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Mayor and City Council
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Honorable Members in Session:

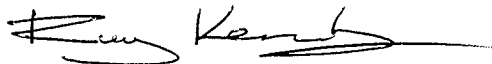
I respectfully submit the Approved 2006-2011 Capital Improvement Program (CIP). The CIP includes the Capital budget for Fiscal Year (FY) 2006/07 and a five-year expenditure plan that provides the City with a financial strategy for its infrastructure and facility needs. The Approved FY2006/07 Capital Improvement budget totals \$206.8 million, funding 289 projects in all program areas in various geographic areas of the City of Sacramento. The General Fund total for capital expenditures in FY2006/07 is \$6.3 million. The five-year program totals \$535.9 million from all funding sources. The General Fund portion of the five-year program is \$24.5 million.

Concurrent with the 2006-2011 CIP process, staff has been working with the Mayor and City Council on a Community Reinvestment Capital Improvement Program (CRCIP) which began in late 2005. In March 2006, the City Council approved the issuance of bonds providing \$94 million for 24 projects as part of the 2006 CRCIP. Bonds were issued in June 2006, and many of the approved projects are underway. The 2006 CRCIP includes funding for several non-profit partner projects that will be accomplished through the leveraging of public and private resources. CRCIP projects to be delivered by City staff for City facilities/improvements are included in the Approved 2006-2011 CIP.

Council adopted policies and plans have been incorporated into the 2006-2011 capital programming. As in past years, the Capital Program reflects projects that have been identified in the Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. The Sacramento Housing and Redevelopment Agency (SHRA) continues to provide resources as identified in this document for both Tax Increment and Community Development Block Grant (CDBG) projects. The 2006-2011 CIP includes \$4.2 million in grant funding from various sources. Significant grant funded projects include: Bridging Interstate 5, the Arden Way Intelligent Transportation System and Tower Bridge/Pedestrian Improvements.

Given the significance of our ongoing investment in the City's capital assets, we continue to look for opportunities to augment the CIP. Capital projects are considered for funding, when one-time funding sources become available. It is critical that the City reinvest in its existing assets prudently, achieve a balance of capital improvements throughout the City and support our mission to protect, preserve and enhance the quality of life for present and future generations.

Respectfully submitted,



RAY KERRIDGE
City Manager



THE 2006-2011 CAPITAL IMPROVEMENT PROGRAM (CIP)

The 2006-2011 CIP totals **\$535.9 million** from all funding sources. The General Fund portion of the five-year program is \$24.5 million or 5 percent of the total. The first year of the CIP, the FY2006/07 CIP Budget totals **\$206.8 million**. The Mayor and City Council's adopted Community Reinvestment Capital Improvement Program (CRCIP), funded by the 2006 Capital Improvement Revenue Bond (2006 CIRB), has been incorporated into the Approved 2006-2011 CIP. The 2006 CIRB includes Tax-Exempt (Fund 713) and Taxable (Fund 714) funding as reflected below:

CRCIP PROJECT FUNDING LIST	CIP #	Program Section	Fund 713 (Tax-Exempt)	Fund 714 (Taxable)
Animal Shelter Cattery Building	GA12	DD	\$1,500,000	-
Art Rehearsal Space (14/H) Land & Match for Building	BC36	DD	\$3,000,000	\$6,000,000
Crocker Art Museum Expansion	CF61	DD	\$2,000,000	-
District 2 Improvements (streetlights, sidewalks, parks)	CN12	DD	\$3,750,000	\$3,750,000
District 3 Improvements (Ben Ali curbs, gutters, streetlights & parks)	CN13	DD	\$1,000,000	-
District Improvement Funding	CN04	DD	-	\$1,200,000
George Sim Community Center	BC41	DD	\$6,500,000	-
Indian Heritage Museum	KD61	GG	\$6,300,000	-
Intermodal Transportation Facility-Variou Options	CF41	DD	\$3,000,000	-
Memorial Auditorium Historical Studies Group Request	PC71	FF	\$3,053,000	-
Oak Park Community Center Phase II	KB29	GG	\$1,000,000	-
Pocket Library	QA03	DD	\$3,000,000	\$9,700,000
Regional Park Improvements - Granite	LV91	GG	\$1,666,667	-
Regional Park Improvements - N. Natomas	LX66	GG	\$1,666,666	-
Regional Park Improvements - Sutters Landing	LS13	GG	\$1,666,667	-
Sierra 2 Restroom & Access Improvements	CE36	DD	\$175,000	-
South Natomas Community Center Improvements	LW32	GG	\$400,000	-
Valley Hi-North Laguna Library	QA36	DD	\$16,000,000	-
City Contingency	-	-	\$11,000,000	-
City CRCIP Projects: <i>(funding is included in the FY2006/07 CIP Budget)</i>			\$66,678,000	\$20,650,000
Children's Theater of CA (CTC-B Street)	-	-	-	\$1,000,000
Discovery Museum-Gold Rush Exhibit	-	-	\$500,000	-
District 1 Improv. (Alkali Flat, Stanford-Teen Cntr, Charter Performing Arts)	-	-	\$1,000,000	\$500,000
Fairytale Town Fencing & Walkways	-	-	\$500,000	-
Sacramento Unity Center	-	-	\$2,000,000	-
Zoo Veterinary Hospital	-	-	\$1,200,000	-
City CRCIP Non-Profit Partnership Projects: <i>(funding is included in the FY2006/07 Operating Budget)</i>			\$5,200,000	\$1,500,000
Total City CRCIP Funding:			\$94,028,000	
Crocker Art Museum Expansion Bridge Loan	CF61	DD	\$12,000,000	-
Art Rehearsal Space Bridge Loan	BC36	DD	-	\$5,000,000
Haggin Oaks Economic Development Bridge Loan	CB33	DD	-	\$6,400,000
City CRCIP Bridge Financing: <i>(Bridge Loans will be repaid by Non-profits & from new Revenues)</i>			\$12,000,000	\$11,400,000



