



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
5th FLOOR
915 I STREET
SACRAMENTO, CA
95814-2684

July 1, 2008

PH 916-808-5704
FAX 916-808-7618

Mayor and City Council
Sacramento, California

Honorable Members in Session:

The Approved 2008-2013 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 FY2008/09 CIP is nearly \$30 million less than the prior year, funding 58 less projects. This reflects the overall decline in available resources that the City faces in the context of the decline in the local, State and national economy. We are constantly challenged to prioritize competing capital needs, and the current financial challenges of the City's budget will further constrain funding available for capital projects.

The CIP includes the Capital Budget for Fiscal Year (FY) 2008/09 and a five-year expenditure plan. The FY2008/09 CIP Budget totals \$99.7 million, funding 194 projects in all program areas in various geographic areas of the City of Sacramento. The General Fund total for capital expenditures in FY2008/09 is \$3 million. The five-year program totals \$298.2 million from all funding sources. The General Fund portion of the five-year program is \$19.5 million. The 2008-2013 CIP has been prepared in accordance with generally accepted accounting principles.

Notwithstanding the financial challenges the City is addressing, the projects included in the 2008-2013 CIP continue to reflect Council's adopted policies and plans, which include the City's Transportation Programming Guide, Utility Master Plans, Parks and Recreation Master Plan, and the Parks and Recreation Programming Guide. While the ability to provide General Fund support to the CIP is very limited beyond the debt-financed Community Reinvestment Capital Improvement Program (CRCIP), it is important to note that the General Fund continues to support approximately seven percent of the City's CIP, consistent with the proportional level of funding in prior years. Given the significance of our ongoing investment in the City's capital assets, and the fact that identified capital needs exceed current resources we will continue to look for opportunities to augment the CIP to fund identified projects.

Respectfully submitted,

RAY KERRIDGE
City Manager

THE 2008-2013 CAPITAL IMPROVEMENT PROGRAM (CIP)

The 2008-2013 CIP totals **\$298.2 million** from all funding sources. The General Fund portion of the five-year program is \$19.5 million or 7 percent of the total. The FY2008/09 CIP Budget totals **\$99.7 million**.

The following is a summary of the larger projects included in the FY2008/09 CIP Budget:

- Americans with Disabilities Act (ADA) Improvements (C13000400, Section D);
- Central City Two-Way Conversion (T15008001, Section I);
- Citywide Deferred Maintenance for City Facilities (C13000500, Section D);
- Cosumnes River Boulevard, I-5 Extension & Interchange (T15018000, Section I);
- 56th Avenue Bridge over South Sacramento Drain (T15068600, Section I);
- Fire Apparatus and Ambulances (F11000200 & F11000300, Section E);
- I-80 at West Canal Bike Bridge (K15020000, Section G);
- Major Street Improvements Program (T15098000, Section I);
- Norwood Avenue Bridge (T15068400, Section I);
- Public Rights-of-Way Accessibility Program (T15075900, Section I);
- Residential Water Meters – City Farms (Z14010012, Section J);
- Residential Water Meters - South Land Park Phase 4 (Z14010011, Section J);
- Sacramento Community Center Theater Renovation (M17100100, Section F); and
- Street Overlays and Seals Program (R15072000, Section I).

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 Government Projects:

The 2008-2013 General Government CIP totals \$18.7 million. The FY2008/09 CIP budget for General Government projects totals \$3.9 million. The General Government section reflects the City's commitment to focus resources toward existing facilities and programs like the Citywide ADA Project (C13000400) and the Deferred Maintenance Program (C13000500) for City facilities. One of the key initiatives for the Deferred Maintenance Program will be to 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 supported by user fees. These projects include Planning Technology (A21006400), City Treasurer Investment Reserve (D05000100), and Information Technology Improvements (A07000300, A07000400, A07000100, and A07000101).

Public Safety Projects:

The 2008-2013 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. The FY2008/09 CIP budget for these projects is \$700,000. In addition to the capital funding included in the 5-year public safety program, an additional \$4 million has been programmed to fund the debt service associated with the FY2006/07 and FY2007/08 Fire Apparatus/Equipment purchases.

Parks and Recreation Projects:

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.

The City's park system is expanding as new parks are master planned and developed primarily in the northern and southern areas of Sacramento. In addition, expanding and rehabilitating existing parks and facilities is also a high priority for the Department with a focus on park safety. New amenities help meet needs identified in the Parks and Recreation Master Plan and the Parks and Recreation Programming Guide.

The 2008-2013 CIP for Parks and Recreation totals \$115 million, which includes a \$2.03 million budget for FY2008/09. This includes \$600,000 in projects funded from Park Impact Fund (PIF) and \$105,000 in Quimby Act fees. In addition, capital grants supplement the PIF and Quimby Act fees and are often the primary source of funding for Regional Park development.

Transportation Projects:

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 expand public safety, achieve sustainability, enhance livability, and expand economic development throughout the City. The 2008-2013 Transportation Capital Improvement Program (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 many funding and revenue challenges that are being felt throughout the City and the region. Three of the five major local transportation revenue sources for the City's Transportation CIPs have been projected to drop by up to 55% beginning in FY2008/09: New Measure A Maintenance and Construction down by ten percent (10%) each; and Major Street Construction Tax down by fifty-five percent (55%).



As a result of these significant revenue changes, a decision was made at the November 15, 2007, New Measure A Council Workshop to use the balance of the last year of Measure A Construction to preserve many of the Citywide Programs over the next five years. This CIP reflects these changes with a reduction in new locally funded projects, compared to prior years, and reduced funding for existing programs.

