



2016-2020 Capital Projects: 5-Year CIP Study Session

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August 10, 2015

Purpose

- Review Capital Improvement Program project criteria
- Review application of the criteria to CIP projects for 2016-2020 (54 total projects*)
- Review proposed definition of a capital project
- Review funding sources and restrictions on use
- Feedback and Discussion
- Next steps: Final project decisions at budget retreat August 24

*Funding sought for 49 projects at this time



Criteria Background

- Staff has been refining a 5 year Capital Improvement Program for the last 6+ months since the City Council retreat – Jan, 2015
- June 8 – City Council initial review of 5 year CIP
 - Directed staff to develop criteria for projects and review with CIP-CAC
- July 15 – Staff reviewed draft criteria with CIP-CAC – then revised based on input



Background

- Initially, staff drafted 6-9 review criteria and assigned initial weights to each category
- CIP-CAC provided input and staff finalized a set of 12 criteria
- When scored, each project will receive a raw score in each category and have the weight applied to reflect a total score
- The initial system results in a total possible score of 265 points



CIP Project Criteria (page 1)

Criteria	Max Points	Weight	Max Weighted Points
Regulatory Mandate (No = 0 or Yes = 3)	3	25	75
City Council Goal Alignment (1 goal = 1, 2 goals = 2, 3 goals = 3)	3	20	60
Economic Development Return on Investment (Low = 1, Medium = 2, or High = 3)	3	20	60
Priority in Plan Documents (No = 0 or Yes = 3)	3	15	45
Deferred Maintenance (Low = 1, Medium = 2, or High/Functionally Obsolete = 3)	3	10	30
Impacted Population (< 5,000 = 1, 5-10,000 = 2, or > 10,000 = 3)	3	10	30
Impacted Businesses (< 1,000 = 1, 1-3,000 = 2, or > 3,000 = 3)	3	10	30
“Window of Opportunity” (No = 0 or Yes = 3)	3	10	30

CIP Project Criteria (page 2)

Criteria	Max Points	Weight	Max Weighted Points
Operational ROI (Low/Long-term > 15 years = 1, Med/Intermediate term 5-15 yrs = 2, or High/Short-term = 3)	3	10	30
Timing of Benefit (Long-term > 2 years = 1, Med-term 1-2 years = 2, or Short-term < 1 year = 3)	3	5	15
2K Eligible (No = 0 or Yes = 3)	3	10	30
Grants and Funding Source (GF = 0, GF + grants = 1, Non GF + grants = 2, or 100% grants = 3)	3	10	30
Totals		155	465



CIP Project Criteria / Application

- Staff applied the revised criteria to all 54 projects currently requested for the 5 year CIPP
- Staff is seeking final approval from City Council on the criteria before updating the 5 year CIPP
- Decisions about which projects to fund rest with City Council and the criteria may be used as a system for initial prioritization
- Final projects for the CIPP will be dependent upon funding sources





Definitions and Funding Sources

August 10, 2015

Definition of Capital Expenditure

A capital expenditure is an outlay of significant value that results in the acquisition of or addition to a capital asset that is property held or used for more than one year and typically more than five years.



Definition of Capital Project

A capital improvement project will add value or extend the life of a capital asset. Capital improvement projects, which may include capital construction and capital maintenance projects, for the purposes of this program, are defined as “non-recurring major projects.”



Capital Projects

In general, these projects include building improvements and any public infrastructure improvements costing \$50,000 or more. This does not include vehicles and equipment that are acquired and funded through the Fleet Management Internal Service Fund or the routine acquisition of computers, related equipment, or software applications, which are funded through the Information Technology Internal Service Fund. Facility capital projects funded through the Facility Services Internal Services Fund and the Information Technology Internal Service Fund costing \$50,000 or more shall be treated as Capital Expenditures in a “Special Fund” under Section 12.10 “Lapse of Appropriation” provisions of the City Charter, without having to be budgeted within the Capital Improvement and Preservation Plan Fund. Capital projects and fixed assets which generally fall under \$50,000 but more than \$5,000 continue to be budgeted under the capital outlay part of each department’s budget request.



Capital Projects

Needs assessments costing \$50,000 or more that are done in anticipation of or in preparation for a capital improvement project and the preparation or updating of planning documents such as the Comprehensive Plan, Parks and Recreation Strategic Plan, and the Transportation Plan costing \$50,000 or more may also be included in the Capital Expenditures Fund.



