

Capital Improvement Program Fund

The Capital Improvement Program Fund (CIP) provides funding for streets, public buildings, land and other capital assets, which generally have a useful life of 5 years or more and cost more than \$50,000. City Council, in their Adopted Budget Guidelines, has set a policy to allocate at least 3% of the General Fund operating budget for capital improvements, and to shift a larger portion of the City/County Revenue Sharing dollars away from the operating budget to the CIP.

The annual capital budget is part of the City's multi-year Capital Improvements Plan (CIP), which is designed to coordinate the planning, financing, and construction of capital projects. As part of the capital improvement process, it has been recognized that funding needs to be set aside for the maintenance of City facilities. Separate funding is adopted in the General Fund budget for smaller maintenance projects in the Facilities Repair Fund.

There are several factors that must be taken into consideration during the development of the capital budget. Charlottesville's public facilities are aging, there is no significant growth in population, and the set boundaries of the City make capital budgeting an important part of the annual budget process. For these reasons, the City must respond to the capital needs of the community with investments aimed at revitalizing and maintaining the existing facilities and infrastructure of the City.

The City's CIP process is designed to coordinate and align capital projects with City priorities and strategies. As departments are preparing their CIP requests, they are asked to score their projects based upon a set of eight weighted criteria. These criteria not only help the department think about the type of requests they are submitting, but serve as a key factor when the CIP Budget Development Committee begins to discuss the projects as a whole, since, in general requests far outweigh available funding.

CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. Next the CIP Staff Ranking Committee begins meetings to discuss, and if necessary re-rank the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, Public Works, Budget, Parks and Recreation, Public Safety, a member of the Planning Commission, and one member from a non-CIP requesting department, which for this year's process was the Treasurer's Office. The CIP then goes to the Budget Development Committee, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Budget Development Committee consists of the City Manager, COO/CFO, Finance Director, the Director of Budget and Performance Management, and one member of the Planning Commission.

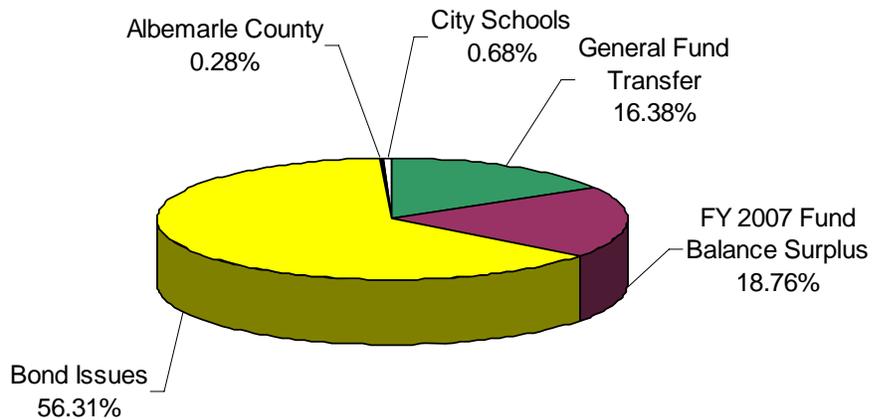
The final proposal from the Budget Development Committee is then presented to the Planning Commission. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

