

## **SALT LAKE CITY COUNCIL STAFF REPORT**

### **BUDGET ANALYSIS – FISCAL YEAR 2004-05**

**DATE:** October 5, 2004

**SUBJECT:** **CAPITAL IMPROVEMENT PROGRAM FOLLOW-UP BRIEFING**

**STAFF REPORT BY:** Gary Mumford

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In June 2004, the City Council appropriated funding for those capital improvement projects that were legal obligations of the City or were time sensitive in nature. (See attached listing.) On August 10, 2004, the Council discussed additional appropriations for Capital Improvement Program (CIP) projects and tentatively decided that the following projects would receive funding:

- \$ 480,940 - Fleet/Street Facility Improvements - engineering and design work (General Fund Contribution)  
[Note: The Council tentatively approved funding for engineering and design of \$485,000. The actual estimated amount applicable to the general fund CIP is \$480,940.]
- \$ 200,000 - Sidewalk Rehabilitation/Concrete Sawing Citywide (General Fund Contribution)
- \$ 300,000 - ADA Ramps/Corner Repairs – Citywide (General Fund Contribution)
- \$1,000,000 - Local Street Rehabilitation FY 04/05 – Citywide (General Fund Contribution)
- \$ 600,000 - Sidewalk, Replacement SID Sunnyside Avenue – 1300 South, 1500 – 1900 East (General Fund Contribution) Plus \$600,000 for the property owners' contribution
- \$ 200,000 - 900 East Street Construction – 900 - 2100 South (Class C Road Funds Contribution)
- \$1,115,000 - 900 South Rehabilitation - Main Street to 600 East (Class C Road Funds Contribution)

Following are the funds remaining to be appropriated:

1. \$2,154,516 of ongoing funding
2. \$1,003,864 savings from refinancing bonds
3. \$1,191,349 accumulated from closed-out projects.

Total **\$4,349,729**

The Council may wish to ask whether the Administration has any specific recommendations for the appropriation of the bond savings or accumulated amounts.

The Administration has suggested a cost overrun account approach to address unforeseen circumstances. The Council may wish to appropriate some amount to fund a cost overrun account. Administrative staff suggests that \$300,000 of this amount should be set aside for cost overruns. Council staff recommends \$200,000.

At the August 10<sup>th</sup> briefing, the Council asked for additional information on the following:

- o Fleet/Street Complex Renovation – The Council asked the Administration to provide additional information on the estimated costs for engineering and design work for the Fleet/Street Complex Renovation Capital Improvement project. An attached memo from the Engineering Division indicates that the total engineering and design costs will be \$695,000. Of this amount, 69.2% or \$480,940 is applicable to the CIP Fund while the remaining funding would be from Fleet Management Fund (13.9%), from Refuse Fund (13.0%), and from impact fee revenue (3.9%). The Fleet Management Fund and the Refuse Fund have not budgeted to pay for these costs. It may be necessary for the CIP fund to advance the engineering/design costs for the Refuse Fund and Fleet Management Fund of \$186,955 and be reimbursed after bonds are issued.
- o 200 South Reconstruction 400-700 West – The Administration is requesting \$4.5 million from CIP over multiple years for the 200 South project relating to the light rail extension. The request for fiscal year 2005 is \$1 million, and \$1.75 million is requested in both fiscal year 2006 and fiscal year 2007. Council Members asked about remaining Class C road funds. The uncommitted balance is \$370,000. The Department of Public Utilities is not planning to expend any funds relating to this project. However, the utility lines will be updated, and it may not be unreasonable to direct the Department of Public Utilities to pay for the updated value received. The attached memo from DJ Baxter describes other funding options (i.e. sales tax revenue bond, MBA bond, motor fuel excise tax bond, RDA bond, RDA loan, general fund loan).
- o Sidewalk, Replacement SID Sunnyside Avenue – The Council tentatively decided to appropriate \$600,000 for Sidewalk, Replacement SID Sunnyside Avenue – 1300 South, 1500 – 1900 East. A budget of \$600,000 would also be set up for the property owners' share. At the briefing the Council indicated that it may wish to reconsider this project.

