

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2008-09

DATE: August 19, 2008

BUDGET FOR: CAPITAL IMPROVEMENT PROGRAM FUND

STAFF REPORT BY: Jennifer Bruno, Budget & Policy Analyst

cc: David Everitt, Lyn Creswell, Esther Hunter, Frank Gray, Mary De La Mare-Schaefer, Luann Clark, Sherrie Collins, Steve Fawcett, Gordon Hoskins

On the Council's June 3, 2008 work session, \$2,899,500 was tentatively appropriated for "time sensitive projects," along with the \$15.3 million needed to cover existing and planned debt service payments. This leaves approximately \$4.9 million left to allocate to the remaining CIP requests. The attached CIP project log shows a "Council Approved Amount" for these time sensitive projects.

New Information/Projects

The attached log also has a revised recommendation from the Administration regarding funding priorities. The Administration has determined that there is a need for additional review and consideration for the Children's Garden project in Liberty Park. As such, the Administration is proposing to re-allocate the \$960,000 that had been slated for Liberty Park improvements (log #19). *The Council may wish to ask the Administration for a full briefing of planned capital projects in Liberty Park.*

- A. **800 South** - The Council has discussed potential improvements to the 800 South/Sunnyside corridor in conjunction with the upgrading of Rocky Mountain Power's transmission lines in the area.
1. After some discussion with community members and City staff, the Administration has determined that in order to meet Rocky Mountain Power's timeline, and achieve a measure of traffic calming and beautification in the area, the preferable option is to relocate Rocky Mountain Power's poles 4 feet to the south (west of 1300 East), and construct "bulb-outs" (extended park strips) that would serve as both protective measures for the poles and as traffic-calming devices. Under this proposal, on-street parking would be slightly reduced and the bicycle lane would stay in its current place.
 2. The Administration indicates that this plan does not necessarily preclude other improvements to the 800 South/Sunnyside corridor in the future, although depending on bike-lane and parking placement in a new design, some "bulb-outs" may need to be reconfigured.
 3. The Administration is proposing to fund the following, with the re-allocated Liberty Park improvement funds:

CIP Log Number	Project Description	Amount Requested	Amount Proposed by Mayor
#26	800 South Median Island & 1100 East Barrier Improvement (existing project request from the Community Council)	\$ 325,000	\$ 393,000
#27	800 South Bulb-out options:		
Option 1	Bulb-outs at <u>only</u> the new pole locations (North side only)	560,000	560,000
Option 2	Bulb-outs at new pole locations <u>and</u> curb returns (North side only)	963,000	-
Option 3	Bulb-outs on both sides of 800 South, west of 1300 East	1,366,000	-
Total			\$ 953,000



RALPH BECKER
MAYOR

SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

CITY COUNCIL TRANSMITTAL

Mayor Ralph Becker

Date Received: 8/7/2008

Date sent to Council: 8/8/2008

TO: Salt Lake City Council
Jill Remington-Love, Chair

DATE:

FROM: David Everitt,
Chief of Staff 535-7732

SUBJECT: Revised CIP Recommendations for the 2008-9 CIP Plan
(Table Attached)

STAFF CONTACT: Esther Hunter, Senior Advisor to the Mayor, at 535-7217 or
esther.hunter@slcgov.com

LuAnn Clark, Director of Housing and Neighborhood
Development, at 535-6136 or luannclark@slcgov.com

RECOMMENDATION / BUDGET IMPACT:

De-fund the Liberty Park improvements [Parks 8]	(\$960,000)
Fund the 800 South Meridian Island [Streets 10]	\$393,000
Fund north side bulbouts on 800 South	\$560,000
Difference:	\$7,000 (absorb in CIP cost overrun budget)

BACKGROUND/DISCUSSION:

The Liberty Park project funded for this year (Children's Garden/Pole Forest) has been delayed due to additional review and consideration.

Due to ongoing complications surrounding Rocky Mountain Power's planned upgrade of their power lines along 800 South and Sunnyside Avenue; revisions for funding capital improvements for fiscal year 2008-9 include the following:

1. Funding the CIP proposal to construct the median and pedestrian safety facilities along 800 South from approximately McClelland Street to Elizabeth Street.
2. Funding the construction of "bulbouts" on the north side of 800 South (westbound lanes) where the poles are to be located. These bulbouts will act as both protective measures for the poles and as traffic-calming measures for westbound auto and bicycle traffic. Consequently:
 - On-street parking will be slightly reduced
 - Bicycle lanes will not be affected
 - Options for future improvements (e.g. additional bulbouts) remain available

Fiscal Year 08-09 CIP Projects

\$4,966,230

\$0

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
Debt Service											
Debt 1	MFET CIP Bond Debt Service Debt service payment for bonds issued to complete various Class "C" road improvements throughout the City. Bonds mature 2009.					\$183,855	\$183,855	\$183,855	\$183,855	None	
Debt 2	City & County Building Debt Service - GO Bond Series 2001 Debt service payment on bonds issued to rehabilitate & refurbish the City & County Building. Bonds mature 2011.					\$2,362,438	\$2,362,438	\$2,362,438	\$2,362,438	None	
Debt 3	Library GO Bond Debt Service - Series 1999 Debt Service payment for bond issued for Library/MHJ Block Renovation. Bonds mature 2019.					\$4,128,825	\$4,128,825	\$4,128,825	\$4,128,825	None	
Debt 4	Library GO Bond Debt Service - Series 2002 Debt Service payment for bond issued for Library/MHJ Block Renovation. Bonds mature 2019.					\$2,736,444	\$2,736,444	\$2,736,444	\$2,736,444	None	
Debt 5	Sales Tax - Series 2004 Debt Service payment for sales tax bonds issued to refund the MBA Series 1993 Bonds. Variable rate issue with no mandatory sinking fund requirement. Interest & principal subject to fluctuation.					\$1,301,133	\$1,301,133	\$1,301,133	\$1,301,133	None	
Debt 6	Zoo/Aviary Debt Service GO Bond - Series 2004A Debt Service payment for bond used for Zoo & Aviary Improvements. Bonds mature 2024.					\$865,638	\$865,638	\$865,638	\$865,638	None	
Debt 7	Sales Tax - Series 2005A Debt Service payment for sales tax bonds issued to refund the remaining MBA series 1999A, 1999B, & 2001 Bonds. Bonds mature 2020. Note: The full \$2,743,452 will be required to be allocated from the general fund. This amount includes \$1,339,438 which is typically paid for by the RDA. Due to a short fall in revenues, the RDA will only be able to contribute \$958,600.					\$2,743,452	\$2,743,452	\$2,743,452	\$2,743,452	None	
Debt 8	Sales Tax - Series 2007 Debt Service payment for bonds issued for Trax Extension & Grant Tower Improvements. Bonds mature 2027.					\$399,087	\$399,087	\$399,087	\$399,087	None	
Debt 8	Sales Tax - Series 2008 Estimated FY09 debt service payment for bonds that are yet to be issued to construct the Fleet Facility.					\$596,084	\$596,084	\$596,084	\$596,084	None	Impact fees, refuse & fleet fund not included
Debt Service Total						\$15,316,956	\$15,316,956	\$15,316,956	\$15,316,956		

