

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 has set a policy to allocate at least 3% of the General Fund operating 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. 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 seven 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 Executive Committee begins to discuss the projects as a whole, since generally 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 and one member from a non-CIP requesting department, which for this year's process was Social Services. The CIP then goes to the Executive 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 Executive Committee consists of the City Manager, COO/CFO, Finance Director, and the Budget Director.

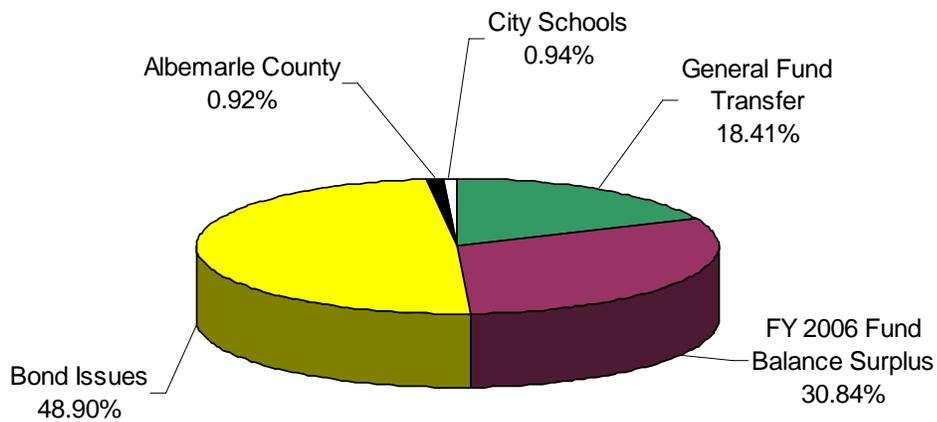
The final proposal from the Executive Committee then comes before the Planning Commission for review and feedback. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

FY 2008 Capital Improvement Program Revenues and Expenditures

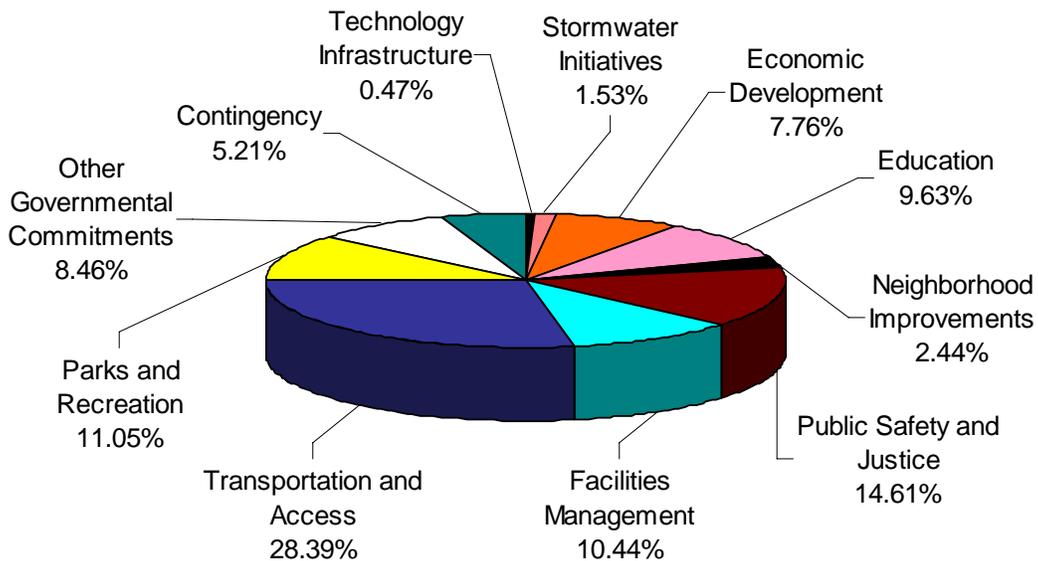
Given the need for capital projects that exists in the community, the **FY 2008-2012** Capital Improvement Program recommends the use of approximately **\$52.4 million** in long-term debt to finance a portion of the **\$84.4 million** multi-year program. The balance will be funded with transfers of funds 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 2007-2008** contains projects totaling **\$20.1 million**, as well as a capital projects contingency account totaling **\$1.1 million**, for a total capital improvement program budget equaling **\$21.27 million**.