Funding for a roundabout at 900 East 900 South was included in prior year CIP funding. Project #30 requests \$500,000 for streetscape. The Council's traffic calming subcommittee met recently and discussed the impact of traffic calming on emergency response times. Council staff asked the Fire Chief about the response times relating to roundabouts, and he indicated that the proposed roundabout will cause a brief delay in response time (seconds). There is a fire station nearby at 1023 East 900 South, and both 900 South and 900 East streets are emergency routes.

Previously, the Council decided that recaptured traffic calming funds of \$213,288 (\$300,843 less \$87,555 adjustment in Budget Amendment #1) would not be allocated to projects at this time, but would instead remain in CIP Fund balance until further action is taken by the Council.

The attached listing shows funding tentatively approved and remaining projects vying for funding. The Council may wish to ask the Administration whether some of the projects on the CIP list are eligible or partially eligible for use of accumulated impact fee revenue. Impact fee revenue must be spent within six years of collection.

cc: Rocky Fluhart, Sam Guevara, Steve Fawcett, Gordon Hoskins, Rick Graham, Kevin Bergstrom, Max Peterson, Rick Johnston, Dell Cook, Lee Martinez, David Dobbins, Luann Clark, Sherrie Collins, DJ Baxter

SEP 29 2004

G-M

RICHARD GRAHAM  
PUBLIC SERVICES DIRECTOR

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF PUBLIC SERVICES

ROSS G. "ROCKY" ANDERSON  
MAYOR


**COUNCIL INFORMATION**

**Subject:** Information requested by City Council regarding engineering and design work for the Fleet/Street Complex Renovation Capital Improvement project

**Funding:** The total cost for these services are \$695,000. The breakdown of costs are as follows: \$545,000 for architectural, mechanical, electrical, structural, civil and landscape design services with detailed estimates of construction costs ready for bidding; \$95,000 for engineering fees; \$55,000 for soil and hazardous materials inspections and environmental studies.

**Background and Discussion:** The Public Services Department submitted paperwork about improvements needed at the Fleet Street Complex on 800 South and 300 West. The CIP included a request for funds of \$7.1 million to complete the project. The City Council in the CIP discussion tentatively approved the funding for the engineering and design work on August 10, 2004 contingent upon receiving the breakout of these costs and the timeline. Attached is the information requested.

**Contact Person:** Steve England, SLC Engineering, 535-6144  
Max Peterson, City Engineer, 535-6231

**Submitted By:** Rick Graham, Director   
Public Services Department

# FLEET/STREETS COMPLEX RENOVATION

August 19, 2004

## SCOPE OF DESIGN WORK

This work will consist of providing architectural and engineering pre-design and design services for the renovation of the Fleet/Streets Complex as described in the "Facility Needs Analysis & Proposal" dated January 2004.

The consultants will provide pre-design services as necessary, which will include reviewing, confirming, refining, and completing the architectural programming already begun by Fleet/Streets/Engineering, compiling "existing condition" drawings of the complex, and evaluating the existing facilities and site conditions. The consultant will then provide architectural, mechanical, electrical, structural, civil, and landscape architectural design services through the contract documents phase, which will result in complete Drawings and Specifications ready to bid, with a detailed estimate of construction costs. It is anticipated that detailed phasing plans will be required to keep Fleet/Streets functioning during the renovation, and incorporation of LEED (Leadership in Energy and Environmental Design) standards will be included. The estimated cost for these services is \$545,000.

SLC Engineering staff will conduct the selection process for the architect, administer the consultant contract, coordinate the work of the consultants with using agencies and other city departments, produce a site survey, coordinate utility information, contract for soils investigation reports, hazardous materials and environmental studies, and provide design review and oversight. The estimated cost for these services is \$95,000.

Soils investigations, hazardous materials inspections and abatement studies, and environmental studies will be necessary. The estimated cost for this work is \$55,000.

