

# RESERVED BOND CAPACITY/CASH CAPITAL FUNDING

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## Reserved Bond Capacity/Cash Capital Funding

As part of the Approved FY 2018 – FY 2027 CIP, City Council approved the creation of a blue-ribbon task force to supervise the development of a joint City and Schools plan to address the facility capacity and maintenance needs of the City’s and ACPS’ public buildings. The committee was designated the Ad Hoc Joint City/School Facilities Investment Task Force (the “Task Force”).

The Task Force was charged with the following tasks:

- Develop and recommend a long-range joint City/Schools municipal facilities Capital Improvement Plan;
- Determine opportunities for joint facility/site/co-location opportunities for City and School programs;
- Review and recommend municipal facility planning and civic engagement principles, standards, and practices;
- Review and recommend alternative capital project delivery methods and project management structures;
- Review and recommend governance of capital planning and project delivery; and
- Review and recommend asset management practices.

In addition to creating the Task Force, City Council also approved the addition of 3 cents to the real estate tax rate beyond the 2.7 cent increase in the Proposed FY 2018 budget to be used to address the recommendations of the Task Force. Over the FY 2018 – FY 2027 plan, this 3-cent increase on the real estate tax rate was projected to raise \$130.1 million in additional revenue to address City and School facility needs. This new revenue was combined with previously planned funding for major City and School facility maintenance/replacement projects for prioritization by the Task Force.

On November 4, 2017, the Task Force presented its initial recommendations to the City Council regarding the portfolio of City and School capital projects that should occur in the next ten years. On January 30, 2018, the Task Force presented its final recommendations to City Council and the School Board, which outlined improvements that City Council and the School Board should pursue to improve project development, explore alternative delivery methods, improve preventative maintenance practices, and to promote better cooperation and joint-ness between the City and School capital programs. City and School staff continue to work together on how to best operationalize the Task Force recommendations, including the following initiatives:

- Conducting the joint City Council/School Board Visioning Sessions (May 2018 & September 2018);
- On-going development of the Joint City-ACPS Facilities Master Plan;
- Fall CIP worksessions to provide additional time to deliberate on capital needs and proposed project solutions; and
- Regular meetings of the Joint City-School Capital Management Council;
- Conducting a review of public-private partnership (P3) opportunities for City and School capital projects;
- Joint conducting of a Preventative Maintenance System and Staffing Study; and
- Codifying processes for more joint planning of school modernization projects and co-location opportunities.

The Proposed FY 2021 – FY 2030 CIP continues to reflect the recommendations of the Task Force. The School Board Approved FY 2021 – FY 2030 CIP also continues to be largely consistent with the recommendations of the Task Force. Over the ten year plan, the City Manager’s Proposed CIP fully funds the School Board Approved FY 2021 – FY 2030 CIP, which will provide sufficient funding to execute the recommendations of the Task Force.

### **Funding Held in Contingency**

As part of the development of the Proposed FY 2021 – FY 2030 CIP, staff undertook a significant review of current and new projects to better standardize project development and costing. This included a more consistent approach to applying contingencies and cost escalation to projects. As such, the funding originally held in contingency by the Task Force’s recommendations has largely been moved to individual projects.

The City's capital program continues to hold funding in reserve related to joint projects and land acquisition:

- **City & School Land Acquisition and DCHS Colocation Investment** – funding (\$40 million in FY 2019), set aside for land acquisition opportunities. This contingency line reserves bond capacity for land acquisition, however the City will likely not borrow these funds until a clear land acquisition opportunity comes available. In FY 2020, \$1.02 million of this contingency was used to purchase abutting properties immediately adjacent to the Douglas MacArthur Elementary School, comprising nearly 25,000 square feet that will be used to provide ACPS with needed flexibility in designing and constructing an appropriate educational facility with corresponding site requirements to accommodate capacity and structural issues.
- **Witter/Wheeler Campus Funding Reservation (includes ACPS Transportation Facility)** – funding (\$38.7 million) set aside to redevelop the Witter/Wheeler Campus which includes both City and ACPS facilities. The City and ACPS continue to work on the Witter/Wheeler Master Plan process, which will inform the scope and direction of this redevelopment. Additionally, several studies are underway that will inform the master planning process, including a Storm Water Mitigation Study, a study on the facilities impact/needs assessment for electrification of the DASH bus fleet, and a Fleet Consolidation study.

The table on the following page outlines the various categories of contingency funding included in the Proposed FY 2021 – FY 2030 CIP.

Task Force Recommendations & Contingency Funding

Items	Through 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	TOTAL FY 2021 - 2030
Witter/Wheeler Campus Funding Reservation	-	-	-	4,000,000	7,000,000	7,000,000	7,000,000	7,000,000	-	-	-	32,000,000
Witter/Wheeler Planning & Feasibility	346,000	-	-	-	-	-	-	-	-	-	-	-
Witter/Wheeler - Schools Transportation Facility (In Schools Section)	-	-	6,710,000	-	-	-	-	-	-	-	-	6,710,000
City & School Land Acquisition Reservation	40,000,000	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>40,346,000</b>	<b>-</b>	<b>6,710,000</b>	<b>4,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,710,000</b>