



Council Approved
CAPITAL IMPROVEMENT PLAN
In Brief
 Fiscal Years 2010~2014
www.hampton.gov/budget/

FY 2010-2014 Project Expenditures by Category:

Education	\$79,483,068
Hampton's Waterways	950,000
Maintenance of Public Properties and Performance Support	19,621,268
Master Plans	32,837,500
Neighborhood Support	7,727,628
New Facilities	29,300,000
Other CIP Projects	6,600,000
Other Economic Development Support	2,400,000
Public Safety	23,804,000
Streets and Infrastructure	<u>36,877,868</u>

Grand Total: Project Expenditures **\$239,601,332**

**Hampton Planning
Commissioners**

James A. Young, Chair
 Andre McCloud, Vice-Chair

Ralph A. Health, III
 Timothy B. Smith
 Amy Thorstad

Hon. George E. Wallace
 City Council Representative

Jesse T. Wallace, Jr.
 City Manager

Terry P. O'Neill
 Secretary to the Commission

FY 2010-2014 Revenue Sources:

General Fund Revenues

General Fund Operating Revenues	\$18,253,232
Transfer from General Fund Balance	12,487,500
Urban Maintenance Contributions	<u>20,175,000</u>
Total General Fund Revenues	50,915,732

Other Revenues

Congestion Mitigation Air Quality Funds	1,352,868
General Obligation Bond Interest	3,900,000
General Obligation Bond Proceeds	86,017,604
General Obligation Bond Proceeds~Schools	78,737,500
Stormwater Fees	2,925,000
Urban Construction Funds	15,000,000
Urban Development Action Grants	<u>752,628</u>

Total Other Revenues **188,685,600**

Grand Total: Revenues **\$239,601,332**

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Interested in proposing a new project or learning about the status of an existing project? Call 311.

General Overview

The Capital Improvement Plan (CIP) is a five-year expenditure plan to finance the long-term acquisition of property, construction and improvements to facilities and the purchase of equipment. In essence, it is a funding plan for projects that require a significant capital investment such as those found in Hampton's Community Plan. The Hampton Community Plan can be accessed on the web at <http://www.hampton.gov/community-plan/>.

What is a CIP project?

Each locality establishes its own criteria for capital projects. For the City of Hampton, a CIP project has a cost in excess of \$50,000 and a life expectancy of at least five years.

Although the CIP is a means of implementing the recommendations of the Hampton Community Plan, proposed projects are not limited to those listed in the Community Plan. Other projects may include the renovation, maintenance and/or construction of public facilities; road projects; equipment purchase and the acquisition of land for future public use. All projects included in the CIP are classified into one of ten categories:

- Education
- Maintenance/Support of Public Properties
- Neighborhood Support
- Other CIP Projects
- Public Safety
- Hampton's Waterways
- Master Plans
- New Facilities
- Other Economic Development Support
- Streets and Infrastructure

Objectives of the CIP

The objectives of the CIP serve to:

- Execute projects which support the Hampton Community Plan and its eight elements sustaining the vision of "*Making Hampton the Most Livable City in Virginia.*"
- Maintain the City's current bond rating by ensuring that conservative fiscal parameters are in place to protect the City's bond rating. The CIP serves as one of many financial guides when making budgetary decisions.
- Address and implement short-term critical initiatives outlined in the Council Approved Strategic Area Master Plans.
- Merge the Hampton City Schools' strategic plans with the City's CIP process.
- Prepare the Capital Budget portion of the annual operating budget. The first year of the approved five-year CIP serves as the Capital Budget for that respective fiscal year.
- Balance the needs of new or enhanced economic development with existing development and capital renewal needs.

CIP Process and Discussions

The annual CIP process commences with the distribution of funding request packets. Suggested projects can come from sources such as City departments, City Council or citizen groups. Once received, the information is categorized and consolidated in preparation for the CIP Committee meetings.

The CIP Committee, composed of senior managers including the Assistant City Managers, Budget Director, Director of Public Works, Economic Development Director, Finance Director and Neighborhood Office/Planning Director, holds a series of meetings to ensure that the current year's projects continue to be a priority to the City Council and necessary adjustments are made where required. New requests are then reviewed and ranked based on an established set of criteria (legal requirements; investments in maintaining current assets and strategic investments; implementation of Community Plan; and expansion of current service delivery). The Contingency List, which consists of previously submitted projects that were not funded, is also reviewed to determine if any of those projects can now be funded. Newly submitted projects not approved for funding may be placed on the Contingency List for future consideration. The CIP Committee also reviews and confirms the funding sources and the City's current level of debt to ensure compliance with the Council approved financial policies.

Once a consensus has been reached on the recommended list of projects, yearly schedules are developed for each project's expenses and paired with a funding source or sources. The proposed list is then forwarded to the Planning Commission for their review and recommendation to the City Council. After the public hearing requirements are met and all discussions have been satisfied, the Planning Commission then forwards to the City Council, by resolution, the recommended CIP.

