

CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PROGRAM

INTRODUCTION

The Capital Improvement Program (CIP) categorizes and lists the major public improvements to the City's infrastructure over the next five budget cycles. In general, the CIP includes new projects and upgrades to existing facilities that cost more than \$50,000. The CIP is prepared in conjunction with the two-year budget. Projects are compiled by each department in the City, submitted to the Budget Team for review, and presented to the Parks and Recreation Commission and the Planning Commission before being presented as the Recommended CIP to City Council.

The FY 2009-11 CIP process was built around the following components:

I. The Administrative and Policy Framework for the CIP Process

A capital improvement project is defined as any major expenditure for capital assets of government with an estimated cost in excess of \$50,000 and a useful life of five years or more such as:

- Costs for acquisition of land or interests in land
- Construction of buildings or other such structures including additions, major alterations or rehabilitation
- Construction or reconstruction of streets or utility lines
- Acquisition and installation of fixed equipment
- Studies requiring the employment of outside professional consultants which are expected to result in the acquisition of capital items
- Landscaping and design work relating directly to an individual project

As adopted by the City Council on June 11, 1991, Resolution No. 10,188 established three standards to be used in the development of the CIP budget, as follows:

A. The City will evaluate proposed capital projects against the following criteria:

1. Linkage with community needs as identified in the City's major planning documents
2. Cost/benefit analysis identifying all economic or financial impacts of the project
3. Identification of available funding resources

- B. The City will develop its capital improvement program with funding priorities in the following order:
1. Projects which maintain and preserve existing facilities
 2. Projects which replace existing facilities which can no longer be maintained
 3. Projects which provide new and expanded services to the community
- C. The City will prioritize projects based on a comprehensive cost/benefit analysis which identifies all financial impacts and community benefits.
- D. Capital Equipment Purchases

In prior years, funding for large capital equipment items costing over \$50,000 per item was removed from the Capital Improvement Project budget process to individual departmental operating budgets. In each of Fiscal Years 2009-10 and 2010-11, a total General Fund allocation of \$383,369 is being reserved in a centralized account for equipment replacement. The proposed use of these funds includes but is not limited to equipment acquisition and/or lease payments for lease-purchase of capital equipment. Use of these funds for lease-purchase arrangements would require future City Council action.

II. REVENUES AVAILABLE

A. Grant Resources	<u>FY 2009-10</u>	<u>FY 2010-11</u>
1. CDBG Entitlement	\$1,116,737	N/A*
2. HOME Funds	990,131	N/A*
3. Air Quality Funding	<u>200,000</u>	<u>0</u>
Total Grant Resources	\$2,306,868	\$0

*CDBG and HOME grant funding amounts are not yet available for FY 2010-11.

B. Local Resources	<u>FY 2009-10</u>	<u>FY 2010-11</u>
1. Quimby Fees & Interest	519,935	N/A*
2. Park Development Fees & Interest	20,826	N/A*
3. Circulation System Improvement Fees	1,580,000	\$925,000
4. Internal Service Fund (Info Systems)	<u>115,000</u>	<u>0</u>
Total Local Resources	\$2,235,761	\$ 925,000

*Quimby and Park Development Fee amounts are not yet available for FY 2010-11.

C. Utility Capital Budget Resources	<u>FY 2009-10</u>	<u>FY 2010-11</u>
1. Water Fund Connection Fees	\$50,000	\$300,000
2. Water Fund User Fees	15,400	15,400
3. Wastewater Collection User Fees	100,000	207,800
4. Wastewater Treatment User Fees	77,000	0
Total Utility Capital Budget Resources	\$242,400	\$523,200
D. Community Development Commission	\$1,010,000	\$770,000
Total All CIP Resources	\$5,795,029	\$2,218,200

The City of Oxnard finances its capital budget through a combination of general revenues, revenues collected specifically for use on CIP projects, development mitigation fees, and State and Federal grants. Outlined below is a brief description of the various revenue sources used to finance CIP projects that are projected to be available to support FY 2009-10 and FY 2010-11 CIP projects.

A. GRANT RESOURCES

1. Community Development Block Grant (CDBG)

As an entitlement community, the City of Oxnard receives Federal CDBG funds annually based on a formula involving population, unemployment, and median family income. CDBG funds may be used for the acquisition, construction, reconstruction, rehabilitation or installation of public improvements or facilities except for buildings for the general conduct of government. Projects must benefit low- and moderate-income residents, eliminate slums and blight, or meet an urgent need as defined by the Department of Housing and Urban Development (HUD).