2K Funded Projects

Projects Starting in 2016	5-Yr Total
2K – Program Contingency	\$4,518,100
2K – Turnberry Park	\$1,581,593
2K – Villages Buffalo Run E. Park	\$1,581,593
2K – New Rec Center	\$31,310,520
2K – 2 nd Creek Infrastructure	\$12,842,877
2K – Exist. Rec Center Expansion	\$6,437,148
Tower Road Widening (80 th – 104 th)	\$41,375,707



Funding Sources

- There are a variety of funding sources
- Most of the funding sources are restricted use
- The restricted use funding sources complicate the project funding and scheduling
- Staff will provide multi-year sources and uses spreadsheets at the retreat to assist Council



Transportation Tax

- Revenue shared by Adams County
- Source is 0.5% Adams County sales tax
- It is to be spent on street projects
- Adams County requested it be used on major projects



Solid Waste

- Classed as an enterprise fund for City
- Revenue is generated by a tipping fee on the BFI Landfill
- Must be spent mitigating the impacts of the landfill operation
- Primary use has been on streets impacted by trucks hauling trash to landfill



Adams County Open Space

- Adams County has a 0.2% sales tax dedicated for open space
- Adams County shares 30% of what is collected in the City with the City
- The money is to be used for construction, acquisition, and maintenance of capital projects relating to open space and/or recreation.



Lottery

- Technically this is the Conservation Trust Fund
- Revenue is generated by lottery ticket sales
- The state shares revenue with the City
- The money is to be used for the development, improvement, and maintenance of parks, recreation, and open-space programs.



General Fund

- The City's General Fund receives a wide variety of revenues
- The purpose is to fund operations of the City
- Limited amounts are available for transfer to fund capital projects
- The limitation is that enough must be kept in the fund balance of the General Fund to ensure uninterrupted operations.



Certificates of Participation (COPs)

- The City can enter into lease-purchase deals on existing City owned facilities to fund additional asset construction
- COPs were issued to fund construction of the Civic Center
- The limit is both the value of City facilities and the amount of annual lease payments that the City can afford.



CIPP Fund Balance

- Occasionally capital projects do not require all of the money appropriated for them
- Money left over from “closed projects” then goes to fund balance
- This money can be recycled into new projects.



Agreements & Grants

- From time to time the City has reimbursement agreements with developers or other agencies
- Also grants are accessed whenever possible to stretch the City's dollars or to provide an enhanced service to the businesses and residents
- These funds are budgeted when available.



NIGID

- The Northern Infrastructure General Improvement District has a 27 mill property tax levy
- This money may only be used for water, sewer, and street improvements
- Most recently this has been used to fund 104th Avenue improvements.



Parks Impact Fee

- This is revenue generated by a fee on new construction
- Annual revenue increases or decreases based on the amount of new construction each year
- The purpose is to fund construction of public parks, trails, and recreation facilities



Road Impact Fee

- This is revenue generated by a fee on new construction in the northern range (East of Union Pacific & N. of 80th Ave. and West of Union Pacific & N. of 88th Ave.)
- Annual revenue increases or decreases based on the amount of new construction each year
- The purpose is to fund construction of road improvements in the district (3) where fees were collected.



Drainage Basin Fees

- This is revenue generated by a fee on new construction in each identified basin
- Currently there are 4 identified basins with fees based on the estimated cost of constructing regional drainage improvements
- This does not fund ongoing operation and maintenance of those improvements
- The basins don't cover the historic city.



Retained Earnings

- Internal Service Funds such as Facility Services and Information Technology receive an allocation from all other City departments
- In some years there is more revenue from allocations than the expenditures and that unspent revenue is classed as retained earnings
- Retained earnings may be spent for like purposes or transferred back to the General Fund



Projected Key Fund Available \$

Key Fund	Available in 2016
Transportation Tax	\$1,952,938
Solid Waste	\$906,850
AdCo Open Space	\$420,147
CTF/Lottery	\$560,926
General Fund (but we need some for fund balance)	\$5,125,914
CIPP Fund Balance	\$579,632
NIGID	\$96,650
Parks Impact Fee	\$892,642
Road Impact Fee	\$1,799,109
Drainage Impact Fee	\$961,365
Facilities Retained Earnings	\$70,400
IT Retained Earnings	\$276,000

