



Office of the City Manager

January 5, 2005

Honorable Mayor Montandon and Members of the City Council

SUBJECT: Adopted 2005-2010 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 adopted 2005-2010 CIP for the City of North Las Vegas.

The City of North Las Vegas continues to grow rapidly with a population increase of approximately 1,300 residents each month and is expected to grow by 28.8% over the next three years. 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 adopted plan for major public facility improvements that will be implemented over the next five fiscal years. The projects included in the 2005-2010 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 adopted 2005-2010 Capital Improvement Plan amounts to \$810,756,800. The fiscal 2006 program will be integrated with the operating budget to include operating and maintenance costs on the new facilities. The fiscal 2006 capital program amounts to \$142,090,800.

The largest revenue category is comprised of Intergovernmental Revenue and includes funding sources from the Bureau of Land Management (\$193.2M), the Regional Transportation Commission (\$144.1M), the Clark County Regional Flood Control District (\$52.0M) and other Grants (\$4.5M). We propose financing several governmental projects with \$104.5 million in General Obligation Bonds. The Water Reclamation Facility will be funded with approximately \$100 million in General Obligation/Utility Bonds. There will be no tax increases to the citizens, as these bonds will be serviced with existing revenue.

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.

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 try and meet the growing demand on our libraries.

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, trails, and recreational facilities, enhancing the citizen's quality of life. The City pays for expenditures upfront and submits quarterly documentation of payments to the BLM for reimbursement.

Clark County Regional Flood Control. Funding received from this source is restricted for flood control projects. These funds are federal, however, the Clark County Regional Flood Control District manages the funds.

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

Fire/Emergency Management System Fund. This fund supports the building and repair of fire stations, purchase of critical fire equipment and support of emergency management programs.

General Fund. The General Fund includes various sources, including but not limited to, property taxes, consolidated taxes, franchise fees, building permit fees, and many others.

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.

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.

Nevada Department of Transportation. Funding received from this resource is generally allocated to projects that are related to arterial street engineering or construction.

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 a respective district.

Redevelopment Funds. Revenues for the redevelopment fund are recommended for use in the redevelopment area. These funds are from property taxes generated in our redevelopment districts.

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.

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.

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.

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.

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 for its services to customers.

Highlights of the CIP are as follows:

Community Development projects amount to \$3.5 million and include programs such as City Entryway, Commercial Rehabilitation, Neighborhood Beautification and Property Acquisition in the Redevelopment Area. These projects are funded through the Redevelopment Fund.

The ***Flood Control*** amounts to \$46.4 million and is funded by the Clark County Regional Flood Control District and includes projects such as the Gowan Outfall (\$18.5M), Upper Las Vegas Wash (\$14.6M), and Centennial Parkway Channel East (\$13.3M).

The ***Library District*** includes \$4.5 million in projects. Major projects include the construction of the Aliante Library, scheduled for completion in 2006, and the Alexander Library, scheduled in 2010. A General Obligation Bond will finance the Aliante Library and the Alexander Library will be funded through contributions and donations.

Municipal Facilities involve construction projects for a new City Hall Campus at \$73.2 million and a Vehicle Service Garage at \$8.0 million, funded entirely by General Obligation Bonds. Remodeling of the existing City Hall, Municipal Court, and Community Development Center, including enhancements for energy conservation and fire alarms, will amount to \$3.0 million from the General Fund.

Parks and Recreation was identified by the City Council as a high priority. As such, we are allocating \$220 million to this category, making it the largest capital program in the CIP. About \$193.2 million of Parks and Recreation projects are funded through BLM, with \$14.8 million funded through General Obligation Bonds, \$7.1 million from the tax override fund, and \$4.9 million from park district funds. Projects include \$62.5 million for new park development, \$59.2 million for new trails, \$36.1 million for Craig Ranch improvements, \$27.3 million for recreation centers, \$20.1 million for existing park renovations, and \$14.8 million for a senior center.

