



Office of the City Manager

January 16, 2008

Honorable Mayor Montandon and Members of the City Council

SUBJECT: Proposed Fiscal 2009-2013 Capital Improvement Plan

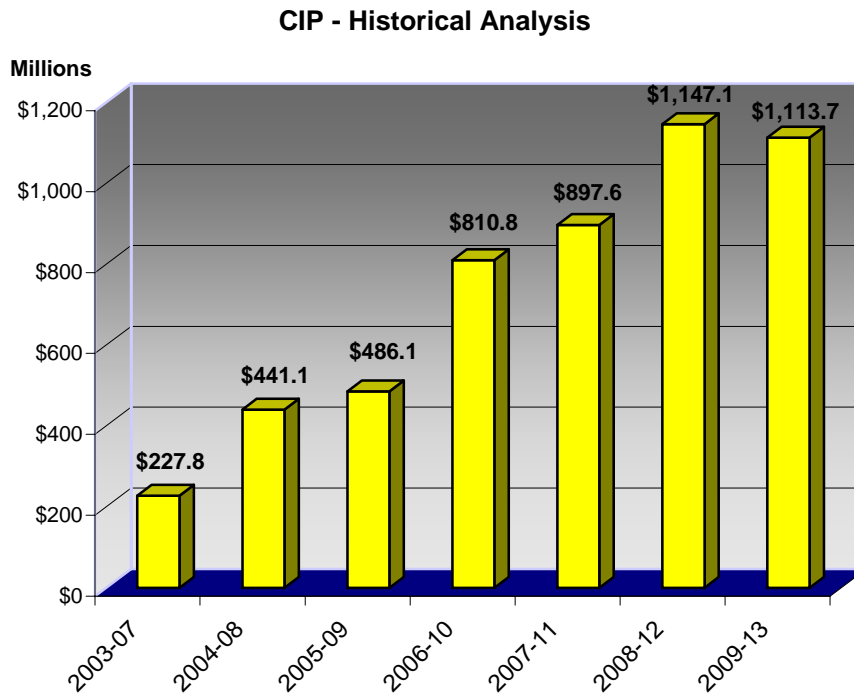
The Capital Improvement Plan (CIP) is an investment in the future of our community. It is with our commitment to the future that we bring to you the proposed fiscal 2009-2013 CIP for the City of North Las Vegas.

The City of North Las Vegas stretches across the northern rim of the Las Vegas Valley. The City, which was incorporated in 1946, encompasses 82.2 square-miles within Clark County in Southern Nevada. North Las Vegas is the fastest growing city in America. Since 2000, North Las Vegas' population has grown by 86.2 percent, making it home to about 215,026 residents through December 2007. Roughly, 1,200 new residents move to North Las Vegas each month. North Las Vegas is the fourth-largest city in Nevada. The City estimates that by the time it reaches build out in 2035, its population will be 586,548. Serving the growing population is a critical challenge that must be addressed by balancing the needs of the community with available financial resources.

This document presents the proposed plan for major public facility improvements that will be implemented over the next five fiscal years. The projects included in the fiscal 2009-2013 CIP are consistent with the City Council's priorities and address Planned and Quality Growth, Redevelopment and Revitalization, Parks and Recreation, Community Improvement Projects, Public Safety Facilities, and Economic Redevelopment.

Background and Summary

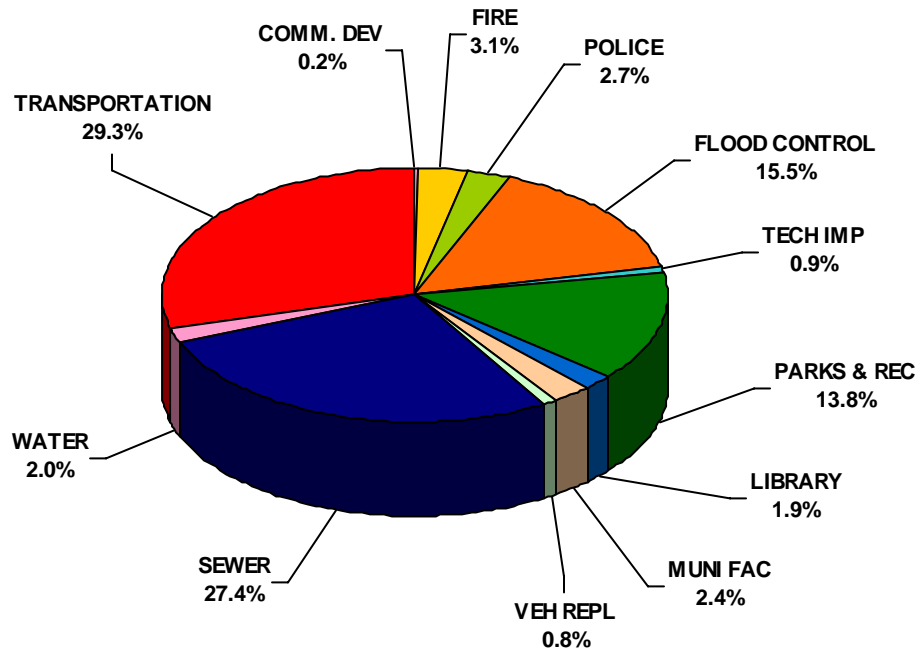
This plan commits resources to “mature” areas in our community and areas of new growth. The CIP presents only those major improvements that are viewed as most urgently needed and which can be funded from available revenue sources. The system of capital expenditure management is important because: 1) the consequences of investments and capital projects extend far into the future; 2) decisions to invest are often irreversible; and 3) such decisions significantly influence a community’s ability to grow and prosper.