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
5	Parks 5 Parks Recovery Action Plan 10 Year CIP Plan FY08-09 All Districts	Tree Replacement Parks - Citywide To replace existing deteriorated or removed trees throughout City Parks. Design \$4,300. Construction inspection & admin fees \$3,000. *Funding history includes allocations over 3 year period. Supports City's sustainability efforts.	05-06 \$ 50,000 06-07 \$ 50,000 07-08 \$ 50,000 Total \$150,000*	5	5	\$50,000	\$50,000	\$50,000		None No additional increase	
6	Transportation 1 Transportation Plan 10 Year CIP Plan FY06-16 Districts 5 & 7	Traffic Signal Upgrades - 900 E. 1300 So., 2000 E. 2700 So., 300 W. 1700 So., Main St. 1300 So., Main St. 1700 So. To remove & replace five (5) existing traffic signals with equipment that includes steel poles, span wire, signal heads & traffic signal loops, mast arm poles, new signal heads, pedestrian signal heads with countdown timers, improved loop detection, & left turn phasing as needed. Design \$80,000. Engineering fees \$80,000. Construction inspection & admin \$20,000. * Funding history includes allocations over 6 year period. Supports City's sustainability efforts.	00-01 \$ 925,000 02-03 \$ 550,000 03-04 \$ 495,000 04-05 \$ 500,000 06-07 \$ 450,000 07-08 \$ 500,000 Total \$ 3,420,000*	6	6	\$800,000	\$640,000	\$640,000	\$640,000	Minimal \$360 Per Year	funds 4 of 5
7	Transportation 4 Bicycle & Pedestrian Master Plan 10 Year CIP Plan FY06-16 All Districts	Bicycles Facilities Development - Citywide To develop, design & construct bicycle/pedestrian paths, routes & facilities Citywide to include bike racks, restriping lanes for bike use. * Funding history includes allocations over 6 year period. Supports City's sustainability efforts.	01-02 \$ 50,000 02-03 03- \$ 50,000 04 05- \$ 50,000 06 06- \$ 50,000 07 \$07- \$ 50,000 08 \$ 50,000 Total \$300,000*	8	7	\$50,000	\$50,000	\$500,000	\$500,000	None No additional increase	
8	Transportation 3 Street Lighting Policy 10 Year CIP Plan FY06-16 All Districts	Pedestrian Safety Devices - Citywide To design, purchase & install pedestrian safety devices Citywide which could include overhead flashing lights at crosswalks, pedestrian refuge islands, signalized pedestrian crossings & new or improved pavement markings. * Funding history includes allocations for over 5 year period. Supports City's sustainability efforts.	02-03 \$ 50,000 03-04 05 \$ 60,000 06 06-07 \$ 50,000 07-08 \$120,000 Total \$ 50,000 \$330,000*	9	8	\$75,000	\$75,000	\$75,000		None No additional increase	
9	Streets 3 10 Year CIP Plan FY06-16 Districts 5 & 6	Sidewalk Replacement SAA - FY 08/09 1500 East to 2100 East, 1300 South to 1700 South To design, construct & create SID for sidewalk improvements in the proposed SAA as funding permits. Improvements include ADA pedestrian ramps, limited replacement of trees, & some corner drainage improvements. SAA portion of project is \$700,000. Design \$48,000. Construction inspection & admin \$51,600. SID processing \$40,000. Supports City's sustainability efforts.		10	9	\$700,000	\$700,000	\$700,000		None No additional increase	

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
15	Parks 7 Parks Inventory of ADA Needs Assessment 10 Year CIP Plan FY08-09 District 3	Shipp Park ADA Playground - 579 4th Ave. To remove & replace existing playground equipment with equipment that meets current safety & ADA accessibility standards. Improvements include replacement of existing playground equipment, soft fall bark chips, sand, concrete ramp to playground, some sidewalk, landscaping & irrigation. Design \$6,700. Construction inspection & admin fees \$5,500. Supports City's sustainability efforts.		16	15	\$75,000	\$75,000	\$75,000		None No additional increase	
16	Transportation 8 Street Lighting Policy 10 Year CIP Plan FY06-16 District 2	Arterial Lighting - California Ave., 900 West to Redwood Road To design, purchase & install streetlights to bring the street lighting up to the adopted lighting minimum, reducing transportation impacts by improving traveler safety on California Avenue. Design \$5,000. Engineering fees \$5,000. Supports City's sustainability efforts.		17	16	\$65,000	\$65,000	\$65,000		Minimal Increased Power Usage	
17	Public Bldgs 1 District 2	Replace Parks Administration, 1965 W. 500 So., & Fire Training Facility, 1600 S. Industrial Blvd.. Roofs To replace the Parks Administration Building & the Fire Training Facility roofs. Design \$95,804. Engineering fees \$22,109. Construction inspection & admin \$51,587. Supports City's sustainability efforts.		18	17	\$906,453	\$450,000	\$450,000	\$450,000	None No additional increase	
18	Public Bldgs District 4	Intermodal Hub - 600 West 300 South City Contribution toward the economic development of historic structures at the Intermodal Hub. .			18		\$0	\$500,000	\$500,000	None	
19	Parks 8 Liberty Park Master Plan & Parks Recovery Action Plan 10 Year CIP Plan FY10-11 District 5	Liberty Park Improvements - 500 to 700 E., 900 to 1300 So. To design & construct concrete curbing around the lake including sidewalk & associated retaining wall & reconstruct existing boat dock. The retaining wall will double as lake overflow protection & sitting area around the lake. Design \$75,000. Engineering fees \$15,000. Construction inspection & admin fees \$45,000. *Funding history includes allocations to Liberty Park over 7 year period. Supports City's sustainability efforts.	00-02 \$3,952,753 02-03 \$2,170,000 03-04 \$2,000,000 04-05 05-\$1,000,000 06 06-\$1,000,000 07 07- \$ 653,000 08 \$ 600,000 Total \$11,375,753*	19	19	\$960,000	\$960,000	\$0		Minimal \$1,000 per year	
20	Parks 3 Rosewood Park Master Plan 10 Year CIP Plan FY08-09 District 1	Rosewood Park Tennis Courts - 1200 West 1300 North To design & construct upgrades to existing tennis courts. Upgrades include resurface coating, new color coat & lines. Design \$6,100. Engineering fees \$1,400. Construction inspection & admin fees \$5,400. Supports City's sustainability efforts.		20	20	\$80,000	\$80,000	\$80,000	\$80,000	Minimal \$800 per year	

