

Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

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

The Pinellas County Capital Improvement Program (CIP) is a comprehensive six-year 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.

The objectives used to develop the CIP include:

- To preserve and improve the basic infrastructure of Pinellas County through public facility construction and rehabilitation;
- To maximize the useful life of capital investments by scheduling renovations and modifications at the appropriate time in the life-cycle of the facility;
- To 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
- To improve financial planning by comparing needs with resources, estimating future bonding needs, and identifying fiscal implications.

Department management reviews each project submitted for inclusion in 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, FY2011 Through FY2016

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 FY2011 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.

The CIP is divided into two main sections: Governmental projects and Enterprise projects. Enterprise projects support the Airport and Utilities systems of Water, Sewer, and Solid Waste. These areas are run like businesses in which the revenues generated by these areas support their operations. These projects are funded by grants, airport fees, and water, sewer, and solid waste user fee charges. All other capital projects such as roads, drainage, public safety buildings, and park projects are included in the Governmental side of the CIP. Funding for the Governmental projects include the “Penny for Pinellas” which is a one cent local option sales surtax approved by vote of Pinellas citizens, grants and reimbursements, transportation impact fees, local option gas taxes, and tourist development tax.

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, FY2011 Through FY2016

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, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

Penny for Pinellas

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. This represents a potential 10% increase in a property owner's total millage rate. 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. Information regarding the Penny for Pinellas program can be found at the following website: <http://www.pinellascounty.org/Penny/>



Pay-As-You-Go Approach

During the FY2010 budget process, it was determined that due to the uncertainty in the bond and credit markets, over the next several years the CIP will attempt to 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.

Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

During FY2008 and FY2009 several projects were accelerated from the 2010-2020 Penny program in order to:

- Enhance hurricane preparation: Public Works Emergency Responders Building; Public Safety Facilities & Central Communications Center; Emergency Shelter Program
- Take advantage of the availability of key endangered and park land parcels: Endangered Lands Acquisition; Community Park Lands Acquisition
- Advance project design funding to FDOT: 118th Avenue Expressway
- Address key infrastructure concerns: Howard Park Bridge Replacement; Eagle Lake Park

Funding for the accelerated projects was anticipated to come from a bond issue similar to previous Penny programs. Due to the new pay-as-you-go policy implemented in FY2010, we do not plan to significantly bond the Penny program. However, a limited interfund loan from the Solid Waste Fund will be necessary to provide liquidity in the Capital Projects fund in FY2010 (est. \$15M) and FY2011 (est. \$5M) to cover expenditures related to the accelerated projects. The benefits of an interfund loan versus bonding include lower borrowing costs, no reserve requirements, interest accrues to a county entity, and more flexibility in the implementation and terms of the loan.