Projected Key Fund Available \$

Key Fund	Available During 5-Year CIP
Transportation Tax	\$6,492,357
Solid Waste	\$2,532,811
AdCo Open Space	\$2,109,922
CTF/Lottery	\$2,518,629
General Fund (but need some fund balance)	\$7,420,914
CIPP Fund Balance	\$579,632
NIGID	\$96,650
Parks Impact Fee	\$2,784,813
Road Impact Fee	\$5,113,512
Drainage Impact Fee (4 basins combined)	\$2,757,318
Facilities Retained Earnings	\$70,400
IT Retained Earnings	\$276,000



Capital Projects (Uses)

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Capital Project (Uses)

- New projects have been identified as priorities by staff for consideration in 2016-2020 CIP
- Staff has identified possible funding for many of the projects
 - Funding includes pass through dollars
 - Some projects could be funded from 2K bonds
 - But projects eligible to be funded from 2K exceed what is available from 2K bond authorization



List of Requested Projects (2016)

Projects Starting in 2016	5-Yr Total
Plan, Bordering Neighborhood	\$180,100
HPP Phase III Comm. Survey	\$40,000
IT TIPP	\$876,345
Police Radios	\$241,000
Warning Towers	\$120,000
ACSD 14 Ball Field Improve.	\$450,000
Buffalo Run Improvements	\$625,000
Buffalo Run Irrigation & Drain	\$1,145,000
General Park Improvements	\$750,000



List of Requested Projects (2016 cont.)

Projects Starting in 2016	5-Yr Total
Sand Creek Nat. Resource Damages	\$650,000
Tree Replace. Program	\$250,000
72 nd Av. FasTracks Station Art	\$45,000
Hwy 2 Widening	\$5,100,000
Tower Road Drainage – Modified T88	\$2,500,000
Tower Road Utilities	\$1,500,000
Pavement Management	\$8,115,400
Bridge Maintenance Program	\$360,400
Facilities Parking Lot Maintenance	\$361,400
HVAC Energy Management Systems	\$70,400



List of Requested Projects (2016 cont.)

Projects Starting in 2016	5-Yr Total
Industrial Area Transportation Study	\$700,000
Belle Creek Intersection	\$275,000
RTD Station Area Improvements	\$2,000,000
Traffic Calming Program	\$80,000
Concrete Flatwork	\$450,000
Traffic Signal Maintenance	\$80,500
Pena/Tower On Ramp	\$3,312,300
Sidewalk Connectivity Program	\$115,000
Central Park Blvd. Connection	\$3,700,000



List of Requested Projects (2016 cont.)

Projects Starting in 2016	5-Yr Total
Railroad Quiet Zone Installation Prog.	\$2,110,000
Transportation Plan Update	\$200,000
Northern Range Loop & Connections	\$6,828,000
88 th Avenue Widening	\$25,920,000
MSC Emergency Power Generator	\$61,000
MSC Facilities Expansion	\$1,672,000
Property & Evidence Fac.	\$1,870,000
Grade Separated Railroad Crossing Study	\$120,000
Environmental Clearance – 120 Ave.	\$350,000



List of Requested Projects (2017)

Projects Starting in 2017	5-Yr Total
Plan, City-wide Sustainability	\$225,000
Comprehensive Plan Update	\$225,000
Aquatic Fac. Repair /Replace	\$100,000
104 th Widening, Phase 3C	\$6,950,000
96 th Ave. Widen. E. of Hwy 2	\$20,500,000
Derby Area Master Plan Imp.	\$1,700,000
Rosemary Street Widening	\$6,040,000
RTD N Metro Line Enhancements	\$112,500
Potomac Street Bridge	\$800,000
Traffic Signal Installation Program	\$500,000



List of Requested Projects (2018+)

Projects Starting in 2018	5-Yr Total
96 th Ave. Widening, I-76 to Heinz Way	\$7,450,000
Brighton Bridge Replace.-Fulton Ditch	\$400,000

Total of all Projects	5-Yr Total*	Available Funding**
Total New Project Requests	\$135,052,000	\$77,087,000
Unfunded	\$57,965,000	Even additional 2K bonds can't cover all of that

*Project costs are estimates only and subject to change

**Total includes various Drainage Impact Fees not available for most projects & other funds restricted on their use



Requested Projects By Priority Rank

Rank	Score	Projects	5-Yr Total
1	435	Hwy 2 Widening	\$5,100,000
2	375	Sand Creek Natural Resources Damages	\$650,000
3	350	RTD Station Area Improvements	\$2,000,000
4	330	Pena/Tower On Ramp	\$3,312,300
5	325	Comprehensive Plan Update	\$225,000
6	320	Central Park Blvd Connections	\$3,700,000
7	310	Rosemary Street Widening	\$6,040,000
8	300	96 th Ave. Widening, I-76 to Heinz Way	\$7,450,000
9	300	RTD North Metro Line Enhancements	\$112,500
10	290	Tree Replacement Program	\$250,000



