

FY2020-24 CIP Overview



AGENDA

- CIP Goal – 100% funded and Deliverable 5-year CIP
- Economy
- FY2020-24 Requested CIP/Resources
- Major project review
- Policy Discussion
- Next Steps

FY2020-24 CIP Overview



CIP GOAL

- Develop a fully funded and deliverable 5-year CIP by June 30, 2019
 - Scope, Cost and Timelines
 - FY2019 adopted “minimal CIP”
 - Established Project Reserves



FY2020-24 CIP Overview

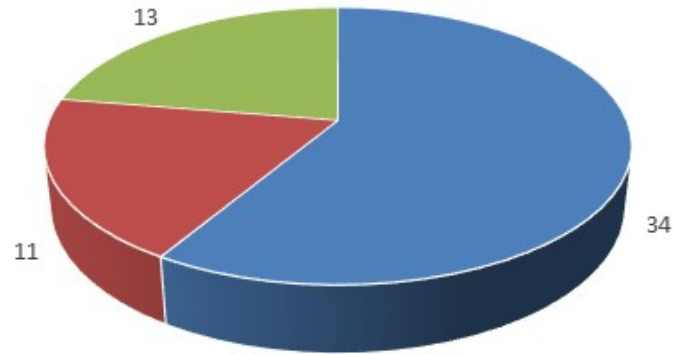
CIP GOAL - WORK DONE TO DATE

- Current CIP
 - Monthly meetings
 - Accountability
 - Project change forms
 - Documented scope changes
 - Contracted CIP Manager

FY2020-24 CIP Overview



CIP GOAL – WORK DONE TO DATE



- Projects projected to be complete in FY19
- Projects that were scheduled for completion in FY19, but will not.
- Multi-year projects



FY2020-24 CIP Overview

CIP GOAL - WORK DONE TO DATE

- FY2020-24 CIP
 - Project Scopes, Timelines & Costs
 - Department Development
 - Project Management team review
 - Project Management & Budget Team
 - Outside Cost Estimator
 - Available Resources
 - Funding & Staffing

FY2020-24 CIP Overview



ECONOMY

MENU

News

National Construction & Dev

Construction Cost Increases Are Unrelenting

June 27, 2018 | Dees Stribling, Bisnow National

*Want to get a jump-start on upcoming deals? Meet the major players at **one of our upcoming national events!***

Construction costs are continuing on their upward trajectory, according to Turner Construction Co., whose **Turner Building Cost Index** rose by 1.68% from Q1 to Q2, and 5.63% since a year ago.

CONSTRUCTION DIVE Deep Dive Opinion Data Library Events Jobs Topics

BRIEF

Construction costs increased for 23rd consecutive month

FY2020-24 CIP Overview



FY2020-24 CIP (NON-UTILITY)

	Resources
General Fund	\$57.3 Million
Asset Management	\$10.8 Million
GO Bonds - Maintains \$1.74 Rate	\$60.0 Million
Development Impact Fees	\$70.9 Million
Other	\$4.0 Million
TOTAL	\$203.0 Million

FY2020-24 CIP Overview



FY2020-24 CIP (NON-UTILITY)

	Initial Requests
General Fund	\$96.7 Million
Asset Management	\$12.8 Million
GO Bonds - Maintains \$1.74 Rate	\$94.9 Million
Development Impact Fees	\$107.1 Million
Other	\$4.0 Million
TOTAL	\$315.6 Million

FY2020-24 CIP Overview



FY2020-24 CIP (NON-UTILITY)

	Resources	Initial Requests	Difference
General Fund	\$57.3 Million	\$96.7 Million	(\$39.4 Million)
Asset Management	\$10.8 Million	\$12.8 Million	(\$2.0 Million)
GO Bonds - Maintains \$1.74 Rate	\$60.0 Million	\$94.9 Million	(\$34.9 Million)
Development Impact Fees	\$70.9 Million	\$107.1 Million	(\$36.2 Million)
Other	\$4.0 Million	\$4.0 Million	\$0
TOTAL	\$203.0 Million	\$315.6 Million	(\$112.6 Million)

FY2020-24 CIP Overview



FY2020-24 CIP (NON-UTILITY) – WORK IN PROGRESS

	Resources	Initial Review	Difference
General Fund	\$56.6 Million	\$44.1 Million	\$12.5 Million
Asset Management	\$12.4 Million	\$12.4 Million	\$0
GO Bonds - Maintains \$1.74 Rate	\$60.0 Million	\$60.0 Million	\$0
Development Impact Fees	\$56.4 Million	\$73.9 Million	(\$17.5 Million)
Other	\$10.1 Million	\$10.1 Million	\$0
TOTAL	\$195.5 Million	\$200.5 Million	(\$5.0 Million)