2006-2011 CAPITAL IMPROVEMENT PROGRAM

The following is a summary of the larger projects included in the FY2006/07 CIP Budget, in addition to the CRCIP Projects already identified:

- Americans with Disabilities Act (ADA) Improvements (CC01, Section D);
- Citywide Deferred Maintenance for City Facilities (CE21, Section D);
- Cosumnes River Boulevard Extension & Interchange (TV76, Section I);
- Del Paso Nuevo Playground (LM96, Section G);
- Freeport and 21st Conversion (SL01, Section I);
- Muir Park Improvements (LZ21, Section G);
- Del Paso Road Landscaping (TW86, Section I);
- Power Inn T-Main (ZK91, Section J);
- South Basin Dock Replacement (IA66, Section F); and
- Stockton Boulevard T-Main (ZL41, Section J).

Detailed information on the projects listed above can be found on the project detail sheets in the appropriate CIP Sections as referenced.

Program Highlights & Issues

The scope of an existing CIP description may include only the preliminary aspects of a project such as master planning or environmental review. In such projects, additional funding and a new CIP approved by the Mayor and City Council are required to fully develop the project. Other projects may include the development of Phase I of a new facility or the entire project. The level of funding and the project scope description in the CIP determine the parameters of the project at that point in time.



General Fund Projects:

The 2006-2011 CIP includes \$24.5 million in General Fund programming within the General Government and Public Safety sections of the CIP. The General Fund programming for FY2006/07 within the General Government and Public Safety sections of the CIP is \$6.3 million. Funding continues for the City's Deferred Maintenance program (CE21-\$5 million), Americans with Disabilities Act (ADA) modifications to facilities (CC01-\$2.5 million) and installation of emergency generators at fire stations (FB32-\$750,000).

The CIP also includes General Funded projects that are supported by user fees. These projects include Planning Technology (AA64 - \$604,412), City Treasurer Investment Reserve (AB51 - \$735,000) and Information Technology Improvements (AB66, AB71 and AB76 - \$2.4 million).

General Government Projects:

The 2006-2011 General Government CIP totals \$102.2 million. The FY2006/07 CIP budget totals \$89.2 million. The majority of the projects within the General Government section are supporting the Mayor and Council's CRCIP and Strategic Planning-Strategic Budgeting process. Major projects being funded include two new libraries, an animal cattery, improvements to community centers and support for existing City programs which receive funding from multiple sources. These programs include the ADA Facility Improvements, Information Technology, Fleet Operations and Citywide Facility Deferred Maintenance.

Public Safety Projects:

The 2006-2011 Public Safety CIP totals \$11.1 million. The Public Safety section reflects the City's efforts to provide/replace public safety emergency generators throughout the City and to ensure sustainable funding for long term capital equipment necessary for advanced life safety and fire fighting services. The FY2006/07 CIP budget for these projects is \$1.95 million.

Parks and Recreation Projects:

Sacramento's parks and recreation system provides the City with significant personal, social, environmental, and economic benefits. Our unique parks and recreation programs form the green and social "infrastructure" of a vital, livable City. Our parks, bikeways, community centers, swimming pools, sports fields, skateparks, rivers and waterways, urban forest, and nature areas are public places for people to gather, celebrate, learn, connect, grow, relax, and recreate.

