

2008 - 2013 Proposed Capital Improvement Program

June 11, 2007

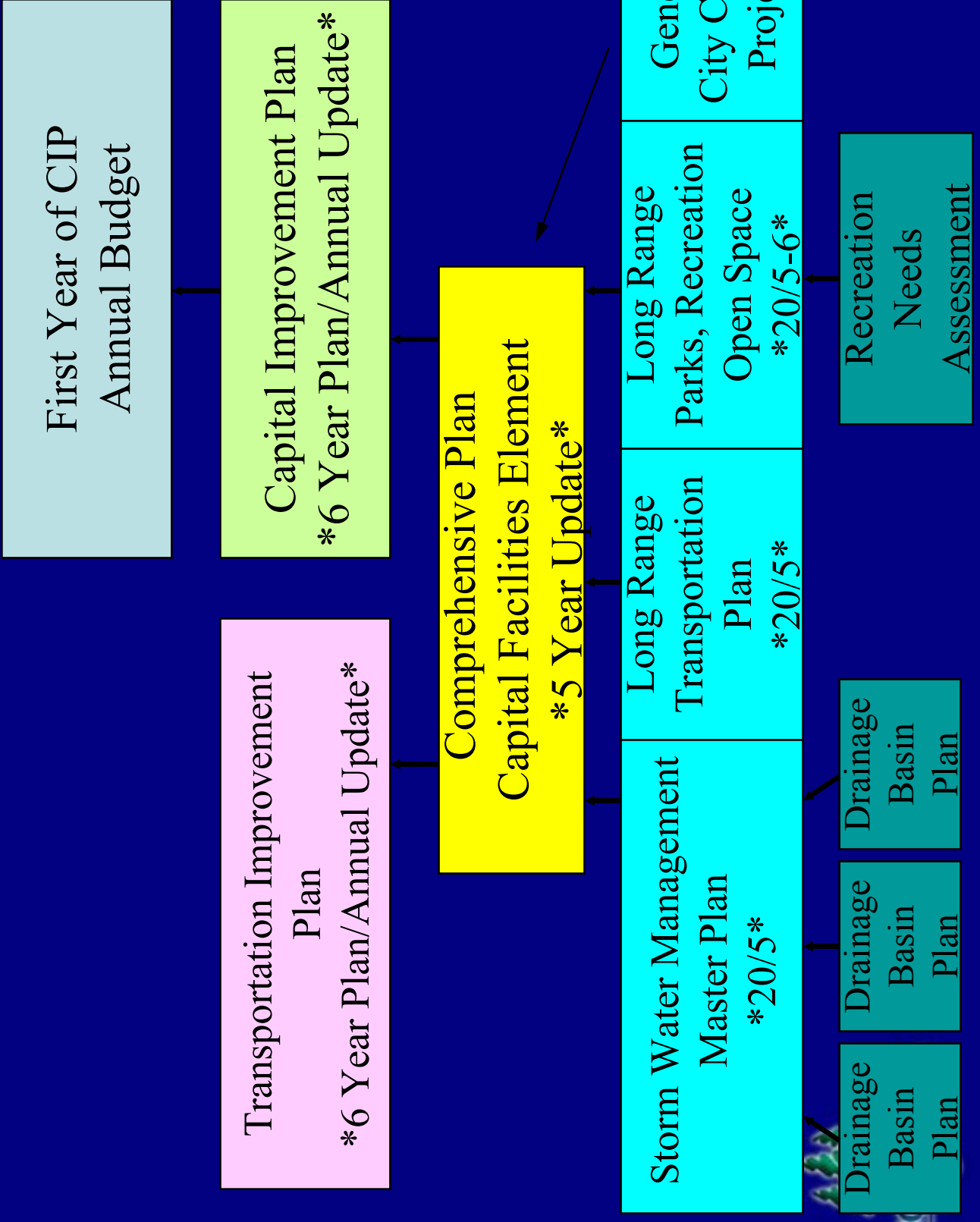


Capital Improvement Program (CIP) Schedule

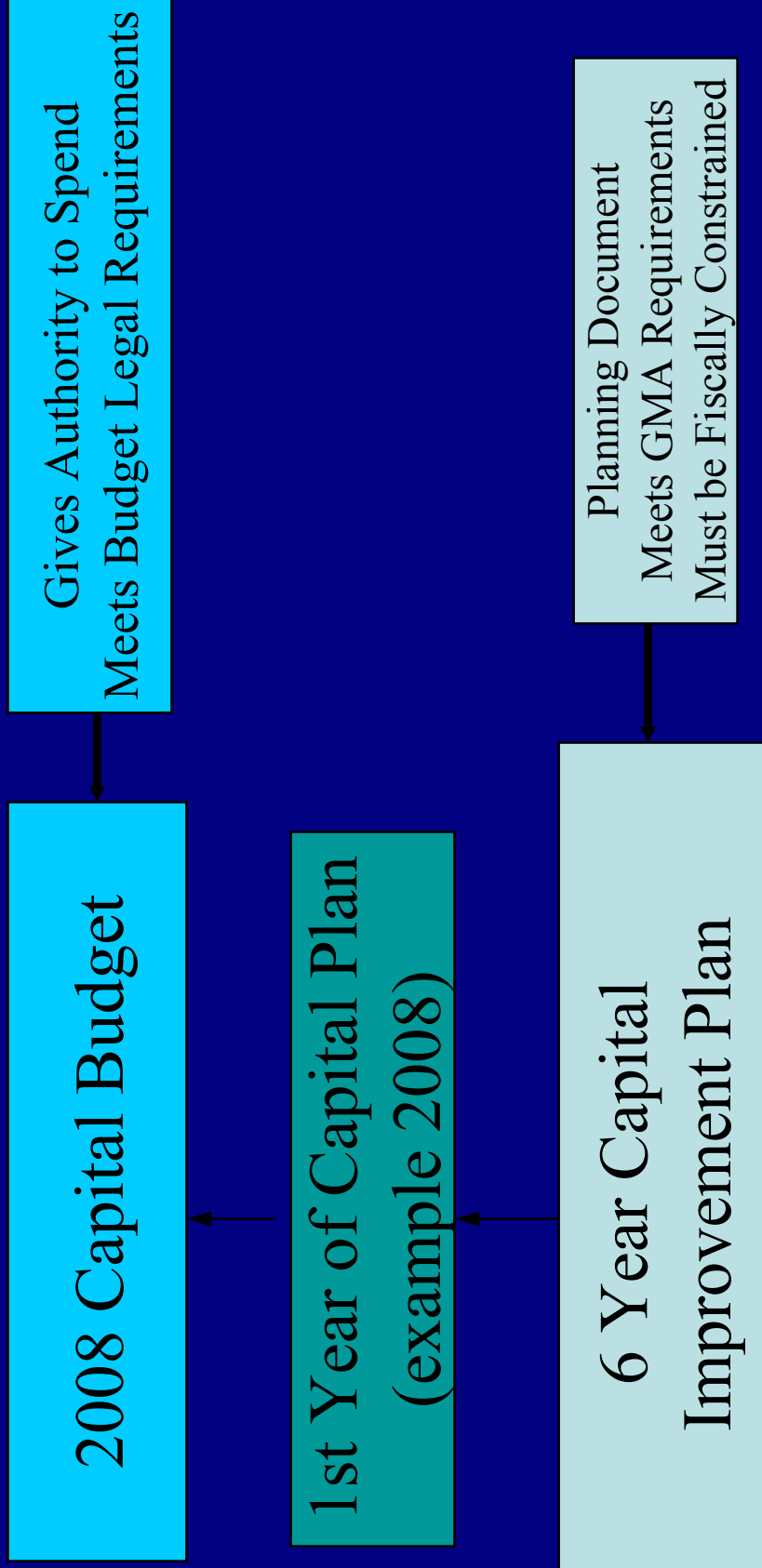
- June 11 - Presentation of 2008-2013 CIP
- June 18 – Council Review/Discussion
- June 25 – Public Hearing & Council Review/Discussion
- July 2 – Council Discussion (If needed)
- July 9 - Adoption of CIP & TIP



Public Involvement at Each Level



Relationship of CIP to the Budget



What is a Capital Improvement Plan?

- Long-Term Policy Document
 - Identifies future capital investment priorities
 - Financial planning tool for future capital investments
- A document that is flexible and subject to change



What is a Capital Improvement Plan?

- Management Tool
 - Forecasting future capital demands on current revenues, levels of outside assistance, and borrowing capacity
 - Provides adequate time for the advance planning that is required to effectively implement capital projects
 - Cost estimates and schedules based on known and assumed details and policies
 - Cost Estimates of projects in the later years have less certainty