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
CDBG Funds Available for CIP projects	\$1,116,737	N/A*

*CDBG grant funding amounts are not yet available for FY 2010-11.

2. HOME Funds

The Home Investment Partnerships (HOME) Program was created by the National Affordable Housing Act of 1990. Congress adopted the program to specifically concentrate on housing needs versus the broader community-oriented programs provided for by the Community Development Block Grant (CDBG) program. There are four categories which are eligible for funding: rental housing, rental assistance, homebuyers' assistance, and housing rehabilitation. There are several key restrictions governing the use of the funds: 1) funds must be committed within two years of award and expended within five years of award, 2) 15% of the funds must be committed to a Community Housing Development Organization (CHDO), and 3) there is a 25% matching requirement.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
HOME Grant Funding	\$990,131	N/A*

*HOME grant funding amounts are not yet available for FY 2010-11.

3. Air Quality Funding

Developers of new commercial, industrial, or residential developments which exceed a specified threshold of new air pollution are required to pay a mitigation fee that can be used to fund City projects that reduce air pollution. Examples of projects qualifying for Air Quality Funding are carpool lanes, park and ride facilities, and mass transit facilities.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Air Quality Funding	\$1,348,400	\$0

B. LOCAL RESOURCES

1. Quimby Fees & Interest

As a condition of approval of any residential subdivision map, developers must pay Quimby Fees. Fees collected from this source must be used to fund a neighborhood park or, if the neighborhood park was funded by other means, a community or City park that serves the residents of the subdivision from which the fees were collected. Interest is also earned on Quimby Fees on deposit throughout the year and may be used for the construction and acquisition of parks and recreation projects Citywide.

Quimby Fees and interest are only appropriated in the fiscal year following collection of these revenue sources. No revenue estimate is yet available for FY 2010-11 due to the uncertainty of development activity. The following revenue estimates include the amounts collected as Quimby fees from the developers of new residential units as well as interest earned on Quimby funds held in reserve:

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Quimby Fee & Interest Available	\$519,935	\$0

2. Park Development Fee Revenues

Park Development Fees are charged on a per-unit basis for new development. These fees are virtually unrestricted in use for park projects. They may be used for acquisition, development, or improvement of park facilities throughout the City. Park Development Fees and interest are only appropriated in the fiscal year following collection of these revenue sources. No revenue estimate is yet available for FY 2010-11 due to the uncertainty of development activity.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Park Development Fee Revenue	\$20,826	\$0

3. Circulation System Improvement Fee Revenues

The Circulation System Improvement Fee is a development fee adopted by the City Council in January 1985. The purpose of the fee is to generate a portion of the funds needed to pay for growth-required roadway and intersection improvements along certain specified major arterial streets and highway interchanges. The fee is based upon the number of daily vehicle trips generated by a new development. Because any improvements that a developer makes to such streets (per the development conditioning process) will be considered as an in-lieu payment of the fee, the amount of revenue actually collected from this fee may be uneven from year to year.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Circulation System Funds Available	\$3,900,000	\$3,900,000

4. Internal Service Fund (Info Systems)

The Information Systems Fund derives its revenues from charges for services it provides to departments of the City. This fund can accumulate funding for the purpose of investing in information technology capital projects.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Internal Service Fund (Info Systems)	\$115,000	\$0

C. UTILITIES CAPITAL BUDGET RESOURCES

Funds for the utilities capital budget are generated through Water, Wastewater, and Storm Water Connection Fees, bond funds, grant funds, as well as through the rates paid by users.

1. Water Fund Connection Fees

Water Connection Fees are charged for each new connection to the City's water system. This fee assesses new development for the full cost of the expansion of the future water system required due to growth.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Water Connection Fees	\$50,000	\$300,000

2. Water Fund User Fees

The Water Fund receives its revenue from the monthly fee charged to users.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Water Fund User Fees	\$15,400	\$15,400

3. Wastewater Collection User Fees

The Wastewater Collection rate revenue is dedicated to pay for collection system operations, maintenance and rehabilitation projects. This fee assesses new development for the expansion and rehabilitation to the wastewater system resulting from growth.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Wastewater Collection User Fees	\$100,000	\$207,800

4. Wastewater Treatment User Fees

The Wastewater Treatment Fund receives revenue from Oxnard and nearby regional users (e.g., Port Hueneme and military bases).