Revenues



Expenditures



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

For FY 2008, the City of Charlottesville allocates \$1.65 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: CHS Gymnasium floor and bleacher replacement; Buford exterior painting and waterproofing; Greenbrier roof replacement; interior painting system wide; Walker roof replacement; Burnley-Moran exterior and façade repairs; and Walker exterior painting and waterproofing.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$2.19 million. This includes a lump sum of \$1.45 million that has been allocated to fund 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; \$351,000 to replace the Police Building Chiller; and \$391,000 for major facility improvements to Charlottesville Albemarle Technical Education Center (CATEC).

Public Safety and Justice

In FY 2008, \$2.1 million has been allocated for Public Safety and Justice capital improvement projects. Approximately \$1.5 million of these funds will be used to cover the construction costs associated with the expansion to the Ridge Street Fire Station, and \$600,000 will be used to cover the architectural & engineering design costs of replacing the Ivy Road/Fontaine Area Fire Station.

Transportation and Access

For FY 2008, a total of \$2.55 million is allocated to Transportation and Access for two main purposes. First, \$1.5 million is allocated for Major Downtown Mall/Side Street reconstruction. The remaining \$1.05 million is allocated for the construction of new sidewalks, trails and bike lanes throughout the City of Charlottesville.

Parks and Recreation

For FY 2008 the Parks and Recreation Department is allocated \$2 million. Onesty Pool Replacement will require \$1 million in FY08 funding. The Carver and Tonsler Emergency Repairs and Renovations project is allocated \$500,000 and the remaining \$500,000 allocated to Parks and Recreation is designated for emergency repairs and renovations to the Crow and Smith Centers.

Non-Bondable Projects**Education**

The City Schools are allocated \$400,000 to accelerate system wide ADA improvements. Some of these improvements will include: automatic doors at CHS, Walker and Buford; accessible bathrooms at Walker, CHS, Greenbrier and Clark; installation of handrails at Walker, Buford and Jackson-Via; and various other accessibility and safety issues.

Economic Development – Strategic Investments

The Department of Economic Development is allocated \$1.65 million 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.

Non-Bondable Projects - Continued

Neighborhood Improvements

An additional \$520,000 is allocated to Neighborhood Improvements for non-bondable projects. These projects include \$120,000 in Neighborhood CIP funding; \$250,000 for housing initiatives; and \$150,000 for the continued establishment of a Housing Trust Fund.

Facilities Capital Projects

In FY 2008 an additional \$28,982 has been allocated to Facilities Management for the CATEC general facility maintenance projects, which are made up of various minor repairs and renovations.

Public Safety

For FY 2008 the City of Charlottesville has allocated an additional \$1,008,460 for Public Safety projects. \$818,460 will be used to purchase Mobile Data Computers and Mobile Video Cameras for police vehicles; \$160,000 is designated for the purchase of and replacement of automatic defibrillators in City facilities; and \$30,000 is for the purchase and installation of three Mobile Data Terminals for Fire Department Command Vehicles.

Transportation and Access

Transportation and Access receives \$913,373 for much needed street paving and reconstruction due to rapid deterioration that has been occurring in recent years; \$897,432 to use as matching grant funds for the CTS Operations Relocation; \$230,637 in grant match funds for CTS Transit bus replacement; \$300,000 for sidewalk repair; a combined \$370,000 for citywide traffic improvements and the intelligent transportation system; \$200,000 for State bridge and highway priorities; \$200,000 for wayfinding initiatives; and \$377,000 to be used as the required 2% matching funds for various grant funded projects such as the Belmont and JPA Bridge Repair projects. Total funding for this area is \$3.48 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$350,000 for non-bondable projects, which include: \$150,000 for improvements to City and School playgrounds; \$100,000 for Trails and Greenway development; and \$100,000 for urban tree preservation and planting.