 - Coordinates capital projects with other city and agencies' projects

A Capital Improvement Plan is not:

- Precise project cost estimate
- A detailed project schedule
- Final scope of work - until construction



Rising Costs for Capital

- Global Impacts
 - Heavy demand for construction material
 - Unstable oil and fuel costs
 - Shortage of skilled labor
 - Disruption in production from unforeseen events

Rising Costs for Capital

- Local Impacts
 - Bids include contingencies, guaranteed for shorter periods, and may exclude material costs
 - Labor shortage and rising wages
 - Multiple regional projects has increased demand for contractors
 - Rising real estate values



Inflation Factors Used in CIP

Year	Land	Construction	M&O & Other Costs
2007	7.0%	10.0%	3.0%
2008	7.0%	10.0%	2.6%
2009	7.0%	8.0%	2.6%
2010	7.0%	8.0%	2.5%
2011	7.0%	6.0%	2.3%
2012	7.0%	5.0%	2.4%
2013	7.0%	5.0%	2.4%



CIP Document

- Introduction
 - Policies, Procedures & Definitions
- Overall Summary
- Summary by Fund
 - 2008-2013 CIP Summary
 - 2007 Forecast
 - Changes from Previous CIP
 - Policy Issues
 - Detail Project Sheets (Description, Cost, Timeline)

