

# Introduction

## INTRODUCTION

The City of Boulder's Capital Improvements Program (CIP) is a six-year plan for public physical improvements. The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs over the six-year period. The first year's program in the CIP is adopted by the City Council as the Capital Budget, as a counterpart to the annual Operating Budget. Even though fiscal resources are appropriated only in the first year of the CIP, the succeeding five years of the CIP are important in providing a longer-term plan for setting spending priorities, scheduling projects in a logical sequence, and coordinating and targeting capital improvement projects for all city departments.

The 2011-2016 Capital Improvements Program includes proposed funding of \$139.5 million for 138 projects. 81 projects are recommended for funding in 2011, totaling \$24.1 million. The chart below summarizes the recommended capital funding by department for 2011.

### 2011 - 2016 DRAFT Capital Improvements Program

	Recommended 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Total
Downtown/ University Hill	\$1,764,800	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$5,514,800
Open Space & Mountain Parks	\$2,847,165	\$4,675,000	\$4,675,000	\$4,675,000	\$4,675,000	\$4,675,000	\$26,222,165
Parks & Recreation	\$3,605,000	\$2,854,000	\$2,640,000	\$2,550,000	\$2,350,000	\$1,700,000	\$15,699,000
Facilities & Asset Mgmt (inc. Fire & Library)	\$1,565,000	\$825,000	\$804,000	\$940,000	\$450,000	\$751,000	\$5,205,000
Stormwater & Flood Utility	\$2,550,000	\$5,800,000	\$1,800,000	\$1,966,500	\$2,408,495	\$4,001,000	\$18,525,995
Transportation	\$4,421,368	\$3,969,000	\$3,274,000	\$3,499,000	\$4,174,000	\$3,074,000	\$22,411,368
Tributary Greenways	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$350,000	\$2,600,000
Wastewater Utility	\$850,000	\$1,400,000	\$1,510,000	\$818,000	\$952,467	\$705,637	\$6,236,104
Water Utility	\$6,071,864	\$3,292,754	\$4,554,637	\$3,396,000	\$4,049,732	\$15,641,626	\$37,006,613
<b>TOTAL</b>	<b>\$24,125,197</b>	<b>\$24,015,754</b>	<b>\$20,457,637</b>	<b>\$19,044,500</b>	<b>\$20,259,694</b>	<b>\$31,648,263</b>	<b>\$139,551,045</b>

The CIP is an essential implementation tool for carrying out the Boulder Valley Comprehensive Plan's policies of orderly and efficient provision of urban facilities and services. The Comprehensive Plan provides for the phased growth of the city with annexation to occur only when the full range of urban services is available.

The Capital Improvements Program schedules projects that correct current facility deficiencies to meet or enhance these levels of service standards through facility expansions and maintenance.

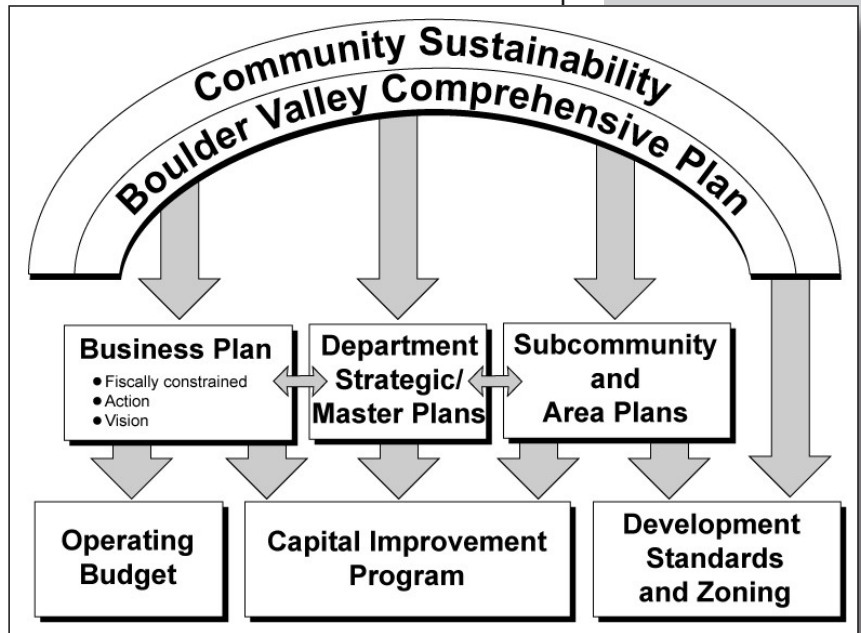
As stipulated by the City Charter Section 78, the city Planning Department coordinates the process for preparing the annual CIP with other city departments. The Planning Board evaluates and makes recommendations to the City Manager and City Council on the proposed CIP as part of the annual budget process.