FY 2009 Capital Improvement Program Revenues and Expenditures

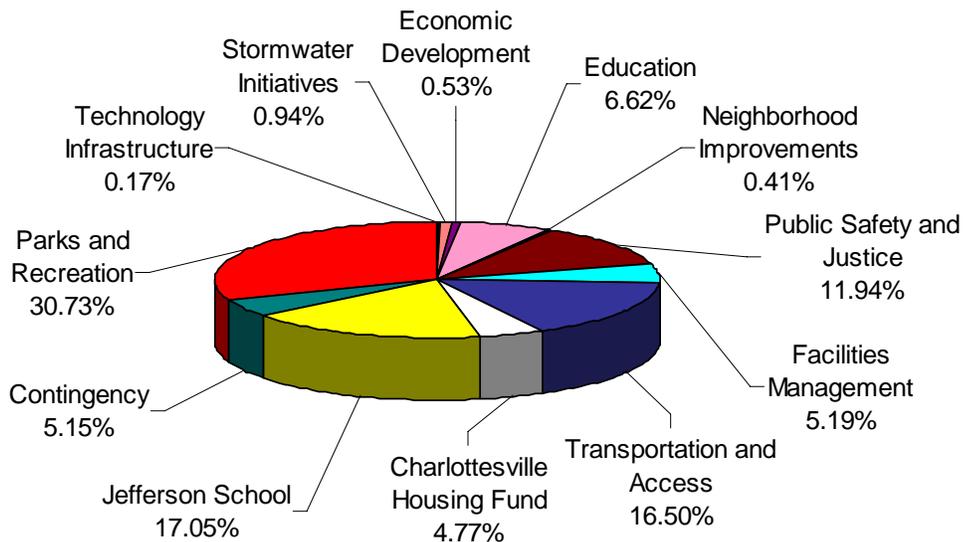
Given the need for capital projects that exists in the community, the **FY 2009-2013** Capital Improvement Program recommends the use of approximately **\$67.7 million** in long-term debt to finance a portion of the **\$103.5 million** multi-year program. The balance will be funded with transfers of funds from the General Fund, through the revenue sharing agreement with Albemarle County, usage of one-time surplus money, and with contributions from Albemarle County and the City Schools.

The Capital Improvement Program for **FY 2008-2009** contains projects totaling **\$27.8 million**, as well as a capital projects contingency account totaling **\$1.51 million**, for a total capital improvement program budget equaling **\$29.3 million**.

Revenues



Expenditures



Description of Capital Projects**Bondable Projects****Education**

For FY 2009, the City of Charlottesville allocates \$1.94 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: System wide ADA improvements; Greenbrier roof replacement; Jackson Via restroom renovations; and CHS Fine Arts Improvements. This funding also provides for initial phases of the schools HVAC replacement plan.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$1.49 million. This funding covers the annual facilities lump sum projects that funds improvements and repairs to various City owned facilities. These include the replacement of various air handlers and HVAC components; roof replacements and repairs; fire alarm and fire sprinkler repairs; and any other repairs deemed to be necessary in order to preserve the City's properties.

Public Safety and Justice

In FY 2009, \$3.5 million has been allocated for Public Safety and Justice capital improvement projects. The entire funding allocation for FY 2009 will be used for the final design and initial construction phases of the Ivy Road/Fontaine Area Fire Station replacement project. In FY 2010 and FY 2011, \$3.2 million and \$3 million respectively, have been projected to fund the final phases of construction.

Transportation and Access

For FY 2009, a total of \$3.2 million is allocated to Transportation and Access for various capital improvement projects, including \$1.5 million for Major Downtown Mall/Side Street reconstruction, \$946,000 for street reconstruction throughout the City; \$100,000 for the undergrounding of utilities; and \$350,000 for West Main Streetscaping. The remaining \$300,000 is allocated for the construction of new sidewalks, trails and bike lanes throughout the City of Charlottesville.

Parks and Recreation

For FY 2009 the Parks and Recreation Department is allocated \$8.5 million. The majority of this funding, \$5 million, is for the replacement of the Smith Pool facility. Onesty Pool Replacement will require \$3 million in FY09 funding. The Rives Park Renovations project is allocated \$250,000 and the remaining \$250,000 allocated to Parks and Recreation is designated for the Forest Hills Restroom and Park Shelter renovations project.

Non-Bondable Projects

Economic Development

The Department of Economic Development is allocated \$154,500 for the purpose of carrying out economic development initiatives. These funds are to be used to assist in long-term strategic improvements, to grow and expand the City's tax base, and for workforce development.

Neighborhood Improvements

\$120,000 is allocated to Neighborhood Improvements for non-bondable projects, which would allow 18 city neighborhoods the ability to select their own CIP projects. These funds represent the second year of a three year funding cycle.

