

CAPITAL IMPROVEMENTS PROGRAM

Introduction

The Capital Improvements Program, or CIP, is a financing and construction/acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to and adopted by City Council, specifies and describes the City's capital project schedules and priorities for the six years immediately following Council adoption.

For each capital project, the CIP includes a variety of information, including a project description and the service need it addresses, a proposed timetable, proposed funding levels and sources and, if applicable, estimated ongoing operating costs. For projects already underway, the description also notes the remaining portion of the project's budget.

Generally, capital improvements projects consist of purchasing, constructing or renovating structures and/or acquiring land that have a total cost of at least \$100,000 and an estimated useful life of at least ten years. Common CIP projects include new or improved sidewalks, roads, neighborhood renewal projects and new city facilities, such as recreation centers, fire stations and water treatment facilities.

Some major maintenance projects, such as street resurfacing or placing a new roof on a building, are generally not included in the CIP. Although these projects meet the cost and useful life criteria for a CIP project, they often do not result in a new structure or a structure materially altered in design or size. Instead, these projects are periodically necessary to keep particular structures or facilities operating properly.

CIP Preparation

Along with their annual operating budget requests, City departments submit capital projects for consideration and inclusion in the CIP. These requests are reviewed by staff from the City Manager's Office and the Budget & Evaluation Department.

A Preliminary CIP is presented to the City Council and the Planning Board as part of the annual budget review. A Final CIP is presented to the City Council in June and is adopted concurrently with the Annual Operating Budget.

Neighborhood organizations are invited to submit projects for consideration in the Capital Improvements Program. Submissions are forwarded to the appropriate City department(s) to determine if they are feasible and to see that they are not contrary to current City policies. The projects are then reviewed by an Interdepartmental Team consisting of representatives from several City departments as well as citizen representatives. The recommendations and comments returned by the review team are sent to the requesting organization and presented to the City Council and Planning Board during the annual budget review. Citizens are encouraged to attend the annual budget public hearing to discuss their requests directly and in detail with City Council and City staff.

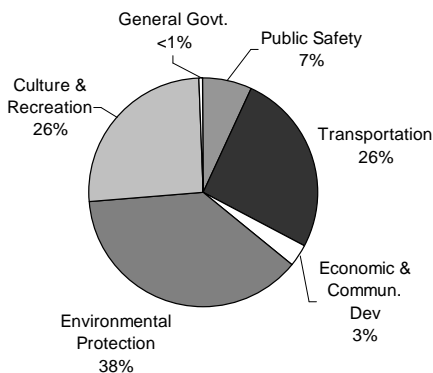
Relationship to Annual Operating Budget

Some CIP projects are funded through annual operating funds, such as the General Fund (Capital Reserve Fund) and the Water Resources Fund. In these cases, the CIP and the Annual Operating Budget are directly linked as CIP projects become authorized through the adoption of the Annual Operating Budget. Projects funded through debt financing (typically voter authorized bonds) also impact the operating budget through ongoing debt service expense. Finally, some completed CIP projects will directly impact the operating budget in that they will require ongoing expenses for staff and other operating costs. Fire stations and recreation facilities are good examples.

Expenditure Overview

The 2008-2014 Proposed Capital Improvements Program (CIP) totals **\$862,448,812**. This is a 46.0% increase when compared to the FY 2007-2013 CIP total of \$590,891,529.

Expenditures by Service Area



Highlights

Environmental Protection continues to be the largest service area in the CIP. With projects totaling \$324.4 million, Environmental Protection remains a principal focus of the City's long term capital planning. This area is driven largely by Water Resources projects (\$283.4 million) as the department continues to address the challenges of repairing / replacing aging infrastructure and meeting ever more stringent regulations for both water and wastewater. Major projects include the implementation of automated meter reading, construction of the Randleman Reservoir Feeder Main, and repairs to the Lake Townsend Dam. Rehabilitation of various water and sewer lines will also continue. Environmental Services projects also make up a significant portion of this service area (\$41.0 million). Various areas of the City's landfills require closing and improvements are required to the gas collection system. Also, a new tipping floor will be needed at the transfer station and plans must be made to increase capacity for the City's solid waste disposal needs.

