

Meeting Date: 5/14/2013

Report Type: Staff/Discussion

Report ID: 2013-00052

Title: FY2012/13 Citywide Infrastructure and Capital Investment Recommendations

Location: Citywide

Issue: This report recommends amending the 2012-2017 Capital Improvement Program (CIP) to address critical infrastructure needs utilizing existing capital improvement revenue bond (CIRB) proceeds and reallocating existing General Fund appropriations from an existing project to a new project.

Recommendation: Pass a Resolution: 1) establishing the Old Sacramento Infrastructure project (C13000730); 2) appropriating \$3.25 million from existing CIRB funds (Funds 3002, 3003, 3004 and 3005) to C13000730; 3) appropriating \$1.4 million in tax-exempt CIRB funds (Fund 3004) to the IT Equipment Replacement program (A07000300) and transferring existing General Fund appropriations (\$1.4 million) in A07000300 to C13000730; and 4) appropriating \$750,000 in tax-exempt CIRB funds (Fund 3004) to the Deferred Maintenance Program (C13000500).

Contact: Leyne Milstein, Director, (916) 808-8491; Reina Schwartz, Director, (916) 808-7195, Department of General Services; Barbara Bonebrake, Director, (916) 808-7733, Convention, Culture, and Leisure Department

Presenter: Dawn Holm, Budget Manager, (916) 808-5574, Finance Department

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
- 2-Attachment 1-CIRB_Summary.
- 3-Attachment 2_OldSacBoardwalks
- 4-Attachment 3_Old Sac Barge
- 5-Attachment 4_CRCIP Policies
- 6-Attachment 5-CRCIPProject List
- 7-Attachment 6-Resolution

City Attorney Review

Approved as to Form

Gerald Hicks

5/8/2013 5:08:00 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 5/8/2013 12:24:04 PM

Description/Analysis

Issue: Over the past 11 years the City has issued CIRBs to finance needed infrastructure and capital improvements. As of June 30, 2012 available fund balance in the CIRB funds was \$5.4 million (Funds 3002, 3003, 3004, and 3005). These funds are restricted and can be used only for capital improvements consistent with the bond disclosure documents specific to each issuance. A summary of the CIRB funds proposed to be allocated in this report is provided in Attachment 1. When the City issues debt, there is a reasonable expectation that the proceeds will be spent within three years. The remaining fund balances in the CIRB funds proposed to be used in this report are residual funds resulting primarily from interest earnings and unspent proceeds as a result of project savings. To ensure compliance with various federal tax requirements, it is important for the City to either allocate the remaining balances in these funds to new projects or make debt service payments.

In 1988 the City completed major renovations in Old Sacramento including the riverfront boardwalk and the installation of a barge with an elevator for access to the Delta King. These improvements are almost 25 years old and in need of significant repair and/or replacement. Additionally, an ADA lawsuit has been filed against the City relative to accessibility issues with the current boardwalks. The preliminary estimate for the Old Sacramento Infrastructure project is \$4-8 million. Details on the history, current conditions, as well as project scopes and estimates are included as Attachments 2 and 3.

In FY1999/00 the City established the Deferred Facility Maintenance Program to address maintenance and safety corrections at more than 400 facilities and properties owned by the City. The City is currently deferring critical repairs, renewals (painting, electrical, plumbing, etc.) and replacements (roofs, mechanical systems, restrooms, etc.) at a rate of \$1.5 to \$2 million a year. As a result of the economy and the City's fiscal challenges, only \$3.75 million has been budgeted for this program over the past five years. When this program was originally established the identified backlog was \$23 million. Despite the fact that approximately \$18 million in projects have been completed under this program, the current backlog is estimated at \$36 million. This report includes a recommendation to appropriate \$750,000 to the Citywide Facility Deferred Maintenance Program (C13000500) to address the current backlog of unfunded capital needs.

In addition to the allocation of available fund balance this report is recommending that \$1.4 million in General Fund resources that were allocated to the IT Equipment Replacement Program for the City's electronic Accounting and Personnel System (eCAPS) upgrade be moved to the Old Sacramento Infrastructure project for the Delta King barge. To maintain the current budget in the IT Equipment Replacement Program, \$1.4 million in 2006 tax-exempt CIRB funds is recommended to replace the General Fund resources in the project. This funding swap is needed to ensure that the Old Sacramento Infrastructure project, which could be considered private use, can be delivered without the use of tax-exempt bonds.