The Planning Board's review of the CIP includes the policies and plans of the BVCP, but also looks to subcommunity plans, area plans and departmental master plans.

As defined in the Comprehensive Plan, subcommunity plans and area plans provide more detailed planning for land use, urban design, neighborhood revitalization, and public facility needs. Most departments now have functional master plans for the provision of services and facilities.

Master plans are developed to be consistent with the policies and the growth projections in the Comprehensive Plan. They typically include level of service standards needed to meet BVCP goals and policies, more specific policies, and system-wide priorities for scheduling and targeting capital improvements. The priorities are classified into three investment strategies, fiscally constrained, action plan, and vision plan. The master plan is then used by each department in its decision making and prioritization as part of the annual budgeting process.

New for the 2011 Capital Improvements Program is the development of Guiding Principles. The purpose is to begin to develop a universal system of prioritization across the organization. While the guiding principles are not intended to replace the departmental-specific criteria contained within master and strategic plans, they are used in conjunction as a common prioritization tool.



Municipal Building under construction, 1951. Photo courtesy Carnegie Branch Library for local history, Boulder Historical Society Collection.

## **CAPITAL IMPROVEMENT PROGRAM (CIP) GUIDING PRINCIPLES**

The City of Boulder Capital Improvements Program (CIP) addresses the ongoing major business needs and maintenance and repair of city assets as well as enhancements and expansion called for in the Boulder Valley Comprehensive Plan. The CIP is a strategic document that assures that the municipal organization maintains a strong bond rating, implements community values, and has fiscal integrity. The City intends to prioritize its investments both across and within funds based on the following guiding principles:

**1. Capital Improvement Programs should be consistent with and implement Council-accepted master plans and strategic plans.**

**2. Capital Improvements should achieve Community Sustainability Goals:**

- Environmental – sustainable materials, construction practices, renewable resources, etc.
- Social – enhancements that improve accessibility to city services and resources provided to the community.
- Economic – effective and efficient use of public funds across the community.

**3. As potential capital investments are identified, the city must demonstrate in the CIP process that there are sufficient funds to operate and maintain the project or program.**

**4. Capital Improvement Programs should provide enough capacity and flexibility in our long-term planning to be able to respond to emerging, unanticipated needs.**

**5. Capital Improvement Programs should maintain and enhance the supporting city-wide “business systems”, such as information and finance systems, for the city over the long-term.**

**6. Capital Improvement Programs should sustain or improve maintenance of existing assets before investing in new assets.**

**7. Capital improvements should:**

- Meet legal mandates from federal, state, or city levels
- Maintain or improve public safety and security
- Leverage external investments
- Promote community partnerships
- Reduce operating costs and improve efficiency

**8. Capital programming should maximize efficiency of investments demonstrated by measurable cost/benefit analyses and coordination of projects across departments within and across funds.**

**9. The Capital Improvement Program should provide sufficient reserves to allow for a sound fiscal foundation with benefits that include:**

- A strong bond rating
- The ability to address emergencies and natural disasters

# ACCOMPLISHMENTS

The city completed a significant number of Capital Projects in 2009 and 2010, which are highlighted below. Additional details on accomplishments are listed in the department overviews.

## Downtown and University Hill Management Division/Parking Services

- Completed major renovation at the 11th & Spruce parking garage
- Began work to the Randolph Center garage
- Began work at 1000 Spruce parking garage

## Facilities and Asset Management

- Fire Sprinkler repairs at the Municipal Service Center
- Major repair and boiler upgrades at Spruce Pool
- Lighting upgrades at three facilities
- Began Energy Savings Performance Contract (ESPC)
- Continued exterior repairs at the Carnegie Branch Library
- Completion of the Regional Fire Training Center in July 2010

## Information Technology

- First year including IT in the CIP
- New city-wide telephone system planned for 2010
- Completed IT Strategic Plan