Transportation makes up the second largest service area in this CIP, with projects totaling

\$224.6 million. Of this amount, \$194 million represents unfunded future street, sidewalk, and transit needs. Approximately \$28.8 million of projects remain from the 2000 bonds. Some of these projects include improvements to Creek Ridge Road, Lake Jeanette Road, and Merritt Drive as well as construction of the Battleground Rail Trail and a new Intelligent Traffic Signal System. Overall, Transportation projects make up 26.0% of the total CIP.

With \$221.8 million in projects, Culture and Recreation is the next largest service area. It includes projects for Parks and Recreation, Libraries, and War Memorial Coliseum. Parks and Recreation projects total \$124.7 million, including \$105.5 million of projects that are currently unfunded. Some projects that have been identified as needs are Phase II of both Barber Park Master Plan Implementation and Keeley Park; installation of artificial turf at Hester Park; replacement and repair of various park shelters, restrooms and concessions; pool upgrades and improvements; and greenway expansion. In addition, the Parks and Recreation Commission has identified an additional \$26.9 million in projects that do not appear in the CIP because they extend beyond the 6-year time frame.

War Memorial Coliseum is showing \$77.7 million in total projects. Most of these are projected to be completed using enterprise funding, however, the coliseum complex has some significant project needs that remain unfunded, including renovations to the auditorium and expansion of the Special Events Center. In addition, Libraries has identified some unfunded future needs including the Reedy Fork Branch Library, renovations to the Central Library, and new collection storage facility for the Historical Museum.

Funding for Fire Stations continues to be the driving force in the Public Safety service area. While construction of the Willow Road, Painter/85/40, S. Elm-Eugene, Randleman Road, and Reedy Fork Stations will take place over the next six years, Fire has identified the need for eight new or replacement stations in the coming years. Totalling \$37.4 million, these eight new stations are currently unfunded.

Funding Overview

The Capital Improvements Program relies on a variety of funding sources to accomplish its many efforts. These include debt financing; enterprise funding; general fund revenues; state shared revenues; and grants from the state government, federal government, or private sources.

Highlights

This CIP includes \$427.8 million in unauthorized bonds, equating to 49.3% of the total CIP. This represents project needs that are currently unfunded and will form the basis for future bond referenda. Current requests for the next referendum total approximately \$160 million, including \$17 million for greenway expansion, \$45 million for War Memorial Auditorium renovations, \$97 million in Transportation projects, and approximately \$1 million for affordable housing. In addition, the need for a second referendum is taking shape as unfunded project requests beyond the next referendum total \$264.4 million.

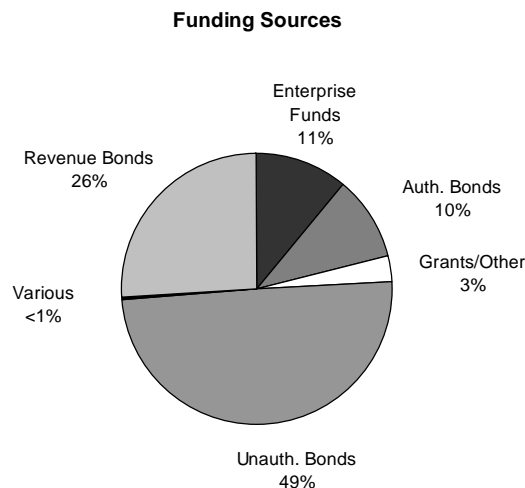
In 2006, the citizens of Greensboro approved a total of \$53.4 million in bonds. When combined with the funding remaining from the bonds approved in 2000, authorized bonds make up \$88.4 million or 10.3% of total CIP funding. Authorized Bonds are used to fund projects in the areas of Public Safety, Transportation, Culture and Recreation, and Economic and Community Development in this CIP.

As noted in the Expenditure Highlights section, the City will undertake a variety of projects in the Environmental Protection Program Area during the next six years. Most of these projects will initially be funded through Enterprise Funds and Revenue Bonds, with the re-

sulting debt payments supported through revenues generated by these business type operations (Water and Sewer Services and Storm Water Services). Combined, Revenue Bonds and Enterprise Funds constitute the largest source of funds in the CIP at \$326.0 million, or 37.8%, of total funding.