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
27	Streets District 4	800 South To construct bulbouts at the new power pole installation sites on the North side of 800 South.						\$560,000		None No additional increase	
28	Transportation 2 Transportation Plan 10 Year CIP Plan FY06-16 District 4	Traffic Signal Installation - 600 South 600 East To design & install new traffic signal where none currently exists at 600 So. 600 East. Design \$20,000. Engineering fees \$20,000. Construction, inspection & admin fees \$5,000. * Funding history includes allocations over 3 year period. Supports City's sustainability efforts.	01-02 \$280,000 04-05 \$150,000 06-07 \$150,000 Total \$580,000*	7	26	\$170,000	\$170,000			Minimal \$90 Per Year	
29	Streets 8 District 3 Submitted by Constituent	Sidewalk Installation - Orange Street, South side of North Temple To construct sidewalk where none currently exists on Orange Street (1900 West) South of North Temple. Supports City's sustainability efforts.		23	27	\$58,200	\$58,200			None No additional increase	
30	Parks 16 Rotary Glen Master Plan 10 Year CIP Plan FY08-09 District 6	Rotary Glen Park Improvements - 2770 East 840 South To provide Phase 2 construction improvements to meet current ADA standards. Improvements include new restroom, utilities to support restroom, drinking fountain, new pavilion, new tot lot, concrete plaza, sidewalks, curb, gutter, parking lot & associated landscaping & sprinkler irrigation system. Design \$53,000. Engineering & survey fees \$22,000. Construction inspection & admin fees \$91,000. Supports City's sustainability efforts.	Prior yrs \$285,000 05-06 \$ 95,000 Total \$380,000	24	28	\$1,300,000	\$473,403			None No additional increase	
31	Parks 9 Parks Recovery Action Plan 10 Year CIP Plan FY07-08 District 1	Cottonwood Park Irrigation System - 300 North 1600 West To rebuild the Cottonwood Park sprinkling irrigation system & connect to the city's central irrigation system making the park more water efficient. Design \$38,500. Construction inspection & admin fees \$30,800. Supports City's sustainability efforts.		25	29	\$454,300				None Possible Reduction	
32	Public Bldgs 4 Capital Asset Renewal Plan District 4	Irrigation Water Conservation & Asset Renewal Project Design - 100 So. West Temple, 100 So. Regent to Main St., Main to Cactus St., 300 So. State to Main St. To provide design of 4 locations for future replacement of deteriorating galvanized pipe located beneath concrete & pavers with new PVC main irrigation service line, electronic valves, backflow devices, irrigation lines to trees, bubblers in tree planters, irrigation management system, failure & low flow alarms, low voltage controls, landscape lighting, auto-drain valves & replace deteriorated concrete with stamped concrete or pavers. Engineering fees \$28,7870. Supports City's sustainability efforts.		26	30	\$148,000	\$0			None Design	

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
38	Parks 14 Rosewood Park Master Plan 10 Year CIP Plan FY11-12 District 1	Rosewood Park Restroom Improvements - 1200 West 1300 North To reconstruct existing restroom to meet ADA & security standards. Improvements include the conversion of existing restroom to individual stalls with outside entrances & lockable doors. Design \$16,500. Engineering fees \$3,500. Construction inspection & admin fees \$13,200. *Funding history includes allocations to Rosewood Park over 4 year period. Supports City's sustainability efforts.	01-02 \$ 165,000 03-04 \$ 150,000 05-06 06- \$ 45,000 07 Total \$1,018,400 \$1,378,400*	33	36	\$198,200				None No additional increase	
39	Parks 13 Parks Recovery Action Plan 10 Year CIP Plan FY10-11 District 7	Fairmont Park Tennis Courts - 900 East Simpson Ave. To replace five (5) existing tennis courts with four (4) new post tension courts, new fencing, net posts, landscaping & irrigation system, sidewalk along north side of courts, benches & drinking fountain area. Design \$84,000. Engineering fees \$13,800. Construction inspection & admin fees \$52,800. Supports City's sustainability efforts.		34	37	\$750,600				Minimal \$800 per year	
40	Public Bldgs 7 Capital Asset Renewal Plan District 5	Franklin Covey Field Concourse "B" Waterproofing - 1365 So. West Temple To construct improvements to include cutting new expansion joints, remove cracked caulking, grind & clean saw/expansion joints & clean surface deck for installation of Conipur Advantage 2 -part concrete deck sealer. Design \$30,000 Engineering fees \$6,534. Construction inspection & admin. \$13,560. Supports City's sustainability efforts.		35	38	\$361,548	\$0			None No additional increase	
41	Public Bldgs 6 District 4	Plaza 349 Parking Structure Improvements & Security System - 349 South 200 East To construct improvements to include scarifying & lowering parking structure pavement surface & ramps, apply adhesion base & two-inch concrete overlay, install new retractable security gate with electronic code reader system, & install electronic security devices on all entry doors to parking structure. Design \$28,139. Engineering fees \$4,244. Construction inspection & admin \$9,904. Supports City's sustainability efforts.		36	39	\$247,399	\$0			None No additional increase	
42	Public Bldgs 3 10 Year CIP Plan FY08-09 District 4	C&C Building Carpet, Flooring & Electrical Replacement - 451 So. State To replace & install a low access sub floor, replace existing electrical flatwire & purchase & install approximately 7700 yards of new carpet. Design \$249,461. Engineering fees \$59,876. Construction inspection & admin \$139,710. Supports City's sustainability efforts.		37	40	\$2,454,897	\$0			None No additional increase	
43	Transportation 9 Transportation Plan 10 Year CIP Plan FY06-16 Districts 4, 5, 6 & 7	1300 East Traffic Study & Implementation To hire a consultant to collect existing conditions data, analyze lane use, speed limit, signal operations, signage & other transportation aspects & prepare recommendations for improvements. Implementation of improvements will follow recommendations. Design \$20,000. Supports City's sustainability efforts.		38	41	\$250,000				None Study	

