

Capital Improvement Plan – A closer look within Sectors

Presentation to City Council
April 10, 2013

Purpose

- To continue discussion leading to establishing budget priorities and create an implementation objective for the City.
- To look more closely at projects within each Sector of the City.
- To present additional funding options.
- This presentation contains no recommendations.

A Closer Look At Projects by Sector

Sector I Projects

Sector	CMP Sector Reference	Description			Budget		Funding				
		Category	Item	Description	Estimated Original Budget	Modified Budget	Federal/State Sources	General Fund Current	TIF I	Private Partnership	Fund Balance Committed/ Assigned
1	N/A	Streets	6	Mast Arm - Craven/Carteret	\$ 125,000.00				\$ 119,220.00		\$ 5,780.00
1	N/A	Drainage	9	Craven/ Charles Street Drainage	\$ 182,047.50						
1	N/A	Drainage	10	North/West Drainage	\$ 72,621.00						
1	N/A	Drainage	11	North/Euhaw Drainage	\$ 52,308.00						
1	N/A	Drainage	12	Point Outfall (Port Republic)	\$ 15,116.40						
1	N/A	Drainage	22	Pigeon Point and Boundary Drainage	\$ 30,456.00						
1	N/A	Street Light	24	Street Light Replacement/Improvement	\$ 555,000.00						
1	N/A	Street Light	25	Christmas Decorations for new Street lighting	\$ 120,000.00						
1	N/A	Bldg	27	Arsenal HVAC replacement	\$ 25,000.00				\$ 25,000.00		
1	1 - B	Parks	29	Basil Green Park	\$ 1,068,240.00						
1	1 - G	Streets	30	Bicycle Improvements - Sharrows	\$ 152,000.00						
1	1 - F	Streets	31	Bicycle Improvements - Dedicated Bike Facilities	\$ 47,400.00						
1	1 - I	Misc	32	Downtown Wayfinding Signage	\$ 15,000.00						
1	1 - K	Streets	33	East Boundary Street - Phase I	\$ 34,269.00						
1	1 - L	Streets	34	East Boundary Street - Phase II	\$ 30,264.00						
1	1 - N	Streets	35	Green Street Streetscape - Phase I	\$ 650,000.00						
1	1 - N	Streets	36	Green Street Streetscape - Phase II	\$ 650,000.00						
1	1 - N	Streets	37	Green Street Streetscape - Phase III	\$ 650,000.00						
1	1 - J	Streets	38	Duke Street Streetscape - Phase IIA - Harrington to Charles	\$ 725,258.75		\$ 500,000.00	\$ 75,630.00			\$ 149,628.75
1	1 - O	Streets	39	Pedestrian Crossings	\$ 31,500.00						
1	N/A	Open Space	40	Banner Area	\$ 73,860.00						
1	1 - R	Streets	41	Sycamore Streetscape	\$ 71,790.00						
1	1 - T	Parks	42	Washington Street Park - ownership issues regarding park	\$ 100,000.00						
1	N/A	Marina	43	Day Dock	\$ 300,000.00						
1	N/A	Marina	44	Mooring Field	\$ 133,408.00		\$ 100,000.00			\$ 33,408.00	

TOTAL SECTOR 1: 1-3 year
Projects

\$ 5,910,538.65

\$ 600,000.00 \$ 75,630.00 \$ 144,220.00 \$ 33,408.00 \$ 155,408.75

Active Projects

Sector 2 Projects

Description					Budget		Funding						
Sector	CMP Sector Reference	Category	Item	Description	Estimated Original Budget	Modified Budget	Federal/State Sources	General Fund - Current	TIF I	TIF II	Private Partnership	Bond/Debt	Fund Balance Committed/Assigned
2	N/A	Streets	7	Jericho Woods Resurfacing	\$ 100,000.00								
2	N/A	Drainage	19	North Hermitage Drainage	\$ 199,070.00								
2	N/A	Drainage	20	South Hermitage Drainage	\$ 38,583.00								
TOTAL SECTOR 2: 1-3 year Projects					\$ 337,653.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Sector 3 Projects

