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July 1, 2010

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Mayor and City Council
Sacramento, California

Honorable Members in Session:

The 2010-2015 Capital Improvement Program (CIP) is a five-year expenditure plan which provides the City with a financial strategy for its infrastructure and facility needs. The CIP includes the Capital Budget for Fiscal Year (FY) 2010/11 which totals \$70 million, and includes funding for 140 programs and projects in various geographic areas of the City of Sacramento. The General Fund total for capital expenditures in FY2010/11 is \$68,856, reflecting the continued decline in General Fund resources. The five-year program totals \$319 million from all funding sources. The General Fund portion of the five-year program is \$17 million. The 2010-2015 CIP has been prepared in accordance with generally accepted accounting principles.

Given the challenges the City has faced over the past two years in all capital funding sources, we have worked towards maximizing all available capital resources including the identification of alternative funding opportunities, limiting General Fund contributions to projects/programs if available resources exceed the annual budget for the program, leveraging existing City resources with grant funds, and closing completed projects and returning remaining funds to fund balance. In FY2010/11 the City will begin operating new facilities (one new library, the final phases of two community center expansions, and the Crocker Art Museum expansion), funded through the City's Community Reinvestment Capital Improvement Program (CRCIP), state grants, and private development contributions.

Notwithstanding the financial challenges the City is addressing, the projects included in the 2010-2015 CIP continue to reflect Council's adopted policies and plans, including the City's 2030 General Plan, Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. The ability to provide General Fund support to the CIP is very limited beyond the debt-financed CRCIP.

Respectfully submitted,


GUS VINA
Interim City Manager

THE 2010-2015 CAPITAL IMPROVEMENT PROGRAM (CIP)

The 2010-2015 CIP totals **\$319 million** from all funding sources. The General Fund portion of the five-year program is \$17 million or five percent of the total. The FY2010/11 CIP Budget totals \$70 million.

The following is a summary of the larger projects included in the FY2010/11 CIP Budget:

- Access Improvements - Railyards to Richards Blvd. and I-5 (T15088300, Section I);
- Citywide Deferred Maintenance for City Facilities (C13000500, Section D);
- Intermodal Transportation Facility (T15029000, Section I);
- North Natomas Regional Park Development (L19140100, Section G);
- Parking Facilities Development Program (V15710000, Section I);
- R Street Corridor Park Acquisition (L19012000, Section G);
- R Street Improvements 10th to 13th Streets (T15056200, Section I);
- Redding Avenue Bike Pedestrian Improvements (T15065800, Section I);
- Residential Water Meter Program (Z14010000, Section J);
- South Sacramento 3 Million Gallon (MG) Reservoir (Z14005400, Section J); and
- Sacramento Community Center Theater Renovation (M17100100, Section F).

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. The following summarizes major Program Areas with projects in the 2010-2015 CIP:

General Government

The 2010-2015 General Government CIP totals approximately \$13.8 million. The FY2010/11 CIP budget for General Government projects totals \$1.958 million. In an effort to address the City's continuing budget challenges, all General Fund CIPs were reviewed to determine funding requirements for FY2010/11. This review resulted in staff's recommendation to not add additional General Funds to the Americans with Disabilities Act (ADA) Program as there are adequate resources available to deliver the projects identified for FY2010/11, and to utilize prior year capital bond funds to fund the City's Deferred Maintenance Program in place of General Funds.

Despite the current fiscal challenges the City is facing, the General Government section continues to reflect the City's commitment to focus resources toward existing facilities and programs like the Citywide Deferred Maintenance Program (C13000500) for City facilities. One of the key initiatives for the Deferred Maintenance Program will be the City's commitment to "green building" practices, including upcoming energy surveys of existing City buildings.



The General Government section also includes General Funded projects that are fully offset by user fees, development surcharges, and management fee dedications. These projects include: Planning Technology (A21006400); Plan/Permit Network System (A21006600); and Information Technology Improvements (A07000300 and A07000400).