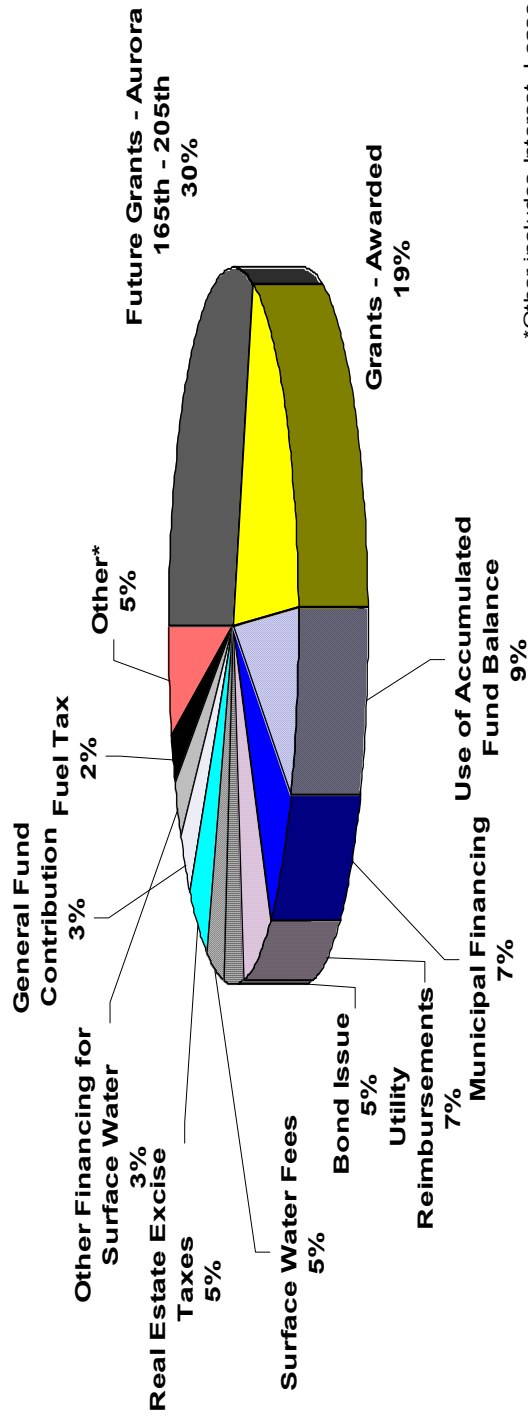


2008-2013 Proposed CIP

- CIP Includes 51 Projects
- Total Projected Expenditures of nearly \$172 Million
 - 165th to 205th Aurora Road & Utility Improvements \$102.8 Million
 - Anticipate Grants and Utility Reimbursements to Fund 91% of Improvement Costs
 - Excluding 165th-205th Aurora CIP totals \$69.2 Million

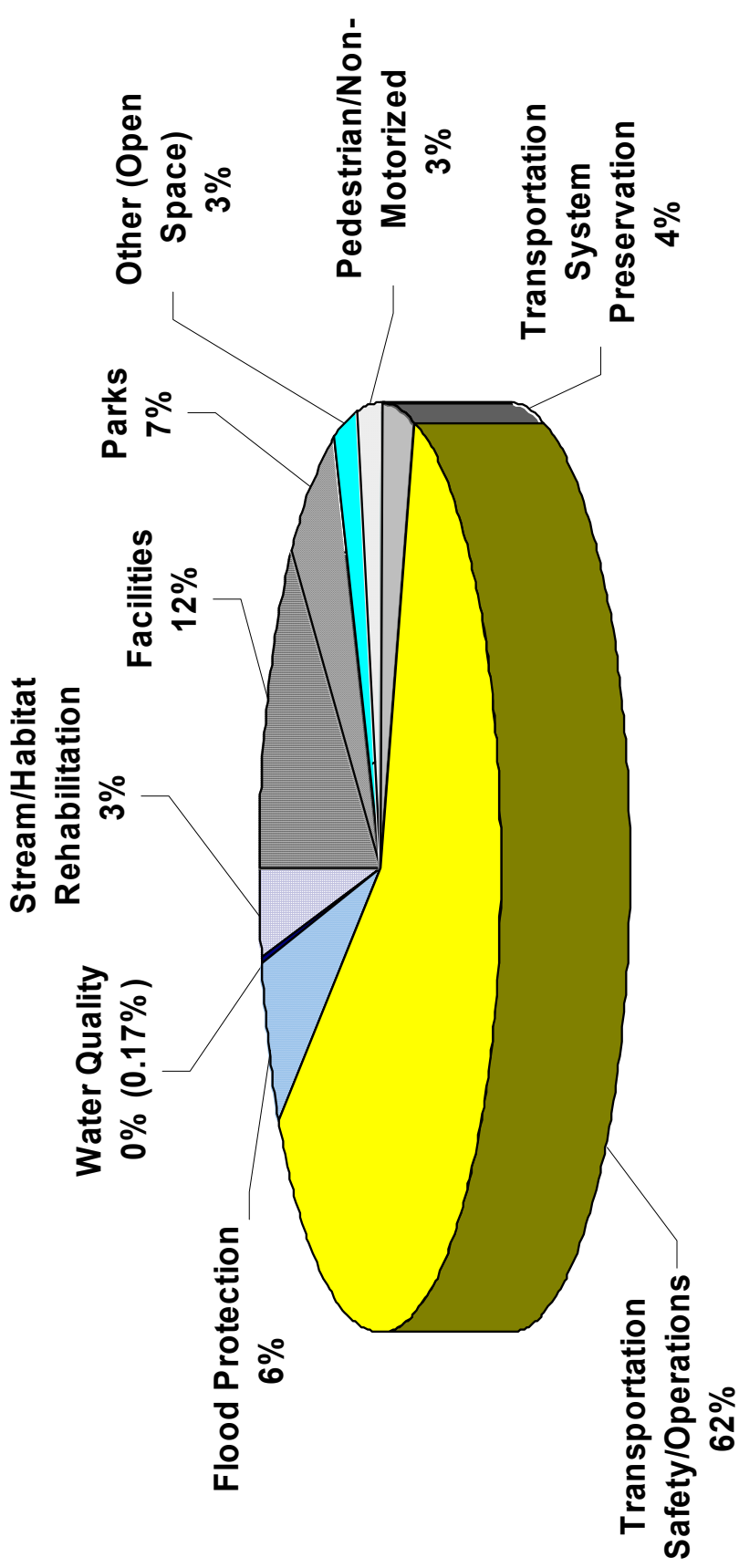


2008-2013 Capital Resources \$172 Million



*Other includes Interest, Lease Savings, Rental Income, Public Works Trust Fund Loan, Future Grants, K.C. Mitigation, In-Lieu of Sidewalk Fees, & LID Participation

