

Honorable Mayor and Councilmembers:

Background

We are pleased to present to you the approved 2008-2009 to 2017-2018 (10 Year) Capital Improvement Program (CIP) budget. It accomplishes the City's primary goals for projects as established by the City Council, while maintaining critical ongoing maintenance. It is presented in a 10-year format to coincide with the Long Range Financial Plan.

Process

This year, the process of preparing the CIP recommendations consist primarily of the following steps:

- The Executives meet to discuss requested changes to the prior year balanced CIP, and make changes based upon funding constraints, and reduce the project listing to the "minimum" level of funding pending study sessions with the City Council to prioritize and identify funding sources for over \$100 million of unfunded projects, including critical street repairs, fire station and library replacements, parks, etc.
- Recommendations approved by the Executives and the City Manager were prepared in the draft 10-Year Capital Improvement Program and presented to the City Council.
- Any changes directed by the City Council were incorporated into the plan. Following approval, the final 10-Year Capital Improvement Program document is produced.

Criteria

When we reviewed project requests we examined several criteria such as:

Projects that the City has already committed to completing;

Projects that provide emergency repairs to existing infrastructure;

Projects necessary to coordinate with construction and/or implementation of other approved projects; and

Projects that have committed outside funding that cannot be used for other City projects.

Revenues

This year, funding estimated for the Capital Improvement and Gas Tax funds increased by 11% compared to last year's estimates. This is due to a \$1.3 million transfer from the General Fund. The majority of general government and public works related projects are financed from these two funding sources. The Capital Improvement Program also includes anticipated revenue from the Glendale Redevelopment Agency to fund projects, including Columbus Soccer Field.

Expenditures

The CIP budget represents a major investment in the community's future and infrastructure, while maintaining significant funding levels for the street improvement programs and park development. Over the ten years, a variety of significant projects are programmed, including the renovation of existing libraries, the development of several parks, and building a regional fire facility.

The majority of the plan is maintained at the same level as last year. There have been some new needs identified this year that have had an impact on the CIP budget. Funding is recommended for major projects, including the Brand and Montrose Libraries, Rockhaven Rehabilitation, street infrastructure improvements, and the reconstruction of Fire Station 29. The majority of the funding for these projects resulted from reducing funding for other existing CIP projects.

Over the last few years, the City has purchased a significant amount of land for park development and open space. Figure 1 below identifies City property purchases over the past 9 years:

FIGURE 1. City property purchases - January 1999 to present (excluding land held for resale)

Purchase Date	Property Name	Property Location	Total Cost	Property Size (acres)	Purpose
Apr 2008	Rockhaven Sanitarium	2713 Honolulu Avenue	8,250,000	3.5	Parks/Library
May 2006	Flint Canyon Property	San Rafael Hills	6,000,000	71.3	Open Space
Apr 2006	Maryland Mini Park	810 S. Maryland Avenue	1,116,538	0.5	Mini Park
Mar 2005	Cerritos School Park	3690 San Fernando Rd.	1,467,000	0.7	Mini Park
Nov 2004	Trammel Property	Chevy Chase Canyon	500,000	10.3	Open Space
May 2004	Murchison Property	610 Woodridge Circle Rd.	7,105,000	150.4	Open Space
Jan 2004	Adams Square Mini Park	1020 E. Palmer Avenue	584,000	0.3	Mini Park
Jun 2003	Expansion of GWP Yard	811 Air Way	1,966,092	0.6	GWP
May 2003	Oakmont V Properties	Verdugo Mountains	13,258,250	244.0	Open Space
Dec 2003	Poulson-Sutter Property	Chevy Chase Canyon	4,300,000	78.6	Open Space
Dec 2002	Open Space	Polygon/Rancho San Rafael Estates	1,333,637	29.0	Open Space
Jun 2002	Harvard Mini Park	Harvard Mini Park	517,112	0.3	Mini Park
Apr 2002	Windsor Mini Park	1300 Windsor Road	506,485	0.3	Mini Park
Jan 2002	Montrose Parking	2448 and 2460 Honolulu (Ford Dealer)	1,186,874	0.7	Parking
Jan 2002	Montrose Parking	2464 Honolulu (Ford Dealer)	610,000	0.4	Parking
Jan 2002	Expansion of GWP Yard	807 Air Way	886,321	0.2	GWP
Jan 2002	New Off Ramp Project	San Fernando Rd / Fairmont/ SO Cal Gas	3,214,647	2.0	Streets
Sep 2000	Cedar Mini Park	141/147 S. Cedar Street	712,500	0.5	Mini Park
Sep 2000	Edison Pacific Project	Various	5,471,182	5.0	Park & Library
Jun 1999	New Police Station	New Police Building	5,119,468	1.9	Police Station
TOTAL COST			64,105,106	600.5	

Reserves

The CIP total reserve is projected to be approximately \$106,000 in FY 2017-18 (final year of the 10-year CIP). Beginning in FY 2008-09, the reserve amounts include a \$400,000 per year contingency for emergency funding needs. Over the 10-year period, \$3.7 million is identified as “to be programmed” and contingencies.

Summary

At this time, we believe the CIP budget represents the best allocation of available resources to meet the community’s capital needs and will continue to make a major commitment and investment in the City’s future.



James E. Starbird
City Manager