Pinellas County Capital Improvement Program, FY2011 Through FY2016

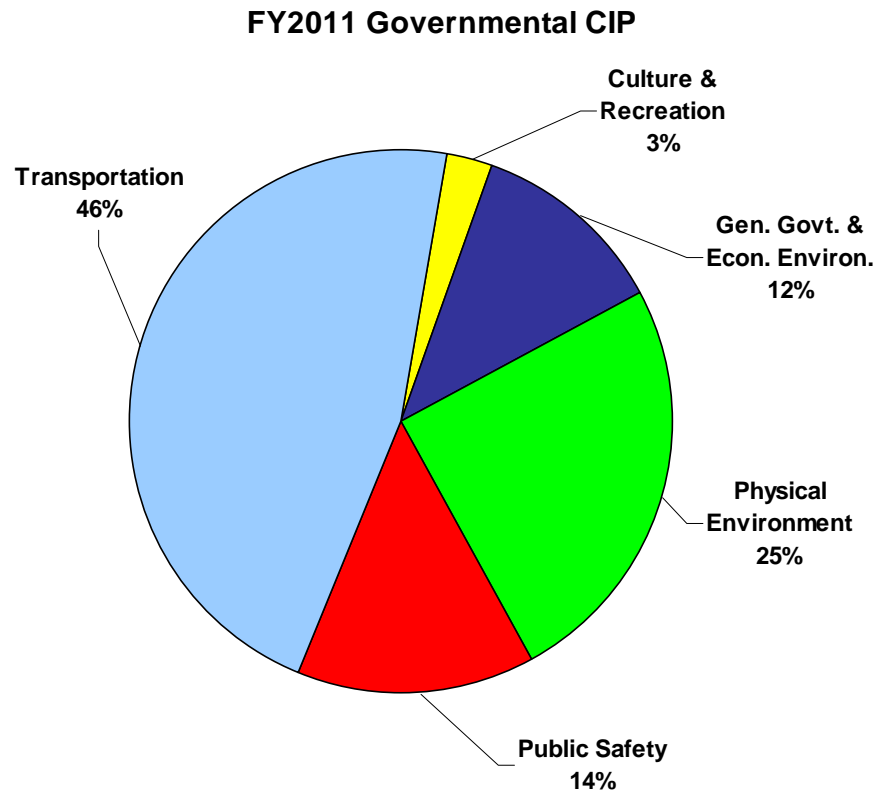
INTRODUCTION AND BACKGROUND

Overview of One-Year CIP Budget

The first year of the Capital Improvement Program, FY2011, is the basis for actual appropriations authorized by the Board of County Commissioners for capital projects when adopting the Annual Budget. The total FY2011 CIP budget is \$379.3M. This amount includes both Governmental and Enterprise projects as well as non-project items such as reserves and capitalized billings.

FY2011 Governmental CIP

The expenditure total (net of non-project items) for the FY2011 Governmental CIP is \$115.8M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

Major project highlights in the **Governmental One-Year CIP** are listed below by functional area.

Transportation (\$54.0M):

- Keystone Road-US 19 to East Lake Road (\$14.7M)
- Bryan Dairy-Starkey Road to 72nd Street (\$3.9M)
- Various Intelligent Transportation/Advanced Traffic Management System projects (\$13.7M)
- Road Resurfacing & Rehab Program (\$8.5M)
- 46th Ave-80th Street to 62nd Street (\$2.0M)
- Bridge Rehab Program (\$1.5M)
- Dansville Phase III (\$1.3M)
- General Sidewalk & ADA Program (\$1.2M)
- Highland Avenue Improvements (\$850K)

Public Safety (\$16.4M):

- Public Safety Facilities & Central Communications Center (\$7.3M)
- Public Safety Radio System (\$4.3M)
- Sheriff's Tech Buildings Renovations (\$2.0M)
- Emergency Shelter Projects (\$975K)

Culture & Recreation (\$3.3M):

- Fort De Soto Park Fort Rehab (\$801K)
- Fort De Soto Water Circulation Project, Phase II (\$500K)
- Joe's Creek Greenway Park (\$548K)
- Pop Stansell Park Improvements (\$350K)
- Wall Springs Development Phase III (\$300K)
- North County Recreation Fields (\$322K)

Physical Environment (\$28.8M):

- Sand Key Nourishment (\$14.8M)
- Lake Seminole Alum Injection (\$2.2M)
- Alligator Lake Habitat Restoration (\$1.4M)
- Mobbly Bay Habitat Restoration (\$1.4M)
- Bee Branch Drainage Improvements (\$1.1M)
- Stormwater Conveyance System (\$2.6M)
- Bear Creek Channel Improvements (\$560K)
- Lake Seminole Sediment Removal (\$450K)
- Curlew Creek Channel A Improvements (\$60K)

General Government/Economic Environment (\$13.3M):

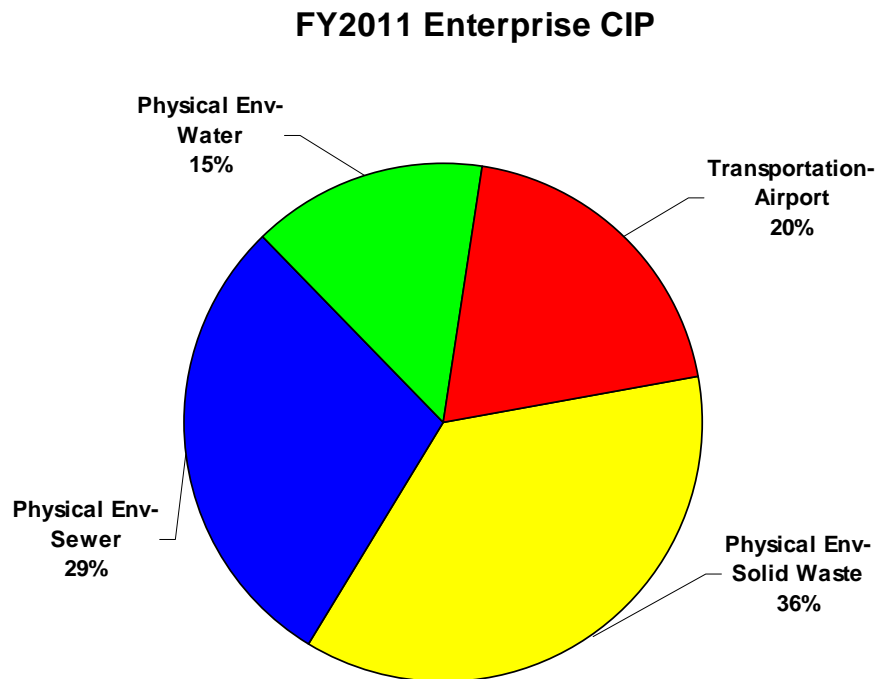
- St. Petersburg Judicial Tower Renovations (\$6.9M)
- Centralized Chiller Facility (\$3.0M)
- Facilities Energy & Conservation Projects (\$1.9M)
- 501 Building Renovation (\$524K)

Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

FY2011 Enterprise CIP

The expenditure total (net of non-project items) for the FY2011 Enterprise CIP is \$76.5M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Major project highlights in the **Enterprise One-Year CIP** are listed below by functional area.

Transportation-Airport (\$15.1M):

- Rehab Runway 4/22 Pavement & Lighting (\$6.3M)
- Terminal Expansion & Loading Bridges (\$6.2M)
- Parking Lot Expansion (\$1.5M)

Physical Environment (\$61.4M):

- Solid Waste Additions & Improvements (\$27.9M)
- Water Transmission Mains (\$8.0M)
- South Cross Waste Water Treatment Projects (\$5.6M)
- Sewer System Modifications & Rehab (\$2.7M)
- W.E. Dunn Facility Projects (\$4.6M)
- Modifications & Pump Stations (\$4.0M)
- Water Distribution Mains (\$1.9M)

Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

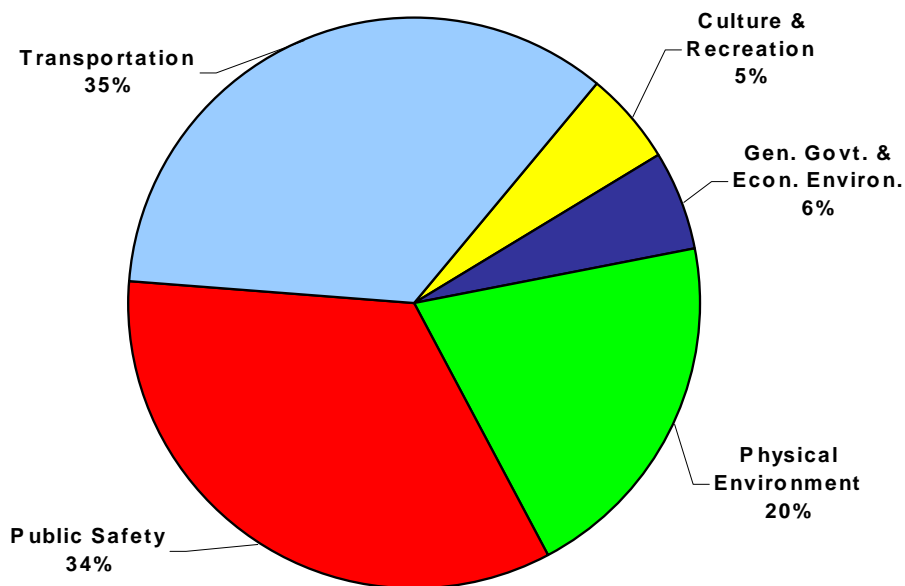
Overview of Six-Year CIP Work Plan

In the Six-Year CIP work plan, only the first year, FY2011, is actually appropriated. The remaining five years are a work plan that is subject to change as time goes on. The total FY2011-2016 CIP budget is \$1.12B. This amount includes both Governmental and Enterprise projects as well as non-project items such as reserves and capitalized billings.

FY2011-2016 Governmental CIP

The expenditure total (net of non-project items) for the FY2011-2016 Governmental CIP is \$687.7M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.

FY2011-2016 Governmental CIP



Major project highlights in the **Governmental Six-Year CIP** are listed below by functional area and estimated year of commencement. The focus of this list are the out years of FY2012 through FY2016 as the FY2011 projects are covered in more detail in the "Overview of the One-Year CIP" section.

