

Capital Improvement Program Fund

The Capital Improvement Program Fund (CIP) provides funding for streets, public buildings, land and other capital assets. Capital Improvement Projects are projects 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 an amount no less than 3% of the General Fund budget for capital improvements.

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. The fact that 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 new and modified 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.

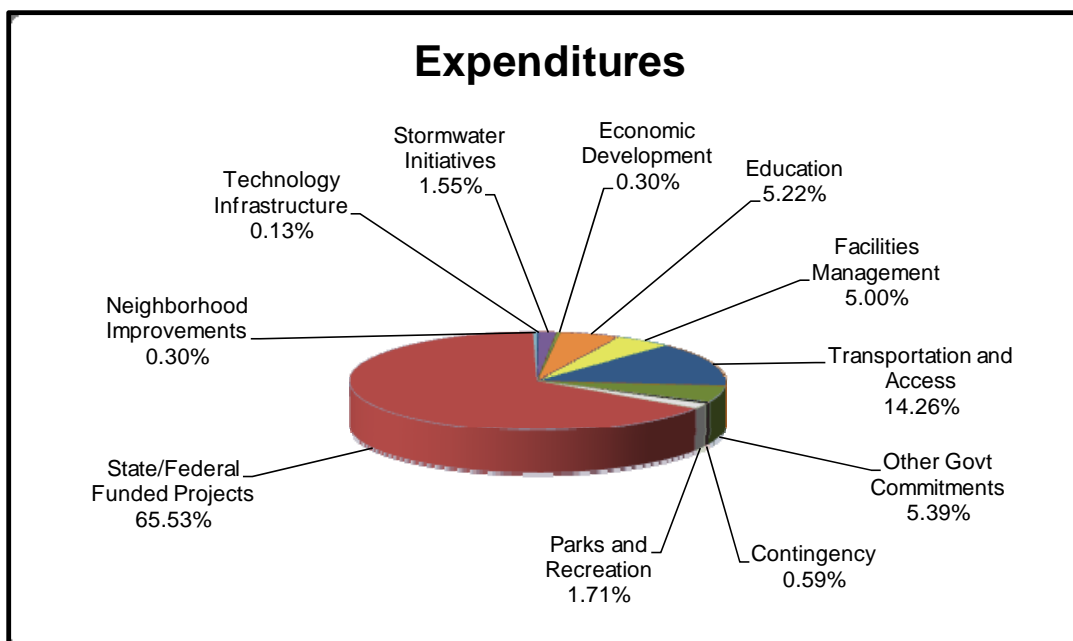
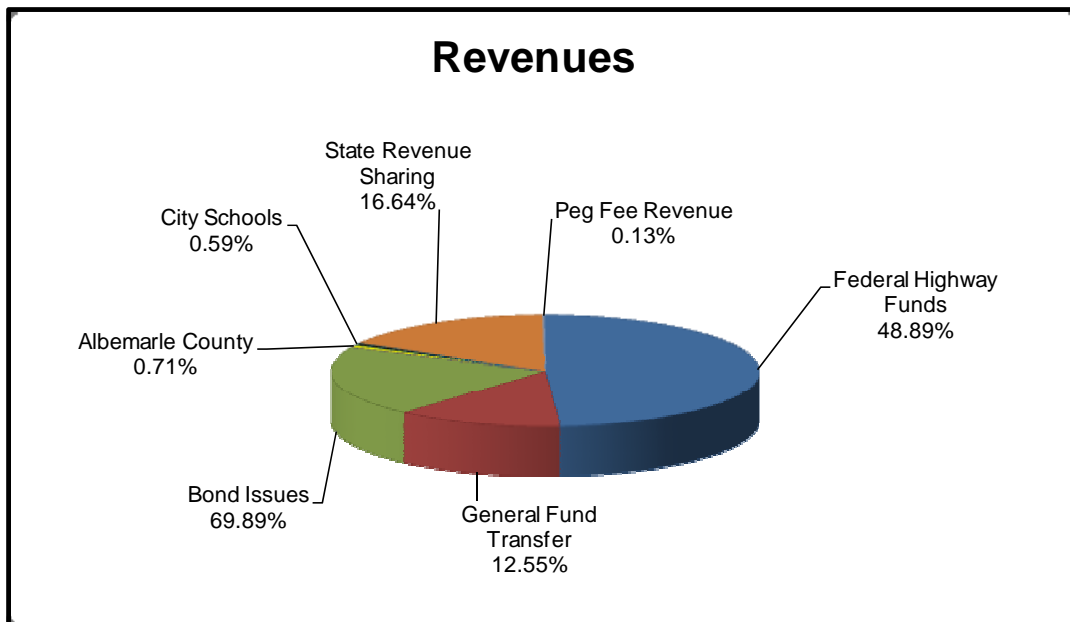
CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP Staff Ranking Committee then reviews, and if necessary re-ranks the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, 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 Department of Social Services. The CIP is forwarded 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 2011 Capital Improvement Program Revenues and Expenditures

