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MEMORANDUM

TO: Chair, Vice Chair and Members of the Board

FROM: Rachel A. Bach, Executive Director

DATE: July 25, 2006

SUBJECT: Capital Improvement Program – Discuss and Reach Consensus

RECOMMENDATION:

Discuss proposed 5-Year Capital Improvement Program and reach consensus of projects and funding.

EXPLANATION:

Every year, the City and the CRA update and adopt a 5-Year Capital Improvement Program (CIP) that identifies current and future capital improvement projects and a long term financing plan. Attached please find the proposed CRA CIP which is based on the CRA Board's July 6, 2006 CRA Work Plan workshop. Each item will be discussed in more detail below. However, it is important to note this CIP is capital heavy in fiscal year ending 2007 to 2009. Due to available funds and staffs ability to effectively manage these and other programs outlined in the FY 06/07 proposed budget, Staff recommends the CRA Board evaluate its priorities set in January 2006 to identify projects that could be pushed back 2 to 3 years.

Alleyway Improvements – This program was in last years CIP funded at the proposed level. In FY 03/04 the CRA allocated funds to clean up and clear alleys in the CRA Western Residential Neighborhoods. Last year the CRA did not budget for Alleyway Improvements. The City is focusing its study on what are termed "Transit Alleys." These alleys are primarily in the commercial areas and are frequently used for access and service delivery. Typically the Transit Alleys require some level of drainage improvements. Estimates to improve these are \$100,000 to \$125,000 per alley. The CRA could also focus on residential alleyways but the Board must establish what the

priority is. The Board should evaluate this program against its priorities and determine year and level of funding.

Land – This has not been included in the CRA's CIP. This year staff is recommending \$450,000 for land to be used for deposits or acquisition. The Board has discussed the possibility of incurring debt to purchase even more property which is reflected in FY 07/08; however the Board has expressed some interest in incurring debt this year. The Board should evaluate this program against its priorities and determine year and level of funding.

Machinery & Equipment – One time expense for vehicle, trailer, sidewalk cleaning machine and miscellaneous equipment for Downtown Maintenance.

Gateway Enhancements – This program was listed in last years CIP and has been extended out by one year in the proposed CIP. The proposed CIP identifies potential funding sources under (other sources) but only FY06/07 funding has been security. The Gateways Project is estimated to cost \$14,000,000 and the CIP only budgets \$11,500,000 with a deficit of \$2,500,000 or more if other funding sources are not available. The CRA Board should consider reducing capital expenditures for the next two to three years and set up a capital reserve account for future construction of 10th Avenue North.

Downtown Parking – This program was listed in last years CIP and updated this year to include a multi-year strategy to be determined. Funds earmarked in the capital account would go for construction or partnering on public parking improvements. Acquisition costs would come out of the Land Capital Improvement project. The Board should evaluate this program against its priorities and determine year and level of funding.

Neighborhood Capital Improvements - This program was listed in last years CIP and updated this year to increase amounts to reflect actual construction costs. This program primarily focuses on sidewalk replacement but the intent is to identify other infrastructure improvements that can be implemented in conjunction with the sidewalk project.

Dixie Highway Improvements – This program was listed in last years CIP to begin Fiscal Year 2007/2008. For next fiscal year, this project includes the park and parking lot at 812 North Dixie Highway as well as design fees for a Dixie Highway Beautification Project. The Board should evaluate this program against its priorities and determine year and level of funding.

PROGRAM IMPACT:

Adoption of a 5 Year Capital Improvement Program will assist in identifying financing for projects and conducting pre-planning. Once adopted this will become part of the CRA's Work Program.

FISCAL IMPACT:

Will assist in identifying financial resources in future years. Total financing is not in place for the Gateways Project

ALTERNATIVES:

Staff recommends cutting or moving back to a later Fiscal Year some of the proposed Capital Improvement Projects and setting up a capital reserve account for the completion of the Gateways.

Recommended by: _____
Rachel A. Bach, Executive Director