Grant revenue also plays a role in funding capital projects in several program areas. This includes community contributions, support for Community Development efforts, and Transit projects. The revenue category makes up 2.6% of the CIP.

In previous years, Street and Sidewalk Funds, State/Powell Bill Funds, and the General Fund were significant funding sources for CIP projects. Over time, however; Powell Bill funding has been shifted to cover additional operating expenses in the city and the revenue stream for Street and Sidewalk funding has gone away. This, combined with decreasing availability of Capital Reserve funding means that these three funding categories now make up less than 0.2% of the total CIP.



The information included above reflects the Capital Improvements Program that was presented to City Council on May 20th as part of the budget document. City Council elected not to approve the CIP at budget adoption so that it may review its contents more thoroughly at another time. The final Capital Improvements Program document will be published upon Council approval.

FUNDING LEVELS AND SOURCES FOR MAJOR CAPITAL IMPROVEMENTS PROJECTS

Following is a list of the more significant authorized Capital Improvements Projects that will be active during FY 08-09 and/or FY 09-10. This list does not include projects planned for future bond referendums. Funding and expense details for these and other projects are provided in the FY 2008-2014 Capital Improvements Program, which is available in the Office of the City Clerk (Melvin Municipal Office Building - 300 West Washington Street - Greensboro, North Carolina 27402-3136).

PROJECT TITLE/DESCRIPTION	BALANCE OF PROJECT FUNDING	PRIMARY FUNDING SOURCE
<u>Culture and Recreation</u>		
Gateway Garden at Lee Street and Florida Street	2,634,050	Grants and Bonds
Keeley Park Development	5,958,058	Grants and Bonds
Lake Jeanette Branch Library	3,572,000	Authorized Bonds
McGirt-Horton Library	2,786,077	Authorized Bonds
Southwest Recreation Center	3,946,037	Authorized Bonds
<u>Economic and Community Development</u>		
Affordable Housing Development	3,375,000	Grants
Housing Rehabilitation	3,000,000	Grants
South Elm Street Brownfield Development	6,295,800	Grants & Various
Targeted Loan Pool	1,200,000	Grants & Other
<u>Public Safety</u>		
Old Randleman Rd. Fire Station	4,011,440	Authorized Bonds
Painter/85/40 Fire Station	4,009,767	Authorized Bonds
Reedy Fork Area Fire Station	4,579,624	Authorized Bonds
South Elm/Eugene Fire Station	3,810,998	Authorized Bonds
<u>Environmental Protection</u>		
Automated Meter Reading	3,677,650	Enterprise Funds
Lake Townsend Dam Repairs	36,000,000	Revenue Bonds
Pipe System Improvements	6,000,000	Enterprise Funds
Randleman Reservoir Feeder Main Construction	11,775,000	Revenue Bonds
Sanitary Sewer Rehabilitation	27,500,000	Enterprise Funds
TZO – New Fluid-Bed Incinerator	26,600,000	Revenue Bonds
TZO – Total Nitrogen Upgrade to meet HB 515	72,770,000	Revenue Bonds
UV Disinfection- Mitchell and Townsend	13,340,000	Revenue Bonds
Waterline Rehabilitation Program	13,000,000	Enterprise Funds
<u>Transportation</u>		
Battleground Rail Trail	3,010,926	Authorized Bonds
Creek Ridge Road	5,494,239	Authorized Bonds
Lake Jeanette Road	5,223,672	Authorized Bonds
Merritt Drive	4,783,203	Authorized Bonds
New Garden Road Phase II	3,662,384	Authorized Bonds
Signal System & Intelligent Traffic System	3,000,000	Authorized Bonds

MAJOR CAPITAL IMPROVEMENTS PROJECTS – OPERATING BUDGET IMPACT

Several of the CIP projects active in FY 08-09 and FY 09-10 will have an increasing effect on the annual operating budget. Some of those projects are listed below along with the projected operating budget impacts.