Given the need for capital projects that exists in the community, the **FY 2011-2015** Capital Improvement Program recommends the use of approximately **\$43.62 million** in long-term debt to finance a portion of the **\$92.08 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, and with contributions from Albemarle County and the Charlottesville City Schools.

The Capital Improvement Program for **FY 2010-2011** contains projects totaling **\$33.65 million**, as well as a capital projects contingency account totaling **\$200,000**, for a total capital improvement program budget equaling **\$33.85 million**.



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

In FY 2011, the City of Charlottesville allocates \$1.56 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: Improvements to Buford; CHS parking lot resurfacing and roof repairs; Walker fire alarm system replacement; Burnley-Moran exterior painting and waterproofing; and Johnson Exterior painting and waterproofing. This funding also provides for the schools HVAC replacement plan.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$1.66 million for improvements and repairs to various City owned facilities. These include the replacement of various air handlers and HVAC components; window 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. This funding also provides for Market Street Parking Garage concrete repairs.

Transportation and Access

For FY 2011, a total of \$3.40 million is allocated to Transportation and Access projects which include: Street reconstruction and paving at \$1,504,558; \$300,000 for the design and construction of new sidewalks; \$1.5 million for the City match portion of the Route 250 Bypass Interchange at McIntire; and \$100,000 for the undergrounding of utilities.

Parks and Recreation

For FY 2011 Parks and Recreation Department is allocated \$100,000 to continue repairs to the aged bath house at the Washington Park swimming pool. Additionally, the pool itself will have repairs to the coping stones, new white coat on the pool bottom, tile replacement and repairs to the pump servicing the main slide in the pool.

State and Federal Funded Projects**Transportation and Access**

For FY 2011, a total of \$22,186,166 million is allocated to Transportation and Access for the Route 250 Bypass Interchange at McIntire. This amount represents the State and Federally funded portion of the Route 250 Bypass Interchange at McIntire project, and there is a corresponding revenue source for this amount.

Non-Bondable Projects**Education**

Funding of \$200,000 is allocated to carry out the Charlottesville City Schools small capital improvement program. This funding is offset 100% through a contribution from the schools specifically for this program.

Economic Development

The Department of Economic Development is allocated \$103,000 for the purpose of carrying out economic development initiatives. These funds assist in long-term strategic improvements, that grow and expand the City's tax base, and for workforce development initiatives.

Neighborhood Improvements

\$100,000 has been allocated for the Neighborhood CIP Funds project. Funds will be used for various capital projects that are either solicited by neighborhoods, or are determined to be needed by City Council, and that are not otherwise covered by the traffic calming, sidewalk, or drainage capital programs.

Facilities Capital Projects

In FY 2011, \$31,669 has been allocated to Facilities Management for CATEC general facility maintenance projects.

Transportation and Access

Transportation and Access receives \$316,740 in grant match funds for CTS Transit bus replacement; \$296,851 for sidewalk repair; \$100,000 for citywide traffic improvements; \$50,000 for bicycle infrastructure; \$100,000 for the intelligent transportation system; \$159,000 for State bridge and highway priorities; \$100,000 for Citywide ADA improvements to sidewalks and curbs throughout the City; \$100,000 for the required matching funds for the Jefferson Park Avenue (JPA) Bridge Repair; and \$200,000 for Belmont Commercial Neighborhood Improvements. Total funding for this area is \$1.42 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$480,250 for non-bondable projects, which include: \$103,000 for improvements to City and School playgrounds; \$75,000 for Trails and Greenway development; \$50,000 for urban tree preservation and planting; and \$250,000 for the future acquisition of parkland within the City of Charlottesville.