The selection and evaluation of capital projects is a difficult task that involves some speculation and ability to make estimates, which to some extent are based on historical perspectives. A “Capital Project” is of relatively high monetary value (at least \$25,000), has a long life, and results in the creation, or revitalization of a fixed asset. A capital project is usually relatively large compared to other “capital outlay” items in the annual operating budget. This is the basic type of definition we have used to guide the preparation of the capital program budget.

The proposed 2009-2013 Capital Improvement Plan amounts to \$1,113,652,439. The fiscal 2009 program will be integrated with the operating budget to include operating and maintenance costs on the new facilities. The fiscal 2009 capital program amounts to \$367,455,731 and there will be no tax increases to the citizens for FY 2009.

FY 2009 EXPENDITURES BY CATEGORY



Upon completion, the projects in the five year plan will require an estimated \$136.9 million increase to operation and maintenance costs to support the new facilities and improvements. Another \$3.2 million will be required for initial capital outlay. These costs will be borne primarily by the General Fund, Public Safety Tax Fund and Utility Fund.

There are many desirable projects that are included in the future years' section of this document that we are not recommending for funding because of our financial limitations.

Program Descriptions

The CIP summarizes capital projects into "programs" or categories that include the following:

Community Development The programs under this area include community beautification projects and resources that will be dedicated to redevelopment for specific land use including the City's Entryway and Commercial Rehabilitation Programs.

Flood Control The projects included in this area address the City's need to have the risk of flooding minimized.

Library District The projects in this area were developed to meet the growing demand on our libraries including a new library at Alexander Rd and Martin Luther King Blvd.

Municipal Facilities The projects in this area construct, expand, and renovate facilities necessary for the efficient and effective operations of the City, commensurate with the population increase.

Parks and Recreation The activities under this area provide for an environment for citizens to enjoy natural areas and an opportunity to participate in organized and unorganized leisure time activities.

Public Safety Activities under public safety advance our efforts to ensure to the best of our ability that the public is safe from crime and fire.

Technology Projects in this area provide for new and upgraded computer systems to meet ongoing technology changes and in protecting vital information.

Transportation The activities in this area provide for the engineering, maintenance, and construction of public rights-of-way within the city.

Utilities The projects in this area were developed to ensure efficient water and wastewater infrastructure that can meet existing and future needs, and is secure from outside threats.

Vehicles The replacements in this area replenish City vehicles and heavy equipment necessary for the efficient and cost-effective operations of the City.

Future Years Projects Projects included in this section are those that staff recommends be considered for completion should our financial realities change.

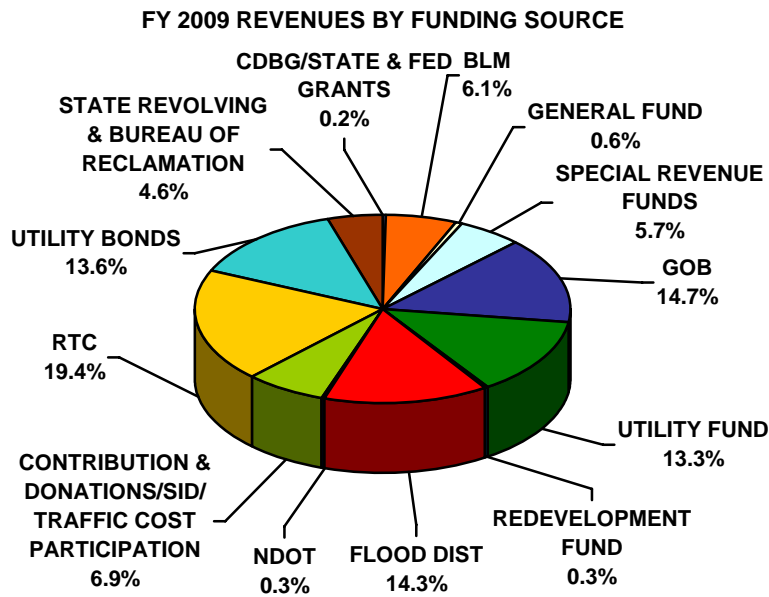
Revenue and Other Financing Sources

Included in the CIP are various funding sources including intergovernmental revenue, grants, general obligation bonds and pay-as-you-go financing which include dedicated property taxes, development fees, developer contributions, utility rates and available fund balances. The following summarizes the major funding sources for the CIP.