Stormwater Initiatives

Stormwater initiatives are allocated funds totaling \$325,000. These projects include: \$175,000 for Neighborhood Drainage projects; \$100,000 for Citywide Emergency Drainage Projects; and \$50,000 for one-time costs associated with implementation of a Stormwater Utility program in FY 2009.

Technology Infrastructure

Technology Infrastructure projects are allocated \$100,000. Both the Communications Technology Account and City Wide Technology Improvements projects receive \$50,000 each.

Other General Government Commitments

Funds totaling \$1.8 million are allocated for other general government commitments. Green City initiatives are allocated \$50,000, which will enable implementation of some of the recommendations that will be coming out of the ***Sustainability Committee*** appointed by City Council. The new Charlottesville Affordable Housing Investment Program, 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, is allocated \$1.75 million.

Operational Impact

In the FY 2008 Capital Improvement Program (CIP), thirteen 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, such as Economic Development Strategic Initiatives. The operational impacts of these projects are discussed below.

<u>Project</u>	<u>FY08 CIP Cost</u>	<u>Operational Impacts</u>	<u>Operational Increases/Savings</u>
Police Building Chiller Replacement	\$ 351,000	Decreased maintenance costs; Improved efficiency and performance will decrease utility costs	Savings Estimated at \$9,173 in year one and \$337,411 over the 20 year life of equipment.
CATEC - Major Facility Improvements	\$ 391,000	Utility savings and increase life of equipment	Unknown at this time
ADA Improvements - City Schools	\$ 400,000	None	None
Fire Station HQ Expansion	\$ 1,500,000	Increased utility costs only	Increased cost of \$4.41 per square foot
Ivy Rd/Fontaine Area Fire Station Replacement	\$ 600,000	Increased utility costs, possible increased equipment costs, no increase in personnel costs	Increased cost of \$4.41 per square foot
Onesty Pool Replacement	\$ 1,000,000	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.
Carver & Tonsler Emergency Repairs/Renovations	\$ 500,000	Savings in utility costs	Too early in design phase to know exact amounts.
Smith & Crow Emergency Repairs/Renovations	\$ 500,000	Savings in utility costs	Too early in design phase to know exact amounts.
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 it being so early in the project design phase
New Sidewalks	\$ 1,050,000	Increase in overall annual sidewalk maintenance costs	\$10 per square foot of new sidewalk constructed
Mobile Data Computers	\$ 622,700	Increase in yearly contribution to the Computer Replacement Pool.	Each laptop purchased will cost an additional \$876.70 per year in Computer Replacement Funds.
City Match for CTS Operations Relocation	\$ 897,432	Savings on parking costs for CTS vehicles - which will have to be purchased in future if new facility is not constructed; possible utility savings and/or costs.	Overall amount of savings or costs depends upon the final design of the new operations location it is currently too early in the design phase accurately estimate costs/savings.
Charlottesville Affordable Housing Investment Program	\$ 1,750,000	Increased personnel costs associated with the administration of the program.	The amount of hours required to administer this program is unknown at this time.