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Wastewater Treatment User Fees	\$77,000	\$0

D. COMMUNITY DEVELOPMENT COMMISSION RESOURCES

The Community Development Commission uses four major sources of funds for its capital projects: (1) tax increment revenues generated within redevelopment project areas; (2) proceeds from tax allocation bonds, which are repaid with tax increment revenues; (3) proceeds from short-term loans from the City; and (4) miscellaneous operating income which includes interest income, rental income from Agency-owned property, payments on Agency rehabilitation loans, and payments due under development agreements.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>
CDC Funds	\$1,010,000	\$770,000

III. RECOMMENDED PROJECTS - FY 2009-10

Summary of Projects by Funding Source

The following summary lists all projects included in the FY 2009-10 Recommended Budget:

A. GRANT RESOURCES

- | | |
|--|-------------|
| 1. CDBG Entitlement | \$1,116,737 |
| a. Bartolo Square North Neighborhood Resurfacing - Phase I | |
| b. Campus Park Gym Remodel - Phase II | |
| c. Colonia Park Sidewalk replacement | |

2. HOME	\$990,131
a. CHDO Development	
b. First-time Homebuyers	
c. Housing Rehabilitation - Mobile Homes	
d. Housing Rehabilitation - Single Family	
e. Mobile Home Replacement	
3. Air Quality Funding	\$200,000
a. Diesel Exhaust Particulate Filters for HD Vehicles	
b. OTC Bilingual Signs	
B. LOCAL RESOURCES	
1. Quimby Fees and Interest	\$519,935
a. Citywide Park Rehabilitation	
b. Lathrop Park	
c. Sea View Park Improvements	
2. Park Development Fees	\$20,826
a. Citywide Park Rehabilitation	
3. Circulation System Improvement Fees	\$1,580,000
a. Citywide Signal System Improvements Various Locations	
b. Hwy 101 - Rice Interchange	
c. Oxnard Boulevard Corridor Improvements	
d. Rose Avenue and La Puerta Median	
e. Rose Avenue and Gonzales Road	
f. Traffic Signal Power Backup	
g. Vineyard Avenue Corridor	
4. Internal Service Fund (Info Systems)	\$115,000
a. Data Center Renovation	
C. UTILITY CAPITAL BUDGET RESOURCES	
1. Water Fund Connection Fees	\$50,000
a. Hydrant Replacements	

same time that the playground is installed. This project is being funded with CDBG funds for FY 2009-10.

2. HOME

a. CHDO Development

This project consists of a loan to a nonprofit housing corporation.

b. First-time Homebuyers

This is a citywide program providing a matching grant of up to \$10,000 for new and resale homes for first-time homebuyers. The project will assist a minimum of 30 families per year.

c. Housing Rehabilitation - Mobile Homes

This is a citywide program for repairs on mobile homes of up to \$20,000 per unit. This program is normally used with seniors whose home has generated a large amount of deferred maintenance.

d. Housing Rehabilitation - Single Family

This is a citywide program for repairs on single-family homes. The single-family home program provides a matching grant of up to \$10,000. There is also a deferred loan program for single-family homes which may be as high as \$80,000 to \$100,000 per unit. This program is normally used with seniors whose home has generated a large amount of deferred maintenance.

e. Mobile Home Replacement

This program replaces substandard units in mobile home parks. The program includes the demolition of the old unit, temporary housing, storage of furniture, and a new unit. The funding will assist 3 to 5 families per year.

3. Air Quality Funding

a. Diesel Exhaust Particulate Filters for HD Vehicle

This project consists of the purchase and installation of exhaust particulate filters for diesel-powered City trucks with a gross vehicle weight rating (GVWR) in excess of 10,000 lbs. The California Air Resources Board (CARB) adopted several fleet rules to reduce diesel particulate matter emissions from vehicles for health and safety reasons (diesel exhaust particulates are a known carcinogen). By regulation, all public agencies must comply; compliance is phased in over several years.

b. OTC Bilingual Signs

This project concerns the installation of new bilingual signs at the Oxnard Transportation Center (OTC). These signs will improve public communication at the OTC, especially with respect to bus and train information providing non-English speakers with essential transit information.