In FY 2008/09, a total of \$49 million in new or additional funding will be programmed to 54 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/Economic Development (street light program, and economic development); and Public Rights-of-Way Accessibility (ADA compliance).

Approximately 36 percent (36%) (\$17.5 million) of funding is programmed to maintenance and operations projects and programs, 46 percent (46%) (\$22.4 million) of funding to Major Street construction projects, 12 percent (12%) (\$6.0 million) of the funding is programmed to projects and programs related to public rights-of-way accessibility pursuant to the ADA settlement agreement, and 6 percent (6%) (\$3.1 million) of funding to pedestrian and bicycle projects, community enhancements and economic development.

Utilities Projects:

The proposed 2008-2013 City Utilities CIP totals \$105.7 million, which includes \$35 million of the estimated \$300 million construction costs for the state-mandated residential water meter installation program.

Two water projects receiving significant new or additional funding in FY2009/13 include: T-Main replacement 13th St. H-Q St.(PN: Z14003800): construction of a replacement water transmission main in the downtown area; and Residential Water Meter Retrofit Program (PN: Z14010000-Z14010013) as mandated by State law requiring that the City install meters on all residential water services by 2025.

Sewer and Combined Sewer System (CSS) projects receiving significant new or additional funding in FY2009/13 include: Fremont Area Sewer Rehab, Phase 2 (X14010039): this project will continue the effort to rehabilitate several of the combined sewer mains that lie in streets and backyard easements; and Sump 2 MCC Replacement, (X14010024): this existing project needs more funding due to increasing costs for electrical switchgear. 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.

Storm Drainage projects receiving new or additional funding in FY2009/13 include: FY04-FY08 National Pollution Discharge Elimination System Program (W14001600).

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: Golf, Historic City Cemetery, Old Sacramento, Sacramento Archives, enterprise funds that operate like private businesses (Convention Center and Marina), non-profits (Crocker Art Museum, Discovery Museum, Fairytale Town, and Sacramento Zoo), City and County funded divisions (Metropolitan Arts Commission), 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 FY2008/09 CIP budget for CCL totals \$2.7 million. The budget reflects funding of six projects at the Convention Center Complex (\$2.4 million), two projects at the City's three golf courses (\$85,000) and two projects at the Sacramento Marina (\$200,000). These amounts include \$110,000 in facility improvements to meet requirements of the ADA, which is included in the General Government program.

The 2008-2013 CIP for CCL totals \$14.9 million and includes ten projects at the Convention Center (\$13.2million), two projects for Golf (\$425,000) and two projects at the Marina (\$1.2 million). This funding includes \$550,000 for the ADA modifications, which is included in the General Government program.

Sacramento Housing and Redevelopment Agency (SHRA) Projects:

SHRA's budget is completed on a calendar year basis, so the projects listed in this document were approved in late 2007 for the 2008 calendar year. As part of an ongoing collaborative effort to more efficiently use scarce resources, 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 FY2008/09. Due to uncertainties in the future funding for both the Community Development Block Grant Program and Tax Increment revenues, SHRA is not showing the 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 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 FY2008/09 CIP budget totals \$17.5 million. The Department of Transportation and the Department of Utilities provide funding 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 with 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 2008-2013 CIP includes \$1.7 million in road dedications subject to the issuance of developer credits (Fund 9501). Measuring this activity provides a more accurate picture of true capital activity and additions to City assets.



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.

THE CIP REVIEW PROCESS

Each project proposal is scrutinized from a variety of approaches before it is included in the budget. 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 area 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 divisions and departments. Projects are prioritized and are presented for funding based upon what level of funding is estimated to be available for the next fiscal year and subsequent fiscal years. With the assistance of the Budget, Policy & Strategic Planning Division, the City Manager's Office reviews the proposed projects and prepares the budget for submittal to the Mayor and City Council by May 1st of each year. The proposed budget is then 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 budget and provide input to the Mayor and City Council, during the hearing process.

The Mayor and City Council can make changes to the proposed budget and then take action for final approval of projects to be included 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 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.

CIP NUMBERS AND eCAPS

The electronic Citywide Accounting and Personnel System (eCAPS) is a new enterprise resource management system implemented in 2007 and 2008 to manage all City financial, human resource, and payroll transactions. As part of the citywide conversion to eCAPS the existing City financial structure (funds, project numbers, organizations, etc.) had to be converted to new financial numbers. Index Q has been added to provide a conversion chart reflecting old four digit CIP numbers to the new nine digit eCAPS CIP numbers. Additionally, the Summary of Funding Sources provides the new four digit eCAPS fund numbers and the old three digit fund numbers.



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 & 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 the document information.
- 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 and 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 FY2008/09 through FY2012/13.
- 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 mandates the use of these funds.
- 6) Indexes of funding for the FY2008/09 CIP Budget by Fund (Index M) and Program (Index N) and for all active and new projects included in the 2008/2013 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.

Program Area 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 FY2008-2013 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 Sacramento Housing and Redevelopment Agency (SHRA), which is 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 – Marina, Cultural/Arts, Zoo, Golf and
Community Center

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

9 Digit numbers starting with 8 – 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.

Detailed project information includes:

- The Project Title, Capital Improvement Project (CIP) 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.
- Fiscal Year Initiated.
- Project Costs: For each funding source, the amount of current budget, the estimated amount of unspent budget funds available as of June 30, 2008, and the funding request for each year of the five-year program.



- Timelines that show the relationship of budget expenditures to the project timeline.
- 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 (e.g., 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 2008-2013 CIP should be reviewed for consistency with the City's adopted Strategic Plan.

CONTINUING PROJECTS

In addition to new capital projects with funding in FY2008/09 or current projects with additional funding identified in the 2008-2013 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.