Facilities Capital Projects

In FY 2009 \$29,851 has been allocated to Facilities Management for the CATEC general facility maintenance projects, which are made up of various minor repairs and renovations.

Transportation and Access

Transportation and Access receives \$62,397 in grant match funds for CTS Transit bus replacement; \$309,000 for sidewalk repair; \$250,000 for citywide traffic improvements and \$120,000 for the intelligent transportation system; \$500,000 for State bridge and highway priorities; \$250,000 for wayfinding initiatives; \$100,000 for Citywide ADA improvements to sidewalks and curbs throughout the City; and \$50,000 to be used as the required 2% matching funds for various grant funded projects such as the Jefferson Park Avenue (JPA) Bridge Repair and Meadowcreek Parkway projects. Total funding for this area is \$1.64 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$510,500 for non-bondable projects, which include: \$154,500 for improvements to City and School playgrounds; \$103,000 for Trails and Greenway development; \$103,000 for urban tree preservation and planting; and \$150,000 to install lighting at the CHS Girls Softball field.

Stormwater Initiatives

Stormwater initiatives are allocated funds totaling \$275,000. These projects include \$175,000 for Neighborhood Drainage projects and \$100,000 for Citywide Emergency Drainage Projects.

Technology Infrastructure

Technology Infrastructure projects are allocated \$50,000. The Communications Technology Account/Public Access Television project will allow the City to continue upgrading and improving its cable network services and programming to the citizens by providing technology equipment and maintenance of that equipment to the Public Access Offices at CATEC and to Channel 10 located in City Hall.

Other General Government Commitments

The Charlottesville Housing Fund, whose mission is to meet the housing challenges facing our residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community. This program is allocated \$1.4 million. Other General Governmental Commitments is also allocated \$5 million for the Jefferson School, which is a re-appropriation of expenditures previously authorized in FY 2006 and FY 2007.

Operational Impact

In the FY 2009 Capital Improvement Program (CIP), eight projects were identified as significant nonroutine capital expenditures. For the purposes of this analysis, significant nonroutine capital expenditures are those projects which will cost more than \$250,000, are not routine maintenance, such as street and sidewalk reconstruction or facilities maintenance, and are not yearly recurring projects. The operational impacts of these projects are discussed below.

Operational Impacts of Projects

<u>Project</u>	<u>FY09 CIP Cost</u>	<u>Operational Impacts</u>	<u>Operational Increases/Savings</u>
Ivy Rd/Fontaine Area Fire Station Replacement	\$ 3,500,000	Increased utility costs, possible increased equipment costs, no increase in personnel costs	Increased utility cost of approximately \$4.41 per square foot.
Major Downtown Mall/Sidestreet Reconstruction	\$ 1,500,000	Decreased maintenance costs and certain utility savings upon substantial completion	The exact amount of savings unknown at this time due to project being in the early stages of the project design phase.
New Sidewalks	\$ 300,000	Increase in overall annual sidewalk maintenance costs	\$10 per square foot of new sidewalk constructed.
West Main Streetscape	\$ 350,000	Possible decreased maintenance costs	Unknown until design phase is completed.
Onesty Pool Replacement	\$ 3,000,000	Savings in utility costs and ability to generate additional revenue	Utility savings unknown at this time, but there is the possibility to double the amount of revenue currently being collected in by pool, which is approximately \$13,000 per year.
Smith Pool	\$ 5,000,000	Decreased maintenance and utility costs, no increase in personnel, possible increase ability to generate revenue	The closure of Smith Pool for part of FY 2009, will result in approximately \$200,000 in savings for the City. Amounts of future operational increases/savings will be unknown until the final design of the new Smith Pool facility is completed.
Charlottesville Housing Fund	\$ 1,400,000	Increased personnel costs associated with the administration of the program.	Approximately 215 staff hours per year are required to administer this program.