## Open Space and Mountain Parks

- Renovated segments or trail heads of fifteen trails
- Completed paleontological survey of West TSA Area
- Completed assessment of the retaining walls on Chapman Drive
- Repaired masonry on 6 historic structures
- Completed wood restoration of the Halfway House

## Parks and Recreation

- Completed development of Dakota Ridge Park
- Completed Phase 1 of Flatirons Golf Course irrigation system replacement
- Broke ground on Valmont City Park Phase 1
- Began irrigation system renovation at Harlow Platts Community Park
- Began East Boulder Community Park Phase 2 development which will feature the City's first synthetic-turf multi-use playing fields

## Transportation/Airport

- Began reconstruction on Broadway - Pine to Iris
- Began construction on 30th Street - Arapahoe to Mapleton
- Completed the North Broadway improvements
- Completed reconstruction of 28th & Valmont intersection
- Awarded two ARRA Stimulus grant projects

## Tributary Greenways

- Completed the Elmer's Twomile Greenway Project

## Utilities

- Under construction on improvements and capacity expansion at the Boulder Reservoir water treatment plant
- Completed flood mitigation plan for Wonderland and Fourmile Canyon Creeks
- Will begin \$9.4 million dollar upgrades at the Wastewater Treatment Plant in 2010



Concrete work at the 14th & Walnut Parking Garage



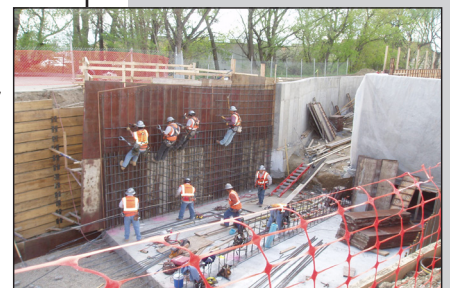
Continued exterior repairs at the Carnegie Branch Library



Completed repairs to the 1935 CCC Halfway House



Broke ground on Phase I of Valmont City Park



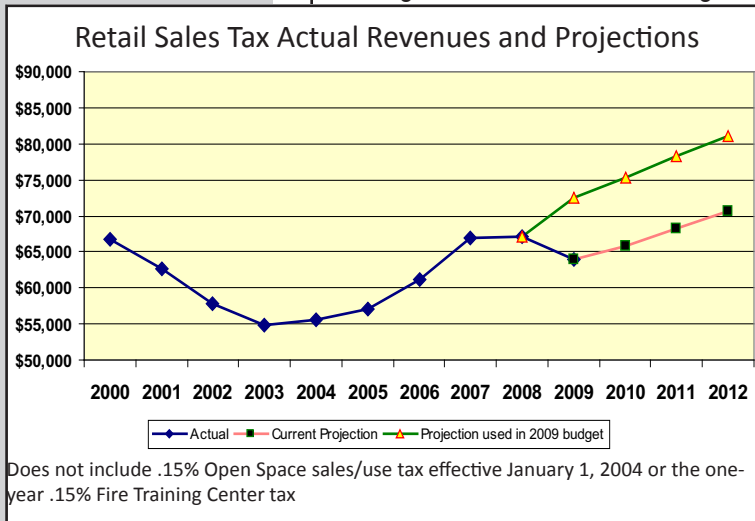
Completed construction of Elmer's Twomile Greenway Project

## CHALLENGES

### Revenue Reduction

The recessions that occurred starting in 2001 and 2007 were of such magnitude that capital funding for funds such as the general fund, which do not have dedicated capital funding

sources for capital investments, were minimized. The emphasis was placed on operational services and programs to find ways to continue to provide core services in the city. The Blue Ribbon Commission I (BRC I) report highlighted that some of the greatest identified critical deficiencies were in the capital areas of building maintenance and replacement, replacement of fire apparatus, and the funding for major software replacement.



### Construction Cost Inflation

From 2004 through the first three quarters of 2008 the cost of construction projects rose dramatically as the prices for commodities skyrocketed due to heavy

demand in the construction industry both domestically and worldwide. Departments use several cost indices to track construction costs as part of the CIP planning process, including the Engineering News Record (ENR), the Cost Index for Denver and the Colorado Department of Transportation (CDOT) and the Colorado Construction Cost Index. The ENR index is a composite index based on costs for: 1) local portland cement, 2) local 2x4 lumber, 3) national structural steel, and 4) local union wages plus fringes for carpenters, bricklayers and iron workers. The CDOT index is a composite index based on costs for 1) unclassified excavation, 2) hot bituminous pavement, 3) concrete pavement, 4) structural steel, and 5) reinforcing steel.