Transportation (\$240.8M):

- 118th Avenue Expressway (FY2014)
- Gulf Boulevard Improvements (FY2013)

Physical Environment (\$140.8M):

- Honeymoon Island Improvements (FY2012)
- Long Key Upham Beach (FY2013)
- Pass-A-Grille Beach Nourishment (FY2013)
- Treasure Island Nourishment (FY2013)
- Upham Beach Stabilization (FY2013)
- Lake Seminole Sediment Removal (FY2012)
- Curlew Creek Channel A Phase III (FY2012)

Public Safety (\$232.1M):

- Jail Expansion & Court Improvements (FY2014)
- Emergency Shelter Projects (FY2013)

General Government/Economic Environment (\$38.1M):

- 315 Court Curtain Wall Replacement (FY2013)
- CJC Security System Upgrade (FY2013)
- CJC Roof Replacement (FY2012)

Culture & Recreation (\$35.8M):

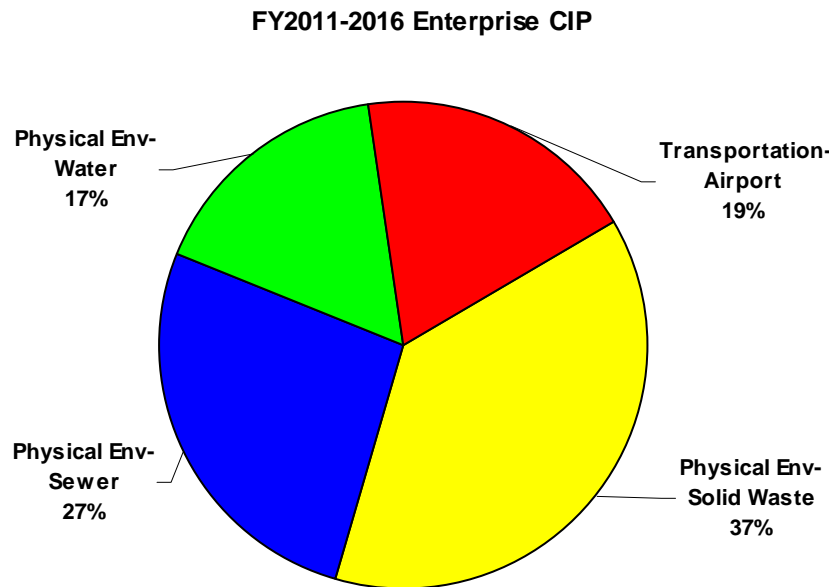
- Friendship Trail Bridge Demolition (FY2013)
- Unincorporated Recreation Fields Development (FY2012)
- Pinellas Trail Improvements (FY2013)

Pinellas County Capital Improvement Program, FY2011 Through FY2016

INTRODUCTION AND BACKGROUND

FY2011-2016 Enterprise CIP

The expenditure total (net of non-project items) for the FY2011-2016 Enterprise CIP is \$220.3M. The pie chart below shows the percentage distribution of expenditures amongst the functional areas of the CIP.



Major project highlights in the **Enterprise Six-Year CIP** are listed below by functional area and estimated year of commencement. The focus of this list are the out years of FY2012 through FY2016 as the FY2011 projects are covered in more detail in the "Overview of the One-Year CIP" section.

Transportation-Airport (\$41.4M):

- Cargo Apron Construction (FY2015)
- New General Aviation Taxiways/Ramps (FY2016)
- New Maintenance Facility (FY2016)
- Rehabilitate Runway 17/35 (FY2014)
- Terminal Apron/Hardstand Rehab (FY2012)

Physical Environment (\$178.9M):

- Solid Waste Additions & Improvements (FY2012)
- Water Transmission Mains (FY2012)
- South Cross Waste Water Treatment Projects (FY2012)
- Sewer System Modifications & Rehab (FY2012)
- Water Distribution Mains (FY2012)

Overall, there are more than 200 projects or program areas that comprise the six year CIP. A complete listing of CIP expenditure allocations is included in the "Detailed Expenditure Report By Function/Activity" in Table E. In addition, a summary of changes between this year's CIP and last year's CIP can be found in Table A. The detailed FY2011-2016 CIP document is available online at: <http://www.pinellascounty.org/budget/11Budget/cip/CIPListing.htm>