FY2020-24 CIP Overview

FY2020-24 CIP POLICY QUESTION AREAS

- Revenue Expansion
 - Development Impact Fees (DIFs)
 - GO Bonds
 - Excise Tax Bonds
 - Other?
- Phasing/Delay of projects
- Scope Changes

FY2020-24 CIP Overview



CIP GOAL - WORK DONE TO DATE

- Project Costs Increasing
 - Initial Budget Estimates were wrong
 - Cost Increases/Economy
 - Keeping Budget at the forefront
 - Scope Changes
- Review of High Profile/High Dollar projects

FY2020-24 CIP Overview



FY2020-24 CIP - PROJECT COSTS

	Original (FY2019)	Requested
Surface Water Treatment Plant		
- GO Bonds	\$7,500,000	\$7,500,000
- Development Impact Fees (North)	\$40,549,900	\$65,172,300
- Development Impact Fees (South)	\$24,000,000	\$31,207,400
- Water Bonds	\$30,331,300	\$20,758,575
- Water Operations (cash)	\$4,361,700	\$4,361,700
TOTAL	\$106,842,900	\$129,000,000

FY2020-24 CIP Overview



FY2020-24 CIP PROJECT COSTS

- Surface Water Treatment Plant (21% Increase)
 - Impact Fees
 - Based on lower cost project
 - Rate Impacts
 - Operations financing future impact fees
 - Bond Payments will be factored into 5-year forecast



FY2020-24 CIP Overview

FY2020-24 CIP - PROJECT COSTS

	Original (FY2018)	Requested
Recreation Center (\$24.3 million)		
- GO Bonds	\$8,735,700	\$19,554,400
- General Fund	\$0	\$4,777,200
Aquatics Facility (GO)	\$8,494,700	\$12,010,400
30-Acre Park (DIF)	\$10,539,400	\$19,911,200
Infrastructure (General Fund)	\$7,241,800	\$7,083,800
TOTAL	\$38,386,300	\$63,337,000



FY2020-24 CIP Overview

FY2020-24 CIP PROJECT COSTS

- Recreation Campus (67% Increase)
 - Impact Fees (Park)
 - Based on lower cost project
 - General subsidy sets precedent
 - General Obligation Bonds
 - Uses last of voter authorization for P&R Facilities (\$32.1 million)
 - Impacts ability to fund other projects within \$1.74 rate
 - General Fund One-Time
 - Impact on ability to fund other projects



FY2020-24 CIP Overview

FY2020-24 CIP - PROJECT COSTS

	Original (FY2019)	Requested
Fire Station 181		
- GO Bonds	\$6,431,000	\$11,445,500
Fire Station 186 (EMR)		
- Development Impact Fees	\$5,765,400	\$9,015,300
Fire Station 188 (W Goodyear)		
- Development Impact Fees*	\$6,397,900	\$11,883,000
TOTAL	\$18,594,300	\$32,343,800

*FY2018 CIP Amount



FY2020-24 CIP Overview

FY2020-24 CIP PROJECT COSTS

- Fire Stations (74% Increase)
 - Impact Fees
 - Based on lower cost project
 - General subsidy sets precedent
 - General Obligation Bonds
 - Uses larger portion of remaining capacity
 - Impacts ability to fund other projects within \$1.74 rate
 - General Fund One-Time
 - Impact on ability to fund other projects



FY2020-24 CIP Overview

FY2020-24 CIP POLICY QUESTIONS

- Development Impact Fees (DIFs)
 - Should we plan on increasing DIFs to the level required to fund projects?
 - Should we plan on introducing the use of other resources to pay for growth related projects?
 - Should we reduce scope of projects to meet funding availability and IIP intent?
- GO Bonds
 - Should we plan on a bond election within the 5-year period?
 - Should we evaluate an increase of the \$1.74 tax rate?
- Excise Tax Bonds
 - Should we plan on building growth related projects prior to having the cash on hand?
 - May we consider the General Fund as a “co-signer” on DIF issued bonds?
- Phasing/Delay of projects
 - May we consider a delay/phasing associated with elements of the Recreation campus to explore additional GO Bonding Authorization?

FY2020-24 CIP Overview



FY2020-24 CIP NEXT STEPS

- Management to review CIP with tonight's input
- Recommended CIP presented to council on April 15th with CM Recommended budget