

FY 2005/06 – FY 2009/10 Capital Improvement Program

Introduction

The Capital Improvement Program (CIP) is a projection of the City's capital investments plan over a five-year period. The CIP is both a fiscal and planning device that allows the City to monitor all capital project costs, funding sources, departmental responsibilities, and timing. Each year the CIP is reviewed within the context of ongoing City, County, State, and Federal planning programs and policies. Capital investments involve major City projects that normally have long useful lives.

The CIP contained herein includes five years of projected capital needs. The first year of the program will become the capital budget for which project money will be authorized. The remaining four years of the CIP will serve as a financial plan for capital investments. The financial plan will be reviewed each year as the CIP is updated and prepared.

Organization of the CIP

The CIP is broken into three sections. The first section, shown below, describes some of the various funding sources used in the five year capital plan. The second section is a one page summary of the funding sources by year and the projected costs for the eight categories. The third section displays projects grouped into one of the eight categories.

The eight categories are: Recreation/Parks; Libraries; Street Improvements; Downtown Projects/Municipal Facilities; Wastewater; Electric Systems; Water Systems; and Commercial Entertainment Venues. Each of the categories displays the projected costs for each of the next five years as well as the projects included in that category. Each project has the FY 2005/06 cost, either the five year cost of the project or if it is a "one-time" project the total cost, and a brief description of each project.

Financing the CIP

The following are the major sources used to finance the projects presented in the CIP:

- *General Fund* – Funding received from the General Fund is for sidewalks, curbs and gutters.
- *Redevelopment Agency Funds* – A group of funds established to account for the acquisition, relocation, demolition, construction, and sale of property for those portions of Anaheim eligible for redevelopment related activities. Financing is provided by property tax increment and bond proceeds.
- *Capital Outlay-General* – This fund is earmarked for capital projects at the discretion of the City Council. The current balance in the fund is from a FY 1999/00 transfer from the General Fund of \$12.6 million.

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- *City Improvements-Reserves* – The source of these funds is developer fees paid in lieu of street improvements. These funds are held until sufficient developer contributions are received to make specific street improvements practical.
- *Community Development Block Grant (CDBG)* – the Federal Housing and Community Development Act provides financing. The funds are used to rehabilitate privately held homes and government infrastructures.
- *Community Improvements Fund (Comm. Imp.)* – a fund of the City that was created in FY 2001/02 to account for funds dedicated to making improvements in Anaheim neighborhoods. The revenue is derived from the fiscal success of the City’s tourism and economic development efforts.
- *Gas Tax* – Financing is provided by the City’s share of Federal, State and local gasoline taxes. State law requires that gasoline taxes be used to improve and maintain streets.
- *Measure M* – an initiative passed by Orange County voters to fund transportation improvements using revenue generated by a countywide half-cent sales tax. The various cities of Orange County receive funding from the Orange County Transportation Authority and are required to spend the monies on transportation projects.
- *Sewer and Storm Drain Construction Funds* – These funds are established by fees charged to residential and commercial developers to provide financing for capital improvements.
- *Parksites and Playgrounds* – State and Federal reimbursement programs provide financing in conjunction with fees charged to residential and commercial developers. The fund accounts for the development of new parksites and playground facilities.
- *VLF Gap Loan Financing* – The FY 2003/04 California budget “borrowed” a portion of the Vehicle License Fee (VLF) backfill owed to local agencies. This VLF gap loan is to be repaid by the State in FY 2006/07. The California State Association of Counties (CSAC) and the League of California Cities sponsored legislation that permits local agencies to sell their VLF gap loan receivable to a third party and get the money as early as March 2005, rather than waiting until FY 2006/07. The California Statewide Communities Development Authority (CSCDA) issued fixed rate bonds on a taxable and tax-exempt basis and used the proceeds to purchase VLF receivables and pay financing costs. For local agencies, such as Anaheim, who participated in the program, CSCDA bondholders will look only to the State for repayment, not to the cities and counties.
- *Electric Utility* – Funding from the services rendered on a user surcharge basis to residents and businesses located in Anaheim. These sources also support the operation of the utility. The capital portion is used in part for underground conversions, transmission and distribution, and substations.

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- *Water Utility* – Funding from the services rendered on a user surcharge basis to residents and businesses located in Anaheim. This revenue source also supports the operation of the utility. The capital portion is used in part for new transmission and distribution systems, production system improvements, production system replacements, and special facility projects.

The following table illustrates the estimated operational impact of various capital projects adopted as part of the FY 2005/06 budget. If a project is not shown it will have no significant operational impact.

<u>Capital Project Name</u>	<u>Annual Estimated Amount</u>
W Anaheim Community Ctr/PD Substation	\$815,000
E Anaheim Gymnasium	308,000
Platinum Triangle Park	100,000
Maxwell Park Expansion	80,000
Ross Park Home Oil Site Acquisition	60,000
Burris Pit Park	50,000
Avon-Dakota Park	20,000
Paul Revere Park	20,000
John Marshall Soccer Field Lighting	15,000
Park Security Lighting	5,000
Anaheim Heritage Center	10,000
Haskett Branch Library	1,025,000
East Hills Library	585,000
Canyon Rim Lighting	15,000