Public Safety

The 2010-2015 Public Safety CIP totals \$8 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. In an effort to address a \$43 million General Fund budget gap; these projects were reviewed to determine funding needed in the upcoming fiscal year, and excess resources identified for FY2010/11 are proposed to be returned to the General Fund. In addition to the annual capital budget, an additional \$1.8 million in General Funds is budgeted in the FY2010/11 Operating Budget to pay for fire apparatus purchased over the past several years.

Convention, Culture and Leisure

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: Golf, the Historic City Cemetery, Old Sacramento, the Center for Sacramento History, enterprise funds that operate like private businesses (Convention Center and Marina), non-profits (Crocker Art Museum, the Sacramento History Museum, the Discovery Museum Science and Space Center, Fairytale Town, and Sacramento Zoo), City and County funded divisions (Metropolitan Arts Commission as well as the Center for Sacramento History, the Sacramento History Museum, and the Discovery Museum), membership organizations, 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 FY2010/11 CIP budget for CCL totals \$1.17 million. The budget reflects funding of three projects at the Convention Center Complex (\$900,000), four projects at the City's three golf courses (\$224,000), and one project at the Sacramento Marina (\$50,000). The total amount includes \$60,000 in facility improvements to meet requirements of the ADA, which is included in the General Government program.

The 2010-2015 CIP for CCL totals \$8.37 million and includes nine projects at the Convention Center (\$6.45 million), two projects for Golf (\$1.12 million), and two projects at the Marina (\$800,000). The total funding includes \$350,000 for the ADA modifications.

Parks and Recreation

Sacramento's parks and recreation system provides the City with significant personal, social, environmental, and economic benefits. All great cities have great parks systems. 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, skate parks, dog parks, rivers and waterways, urban forest, and nature areas are public places for people to gather, celebrate, learn, connect, grow, relax, and recreate.

Further developing and rehabilitating existing parks and facilities is also a high priority for the Department with a focus on park safety and sustainability. New amenities help meet needs identified in the Parks and Recreation Master Plan and the Parks and Recreation Programming Guide.



The 2010-2015 CIP for Parks and Recreation totals \$92 million, which includes a \$9.5 million budget for FY2010/11. This includes \$4.1 million in projects funded from the Park Development Impact Fee (PIF).

Transportation

The Transportation Department's mission is to ensure the City's transportation system supports and enriches the quality of life for present and future generations. The department actively works with local, state and federal agencies to plan and deliver transportation improvements which support the City's Strategic Plan Goals to improve and enhance public safety, achieve sustainability, enhance livability, and expand economic development throughout the City. The 2010-2015 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.

The funds programmed in this year's CIP reflect the funding and revenue challenges that are being felt throughout the City and the region. Reductions in New Measure A Construction and Maintenance Sales Tax, Gas Tax, and private development have resulted in reductions in major local transportation revenue sources for the City's Transportation CIPs. Major transportation funding sources continue to decline.

As outlined in the January 15, 2008, FY2008/09 Measure A Expenditure Plan, old Measure A (Fund 2001) program fund balances are available for future citywide programming. The old Measure A program balance is \$12 million and will be used per City Council direction to preserve/supplement many of the citywide program reductions through 2015.

In FY2010/11, a total of \$29 million in new or additional funding will be programmed to 49 new and ongoing projects and programs. The Transportation CIP is divided into seven major areas: Major Streets (major roadway construction); Parking (parking facility maintenance and upgrades); Bridges (rehabilitation, maintenance, and replacement); Street Maintenance (overlays and seals); 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 (street light program, pedestrian improvements, and bikeway program); and Public Rights-of-Way Accessibility (Americans with Disabilities Act compliance).

Approximately 43% (\$12.6 million) of funding is programmed to maintenance and operations projects and programs, 42% (\$12.1 million) of funding to major street construction projects, 7% (\$2.0 million) of the funding is programmed directly to the Public Rights-of-Way Accessibility Program, and 8% (\$2.3 million) of funding to pedestrian and bicycle projects, neighborhood street lights, and community enhancements.