Project #1

Project Title	South Elm/Eugene Fire Station
Estimated Completion Date	FY 09-10
Projected Impact on FY 08-09 Operating Budget	\$0
Projected Impact on FY 09-10 Operating Budget	\$654,981

Project #2

Project Title	Keeley Park Development
Estimated Completion Date	FY 09-10
Projected Impact on FY 08-09 Operating Budget	\$0
Projected Impact on FY 09-10 Operating Budget	\$414,774

Project #3

Project Title	Gateway Garden at Lee Street and Florida Street
Estimated Completion Date	FY 09-10
Projected Impact on FY 08-09 Operating Budget	\$0
Projected Impact on FY 09-10 Operating Budget	\$420,769

**CITY OF GREENSBORO
PROPOSED CAPITAL IMPROVEMENTS PROGRAM SUMMARY
FY 2008-2014**

EXPENDITURES	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	TOTAL
Public Safety	6,156,010	6,545,930	8,617,797	14,605,504	10,087,505	13,584,175	59,596,921
Transportation	3,335,000	56,588,739	33,640,991	33,019,230	49,007,559	49,000,000	224,591,519
Economic & Community Devt	8,003,771	8,641,661	7,782,000	4,114,000	2,075,000	525,000	31,141,432
Environmental Protection	66,883,550	52,811,667	37,647,583	71,743,000	66,155,000	29,120,000	324,360,800
Culture & Recreation	13,206,629	69,368,687	8,171,535	35,719,949	63,719,250	31,572,090	221,758,140
General Govt	1,000,000	0	0	0	0	0	1,000,000
TOTAL	98,584,960	193,956,684	95,859,906	159,201,683	191,044,314	123,801,265	862,448,812
Funding Sources							
Funding Sources	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	TOTAL
General Fund	0	100,000	150,000	0	0	0	250,000
Enterprise Funds	19,433,550	12,178,526	24,642,250	15,050,000	12,800,000	13,490,000	97,594,326
Street and Sidewalk Funds	0	0	0	0	0	0	0
Powell Bill/ State Funds	0	541,358	300,000	100,000	100,000	0	1,041,358
Authorized Bonds	25,594,910	45,159,602	7,024,594	9,587,964	1,007,559	0	88,374,629
Unauthorized Bonds	0	87,582,000	45,205,729	75,831,719	121,956,755	94,231,265	424,807,468
Revenue Bonds	47,800,000	41,091,667	13,205,333	56,893,000	53,505,000	15,880,000	228,375,000
Grants/Other	5,756,500	7,303,531	5,332,000	1,739,000	1,675,000	200,000	22,006,031
TOTAL	98,584,960	193,956,684	95,859,906	159,201,683	191,044,314	123,801,265	862,448,812

CAPITAL PROJECT STATUS REPORT - MARCH 31, 2008

The following information is provided by the City's Finance Department and provides a status for various capital projects that have active appropriations.

	<u>APPROPRIATIONS (AS AMENDED)</u>	<u>TOTALS</u>	<u>UNCOLLECTED/ UNENCUMBERED BALANCE</u>
Street & Sidewalk Capital Project (401):			
Receipts	\$ 18,379,689	\$ 13,247,395	\$ 5,132,294
Disbursements/Obligations	18,379,689	12,784,390	5,595,299
State Highway Capital Project (402)			
Receipts	51,255,269	46,766,403	4,488,866
Disbursements/Obligations	51,255,269	45,231,984	6,023,285
General Capital Improvements (410)			
Receipts	4,248,987	5,619,260	(1,370,273)
Disbursements/Obligations	4,248,987	2,568,141	1,680,846
Public Improvement Bond Fund Series 90,92,94 (431)			
Receipts	92,635,070	92,635,206	(136)
Disbursements/Obligations	92,635,070	92,214,928	420,142
Redevelopment Bond Fund Series 94 (434)			
Receipts	8,178,151	8,160,307	17,844
Disbursements/Obligations	8,178,151	8,014,287	163,864
Public Improvement Bond Series 98A (436) Various			
Receipts	29,286,000	29,287,970	(1,970)
Disbursements/Obligations	29,286,000	28,656,735	629,265
Housing & Redevelopment Bond Series 98 (438) Housing			
Receipts	6,474,300	6,676,472	(202,172)
Disbursements/Obligations	6,474,300	6,342,478	131,822
Public Improvement Bond Series 03 (441) Streets			
Receipts	75,019,600	57,923,818	17,095,782
Disbursements/Obligations	75,019,600	40,342,855	34,676,745
Public Improvement Bond Series 03 (442) Public Transp.			
Receipts	2,000,000	1,543,891	456,109
Disbursements/Obligations	2,000,000	1,190,832	809,168
Public Improvement Bond Series 03 (443) P&R			
Receipts	34,200,000	27,986,146	6,213,854
Disbursements/Obligations	34,200,000	22,810,164	11,389,836
Public Improvement Bond Series 05 (444) Natural Science			
Receipts	3,500,000	3,503,342	(3,342)
Disbursements/Obligations	3,500,000	3,500,000	
Public Improvement Bond Series 03 (445) Fire Station			
Receipts	9,671,731	9,671,731	
Disbursements/Obligations	9,671,731	9,669,143	2,588
Public Improvement Bond Series 03 (446) Law Enforcement			
Receipts	7,080,000	7,080,931	(931)
Disbursements/Obligations	7,080,000	6,781,658	298,342

