



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office
Department No.: 012
For Agenda Of: March 27, 2007
Placement: Administrative
Estimated Tme: 90 Minutes on April 3,
2007
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info: Ken Masuda, Assistant County Executive, 568-3411

SUBJECT: Five Year Capital Improvement Program, Fiscal Years 2007-12

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

Recommended Actions:

It is recommended that the Board of Supervisors:

1. Receive the Five Year Capital Improvement Program (CIP)
2. Set a 90-minute hearing for April 3, 2007 to review and approve in concept the projects included in the CIP and proposed capital budget for Fiscal Year 2007-08 and receive the Planning Commission's Comprehensive Plan conformity findings.
3. Approve a new policy regarding management of the Capital Improvement Program projects.

Summary Text:

The Five Year Capital Improvement Program (CIP) is a compilation of projects intended to implement various plans, including community plans, county facilities plans, and the circulation of the County Comprehensive Plan. Projects in the CIP indicate current and future capital needs. Projects included in the CIP are non-recurring, have a long service life, are generally over \$100,000 and will be underway (or need to be underway, but are partially or entirely unfunded) at some point during FYs 2007-12. In line with the Operating Budget, the CIP presents projects grouped by department within each function. An additional report is attached for your Board that breaks out the CIP project data by Supervisorial District.

While the CIP covers a five year planning period, it is updated each year to reflect ongoing changes; new projects are added, existing projects are modified, and completed projects are excluded. The FYs 2007-12 CIP contains 233 projects, including 34 projects that are new this year. The attached report, 'New Project Index', identifies, by title and page number, the 34 new projects in the CIP. Of the total 233 projects, 114 projects are fully funded, 61 are partially funded, and 58 are currently unfunded. A funded project is one that has identified specific funding to implement the program. An unfunded project is one that has been identified in the CIP as a need but has no funding secured to implement the program. The total cost of the Five Year CIP is \$854.7 million; of this, total 34%, \$291.5 million, is funded. **The CIP identifies a need of \$130.9 million for FY 2007-08; of this amount, 61%, \$80.4 million, is for funded projects and 39%, \$50.5 million, is for unfunded projects.** Some of the proposed funded projects are highlighted within Section A of the CIP

The FY 2007-12 CIP has been referred to the Planning Commission for analysis of projects recommended for planning, initiation, or construction during Fiscal Year 2007-08, for conformity with the County Comprehensive Plan. The Planning Commission will be conducting its review on March 14, 2007. State Planning Law (Government Code Section 65401) requires that a list of all projects recommended for planning, initiation or construction during the ensuing fiscal year be referred to the Planning Commission for review and that the Planning Commission report to the Board as to the projects' conformity with the adopted Comprehensive Plan. The Board will be advised April 3, 2007 on the Planning Commission's findings as to whether proposed projects are generally consistent with the Plan and appropriate for orderly implementation. Detailed, "project specific" Comprehensive Plan Consistency Determinations will be provided through future Government Code Section 65402 Determinations, if required.

Actions Recommended:

It is recommended that the Board receive the FYs 2007-12 CIP.

It is recommended that the Board approve a new policy regarding management of the Capital Improvement Program projects. Each year the CIP is prepared in accordance with a set of guidelines established by the CEO (attachment B) and followed by all departments. This year we are asking the Board to approve a new policy in response the Blue Ribbon Task Force Recommendation #19. The policy is as follows and is also listed in attachment B (Policy #10):

Every county project that involves new construction, the remodeling of space, or building maintenance with a cost of \$100,000 or more to facilities staffed by County employees shall be managed by the General Services Department-Support Services Division (Facilities Management or Capital Projects). Included in this definition are all county office and clinic buildings, fire stations, Sheriff's patrol stations, jails, inmate holding facilities, boy's camp facilities and Park Ranger residences. Excluded are roads and bridges, water and wastewater systems, flood control facilities, and park facilities other than ranger residences.

It is recommended that the Board set a hearing for April 3, 2007 to receive a presentation on the proposed CIP. At the hearing, the Board will be asked to accept the Planning Commission's findings from its analysis of projects within the CIP. Secondly, the Board will be asked to conceptually approve all projects included in the CIP as legitimate capital needs. In addition, the Board will be asked to conceptually approve the proposed capital budget for FY 2007-08 (funding for Year 1 of all projects

included in the CIP) and direct staff to return with a final FY 2007-08 Capital Budget, recommended for adoption during budget hearings in June.

Fiscal and Facilities Impacts:

The proposed capital budget for FY 2007-08 includes both new and carryover discretionary General Fund (GF) allocations total \$80.4 million. Carryover allocations, amounts not spent FY 2006-07 to be rebudgeted for FY 2007-08, total \$40.2 million.

General Fund Contribution

In accordance with adopted Budget Principles, the CIP proposes GF contributions of \$2 million to the Capital Maintenance Designation, \$0.5 million to the Roads Designation, and \$0.5 million to the Capital Designation (\$3.0 million total), all to be recommended for inclusion in the FY 2007-08 Operating Budget. The proposed carryover and new GF appropriations for FY 2007-08 associated with these designations, shown in thousands, are distributed as follows:

Error! Not a valid link.

* 'New' does not include GF allocations to the Capital Designation of \$0.5 million.

CIP and Authorized Debt Financing

The CIP for FYs 2007-12 includes projects that are using Certificates of Participation (COPs) for debt financing. On March 8, 2005, the Board authorized the 2005 COPs consisting of the following projects: Fire Station 51 Lompoc-Mission Hills New Station, Sheriff Isla Vista Foot Patrol Building, New Sheriff Station Lompoc, the County Elections-Recorder Office and Storage Building, and the Alcohol Drug and Mental Health Services Children’s Assessment and Transition Center. This action resulted in issuance of the 2005 COPs on April 21, 2005. Due to low interest rates, a true interest rate of 4.32% was realized. The chart below shows the proposed projects by department, related revenue source to pay debt service, annual COP payment, and CIP page number location:

Projects Funded by 2005 COPs, Related Revenue Sources to Pay Debt Service, and Project Status

Department	Project Name – Location	Revenue Source	Annual COP Payment	CIP Page #
Fire	Station 51 (Lompoc-Mission Hills) Rebuild – Lompoc	General Fund	\$274,000	B-12
Sheriff	Isla Vista Foot Patrol Building – Isla Vista	General Fund	\$141,000	B-37
Sheriff	New Sheriff Station - Lompoc	General Fund	\$159,000	B-39
Sheriff	Technical Services Building – Santa Barbara	General Fund	\$568,000	B-41
Clerk-Recorder-Assessor	County Elections Facility – Location TBD	General Fund	\$93,000	B-217
Alcohol, Drug and Mental Health	Children’s Clinic – Santa Barbara	ADMHS Operating Budget		Completed

There are no fiscal or facility impacts resulting from the actions requested. However, significant short and long term fiscal and facility impacts would result from the adoption of the projects in the FY 2007-08 Capital Budget in June.

Special Instructions:

None

Attachments:

- (A) Five Year Capital Improvement Program, Fiscal Years 2007-2012
- (B) Financial Policies - Capital Improvement Program
- (C) Geographic CIP Project Data by Supervisorial District

Authored by:

Victor Zambrano, Administrative Analyst, County Executive Office (568-3407)

cc:

Department Directors
 Joy Hufschmid, Project Manager, CEO/Strategic and Comprehensive Planning