2008-2013 Capital Projects \$172 Million



Priority Projects as Identified by Council



General Capital

Council Goal No. 1 – Complete the projects approved in the 2006 Parks Bond

- **2007 Activity (\$12.2 million)**

- Richmond Beach Saltwater Park Improvements: \$500,000
- Cromwell Park: \$161,000
- Twin Ponds Soccer Field Improvements: \$86,000
- Off Leash Dog Park: \$10,000
- Kruckeberg Gardens: \$925,000
- Baseball/Softball Field Improvements: \$25,000
- Trail Corridors: \$40,000
- Shoreline Center Tennis Court Lighting: \$60,000
- Hamlin Park Improvements: \$75,000
- Hamlin Park Open Space: \$3,527,800
- South Woods: \$6,873,010



General Capital

Council Goal No. 1 – Complete the projects approved in the 2006 Parks Bond

- **2008 – 2013 Activity (\$8.7 million)**
 - Richmond Beach Saltwater Park Improvements: \$2,440,000
 - Cromwell Park: \$1,075,000
 - Baseball/Softball Field Improvements: \$225,000
 - Hamlin Park Improvements: \$750,000
 - Kruckeberg Gardens: \$475,000
 - Off Leash Dog Park: \$140,000
 - Trail Corridors: \$ 2,460,000
 - Twin Ponds Soccer Field Improvements: \$1,112,000



General Capital

Council Goal No. 3 – Implement an affordable civic center/city hall project

- Projected Cost \$18.7 Million (08-13)
 - Total Project \$25.01 million
 - City's cash contribution - \$12.26 Million
 - Debt Financed - \$12.75 Million
- Site Selection/Acquisition – 2006
- Complete Design - 2007
- Complete Construction – 2009



Roads Capital

Council Goal No. 4 – Complete the Aurora improvements from 165th to 205^t Streets including, but not limited to, sidewalks, drainage and transit

- Current CIP estimate \$93.4 Million + \$12.36 Million Utility Improvements
- City's direct share of project is \$10.5 Million (Approx. 10%)
- Dependent on future grant awards



Surface Water

- Reflects recommended projects from the Surface Water Master Plan & Capital Facilities Element of the Comprehensive Plan
- Projects are focused on Flood Protection, Water Quality Facilities and Stream Rehabilitation/Habitat Enhancement



2008-2013 Proposed CIP New Projects Proposed

General Capital

- City Maintenance Facility Construction (2012)

Surface Water

- N. 148th Street Near Linden Ave. N. Drainage Improvement (08-09) – To address historical flooding.