The City's park system is expanding as new parks are master planned and developed in North and South Natomas neighborhoods. In addition, new parks are being master planned and developed for in-fill areas of the City including Meadowview, Pocket, and South Sacramento neighborhoods. Through community involvement during outreach meetings and input from the City Council, the Department's Park Planning, Design & Development Division developed or oversaw thirteen park master plans. These were approved by the City Council and 12 construction contracts were awarded in 2005. Eight new neighborhood and community parks were completed in 2005: five parks in North Natomas (Kokomo Park, Sundance Park, Willow Park, Westhampton Park and Autumn Meadow Park) and three parks in South Natomas (Shorebird Park, River Otter Park, and Barandas Park). Staff worked on a total of 87 projects (master plan, development, renovation and acquisition) in 2005, completing 27.

The entire park development process (master planning, bidding and construction) takes between 26-36 months from the initial community meeting to the opening of the park. With the approval of the FY2006/07 Capital Improvement Program (CIP), department staff will begin the design and development process for the final two undeveloped parks currently owned by the City in North Natomas. This will conclude the development of 32 new parks encompassing 224 acres in the last 5 years. Several large



undeveloped areas in Natomas remain, such as Natomas Central, the Panhandle, and Greenbrier areas where new subdivisions will add additional park acres not currently in the City's ownership.

Rehabilitating older parks and facilities is also a priority for the Department. A focus of 2006/07 CIP is the addition of new park amenities at existing community parks throughout Sacramento. This project is almost entirely funded by the Park Impact Fee (PIF) and Quimby Act fees collected from in-fill areas where new homes are developed in the City. These new amenities, which help meet the deficiencies identified in the Parks and Recreation Master Plan and requested in the Parks and Recreation Programming Guide, include group picnic areas with shade structures, children's playgrounds, and restrooms. New group picnic areas with shade structures are proposed for ten existing community parks. New children's playgrounds are proposed for Bill Conlin Sports Complex, Nuevo Park and Seymour Park. Four restrooms are proposed for Tanzanite, Jacinto Creek, Burberry, and Robla Community Parks.

The 2006-2011 CIP budget for Parks and Recreation totals \$29.4 million, of that, \$20.9 million is designated for FY2006/07. This includes \$4.1 million in projects funded from Park Impact Fees and \$1.7 million in Quimby Act fees.

Transportation Projects:

The 2006-2011 Transportation Capital Improvement Program (CIP) reflects the City's funding strategy for delivering transportation improvements, which support the City's Strategic Plan Goals to improve and expand public safety, achieve sustainability and enhance livability, and expand economic development throughout the City. The 2006-2011 Transportation CIP is designed to optimize the use of available local funds by leveraging state and federal funds to achieve the City's transportation priorities.

A total of \$38.734 million will be programmed to new and ongoing projects and programs. In FY2006/07, 55 transportation projects and programs will receive new or additional funding. The Transportation CIP is divided into seven major areas: Major Streets (major roadway construction); Parking (parking facility maintenance and upgrades); Road Reconstruction and Bridges (rehabilitation, maintenance, replacement); Street Maintenance (overlays and seals, monitoring); Traffic Operations and Safety (new traffic signals and signal modifications, Traffic Operations Center, Neighborhood Traffic Management Program, speed humps, pedestrian safety and safety light program); Community Enhancements/Economic Development (street light program, streetscaping, economic development); and Public Rights-of-Way Accessibility (ADA compliance).

Approximately 54 percent (\$20.9 million) of funding is programmed to maintenance and operations projects and programs, 20 percent (\$7.7 million) of funding to Major Street construction projects, 14 percent (\$5.6 million) of the funding is programmed to projects and programs related to public right-of-way accessibility per the American with Disabilities Act (ADA), and 12 percent (\$4.6 million) to pedestrian and bicycle projects, community enhancements and economic development. In order to support the current and anticipated growth in Sacramento, the City must maintain the existing infrastructure and continue to design and construct new infrastructure to meet the City's transportation needs. The annual cost for delivering a ten-year street maintenance plan, without addressing backlog streets, is approximately \$10 million. There is currently a funding shortfall of approximately \$4 million for annual maintenance in the outer fiscal years.

Utilities Projects:

The proposed 2006-2011 City Utilities CIP totals \$189.4 million which includes \$36 million of the estimated \$300 million construction costs for the State mandated residential water meter installation program.



