
MEMORANDUM

TO: Planning Commission

FROM: Marvin S. Krout, Planning Director 

SUBJECT: DRAFT City of Lincoln FY 2008/09-2013/14 Capital Improvement Program

DATE: April 23, 2008

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

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

Attached is the draft 2008/09-2013/14 Capital Improvement Program (CIP) for the City of Lincoln. (*The Planning Commission Review Edition of the 2008/09 - 2013/14 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 14th. City staff will brief the Planning Commission on the CIP at a special meeting prior to your regular meeting on May 7th. 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 higher in total cost, at \$1.227 billion, than last year's CIP cost of \$921.4 million. The first year (2008/09) program totals \$488 million, which is much more than the \$159.9 million program approved for the current year (FY 2007/08) CIP. The dramatically higher first year is due largely to the inclusion of a proposed West Haymarket Redevelopment project which would include a new Arena. This Arena would require the passage of a General Obligation bond issue for approximately \$253 million dollars by the voters of Lincoln.
2. The draft CIP shows a growing need for more General Revenue (GR) funds over the next 6 years. The first year calls for \$3.6 million in GR funds. However, over the next few months as the Mayor grapples with the need for GR funds in the operating budget, this amount may need to be reduced further. (The draft CIP last year showed \$2.6 million in General Revenue Funds, but that was reduced to \$64,000 in the approved Capital Budget for the current year.) The remaining years average about \$4.6 million per year.
3. Antelope Valley projects in the draft 6 year CIP total over \$71 million, which includes a need of \$250,000 in GR funds over the 6 year period. 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 has had contact

with private developers interested in the Antelope Valley redevelopment area. They are working on design standards for new development and assisting in the assembly of larger parcels of land for that purpose.

4. The South Beltway had previously been included at over \$13 million dollars in the CIP. However, the Nebraska Department of Roads has since placed all new road construction projects on hold. Public Works & Utilities, Streets and Highways Division, has revised their CIP to remove most of the funding previously planned for this project until the State again moves forward. The State Legislature's approval, at the close of the session, of funds to provide a match for possible federal earmark funds may restart this project.

5. Other transportation projects in the proposed CIP include the SW 40th Street viaduct, N 14th Street from Alvo to Superior in the north, Old Cheney and S. 56th Streets in the southeast, and a grading study of NW 48th Street. At this time, some of the on-going traffic, 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 in 2008/09 will enter the fifth year of an aggressive program of water and sewer improvements that will enable the City to implement its Comprehensive Plan. This CIP assumes that the previously requested water and sewer rate increases, of 5% and 6% respectively in FY 2008/09 (4.5 % and 5% in years following FY08/09), are approved in order to accomplish these projects.

7. The draft CIP assumes that voters will approve 6 General Obligation Bonds over the next 6 years, ranging from \$13 million to \$253 million. These bonds would guarantee the financing of a new Arena, presumably in the Haymarket area, and finance watershed management projects, recreation and community centers, a variety of public safety projects (discussed below), and a part of the cost to renovate or 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 09/10 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 ten 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; replacement of for aerial pumpers; 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". According to the Administration's policy, individual annexation agreements may include provisions for a reimbursement of the developers' cost to advance and construct infrastructure improvements by "directing" the fees generated by development of the lots within these development tracts back to the developers. 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.