

CAPITAL IMPROVEMENT BUDGET OVERVIEW

2016 Capital Improvement Budget Process

The Fiscal Years 2016-2020 Capital Improvement Program (CIP) is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. For program purposes the City defines a capital improvement as a major improvement or acquisition costing over \$50,000 that will last 10 years or more. The program is updated annually to reflect the latest priorities, updated cost estimates and available revenue sources.

The purpose of the CIP is to outline the funding for capital projects and capital acquisitions that will be of a long-term benefit to the citizens of Memphis. Because projects in the CIP Plan have long term benefits, they are financed over a longer period of time. As a result, present and future users pay for the projects.

Preparing the Capital Improvement Program requires identifying the various sources of revenue for projects such as general obligation bonds, federal grants, state grants, private funds and Capital Pay As You Go. Each project must be evaluated as to its impact including the operational budgetary impact.

The CIP process begins in October with the submission of projects by each Division to the CIP committee. The CIP Committee is comprised of various Division representatives of the City's operations. The CIP Committee evaluate, scores and ranks projects by priority. Projects are ranked using various criteria such as the amount of funds available, importance to the overall mission of the Division, and strategic priorities of the City. Projects with the highest priority receive the available funding. The budget plan is reviewed the City's bond counsel and the Mayor, who will adjust final priorities. Any final adjustments are then incorporated. The final proposed CIP budget is presented to the City Council in April.

Adoption of the CIP budget by the City Council allows for the allocation of funds for the first year of the program. The **Capital Improvement Budget** is the annual allocation to the CIP that is set aside to fund major construction projects, acquire property, purchase equipment and fund ongoing capital programs for the City. The City attempts to budget annual G. O. Bonds specifically at an average of \$65.0 million per year. Specific language on how to appropriate and spend construction funds is contained in the CIP resolution. Projects allocated in previous years' Capital Budgets, that have been delayed, maybe reprogrammed, according to the priorities of the administration for spending in the new plan.

Financing the Capital Improvement Program

The City's proposed Capital Budget is \$188.9 million in total allocations for FY 2016. Listed below are our major sources for Capital Funding.

Long Term Debt

General Obligation Bonds, excluding G.O. for Storm Water which will be paid by the fund, are \$61.8 million or 32.73% of the total revenue for the FY 2016.

Federal Grants / State Grants

Federal and State grants represent \$22.0 million or 11.66% of the revenue in the FY 2016 Capital Budget. The majority of these Federal funds are for MATA projects and Public Works projects that qualify for Federal grants. State grants represent the State-matching portion of the MATA funds and Public Works projects that qualify for State funds.

Capital Pay-Go/CWSRF

The Sewer Fund current projects are funding by Capital-Pay-Go or Clean Water State Revolving Fund (CWSRF) loans. Projects funded by "Capital-Pay-Go" allocations represent internally generated funds. Sewer project funding is not represented in sewer bonds for the second year in a row. CWSRF loan is a line of credit which is available for the Planning, Design, and Construction Phases of wastewater facilities.



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The funds may be used for all three phases in any combination. Eligible projects include new construction or the upgrading/expansion of existing facilities and may encompass wastewater treatment plants, pump stations, force mains, collector sewers, interceptors, elimination of combined sewer overflows, and/or nonpoint source pollution remedies.

Capital Improvement Budget Highlights

Spending that aligns with current priorities is focused on projects that enhance the City's economic development strategy, projects that leverage federal or private funding, projects mandated by law, and projects that maintain existing facilities. The FY2016 CIP Budget places a strong emphasis on road paving as administration has included \$14.8 million in GO Bond funding in the capital budget.

Highlights of other priorities are:

The Fire Division - Funding made available for construction repairs on all fire stations and to purchase personal prevention equipment.

The Police Division – Funding made available for the purchase of In-Car Videos/GPS, a Mobile Command Unit and Communication Power Supply.

The Public Works Division -Funding made available to pave more than 400 lane miles of streets each year including ADA ramp improvements, and several road projects. The **Stormwater Fund** CIP budget will allow the City to make major investments in drainage infrastructure throughout the City. The **Sewer Fund** projects are for the repair and replacement of sewer infrastructure, new sewer connections and improvements to the treatment plants.

The General Services Division - The FY2016 GS funding features the Walter Simmons relocation project. Funding is also proposed to provide for major ADA improvements, and minor improvements to various City buildings. This budget also reflects \$9.6 million for City-wide vehicle and equipment purchases. Included in capital acquisition is funding for 115 police vehicles and 20 PST vehicle for police traffic responders. This area also includes requests funds for 3 fire engines.