Utilities

In FY2010/11, a total of \$23.9 million in new or additional funding will be added to 64 projects. The 2010-2015 City Utilities CIP totals \$190 million, which includes \$92 million of the estimated \$500 million construction costs for the state-mandated residential water meter installation program. Water projects receiving significant new or additional funding in the 2010-2015 CIP include: Treatment Plant Rehabilitation (Z14006000) to rehabilitate components of the Sacramento River and Fairbairn Water Treatment Plants; Residential Water Meter Retrofit Program (Z14010000) as mandated by State law requiring that the City install meters on all residential water services by 2020; and South Sacramento 3 million gallon (MG) Reservoir (Z14005400) to construct a new 3 MG storage reservoir and booster pump station to improve South Sacramento's water pressure and emergency reserves



Sewer and Combined Sewer System (CSS) projects receiving significant new or additional funding in the 2010-2015 CIP include the Fremont Area Sewer Rehabilitation, Phase 4 (X14010062) project, which will complete the rehabilitation of a combined system main to prevent sewer collapse and sinkholes. Seven other CSS projects (X14010052 - X14010063, except X14010062) proposed for new funding of \$2 million 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 new funding in the 2010-2015 CIP include the Dellar Landfill Closure project (Y14000700) and the Landfill Site Closure project (Y14000100) which are necessary to proceed with closure and post-closure activities, and the Solid Waste Facility Repair and Rehabilitation project (Y14000900) to provide funding for facilities maintenance.

Storm Drainage projects receiving new or additional funding in the 2010-2015 CIP include: Sump 115 Electrical Rehab (W14004301), Sump 47 Electrical Rehab (W14004400), and Sump 117 Electrical Rehab (W14004500).

Sacramento Housing and Redevelopment Agency (SHRA)

SHRA's budget is completed on a calendar year basis, so the projects listed in this document were approved in late 2009 for the 2010 calendar year (\$4.9 million). As part of an ongoing collaborative effort to maximize the use of scarce resources, SHRA capital projects are included in this document so that a full picture of all City capital 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 FY2009/10. Due to uncertainties in the future funding for both the CDBG Program and Tax Increment revenues, SHRA is not including the use of funds for the five year period in this year's CIP. In cases where the City anticipates managing SHRA funds, funded projects are also found in that department's program section.



The Capital Improvement Program (CIP) is a comprehensive five-year plan for capital project expenditures. The program is a guide for identifying current and future fiscal requirements and becomes the basis for determining annual capital budget expenditures.

WHAT IS A CAPITAL IMPROVEMENT?

Capital improvements are major projects undertaken by the City that are generally not recurring and are for repairs, maintenance, improvement, or acquisition with a total cost of at least \$20,000.

WHAT IS THE DIFFERENCE BETWEEN A CAPITAL IMPROVEMENT PROJECT AND PROGRAM?

Capital improvement projects are typically site specific and have a defined budget and completion date. Capital improvement programs are used for on-going funding for similar improvements that will be constructed at multiple locations based on the availability of funding annually at locations identified through master plans, planning guides, and replacement programs (examples include the Groundwater Protection Program, Fire Apparatus Program, Bikeway Program, and Area 1 Park Planning Program). Capital improvement programs are not site specific, do not typically have a defined completion date and will contain "Program" in the title.

THE CIP REVIEW PROCESS

Each project proposal is scrutinized from a variety of approaches before it is included in the CIP. Projects that are included in the CIP are identified by department staff based upon: (1) input from the community received at neighborhood meetings during the year; (2) input from the Mayor and City Council on needs that develop or are identified during the year; (3) the Mayor and City Council approved Master Plans for growth, improvements, and rehabilitation for specific programs (examples include the Parks Master Plan, Library Master Plan, Transportation Planning Guide, etc.); (4) adopted criteria for selecting projects to meet the Mayor and City Council's goals; and (5) staff-identified projects based on critical need due to safety issues or to comply with new mandates.

