

Pinellas County Capital Improvement Program, FY2010 Through FY2015

INTRODUCTION AND BACKGROUND

Introduction to the Six-Year Capital Improvement Program (CIP)

The Pinellas County Capital Improvement Program (CIP) is a comprehensive plan of proposed capital projects, intended to identify and balance the capital needs of the community within the fiscal capabilities and limitations of the County. It is primarily a planning document and is updated annually and subject to change as the needs of the community become more defined and the adopted projects move closer to final approval.

The first year of the program is the basis for actual appropriations authorized by the Board of County Commissioners for capital projects when adopting the Annual Budget.

The remaining five years are a guide for the future development of the County's new and replacement infrastructure needs. The overall CIP schedule is formulated to reflect County priorities and needs, by taking into consideration the County's goals and policies, strategic plan, urgency of a project, the County's ability to administer a project, the involvement of outside agencies, and the potential for future project funding.

The CIP brings together needs identified through many capital processes. Projects are established in the CIP based on input from citizen requests and prior public discussions, safety needs, planned rehabilitation cycles, grant funding processes, County staff, and Commissioners, as well as the County's mandated Growth Management Plan, Metropolitan Planning Organization's (MPO) Long Range Transportation Plan, and other County master plans. While capital projects originate from a variety of sources, projects most often come forward through the sponsoring department that is responsible for their implementation.

Primary funding for capital improvements comes from a number of dedicated sources. Largest sources include the "Penny for Pinellas" one cent local option sales surtax approved by vote of Pinellas citizens, and water, sewer, and solid waste user fee charges.

The objectives used to develop the CIP include:

- Preserve and improve the basic infrastructure of Pinellas County through public facility construction and rehabilitation;
- Maximize the useful life of capital investments by scheduling renovations and modifications at the appropriate time in the life-cycle of the facility;
- Identify and examine current and future infrastructure needs and establish priorities among projects so that available resources are used to the community's best advantage; and
- Improve financial planning by comparing needs with resources, estimating future bonding needs, and identifying fiscal implications.

Department management reviews each project submitted for inclusion to the CIP and submits qualified projects to County Administration for review and approval. County Administration reviews a project request for its merit and relationship to overall County needs. The Board of County Commissioners conducts a final review of the program at public budget workshops, and at annual public budget hearings prior to adoption of the Annual Budget.

Pinellas County Capital Improvement Program, FY2010 Through FY2015

INTRODUCTION AND BACKGROUND

The Six-Year Work Plan Presentation

This document is intended to present a brief summary of each project in the various Capital Improvement Program classifications, and show the proposed level of funding and the timing for the various stages of each project. Please note that the presentation of resources in this document is intended to show anticipated revenue on a project-by-project basis and does not reflect budgetary statutory reductions or official adopted total revenue fund budgets. A complete accounting of first year resources may be found in the FY2010 Pinellas County Annual Operating and Capital Budget document. For additional information on any project appearing in the work plan, please contact the Office of Management & Budget.

Goals

The following are the goals of the County in developing its annual capital budget and associated CIP:

- Identify and prioritize infrastructure requirements based upon a coordinated needs assessment methodology. The CIP is a comprehensive guide for the allocation of financial resources and provision of public service for a six year period. The CIP serves as a “blueprint” for the future of the community. It is a dynamic tool, not a static accounting document. The CIP requires each department to look to the future, anticipate the need for projects and justify that need. This requires the thoughtful integration of financial, engineering, and planning functions.
- Classify projects to ensure that those submitted for inclusion in the CIP are capital projects, not operating requirements. An accurate CIP relies upon the proper classification of projects. Requests which do not meet the specified criteria, for a capital project, should be considered in the operating budget.
- Identify the mandated state growth management Capital Improvement Element (CIE) projects from the non-mandated projects within the CIP. The CIP and CIE are closely related, but they are not the same. Some projects within the CIP will also be contained in the CIE; these projects should be separately identified. The funding of these projects is a high priority and must be balanced against the non-CIE projects that are also in the CIP.
- Develop a realistic funding scenario for the CIP that identifies resources on a project specific basis. The Growth Management Act requires a financial plan for projects that are mandated by the CIE. This same approach is to be extended to the CIP.