Housing and Community Development - Budget funding included for MHA-Foote Cleaborn Future Hope and Mason Village COGIC projects.

The Engineering Division - Funding is included for replacement of traffic signals and transportation improvements.

Riverfront Development - Funding from FY2015 has been reprogrammed in the FY 2016 budget for repairs and replacement of historic cobblestone paving, water taxi system, and railroad crossing/ADA improvements.

The Memphis Area Transit Authority - This budget is heavily leveraged by Federal and State funding. This year's budget includes, repairs to the trolley system and infrastructure and also include the purchase of rail vehicles.

Parks and Neighborhoods - Funding will provide rehabilitation to the Pink Palace Planetarium and Museum in addition to various other city parks and facilities.

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The Impact of Debt Service Cost and Operating Cost for FY 2016

The financial impact of CIP projects is the annual cost of debt service. Debt service projects impacting the operational cost result from the issuance of General Obligation (G.O.) Bonds. The property tax rate finances the debt fund, which pays the debt service. As debt increases, larger portions of property tax revenue is assigned to debt, and therefore, reduces resources for operating costs.

This document lists all CIP projects totals for FY2016. All projects that are above a total cost of \$1.0 million in the CIP program for FY2016 are detailed below along with their related G.O. funding amounts, and the associated debt service payments and operating budget cost. The debt service payments will average 20-30 years depending on the project. Projects not detailed are either under \$1.0m or are considered as replacement investments for fully used existing capital assets. The cost to maintain these assets are in the current funding base. Therefore, these projects are budget neutral.

Division: General Services

Project Name: Walter Simmons/Overton Park Relocation **Project Number: GS01026**

To build a Centralized Facility for the Property Maintenance section that will be vacating the current Overton Park location.

G.O. Funding: \$6.0m

Debt Service Impact: \$75.0k
Operating Budget Impact: \$250k

Division: Housing and Community Development

Project Name: MHA-Foote Cleaborn Future Hope **Project Number: CD01034**

The South City CNI-Foote Homes Project is an aggressive effort that will provide new rental housing to a mixed income population. The Choice Neighborhoods Redevelopment area is approximately 2 sq. miles. The revitalized community will consist of approximately 460+ new units (420 replacement housing, LIHTC and Market Rate housing units); transformation of the CNI area to include demolition of existing dwellings, the Foote Homes site; improved park & open space, community facilities, library, neighborhood retail and comprehensive supportive services and programs. The physical plan will be implemented in multiple phases on the old Foote Homes site and in the surrounding neighborhood on acquired land. Other components include locating commercial and retail spacing along Vance Avenue and Fourth Street; construction of an early childhood center near Danny Thomas and Vance; and other neighborhood investments.

G.O. Funding: \$1.5m

Debt Service Impact: \$18.8k
Operating Budget Impact: None

Project Name: Mason Village

Project Number: CD02011

This project is predevelopment investments in the infrastructure and public space in support of the redevelopment of the area surrounding the historic Mason Temple and the I-55 Gateway known as COGIC Place. This project will address critical improvements to neighborhood assets and housing by replacing distressed housing and blight with nearly 80 units of new, highly quality, mixed income housing.

G.O. Funding: \$2.0m

Debt Service Impact: \$25.0k
Operating Budget Impact: None

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Division: Memphis Area Transit Authority (MATA)

Project Name: Rail Vehicles

Project Number: GA03026

MATA will purchase and renovate rail vehicles that have reached the end of their useful service life.

G.O. Funding: \$2.3m

Debt Service Impact: \$28.8k
Operating Budget Impact: None

Division: Police

Project Name: In-Car Video/GPS

Project Number: PS04022

This project will install mobile in-car video cameras and GPS tracking devices in 900 police cars. This project is spread out over a seven year lease to own period.

G.O. Funding: \$3.0m

Debt Service Impact: \$37.5k
Operating Budget Impact: \$175k

Division: Public Works

Project Name: Asphalt/Paving

Project Number: PW01272

This project funds the asphalt paving activities performed by the City or contracted out.