FY 2009-2013 Capital Improvement Program

	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	3,903,882	4,185,400	4,763,380	5,364,319	5,739,820	23,956,801
Transfer from General Fund (Dedicated to CAHIP)	900,000	1,000,000	1,000,000	1,000,000	1,000,000	4,900,000
FY 2007 Fund Balance Surplus	5,500,000	0	0	0	0	5,500,000
Contribution from Albemarle County (Levy Building)	0	212,500	0	0	0	212,500
Contribution from Albemarle County (CATEC)	81,500	91,000	37,500	12,500	0	222,500
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
CY 2009 Bond Issue	13,737,000	0	0	0	0	13,737,000
CY 2009 Bond Issue (Transfer of bonds previously authorized in FY 2006 and FY 2007)	5,000,000	0	0	0	0	5,000,000
CY 2010 Bond Issue	0	17,251,966	0	0	0	17,251,966
CY 2011 Bond Issue	0	0	12,250,000	0	0	12,250,000
CY 2012 Bond Issue	0	0	0	13,975,000	0	13,975,000
CY 2013 Bond Issue	0	0	0	0	5,500,000	5,500,000
TOTAL AVAILABLE REVENUES	\$29,322,382	\$22,940,866	\$18,250,880	\$20,551,819	\$12,439,820	\$103,505,767
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Lump Sum to Schools (City Contribution)	1,492,566	1,537,343	1,583,463	1,630,967	1,679,896	7,924,235
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
Charlottesville High School Improvements	0	800,000	0	0	0	800,000
City Schools HVAC Replacement Plan	250,000	500,000	750,000	1,000,000	1,000,000	3,500,000
Charlottesville High School Football Bleachers	0	0	0	1,200,000	0	1,200,000
SUBTOTAL	\$1,942,566	\$3,037,343	\$2,533,463	\$4,030,967	\$2,879,896	14,424,235
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Lump Sum to Facilities Capital Projects	1,492,566	1,537,343	1,583,463	1,630,967	1,679,896	7,924,306
Levy HVAC Component Replacements	0	425,000	0	0	0	425,000
Central Library Renovations	0	0	0	0	500,000	500,000
SUBTOTAL	\$1,492,566	\$1,962,343	\$1,583,463	\$1,630,967	\$2,179,967	\$8,849,306
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Bypass Fire Station Replacement	0	0	0	4,150,000	0	4,150,000
My Road/Fontaine Area Fire Station Replacement/Access Road	3,500,000	3,200,000	3,000,000	0	0	9,700,000
SUBTOTAL	\$3,500,000	\$3,200,000	\$3,000,000	\$4,150,000	\$0	\$13,850,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Major Downtown Mall Reconstruction	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Undergrounding Utilities	100,000	100,000	100,000	100,000	100,000	500,000
New Sidewalks	300,000	300,000	300,000	300,000	300,000	1,500,000
West Main Streetscape	350,000	350,000	350,000	350,000	350,000	1,750,000
Street Reconstruction	946,892	975,229	1,004,558	1,034,694	1,065,735	5,027,108
Old Lynchburg Road	0	500,000	1,000,000	1,500,000	0	3,000,000
SUBTOTAL	\$3,196,892	\$3,725,229	\$4,254,558	\$4,784,694	\$3,315,735	\$19,277,108
PARKS AND RECREATION						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
Onesty Pool Replacement (Meade Park)	3,000,000	0	0	0	0	3,000,000
Washington Park Bathhouse	0	0	1,000,000	1,500,000	0	2,500,000
Smith Pool	5,000,000	5,000,000	0	0	0	10,000,000
Rives Park Renovations	250,000	250,000	0	0	0	500,000
Azalea Park Renovations	0	300,000	0	0	0	300,000
McIntire Park - Master Plan Implementation	0	0	375,000	250,000	250,000	875,000
Forest Hills Park Shelter and Restroom	250,000	250,000	0	0	0	500,000
SUBTOTAL	\$8,500,000	\$5,800,000	\$1,375,000	\$1,750,000	\$250,000	\$17,675,000
GENERAL GOVERNMENT INFRASTRUCTURE AND OTHER COMMITMENTS						
<u>Project</u>	<u>Adopted FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>5 Year Total</u>
YMCA Pool (City Share)	0	0	1,125,000	0	0	1,125,000
SUBTOTAL	\$0	\$0	\$1,125,000	\$0	\$0	\$1,125,000
SUBTOTAL BONDABLE PROJECTS	\$18,632,024	\$17,724,915	\$13,871,484	\$16,346,628	\$8,625,598	\$75,200,649
Bondable Contingency	\$1,326,423	\$1,135,744	\$722,504	\$1,008,014	\$624,687	\$4,817,372
TOTAL BONDABLE PROJECTS	\$19,958,447	\$18,860,659	\$14,593,988	\$17,354,642	\$9,250,285	\$80,018,021