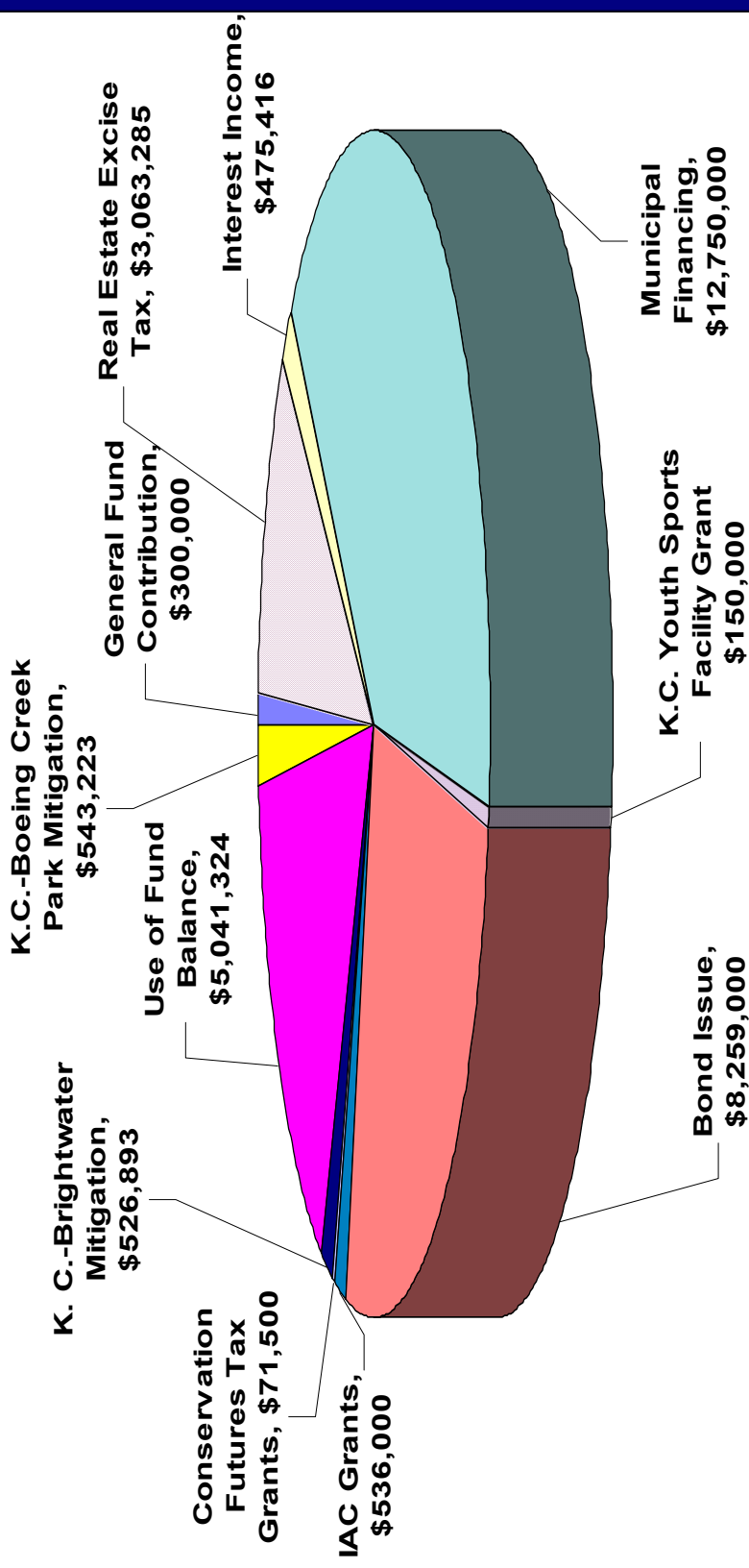


2008-2013 General Capital Fund

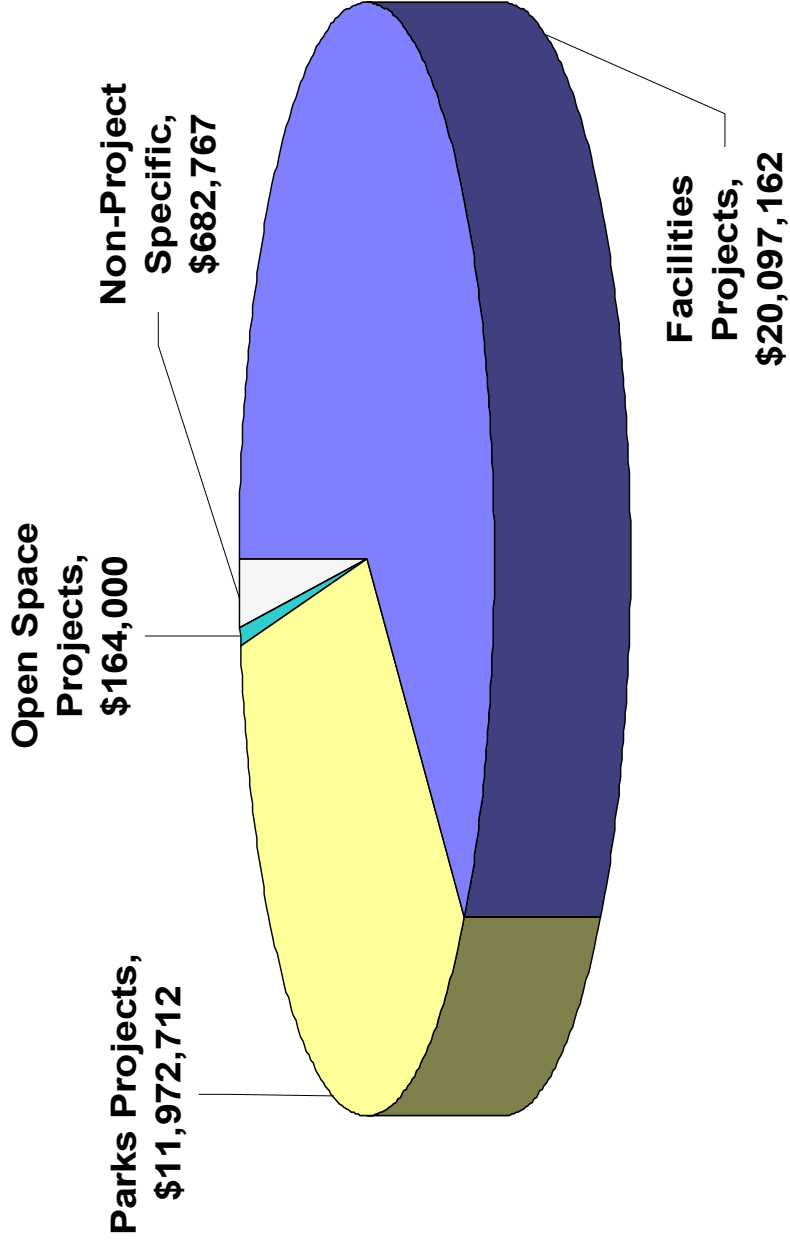
17 Projects - \$32.9 Million



Revenue Sources



Projects by Category



2008 -2013 Significant Changes

General Capital

- City Maintenance Facility – Added funding for construction in 2012.
- Saltwater Park Pedestrian Bridge – removed construction of new bridge. Major repairs will be made in 2008.

