
MEMORANDUM

TO: Planning Commission

FROM: Marvin S. Krout, Planning Director

SUBJECT: DRAFT City of Lincoln FY 2009/10-2014/15 Capital Improvement Program

DATE: April 22, 2009

COPIES: Mayor Beutler, Mayor's Capital Improvement Advisory Committee

MEMO ONLY: Lincoln City Council, City Directors, County Budget Office

Attached is the draft 2009/10-2014/15 Capital Improvement Program (CIP) for the City of Lincoln. (*The Planning Commission Review Edition of the 2009/10 - 2014/15 CIP is available online at <<http://www.lincoln.ne.gov>> Keyword: cip*) The City Charter requires that the Planning Director submit an updated CIP annually to the Planning Commission for your review as to the projects' conformity to the Comprehensive Plan. The Planning Commission hearing on the draft CIP is scheduled for the afternoon of May 13th. City staff will brief the Planning Commission on the CIP at a special meeting prior to your regular meeting on May 6th. After Planning Commission review, the Mayor will submit the CIP, with or without revisions, to the City Council, along with the proposed operating budget for the next year.

The CIP is a multi-year planning instrument that identifies needs and financing sources for public infrastructure and other community facilities to serve the city's anticipated development and redevelopment. Although capital projects are scheduled throughout the 6 year CIP, only those programs scheduled during the first year are formally reviewed and adopted by the City Council as part of the Annual Budget. Projects identified for funding appropriation in subsequent years may be adjusted to reflect changes in priorities or funding constraints. The CIP this year again assumes a 3% annual inflation rate for all capital projects, although some departments and divisions have experienced greater than 3% inflation in materials and have inflated their CIP accordingly.

Highlights of the draft CIP include:

1. This year's draft CIP is lower in total cost, at \$740.592 million, than last year's CIP cost of \$1.207 billion. The first year (2009/10) program totals \$97 million, which is much less than the \$483 million program approved for the current (2008/09) CIP. The dramatically lower first year is due largely to the inclusion of a proposed West Haymarket Redevelopment project in the Urban Development program, which would include a new Arena, in the first year of last year's CIP (FY 2008/09) but not in this year's program. Significantly lower program amounts are also shown in this year's CIP for LES and Public Works and Utilities.
2. The draft CIP shows a growing need for more General Revenue (GR) funds over the next 6 years. The first year does not include any GR funds. Instead, Municipal Infrastructure Redevelopment Funds (MIRF), at a total of \$706,200, are used in the first year in similar fashion as General Revenue funds. They are provided by the State of Nebraska through annual appropriations and must be used for public infrastructure projects. These funds are not available at this time beyond 2009/10. The remaining five years contain \$4.9 million in General Revenue funding which is similar to last year.
3. Antelope Valley projects in the draft 6 year CIP total nearly \$30 million. There is a marked drop-off in

funding for Antelope Valley after FY 2011/12, as the end of the first phase of the project nears. Urban Development, along with other city departments, is working on redevelopment projects in the Antelope Valley redevelopment area, shown in the CIP as assisted with TIF revenues.

4. The South Beltway continues to receive limited funding as the Nebraska Department of Roads has placed all new road construction projects, with the exception of the I-80 widening project, on hold. Public Works & Utilities, Streets and Highways Division, has developed their CIP to show \$495,500 in the first year only for continued plan development in this project until the State again moves forward.

5. Other transportation projects in the proposed CIP include the SW 40th Street viaduct, N 14th Street from Alvo to Superior, Old Cheney from 70th to 82nd, S. 56th Street from Shadow Pines to Old Cheney, and NW 48th Street from O to Holdrege. At this time, some of the on-going traffic signal, arterial and residential street resurfacing, new street, trail, and sidewalk rehabilitation projects are not being funded to their full need in all 6 years.

6. The Public Works and Utilities Department - Water and Wastewater Divisions have adjusted their programs to show more general programming of projects intended to serve growth in the community in years 3 through 6 of the CIP. Not all listed projects that are identified as "To Be Determined" in these years can be funded with available funding based on projected rate increases and revenue projections. However, the likelihood of a slow recovery from the current economic recession suggests that not all of those projects will need to be constructed in the next 6 years.

7. The draft CIP assumes that voters will approve 6 General Obligation Bonds over the next 6 years, ranging from \$13 million to \$34.5 million. These bonds finance watershed management projects, recreation and community centers, a variety of public safety projects (discussed below), and a part of the cost to replace the downtown library.

8. Our public safety departments (primarily 911 Communications, Fire and Rescue, and Lincoln Police Department) are in need of several facilities and improvements. The draft CIP suggests that in FY 2010/11 the public will be presented a Public Safety Bond Issue which will bring these projects together in a single package. This bond issue would bring together nine projects from the three primary departments: two new fire stations, one in the northern and one in the southern parts of Lincoln; a Fire Education, Training, and Fleet Services Center; renovation or replacement of an existing fire station; a facility to replace the Emergency Communications Center/Radio Shop; an upgrade to the 800 MHz Trunked Radio System; a communication command post; a police garage maintenance and repair facility; and a third Police Team Assembly Station to serve the southern parts of Lincoln. Every effort will be made to evaluate current facilities and resources and take opportunities to consolidate existing facilities, relocate under-utilized facilities, and/or collocate public safety facilities. There may also be opportunities to include other City and County departments with public safety responsibilities.

9. Several projects in Water, Wastewater, and Streets and Highways' CIPs are being accomplished through the use of "directed impact fees". A number of annexation agreements approved in recent years include provisions for reimbursing developers' cost to advance and construct infrastructure improvements, by "directing" the fees generated by building construction on the lots within their tracts back to them. This has proved to be a useful tool for bringing more land into the city for development.

Preparation of the CIP is a result of considerable efforts from staff in many City departments. Each year, staff attempts to reassess their overall goals and priorities for capital improvements and the means for implementing them. Their commitment to providing accurate and understandable financial information is greatly appreciated.