FY 2008-2012 Capital Improvement Program

	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	3,665,259	4,378,882	4,367,317	4,168,794	3,764,381	20,344,633
Transfer from General Fund - CAHIP	250,000	500,000	750,000	1,000,000	1,080,000	3,580,000
FY 2006 Fund Balance Surplus	6,558,460	0	0	0	0	6,558,460
Contribution from Albemarle County - Levy Building	0	202,250	0	0	0	202,250
Contribution from Albemarle County - CATEC	195,500	54,000	69,000	0	0	318,500
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
CY 2007 Bond Issue	10,400,000	0	0	0	0	10,400,000
CY 2008 Bond Issue	0	12,300,000	0	0	0	12,300,000
CY 2009 Bond Issue	0	0	11,900,000	0	0	11,900,000
CY 2010 Bond Issue	0	0	0	10,000,000	0	10,000,000
CY 2011 Bond Issue	0	0	0	0	7,800,000	7,800,000
TOTAL AVAILABLE REVENUES	\$21,269,219	\$17,635,132	\$17,286,317	\$15,368,794	\$12,844,381	\$84,403,843
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Schools (City Contribution)	1,449,093	1,492,566	1,537,343	1,583,463	1,630,967	7,693,432
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
Charlottesville High School Improvements	0	0	800,000	0	0	800,000
SUBTOTAL	\$1,649,093	\$1,692,566	\$2,537,343	\$1,783,463	\$1,830,967	\$9,493,432
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Lump Sum to Facilities Capital Projects	1,449,093	1,492,566	1,537,343	1,583,463	1,630,967	7,693,432
Levy HVAC Component Replacements	0	404,500	0	0	0	404,500
Police Building Chiller Replacement	351,000	0	0	0	0	351,000
CATEC - Major Facility Improvements	391,000	108,000	138,000	0	0	637,000
SUBTOTAL	\$2,191,093	\$2,005,066	\$1,675,343	\$1,583,463	\$1,630,967	\$9,085,932
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Fire Station HQ Expansion	1,500,000	0	0	0	0	1,500,000
Bypass Fire Station Replacement	0	0	600,000	2,400,000	0	3,000,000
Ivy Road/Fontaine Area Fire Station Replacement	600,000	3,000,000	3,000,000	0	0	6,600,000
SUBTOTAL	\$2,100,000	\$3,000,000	\$3,600,000	\$2,400,000	\$0	\$11,100,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Major Downtown Mall/Side Street Reconstruction	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
New Sidewalks	1,050,000	400,000	400,000	400,000	400,000	2,650,000
SUBTOTAL	\$2,550,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$10,150,000
PARKS AND RECREATION						
<u>Project</u>	<u>Adopted</u> <u>FY08</u>	<u>Projected</u> <u>FY09</u>	<u>Projected</u> <u>FY10</u>	<u>Projected</u> <u>FY11</u>	<u>Projected</u> <u>FY12</u>	<u>5 Year</u> <u>Total</u>
Onesty Pool Replacement (Meade Park)	1,000,000	3,000,000	0	0	0	4,000,000
Carver & Tonsler Emergency Repairs	500,000	0	0	0	0	500,000
Washington Park Bathhouse	0	0	1,000,000	0	0	1,000,000
Crow & Smith Centers - Emergency Repairs	500,000	0	500,000	0	0	1,000,000
Recreation Facility Improvements	0	0	0	2,000,000	2,000,000	4,000,000
SUBTOTAL	\$2,000,000	\$3,000,000	\$1,500,000	\$2,000,000	\$2,000,000	\$10,500,000
SUBTOTAL BONDABLE PROJECTS	\$10,490,186	\$11,597,632	\$11,212,686	\$9,666,926	\$7,361,934	\$50,329,364
Bondable Contingency	\$688,813	\$811,834	\$784,888	\$676,685	\$515,335	\$3,523,055
TOTAL BONDABLE PROJECTS	\$11,178,999	\$12,409,466	\$11,997,574	\$10,343,611	\$7,877,269	\$53,806,919