Description					Budget		Funding						
Sector	CMP Sector Reference	Category	Item	Description	Estimated Original Budget	Modified Budget	Federal/State Sources	General Fund - Current	TIF I	TIF II	Private Partnership	Bond/Debt	Fund Balance Committed/Assigned
3	N/A	Sidewalk	2	Southside Blvd. Sidewalk Replacement	\$ 133,800.00								
3	N/A	Streets	3	Joshua Circle & Court Road Resurface	\$ 119,316.00								
3	3 - A	Parks	45	Arthur Home Park Improvements	\$ 25,000.00								
3	3 - F	Parks	46	Southside Park - Step I - Final Planning/Engineering & Interim Use	\$ 75,000.00								
3	N/A	Drainage	8	Battery Shores Drainage	\$ 158,040.00								
3	N/A	Drainage	13	Twin Lake Drainage	\$ 92,541.00								
3	N/A	Drainage	14	First Blvd. Pond Improvements	\$ 144,534.00								
3	N/A	Drainage	15	Southside Canal Improvements	\$ 260,502.00								
3	N/A	Drainage	16	Cottage Farm Drainage	\$ 29,550.00								
3	N/A	Drainage	17	Ott Property Drainage	\$ 28,080.00								
3	N/A	Drainage	18	Johnny Morral Drainage	\$ 177,528.00								
3	N/A	Drainage	21	Azalea Drive Drainage	\$ 50,064.00								
3	3 - E	Bldg	26	Fire Station, Mossy Oaks	\$ 2,273,967.12							\$2,273,967.12	
3	3 - M	Streets	28	Allison Road Improvements - Phase I	\$ 821,043.60			\$80,500.00					
TOTAL SECTOR 3: 1-3 year Projects					\$ 4,388,965.72		\$ -	\$80,500.00	\$ -	\$ -	\$ -	\$2,273,967.12	\$ -

Active Projects

Sector 4 Projects

Description					Budget		Funding						
Sector	CMP Sector Reference	Category	Item	Description	Estimated Original Budget	Modified Budget	Federal/State Sources	General Fund - Current	TIF I	TIF II	Private Partnership	Bond/Debt	Fund Balance Committed/Assigned
4	N/A	Streets	4	Stone Marten Resurface	\$ 72,600.00								
4	N/A	Streets	5	Battery Shores Resurface	\$ 441,570.00								
4	N/A	Drainage	23	Battery Creek Headwaters Improvement - Phase I (County shared)	\$ 250,000.00								
4	N/A	Streets	47	Access through Quality Inn	\$ 100,000.00								
4	4 - C	Streets	48	Boundary Street (West of Ribaut Road) Improvements	\$ 3,901,428.00								
ALL SECTORS	N/A	Sidewalk	1	Sidewalk Upgrades / Repairs	\$75,000/YR			\$75,000.00					
TOTAL SECTOR 3: 1-3 year Projects					\$ 4,765,598.00		\$ -	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ -

Sector I Example:

- Several weeks ago we looked at the revenues that are generated within this sector.

	Market Value of Property	Gross Revenues reported by Businesses	Business License Revenues	% of Business		Total Property Tax Revenues (all taxing districts)	Property Tax revenues (City Portion only)	Hospitality Revenue	Accommodation Revenue	Total City revenues generated within SECTOR 1 AREA
				License Revenue to Gross Revenues	Total Property Tax Revenues (all taxing districts)					
FY 2008	\$ 377,975,988	\$ 107,761,158	\$ 286,961	0.266%	\$ 2,923,469	\$ 692,277	\$ 135,601	\$ 51,338	\$ 1,166,177	
FY 2009	388,095,059	102,204,644	273,894	0.268%	3,215,160	721,482	257,574	87,813	1,340,764	
FY 2010	642,262,783	102,812,647	279,988	0.272%	3,469,725	950,705	280,825	90,930	1,602,448	
FY 2011	645,520,713	96,188,488	259,966	0.270%	3,608,316	973,163	292,050	106,864	1,632,043	
FY 2012	644,549,481	98,941,394	267,359	0.270%	3,669,569	982,344	325,372	116,505	1,691,580	

- Sector I includes the TIF I District that was part of the the overall City Redevelopment Plan.

