are generally large-scale endeavors in terms of cost, size and benefit to the community. 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

Projects with funding identified or funding secured in this CIP total approximately \$177.1 million. Approximately \$69.6 million of anticipated spending on Transportation projects represents the

largest portion of the CIP. The Pavement Preservation Program projects account for \$67.3 million of the Transportation projects.

Airport is the second largest category with \$39.5 million in proposed projects. Terminal Building Expansion accounts for \$11.4 million in this category. Other significant projects include Concourse C Addition, Automated Car Wash Facility, Access Road Improvements and Taxiway Rehabilitation.

Public Buildings and Facilities projects include significant improvements during the CIP period totaling \$30.3 million. Projects include preservation and maintenance of existing City facilities and future phases of the City Hall project.

The Stormwater system is planning to invest \$14.8 million on improvements in this CIP. The FY 2014-19 CIP includes continuation of drywell removal, 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 \$13.9 million on capital projects in the next six years. Included in these improvements is \$12.8 million to preserve and rehabilitate the aging wastewater system, decrease inflow and infiltration and address increased wet weather flows.

The Parks and Open Space section of the draft CIP contains \$9.1 million in funded projects. Parks preservation and maintenance and neighborhood and community park acquisition are the two largest projects in the category.

The vast majority of funding for the CIP projects comes from sources that are restricted to a particular use, such as the 2008 and 2012 Street Bonds, FAA funding for airport projects, wastewater and stormwater charges, local motor vehicle fuel tax, system development charges (SDC), airport passenger facility charges, and other restricted sources. Out of \$177.1 million in funded CIP projects, \$23.1 million, or 13 percent of the total, comes from the General Capital Projects Fund, which derives most of its revenue from the annual interfund transfer from the City's General Fund. The recommended use of this transfer in the draft FY 2014-2019 CIP is facilities and parks capital preservation projects.

Unfunded Projects

Also included in the CIP are projects totaling \$152.8 million for which funding has not been identified. The Transportation category includes \$66.3 million of these unfunded projects, primarily funding for the Pavement Preservation Program project backlog and Franklin Boulevard multiway improvements. The Public Buildings and Facilities category includes \$57 million in unfunded projects, Stormwater - \$15.9 million, and Parks and Open Space category - \$9.9 million in unfunded projects.

CIP Development and Review Process

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

The draft CIP document was made available on the City's web site in January of 2013. Information about the draft FY 2014-19 CIP was also sent electronically to interested citizens via the City Council newsletter, Neighborhood Services newsletter, Budget Interested Parties e-mail list, and Public Works Department's InMotion newsletter. Hard copies of the draft CIP document were made available to the public at the Downtown Public Library, the Finance Division, and the City Manager's Office.

The Budget Committee is scheduled to review and discuss the draft FY 2014-2019 CIP on February 21, 2013. The committee is also expected to make a recommendation to the City Council on the draft CIP at the same meeting.

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

Subsequent to the public hearing on the draft FY 2014-2019 CIP, the City Council may exercise one of the following two options:

1. The council may choose to adopt the FY 2014-2019 CIP based on the recommendations of the Budget Committee and City staff at its meeting on March 11, 2013.
2. The council may choose to amend the CIP by identifying changes in the projects and/or funding sources and subsequently adopt the FY 2014-2019 CIP at its meeting on March 11, 2013.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that the council conduct a public hearing on the FY 2014 -2019 CIP.

SUGGESTED MOTION

None.

ATTACHMENTS

None.

FOR MORE INFORMATION

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