The proposed use of funds and recommended funding swap have been developed to properly align the proposed improvements/projects with the requirements and restrictions of the various funding sources as reflected below:

Program/Project	CIP #	General Fund (1001)	2002 CIRBs (3002)	2003 CIRBs (3003)	2006 CIRBs Tax-Exempt (3004)	2006 CIRBs Taxable (3005)	Total*
Old Sacramento Infrastructure	C1300730						
<i>Barge Repair/Replacement</i>		1,150				1,000	2,150
<i>Boardwalk Repair/Replacement</i>		250	600	1,300	350	-	2,500
IT Equipment Replacement Program	A07000300	(1,400)			1,400		-
Citywide Facility Deferred Maintenance	C13000500				750		750
	Total	-	600	1,300	2,500	1,000	5,400

*Dollars in Thousands

Policy Considerations: On May 23, 2006 the City Council adopted policy directives (Attachment 4) for the City’s Community Reinvestment Capital Improvement Program (CRCIP) funded by the 2006 CIRBs. The adopted policy directives require that the allocation of contingency be determined by City Council. The CRCIP projects (Attachment 5) as approved only provided the funding needed for Tier I projects. Tier II projects were to be considered if there were significant savings from projects that could not be completed due to available resources (the projects included on the Tier I list had not been evaluated or scoped prior to adoption of the proposed project list). At this time all Tier I projects have been completed, reprogrammed (Indian Heritage Museum), or are still under development. Given the significant cost of addressing the infrastructure needs in Old Sacramento, staff is recommending that the available CRCIP funds be allocated to this project instead of funding projects from Tier II.

The proposed use of CRCIP fund balance as well as the other sources of funding for the Old Sacramento Infrastructure project as proposed will address needed ADA improvements. The recommendations included in this report reflect Council policies to use one-time resources strategically. Additionally, the bond funds proposed to be used can only be used for capital improvements.

Economic Impacts: This report does not have direct economic impacts. Future staff reports recommending award of public project contracts funded by the capital appropriations created by this resolution will define the economic impacts/benefits.

Environmental Considerations: The requested actions are not subject to the provisions of the California Environmental Quality Act (CEQA). Environmental review for the approved projects will be performed in conjunction with planning, design and approval of each specific project as appropriate.

Sustainability: In the City’s ongoing efforts to reduce greenhouse gas emissions, City departments continue to identify areas to “go green” when making capital improvements. Staff will continue to identify opportunities to support the City’s sustainability efforts through use of environmentally safe materials and construction practices.

Commission/Committee Action: None

Rationale for Recommendation: The allocation of funding for the proposed projects continues to reflect Council’s commitment to addressing deferred maintenance and reinvesting in City owned and operated facilities and infrastructure. Additionally, the proposed use of bond funds is consistent with the purposes outlined in the original bond disclosure documents.

Financial Considerations: The estimated total project cost for the Old Sacramento Infrastructure project (C13000730) is \$4-8 million. A total of \$3.25 million is proposed to be funded from CIRB funds available as of June 30, 2012 and \$1.4 million in General Fund resources reallocated from the City's eCAPS project. The funding proposed allows staff to work with consultants to develop a scope of work, detailed cost estimate, and timeline for the barge and boardwalk projects. Additionally, staff will be working with business owners that may be affected by the project to determine the impact and potential business interruption costs. Prior to issuance of construction contracts staff will return to Council with a detailed cost analysis and options for funding any shortfalls (potentially a transfer from the City's Deferred Maintenance program) in the project budget and/or changes to the scope if additional funding is not available.

Additionally, this report is proposing to appropriate \$1.4 million in CIRB funds for the City's eCAPS project to replace the previous General Fund appropriation and \$750,000 for citywide deferred maintenance (capital reinvestment).