FY 2008-2012 Capital Improvement Program

NONBONDABLE PROJECTS						
EDUCATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
ADA Improvements - City Schools	400,000	0	0	0	0	400,000
SUBTOTAL	\$400,000	\$0	\$0	\$0	\$0	\$400,000
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Economic Development (Strategic) Initiatives	1,650,000	154,500	159,135	163,909	168,826	2,296,370
SUBTOTAL	\$1,650,000	\$154,500	\$159,135	\$163,909	\$168,826	\$2,296,370
NEIGHBORHOOD IMPROVEMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Neighborhood CIP Funds	120,000	120,000	120,000	120,000	120,000	600,000
Housing Initiatives	250,000	250,000	250,000	250,000	250,000	1,250,000
Housing Trust Fund	150,000	150,000	150,000	150,000	150,000	750,000
SUBTOTAL	\$520,000	\$520,000	\$520,000	\$520,000	\$520,000	\$2,600,000
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
CATEC - General Facility Maintenance	28,982	29,851	30,747	31,669	32,619	153,868
Municipal Building Improvements/Space Efficiencies	0	200,000	200,000	200,000	200,000	800,000
SUBTOTAL	\$28,982	\$229,851	\$230,747	\$231,669	\$232,619	\$953,868
PUBLIC SAFETY	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Mobile Data Computers	622,700	0	0	0	0	622,700
Mobile Video Cameras	195,760	0	0	0	0	195,760
Defibrillators (Replacement and New)	160,000	0	0	0	0	160,000
Mobile Data Terminals	30,000	0	0	0	0	30,000
SUBTOTAL	\$1,008,460	\$0	\$0	\$0	\$0	\$1,008,460
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Sidewalk Repair	300,000	309,000	318,270	327,818	337,653	1,592,741
State Bridge and Highway Priorities	200,000	350,000	350,000	350,000	350,000	1,600,000
Belmont Bridge 2% Match	166,000	0	0	0	0	166,000
Street Reconstruction	913,373	580,274	597,682	615,612	634,080	3,341,021
Meadowcreek Parkway - 2% Match	131,000	0	0	0	0	131,000
JPA Bridge 2% Match	80,000	0	0	0	0	80,000
City Match for CTS Operations Relocation	897,432	0	0	0	0	897,432
CTS Transit Bus Replacement Match	230,637	363,030	325,601	373,879	373,880	1,667,027
Intelligent Transportation System	120,000	120,000	120,000	120,000	120,000	600,000
City Wide Traffic Improvements	250,000	250,000	250,000	250,000	250,000	1,250,000
Wayfinding Initiatives	200,000	500,000	0	0	0	700,000
SUBTOTAL	\$3,488,442	\$2,472,304	\$1,961,553	\$2,037,309	\$2,065,613	\$12,025,221
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Parks and Schools Playground Renovations	150,000	154,500	159,135	0	0	463,635
Trails and Greenway Development	100,000	103,000	106,090	109,273	112,551	530,914
Urban Tree Preservation and Planting	100,000	103,000	106,090	109,273	112,551	530,914
Rives Park and Renovations	0	250,000	250,000	0	0	500,000
Forest Hills Park Shelter and Restroom	0	0	300,000	0	0	300,000
McIntire Park	0	0	0	375,000	250,000	625,000
Azalea Park Renovations	0	250,000	250,000	0	0	500,000
SUBTOTAL	\$350,000	\$860,500	\$1,171,315	\$593,546	\$475,102	\$3,450,463
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Neighborhood Drainage Projects	175,000	0	0	0	0	175,000
Emergency Drainage Projects (City Wide)	100,000	0	0	0	0	100,000
Stormwater Utility - One Time Implementation Costs	50,000	0	0	0	0	50,000
SUBTOTAL	\$325,000	\$0	\$0	\$0	\$0	\$325,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Communications Technology Account	50,000	50,000	50,000	50,000	50,000	250,000
City Wide Technology Improvements	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
OTHER GOVERNMENTAL COMMITMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<i>Project</i>	<i>FY08</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>Total</i>
Charlottesville Affordable Housing Investment Program	1,750,000	500,000	750,000	1,000,000	1,030,000	5,030,000
Green City Initiatives	50,000	50,000	50,000	50,000	50,000	250,000
SUBTOTAL	\$1,800,000	\$550,000	\$800,000	\$1,050,000	\$1,080,000	\$5,280,000
SUBTOTAL NONBONDABLE PROJECTS	\$9,670,884	\$4,887,155	\$4,942,750	\$4,696,433	\$4,642,160	\$28,439,382
Non Bondable Contingency	\$419,336	\$338,511	\$345,993	\$328,750	\$324,952	\$1,757,542
TOTAL NONBONDABLE PROJECTS	\$10,090,220	\$5,225,666	\$5,288,743	\$5,025,183	\$4,967,112	\$30,196,924
TOTAL PROJECT EXPENDITURES	\$21,269,219	\$17,635,132	\$17,286,317	\$15,368,794	\$12,844,381	\$84,403,843