Bureau of Land Management (BLM) The BLM provides funding for parks and recreation projects. These projects include new and refurbished parks and trails. The City pays for expenditures upfront and submits quarterly documentation of payments to the BLM for reimbursement. (\$100.9M)

Clark County Regional Flood Control Funding received from this source is restricted for flood control projects. These are federal funds; however, the Clark County Regional Flood Control District manages the funds. (\$125.0M)

Community Development Block Grant The City receives Community Development Block Grant (CDBG) funds from Clark County. Clark County acts as a pass-through agent for these federal funds. (\$2.0M)



General Fund The General Fund includes various sources; including but not limited to, property taxes, consolidated taxes, franchise fees and building permit fees. (\$14.0M)

General Obligation (G.O.) Bonds G.O. Bonds are secured by the full faith and credit of the City. G.O. Bonds are typically secured by a pledge of the City's property taxing power. The electorate must authorize G.O. Bonds if the debt is to be serviced by increasing taxes through a tax override. No tax increases will be required to retire existing or proposed debt. (\$199.0M)

Grants The City is eligible to submit grant applications to various institutions that may have funds available from their own revenue sources or from outside sources. Grants include Homeland Security, Bureau of Reclamation, Southern Nevada Area Communications Council (SNACC), and others. (\$35.8M)

Nevada Department of Transportation Funding received from this resource is generally allocated to projects that are related to arterial street engineering or construction. (\$2.1M)

Park District Funds These funds are received as a result of the residential construction tax. These funds are recommended for capital improvements to parks within the district in which the revenue is received. (\$6.2M)

Redevelopment Funds Revenues for the redevelopment fund are recommended for use in the redevelopment area. These funds are from property taxes generated in our two redevelopment districts. (\$13.8M)

Regional Transportation Commission (RTC) The RTC manages federal funds that are committed to our regional transportation systems. Transportation projects that have a regional significance are recommended to RTC for funding. (\$143.1M)

Special Improvement District This category provides for the consideration of special assessments, which are used for public improvements affecting specific areas. The total cost of the improvement is divided among the property owners who benefit from the project. (\$53.9M)

Streets, Fire and Parks Tax Override Fund In June 2001, voters approved the expansion of the tax override to include the acquisition of land, buildings and equipment for fire and park facilities. The tax was originally approved for the purpose of street construction and street maintenance. (\$23.9M)

Utility Bond These bonds are issued to finance self-supporting enterprises and are secured by the full faith and credit of the Utility. Revenue bonds are not included within the limitation of indebtedness for the City and generally do not require voter approval. (\$96.9M)

Utility Enterprise This enterprise fund is similar to a private business. Upgrading the City's utility infrastructure reinvests a portion of the City's water and wastewater revenue from its services to customers. (\$197.5M)

Highlights of the CIP are as follows:

Community Development projects amount to \$21.6 million and include the following programs; City Entryway, Commercial Rehabilitation, Downtown Concrete and Sidewalk Reconstruction, Downtown Landscape Upgrade, Downtown Power and Natural Gas Upgrades, Las Vegas Blvd Sewer Reconstruction and Property Acquisition in the Redevelopment Area. These projects are funded through the Redevelopment Fund with additional funding coming from Contributions & Donations and the Utility Enterprise Fund.

Flood Control projects amount to \$226.2 million and are funded by the Clark County Regional Flood Control District, Utility Enterprise Fund, and State and Federal Grants. Projects include the Gowan Outfall (\$9.9M), Centennial Parkway Channel East (\$20.0M), Ann Road Channel East (\$12.3M), Tropical Road Channel East (\$17.7M), Vandenburg North Detention Basin & Outfall (\$22.3M), I-15 Freeway Channel (\$10.1M) and Las Vegas Wash Projects (\$133.9M).

The **Library District** includes \$7.1M for the building of a new Library at Alexander Road and Martin Luther King funded primarily through a General Obligation Bond.

Municipal Facilities amount to \$132.6M and involves construction projects for a new City Hall Campus at \$129.2M, with \$118.2M of the funding coming from General Obligation Bonds and \$11.0M from the Utility Enterprise Fund. Over \$3.4M is for

remodeling the existing City Center Complex, Justice Facility Courtroom 3 and for a variety of projects necessary to maintain and improve the existing City Hall campus.