New parks include McCool Regional Park (\$25M), 20-Acre Park Development (\$8.1M), Cheyenne Peaking Basin Park (\$7.6M), Neighborhood Park #2 (\$6.4M), Downtown Central Park Acquisition (\$6.1M), Neighborhood Parks #3 and #4 (\$4.1M), Sandstone Ridge Park (\$1.9M), Desert Horizons Park (\$1.6M) and the East Las Vegas Tot Lot Acquisition (\$1.6M).

New trails will include the North Fifth Street Trail (\$27M), Upper Las Vegas Regional Trail, Phase I and II (\$17.3M), Las Vegas Wash Trails, Phase III and IV (\$9.6M), and Las Vegas Wash Trail and Trailhead, Phase IV (\$5.3M). There will be no tax increase to the citizens.

Approximately \$34.3 million is allocated to ***Public Safety*** and includes projects benefiting the fire, police and detention programs. Fire projects include \$4.3 million for the Fire Station 53 relocation, \$3.7 million for equipping and constructing new Fire

Station 57, \$1.9 million to replace/refurbish apparatus for all stations, and \$1.1 million for the Fire Station 52 Training Facility. The Fire/EMS Fund funds all fire projects.

G.O. Bonds, the General Fund and developer contributions will fund police projects. The new South Police Precinct (\$11.5M) and the North Central Police Precinct (\$8.1M) will decentralize police facilities throughout the City. Range improvements (\$2.2M) and the renovation of the detention and existing police headquarters (\$1.2M) will improve conditions at these older public safety buildings.

Technology improvements amount to \$12.0 million over the next five years paid through general fund, special revenue funds and grants. Major technology projects include citywide replacement of older computers (\$2.5M), Public Safety Information System (\$2.0M), SNACC (\$2.0M), Oracle 11i upgrade for core financials (\$1.5M), and other telephone and computer upgrades, such as Corel and Enterprise cashiering, totaling \$4 million.

Transportation Projects amount to \$210.3 million over the next five years, and is the second-largest capital program in the CIP, behind Parks and Recreation. The transportation projects are funded through the Regional Transportation Commission, Tax Overrides, and Cost Participation Agreements. We are allocating \$13.7 million to the Street Relocation Program and \$14.8 million to the 16th Through 23rd Year Traffic Capacity and Safety Improvements.

Other major transportation projects include North 5th Street Super Arterial, Phase I, Las Vegas Boulevard to Carey Avenue (\$56.0M), Craig Road Grade Separation, Phase III (\$31.6M), I-15/Lamb Boulevard Interchange improvements (\$24.9M), Losee Road/Alexander Road to Northern Beltway (\$17.6M), Simmons Street/Carey Avenue to Lone Mountain Road (\$14.8M) and Ann Road (\$10.0M).

The **Sewer Utility** includes \$153.3M in projects. The design and construction of a \$140.0 million wastewater reclamation facility will be financed through G.O./Utility bonds, the State Revolving Fund and the Bureau of Reclamation. Other sewer projects will be funded through the Utility Enterprise Fund and revenue bonds. Included with these projects is an effort to oversize developer-installed sewer lines.

Water Utility improvements total \$25.0M over the next five years through the Utility Enterprise Fund. Major projects include the installation and conversion to an Automated Meter Reading system (\$9.4M), Deer Springs Reservoir Improvements (\$4.0M), North Zone Transmission Main (\$2.0M), and reservoir improvements and funding to oversize developer installed water lines. All water projects will be funded by utility rate revenue.

Finally, **Vehicle Replacements** amount to \$17.2M of the CIP, which primarily involves the replacement of the City's older fleet in which 40 percent of the vehicles are over ten years old. The funding for this replenishment of newer vehicles will come from four different funds: General, Tax Override, Equipment Replacement, and Fire/EMS.

With all these projects, a \$67.7 million increase to the operation and maintenance costs will be necessary to support the new facilities and improvements. These costs would be borne by the General Fund, Public Safety Tax Fund and Utility Funds. Included with these projects, 112 additional full time equivalents (FTEs) will be needed to provide City services within the new facilities (excluding police officers and parks programming staff).

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

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,

A handwritten signature in black ink, appearing to read 'Gregory Rose', with a stylized flourish at the end.

Gregory Rose
City Manager