Emerging Small Business Development (ESBD): Not applicable



2002 REVENUE BONDS - CAPITAL PROJECTS FUND

Fund #3002

Purpose: Capital Projects

Background

This fund was established to account for the governmental fund portion of construction proceeds from the 2002 Capital Improvement Revenue Bonds (CIRBs) which were used to finance construction of the new City Hall, refurbishment of the former City Hall, the Arena Boulevard Interchange, purchase certain new Fire Trucks, and other capital improvement and redevelopment projects. The bonds were sold on July 2, 2002. Proceeds and construction expenditures are accounted for in this fund and in the Fleet Fund (Fund 6501). A debt service fund (Fund 4012) was established to service the debt payments.

Restrictions and Legislation Mandates

R2002-264, approved by the City Council on May 7, 2002, authorized the establishment of the 2002 CIRB Fund. These funds must be used for authorized capital improvements and acquisitions as outlined in the original bond disclosure documents.

2003 REVENUE BONDS - CAPITAL PROJECTS FUND

Fund #3003

Purpose: Capital Projects

Background

This fund was established to account for the governmental fund portion of construction proceeds from the 2003 Capital Improvement Bonds used to finance construction of the new 911 Call Center, North Natomas Regional Park, the North Area Corporation Yard, Fire Stations 5 and 20 and other fire equipment, the North Natomas Library and other capital improvement projects. The bonds were sold on September 30, 2003. Proceeds are accounted for in Fund 3003. A debt service fund (Fund 4013) was established to service the debt payments.

Restrictions and Legislation Mandates

R2003-537, approved by the City Council on July 29, 2003, authorized the establishment of the 2003 CIRB Fund. These funds must be used for authorized capital improvements and acquisitions as outlined in the original bond disclosure documents.

2006 REVENUE BONDS SER A (TAX EXEMPT) - CAPITAL PROJECTS FUND

Fund #3004

Purpose: Capital Projects

Background

This fund was established to account for the governmental fund portion of the 2006 Capital Improvement Revenue Bond (CIRB) proceeds and associated capital projects. The bonds were sold on June 15, 2006. These funds are being used to pay the costs of capital improvements within the City of Sacramento. The City projects funded by these bonds include the Crocker Art Museum Expansion, the Valley

Hi/North Laguna Library, the George Sim Community Center, improvements to the Memorial Auditorium, and other municipal projects. A debt service fund (Fund 4015) was established to service the debt payments.

Restrictions and Legislation Mandates

Resolution 2006-367, approved by the City Council on May 23, 2006, established Fund 3004. These funds must be used for authorized capital improvements and acquisitions as outlined in the original bond disclosure documents.

2006 REVENUE BONDS SERIES B (TAXABLE) - CAPITAL PROJECTS FUND

Fund #3005

Purpose: Capital Projects

Background

This fund was established to account for the governmental fund portion of the 2006 Capital Improvement Revenue Bond (CIRB) proceeds and associated capital projects. The bonds were delivered on June 15, 2006. These funds are being used to pay the costs of capital improvements within the City of Sacramento. The City projects funded by these bonds include the Art Rehearsal Facility and land purchase, the Pocket Library, the Haggin Oaks Economic Development, and other municipal projects. A debt service fund (Fund 4016) was established to service the debt payments.

Restrictions and Legislation Mandates

Resolution 2006-367, approved by the City Council on May 23, 2006, established Fund 3005. These funds must be used for authorized capital improvements and acquisitions as outlined in the original bond disclosure documents.

Old Sacramento Riverfront Boardwalk

History

- The Old Sacramento Riverfront Boardwalk was completed in 1988.

Current Condition

- The wooden boardwalk decking is badly worn creating an uneven walking surface. Deck board heights vary so greatly that the decking is not compliant with the Americans with Disabilities Act (ADA).
- The boardwalk was installed prior to the initial 1992 ADA adoption and areas of surface transitions (*street to railroad tracks to boardwalk decking*), slope of ramps, etc. need to be surveyed and analyzed for current ADA compliance.
- An ADA lawsuit has been filed against the City related to the current condition of the boardwalks.
- The wooden boardwalk is at the end of its useful life and needs to be repaired or replaced.

Scope

- The surface area is approximately 40,000 square feet of wooden boardwalk, ramps, benches, etc.
- The boardwalk runs the distance from Capitol Avenue to J St, approximately 1200 linear feet.
- Numerous businesses will be affected by the construction activities including shops and restaurants, as well as access to the Delta King and other docked vehicles.