Three water projects receiving significant new or additional funding in FY2006/07 include: 12th Street Riveted Steel Transmission Main Replacement H to Q Streets (ZK76); South Land Park Distribution Main Replacement, Phase 2 (ZL26); and the Stockton Boulevard Transmission Main Replacement, R Street to 2nd Avenue (ZL41).

Sewer and Combined Sewer System (CSS) projects receiving significant new or additional funding in FY2006/07 include: S Street Brick Interceptor Replacement, 9th to 11th Streets (XN34); Sump 2 Switchgear Replacement (XN46); and 5th Street Combined Sewer Replacement, U Street to R Street (XN56). The CSS projects are part of the \$132 million CSS Improvement Project adopted by City Council and approved by the Regional Water Quality Control Board.

Solid Waste projects receiving additional funding in FY2006/07 include: Landfill Site Closure (YA06); Landfill Gas Control (YA36); Groundwater Remediation (YB36); and Vehicles/Additional Routes (YB61).

Storm Drainage projects receiving new or additional funding in FY2006/07 include: FY2004-FY2008 National Pollution Discharge Elimination System Program (WM66); Basin 67 Detention Basin (WN21); Sump 128 Electrical Rehab (WN46); and Sump 153 Electrical Rehab (WN51).

Convention, Culture and Leisure Projects:

The Convention, Culture and Leisure (CCL) Department's mission is to promote our unique culture and heritage by delivering accessible arts, leisure and educational experiences to enrich people's lives and enhance the metropolitan area. The department is unique in that it includes enterprise funds that operate like private businesses (Convention Center, Marina), non-profits, City and County funded divisions, membership organizations, and boards and commissions. The CIP reflects the diverse and exciting activities that provide numerous educational, cultural and regional experiences to residents of the City of Sacramento, Northern California and beyond.

The FY2006/07 CIP budget for CCL totals \$5.028 million. The budget reflects funding of seven projects at the Convention Center (\$3.853 million), two projects at the City's golf courses (\$85,000) and two projects at the Sacramento Marina (\$1.09 million). These amounts include \$60,000 in facility improvements to meet requirements of the Americans with Disabilities Act, which is included in the General Government program.

The 2006-2011 CIP for CCL totals \$8.928 million and includes 15 projects: 11 projects at the Convention Center (\$7.153 million), two projects for Golf (\$425,000) and two projects at the Marina (\$1.35 million). This funding includes \$400,000 for the Americans with Disabilities Act modifications, which is included in the General Government program.

Sacramento Housing and Redevelopment Agency (SHRA) Projects:

This is the ninth year for SHRA projects to be included in the City's CIP. SHRA's budget is completed on a calendar year basis, so the projects listed in this document were approved in late 2005 for the 2006 calendar year. As part of an ongoing collaborative effort to use scarce resources more efficiently, SHRA capital projects are included in this document so that a full picture of all CIP projects can be presented. The SHRA section in this document details all Tax Increment (TI) projects by Redevelopment Area and all Community Development Block Grant (CDBG) funded projects for fiscal year 2006/07. Due to uncertainties in the future funding for both the Community Development Block Grant Program and Tax Increment revenues, SHRA is not showing the proposed use of funds for the five year period in this year's CIP. Where the City anticipates managing SHRA funds, the funded projects are also found in that department's program section.



Economic Development Projects:

In an effort to assist in the development of projects that contribute toward economic development goals and objectives, funding from a variety of funding sources has been identified for capital projects. Funding sources include the City's General and Utility funds, Downtown Tax Increment (TI), Community Development Block Grant (CDBG), and Measure A funds. Projects identified are matched with the appropriate fund based on the type of improvements proposed (refer to the Summary of Funding Source section for additional information on funding restrictions).

Projects are initiated by the Economic Development Department in coordination with the Utilities and Transportation Departments, and Sacramento Housing and Redevelopment Agency (SHRA). Related budgets are established in each of the three City departments and in SHRA's budget.

The Economic Development FY2006/07 CIP budget totals \$7.6 million. The Department of Transportation and the Department of Utilities each program \$1 million annually to assist with the City's economic development efforts. Programming of these funds is subject to Mayor and City Council approval and is done in close coordination between the Economic Development, Transportation and Utilities Departments.

Developer Credit Projects:

Developer constructed parks and roads are important assets that bring value to the City. The 2006-2011 CIP includes \$27.3 million in various parks and road dedications subject to the issuance of developer credits (Fund 999). Measuring this activity provides a more accurate picture of true capital activity and additions to City assets.