Fiscal Year 2008-2009 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
48	Transportation 12 SLC Bicycle & Pedestrian Master Plan Districts 4	Artistic Accent Lighting for Broadway Blvd. Medians - 300 So., 400 W. to 300 E. To design, purchase & install artistic LED accent lighting in median islands on 300 South, from 400 West to 300 East. Supports City's sustainability efforts.		47	48	\$1,000,000				Minimal Increased Power Usage	
49	Public Bldgs 8 Capital Asset Renewal Plan District 5	Franklin Covey Building Steel & Roof Deck Painting - 1365 So. West Temple To provide improvements to include sand blasting, scraping & wire brushing rusted building steel beams, girders & steel railings, power wash surfaces, apply rust inhibitor primer coat & apply premium enamel finish paint with UV protection. Design \$79,866. Engineering fees \$79,866. Construction inspection & admin. \$23,960. Supports City's sustainability efforts.		48	49	\$1,062,228	\$0			None No additional increase	
50	Streets 11 District 3 Submitted by Constituent	500 West Street Improvement Design - 500 West, 600 North & North Temple To design roadway corrections on 500 West to accommodate Union Pacific switching boxes providing access of semi-truck delivery to businesses. Design \$126,700.		49	50	\$126,700				None Design	
51	Public Bldgs 9 District 4 Submitted by Central City - Salt Lake County	Central City Recreation Center Parking & Green Space To construct improvements to include removal & disposal of buried swimming pool including dirt, backfill hole with clean dirt, remove metal fence surrounding pool area, demolish old pump house, install sprinkling irrigations system, grade & landscape. Parking lot includes construction of new parking lot with additional 52 stalls. Design \$122,263. Engineering fees \$18,430. Construction inspection & admin. \$43,006. Supports City's sustainability efforts.		29		\$300,000	\$0			None No additional increase	Central City Construction project funded Budget Amendment #3
52	CIP Cost Over-run	General Fund CIP Cost Overruns Funding set aside to cover unanticipated CIP cost over-runs of funded projects.						\$94,103		None Design	
Total Pay as you go 08-09 CIP						\$20,068,852	\$7,365,730	\$7,865,730	\$2,899,500		
Total General Fund 08-09 CIP						\$35,385,808	\$22,682,686	\$23,182,686			

Fiscal Year 2008-2009 Identifier & Plan Information	Project Description	Funding History	Board	Mayor	FY 2008-2009 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed Amount	Council's Approved Amount	Operating Budget Impact	Notes
		Total FY 07-08 CIP			\$38,335,808	\$25,632,686	\$26,132,686	\$4,399,500		

To construct a “regular” bulb-out pattern on the north and south side (Option 3), AND construct the median barricade, would be approximately \$1.8 million.

4. The Administration has not had the opportunity to review this plan with affected community councils. *The Council may wish to inquire with the Administration as to the expected timeline and/or make funding contingent upon a community review process.*
5. Council Members have also discussed the possibility of funding a complete re-design of the corridor, with the goal of increasing walkability, improving conditions for bicycles, and calming traffic, from Foothill to McClelland or farther west. Staff has contacted the walkability expert that had previously toured the area with the Council, to get a rough estimate of what that process could cost, but has not yet heard back. *The Council may wish to ask the Administration to provide an estimate of what a design process could cost.*
6. *The Council may wish to have a broader policy discussion about the costs and benefits of allocating funds for immediate improvements which may or may not be compatible with a complete redesign in the future.*

B. 300 West – Some Council Members have discussed the possibility of allocating funds to design improvements along 300 West, to capitalize on the development that is currently taking place along the corridor. The Administration has done some preliminary estimates of what a very basic “pedestrian enhancement” re-design could cost (estimate will be available on the night of the briefing). *This is not a project that was reviewed by the Citizen board or the Mayor, however, the Council may wish to discuss it further.* Even though it is not in the “regular” process, the Council has the authority to allocate funds to any project.

The Council may wish to review the Mayor’s revised recommendations and any new projects in context with the adopted 10 year plan. The Council may also wish to have a more in-depth status report on the extent to which funding decisions are addressing the needs identified in the 10 year plan.

As a note, although the 10 year plan is put together with input from the departments to incorporate necessary, deferred maintenance projects, the Council can also elect to revisit the 10 year plan at any time and reevaluate funding and project priorities.

The following information was provided for Council information on June 10, 2008. It is provided again for reference

On the Council’s June 3, 2008 work session, \$1,899,500 was tentatively appropriated for time sensitive projects, along with the \$15.3 million needed to cover existing and planned debt service payments. This leaves approximately \$5.9 million left to allocate to the remaining CIP projects at a discussion later in the summer. The Council delayed decisions on some projects listed as “time sensitive,” indicating a desire for more information:

CIP Log Number	Project Description	Reason	Amount Requested	Amount Proposed by Mayor	Council Funded Amount
n.a.	All Debt Service Payments	Debt Service payments are generally approved with the adoption of the budget, as payments are sometimes structured in July	\$ 15,316,956	\$ 15,316,956	\$ 15,316,956
#17	Replace Parks Administration Building Roof	To complete construction this season	\$ 450,000	\$ 450,000	\$ 450,000 <small>(more information below regarding Fire Training Facility Roof)</small>
# 3	Jordan River Trail – Rose Park Golf Course to Redwood	To continue project before delays through summer season	\$ 200,000	\$ 200,000	\$ 200,000
#20	Rosewood Park Tennis Court Resurfacing	To continue up-grades currently underway without a	\$ 80,000	\$ 80,000	\$ 80,000

		break in the progress during the Summer '08 construction season			
#6	Traffic Signal Upgrades	To take advantage of summer '08 construction season	\$ 800,000	\$ 640,000	\$ 640,000
#7	Bicycle Facilities Development	To take advantage of summer '08 construction season - <i>The Council may wish to ask how the Administration would take advantage of this construction season if the Bicycle Facilities Coordinator FTE is not approved</i>	\$ 50,000	\$ 500,000	Delayed decision pending further information (see below)
# 21	Traffic Signal System Upgrade	To take advantage of summer '08 construction season	\$ 375,000	\$ 375,000	\$ 375,000
#13	Traffic Camera Installation	To install this summer	\$ 50,000	\$ 50,000	\$ 50,000
# 23	Plaza 349 Employee Showers	To construct immediately for use this summer	\$ 54,500	\$ 54,500	\$ 54,500
<i>Based on previous Council inquiries and interest, staff has also listed the following projects that the Council may wish to fund along with the adoption of the budget:</i>					
# 18	Intermodal Hub - Warehouse preservation		n.a.	\$ 500,000	Delayed decision pending further information (see below)
# 25	Electronic Pay Booth Study		n.a.	\$ 50,000	\$ 50,000
# 46	800 South Median Island & 1100 East Barrier project		\$ 325,000	\$ 0	Further Information will be provided later in summer with other CIP project consideration
Total allocated so far				\$17,216,456	
Amount remaining for later in the summer (assuming total CIP allocation stays the same)				\$ 5,966,230	

The following is updated information, as requested by the Council:

- A. **Fire Training Facility Roof** - The Administration has indicated that this request is to replace the roof of the training tower, not the adjacent facility. The tower would remain in place should a Public Safety bond to replace Fire Station 14/Training Facility pass. The Administration did do major patch work on the Tower roof approximately two years ago. They have indicated that it is possible that this patch work will hold over for another year. The did indicate that of the two, the Park Building roof is the higher/more urgent priority.
- B. **Bicycle Facilities Development - \$500,000** - The Council asked the Administration to come back with a prioritized list of projects that could be pursued with the \$500,000 allocation. The Administration has indicated that the following are the projects they would pursue (from highest priority):
 1. **\$50,000** for on-roadway bike improvements (as per previous years)
 2. **\$300,000** for constructing the Jordan River Trail under I-80 between Alzheimer's Park and 200 South. The Administration indicates that this section of the trail was previously funded, but the funds were subsequently used to purchase the Fisher Mansion with the idea that funds from resale of the mansion would be put back into this trail project. The design for this section of trail is complete. It could be constructed this year if funds are available July 2008. Funding for this project has been in limbo since it is not known when or if the mansion will be sold. The Jordan River Trail continues to be the city's top priority trail project.
 3. **\$150,000** to be used for one of the following two projects, based on the results of ongoing efforts:

- a. Grant match for construction of the Jordan River Trail between Redwood Rd. and the Davis County line. The City and Davis County have applied for State funds to complete our north end of the Jordan River Trail and are awaiting word on the request.
 - b. Design and construction of a trail along the Surplus Canal between 2100 South/JRT and Redwood Rd. The Administration is in discussions with Salt Lake County and the Corps of Engineers to receive approval to pave a trail on the maintenance road adjacent to the canal.
- C. **Intermodal Hub** - \$500,000 for preservation of the North Warehouse – Staff inquired with the RDA Director as to the timeline of UTA’s RFP. The Director indicated that it is possible that a developer would not be selected until December, with another year needed to assemble financing, get documents finalized with UTA, finalize design, and start construction.
- On option for Council consideration is to delay appropriation of the funds until it is necessary to disburse them (this can be done through a budget amendment), but make a verbal commitment (such as a legislative intent statement) so that UTA has assurance that the City will be a funding partner in the project.
 - Another option (suggested by a Council Member), is to have the RDA contribute the \$500,000 in the form of a no-interest loan to the developer, and use the \$500,000 from the Intermodal Hub fund, to offset the debt service payment for the Grant Tower/TRAX Extension bond (the Council may wish to discuss this further, as that amount exceeds the current debt service payment of \$399,087). The RDA Director has indicated that with board approval this would be possible, and there are enough funds in the RDA revolving loan fund to do so. However, he did mention that the standard interest rate on a loan to a third-party developer is 3%, and can only be reduced to 0% if the developer meets LEED Silver standards (a requirement that was recently adopted by the Board).

The following information was provided for Council information on June 3, 2008. It is provided again for reference.

CAPITAL IMPROVEMENT PROGRAM BUDGET RECOMMENDATION

The Mayor presented his budget for Fiscal Year 2008-2009 on Tuesday, May 6. The following staff report details the proposed Capital Improvement Budget.

The Administration recommends funding CIP from the general fund in the amount of \$23,182,686, plus \$500,000 for a specific Transportation Preservation project. Of this, \$7,730,907 is slated for general obligation bond debt (dedicated property taxes). Therefore, a total of \$15,951,779, or 7.82% of general fund revenue, is proposed for Capital projects. Of this amount, \$8,215,928 is pledged for non-GO debt service (including debt service for the TRAX extension and Grant Tower Realignment projects, as well as a new debt service payment for the Fleet Facility sales tax bond – yet to be issued - details below). Therefore, a total of \$7,365,730 is available for non-debt service projects (down from \$7,993,379 for “other” projects in FY 2008).

The CIP 10 Year Plan (adopted January 2006) indicates that in order for the capital projects to be fully funded over the 10 year cycle of the plan, an average of 7.95% of general fund revenues should be dedicated each year to capital projects. In order to reach the 7.95% number, the Council would have to increase CIP funding by \$275,006 over the Mayor’s recommended budget.

The CIP 10 Year Plan acknowledges that 7.95% of general fund balance will not be sufficient to fund all projects in every year, but rather – over the 10 year period, if 7.95%

is consistently dedicated every year, this will eventually cover all of the projects. In the past, the Council had a stated policy of dedicating a minimum of 9% of general fund revenues for Capital projects. In Fiscal Year 2009, the plan identifies \$9.65 million in non-debt service projects, well over the current funding proposal of \$7.4 million. In addition, a total of \$10.9 million worth of projects that were identified from FY 06-08 in the CIP 10 Year Plan, have not yet been funded.

The Council may wish to consider the policy goals identified at the 2008 retreat when considering project prioritization (see page 7). For more information on the CIP process and background, see section beginning on Page 8.

NEW DEBT SERVICE OBLIGATIONS

A. The Mayor’s recommended budget includes debt service payments for the new Sales Tax bond (not yet issued by the Council) for the Fleet Facility project.

1. The total bond amount is not yet finalized, but is expected to be in excess of the Council’s previously-discussed amount of \$21 million, as costs have risen and seismic issues that were not previously planned for will need to be addressed. General fund debt service is estimated at approximately \$1.5 million per year, though the amount slated for FY 2009 is \$596,084 (partial year payment). The Fleet Fund, Impact Fees, and the Refuse fund would also be also contributing to the payment of these bonds (see schedule below):

Fund	% of Debt Service
General Fund CIP	69.2%
Fleet Fund <i>(it should be noted that previously the Fleet Fund indicated that they would increase billing to general fund departments to cover 60% of their annual debt service obligation – this will impact the general fund budgets)</i>	13.9%
Refuse Fund	13%
Impact Fees	3.9%

2. The Council previously discussed this issue in June of 2006, in conjunction with the annual CIP budget. At that time the Council took a straw poll in unanimous support of the Fleet Facility Sales Tax bond. The straw poll included the caveat that the bond proceeds would not reimburse the surplus land account for the purchase of the new property (located at 1954 West 500 South), even though a reimbursement resolution had been adopted in January of 2006. The reimbursement resolution indicates the Council’s intent to issue Sales Tax bonds to construct the project, and preserves the option of reimbursing the general fund for the land purchase with sales tax bond proceeds.

B. 10 Year Plan Implications - The CIP 10 Year Plan does have a total of \$1.78 million in *new* debt service (both the Fleet Facility and TRAX/Grant Tower bonds). The amount planned for the Grant Tower/TRAX Extension bonds is \$562,294 per year (more than the current debt service of \$399,087 – at the time the 10 Year Plan was contemplating that more of the Grant Tower project would be bonded for), and the amount planned for the *general fund portion* of the Fleet Facility bond is \$1.22 million per year.