In 2009 and 2010, construction costs decreased due to the national and global economy. Staff is anticipating that some construction costs may not begin to rise until 2013, but the cost indexes will continue to be monitored.

### Funding Structure

While the dedication of certain funding streams by the voters has provided funds for some capital needs it has not provided ongoing new monies to pay for the new operational costs. In some situations sufficient capital funds have been accumulated to build the project but the lack of operating dollars have put the project on hold until the operating funding can be resolved.

### Unfunded Projects

Contained within the CIP for the last several years is a list of unfunded projects. However, this list is not comprehensive, nor is it inclusive of all current unfunded needs. Staff recognizes that the unfunded list is a key aspect of the priority-based budget process. In future years the unfunded needs by department will continue to be refined, and included with the CIP. For more information, see the next section "Changes For This Year."

## **OPPORTUNITIES**

### **De-Bruced Monies**

In the BRC I report, it was recommended that monies be used to fund identified critical funding deficiencies for the replacement of fire apparatus, facility repair, maintenance and renovation, technological improvements including replacement of aging systems, and police fleet replacement. All four of these capital items were funded with new de-bruced dollars in 2009 and 2010. The proposed 2011 budget continues to increase funding for these critical capital items.

### **One-Time Money**

Since 2001 one-time money has been used to fund one-time operating costs. This method bridged short term needs and allowed time for staff to analyze and determine proposed recommendations for long term operating challenges. Beginning with the 2011 budget it is recommended that one-time dollars be used only for one-time capital expenditures. This follows a key recommendation made in the BRC I report. In some cases the one-time dollars will be accumulated to address critical capital items that have not been addressed in past budgets. These are items such as improving funding for renovation and replacement projects and technological needs in various departments that will make the departments more efficient and effective. An example is outfitting police department vehicles with in-car digital cameras to record traffic stops and other interactions with the community in order to achieve greater public accountability and to improve police operations.

### **Lower bids/Low Inflation**

The downturn in the cost of construction projects and the low rate of inflation experienced in the past two years has helped stretch the dollars that have been allocated to capital projects and programs.

### **Priority-Based Budget**

The operating budget has been going through a city-wide prioritization process to better align limited resources with city values and priorities. In future years, applying a similar prioritization process to the capital improvements program will help ensure that the city is investing in its capital improvements efficiently and effectively.

### **Expansion of CIP**

In the past, the definition of CIP has not included the city's capital purchases or equipment, such as fleet purchases, information technology hardware, and software including city-wide "business systems". Beginning this year, staff has started to include some of these items along with the CIP. In future years, formal changes to the CIP definition and process will be undertaken to make the CIP document more user friendly and easier to understand. The 2011 CIP budget is the first step in implementing these improvements.

## **CHANGES FOR THIS YEAR**

Over the next two to three years staff will be making efforts to improve upon the CIP process and product, as was presented in the May 25, 2010 Budget Study Session. The following six general action items are being pursued:

## Inside Boulder Special Report on the CIP:

**July 9:** Introduction and Funding

**July 16:** Transportation and Facilities

**July 23:** Utilities & Greenways and Downtown

**July 30:** Parks & Recreation and Open Space & Mountain Parks

Episodes will air on Channel 8 Fridays at 7pm and on the city website.



### **1. Development and Council review of draft Guiding Principles for developing CIP's consistently across the organization.**

A draft set of guiding principles was presented to the Council for comment at the May 25 Study Session. Based on Council feedback changes were made, which are reflected in this document. Future use of these guiding principles will assist in developing CIP's consistently across the organization.

### **2. Develop a different way of presenting / communicating the CIP so it is more user friendly.**

A major effort for this year's CIP was to develop a more understandable and graphic draft CIP document, with more graphic and visual displays. A significant change was to re-organize the document by department, rather than by financial fund. In addition, the city has created a CIP page on the city website, and a four-part series on the CIP was developed for Channel 8's Inside Boulder that is airing the entire month of July.

Staff has spent time reviewing best-practices from other communities, and drawing on staff experience in other communities in developing new ways of presenting the information in the CIP. A significant effort in the coming years will be including additional information on projects, fund balances, and presenting a comprehensive view of capital income and expenses. In the document for this year, a sample of a new fund overview can be found in the Greenways Section.