Parks and Recreation was identified by the City Council as a high priority and is the fourth-largest capital program in the CIP, behind Transportation, Flood Control and Utilities, allocating \$137.1M to this category. About \$100.9M of Parks and Recreation projects are funded through BLM, with \$29.2M funded through GO Bonds, \$6.2M from park district funds, \$747K from grants and \$150K from donations. Projects include \$46.2M for new park development, \$35.9M for new trails, \$25.6M for SkyView Multi-Gen Center, \$21.8M for Craig Ranch improvements, and \$4.0M for Petitti Park renovations.

New parks include McCool Regional Park (\$25.2M), Tropical Bruce Park (\$14.6M), and Downtown Central Park Development (\$6.4M).

New trails will include the Upper Las Vegas Wash Regional Trail, BLM Rounds 5 and 6 (\$17.3M), Las Vegas Wash Trails, Rounds 4 and 5 (\$6.5M), Las Vegas Wash Trail and Trailhead, Round 6 (\$8.7M), Las Vegas Wash Trail 1-15 Pedestrian Bridge (\$3.4M). There will be no tax increase to the citizens.

Public Safety amounts to approximately \$106.5M and is allocated to projects benefiting the fire and police programs. Fire projects include the equipping and construction of Fire Stations No. 50 (\$13.7M), No. 58 (\$14.9M), and “D” (\$18M), Fire Station No. 53 relocation (\$4.0M), Fire Station No. 52 and No. 54 remodel (\$3.8M), and apparatus replacements (\$1.9M). General Obligation bonds, Impact Fees, Tax Override Funds and developer contributions fund the Fire projects.

General Obligation bonds, the Public Safety Tax Fund and developer contributions will fund police projects which include the new Downtown Central Precinct (\$16.3M), North Central Police Precinct (\$23.4M), the temporary Northeast Area Command Facility (\$2.3M), renovation of Detention A Dorm (\$4M) and range improvements (\$3.3M).

Technology improvements amount to \$10.9 million over the next five years and are largely funded through the General Fund. Included is an upgrade to the Public Safety Information System (\$1.8M), citywide replacement of older computers (\$3.4M), servers (\$3.0M), and other infrastructure (\$1.7M), Oracle 11i migration (\$592K), and other telephone and computer upgrades totaling \$530k.

Transportation Projects amount to \$227.8 million over the next five years, and represent the largest capital program in the CIP. The transportation projects are funded through the Regional Transportation Commission, Tax Overrides, Special Improvement Districts, Community Development Block Grants and Cost Participation Agreements. The City is allocating \$5.0 million to the 20th through 24th Year Traffic Capacity and Safety Improvements, \$12.4 million to the Major Street Rehabilitation Program and \$18 million to the In-Fill Roadway program.

Other major transportation projects include North 5th Street Super Arterial, Phase I (\$91.5M), Losee Road Improvements (\$28.2M), Lamb Boulevard Improvements (\$13.8M), Craig Road Separation, Phase III (\$11.7M), Simmons Street Improvements (\$29.9M), Tropical Parkway Improvements (\$7.5M), and the Carey Traffic Signal Interconnect (\$2.1M).

The **Wastewater Utility** includes \$196.6 million in projects. The design and construction of a \$157.5 million wastewater reclamation facility will be financed through Utility bonds, State Revolving Fund, Utility Enterprise Fund and the Bureau of Reclamation. Other wastewater projects will be funded through the Utility Enterprise Fund. Included with these projects are expansion of the Wastewater Reclamation Facility, wastewater interceptors and wastewater pipeline rehabilitation.

Water Utility improvements total \$29.1 million over the next five years. Major projects include the installation and conversion to an Automated Meter Reading system (\$8.0M), Reservoir repainting (\$3.6M), Waterline oversizing (\$2.3M), and reservoir improvements. All water projects will be funded by utility revenue.

Vehicle Replacements amount to \$18.2 million over the next five years. Funds are used to replace the existing fleet, of which 40 percent of the vehicles are over ten years old. The General Fund, Tax Overrides, Public Safety Tax and the Utility Enterprise Funds are used to fund vehicle replacements.

Conclusion

This plan focuses attention on community goals and needs; reduces scheduling problems in conflicting or overlapping projects; maintains our sound financial condition; and achieves the highest public benefit.

Finally, the projects in this document are the product of many hours of deliberate thought by a number of people. I would like to recognize the efforts of each of the department directors involved in this initiative and commend them for their input. I would like to especially commend the Public Works and Finance Departments for their excellent performance in constructing this document.

Respectfully submitted,



Gregory Rose
City Manager