Requested Projects By Priority Rank

Rank	Score	Projects	5-Yr Total
11	290	104 th Ave. Widening, Phase 3C	\$6,950,000
12	290	88 th Avenue Widening	\$25,920,000
13	280	General Park Improvements	\$750,000
14	280	Tower Road Drainage – Modified T-88	\$2,500,000
15	270	ACSD 14 Ball Field Improve.	\$450,000
16	270	Transportation Plan Update	\$200,000
17	265	Tower Road Utilities	\$1,500,000
18	260	96 th Ave. Widen. E. of Hwy 2	\$20,500,000
19	260	Environmental Clearance – 120 Ave.	\$350,000
20	240	Northern Range Loop & Connections	\$6,828,000



Requested Projects By Priority Rank

Rank	Score	Projects	5-Yr Total
21	220	Buffalo Run Improvements	\$625,000
22	220	Buffalo Run Irrigation & Drain	\$1,145,000
23	215	Pavement Management	\$8,115,400
24	215	Grade Separated Railroad Crossing Study	\$120,000
25	210	Plan, Bordering Neighborhood	\$180,100
26	210	MSC Facilities Expansion	\$1,672,000
27	205	Industrial Area Transportation Study	\$700,000
28	200	HPP Phase III Comm. Survey	\$40,000
29	200	Potomac Street Bridge	\$800,000
30	200	Railroad Quiet Zone Installation Program	\$2,110,000



Requested Projects By Priority Rank

Rank	Score	Projects	5-Yr Total
31	195	Bridge Maintenance Program	\$360,400
32	185	Property & Evidence Fac.	\$1,870,000
33	185	Police Radios	\$241,000
34	175	Concrete Flatwork	\$450,000
35	170	Plan, City-wide Sustainability	\$225,000
36	170	Derby Area Master Plan Imp.	\$1,700,000
37	165	IT TIPP	\$876,345
38	165	Aquatic Fac. Repair /Replace	\$100,000
39	165	72 nd Av. FasTracks Station Art	\$45,000
40	165	Belle Creek Intersection	\$275,000



Requested Projects By Priority Rank

Rank	Score	Projects	5-Yr Total
41	165	Traffic Signal Installation Program	\$500,000
42	155	Sidewalk Connectivity Program	\$115,000
43	150	Warning Towers	\$120,000
44	145	Traffic Calming Program	\$80,000
45	145	Traffic Signal Maintenance	\$80,500
46	140	HVAC Energy Management Systems	\$70,400
47	135	Brighton Bridge Replace.-Fulton Ditch	\$400,000
48	115	MSC Emergency Power Generator	\$61,000
49	105	Facilities Parking Lot Maintenance	\$361,400



Requested Projects Not Funded

- General Fund has more requests than funds
- Projects unable to be funded total over \$101 million
- Some new projects may be candidates for 2K bonds as a follow-up to the original 5
- Total of following 6 proposed projects alone is approximately \$70 million
 - Northern Loop Trail “Phase 2” = \$3,469,000
 - 104th Avenue Phase 3C = \$6,950,000
 - 88th Avenue Widening = \$25,920,000
 - 96th Avenue Widening, East of Hwy 2 = \$20,500,000
 - 96th Avenue Widening, I-76 to Heinz Way = \$7,450,000
 - Rosemary Street Widening = \$6,040,000



Budget Retreat Exercise

- Staff proposes to bring a spreadsheet matrix to the budget retreat to assist in the Council's deliberation of which projects to fund per year
- The matrix will show which funding sources and the available amounts that may be used for each project
- The criteria ranking is meant to be a tool for Council's deliberation



Next Steps

- Staff will edit project list for 5-year CIPP based on feedback tonight
- August 24 – Council budget retreat
- October 19 – Council opens public hearing
- November 2 – Council adopts budget



Questions and Discussion

- Do you agree with the project criteria developed with CIP CAC?
- Do you agree with the definition for capital expenditures and projects?
- Which top priority projects do you want staff to focus on for analysis and refinement?
- Any other City Council priorities to discuss/include?
- Discussion and direction for staff
- Questions?