All CIP projects are reviewed first by the appropriate operating departments. Projects are prioritized and presented for funding based upon the level of funding estimated to be available for the coming fiscal year (FY) and subsequent fiscal years. With the assistance of the Budget, Policy & Strategic Planning Division of the Department of Finance, the City Manager's Office reviews the proposed projects and prepares the CIP for submittal to the Mayor and City Council by May 1st of each year. The proposed CIP is presented, discussed and acted upon by the Mayor and City Council in public session during the budget hearings. Members of the community can comment on the proposed CIP and provide input to the Mayor and City Council during the hearing process. The Mayor and City Council can make changes to the proposed CIP and then take action on final project approval for inclusion in the Approved Capital Improvement Budget and Program.

All projects are reviewed by Planning Division staff and/or the Planning Commission for consistency with the City's General and Specific Plan policies. In general, projects are introduced in accordance with existing approved Master Plans. This CIP incorporates several master plans, including the North Natomas Community and Financing Plan, the Parks and Recreation Programming Guide, the Transportation Programming Guide, and the Utility Master Plans.



PROGRAM SUMMARIES

The bulk of the Capital Improvement Budget includes program area summaries and detailed project pages for each project being funded within those programs during the five-year plan period. The summaries include program goals and criteria used to select projects to meet those goals (project selection criteria); a summary of planned spending; a long-range plan and list of unmet needs (if completed); a summary of projects by fund; and maps detailing project location for FY2010-2015 funded projects.

Nine program areas are presented within the Capital Budget. Each Program Area includes subprograms that are divided alphabetically, and in turn the subprograms include a number of different projects. Each project is assigned a four-digit account code when it is approved for funding. The first digit of this code must be the alphabetical letter assigned to the subprogram in which the project is included, with the exception of SHRA projects, which are numeric. Individual projects are detailed in their respective program areas.

New Growth/Infill Areas

Includes a summary of projects by specified geographic areas (i.e. community plan, finance plan or other specific plan) that are included in various programming sections of the document.

General Government

A – Technology
B – New Buildings
C – Facility Improvements
D – General Government

Public Safety

F – Public Safety

Convention, Culture & Leisure

M – Community Center, Cultural/Arts,
Golf, Marina, and Zoo

Parks & Recreation

K – Bikeways
L – Parks and Recreation

Economic Development

Various Letters dependent on type of project

Transportation

R – Street Maintenance
S – Signals/Lighting/Traffic Control
T – Street Improvements
V – Parking

Utilities

W – Drainage
X – Sewer
Y – Solid Waste
Z – Water

Sacramento Housing & Redevelopment Agency

10 – representing calendar year 2010 – SHRA

The discussion of an individual capital program area generally begins with summary information on total program expenditures and which major projects make up the bulk of those expenditures, what planning documents are referenced in identifying projects, the funding sources to support the projects, and issue statements that highlight significant unresolved fiscal and program policy issues. Each project is summarized within a project detail page.

Project and Program detail sheets include:

- Project Title: Capital Improvement Program (CIP) project number.
- Project Description: A brief but specific description of the project.
- Project Objectives: The purpose(s) of the project.



- Existing Situation: The circumstances that result in the need for the project, including any pertinent history.
- Operating Budget Impact: Any annual operating impact of the completed project.
- Project Costs: For each funding source, the amount of current budget, the estimated amount of unspent budget funds available as of June 30, 2010, and the funding request for each year of the five-year program.