Assessment

- An initial assessment is required to fully identify the project scope before a final estimate can be generated and will include:
 - Architectural, structural, mechanical, electrical, plumbing, and landscape services
 - ADA and California Building Code Title24 analysis
 - Value engineering and review of alternative materials lasting longer than 25 years.
 - Project phasing for construction

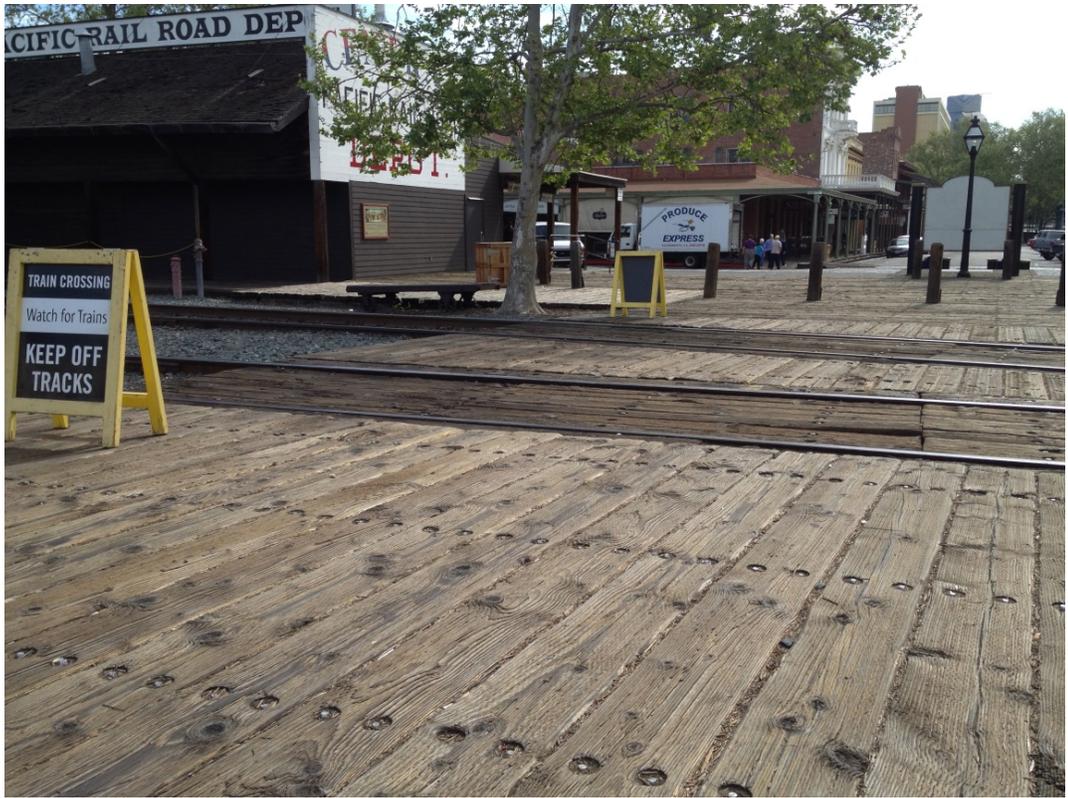
Project Estimate

- Staff's preliminary design/construction estimate is approximately \$2-4 million and is based upon current costs for material replacement. This estimate excludes any business interruption costs. Following the assessment of the project a refined cost estimate will be completed.

Project Plan

- Project planning, construction documents, and bidding will take approximately one year with construction lasting 12 to 18 months depending on Old Sacramento activities and construction phasing.

Old Sacramento Boardwalks



Old Sacramento Boardwalks





Delta King Barge

History

- The original Delta King Barge was modified from its former use (*a sand and gravel barge*) and installed in 1988. The barge serves as the access way to the Delta King and includes an accessible ramp and elevator.
- The barge also houses utility connections (*water, sewer, natural gas, etc.*) for the Delta King as well as the Delta King's HVAC (*heating, ventilation, and air conditioning*), chiller and boiler.

Current Condition

- The barge has outlived its useful life and is in need of extensive repair or possibly replacement.

Scope

- The barge is approximately 125 feet x 40 feet with an overall height of 10 feet.
- The Delta King and possibly other businesses will be affected by the construction including other docked vehicles on the Sacramento River.

