

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Hearing and Action: FY 2016-2021 Capital Improvement Program

Meeting Date: March 9, 2015
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Twylla Miller
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ISSUE STATEMENT

This is a public hearing and request for the City Council to adopt the Capital Improvement Program (CIP) for fiscal years 2016 through 2021 (FY 2016-2021).

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 FY2016-2021 CIP includes projects for the Airport, Parks and Open space, Public Buildings and Facilities, Stormwater, Transportation, and Wastewater, totaling approximately \$491.1 million, of which \$171.3 million is funded and \$319.8 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 CIP projects.

The primary goals of the CIP are to:

- Provide a balanced program for capital improvements given anticipated revenues over the six-year planning period;
- Catalog 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 the 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 while providing 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 \$171.2 million.

Approximately \$62.5 million of anticipated spending on Transportation projects represents the largest portion of the CIP. The Pavement Preservation Program projects account for \$54.5 million of the Transportation projects.

Airport is the second largest category with \$42.1 million in proposed projects. Terminal Building Expansion accounts for \$18.9 million in this category. Other significant projects include Concourse C Addition, Access Road Improvements and Signage, Taxiway Rehabilitation, and the Automated Car Wash Facility.

Public Buildings and Facilities projects include significant improvements over the six-year period totaling \$21.6 million. Projects include preservation and maintenance of existing City facilities.

The Stormwater system is planning to invest \$15.3 million on improvements in this CIP. Planned projects include stormwater system rehabilitation, continuation of drywell removal, and stream restoration and stabilization.

The City's Wastewater system is scheduled to spend \$15.9 million on capital projects in the next six years. Included in these improvements is \$10.5 million to preserve and rehabilitate the aging wastewater system, decrease inflow and infiltration and address increased wet weather flows.

The Parks and Open Space category contains \$13.7 million in funded projects. Repair or replacement of aging park facilities and amenities along with neighborhood and community park acquisition are the two largest project types in this category.

The vast majority of funding for CIP projects comes from sources that are restricted to a particular use, such as the 2012 transportation bonds for street projects, 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 \$171.2 million in funded CIP projects, \$23.3 million, or 14% 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 2016-2021 CIP is for capital preservation projects for public buildings and facilities.

Unfunded Projects

Also included in the CIP are projects totaling \$319.8 million for which funding has not been identified. The Public Buildings and Facilities category includes \$175.6 million including funding for several community centers, pools and branch libraries. The Transportation category includes \$106.2 million, primarily for Pavement Preservation Program project backlog and Franklin Boulevard multiway improvements. The Parks and Open Space category includes \$21.3 million in unfunded projects, Stormwater -\$14.3 million, and the Wastewater category includes \$2.4 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 2015. Information about the draft FY 2016-2021 CIP was also sent electronically to interested citizens via the City Council newsletter, Neighborhood Services newsletter, and the Budget Interested Parties e-mail list. Hard copies of the draft CIP document were made available to the public at the Downtown Public Library, Finance Division and City Manager's Office. At its request, a presentation on the draft FY 2016-2021 CIP was made to the Planning Commission at its February 23, 2015, meeting.

The Budget Committee heard public comment on the draft FY 2016-2021 CIP on February 11, 2015. The committee passed a motion to recommend that the City Council adopt the FY2016-2021 CIP as proposed.

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 City Council may exercise one of the following two options:

1. The council may choose to adopt the FY2016-2021 CIP as recommended by the Budget Committee.
2. The council may choose to amend the CIP by identifying changes in the projects and/or funding sources and adopt the FY2016-2021 CIP that includes those changes.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that the council adopt the FY2016-2021 as recommended by the Budget Committee.

SUGGESTED MOTION

Move to adopt the FY 2016-2021 Capital Improvement Program as recommended by the Budget Committee.

ATTACHMENTS

- A. Draft FY 2016-2021 Capital Improvement Plan (previously distributed to the Mayor and City Council in hard copy and available for review at www.eugene-or.gov/CIP.)

FOR MORE INFORMATION

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