Stormwater Initiatives

Stormwater Initiatives are allocated funds totaling \$525,000. These projects include \$175,000 for Neighborhood Drainage projects and \$350,000 for Citywide Stormwater Initiatives to carry out major improvements to the City's Stormwater infrastructure, which currently has over 13 miles of the system that has been identified as being in need of immediate repair or replacement based on the deterioration of the pipes. The funding for Citywide Stormwater Initiatives has been reduced by \$250,000 in FY 2011, which differs from previous proposed CIPs. This is due to the availability of FY 2009 carryover funds in the amount of \$339,000 which are included in the Gas Capital Improvement Program for FY 2011 and will be used to fund major stormwater projects as prescribed above. This funding will be reevaluated annually with the Capital Improvement Budget with the long term goal to shift this to a self supporting utility.

Technology Infrastructure

Allocated at \$45,000, 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 of Charlottesville. This item is offset by PEG Fees paid to the City.

Other General Government Commitments

The mission of the **Charlottesville Housing Fund** 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 \$1.2 million from the CIP, with an additional \$200,000 in CDBG funding being dedicated with future Council action. Funding of \$625,000 is allocated for the City's contribution to the **YMCA Family Aquatics Center**, giving City schools priority access to the pool area, as agreed upon in the City's ground lease with the YMCA. The City had previously funded \$125,000 for the **Home Energy Conservation Grant Program**. The agency that administers this program was awarded Federal Stimulus funding which need to be spent first and in addition, they will not be able to spend the FY 2010 City contribution to the program prior to the end of FY 2011. City funding is restored to this project in FY 2012.

Operational Impacts

In the FY 2011 Capital Improvement Program (CIP), seven projects were identified as significant nonroutine capital expenditures. For the purposes of this analysis, significant non-routine 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 recurring projects. The operational impacts of these projects are discussed below.

Operational Impacts of Approved Capital Projects

Project	FY11 CIP Cost	Operational Impacts	Operational Increases/Savings
Market Street Parking Garage Concrete Repairs	\$ 594,000	Potential loss of parking revenue.	Repairs will not affect the amount spent per year on maintenance of the structure. As areas are closed off to complete the repairs, there is the potential to lose parking revenue, especially during high traffic times.
New Sidewalks	\$ 300,000	Increase in overall annual sidewalk maintenance costs.	Approximately \$10 per square foot of new sidewalk constructed.
Route 250 Bypass Interchange at McIntire - City Match	\$ 1,500,000	Increased road maintenance cost upon completion of project.	No operational increases for FY 2011, but after the roadway construction is completed the city will incur road maintenance costs (milling and paving, snow removal, drainage, etc.) of approximately \$18,815 per lane mile, with \$11,560 per lane mile being reimbursed to the City from VDOT .
CTS Transit Bus Replacement	\$ 296,851	Decrease in maintenance costs.	Newer buses normally have lower maintenance costs associated with them than the buses they are replacing. Amount of savings will be dependant upon condition of bus being replaced.
Parkland Acquisition	\$ 250,000	Maintenance costs.	Maintenance for any newly acquired parkland will be handled using existing resources, resulting in no operational increases for the city.
Stormwater Initiatives	\$ 350,000	Increased personnel and maintenance supply cost; decreased maintenance costs.	Project is an increase in funding to existing operations. Increased personnel and supply costs will be covered by additional CIP funding.
YMCA Pool (City Share)	\$ 625,000	Decrease in maintenance costs or potential revenue generation.	The YMCA will be constructed on City land, which the YMCA will maintain, reducing City maintenance costs. There is the possibility that YMCA could contract with the City to handle grounds maintenance, resulting in possible revenue generation.