Assessment

- An initial Phase I Assessment is required to fully identify the project scope before a final estimate can be generated and will include the following
 - o Architectural, structural, mechanical, electrical, and plumbing services
 - o Americans with Disabilities Act (ADA), and California Building Code Title 24 analysis
 - o Value engineering and review of alternative materials or systems lasting longer than 25 years.
 - o Project phasing for construction

Project Estimate

- Staff's current design/construction estimate is approximately \$2-4 million and is based upon current costs for material replacement. This estimate excludes any business interruption costs. Following the assessment of the project a refined cost estimate will be completed.

Project Plan

- Project planning, construction documents, and bidding should take less than one year with all phases of construction taking approximately six to twelve months depending on Old Sacramento activities and construction phasing.

Old Sacramento Barge



Mechanical Equipment inside of the Old Sacramento Barge





RESOLUTION NO. 2006-366

Adopted by the Sacramento City Council

May 23, 2006

APPROVING POLICY DIRECTIVES RELATED TO THE OVERSIGHT AND MANAGEMENT OF THE 2006 CAPITAL IMPROVEMENT REVENUE BONDS

BACKGROUND:

- A. The Community Reinvestment Capital Improvement Program (CRCIP) is a policy level decision by City Council to make a major investment in quality of life issues in the community. City Council wanted to also optimize the City's ability to invest in these projects while complying with tax laws. Finally, City Council wanted to optimize the economic benefit in the community in an appropriate time window.
- B. City Council approved a list of projects for inclusion in the 2006 Capital Improvement Revenue Bond (CIRBs) issue and directed the City Treasurer to proceed with financing to provide funds for the acquisition and construction of certain CRCIP municipal projects, some of which will be leased, owned and/or operated by various non-profit organizations. As well as provide funds for Sacramento Housing and Redevelopment Agency (SHRA) project areas and three additional financing projects.
- C. The City Council provided direction to the Treasurer's office to report back with the proposed financing structure to meet the city council's overall project priorities. Staff was also directed to develop policy recommendations regarding; rules of engagement with funding, deliverables, use of funding and critical timing as it relates to bond covenants.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

The City Council finds and determines that the statements in paragraphs A through C of the Background are true.

The Policy Directives as fully described in **Exhibit A** (herein incorporated) will be used as the guiding principles to ensure fiscal responsibility and accountability in the management of the 2006 CIRBs.

Section 1. The City Treasurer's Office will report back to City Council on the availability and programming of investment earnings and the status of projects as they relate to compliance with tax-exempt regulations and Policy Directives.

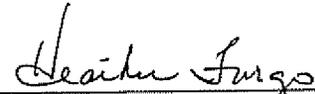
Adopted by the City of Sacramento City Council on May 23, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell Sheedy,
Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk

**2006 CIRB
CITY COUNCIL POLICY DIRECTIVES
(CRCIP and Loan Program)**

The Community Reinvestment Capital Improvement Program (CRCIP) is a policy decision by City Council to make a major investment in quality of life issues in the community. City Council wanted to also optimize the City's ability to invest in these projects while complying with tax laws. Finally, City Council wanted to optimize the economic benefit in the community in an appropriate time frame. To assure the realization of these objectives it is necessary to establish policies that will accomplish these objectives.

The CRCIP envisioned borrowing \$94+/- million to fund 24 separate Tier I projects for the City and Community non-profit organizations, as well as \$23.4 million for three other City-owned projects. The projects are all in different stages of development. Some projects are "shovel ready," while others require additional funding, and still others have not been sited, completed environmental work, or have construction drawings. Additionally, other projects need additional funding under the

The CRCIP projects, by City Council direction, will be primarily financed with the proceeds of the 2006 CIRB bond sale, not internal City funds. Traditionally, the City uses tax-exempt bonds to finance public improvements. However, the nature and readiness of certain CRCIP projects do not comply with tax-exempt financing regulations (i.e. hedge bonds, arbitrage, private activity), and therefore, those projects require the use of taxable bonds. Taxable bonds generally cost approximately 20% more than tax-exempt bonds.