Sector I Example Continued:

- TIF I has ended and attempts to extend the district were unsuccessful.
 - ✓ Taxable assessed value within the TIF I District totals \$5,169,000 generating approximately \$313,345 in property tax revenues.
 - ✓ Until the Reassessment process is completed, we do not know the impact it will have on the revenues.
- The additional revenues generated within Sector I and costs of supporting services within the Sector are as follows:

FY 2012 Revenues per analysis	\$	1,691,580
Allocated Solid Waste Fees		308,412
Allocated Stormwater Fees		97,845
Total Revenues within Sector 1	\$	2,097,838
Cost of Service Delivery:		
Solid Waste Collection		251,360
Stormwater Drainage		346,612
Parks/Aesthetics		633,913
Right of Way Maintenance		275,768
Fire Department Support		11,551
Police Department Support		901,876
Planning Services		199,963
Court Services		73,011
Debt service of Waterfront Park		199,525
Total Cost of Service Delivery		2,893,579
Shortfall	\$	(795,741)

- As revenues shrink, decisions are necessary to not only address the service delivery levels that have been provided in the past and how they will be impacted as we move toward the future, but those decisions will also include the development of the capital improvement plan and adoption of the capital budget.

Another Revenue Option continued:

- South Carolina legislation allows City's to create 'Improvement Districts'.
 - ✓ Authorized under the Municipal Improvement Act of 1999.
- An improvement district is an area within a City that is designated by City Council in which the Improvement Plan is to be accomplished.
 - ✓ Requires an improvement plan that preserves property values, prevents deterioration of urban areas, preserves the tax base of the City and encourages private or public development.
 - ✓ Owner-occupied residential property is not included within the improvement district unless the owner gives the City written permission to include the property within the improvement district.
- Created in one of two ways:
 - ✓ Ordinance of City Council adopted by a majority vote following a public hearing at which the Improvement Plan is presented.
 - ✓ Written petition of a majority of the owners of real property within the Improvement District which is not exempt from ad valorem tax.

Another Revenue Option:

➤ Business Improvement District – BID

- ✓ Definition – An area within which businesses pay an additional tax or fee in order to fund improvements within the district’s boundaries.
- ✓ Governed by a separate non–profit organization, quasi–public authorities, or mixed public–private enterprises who's primary responsibility is to oversee the use of the funds collected toward achieving the Improvement Plan.
- ✓ It provides for a 5 year life with a sunset clause that requires new approval process by those who pay for the renewed BID.
- ✓ Enhances, not replaces, existing City services.
- ✓ Day to day management activities are performed by a professional or outsourced property management firm to ensure the delivery of the services.
- ✓ The management/implementation organization issues a report summarizing its accomplishments within the district as well as the financing activities of the district.
 - ❑ Report submitted to City Council and to each assessment–paying property owner.

Two most common Improvement Districts (continued):

- Municipal Improvement District – MID
 - ✓ Features of the BID are included in the MID with one exception:
 - ❑ The City is responsible for managing, implementing and financing the projects contained in the Improvement Plan.
 - ❑ MID's typically involve the issuance of debt that is used to fund the projects but the special assessment proceeds are used to satisfy the debt payments.
- Improvements can include:
 - ✓ Parks and playgrounds,
 - ✓ Relocation, construction, widening and paving streets, roads, bridges, including demolition
 - ✓ Any building or other facilities for public use.
 - ✓ Any public works eligible for financing.
 - ✓ Services or functions that the City provides that is in accordance with State law.