B. LOCAL RESOURCES

1. Quimby Fee & Interest Projects

a. Citywide Park Rehabilitation

These funds provide for the rehabilitation of various parks throughout the City. Rehabilitation improvements include court resurfacing, restroom building upgrades, play equipment improvements, security lighting upgrades, ball field improvements, irrigation and landscape modifications, and other park improvements not eligible for CDBG funding.

b. Lathrop Park

This project provides for ongoing improvements to Lathrop Park. Improvements may include upgrades to playground and surfacing, upgrade to irrigation, and plant replacement.

c. Sea View Park Improvements

This project may include updates to irrigation system, upgrades to playground and play surfaces, and improvements to backstop and turf.

2. Park Development Fees and Interest Projects

a. Citywide Park Rehabilitation

These funds provide for the rehabilitation of various parks throughout the City. Rehabilitation improvements include court resurfacing, restroom building upgrades, play equipment improvements, security lighting upgrades, ball field improvements, irrigation and landscape modifications, and other park improvements not eligible for CDBG funding.

3. Circulation System Improvement Fund

a. Citywide Signal System Improvements - Various Locations

This project involves connecting all traffic signals to the Traffic Management Center to allow for communication with all signals at a centralized location. Improvements may also include upgrading hardware to include the latest

technology. These improvements will allow for faster response times to changing traffic patterns and volumes. Newer technology will allow for detector loops to count traffic volumes, alert drivers of traffic congestions so alternate routes can be planned.

b. Hwy 101 - Rice Interchange

This project will replace the existing interchange at Highway 101 and Rice Avenue. The existing structure is inadequate to handle projected traffic volumes. This project is critical to the development of the northeast sector of the City. This project is also required before Caltrans will designate Rice Avenue as Highway 1. Transferring the designation is a key aspect of downtown redevelopment.

c. Oxnard Boulevard Corridor Improvements

This project will make signal timing changes and upgrade intersections to meet City of Oxnard standards upon relinquishment of parts of State Route 1 (Oxnard Boulevard) to the City of Oxnard.

d. Rose Avenue and La Puerta Median

This project modifies the median to create a right-in, right-out only intersection.

e. Rose Avenue and Gonzales Road

This project will modify signal operation for an eastbound triple-left turn.

f. Vineyard Avenue Corridor

This project will make signal timing changes and upgrade intersections to meet City of Oxnard standards upon relinquishment of parts of State Route 232 (Vineyard Avenue) to the City of Oxnard.

4. Internal Service Fund (Info Systems)

a. Data Center Renovation

The aggressive growth of the computer network, now including our new VoIP (Voice over Internet Protocol) phone systems, has taxed the computer room resources to its limits; including but not limited to space, power, air conditioning, and the volume of used and unused cables. In addition, the computer room security and fire suppression systems are totally outdated. In light of the critical state of the City's Data Center, Information Systems is recommending a comprehensive renovation of the main Data Center. This renovation should include new lighting and acoustics, new fire suppression equipment, physical security and complete recabling of the Data Center. This project will ensure the the integrity of our networks and the investment already made in our technology

capital outlay projects. Prior years funding of \$403,000 has been budgeted to this project.

C. UTILITY CAPITAL BUDGET RESOURCES

1. Water Fund Connection Fees

a. Hydrant Replacements

This capital improvement program ensures a reliable fire suppression capability throughout the City of Oxnard. The Water Resources Division's Asset Management System still shows that there are numerous non-standard "barrel" fire hydrant assemblies installed throughout the City of Oxnard. This program is designed to replace all of the non-standard hydrant assemblies, and update, replace, and/or maintain on a reoccurring schedule those assemblies that are scheduled for predicative servicing.

2. Water Fund User Fees

a. Diesel Exhaust Particulate Filters for HD Vehicles

This project consists of the purchase and installation of exhaust particulate filters for diesel-powered City trucks with a gross vehicle weight rating (GVWR) in excess of 10,000 lbs. The California Air Resources Board (CARB) adopted several fleet rules to reduce diesel particulate matter emissions from vehicles for health and safety reasons (diesel exhaust particulates are a known carcinogen). By regulation, all public agencies must comply; compliance is phased in over several years.

3. Wastewater Collection User Fees

a. Regulatory Compliance

In order to comply with wastewater National Pollutant Discharge Elimination System (NPDES) permit requirements, the wastewater collection system must be regularly maintained and upgraded over the useful life of the asset. Routine capital reinvestment is required to ensure reliable system performance and regulatory compliance by avoiding interruptions in service caused by collection system failures and subsequent accidental releases/spills.