C. Debt Ratio Benchmarking Data – The City reviewed data obtained from the various rating agencies in order to benchmark our debt ratio in comparison to other cities in

the US. Currently Salt Lake City's debt ratio is \$615 per capita, 0.6% of market value, and represents 8.1% of General Fund Expenditures. The following chart illustrates what credit agencies would consider low, moderate, and high ratios of debt. Salt Lake City's current figures place in the low to moderate range (*note: This includes current partial year payment of debt service on the Fleet Facility but does not include bonding for any new projects – Public Safety Facilities, etc*).

	Benchmarks			Salt Lake City Current Ratio
	Low	Moderate	High	
Debt Per Capita	< \$1,000	\$1,000 - \$2,500	> \$2,500	\$615
Debt as a Percent of Market Value	< 3%	3 - 6%	> 6%	0.6%
Debt as a Percent of Personal Income	< 3%	3 - 6%	> 6%	3.0%
Debt Service as a Percent of General Fund Expenditures	< 5%	5 - 15%	> 15%	8.1%

KEY ELEMENTS

Attached is a complete log of all CIP project applications for the Council's consideration.

Fifty (50) non debt-related projects were submitted through the regular CIP process (the CDCIP Board) for funding. The Community Development and Capital Improvements Program (CDCIP) Advisory Board reviewed these applications and then made recommendations to the Mayor. It should be noted that two projects on the attached list did not go through this process, but are proposed to be funded by the Mayor (#18 - \$500,000 for historic structures at the Intermodal Hub; #25 - \$50,000 for an electronic pay-booth for street parking study). **For time-sensitive projects, see Item F.**

Of these projects, twenty-six (26) were recommended for funding from the general fund by the Administration, for a total of \$7,865,730. The following chart shows a breakdown of funding totals, by type of project:

Non-Debt Service CIP Projects - FY 2009

	Amount Requested	CDCIP Board Recommendation	Mayor's Recommendation
Streets	\$4,763,900	\$2,358,200	\$2,300,000
Transportation	\$3,714,500	\$1,700,000	\$2,084,500
Parks	\$5,283,100	\$2,250,703	\$1,827,300
Public Facilities/Buildings	\$6,247,352	\$996,827	\$1,496,827
Percent for Art	\$60,000	\$60,000	\$70,000
CIP Cost Overrun	\$0	\$0	\$87,103
Total	\$20,068,852	\$7,365,730	\$7,865,730

The following are key points in relation to the FY 2009 CIP Applications and funding rankings:

- A. The Mayor has taken into account rankings from the CDCIP Board, and has separately ranked all projects. He has recommended funding for project numbers 1-25 (see attached log).
- B. Of the 52 CIP projects, 20 projects are not specifically listed in the CIP 10 year plan. The total amount of these projects is \$5.6 million, of which \$1.14 million is recommended for funding.

CIP Log Number	Project Description	Amount Requested	Amount Proposed by Mayor	notes
#17	Replace Parks Administration Building and Fire Training Facility Roofs	\$ 906,453	\$ 450,000	The Council may wish to ask the Administration how plans for a Public Safety Bond may include the Fire Training Facility
#18	Intermodal Hub - contribution towards historic preservation	n.a.	500,000	North Warehouse @ Intermodal Hub
#22	Parley's Nature Park Fence	32,700	32,700	
#23	Plaza 349 Employee Showers	54,500	54,500	Sustainability
#24	Analysis & Design of East Capitol Blvd	50,000	50,000	Funding subject to State Capitol Board Matching Funds - <i>The Council may wish to ask the Administration how likely these funds are to be received.</i>
#25	Electronic Pay Booth Device Study	n.a.	50,000	
#30	CBD - Irrigation Water Conservation & Asset Renewal Project Design (100 S. W. Temple, 100 S. Regent to Main St., Main to Cactus St., 300 S. State to Main)	148,000	0	
#32	300 South Street Improvements - Design Design street improvements including medians and landscaping improvements. <i>The Council may wish to ask the Administration what kinds of landscaping improvements will be proposed considering water conservation issues.</i>	170,000	0	
# 35	Sugarhouse Irrigation Water Conservation & Asset Renewal Project Design (2100 S., 1000 E. to 1300 E., Highland Dr., Westminster & Ashton)	220,000	0	
# 38	Franklin Covey Concourse "B" Waterproofing	361,548	0	
# 43	Rose Park Golf Course Salt Storage Design and Cost Estimating	35,000	0	
# 47	Fairmont Park Lake Edge	417,700	0	
# 48	Artistic/LED Lighting for Broadway Medians (400 West to 300 East)	1,000,000	0	
# 49	Franklin Covey Building Steel & Roof Deck Painting	1,062,228	0	

The following projects (totaling \$1.13 million) are not specifically listed on the CIP 10 Year Plan but individually could be considered to fall under the \$250,000 yearly "placeholder for community projects" in the plan. None are proposed to be funded by the Mayor:

#27	Sidewalk Installation - Orange St, South side of N. Temple	\$ 58,200	\$ 0	Submitted by District 3 Constituent
# 42	Staircase & Walkway Improvements (1923 S 2600 E & Broadmoor/Wasatch)	121,000	0	Submitted by District 6 Constituent
#44	Parley's Way/Wilshire Park Playground ADA Improvements	200,000	0	Submitted by District 7 Constituent
# 46	800 South Median Island & 1100 East Barrier Improvements <i>The Council may wish to make note of this project. It was discussed as a possible component to mitigation solutions along the 800 South Corridor as a result of the Rocky Mountain Power line upgrades.</i>	325,000	0	Submitted by District 4 Constituent
# 50	500 West Street Improvement Design - 500 West, 600 North & N. Temple - <i>would provide access of semi-truck delivery to businesses</i>	126,700	0	Submitted by District 3 Constituent
# 51	Central City Recreation Center - Swimming Pool fill & Parking lot construction - <i>The Council may wish to ask the Administration to clarify if this funding would be needed even with the City's recent pledge of the Kiwanis-Felt Sale proceeds to the CCRC.</i>	300,000	0	Submitted by SL County
Total		\$ 5,589,029	\$ 1,137,200	

C. Of the 52 CIP applications, 9 projects are on the CIP 10 Year Plan and scheduled for FY 2008, but are **not recommended for funding** (the total amount for these unfunded projects is \$5.9 million, of which \$2.5 million is related to the upkeep and maintenance of the City and County Building):