Pinellas County Capital Improvement Program, FY2010 Through FY2015

INTRODUCTION AND BACKGROUND

Policy

It is the policy of the Pinellas County Board of County Commissioners to maintain a continuing Capital Improvement Program that will, when implemented, provide physical facilities that are:

- Responsive to the needs and demands of the public and county government;
- Supportive of the long and short-range economic, social, and environmental development policies of the county;
- Necessary to achieve the level of service identified in the adopted Comprehensive Plan.

The Capital Improvement Plan represents the planned implementation of various comprehensive plans that serve as a guide for future growth and development as adopted and amended by the Board of County Commissioners.

Capital Improvement Program Budgetary Definition and Criteria

The following definition and criteria shall be utilized in determining the appropriateness of capital improvement budget requests:

Capital projects are defined as activities that lead to the acquisition, construction, or extension of the useful life of capital assets. Capital assets include things such as land, buildings, parks, streets, utilities, and other items of value from which the community derives benefit for a minimum number of years.

1. All projects in the Capital Budget must have a total cost greater than \$50,000 and a useful life of more than five years.
2. Capital projects are considered to be one-time outlays, which are non-recurring in nature. Purchases involving ongoing debt service or lease/purchase costs are typically not budgeted in the Capital Budget.
3. Capital projects must add to, enhance the value of, or extend the life of the County's physical assets. Major equipment purchases must be associated with a capital project and must meet the definition of a capital item in order to be placed in the Capital Budget.
4. County vehicular equipment purchases will not be addressed in the Capital Budget. Fleet appropriations are to be considered within the Operating Budget.
5. Expenditures for maintenance supplies and materials or replacement items shall be budgeted as an operating item. These items may not be appropriated in the capital budget.



Pinellas County Capital Improvement Program, FY2010 Through FY2015

PENNY FOR PINELLAS 2010 – 2020 UPDATE



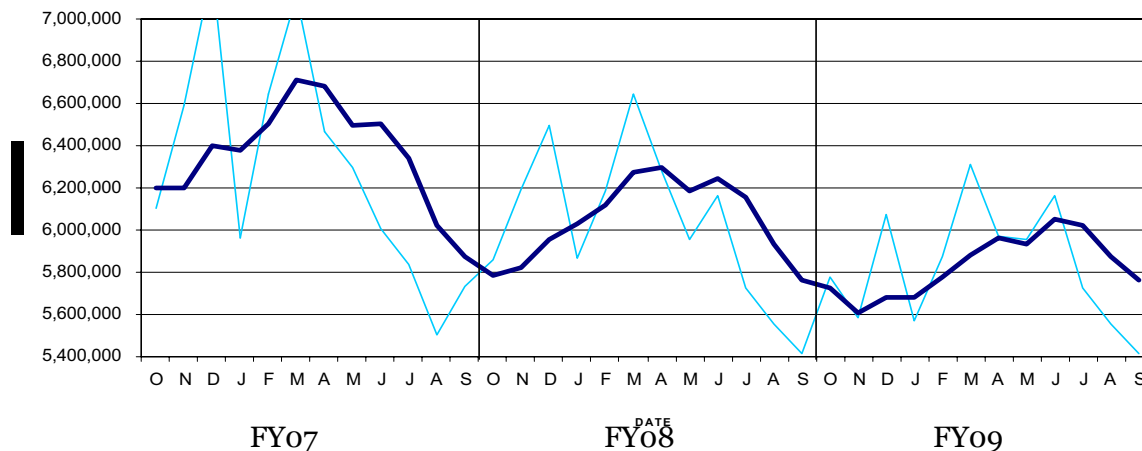
The Penny for Pinellas funds approximately 75% of the Governmental CIP. This funding source was first established as an alternate means of funding Pinellas County's capital improvement program in 1989. It is approved for 10 years at a time. The last renewal of the Penny for Pinellas took place on March 13, 2007 to extend the Penny for a third decade, 2010-2020. If the Penny had not been extended, the County's governmental capital improvements would have to be funded primarily by property taxes in the General Fund.