### **3. Describe how the CIP process is done today so there is shared understanding.**

The general process for the is outlined in the City Plans and Projects Handbook, which is adopted by City Council. However, details regarding prioritization, revenue projections, and organization are handled differently between departments. Work on developing a more integrated process will continue, and proposed revisions to the City Plans and Projects handbook will be presented to Council. The current process for the development of the CIP is included on page X.

### **4. Consider structuring or defining the CIP differently.**

The CIP is defined in the City Plans and Projects Handbook. Currently, the definition only includes physical, long-term infrastructure-type investments and projects. It does not include other significant city investments, such as IT infrastructure, fleet, and other capital purchases. In addition, the current structure of the CIP does not adequately communicate the actual estimated expenditures on many projects, especially those that are ongoing investments, nor does it give a clear picture of the funding sources used for capital improvements.

In this draft CIP, you will find two new sections, one for Information Technology, and one for Capital Purchases and Equipment. In addition, the Greenways section includes a sample of the additional information identified to help adequately communicate the funding of capital projects. Additional discussions regarding the structure and definition of capital improvements will continue into future years.

### 5. Develop a more comprehensive unfunded list.

Developing a more comprehensive unfunded list will begin with the 2012 budget. For this draft CIP, departments have described unfunded needs in the overview of each section. Future ideas include tracking partially funded projects in the database and reports used for the CIP, and a more consistent definition of what an unfunded project is. In addition, the CIP needs to strengthen the link between current needs, unfunded needs and the related operating costs associated with capital improvements.

### 6. Develop reasonable funding strategies that may include:

- One-time funding to be allocated for CIP purposed
- Allocating a portion of the “de-bruced” property tax revenue for CIP and capital purchases
- Developing other funding strategies for 2012 budget and beyond.

The efforts regarding funding strategies will begin with the 2011 budget, and the decision making process on any available one-time money. How these decisions relate to the CIP guiding principles, priority-based budgeting, and exploration of funding strategies will be a continuing effort for the 2012 budget and beyond.

Estimated Action Plan Unfunded Needs by Department	
Downtown & University Hill Mgmt Div.	TBD
Facilities & Asset Mgmt (inc. Library)	\$7,400,000
Fire-Rescue	\$6,350,000
Greenways	\$0
Open Space	\$0
Parks & Recreation	\$30,415,000
Transportation	\$73,000,000
Stormwater & Flood Management Utility	\$0
Wastewater Utility	\$0
Water Utility	\$0
<b>TOTAL</b>	<b>\$117,165,000</b>

## IMPLEMENTATION OF SUBCOMMUNITY & AREA PLANS

### North Boulder Subcommunity Plan

The North Boulder Subcommunity Plan (NoBo Plan) was adopted by the city in 1995 and amended in 1996 and 1997, and covers 2300 acres. Its creation was precipitated by the significant amount of development and redevelopment that was expected in North Boulder which, at the time, contained nearly half of the city’s vacant residential land and several prominent vacant or under-developed commercial sites. Much of the planning area has now been developed or is approved for development, and a significant number of Capital Improvements have been made in the area, including installation of bike lanes and bike paths throughout the subcommunity, and installation of Violet west of Broadway. Foothills Community Park has been developed. Three neighborhood pocket parks have been acquired and flood and tributary greenway improvements have been made to implement the plan.

Proposed Capital Improvements in the next six years include:

- Development of Elks Neighborhood Park, coordinated with Greenways and Flood Improvements along Fourmile Canyon Creek
- Wonderland Lake Sidewalk Repairs
- Wonderland and Fourmile Canyon Creek Flood and Greenways Improvements
- Safe Routes to School grant funding for Fourmile Canyon Creek from 26th-28th Streets

### **Boulder Junction**

The Boulder Junction area includes the Transit Village Area Plan (TVAP), adopted by the city in 2008, which covers 160 acres. The area is located in the geographic center of the community, and was developed in anticipation of significant redevelopment due to the development of new RTD bus and rail transit stations, development of city-owned property as a transit-oriented mixed use neighborhood, and revitalization of the former Crossroads Mall into Twenty Ninth Street. Implementation of the plan is just beginning, however the following capital improvements have been approved or are under construction:

- New bridge and pedestrian/bicycle underpass on 30th Street at Boulder Left Hand and North Boulder Farmer's ditch (just south of Pearl Street);
- Multi-use path connection between the east side of 30th Street and Goose Creek Greenway (the path connection on the west side already exists);
- Mid-block pedestrian crossings on 30th Street between Pearl Street and Goose Creek Greenway;
- Transit stop amenities and urban streetscape improvements in portions of the corridor; and
- Underground portions of the power line on the east side of 30th Street.
- Relocation of the 1890 Boulder Jaycees Depot along the future north-south road alignment

Proposed Capital Investments in the next six years include enhancements to be coordinated with development projects. This area is anticipated to have a significant proportion of the city's new residential and non-residential growth in the next decade, and additional projects will be added to be timed with public and private re-development in the area.