Funding Notes:

1. The following reimbursable funds are included within the Capital Budget for planning purposes but budgets are not loaded until all grant/award documents have been signed:
 - a. Grant Funds (Funds 3702, 3703, and 3704),
 - b. SHRA Community Development Block Grants (Fund 2700), and
 - c. Tax Increment (Fund 3701).
 2. Credit Projects (Fund 9501) are established to account for turnkey parks, infrastructure and other improvements provided by developers in exchange for fee credits. Budgets for these projects are established based on the actual value of the asset at the time it is accepted by the City and will be recorded in the appropriate City fund.
 3. SHRA Projects (Funds 9101-9250) reflects anticipated programming not yet approved by the SHRA Commission, budgets for these funds are not included in Schedule 3. Once authorized by the SHRA Commission these projects are budgeted in Funds 2700 and 3701.
- Funding Years: The five-year CIP includes a fiscal year (FY) budget (2010/11) and four fiscal years of planned programming (2011/12, 2012/13, 2013/14 and 2014/15), except for SHRA programming. SHRA budgets are based on calendar years so 2010/11 refers to planned spending in calendar year 2010.
 - Timelines: Reflects the relationship of budget expenditures to the project timeline. Capital projects will include a Project Start and a Estimated Complete Date; however capital programs will typically not include a timeline for completion as they are ongoing in nature. New capital projects approved at the start a fiscal year will reflect 0% completion in the Approved CIP, but the elapsed time will reflect the current elapsed time of the project at the time the budget is printed.
 - City Council District: The number of the City Council District in which the project is located.
 - Neighborhood Area: The number of the Neighborhood Area in which the project is located.
 - Planning Area: The number(s) of the planning area(s) in which the project is located (e.g. South Natomas, Pocket, Central City, Meadowview, etc.). Planning areas are defined in the City's General Plan. A map of these planning areas is included in the Overview Section of this document.
 - Project Location: Street address, intersection, building name, etc.
 - Project Manager: The name of the department and/or the individual project manager responsible for delivering the capital project.



- The City Charter requires that the City adopt a budget for operations and capital improvements on or before June 30 each year. In adopting a capital plan for five years, we are providing a tool to allow for prudent and longer-term planning and allocation of resources for our facility and infrastructure needs. Each year, staff reaffirms the Mayor and City Council's direction for the following fiscal year and extends the program planning period out for additional years. In some program areas, such as transportation and utilities, the Mayor and City Council have adopted strategies for planning periods exceeding five years to meet the long-term needs of the City.

Long-range needs and priorities, as well as programming guides, have not been adopted by the Mayor and City Council for all capital programs. Until current planning processes are completed and capital priorities are further identified, projects identified for approved funding within the 2010-2015 CIP should be reviewed for consistency with the City's adopted Strategic Plan.

CONTINUING PROJECTS

In addition to new capital projects with funding in FY2010/11 or current projects with additional funding identified in the 2010-2015 capital program, there are many continuing projects that have remaining budget authority but do not have additional funding allocated in future years. Section O of this document indexes these projects by City Council District, and Section P of this document indexes all CIP Projects by CIP Number.

HOW TO READ THIS DOCUMENT

The Capital Improvement Plan and Budget Document contains the following sections:

- 1) The Executive Summary contains the City Manager's transmittal letter, Program Highlights, and Issues of the various capital program areas and a summary of the approved five-year plan.
- 2) The Background of the Capital Improvement Process includes information on the process and detail on how to utilize information included in the document.
- 3) The Sacramento Area Maps section includes Council District, Neighborhood Area, Community Plan Area, Infill Area, Neighborhood Commercial Revitalization, and Redevelopment Area maps.
- 4) Individual capital program area summaries include goals and project selection criteria, project budgets, how they are funded, program issues (including in some cases unmet needs), program long-range plans, and detail sheets for those projects that include funding in FY2010/11 through FY2014/15.
- 5) Description of Major Capital Funding Sources provides detail by various funding sources on historic levels of use of that fund, how those funds have been expended, restrictions on the use of the funds, and what legislation governs the use of these funds.
- 6) Indexes of funding for the FY2010/11 CIP Budget by Fund (Index M) and Program (Index N) and for all active and new projects included in the 2010-2015 CIP by City Council District (Index O) and by Project Number (Index P).
- 7) A Glossary with definitions of commonly used terms.

A quick reference guide is available at the back of the Table of Contents to provide easy reference to the information contained in this document.