Without the Penny, many public projects would not be completed until years into the future or not done at all. In 2007, the millage rate equivalent to generate the same amount as the Penny for Pinellas was 2.3 mills. Besides allowing for funding of capital projects without relying on property taxes, another benefit is that tourists and other visitors pay about a third of the Penny which relieves County residents of much of the tax burden. Per State statute, the Penny for Pinellas can only be used for capital projects and cannot be used for operating and maintenance purposes such as maintaining parks or funding social service programs. This funding source is shared between the County and the 24 municipalities through an interlocal agreement.

Penny for Pinellas Revenue Trends

Revenue sources to the Capital Improvement Program are reviewed annually as part of the budget process. Like many other revenue sources of the County, the Penny for Pinellas has seen a dramatic decrease due to the economic recession. As shown in Figure 1, the moving average for the Penny for Pinellas has been decreasing over the last three years and is forecast to continue to decrease through FY10. This is by far the longest contraction the County has experienced in Penny sales tax revenue since its inception in 1990.

Figure 1: Penny for Pinellas Moving Average Trends FY07-FY09



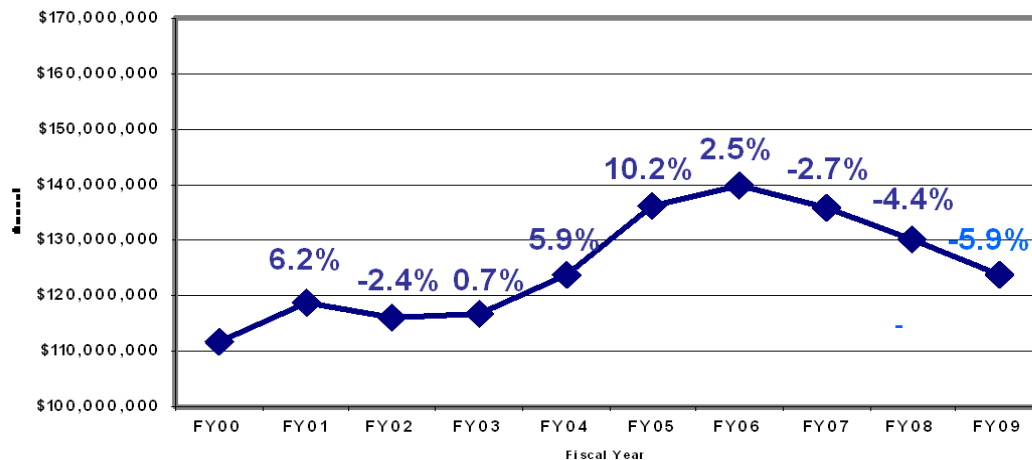
Pinellas County Capital Improvement Program, FY2010 Through FY2015 PENNY FOR PINELLAS 2010 – 2020 UPDATE

The negative growth in Penny revenue over the last three years is not consistent with the original growth assumptions that were anticipated in 2006, when the Board's allocation plan for uses of the Penny 2010 extension was developed. The Penny Program approved by the voters in March, 2007 was anticipated to be funded by approximately \$1.9 billion in revenue. The \$1.9 billion was distributed as follows: \$898M for the County, \$818M for the municipalities, and \$225M for Courts & Jails that benefit both the County and the municipalities. The \$225M for Courts & Jails spending is the County's responsibility.

Original Revenue Assumptions for 2010-2020 Penny Program

The 2006 projection of \$1.9 billion was based on Penny revenue estimates using FY05 as the base year. As can be seen in Figure 2, Penny revenue had grown by 10.2% in FY05 and 5.9% in FY04. From 1990 through 2006, the Penny's average annual growth rate was 4%.

Figure 2: Current Penny Program Total Revenues Annual Trends (2000-2010)



Actuals FY00-08
Projected FY09

In 2006, Penny collections were trending upward. In fact total countywide collections yielded approximately \$140M in 2006 and were projected to rise to approximately \$160M in 2010.