CIP Log Number	Project Description	Amount Requested	Amount Proposed by Mayor
# 26	Traffic Signal Installation, 600 South 600 East	\$ 170,000	0
# 28	Rotary Glen Park Improvements	1,300,000	0
# 29	Cottonwood Park Irrigation System	454,300	0
# 31	East Capitol Street Reconstruction, State St to 300 N	628,000	0
# 33	Park Pavilion Roof Replacement (Sunnyside, Mt. Dell, Washington, Riverside Parks)	85,000	0
# 34	A Street Green Space Analysis, 6 th and 8 th Avenue	50,000	0
#40	City and County Building Carpet & Electrical replacement	2,454,897	0
# 41	1300 East Traffic Study & Implementation Funds <i>Funds to hire a consultant to collect data, analyze usage and traffic patterns and prepare recommendations for improvements. Note: The Council may wish to ask the Administration how much of the request would fund the study, and how much might be left for actual improvements.</i>	250,000	0
# 45	Arterial Lighting, 700 East (S Temple to 700 South)	550,000	0
Total		\$ 5,942,197	\$ 0

- D. Of the 52 CIP projects, 4 projects are on the CIP 10 Year Plan and were planned for funding in previous fiscal years (carry-over projects):

CIP Log Number	Project Description	Amount Requested	Amount Proposed by Mayor
#3	Jordan River Trail – Rose Park Golf Course to Redwood Rd	\$ 200,000	\$ 200,000
# 29	Cottonwood Park Irrigation System	454,300	0
# 34	“A” Street Green Space – 6 th to 8 th Avenue	50,000	0
# 39	Plaza 349 Parking Structure Improvements & Security System	247,399	0
Total		\$ 951,699	\$ 200,000

- E. Of the 52 CIP applications, 2 projects are on the CIP 10 Year Plan, but not planned for funding until after the current fiscal year:

Number	Project Description	Year Planned	Amt Requested	Amount Proposed by Mayor
# 36	Rosewood Park Restroom Improvements	FY 2012	\$ 198,200	\$ 0
# 37	Fairmont Park Tennis Courts - replacement	FY 2011	750,600	0
Total			\$ 948,800	\$ 0

- F. The Administration has indicated that the following projects are considered “**time sensitive**” and should ideally be ranked and have funding levels decided at the time of the budget adoption:

CIP Log Number	Project Description	Dept / Priority	Reason	Amount Requested	Amount Proposed by Mayor
n.a.	All Debt Service Payments		Debt Service payments are generally approved with the adoption of the budget, as payments are sometimes structured in July	\$ 15,316,956	\$ 15,316,956
#17	Replace Parks Administration Building Roof	Facilities/1	To complete construction this season	\$ 450,000	\$ 450,000
# 3	Jordan River Trail – Rose Park Golf Course to Redwood	Parks/1	To continue project before delays through summer season	\$ 200,000	\$ 200,000
#20	Rosewood Park Tennis Court Resurfacing	Parks/3	To continue up-grades currently underway without a break in the progress during the Summer '08 construction season	\$ 80,000	\$ 80,000
#6	Traffic Signal Upgrades	Trans/1	To take advantage of summer '08 construction season	\$ 800,000	\$ 640,000
#7	Bicycle Facilities Development	Trans/4	To take advantage of summer '08 construction season – <i>The Council may wish to ask how the Administration would take advantage of this construction season if the Bicycle Facilities Coordinator FTE is not approved</i>	\$ 50,000	\$ 500,000
# 21	Traffic Signal System Upgrade	Trans/5	To take advantage of summer '08 construction season	\$ 375,000	\$ 375,000
#13	Traffic Camera Installation	Trans/6	To install this summer	\$ 50,000	\$ 50,000
# 23	Plaza 349 Employee Showers	Trans/11	To construct immediately for use this summer	\$ 54,500	\$ 54,500

Based on previous Council inquiries and interest, staff has also listed the following projects that the Council may

<i>wish to fund along with the adoption of the budget:</i>			
# 18	Intermodal Hub – Warehouse preservation	n.a.	\$ 500,000
# 25	Electronic Pay Booth Study	n.a.	\$ 50,000
# 46	800 South Median Island & 1100 East Barrier project	\$ 325,000	\$ 0

If the Council funded all “time-sensitive” projects identified by the Administration (excluding debt service and Council Staff identified projects), the appropriation would total \$2,349,500. This would leave approximately \$5.5 million left to allocate later in the summer.

G. Selected Projects/Highlights:

- a. The Mayor’s recommended budget includes \$400,000 in funding for Street ADA Ramps/Corner repairs (#1). The CIP 10 Year Plan does indicate that \$400,000 per year should be spent on these projects from the general fund, and \$0 from CDBG. However, during this year’s CDBG discussion, the Council funded \$395,192 for this purpose. Therefore, the Council could choose to fund \$4,808 from CIP for this purpose, and redirect the \$395,192 towards other CIP projects that may not be currently funded (*though this would restrict construction to CDBG-eligible areas*). In recent years the Council has funded ADA Ramps/Corner repairs from both CIP and CDBG funds (\$700,000 total in FY 2008 and \$778,868 total in FY 2007).
- b. The Mayor’s recommended budget includes \$500,000 towards the renovation/preservation of the North Warehouse building at the Intermodal Hub.
- c. The Mayor’s recommended budget does not include funding for the 800 South/1100 East barrier project (#46, \$325,000 requested). The Council had previously discussed possibly linking the funding of this project to a larger traffic mitigation strategy project along 800 South/Sunnyside, in order to reduce the negative visual impacts of Rocky Mountain Power’s planned line upgrades. *The Council may wish to discuss this project further.*
- d. The Mayor’s recommended budget includes \$960,000 for Liberty Park improvements. The CIP 10 Year Plan does include this project, but not until FY 2009. This money would reconstruct and realign curbing around the lake (including a retaining wall) and reconstruction of the boat dock. *The Council may wish to ask for renderings of the proposed projects. The Council may also wish to request that the Administration wait for the formation of an Advisory Committee on Historic Parks (per the Council’s request to the Administration) before approving the funding for any other major renovations in the park.* The followings lists the remaining projects “left” in Liberty Park renovations, according to the CIP 10 Year Plan (\$2.75 million):
 - \$750,000 – Children’s Playground Renovation (FY 2009)
 - \$1,000,000 – Greenhouse reconstruction & Jordan Greenhouse demolition (FY 2011)
 - \$1,000,000 – Maintenance Building & Yard Reconstruction (FY 2012)

H. Council Staff will have the complete CIP 10 Year Plan for reference at the briefing.

POTENTIAL BUDGET-RELATED MATTERS AT ISSUE

- A. The Council may wish to separate CIP projects that have been prioritized in the 10 Year Plan from projects that have not been prioritized in the 10 Year Plan. Based on the policy that these projects have been identified as on-going needs in the City, they could exclusively be funded with on-going money, while projects that have been suggested outside of the 10 Year Plan, could be funded with one-time money (with the policy basis that “surplus” money will cover “non-essential” projects).
- B. The Council may wish to discuss an option to fund energy-efficiency-related projects with the “Energy Fund for the Future” or whether they should be covered with the CIP budget and ranked among all other capital projects.
- C. The Council may wish to consider the policy goals identified at the 2008 retreat when considering funding allocations:

Goals/Priorities Identified at Retreat (January 2008)

Infrastructure		
- Walkability	- Bicycle trail development	- Bike-friendly roadways
- Invest in Westside infrastructure	- Use of wide ROW for alternative transportation access	- Improving Sidewalk, Curb, and Gutter City-wide

Planning		
- Infill	- Neighborhood Protection	- Master Plan Updates
- Downtown Revitalization	- Downtown Cultural District	- Northwest Quadrant development
- Riparian Overlay Process	- Sugar House Planning Issues	- Airport Expansion

Alternative Transportation		
- Redevelopment of North Temple	- Planning for Infrastructure	- Jordan River trail development
- 900 South trail development	- Daylighting City Creek	

Environmental Issues		
- Air Quality	- Green/Sustainable City Building Codes	- Northwest Quadrant
- City-wide Sustainability Plan		

Small Business Issues		
- Historic preservation	- Neighborhood business incubation	- Fisher Mansion

Emergency Preparedness		
- Mobile/Neighborhood Watch	- CERT	- Community Preparedness

D. The Council may wish to clarify with the Administration, the status of the escalating costs of construction materials, and the increased difficulty in obtaining construction bids. Staff has reviewed articles from various publications that indicate that the cost of construction materials is not rising as fast as in recent years, and may even be declining. The Council may wish to request that the Administration provide an

update of the most current experience in construction cost changes in Salt Lake City, as compared to recent years, in order to judge a sufficient contingency allocation.

BACKGROUND - CAPITAL IMPROVEMENT PROGRAM BUDGET PROCESS

The Capital Improvement Program is a multi-year planning program that uses two main planning documents: a 10 Year Capital Improvement Plan, and each fiscal year's capital budget. The Council recently adopted a revised 10 Year Capital Improvement Plan, on January 17, 2006, after a lengthy process to identify the most critical and realistic projects that need to be funded over the next decade. It should be noted that the overall amount to transfer from the general fund in order to pay for this 10 Year Plan over the decade, is 7.95%. Note: 7.95% is the number to be allocated to balance over the 10 year period. If 7.95% of general fund revenue is allocated, there will be some years that will have a surplus and some years that have a deficit. Therefore, if less than 7.95% is allocated one year, this does not weaken the likelihood of completion of the 10 Year Plan, as long as more than 7.95% is allocated in a following year.

Following the Mayor's presentation of his recommended budget on Tuesday May 6th, the Council received a schedule of the proposed capital projects for fiscal year 2008-09 with ranking information from the CDCIP Board and the Mayor. The schedule identifies all of the projects that were submitted for funding with the Mayor's recommendations and the priority rankings of the Citizens Advisory Board and Administrative staff. The City Council makes the final determination of projects to be funded. Council staff will project the schedule on the screen during the work session to facilitate discussion and funding decisions.

The Administration accepts applications for capital projects from citizens and City departments each year for consideration for recommendation by the Mayor to the Council for funding. All applications are reviewed by the CIP Citizens Board (CDCIP) and a team of City staffers from each department who specialize in capital projects. Copies of each project application can be made if Council Members desire.

During the past three years, the Council has appropriated funds for debt service and "time sensitive projects" during the annual budget process and waited until later in the summer to make other appropriations. The Council may wish to determine whether it wants to pursue this same course of action or whether the Council wishes to appropriate the entire amount of CIP funding for specific projects during the annual budget process.

COUNCIL POLICIES REGARDING CAPITAL IMPROVEMENT PROGRAM

On April 6, 1999 the City Council adopted a resolution entitled "Council Policies Regarding Salt Lake City's General Fund Capital Improvement Program." This resolution specifically stated the Council's intentions that the Administration regard the resolution as the Council's policy objectives for the City's General Fund CIP Program. In December 1999 the Council adopted a resolution entitled "Salt Lake City Council Capital and Debt Management Policies" which set forth the capital and debt-management policies that were intended to guide the City in addressing the deferred and long-term infrastructure needs of the City. In December 1999, the Council also adopted an ordinance (which was amended in May 2000, and again in 2006 - see section on impact fees below) establishing impact fees on new development within the City. Revenue from these fees are dedicated to fund those capital projects which are directly attributable to growth.

Some of the Council's capital improvement program policies are highlighted as follows:

- Establish a formal multi-year capital program
- Link the 10-year needs list and the annual capital budget
- Identify the extent and cost of deferred maintenance
- Utilize condition information to select and prioritize capital projects
- Focus attention on the long-term implications of capital decisions
- Identify full life cycle project costs
- Prepare multi-year revenue and expenditure forecasts
- Give priority to capital improvement projects that reduce current City maintenance requirements.
- Continue taking advantage of one-time opportunities to supplement base budget CIP (i.e. one-time revenues, particularly from the sale of real property).
- Maintain a capital improvement prioritization process that allows citizen and community input.
- Provide ongoing funding to address capital improvement needs of the City. (Council's policy is that at least 9% of on-going General Fund revenue be allocated to the CIP Fund. Class C, federal funds, impact fees, and one-time monies are all in addition to the 9%. For fiscal year 2004-05, the Mayor proposed a one-time reduction to approximately 7%.)
 - It should be noted however, that in October 2005, the Council made the decision to revise the 20 Year Inventory of Capital Needs and evaluate spending expectations as compared with recent budget realities. In January 2006, the Council adopted a fiscally constrained 10 Year Capital Facilities Plan, in which each department was asked to identify the most crucial and realistic projects, in order to arrive at a plan that was more likely to be executed to completion.
 - The consultants hired to form the plan noted that in order to fully pay for the fiscally constrained 10 Year list of projects, the Council would need an average of 7.95% of the general fund per year allocation to CIP (see note on page 2).

“SPECIAL” ITEMS WITHIN THE CIP BUDGET

Impact Fees

Impact fees are a financing tool that enables the City to address some of the infrastructure necessitated by new growth without further deferring current infrastructure needs. Impact fees cannot be assessed to address issues of deferred capital infrastructure. Revenue collected from impact fees must be expended or encumbered within six years after receipt, unless the Council identifies, in writing, an extraordinary and compelling reason to hold the impact fees longer. Under such circumstances, the Council must establish an absolute date by which the impact fees will be expended. The Council may wish to ask the Administration whether some of the CIP applications qualify for partial funding from impact fees.