### **Gunbarrel Community Center Area Plan**

The Gunbarrel Community Center Plan was adopted in 2004, and amended in 2006.

The purpose of the Gunbarrel Community Center Plan is to provide a blueprint for the Gunbarrel commercial area that will result in a viable and vibrant, easily accessible, pedestrian-oriented center to serve the Gunbarrel subcommunity.

There are no planned capital improvement projects in the next six years within the Gunbarrel Community Center plan area. Future capital improvements will include street and sidewalk improvements and bicycle and trail connections. Improvements in the long-term could also include potential library and park facilities if appropriate locations and new sources of funding are identified.

### **Downtown Boulder**

The future vision for downtown Boulder was developed through the Downtown Alliance, and their final report in 1997. While significant private and public investment has occurred since that time, continual investments in the downtown are needed to continue to ensure downtown remains a primary community gathering place, business and commercial center, and tourism attraction. Investments made in the downtown are an inter-departmental effort. In the next six years, the following investments are planned:

- Completion of parking garage improvements
- Streetscape enhancements leading to Pearl Street
- Rehabilitation of the family gathering place on the 1200 block of the Pearl Street Mall
- Pearl Street Mall Irrigation

## PROJECTS RECOMMENDED FOR A COMMUNITY AND ENVIRONMENTAL ASSESSMENT PROCESS (CEAP)

The projects that are proposed to be evaluated under Community and Environmental Assessment Process (CEAP) review are listed in Appendix A, and the individual project sheets identify if a CEAP is required. The purpose of a CEAP is defined to “assess potential impacts of conceptual project alternatives in order to inform the selection and refinement of a preferred alternative.”

The CEAP process is referenced in the Council Procedure, the Appendix to Title 2 of the Boulder Revised Code. Section IX. Procedure in Handling Major Capital Improvement Projects, states that projects should be handled in accordance with the City Plans and Projects Handbook, dated November 2007.

The Handbook states the following guidelines for selecting projects that should be evaluated through a CEAP:

1. A project or a potential alternative could have a significant impact on an environmental, social, or cultural resource and the project would benefit from a CEAP.
2. The project is anticipated to generate enough neighborhood or community input to require a public hearing or board review.
3. There is more than one possible conceptual alternative that will require staff or community input in the selection.
4. The project requires alternatives analysis as part of internal or external permitting and review processes at the local, county (1041), state, or federal level (NEPA). (An internal city CEAP should be performed prior to submitting for a local permit or to the external agency.)

\*Note: Projects that require Concept and Site Plan Review do not go through the CEAP and are not reviewed by the CEAP Review Group.

CEAP reviews are prepared when projects are in the site location and facility design phase. The primary purpose of the CEAP is to encourage the consideration of potential social and environmental impacts in planning and decision making and, ultimately, to arrive at actions that achieve the objectives of the project with the fewest impacts. The intent of the CEAP is to make project planning more efficient in considering issues in advance of implementation.

All CEAPs include an analysis of the project and alternatives, including how the project will further implement the BVCP, master plan goals, or subcommunity or area plans. The alternatives are then analyzed through a checklist of impacts to Natural Areas or Features, Riparian Areas/ Floodplains, Wetlands, Geology & Soils, Water Quality, Air Quality, Resource Conservation, Cultural/Historic Resources, Visual Quality, Safety, Physiological Well-being, Urban Services, Special Populations, and the Economy.

CEAP findings are submitted by departments to their respective advisory board for review as part of CIP project approval. Council has the opportunity to call up projects for their review and approval. (For those departments that do not have an advisory board, Planning Board is responsible for reviewing CEAP findings as part of project approval.)

Annually, the list of Capital Projects is reviewed by the internal city CEAP review group, and the group discusses projects that may need a CEAP. The list of projects can be found in Appendix B.