G.O. Funding: \$14.8m

Debt Service Impact: \$185k
Operating Budget Impact: \$5.1m

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Public Works Division – Sewer Fund

The Sewer Fund's current projects are funded by Capital-Pay-Go (CPG) or Clean Water State Revolving Fund (CWSRF) loans. CPG fund current project through the use of fund balance. CWSRF is a line of credit that is available for the Planning, Design, and Construction Phases of wastewater facilities. The funds may be used for all three phases in any combination. Eligible projects include new construction or the upgrading/expansion of existing facilities and may encompass wastewater treatment plants, pump stations, force mains, collector sewers, interceptors, elimination of combined sewer overflows, and/or nonpoint source pollution remedies.

The City currently has two active CWSRF loans. The first loan is for \$22 million and is associated with two projects. One project is an outfall modification at the M.C. Stiles Wastewater Treatment Facility (SW01001) and the other project is a lagoon expansion at the T.E. Maxson Wastewater Treatment Facility (SW02011). The second loan is for \$100 million and is associated with the sewer rehabilitation of the City of Memphis' collection system (SW05001). The term of each loan is 20 years.

Project Name: Rehab Existing Sewers

Project Number: SW02001

This project provides funds for the repair, rehabilitation or replacement of portions of the existing sewer collection and treatment system as needed. Any reprogrammed dollars for A&E, Land Acquisition, and Construction for FY16 will be funded by Capital Pay Go Sewer.

G.O. Funding: None

Debt Service Impact: None
Operating Budget Impact: None

Project Name: Sewer Assessment and Rehab

Project Number: SW05001

Service area wide sanitary sewer condition assessment and rehabilitation program in response to State/Federal mandates. Funding will be from the Clean Water State Revolving Fund (CWSRF) loan and Capital Pay Go-Sewer (CPG). Any reprogrammed dollars for FY16 will be funded by CWSRF or CPG.

G.O. Funding: None

Debt Service Impact: None
Operating Budget Impact: None

Project Name: South Plant Expansion

Project Number: SW02033

This project provides funds for the construction of additional primary clarifiers, blowers, ABF Towers, final clarifiers, screens, and additional ancillary structures/facilities, as needed in order to meet Federal and State requirements.

G.O. Funding: None

Debt Service Impact: None
Operating Budget Impact: None

Project Name: Stiles Plant Modification

Project Number: SW04009

This project is a cover line and provides funds for the construction of additional treatment facilities, modification of existing treatment facilities, and ancillary structures as need in order to meet Federal and State requirements. Any reprogrammed dollars for A&E or Construction for FY16 will be funded by Capital Pay Go Sewer.

G.O. Funding: None

Debt Service Impact: None
Operating Budget Impact: None

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Project Name: Covered Anaerobic Lagoon

Project Number: SW02011

This project will cover the remaining anaerobic sludge lagoon at Maxson Plant, expanding/renovating the existing dewatering/sludge handling/processing facilities and upgrading the maintenance facilities. These upgrades are in response to Federal and State mandates. Any reprogrammed dollars for A&E, Land Acquisition, or Construction for FY16 will be funded by Capital Pay Go Sewer.

G.O. Funding: None

Debt Service Impact: None

Operating Budget Impact: None

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Project Number	Project Name	Reprogrammed Amount	FY 2016	Total FY 2016
CITY ENGINEERING				
EN01003	URBAN ART	375,000	350,000	725,000
EN01004	TRAFFIC SIGNALS	0	700,000	700,000
EN01007	TRAFFIC CALMING DEVICES	282,000	300,000	582,000
EN01026	MEDICAL CTR STREETScape	3,940,000	0	3,940,000
EN01035	STP BIKE ROUTES	438,659	0	438,659
EN01036	STP PEDESTRAIN ROUTES	221,182	0	221,182
EN01037	CMAQ BIKE ROUES	1,750,000	0	1,750,000
EN01049	STP ISOL TRG SIGN IMPR - 1	3,900,620	0	3,900,620
EN01050	STP ISOL TRG SIGN IMPR - 2	3,431,981	0	3,431,981
EN01051	STP ISOL TRG SIGN IMPR - 3	3,118,820	0	3,118,820
EN01055	TRANSPORTATION ALTERNATIVES	136,000	0	136,000
EN01056	SIGN SHOP RELOCATION	500,000	0	500,000
EN01067	HSIP COVER LINE	0	200,000	200,000
	Total Engineering	18,094,262	1,550,000	19,644,262
CONVENTION CENTER				
GA01020	CONVENTION CENTER MAJOR MODIFICATIONS	0	1,500,000	1,500,000
	Total Convention Center	0	1,500,000	1,500,000
EXECUTIVE				
GA01021	GRANT COVER LINE	250,000	0	250,000
	Total Executive	250,000	0	250,000
FIRE				
FS02001	FIRE STATION REPAIRS	1,927,419	0	1,927,419
FS02011	REPLACE FIRE STATION #43	214,000	0	214,000
FS02027	EMA SIRENS	135,935	78,000	213,935
FS04001	PERSONAL PROTECTIVE EQUIP.	0	985,325	985,325
	Total Fire	2,277,354	1,063,325	3,340,679
GENERAL SERVICES				
GS01007	CITY WIDE MAJOR MAINTENANCE	0	2,880,000	2,880,000
GS01026	WALTER SIMMONS/ OV PARK (Relocate due to Eggleston)	0	6,000,000	6,000,000
GS0215A-G	CITY WIDE FLEET ACQUISITIONS	0	9,674,980	9,674,980
	Total General Services	0	18,554,980	18,554,980
HOUSING AND COMMUNITY DEVELOPMENT				
CD01034	CLEABORN HOPE VI	0	7,788,106	7,788,106
CD01094	SOUTH MEMPHIS ALLIANCE	0	650,000	650,000
CD02011	MASON VILLAGE	0	2,000,000	2,000,000
	Total HCD	0	10,438,106	10,438,106
MATA				
GA03001	MATA-SERVICE VEHICLES	0	300,000	300,000
GA03007	MATA-BUS REPLACEMENT	0	2,000,000	2,000,000
GA03011	MATA-PARATRANSIT BUS	0	300,000	300,000
GA03022	MATA-ADV PUBLIC TRANSPORTATION SYSTEM	0	1,000,000	1,000,000