The City Treasurer's Office has developed a preliminary financing structure based on an assessment of the current project status. However, in addition to current project status, there are future considerations that will subsequently impact the financing structure. In order to determine the final financing structure and comply with City Council's objectives it is necessary to develop Policy Directives. Accomplishing this will ensure optimal use of tax-exempt bonds, while also ensuring City Council's objectives are met. The following are offered as Policy Directives for City Council consideration and adoption.

1. **PROJECT STATUS:** The preliminary financing structure has been based upon current project status and assumes all projects funded with tax-exempt funding will be completed within three years. Failure to comply with this or other tax-exempt financing regulations can result in significant financial liability to the City, including treble damages (for the amount of bonds issued.) Finally, should the identified CRCIP projects not progress in a timely manner, sufficient time must be available to reprogram and expend the tax-exempt bond proceeds and accomplish City Council objectives.

Policy Directive

Preliminary Work: Projects that have not begun preliminary work which may include acquisition, community outreach, environmental, design, etc. within [12] months of July 1, 2006 (anticipated funding availability date), will be reassessed for continued funding or substitution of other projects.

Construction Work: Projects that have not commenced construction within [24] months of July 1, 2006, will be reassessed for continued funding or substitution of other projects.

Projects which are in this category at this time include:

- Animal Shelter Cattery Building*
- Art Rehearsal Space*
- Children's Theater of CA (B Street)*
- Crocker Art Museum Expansion*
- Discovery Museum*
- District Improvement Funding
- District 1 Improvements* - Alkali Flat Boys & Girls Club
- District 1 Improvements* - Stanford Teen Center
- District 2 Improvements*
- District 3 Improvements*
- Fairytale Town*
- George Sim Community Center*
- Indian Heritage Museum
- Intermodal Transportation Facility
- Memorial Auditorium Improvements*
- Neighborhood Park Improvements
- Oak Park Community Center Phase 2*
- Pocket Library*
- Regional Park Improvements*
- Sacramento Unity Center*
- So. Natomas Community Center Improvements*
- Valley Hi-North Laguna Library*

2. **EXTERNAL FUNDING SOURCES:** Several projects, specifically those associated with non-profit organizations, require some form of external funding to complete the identified project. If the external funding is not achieved, it is likely that the project will not be completed. Additionally, if the City bond funds are advanced without assurance that the project will be completed, it is highly unlikely that the City would be repaid and able to reprogram the proceeds for another project.

* Denotes in more than one Policy Directive Category

Policy Directive

City bond funds will not be advanced until such time that [50%] of the needed external funding is achieved.

Projects which are in this category at this time include.

- Arts Rehearsal Space*
- Children's Theatre of CA (B Street Theatre)*
- Crocker Art Museum Expansion*
- District 1 Improvements* (Alkali Flat, Teen Center, Charter School)
- Sacramento Unity Center*

3. **GRANT FUNDS:** Tax-exempt or taxable bond proceeds may be granted to non-profit organizations. Federal requirements on the use of tax-exempt bond proceeds can be eliminated thru the use of a grant. From a tax perspective the funds are considered expended at the time the grant is made. However, absent some form of agreement, from a policy perspective there can be no assurance that the funds would be used for the desired project.

Policy Directive

Agreements or MOUs with grantee organizations should be put in place to ensure project objectives will be met before funding is awarded.

Projects which are in this category at this time include:

- Arts Rehearsal Space* – see General Fund Loan Directive
- Children's Theatre of CA (B Street Theatre)*- e.g. located within City limits, External Funding in place
- Crocker Art Museum Expansion* – see General Fund Loan Directive
- Discovery Museum* – e.g. City owned unrestricted use
- District 1 Improvements* (Alkali Flat, Teen Center, Charter School) – e.g. Policy Directive regarding External Funding
- Fairytale Town* – e.g. City owned unrestricted use
- Sacramento Unity Center* – e.g. Policy Directive regarding External Funding
- Sacramento Zoo* – e.g. City owned unrestricted use

4. **GENERAL FUND LOANS:** In addition to the CRCIP, City Council authorized General Fund loans to three City related projects, two of which have non-profit affiliation. These loans while separate from the CRCIP are included in the overall City financing.

Policy Directive

Loan or Development Agreements with grantee organizations must be put in place prior to award of funding.