Revised Revenue Assumptions for 2010-2020 Penny Program

Due to the severe recession, collections in 2009 are now estimated to fall to the \$125M level. Revenues in the 2010 to 2020 Penny extension will be reduced as this contraction has affected the base year revenues projected in 2006. At the time, it seemed reasonable and conservative to assume the following growth factors: 4%

Pinellas County Capital Improvement Program, FY2010 Through FY2015 PENNY FOR PINELLAS 2010 – 2020 UPDATE

from FY07-13, 3% from FY14-16, and 2% from FY17-20. However, as a result of the recession and three consecutive years of negative growth in the Penny, the County's share of the revenue projection for the 2010-2020 Penny Program has been revised from \$1.123 billion to \$890M as seen in Figure 3. This shows the result when the starting point for projections is much lower than anticipated. It would take several years of double digit growth in revenue collections to reach the previously projected levels.

Figure 3: Revised Revenue Projections 2010-2020 Penny Program

	Original Projection	Revised Projection	Difference
Courts/Jails	\$225M	\$225M	\$0
Pinellas County	\$898M	\$665M	(\$233M)
Total	\$1.123B	\$890B	(\$233M)

Revised Allocations for 2010-2020 Penny Program

The revised revenue projection in the 2010-2020 program results in a potential reduction of \$233M to planned County projects over the ten year period. In light of these reduced resources a review of the Board's 2010 to 2020 allocation plan, developed in 2006, was conducted in order develop recommended changes that bring the future program back in line with anticipated resources. Also to put forth more appropriate expectations of the improvements that might be achieved over the next ten years. This is in line with the entire purpose of having a capital improvement plan, which is to annually prioritize your needs and resources so that the most important items are done first, and your resources are spent as wisely as possible. To facilitate this reassessment of future resource allocations, staff reviewed and prioritized projects in all areas, reviewed project scopes to make projects as cost effective as possible, re-examined operating and maintenance impacts in light of current decreases in ad valorem revenue in operating budget. The prioritization criteria considered included:

- Public Health/Life Safety Impact/Benefit
- Economic Development Impact/Benefit
- Infrastructure Renewal Replacement Need/Benefit
- Direct Impact to Citizens/Public Use Benefit
- Supports BCC Strategic Plan
- Low Future Operating & Maintenance Impact

The above criteria were used to rate each project relative to one another, based on the conditions we are facing in 2009. There have been many changes in local government since 2006, which will affect our capital project priorities going forward, especially our ability to absorb future operating and maintenance impacts. Based on the review of project priorities, changes were recommended in each overall functional area. Projects are grouped by functional areas that conform to state accounting standards, and generally describe the type of improvement to be made. Those areas are: Transportation & Traffic Flow; Public Safety & Hurricane Preparedness; Parks, Recreation, & Culture; Environmental Restoration & Protection; Drainage & Stormwater Management; Government Facilities; Housing, Jobs, & Human Services; Courts & Jails.

Pinellas County Capital Improvement Program, FY2010 Through FY2015 PENNY FOR PINELLAS 2010 – 2020 UPDATE

The first functional area is Transportation and Traffic Flow. As shown in Figure A, project allocations in this area are reduced from \$388.1M to \$342.5M, which is a difference of \$45.6M.

Figure A: Transportation and Traffic Flow

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Road Resurfacing and Rehabilitation Program (Pavement Preservation)	\$66,000,000	\$66,000,000
ADA Sidewalk Ramp Improvements	\$2,500,000	\$2,500,000
General and School Sidewalk Program	\$10,000,000	\$10,000,000
118th Avenue Expressway - US 19 to I-275 Connector	\$70,000,000	\$70,000,000
Intersection Capacity Program	\$44,500,000	\$33,500,000
Bridge Rehabilitation Program	\$50,000,000	\$50,000,000
Rail Crossing Improvements	\$5,000,000	\$3,750,000
Countywide Road Improvement Program	\$50,000,000	\$50,000,000
62nd Avenue - 66th Street to 49th Street	\$15,000,000	\$15,000,000
Roadway Beautification Program	\$6,000,000	\$0
Traffic Signal Mast Arm Installations - MSTU	\$4,000,000	\$4,000,000
Road Underdrains Annual Contracts	\$7,500,000	\$5,500,000
Park Boulevard Drainage Improvements	\$2,000,000	\$0
Pinellas Trail Expansion	\$8,000,000	\$6,000,000
Gulf Boulevard Streetscape/Utility Undergrounding	\$35,000,000	\$26,250,000
Park Boulevard - W of 113th Street to Seminole Boulevard	\$12,610,000	\$0
Transportation and Traffic Flow Total	\$388,110,000	\$342,500,000

Pinellas County Capital Improvement Program, FY2010 Through FY2015 PENNY FOR PINELLAS 2010 – 2020 UPDATE

In the Public Safety and Hurricane Preparedness functional area project allocations are reduced from \$134.5M to \$130.5M, which is a difference of \$4.0M as shown in Figure B.