FY 2011-2015 Capital Improvement Program

	<u>Adopted</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>Projected</u> <u>FY13</u>	<u>Projected</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	4,248,500	4,793,055	4,960,022	5,108,822	5,262,087	24,372,486
Contribution from Albemarle County (CATEC)	37,500	12,500	0	0	114,500	164,500
Contribution from Albemarle County (Central Library)	201,500	56,500	175,000	75,000	0	508,000
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
Federal Highway Funds (250 Bypass Interchange)	16,552,666	0	0	0	0	16,552,666
State Revenue Sharing (250 Bypass Interchange)	5,633,500	0	0	0	0	5,633,500
PEG Fee Revenue	45,000	45,000	45,000	45,000	45,000	225,000
CY 2011 Bond Issue	6,935,484	0	0	0	0	6,935,484
CY 2012 Bond Issue	0	16,662,027	0	0	0	16,662,027
CY 2013 Bond Issue	0	0	7,870,585	0	0	7,870,585
CY 2014 Bond Issue	0	0	0	8,374,130	0	8,374,130
CY 2015 Bond Issue	0	0	0	0	3,583,997	3,583,997
TOTAL AVAILABLE REVENUES	\$33,854,150	\$21,769,082	\$13,250,607	\$13,802,952	\$9,205,584	\$91,882,375

Expenditures

BONDABLE PROJECTS

	<u>Adopted</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>Projected</u> <u>FY13</u>	<u>Projected</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>5 Year</u> <u>Total</u>
EDUCATION						
Lump Sum to Schools (City Contribution)	1,068,463	1,100,517	1,133,533	1,167,539	1,202,565	5,672,617
City Schools HVAC Replacement Plan	500,000	500,000	750,000	1,000,000	1,000,000	3,750,000
Charlottesville High School Football Bleachers	0	1,200,000	0	0	0	1,200,000
SUBTOTAL	\$1,568,463	\$2,800,517	\$1,883,533	\$2,167,539	\$2,202,565	10,622,617
FACILITIES CAPITAL PROJECTS						
Lump Sum to Facilities Capital Projects	1,068,463	1,100,517	1,133,533	1,167,539	1,202,565	5,672,617
Market Street Parking Garage Concrete Repairs	594,000	0	0	0	0	594,000
SUBTOTAL	\$1,662,463	\$1,100,517	\$1,133,533	\$1,167,539	\$1,202,565	6,266,617
PUBLIC SAFETY AND JUSTICE						
Bypass Fire Station Renovation	0	0	2,150,000	2,000,000	0	4,150,000
Ivy Road/Fontaine Area Fire Station Replacement/Access Road	0	8,000,000	0	0	0	8,000,000
SUBTOTAL	\$0	\$8,000,000	\$2,150,000	\$2,000,000	\$0	\$12,150,000
TRANSPORTATION AND ACCESS						
Undergrounding Utilities	100,000	100,000	100,000	100,000	0	400,000
New Sidewalks	300,000	300,000	300,000	300,000	300,000	1,500,000
West Main Streetscape	0	350,000	350,000	350,000	0	1,050,000
Street Reconstruction	1,504,558	1,534,694	1,565,735	1,597,707	1,630,638	7,833,332
Old Lynchburg Road	0	500,000	1,000,000	1,500,000	0	3,000,000
Route 250 Bypass Interchange at McIntire - City Match	1,500,000	0	0	0	0	1,500,000
SUBTOTAL	\$3,404,558	\$2,784,694	\$3,315,735	\$3,847,707	\$1,930,638	15,283,332
PARKS AND RECREATION						
Washington Park Pool/Bathhouse	100,000	500,000	0	0	0	600,000
Rives Park Renovations	0	500,000	0	0	0	500,000
Azalea Park Renovations	0	375,000	375,000	0	0	750,000
McIntire Park - Master Plan Implementation	0	250,000	250,000	300,000	0	800,000
SUBTOTAL	\$100,000	\$1,625,000	\$625,000	\$300,000	\$0	2,650,000
SUBTOTAL BONDABLE PROJECTS	\$6,735,484	\$16,310,728	\$9,107,801	\$9,482,785	\$5,335,768	\$46,972,566
Bondable Contingency	\$200,000	\$351,299	\$409,851	\$426,725	\$240,110	\$1,627,985
TOTAL BONDABLE EXPENDITURES	\$6,935,484	\$16,662,027	\$9,517,652	\$9,909,510	\$5,575,878	\$48,600,551