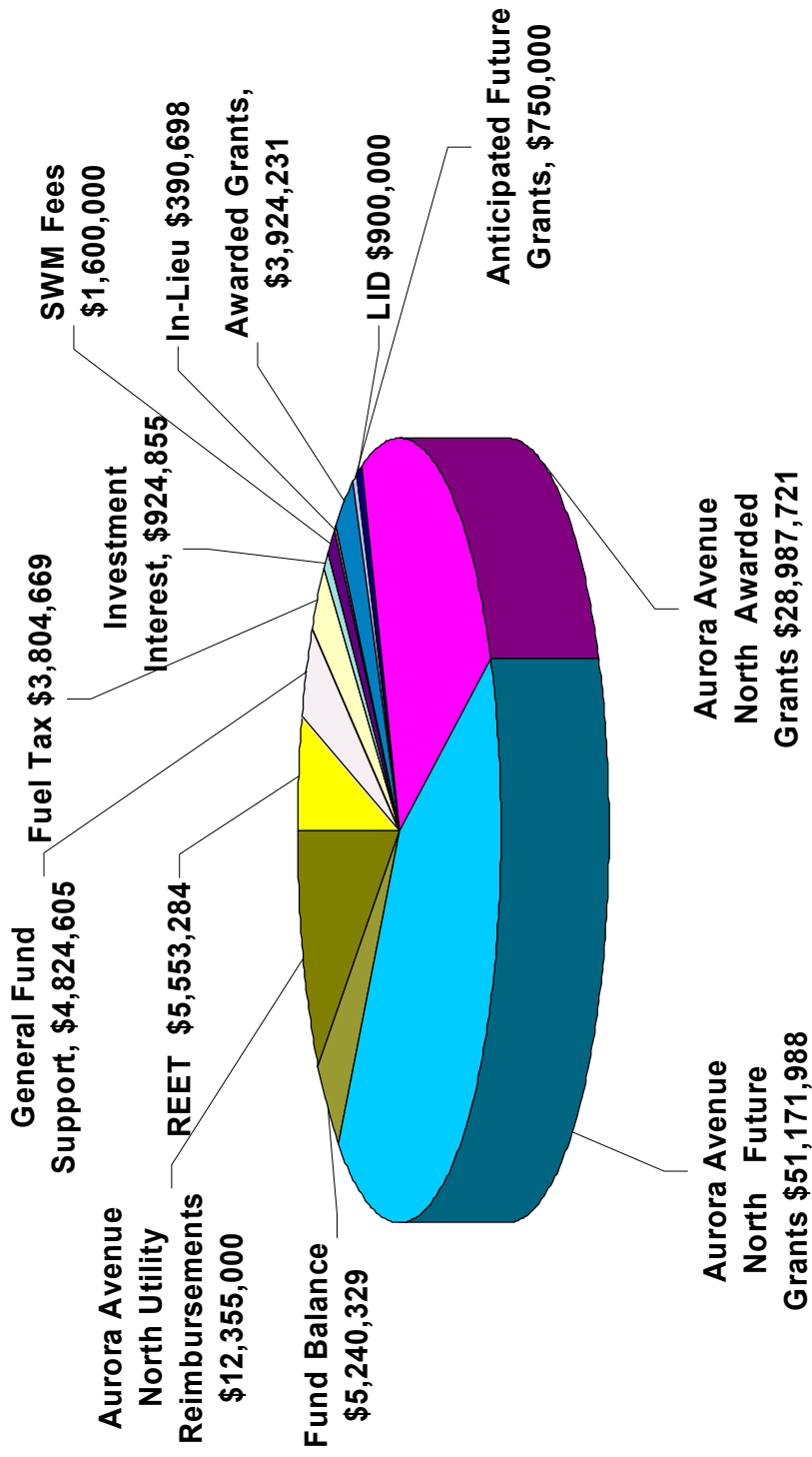


2008-2013 Roads Capital Fund

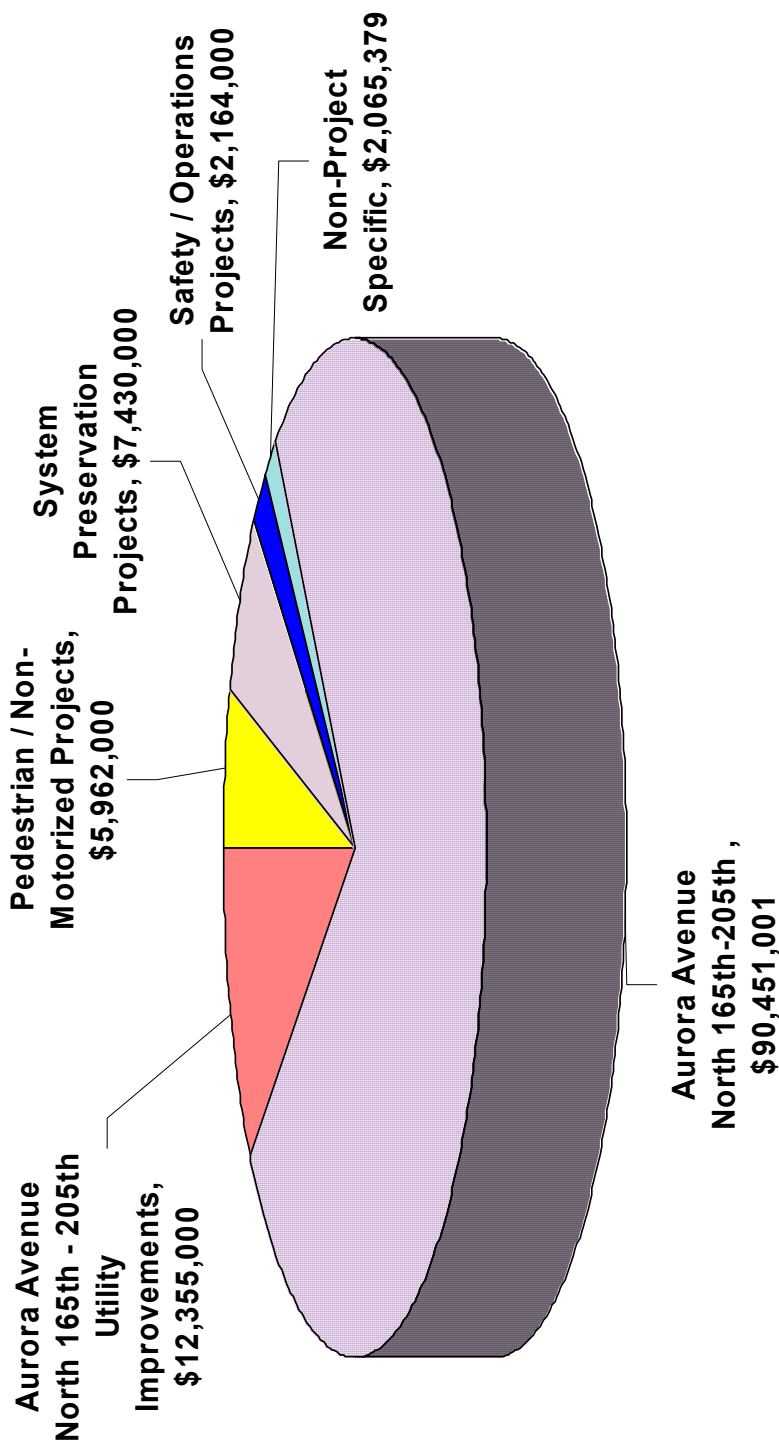
12 Projects - \$120.4 Million



Revenue Sources



Projects by Category



2008 -2013 Significant Changes

Roads Capital

- Sidewalks-Priority Routes:\$600,000 annually
- Annual Road Surface Maintenance: \$700,000 annually
- Aurora 165th – 205th estimated costs have increased due to escalating property and construction costs



2008 -2013 Significant Changes

Roads Capital

- Why?
 - Inflation/escalating costs
 - General Fund Contribution to Roads Capital Reduced (Reduced operational revenue from gambling tax)



Long-Term Issues

Roads Capital

- Limited Discretionary Funding
- License Fee Option
- Impact of Escalating Construction Costs