Figure B: Public Safety and Hurricane Preparedness

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Palm Harbor Fire Control Equipment	\$3,000,000	\$2,250,000
East Lake Fire Control Equipment	\$3,000,000	\$2,250,000
Public Works Emergency Responders Buildings	\$34,000,000	\$34,000,000
Community Building Emergency Shelter Projects	\$10,000,000	\$7,500,000
Public Safety Countywide Radio System	\$14,500,000	\$14,500,000
Public Safety Facilities and Central Communications Center	\$70,000,000	\$70,000,000
Public Safety & Hurricane Preparedness Total	\$134,500,000	\$130,500,000

In the Parks, Recreation, and Culture functional area project allocations are reduced from \$103.0M to \$47.6M, which is a difference of \$55.4M as shown in Figure C.

Figure C: Parks, Recreation, and Culture

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
East Lake Community Library Expansion	\$4,175,000	\$0
Palm Harbor Library Improvements	\$5,840,000	\$0
Countywide Park Infrastructure Improvements	\$29,000,000	\$22,000,000
Pinellas Trail Repair and Renovation	\$3,000,000	\$3,000,000
Heritage Village - Master plan implementation	\$10,000,000	\$0
Howard Park Improvements	\$7,500,000	\$5,000,000
Eagle Lake Park Development	\$3,000,000	\$3,000,000
Ft. Desoto Park Improvements	\$7,000,000	\$5,000,000
Countywide Park Boat Ramp Land Acquisition & Development	\$7,500,000	\$0

Pinellas County Capital Improvement Program, FY2010 Through FY2015
PENNY FOR PINELLAS 2010 – 2020 UPDATE

Community Recreation/Community Centers Development	\$16,000,000	\$3,000,000
Community Parks Land Acquisition and Development	\$10,000,000	\$6,600,000
Parks, Recreation, and Culture Total	\$103,015,000	\$47,600,000

In the Environmental Restoration and Protection functional area project allocations are reduced from \$73.4M to \$33.9M, which is a difference of \$39.5M as shown in Figure D.

Figure D: Environmental Restoration and Protection

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Regional Stormwater Water Quality Improvement Program	\$5,500,000	\$5,500,000
Environmental Habitat Restoration	\$2,400,000	\$2,400,000
Weedon Island Preserve Projects	\$3,500,000	\$1,000,000
Brooker Creek Preserve Projects	\$3,500,000	\$1,000,000
Beach Access Acquisition & Development	\$15,000,000	\$0
Upper Tampa Bay Recirculation & Restoration Project	\$10,000,000	\$0
Lake Seminole Sediment Removal Project	\$8,000,000	\$8,000,000
County Extension Center Building Replacement	\$7,500,000	\$0
Environmentally Sensitive Lands Acquisition	\$18,000,000	\$16,000,000
Environmental Restoration & Protection Total	\$73,400,000	\$33,900,000

In the Drainage and Stormwater Management functional area project allocations are reduced from \$73.0M to \$65.5M, which is a difference of \$7.5M as shown in Figure E.

Figure E: Drainage and Stormwater Management

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Stormwater Conveyance System Improvement Program	\$50,000,000	\$50,000,000
Creek Erosion Control	\$8,000,000	\$8,000,000
Drainage Pond Compliance Projects	\$5,000,000	\$3,750,000

Pinellas County Capital Improvement Program, FY2010 Through FY2015
PENNY FOR PINELLAS 2010 – 2020 UPDATE

Drainage Channel Dredging Program	\$5,000,000	\$3,750,000
Cross Bayou Drainage and Watershed Implementation Projects	\$5,000,000	\$0
Drainage and Stormwater Management Total	\$73,000,000	\$65,500,000

In the Housing, Jobs, & Human Services functional area project allocations are reduced from \$30.0M to \$15.0M, which is a difference of \$15.0M as shown in Figure F.

