

## **CAPITAL IMPROVEMENT PROGRAM**

### **INTRODUCTION**

The City's Capital Improvement Program (CIP) is a multi-year planning instrument that drives the evaluation and identification of capital infrastructure projects in need of renovation, repair and/or construction. Capital projects range from road maintenance or construction to the renovation of municipal buildings, recreation centers and ball fields, to water main and sewerage system repair. The CIP relates these capital projects needs to the financial sources that will support their realization and the timeframe in which both the financing and work will take place. Capital improvement programming is the process by which these capital projects are identified, prioritized, and selected, and thus inserted into the long-range fiscal and strategic planning of the City. The CIP is designed to report to Council, the public, city staff, and other interested parties the capital management and planning strategies of the City.

### **THE RELATIONSHIP BETWEEN THE CIP AND THE ANNUAL OPERATING BUDGET**

In order to reap the benefits of focused attention paid to the long-term strategic planning and visioning of capital projects, the Capital Improvement Program is for the most part developed separately from the City's Annual Operating Budget and is printed as a separate document. The City Council conceptually approves the Capital Improvement Program projects for the current fiscal year. Those projects are then inserted into the budget document for formal fund appropriation at budget adoption. For additional information on the individual projects, please refer to the separate publication, entitled City of Riverside FY 2004/05-FY 2009/10 Capital Improvement Program.

### **FUNDING SOURCES**

The City employs a combination of approaches to fund its capital projects. For many smaller improvement projects, the budget requirements are paid from cash on hand ("Pay As You Go"). Large-scale capital projects are funded through a variety of methods, including long-term financing, user fees, proceeds from bond issues, grants, assessments, impact fees, tax levies, certificates of participation, and reserve balances. Figure 1 approximates the various funding sources from which the Capital Improvement Program is funded for FY 2005/06.

**Figure 1: CIP Funding Sources**

Since the City's 20 departments are spread over nearly 60 funds, each potentially has its own revenue streams, the funding sources are greatly varied and the process decentralized. The Enterprise Fund Departments, for example, Airport, Public Utilities, and Public Works (sewer and refuse), typically fund their own capital improvements since their revenue streams (including user fees) in most cases entirely support the department's operations and capital projects.

General Fund Departments, however, such as Fire, Police, and the Museum, are more difficult to fund over the long run due to uncertainty over specific revenue streams. Projects for these departments are typically funded year-

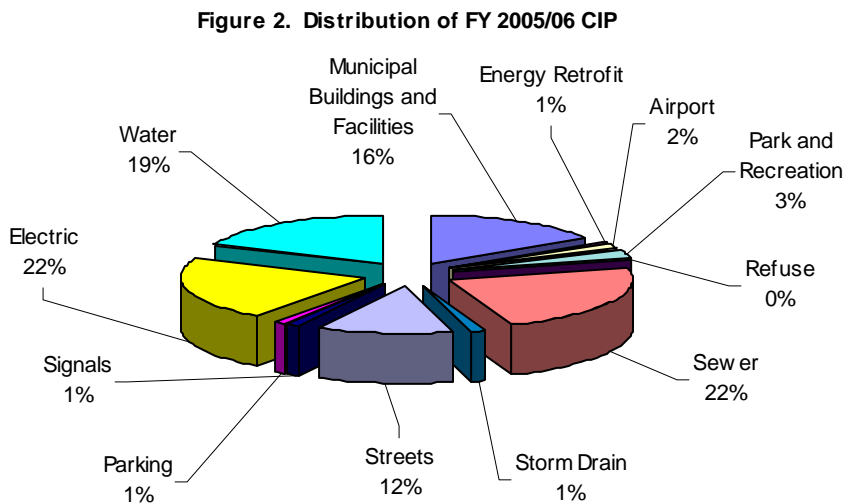
<b>2005/06 Revenue Highlights</b>	
	<b>Total</b>
<b>Pay As You Go</b>	13,463,395
<b>User Fees and Charges</b>	134,131,001
<b>Development Fees</b>	350,000
<b>State Funds</b>	14,796,992
<b>Federal Funds</b>	2,182,500
<b>Bond Proceeds</b>	93,397,800
<b>Park Fees</b>	5,676,994
<b>Other</b>	9,858,696
<b>Regional Taxes</b>	6,100,000
<b>Total</b>	<b>279,957,378</b>

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to-year based on available resources.