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Project Number	Project Name	Reprogrammed Amount	FY 2016	Total FY 2016
GA03024	RAIL FACILITY IMPROVEMENTS	0	2,000,000	2,000,000
GA03025	BUS FACILITY IMPROVEMENTS	0	2,000,000	2,000,000
GA03026	RAIL VEHICLES	0	11,250,000	11,250,000
	Total MATA	0	18,850,000	18,850,000

PARKS & NEIGHBORHOODS

PK07114	PARKS COVER LINE	0	3,135,000	3,135,000
PK07115	DENVER PARK	704,000	0	704,000
PK08017	PINK PALACE REHABILITATION	2,000,000	900,000	2,900,000
PK08033	RADIO TOWER MAINTENANCE	0	160,000	160,000
PK08034	TEEN LEARNING LAB	0	175,000	175,000
PK08035	WYPL-TV AND RADIO EQUIPMENT	0	190,000	190,000
PK09002	ZOO MAJOR MAINTENANCE	0	250,000	250,000
	Total Parks & Neighborhoods	2,704,000	4,810,000	7,514,000

POLICE

PD02004	POLICE FACILITIES RENOVATIONS (Academy , Evidence Room)	187,827	0	187,827
PD04022	IN-CAR VIDEO / GPS	380,000	4,500,000	4,880,000
PD04023	COMMUNICATION'S POWER SUPPLY	0	450,000	450,000
PD04024	MOBILE COMMAND	0	212,192	212,192
	Total Police	567,827	5,162,192	5,730,019

PUBLIC WORKS

PW01023	SECOND /I-40 / CEDAR	3,952,000	0	3,952,000
PW01025	WINCHESTER / PERKINS	1,265,000	0	1,265,000
PW01056	HOLMES - MILLBRANCH TO EAST	2,005,000	0	2,005,000
PW01058	WALNUT GROVE / BEND/ ROCKY POINT	5,355,000	0	5,355,000
PW01059	FOREST HILL/ IRENE /WALNUT GROVE	200,000	0	200,000
PW01064	ELVIS PRESLEY/SHELBY/WINCHESTER	35,939,087	0	35,939,087
PW01179	HOLMES ROAD EAST MALONE -LAMAR	7,094,000	0	7,094,000
PW01181	POPLAR/SWEETBRIAR INTERCHANGE	2,200,000	0	2,200,000
PW01199	STP REPAVING	11,148,000	0	11,148,000
PW01245	STP BIKE / PED GROUP	674,120	0	674,120
PW01246	IP INFRASTRUCTURE	450,000	0	450,000
PW01251	CORNING PED IMPROVEMENTS	131,300	0	131,300
PW01252	BROOKS ROAD BRIDGE REPAIR	1,447,000	0	1,447,000
PW01253	SAM COOPER BRIDGE REPAIR	332,000	0	332,000
PW01254	STP GROUP 5 RESURFACING	7,830,000	0	7,830,000
PW01255	CHELSEA AVENUE GREENLINE	280,882	0	280,882
PW01256	OVERTON PARK - COOPER ST TRAIL	31,200	0	31,200
PW01257	SHELBY FARMS GREENLINE TRAIL	375,000	0	375,000
PW01258	ROW UTILITY USAGE STUDY	700,000	0	700,000
PW01260	SANDBROOK REALIGNMENT	500,000	0	500,000
PW01261	PAUL LOWERY ROAD EXTENSION	2,300,000	0	2,300,000
PW01262	PATTERSON REALIGNMENT	240,000	2,110,000	2,350,000
PW01269	VOLLINTINE EVERGREEN COMMUNITY ASSOC PAVING	0	210,000	210,000
PW01270	TENNESSEE BREWERY	0	2,500,000	2,500,000
PW01272	ASPHALT / PAVING	0	14,790,000	14,790,000
PW02034	STP BRIDGE REPAIR @ VARIOUS LOCATIONS	100,000	0	100,000
PW04007	ADA CURB RAMP	336,279	2,500,000	2,836,279
PW04024	SIDEWALK REPLACE VARIOUS	199,500	450,000	649,500