STATE AND FEDERAL FUNDED PROJECTS

	<u>Adopted</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>Projected</u> <u>FY13</u>	<u>Projected</u> <u>FY14</u>	<u>Projected</u> <u>FY15</u>	<u>5 Year</u> <u>Total</u>
TRANSPORTATION AND ACCESS						
Route 250 Bypass Interchange at McIntire - State and Federal Portion	22,186,166	0	0	0	0	22,186,166
SUBTOTAL	\$22,186,166	\$0	\$0	\$0	\$0	22,186,166
SUBTOTAL STATE AND FEDERAL PROJECTS	\$22,186,166	\$0	\$0	\$0	\$0	\$22,186,166

FY 2011-2015 Capital Improvement Program

NONBONDABLE PROJECTS

EDUCATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
SUBTOTAL	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Economic Development (Strategic) Initiatives	103,000	106,090	109,273	112,551	115,928	546,842
SUBTOTAL	\$103,000	\$106,090	\$109,273	\$112,551	\$115,928	\$546,842
NEIGHBORHOOD IMPROVEMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Neighborhood CIP Funds	100,000	100,000	100,000	100,000	100,000	500,000
SUBTOTAL	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
CATEC - General Facility Maintenance	31,669	32,619	33,598	34,606	35,664	\$168,156
SUBTOTAL	\$31,669	\$32,619	\$33,598	\$34,606	\$35,664	\$168,156
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Sidewalk Repair	296,851	212,180	218,545	225,101	231,854	1,184,531
State Bridge and Highway Inspections	159,000	318,270	327,818	337,653	347,782	1,490,523
JPA Bridge - City Match	100,000	0	0	0	0	100,000
Emmet Street/250 Bypass Improvements - City Match	0	500,000	0	0	0	500,000
CTS Transit Bus Replacement Match	316,730	322,888	443,699	569,270	288,027	1,940,614
Intelligent Transportation System	100,000	100,000	100,000	100,000	100,000	500,000
City Wide Traffic Improvements	100,000	100,000	100,000	100,000	100,000	500,000
Citywide ADA Improvements - Sidewalks and Curbs	100,000	100,000	100,000	100,000	100,000	500,000
Bicycle Infrastructure	50,000	50,000	50,000	50,000	50,000	250,000
Belmont Commercial Neighborhood Improvements	200,000	0	0	0	0	200,000
SUBTOTAL	\$1,422,581	\$1,703,338	\$1,340,062	\$1,482,024	\$1,217,663	7,165,668
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Parks and Schools Playground Renovations	103,000	106,090	109,273	112,551	115,927	546,841
Trails and Greenway Development	77,250	79,568	81,955	84,414	86,946	410,133
Urban Tree Preservation and Planting	50,000	51,500	53,045	54,636	56,275	265,456
Parkland Acquisition	250,000	100,000	100,000	100,000	100,000	650,000
SUBTOTAL	\$480,250	\$337,158	\$344,273	\$351,601	\$359,148	1,872,430
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Neighborhood Drainage Projects	175,000	175,000	175,000	175,000	175,000	875,000
Stormwater Initiatives	350,000	600,000	100,000	100,000	100,000	1,250,000
SUBTOTAL	\$525,000	\$775,000	\$275,000	\$275,000	\$275,000	\$2,125,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
Communications Technology Account/Public Access	45,000	45,000	45,000	45,000	45,000	225,000
SUBTOTAL	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000
OTHER GOVERNMENTAL COMMITMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>Total</u>
YMCA Pool (City Share)	625,000	625,000	0	0	0	1,250,000
Charlottesville Housing Fund	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	5,200,000
Home Energy Conservation Grant Program	0	125,000	125,000	125,000	125,000	500,000
SUBTOTAL	\$1,825,000	\$1,750,000	\$1,125,000	\$1,125,000	\$1,125,000	\$6,950,000
SUBTOTAL NONBONDABLE PROJECTS	\$4,732,500	\$5,049,205	\$3,572,206	\$3,725,782	\$3,473,403	\$20,553,096
Nonbondable Contingency	\$0	\$57,850	\$160,749	\$167,660	\$156,303	\$542,562
TOTAL NONBONDABLE EXPENDITURES	\$4,732,500	\$5,107,055	\$3,732,955	\$3,893,442	\$3,629,706	\$21,095,658
TOTAL PROJECT EXPENDITURES	\$33,854,150	\$21,769,082	\$13,250,607	\$13,802,952	\$9,205,584	\$91,882,375

