
MEMORANDUM

TO: Lincoln/Lancaster County Planning Commission

FROM: Marvin S. Krout, Planning Director

SUBJECT: City of Lincoln FY 2011/12-2016/17 Capital Improvement Program

DATE: May 10, 2011

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

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

Attached is the proposed 2011/12-2016/17 Capital Improvement Program (CIP) for the City of Lincoln. (*The Planning Commission Review Edition of the 2011/12-2016/17 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 proposed CIP is scheduled for the afternoon of May 25th. City staff will brief the Planning Commission on the CIP at a special meeting on May 18th. 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 budget year (FY 2011/2012).

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.

Preparation of the CIP is a result of considerable efforts from staff in many City departments. Each year, staff members attempt to reassess their departments' 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.

Highlights of the proposed CIP include:

1. This year's proposed CIP is lower in total cost, at \$795.3 million, than last year's CIP total of \$858.7 million. The first year program (2011/12) totals \$144.8

million, which is more than the \$133.6 million program approved for the current CIP year (2010/11). The higher first year is due mostly to a larger Lincoln Electric System program.

2. As seen in recent city budgets, the demand for General Revenue (GR) funds again far outweighs the availability of these funds. The proposed amount of GR funding in the first year of the proposed CIP amounts to \$50,000, which is lower than the \$150,600 budgeted in the first year of last year's CIP. The remaining five years of the proposed CIP contain \$3.647 million in General Revenue funding which is also less than last year's program.
3. Street projects in the proposed CIP include the SW 40th Street viaduct, N. 14th Street from Alvo to Superior, a major intersection improvement to the 14th/Warlick/Old Cheney Road intersection, S. 56th Street from Shadow Pines to Old Cheney, 33rd and BNSF Railroad crossing grade separation project, and a Long Range Transportation Plan priority project for NW 48th Street from West O to Adams.
4. A variety of Federal, State and City revenues are utilized to fund the City's transportation capital program, including Impact Fees that began in 2003, City Wheel Tax revenues, and Federal transportation funds. The Public Works & Utilities Department anticipates decreasing Highway Allocation Funding (State gas tax revenues) over the next six years. Unless local or state revenues increase, the City's ability to meet its transportation needs will diminish. At this time, some of the on-going traffic signal, arterial and residential street rehabilitation, new street, trail rehabilitation, new trail, and sidewalk rehabilitation projects are not being funded to their full need in all 6 years. In particular, the referenced goal in the 2030 Comprehensive Plan to fund the sidewalk rehabilitation program annually to meet the stated goals of the Pedestrian Facilities ADA Transition Plan is not being met in the proposed CIP. The update to the Long Range Transportation Plan (LRTP) is underway and the final approval of that plan may impact the funding priorities of Lincoln's transportation program with more emphasis on maintaining and rehabilitation of the existing system. Any changes in the LRTP will be reflected in next year's CIP.
5. The Public Works & Utilities Department - Water and Wastewater Divisions - continue to show more general programming of projects intended to serve growth in the community in the CIP. Not all listed projects that are identified as "To Be Determined" can be funded based on projected utility revenue increases (assumed to be 5% in the first year of the program for both Water and Wastewater). However, the likelihood of a slow recovery from the current economic recession suggests that not all the listed projects will need to be constructed in the next 6 years. Specific developer commitments are funded in the program per annexation agreement requirements. There is an ongoing rate study that will assess the rate system and revenue needs of these utilities. The

findings of this study will be discussed later this year, the result of which may be changes in future rate assumptions and revenue streams for these programs.

6. The draft CIP assumes that voters will approve 8 General Obligation Bonds over the next 6 years, ranging from \$8 million to \$24 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.
7. The public safety departments (primarily 911 Communications, Fire and Rescue, and the Lincoln Police Department) are in need of several facilities and improvements. The draft CIP suggests that in FY 2012/13, FY 2014/15, and FY 2016/17, the public will be presented Public Safety Bond Issues ranging from \$11 million to \$13 million and would bring together multiple projects from these departments. Every effort will be made to evaluate current facilities and resources and take opportunities to consolidate existing facilities, relocate under-utilized facilities, and/or co-locate public safety facilities. This incremental approach to funding these needs through multiple bond issues over a period of years identifies the 911 Communications 800 MHz Trunked Radio System Upgrade as the highest priority and accordingly is planned to be funded with the first bond issue in FY 2012/13.