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Project Number	Project Name	Reprogrammed	FY 2016	Total FY 2016
		Amount		
PW04066	SAFE ROUTE TO SCHOOL - ROZELLE	40,000	0	40,000
PW04094	WALKER AVE STREETSCAPE	699,436	0	699,436
PW04097	BLIGHT CROSSTOWN	1,000,000	0	1,000,000
PW04102	RIVERDALE RELOCATION	0	600,000	600,000
PW04103	WALKER AVE STREETSCAPE PHASE 2	0	95,000	95,000
PW04108	BINGHAMPTON GATEWAY COMMERCIAL CENTER	0	300,000	300,000
Total Public Works		86,824,804	23,555,000	110,379,804

RIVERFRONT DEVELOPMENT CORPORATION

GA01004	COBBLESTONE LANDING	7,022,218	0	7,022,218
GA01018	RAILROAD CROSSING / ADA IMPROV	1,700,000	0	1,700,000
GA01019	WATER TAXI SYSTEM	900,000	0	900,000
Total Riverfront Development Corporation		9,622,218	0	9,622,218

STORM WATER

ST01089	BARTLETT RD / FLETCHER ST	6,138,960	0	6,138,960
ST03006	DRAINAGE -ST	39,804,088	0	39,804,088
ST03008	SUBDIVISION DRAINAGE -ST	1,000,000	0	1,000,000
ST03059	FLOOD CONTROL -ST	8,311,516	300,000	8,611,516
ST03083	BRIDGE REPAIR STORM WATER	4,680,616	0	4,680,616
ST03084	WATKINS STORM WATER	852,295	0	852,295
ST03098	MAJOR DRAINAGE REHAB / REPLACE	28,002,839	0	28,002,839
ST03111	AIRWAYS OVER NONCONNAH	8,836,168	0	8,836,168
ST04010	CURB AND GUTTER - ST	5,813,348	0	5,813,348
ST04038	STORMWATER POLLUTION - ST	12,250,000	0	12,250,000
ST04041	ENVIRONMENTAL PERMITTING - ST	1,991,987	0	1,991,987
Total Storm Water		117,681,817	300,000	117,981,817

SEWER

SW01001	MISC SUBDIVISION OUTFALLS	20,036,001	0	20,036,001
SW02001	REHAB EXISTING SEWERS	18,151,545	20,000,000	38,151,545
SW02006	SLUDGE DISP/EARTH COMPLEX	7,050,266	0	7,050,266
SW02011	COVERED ANAEROBIC LAGOON	18,187,816	8,500,000	26,687,816
SW02033	SOUTH PLANT EXPANSION	54,219,962	50,000,000	104,219,962
SW03001	SERVICE TO UNSEWERED AREAS	6,034,886	0	6,034,886
SW04004	WOLF RIVER INTERCEPTOR	25,278,344	0	25,278,344
SW04007	ENVIRONMENTAL MAINT RELOCATION	8,000,000	2,100,000	10,100,000
SW04009	STILES PLANT MODIFICATION	17,835,550	2,500,000	20,335,550
SW05001	SEWER ASSESSMENT AND REHAB	34,959,567	20,000,000	54,959,567
Total Sewer		209,753,937	103,100,000	312,853,937

GRAND TOTAL FY 2016	447,776,219	188,883,603	\$ 636,659,822
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