4. Wastewater Treatment User Fees

a. Diesel Exhaust Particulate Filters for HD Vehicles

This project consists of the purchase and installation of exhaust particulate filters for diesel-powered City trucks with a gross vehicle weight rating (GVWR) in excess of 10,000 lbs. The California Air Resources Board (CARB) adopted

several fleet rules to reduce diesel particulate matter emissions from vehicles for health and safety reasons (diesel exhaust particulates are a known carcinogen). By regulation, all public agencies must comply; compliance is phased in over several years.

D. COMMUNITY DEVELOPMENT CORPORATION

1. HERO Business Façade Program

This project creates a business facade improvement program for HERO Project Area properties on the major project area arteries of Oxnard Boulevard, Vineyard Avenue, Saviers Road, Fifth Street, "C" Street, Wooley Road, Channel Islands Boulevard, Bard Road and Pleasant Valley Road. The purpose of the program will be to assist property owners/merchants in upgrading their buildings to create an attractive commercial office/retail environment. The HERO's Five Year Implementation Plan approved by the Oxnard Community Development Commission on December 14, 2004, identified 136 parcels within HERO as impaired investments. Remediation goals and objectives include elimination and prevention of the spread of blight, strengthen the economic base of the area, promote private sector investment, provide economic growth and increased sales tax, create local job opportunities, and preserve existing employment base.

2. HERO Home Buyers Assistance Program

The HERO Home Buyers Assistance Program provides for \$5,000 matching down payment assistance as well as second mortgage loans for qualified low- and very low-income families. The program is available to residents who reside in HERO. Applicants must meet certain eligibility requirements and be Oxnard residents. If the homeowner does not sell the home for a period of five years after the loan is received, the loan will be forgiven. If, however, the home is sold within five years after the loan is given, the loan will be due in full.

3. Mobile Home Replacement

This program replaces substandard units in mobile home parks on a citywide basis. The program includes the demolition of the old unit, temporary housing, storage of furniture, and a new unit. The funding will assist 3 to 5 families per year.

4. Social Security Building

This project provides for repairs to an existing CDC-owned 13,646 square foot Social Security building located at 425 South "B" Street. Repairs include roof repairs, HVAC unit repair/replacement, and general repairs as needed to provide safe and sanitary conditions to tenants occupying space in the building. The building will be held by the CDC for future re-use that is more consistent with the Downtown Strategic Plan. In the interim, CDC has lease obligations with existing tenants until

October 31, 2011.

5. Southwinds Residential Rehabilitation Grant

This ongoing program provides eligible applicants in the Southwinds neighborhood a loan or grant to make interior and exterior repairs to their homes.

6. Southwinds Security Lighting and Fencing

This ongoing program provides eligible applicants in the Southwinds Neighborhood a loan or grant to secure their homes with a state-of-the-art attractive security fence and/or security lighting. This program was developed in conjunction with CDC staff, Police Department and the City Attorney's Office.

V. RECOMMENDED PROJECTS - FY 2010-11

Summary of Projects by Funding Source

The following summary lists projects recommended for approval in FY 2010-11. Additional projects may be added during the mid-term FY 2010-11 budget process.

A. GRANT RESOURCES

- | | |
|---------------------|---------|
| 1. CDBG Entitlement | \$ N/A* |
| 2. HOME | \$ N/A* |

B. LOCAL RESOURCES

- | | |
|--|-----------|
| 1. Quimby Fees and Interest | \$ N/A* |
| a. Citywide Park Rehabilitation | |
| 2. Park Development Fees | \$ N/A* |
| a. Citywide Park Rehabilitation | |
| 3. Circulation System Improvement Fees | \$925,000 |
| a. Oxnard Blvd and Channel Islands Blvd Intersection | |
| b. Traffic Signal Power Backup | |

*Not yet available for 2010-11

C. UTILITY CAPITAL BUDGET RESOURCES

1. Water Fund Connection Fees	\$300,000
a. Citywide SCADA Upgrades	
b. Hydrant Replacements	
2. Water Fund User Fees	\$15,400
a. Diesel Exhaust Particulate Filters for HD Vehicles	
3. Wastewater Collection User Fees	\$207,800
a. Diesel Exhaust Particulate Filters for HD Vehicles	
b. Regulatory Compliance	
4. Community Development Corporation	\$770,000
a. HERO Business Façade Program	
b. HERO Home Buyers Assistance Program	
c. Mobile Home Replacement	
d. Social Security Building	
e. Southwinds Residential Rehabilitation Grant	
f. Southwinds Security Lighting & Fencing 100% Grant	

Total recommended projects from known funding sources FY 2010-11: \$2,218,200