Figure F: Housing, Jobs, & Human Services

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Housing, Jobs, & Human Services		
Affordable Housing Land Assembly Fund	\$30,000,000	\$15,000,000
Housing, Jobs, & Human Services Total	\$30,000,000	\$15,000,000

In the Government Service Facilities functional area project allocations are reduced from \$40.0M to \$30.0M, which is a difference of \$10.0M as shown in Figure G.

Figure G: Government Service Facilities

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Remodel and Renovation Projects	\$40,000,000	\$30,000,000
Government Service Facilities Total	\$40,000,000	\$30,000,000

As shown in Figure H, the Courts and Jails functional area project allocation remains the same at \$225.0M, for consistency with the interlocal agreement that specifies this figure.

Figure H: Courts and Jails

PROJECTS/PROGRAMS	2006 Approved Allocation	2009 Recommended Allocation
Courts and Jail Projects	\$225,000,000	\$225,000,000
Courts and Jails Total	\$225,000,000	\$225,000,000



Pinellas County Capital Improvement Program, FY2010 Through FY2015

PROGRAM DEVELOPMENT APPROACH

Pay-As-You-Go Approach

The projects in the FY10-15 CIP are a mix of 2010-2020 Penny Program projects as well as projects funded by the current Penny and other sources such as grants, transportation impact fees, tourist development tax, etc. In addition to reduced revenues due to the recession, an additional factor led to several changes in scheduling future projects. Last year's CIP anticipated a Penny bond issue in order to accelerate several 2010-2020 Penny Program projects. During this year's budget process, it was determined that due to the uncertainty in the bond and credit markets the County's future CIP implementation would be funded on a "Pay-As-You-Go" basis as much as possible. The "Pay-As-You-Go" approach is recommended as the most prudent way of financing capital projects due to the unstable short term financial environment we are facing. The benefits of this approach include:

- Being fiscally conservative helps avoid marketing and financing costs of current credit market.
- A "pay-as-you-go" plan can be a positive factor in future credit analysis of the County and its long term debt rating.
- Provides a deliberative approach to the implementation of projects in accordance with the priorities and needs of the community.
- Specific projects can be considered for stand alone bonding if the priority and cost benefit is warranted.

CIP Program Prioritization and Scheduling Changes

The development of the new FY10-15 CIP was influenced heavily by the implementation of a "pay-as-you-go" approach as well as the reallocation of resources stemming from the 2010-2020 Penny Program review. The potential magnitude of these factors required an extensive review of project priorities to assure that funding would be available for the highest needs, and that expectations for project delivery were appropriate over the next six year planning period. In order to lay out the next six year work program the County undertook the following actions.

- Reviewed and prioritized projects in all areas
- Reviewed project scopes to make projects as cost effective as possible
- Re-examined O&M impact in light of current and future decreases in ad valorem revenue in the operating budget
- Balanced immediate needs within available revenue

Each project was rated for prioritization based on the following factors:

- Public Health/Life Safety Impact/Benefit
- Economic Development Impact/Benefit
- Infrastructure Renewal Replacement Need (taking care of what we have)
- Direct Impact to Citizens/Public Use Benefit
- Supports BCC Strategic Plan
- Future Operating & Maintenance Impact

Based on this updated priority review and the flow of resources, a number of scheduling changes have been made for the FY10-15 work program. Due to the large number of changes, a detailed list summarizing the changes has been prepared to help facilitate a comparison of the differences in the FY10-15 CIP from the FY09-14 CIP. This listing follows as "Table A - Summary of Project Changes". The Summary is divided into three sections. The first section lists projects that will continue to be funded in whole or in part in the 2010-2015 CIP. The second section lists projects that will continue to be funded beyond the FY15 timeframe leading to the year 2020. The third section lists projects that are unfunded and have been removed from the Capital Improvement Program. If additional revenue is available to fund these projects in future years, they may be added back to the CIP.