### CAPITAL BUDGET

The FY 2005/06 capital budget includes improvements totaling \$109,763,438. The six-year capital program is partitioned into nine sections: Airport, Municipal Building and Facilities, Park and Recreation, Refuse, Sewer, Storm Drain, Transportation (streets and traffic signals), Electric, and Water. The relative distribution of projects within each section is demonstrated in Figure 2.



With a combined 82 percent of the six-year CIP expenditure requirements, the Electric, Water, Sewer and Transportation programs can be considered to be the main drivers of the CIP. Major projects include the major and minor street rehabilitation and construction program; the construction of two new power generation plants to meet increased future demand, and water main replacements.

### AMENDING THE CAPITAL BUDGET

At any Council meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least five members. This vote authorizes the transfer of unused balances appropriated for one purpose to another purpose or to appropriate available funds not included in the budget.

### HIGHLIGHTS OF THE FY 2005/06 CAPITAL IMPROVEMENT PROGRAM BY CITY COUNCIL GOALS

The following provides highlights from the FY 2005/06 CIP by the applicable City Council Goal. Note that not all projects are represented below. A complete listing for all FY 2005/06 approved capital projects is appended to this section. For additional information on a specific project, please refer to the separate publication, entitled City of Riverside FY 2004/05-FY 2009/10 Capital Improvement Program.

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### **Capital Improvement Project Highlights for FY 2005/06**

The projects listed below are selected highlights from the FY 2005/06 Capital Improvement Program and are organized around the applicable City Council goals.

#### **Economic Development**

- **Airport** - Update Airport Master Plan, Pavement Preservation – Runway 9-27 & Taxiway A.
- **Electric** - Fund Load Management or Resource Optimization studies to help ensure a low-cost power supply and ultimately help attract new business to Riverside.
- **Development** -Renovation of the Fox Theater; new downtown office buildings, Market Street mixed-use project, new retail/restaurant destinations in Canyon Springs and the Galleria, and implementation of new Economic Development Strategy.

#### **Growth and Annexation**

- **Electric** - Major upgrades to the electric distribution system, including additions to Riverside's substations, transformer additions, and line extensions to serve new customers.
- **Water** - System expansion and Main Replacements to ensure that the available water supply continues to meet expanding demand.

#### **Transportation**

- **Streets** - La Sierra Avenue widening, Indiana to Cleveland; Grammercy Place widening, La Sierra to Bushnell; Victoria Avenue Widening and Medians - La Sierra to Boundry Lane; Major and Minor street rehabilitations of deteriorated pavements on arterial roadways.
- **Traffic Signals & System Timing Plan** - Installation of new signals or synchronization projects at various locations throughout the City to improve traffic flow and safety, as well as to perform traffic counts as needed to update existing signal system timing plans.

#### **Livable Communities and Neighborhoods**

- **Libraries** - Develop Construction drawings for new Orangecrest Branch Library, preliminary planning and conceptual design of Main Library expansion, and construction of new Arlington Branch Library.
- **Fire** - Measure G funded construction of four new fire stations and fire training facility.
- **Parks** - Construction at Orange Terrace - Phase 4, completion of La Sierra Park, Bordwell Park Senior Room.
- **Electric** - Overhead to underground conversions, cable replacements and capital construction at the City-owned San Onofre Nuclear Generating Station.

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### **OPERATING IMPACTS OF PROPOSED CAPITAL PROJECTS**

The potential operating impact of any proposed capital project is carefully considered as part of the capital program review process. Many projects are infrastructure related, such as street and utility improvements and general facility repairs/enhancements and do not carry significant operating impacts. Much of the improvements are contained within cyclical replacement programs and have an annual appropriation, which covers their “operating” costs such as repairs and replacements.

Those projects that do carry a significant operating impact are noted in the City of Riverside FY 2004/05–FY 2009/10 Capital Improvement Program document.