Capital Improvements Program

CAPITAL PROJECT STATUS REPORT - MARCH 31, 2008

(Continued)

	<u>APPROPRIATIONS (AS AMENDED)</u>	<u>TOTALS</u>	<u>UNCOLLECTED/ UNENCUMBERED BALANCE</u>
Public Improvement Bond Series 05 (448) Redevelopment			
Receipts	\$ 2,800,000	\$ 1,537,091	\$ 1,262,909
Disbursements/Obligations	2,800,000	1,030,692	1,769,308
Library Facilities Bond Fund Series 08 (451)			
Receipts	8,600,000	5,221,464	3,378,536
Disbursements/Obligations	8,600,000	794,889	7,805,111
Historical Museum Bond Fund Series 08 (452)			
Receipts	5,300,000	5,765,759	(465,759)
Disbursements/Obligations	5,300,000	700,561	4,599,439
Parks & Recreation Bond Fund Series 08 (453)			
Receipts	5,000,000		5,000,000
Disbursements/Obligations	5,000,000		5,000,000
Economic Development Bond Fund Series 08 (454)			
Receipts	10,000,000	2,175,821	7,824,179
Disbursements/Obligations	10,000,000	3,298	9,996,702
Fire Station Bond Fund Series 08 (455)			
Receipts	24,500,000	10,926,168	13,573,832
Disbursements/Obligations	24,500,000	4,350,068	20,149,932
Public Buildings Bond Fund Series 08 (461)			
Receipts	1,000,000	1,100,411	(100,411)
Disbursements/Obligations	1,000,000	7,451	992,549
War Memorial Stadium Bond Fund Series 08 (462)			
Receipts	1,500,000	1,650,613	(150,613)
Disbursements/Obligations	1,500,000	35,173	1,464,827
Water Resources Capital Improvements Fund (503)			
Receipts	102,125,765	97,795,461	4,330,304
Disbursements/Obligations	102,125,765	93,506,535	8,619,230
County Construction Projects (504)			
Receipts	10,885,483	3,934,708	6,950,775
Disbursements/Obligations	10,885,483	5,016,522	5,868,961
Stormwater Capital Improvements (506)			
Receipts	12,974,434	12,975,376	(942)
Disbursements/Obligations	12,974,434	7,198,329	5,776,105
Water Resources Bond Series 2004 (511)			
Receipts	53,000,000	45,020,922	7,979,078
Disbursements/Obligations	53,000,000	45,644,825	7,355,175
Water Resources Bond Series 2007 (512)			
Receipts	42,000,000	49,349,461	(7,349,461)
Disbursements/Obligations	42,000,000	37,569,581	4,430,419
Water Resources Bond Series 2008 (513)			
Receipts	48,000,000		48,000,000
Disbursements/Obligations	48,000,000	15,584,610	32,415,390
Solid Waste Capital Improvement (554)			
Receipts	4,817,050	4,928,561	(111,511)
Disbursements/Obligations	4,817,050	4,794,314	22,736
Solid Waste Transfer Station Bond Fund (555)			
Receipts	8,625,000	8,838,787	(213,787)
Disbursements/Obligations	8,625,000	8,530,398	94,602