

Introduction

To provide new facilities and to meet the changing community needs, the Capital Improvement Program (CIP) is a long-term plan addressing ongoing City infrastructure needs through replenishment and replacement projects. For the next five years, the CIP outlines this program. The CIP's first year is the only appropriated year, and the subsequent years are planning parameters and are future indications of needs tied to future estimated resources.

The CIP is programmed in six specific program areas:

- **Education** – This program area is comprised of projects that are specifically school related. These include school replacement and ongoing existent aging facility repairs. Funding for these projects come from three sources: the City's ongoing commitment to fund a range of \$3 to \$4 million of new debt a year, state lottery proceeds, and state construction funds.
- **Drainage and Street Improvements** – Through the Stormwater Fund and the Virginia Department of Transportation funding, there are a number of infrastructure improvement projects making up this program grouping.
- **Industrial and Economic Development** – This area represents those projects providing for the community's common good. These projects include gateways, pedestrian paths, neighborhood projects, and economic development support.
- **Municipal Facilities** – As the municipal facilities continue to age and maintenance becomes expensive, there is an existing facility need for replacement and refurbishment. This funding also includes projects to meet the changing dynamics of residential and commercial densities and also new facilities.
- **Leisure Services** – This program area is comprised of projects such as outdoor athletic lighting, Cavalier Manor Athletic Complex and Churchland Park field renovations. These projects will improve the physical appearance of structures within the City's neighborhoods and improve recreational facilities throughout the City.
- **Public Utilities** – Through the Public Utilities Enterprise Fund, projects are funded for the water and sewer system replacement and renovation. To ensure a secure City water supply, the City water system is aging and requires ongoing repair and rehabilitation.

The CIP prioritization was essential in developing an affordable funding schedule. To achieve this, several principles were used to establish priority funding and allocation.

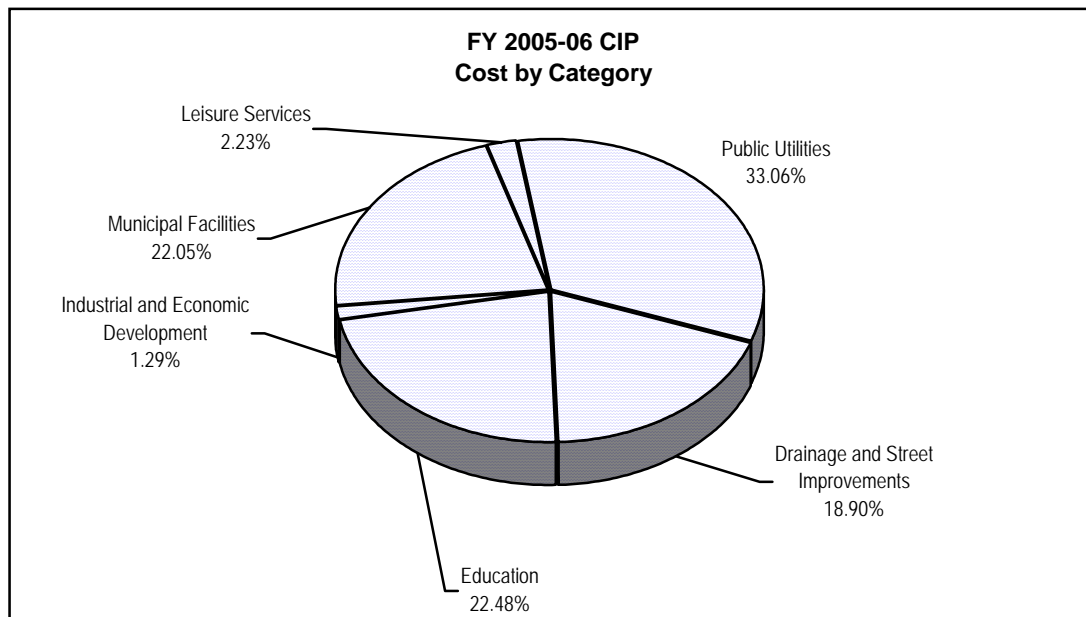
- Maintain debt affordability
- Priority for Public Safety and Education projects
- Address ongoing maintenance and replacement needs
- Priority to projects supporting private development
- Schedule funding in the year to be spent

As part of the new City Council vision adopted January 11, 2005, *Bold Leadership for the Future*, the City Council continues to embrace the following financial strategies: Balance the needs for new facilities, provide ongoing aging infrastructure maintenance, and meet the funding elements to support imminent major economic development projects. The proposed CIP represents the prioritization essential to the City's lasting financial sustainability.

Capital Improvement Program Summary

CIP Summary of Program Categories							
Funding to Date	Unappropriated Subsequent Years						Total
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10		
Drainage and Street Improvements	\$30,735,477	5,633,645	3,250,845	3,660,232	3,660,232	3,660,232	50,600,663
Education	20,042,266	6,702,289	11,352,401	9,061,885	5,907,639	5,980,328	59,046,808
Industrial and Economic Development	25,238,573	383,000	4,435,000	2,200,000	2,200,000	100,000	34,556,573
Municipal Facilities	22,764,340	6,575,000	22,430,500	22,575,000	2,600,000	925,000	77,869,840
Leisure Services	2,055,068	665,000	495,000	430,000	360,000	360,000	4,365,068
Public Utilities	40,775,393	9,860,000	12,362,500	13,944,000	14,400,000	14,379,000	105,720,893
Total Funding	\$141,611,117	\$29,818,934	\$54,326,246	\$51,871,117	\$29,127,871	\$25,404,560	\$332,159,845

The table above indicates each CIP year programmed amount. Funding totaling \$141.6 million of previous year's funding has been provided and includes prior and current year appropriations. Until these projects are closed or are completed, they will continue to appear in the CIP document.



Capital Improvement Program Summary

As the pie chart above indicates, 73.19% of the CIP funding is designated for Municipal Facilities, Education, and Public Utilities. Based on water and sewer rates generated in the Public Utilities Enterprise fund, the Public Utilities CIP is totally self-supporting.

The majority of the funding for the CIP is generated through the issuance of debt. The use of Public Utility Revenue Bonds or General Obligation Bonds allows the City to pursue large projects and finance them over time, much like a home mortgage.

	Funding to Date	Unappropriated Subsequent Years					Total
		FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	
Prior Year Funding to Date	\$141,611,117						141,611,117
General Obligation Bonds		10,103,129	29,135,500	32,548,492	10,015,274	6,660,000	88,462,395
Sale of Property		650,000	-	-	-	-	650,000
Public Utilities Supported Debt		9,860,000	12,362,500	13,944,000	14,400,000	14,379,000	64,945,500
Stormwater Funding		2,375,845	1,775,845	2,185,232	2,185,232	2,185,232	10,707,386
Fund Balance - City		2,000,000	-	-	-	-	2,000,000
Transfers		-	-	-	-	-	-
City Funding from the Cmmnwealth		100,000	1,500,000	-	-	-	1,600,000
VDOT Funding		1,700,000					1,700,000
Literary Loan		-	7,500,000	-	-	-	7,500,000
Virginia School Construction Funds		359,757	352,068	352,068	352,068	352,068	1,768,029
Virginia Lottery Proceeds		1,432,008	1,444,135	1,444,135	1,444,135	1,444,135	7,208,548
Schools - funds brought forward		1,038,195	56,198	1,197,190	531,162	184,125	3,006,870
Parking Authority CIP		200,000	200,000	200,000	200,000	200,000	1,000,000
Total Funding	\$141,611,117	29,818,934	54,326,246	51,871,117	29,127,871	25,404,560	\$332,159,845

Capital
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