



## Legislation Text

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**File #:** 17-041, **Version:** 1

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**TITLE:**

Capital Improvements Plan, FY 2017-18 through FY 2021-22

**PURPOSE:** To present to the Board of Aldermen a proposed 5-year Capital Improvements Plan (CIP),

**CONTACT INFORMATION:** Arche McAdoo, 918-7439

**INFORMATION:** Attachment B is the proposed Capital Improvements Plan (CIP) for FY 2017-18 through FY 2021-22. This is a planning tool used to identify the Town's immediate and long-term capital needs. It identifies needed capital investments for property, plant or equipment acquisitions and renovations to implement the Board of Aldermen's vision and strategic priorities for the Town. The CIP does not make any appropriation of funds for a particular project. Capital projects are funded by the Board of Aldermen in the annual general fund budget or through adoption of a Capital Project Ordinance.

Town staff develops and maintains a projection of capital projects for the next five years based on previous capital plans, community needs assessments, and projects approved by the Board of Aldermen.

Projects in the CIP fall into one of the following classifications:

- Infrastructure projects (e.g., purchase, construction or renovation of buildings, purchase of land, construction of parks and greenways, sidewalk construction, etc.) that cost \$100,000 or more and require several years for completion.
- Vehicles and Equipment replacements that cost \$30,000 or more per unit. As a general rule, vehicles with less than 100,000 miles will not be replaced unless it is determined to be a "lemon" and annual repairs in a two year period exceed the cost of a new vehicle. Beginning in 2016 all vehicles for purchase must reflect fuel efficiencies as identified in the Town's Strategic Energy and Climate Protection Plan.
- Information Technology (IT) projects which cost \$50,000 or more that are designed to increase or provide new technology capacity. IT projects related to software replacements, upgrades or maintenance costs are provided for in the annual operating budget.
- Storm Water Management projects to address mandated federal and state storm water compliance requirements, as well as flooding mitigation throughout the Town due to the frequency and severity of rain storms.

The total cost of the proposed CIP for FY 2017-18 through FY 2021-22 is estimated at \$51.8 million. Currently funded projects total \$9.7 million or 19% of the total. New project requests or current projects requiring additional funds for completion total \$42.1 million or 81%.

Several projects are expected to be completed in FY 2016-17 and no additional funding above the current appropriation is anticipated:

- Century Center HVAC
- Homestead-Chapel Hill High School Multi-Use Path
- Rogers Road Remediation
- Rogers Road Sidewalk
- Town Commons

Four of the current projects are in the conceptual or design stage and will require an additional estimated \$7.1 million over the next five years for project completion.

- Jones Creek Greenway
- Martin Luther King Jr. Park
- Morgan Creek Multi-Use Path
- South Greensboro Sidewalk

There are five major new projects, resulting from the initial draft of the Facilities Assessment and Space Needs Study. The estimated cost of these projects total \$31.2 million and include: 1) 203 S. Greensboro Street Development, 2) Town Hall renovations, 3) Century Center renovations, 4) Public Works Facility renovations, and 5) Fire Station #1 renovations.

In terms of anticipated revenues for CIP projects, the mix of funding remains essentially unchanged. Additional intergovernmental revenues have been acquired or identified that will require additional Town revenues as a match for the additional revenues. See Attachment B for summary of total costs by category and identified funding sources.

## **CURRENT PROJECTS**

Attachment C shows the status of each current project (i.e. funds have been appropriated by the Board in whole or part for the project).

## **STOMWATER MANAGEMENT**

In addition to the mandated retrofits under current projects, the Town is exploring options to address a number of flood prone areas in Town. One option under review is the possible creation of a storm water utility.

## **VEHICLES/EQUIPMENT**

The schedule of vehicles and equipment replacement is shown in Attachment E. As in the past, all vehicles and/or equipment for replacement will be re-prioritized during development of the FY 2017-18 operating budget. The Town does not intend to add to the current fleet of vehicles and equipment.

**FISCAL AND STAFF IMPACT:** The Town's current debt portfolio consist of general obligation bonds for construction of sidewalks and greenways; installment financing for fire station #2, and vehicle and equipment lease purchases. The Town's debt service through FY 2021-22 totals \$3.3 million. Five capital projects totaling \$31.4 million have been proposed that will require debt financing over the next five years. These are:

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| 1. 203 S. Greensboro Development (new space) | \$14,325,000 |
| 2. Town Hall Renovations                     | \$ 6,282,000 |
| 3. Century Center Renovations                | \$ 5,550,000 |
| 4. Public Works Facility Renovations         | \$ 3,750,000 |
| 5. Fire Station #1 Renovations               | \$ 1,250,000 |

If the Town were to undertake the proposed debt financing for the projects noted above, total debt service for FY 2017-18 through FY 2021-22 would increase to \$13.2 million.

The Town's current debt service as a percentage of the FY 2016-17 operating budget is estimated to be 4.9%. Without additional debt, this ratio will decrease to 2.4% by FY 2021-22. Again, if all of the proposed projects needing financing were undertaken by the Town, debt service as a percent of the operating budget would increase to 13.9% in FY 2021-22, and exceed the Town's established goal of 12%. To meet the Town's established goal of 12% will require that the scheduling of projects be reevaluated and possibly pushed out further in the future or implemented in stages if possible.

**RECOMMENDATION:** That Board of Aldermen is requested to review the attached Capital Improvements Plan and make suggestions or changes, and adopt the attached resolution.