FY 2009-2013 Capital Improvement Program

NONBONDABLE PROJECTS						
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Economic Development (Strategic) Initiatives	154,500	159,135	163,909	168,826	173,891	820,261
SUBTOTAL	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$820,261
NEIGHBORHOOD IMPROVEMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Neighborhood CIP Funds	120,000	120,000	0	0	0	240,000
SUBTOTAL	\$120,000	\$120,000	\$0	\$0	\$0	\$240,000
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
CATEC - General Facility Maintenance	29,851	30,747	31,669	32,619	33,598	158,484
SUBTOTAL	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598	\$158,484
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Sidewalk Repair	309,000	318,270	327,818	337,653	347,783	1,640,524
State Bridge and Highway Priorities	500,000	300,000	300,000	300,000	300,000	1,700,000
Meadowcreek Parkway - 2% Match	40,000	0	0	0	0	40,000
JPA Bridge 2% Match	10,000	0	0	0	0	10,000
CTS Transit Bus Replacement Match	62,397	752,455	592,907	178,816	268,748	1,855,323
Intelligent Transportation System	120,000	120,000	120,000	120,000	0	480,000
City Wide Traffic Improvements	250,000	200,000	200,000	200,000	200,000	1,050,000
Wayfinding Initiative	250,000	0	0	0	0	250,000
Citywide ADA Improvements - Sidewalks and Curbs	100,000	100,000	100,000	100,000	100,000	500,000
SUBTOTAL	\$1,641,397	\$1,790,725	\$1,640,725	\$1,236,469	\$1,216,531	\$7,525,847
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Parks and Schools Playground Renovations	154,500	159,135	0	0	0	313,635
Trails and Greenway Development	103,000	106,090	109,273	112,551	115,927	546,841
Urban Tree Preservation and Planting	103,000	106,090	109,273	112,551	115,927	546,841
Charlottesville High School Girls Softball Field Lighting	150,000	0	0	0	0	150,000
SUBTOTAL	\$510,500	\$371,315	\$218,546	\$225,102	\$231,854	\$1,557,317
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Neighborhood Drainage Projects	175,000	175,000	175,000	175,000	175,000	875,000
Emergency Drainage Projects (City Wide)	100,000	100,000	100,000	100,000	100,000	500,000
SUBTOTAL	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$1,375,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
Project	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Communications Technology Account/Public Access	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
OTHER GOVERNMENTAL COMMITMENTS						
Charlottesville Housing Fund	1,400,000	1,000,000	1,000,000	1,000,000	1,000,000	5,400,000
Jefferson School (Transfer of expenditures previously authorized in FY 2006 and FY 2007)	5,000,000	0	0	0	0	5,000,000
SUBTOTAL	\$6,400,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$10,400,000
SUBTOTAL NONBONDABLE PROJECTS	\$9,181,248	\$3,796,922	\$3,379,849	\$2,988,016	\$2,980,874	\$22,326,909
Non Bondable Contingency	\$182,687	\$283,285	\$277,043	\$209,161	\$208,661	\$1,160,837
TOTAL NONBONDABLE PROJECTS	\$9,363,935	\$4,080,207	\$3,656,892	\$3,197,177	\$3,189,535	\$23,487,746
TOTAL PROJECT EXPENDITURES	\$29,322,382	\$22,940,866	\$18,250,880	\$20,551,819	\$12,439,820	\$103,505,767