**The total estimated cost for design work described above is \$695,000.**

## PROJECT TIMELINE

If funding is approved at this time, the design work as described above could be completed in June of 2005, as per the following proposed schedule:

Architect Selection & Contract Negotiation	9/1/04 – 12/1/04	3 months
Pre-Design & Review	12/1/04 – 1/1/05	1 month
Schematic Design & Review	1/1/05 – 2/15/05	1-1/2 months
Design Development & Review	2/15/05 – 4/1/05	1-1/2 months
Construction Documents & Review	4/1/05 – 6/15/05	2-1/2 months

**Fleet /Streets Facility Improvement**

		<b>Debt Service (1)</b>	<b>Engineering and Design Work (2)</b>
Allocations of costs			
OF CIP	69.2%	\$ 370,000	\$ 480,940
Refuse Fund	13.0%	69,500	90,350
Fleet Funds	13.9%	74,500	96,605
Impact fee revenue	3.9%	21,000	27,105
Total	100%	<u>\$ 535,000</u>	<u>\$ 695,000</u>

(1) per Facility Needs Analysis and Proposal, dated January 2004

(2) Estimates performed and submitted August 2004

**Engineering and Design Work**

Design services	\$ 545,000
Engineering fees	95,000
Soil and hazardous materials inspections and environmental studies	55,000
Total engineering and design work	<u>\$ 695,000</u>



**SALT LAKE CITY CORPORATION**

OFFICE OF THE MAYOR

AUG 20 2004

**MEMORANDUM**

To: Rocky J. Fluhart, Chief Administrative Officer

From: D.J. Baxter, Senior Advisor to the Mayor

Date: August 20, 2004

Re: Council CIP Discussion

**Recommendation:** That the City Council receive the following summary materials regarding the Administration's request for CIP funds to support the construction of a light rail extension to the Intermodal Hub

Commuter rail is scheduled to begin serving the Hub by the end of 2007. For commuter rail to succeed, the current TRAX line will need to be extended to the Hub. The proposed schedule for the TRAX extension is as follows -

Final Design:	Oct 2005 – June 2006
Project Bidding:	Nov/Dec 2005
Award of Bid:	Feb 2006
Construction:	Feb 2006 – Aug 2007

Approximately 2/3 of the TRAX extension is included in the budget for the Hub grant. City and UTA staff members are working to secure funding for the TRAX extension from a variety of sources. Approximately \$8.5 million of the costs for the TRAX extension are for streets, sidewalks, lighting, landscaping and public utilities. City staff are requesting that the city/RDA provide the \$8.5 million to cover those costs. A portion of the \$8.5 million is eligible for reimbursement through the Hub grant.

Approximately \$1.0 million of the \$8.5 million is required for local match and is not reimbursable through the Hub grant

Summary of RDA/CIP/Class C appropriation requests FY 02 – FY 07

Total requests: \$8.5 million (\$4 RDA / \$4.5 CIP/Class C)  
Received to date: \$2.4 million  
Pending: \$1.0 million (FY 05 CIP)  
Future Requests: \$5.1 million (FY 06/07)

RDA appropriation requests FY 02 – 06

Total request: \$4.0 million  
Received to date:  
FY 03 \$0.7 million (\$0.2 DD / \$0.5 CBD)  
FY 05 \$1.7 million (\$0.4 DD / \$1.3 CBD)  
Future requests:  
FY 06 \$1.6 million (\$0.4 DD / \$1.2 CBD)

CIP/Class C appropriation requests FY 05 – FY 07

Total request: \$4.5 million  
Received to date: \$0.0  
Pending Request: \$1.0 million (FY 05 CIP)  
Future requests:  
FY 06 \$1.75 million  
FY 07 \$1.75 million

Additionally, the City Council has requested that city staff evaluate other funding options for the TRAX extension. City staff has developed preliminary information on –

- Municipal Sales Tax Revenue Bond
- Municipal Building Authority Lease Revenue Bond
- Motor Fuel Excise Tax Bond
- RDA Bond (CBD and/or Depot District)
- RDA Loan
- General Fund Loan

The common issues with each option are –

- The General Fund will have to provide the initial revenue source for the debt service.
- The city cannot guarantee repayment through the Hub grant.
- Financing costs would be added to the project.
- Hub grant covenants may prohibit certain bonding options.
- If we opt to pursue bonding, we may want to consider including in the bond other hub project costs, e.g., parking garage