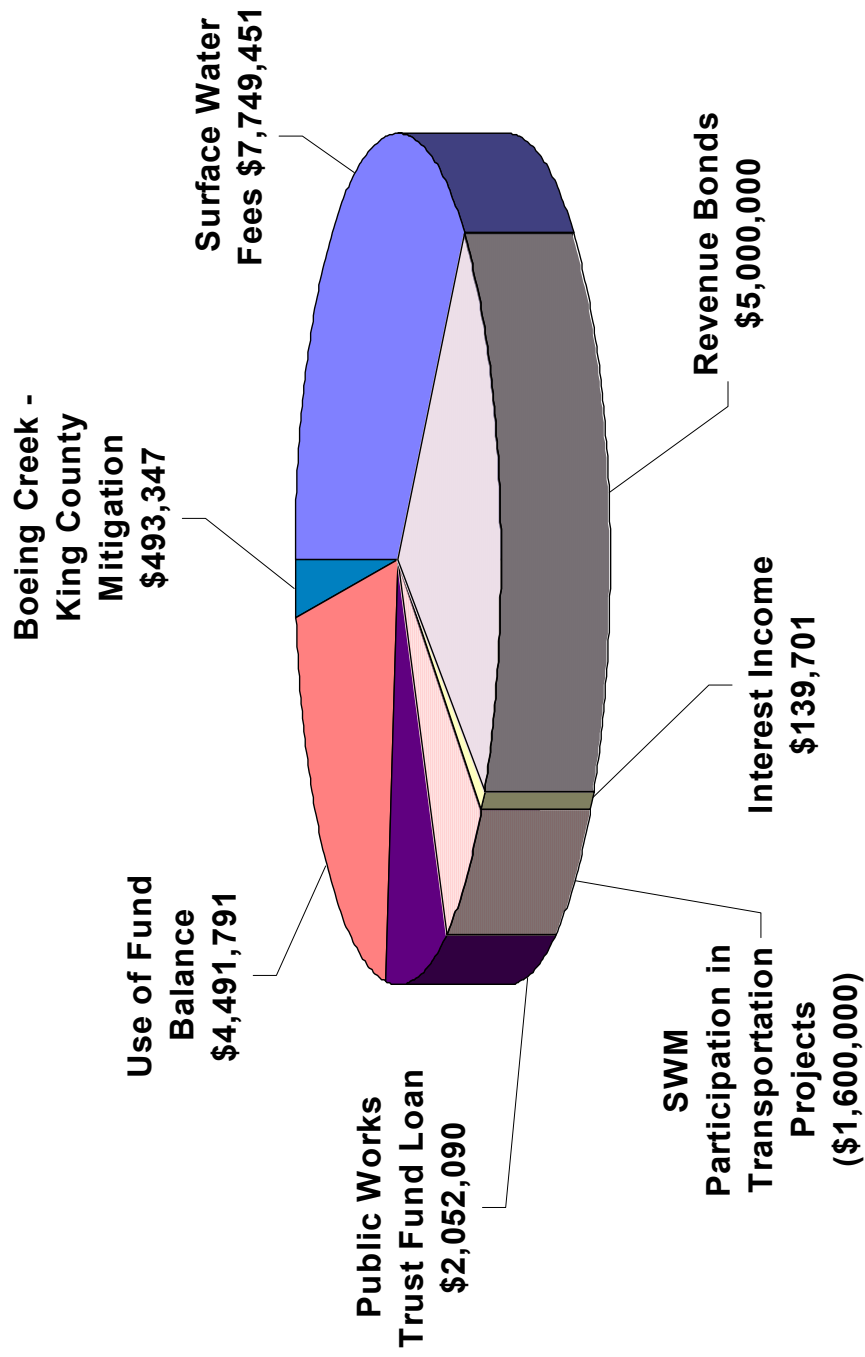


2008-2013 Surface Water Capital Projects

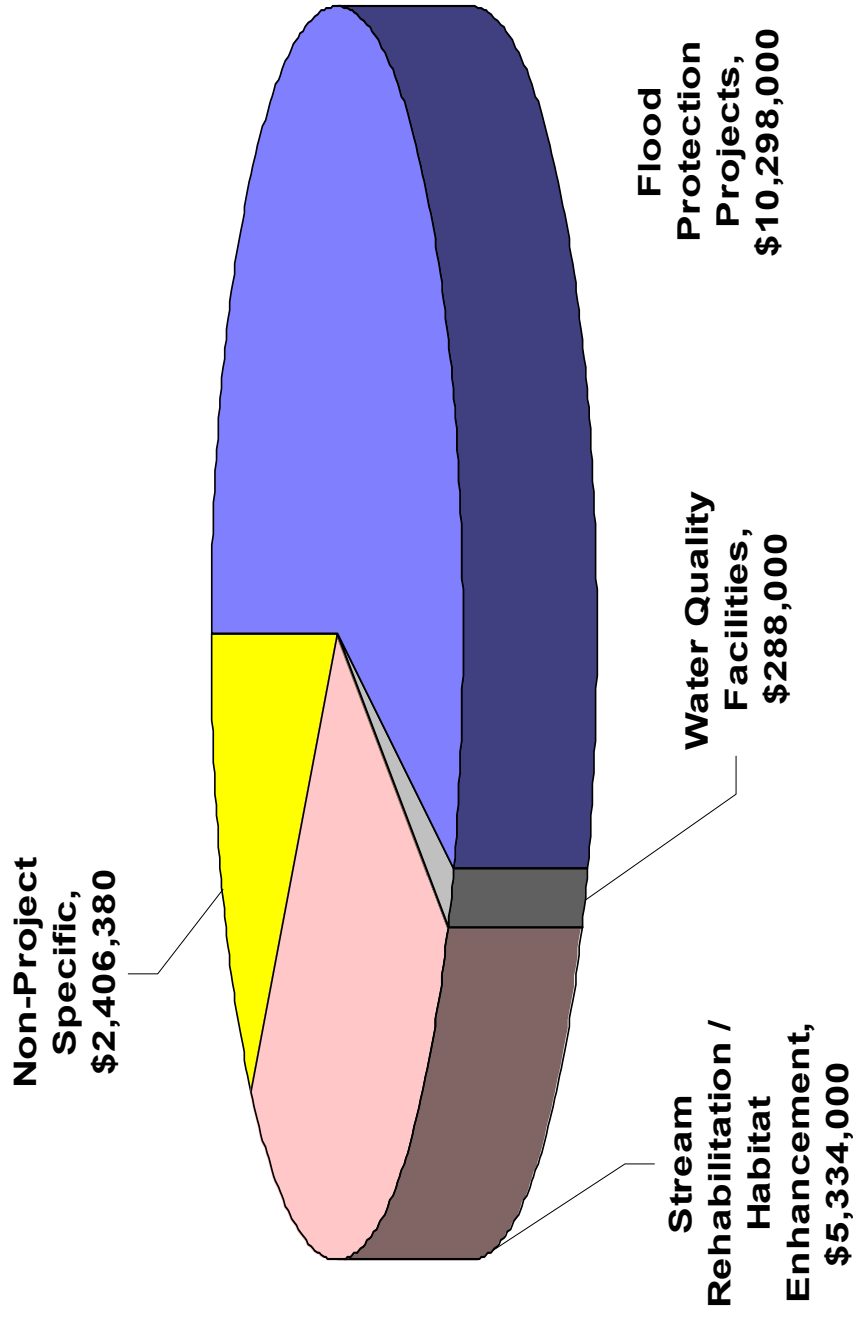
19 Projects - \$18.3 Million



Revenue Sources



Projects by Category



Surface Water Capital

- CIP Reflects Master Plan Recommendations
 - Anticipated Operational and Capital Programs
- Issues
 - Rate Study Underway
 - Impact of Escalating Construction Costs.

Upcoming Schedule

June 18 – Review General Capital, Facilities – Major Maintenance and Roads Capital

June 25 – Public Hearing – Review Surface Water Capital Projects

July 2 – Council Deliberations and Final Direction

July 9 – Adopt CIP and TIP



Summary

- As Council Reviews CIP, Contact Us Regarding Issues You Would Like Addressed
- Any Questions from Council?