Projects which are in this category at this time include:

- Art Rehearsal Space* – e.g. Policy Directive regarding External Funding in-lieu of deferment of TIs
- Crocker Art Museum Expansion* – e.g. \$20 million associated with Lot X
- Haggin Oaks Development Site – e.g. Development Agreement in place

5. **CONTINGENCY:** The CRCIP includes a contingency of approximately \$11 million that is associated with 12 of the 28 Tier I projects. The contingency approximates 17% of these projects. Council has previously indicated that any use of the contingency should return to City Council for approval. As a result of interest rate increases that have occurred since City Council approval of the program there presently are not sufficient project funds to fully fund all Tier I projects and the anticipated \$11 million contingency. The Tier I project funds could be maintained through a prudent reduction in the contingency.

Policy Directive

Contingency is earmarked for Tier I construction projects and should not be reprogrammed to Tier II or other projects until assurance can be made that all Tier I projects have sufficient funding to be completed, and the contingency can be reduced at the time of bond sale of an amount not less than 12% of the Tier I projects that have a contingency, if such reduction is necessary to maintain project funds for all Tier I projects originally approved by City Council. City Council must approve all use of contingency

Projects which are in this category at this time include.

- Animal Shelter Cattery Building*
- Art Rehearsal Space*
- District 2 Improvements*
- District 3 Improvements*
- George Sim Community Center*
- Memorial Auditorium Improvements*
- Oak Park Community Center Phase 2*
- Pocket Library*
- Regional Park Improvements*
- Sierra 2 Restroom & Access Improvements
- So. Natomas Community Center Imp*
- Valley Hi-North Laguna Library*

6. **BOND PROCEEDS MANAGEMENT:** The CRCIP projects have been gross funded and not net funded as is customary for City financings. Therefore, the investment earnings pending expenditure of fund balance are not integral to meeting the objectives of the CRCIP. There is no time limit on the expenditure of investment income earned on taxable bond proceeds, whereas, the expenditure of investment earnings from tax-exempt must comply with federal regulations. Therefore, the investment income should be reported to City Council periodically for programming (as opposed to

EXHIBIT A
To Policy Directive

accumulating in the fund balance). Additionally, because of federal regulations on tax-exempt bond proceeds, routine reporting should be made to City Council.

Policy Directive

The City Treasurer's Office will report back to City Council [semi-annually] on the availability and programming of investment earnings and the status of projects as they relate to compliance with tax-exempt regulations and Policy Directives; and City Council authorize the use of investment earnings from the 2006 CIRB (excluding the SHRA component) unspent lease revenue bond funds to restore all Tier I projects should interest rates increase prior to the bond issue and a reduction in contingency funds previously described not be sufficient to offset the loss of project funds due to potential interest rate increases.

Policy Directives will assist the City Treasurer's Office to structure the CRCIP bonds to meet City Council objectives, manage the bond proceeds in compliance with federal regulations, and provide periodic report backs to City Council on program status.

-End-



PRIORITY PROJECTS	GENERAL FUND \$116,278,000	DOWNTOWN BOND \$11,053,000	FUND BALANCE \$3,600,000	LOT A PROCEEDS \$5,000,000	OTHER \$1,830,000
(1) Pocket Library	12,700,000				\$848,000
(2) Crocker Art Museum Expansion	\$2,000,000	\$8,000,000			
(3) Zoo Veterinary Hospital	1,200,000				
(4) Regional Park Improvements	5,000,000				
(5) Animal Shelter Cattery Building	\$1,500,000				
(6) George Sim Community Center	\$6,500,000				
(7) South Natomas Community Center Improvements	\$400,000				
(8) Sacramento Unity Center	\$2,000,000				
(9) Art Rehearsal Space (14/H) Land & Match for Building	\$9,000,000				
(10) Intermodal Transportation Facility-Variou Options	\$3,000,000				
(11) Oak Park Community Center Phase II	\$1,000,000				
(12) Sierra 2 Restroom & Access Improvements	\$175,000		\$600,000		\$450,000
(13) Valley Hi-North Laguna Library	\$16,000,000				\$532,000
(14) District 2 Improvements (streetlights, sidewalks, parks)	\$7,500,000				
(15) District 3 Improvements (Ben Ali curbs, gutters, streetlights & parks)	\$1,000,000				
(16) District 1 Improvements (Alkali Flat, Stanford-Teen Cntr, Charter Performing Arts)	\$1,500,000				
(17) Memorial Auditorium Historical Studies Group Request	\$3,053,000	\$3,053,000			
(18) Community Center Theater Design	\$0			\$5,000,000	
(19) Fairytale Town Fencing & Walkways	\$500,000				
(20) Children's Theater of CA (CTC-B Street)	\$1,000,000				
(21) District Improvement Funding	\$1,200,000		\$3,000,000		
(22) Neighborhood Park Improvements	\$0				
(23) Indian Heritage Museum	\$6,300,000				
(24) Discovery Museum-Gold Rush Exhibit	\$500,000				
City Contingency	\$11,000,000				
Tier I Funding Plan:	\$94,028,000				
(25) District 7 Facilities/Improvements	\$8,300,000				
(26) Neighborhood Infrastructure/CDBG eligible (streetlights, curbs/gutters & sidewalks)	\$5,000,000				
(27) Children's Theater of CA (CTC-B Street)	\$2,000,000				
(28) SMUD Underground Match	\$5,000,000				
(29) Sacramento Zoo Animal Exhibits	\$1,950,000				
Tier II Funding Plan:	\$22,250,000				

CDBG ADA Work

Attachment D



RESOLUTION NO. 2012-XXX

Adopted by the Sacramento City Council

May 14, 2013

AMENDING THE 2012-2017 CAPITAL IMPROVEMENT PROGRAM (CIP) TO ADDRESS CRITICAL INFRASTRUCTURE NEEDS UTILIZING EXISTING CAPITAL IMPROVEMENT REVENUE BOND (CIRB) PROCEEDS

BACKGROUND:

- A. Over the past 11 years the City has issued capital improvement revenue bonds to finance needed infrastructure and capital improvements. As of June 30, 2012 available fund balance in the 2002, 2003, and 2006 CIRB funds was \$5.4 million.
- B. On May 23, 2006 the City Council adopted policy directives (Attachment 4) for the City's Community Reinvestment Capital Improvement Program (CRCIP) funded by the 2006 CIRBs. The adopted policy directives require that the allocation of contingency be determined by City Council.
- C. The remaining fund balance for the CIRB funds proposed to be used are residual funds resulting primarily from interest earnings and unspent proceeds as a result of project savings. To avoid arbitrage issues it is important for the City to either allocate the remaining balances in these funds to new projects or toward debt service payments.
- D. In 1988 the City completed major renovations in Old Sacramento including the riverfront boardwalk and the installation of a barge with an elevator for access to the Delta King. These improvements are almost 25 years old and in need of significant repair and/or replacement. Additionally, a lawsuit has been filed against the City relative to ADA accessibility issues with the current boardwalks.
- E. In FY1999/00 the City established the Deferred Facility Maintenance Program to address maintenance and safety corrections at more than 400 facilities and properties owned by the City. When this program was originally established the identified backlog was \$23 million. Despite the fact that approximately \$18 million in projects have been completed under this program, the current backlog is estimated at \$36 million.

- F. The proposed funding recommendations reflect the requirements and restrictions of the various funding sources and Council policy to use one-time resources strategically.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Old Sacramento Infrastructure project (C13000730) to repair and/or replace the Delta King barge and historic boardwalks in Old Sacramento is established.
- Section 2. A \$3.25 million dollar budget in C13000730 utilizing restricted CIRB fund balances is approved as follows:
- \$600,000 in 2002 CIP tax-exempt Bond Funds (Fund 3002)
 - \$1.3 million in 2003 CIRB tax-exempt Funds (Fund 3003)
 - \$350,000 in 2006 tax-exempt CIRB Funds (Fund 3004)
 - \$1.0 million in 2006 taxable CIRB Funds (Fund 3005)
- Section 3. The City Manager is authorized to establish a \$1.4 million budget using tax-exempt CIRB Funds (Fund 3004) in the IT Equipment Replacement Program (A07000300) and transfer the existing General Fund appropriations (\$1.4 million) in A07000300 to the Old Sacramento Infrastructure project (C13000730).
- Section 4. A \$750,000 budget in tax-exempt CIRB Funds (Fund 3004) in the City's Deferred Maintenance Program (C13000500) is approved.