The City Council also holds a public hearing at which time the recommended CIP is presented. The City Council has the authority to approve the recommended CIP as presented, or approve with amendments. After all public comments have been received and discussions satisfied, the CIP is then adopted, by vote, as the Council Approved CIP. The first year of the approved CIP is incorporated into the Manager's Recommended Budget as the Capital Budget for the upcoming fiscal year. This is done concurrently with the annual operating budget process which concludes in May.

With the first year of the approved five-year CIP being adopted as the Capital Budget for that respective fiscal year, each subsequent year the CIP must be updated and extended one year into the future so it remains a five-year plan.

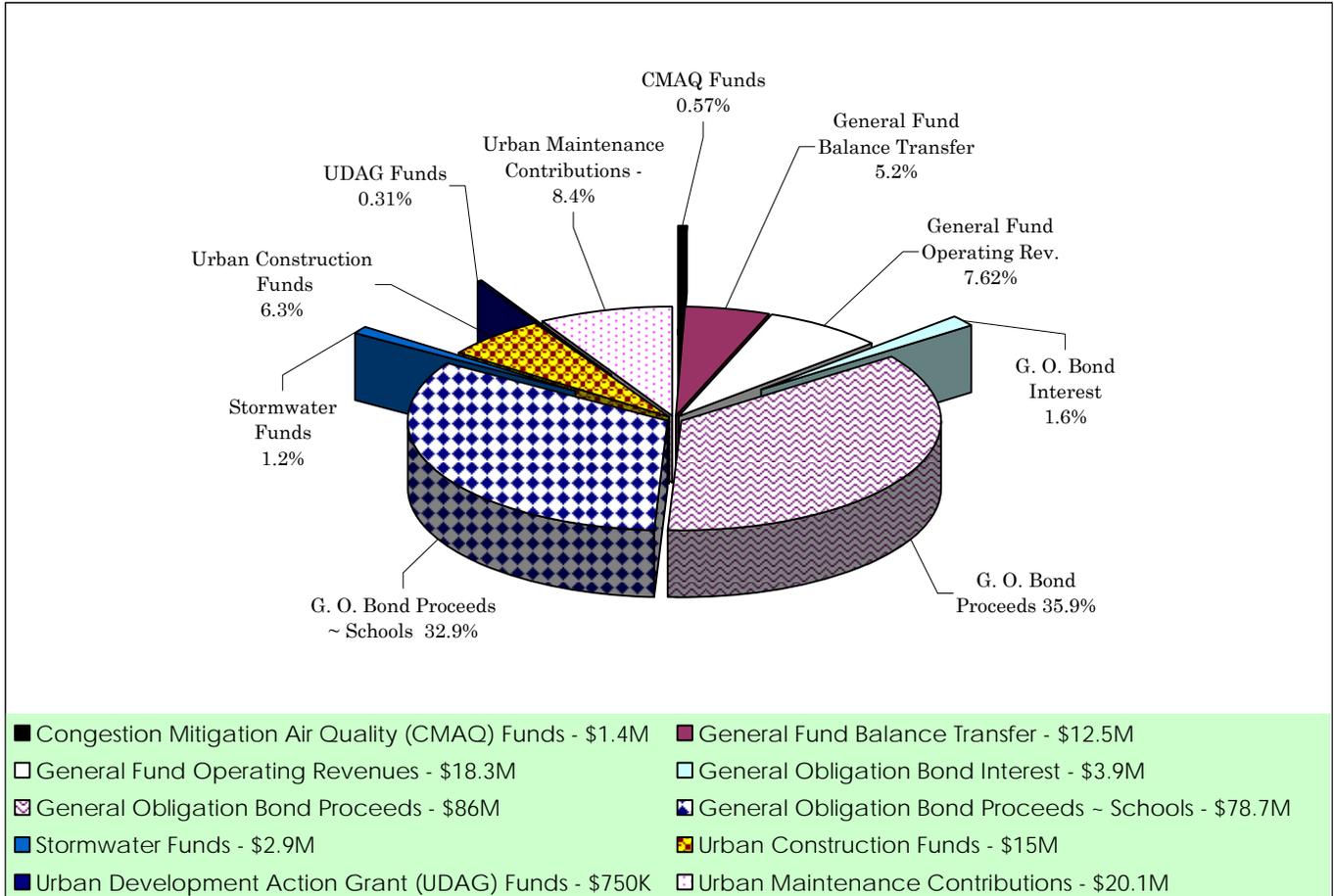


CIP Timeline

Month	Subject
July ~ August	Commencement of CIP Process; Application Deadline: August 21, 2009
September ~ October	Staff Preparation for CIP Committee Meetings and Community Educational Sessions
October	CIP Community Educational Sessions Hosted
October ~ January	CIP Committee Meetings Held
November ~ January	Planning Commission Updates/Work Sessions on CIP
January ~ March	Committee Recommended CIP to Planning Commission at Public Hearing
March ~ April	Present Planning Commission's Recommended CIP to City Council
May	Adopt First Year of Council Approved CIP as Capital Budget for New Year

FY 2010-2014 Funding Sources

Each project in the FY 2010-2014 Capital Improvement Plan is coupled with one or more funding source. Revenues that the City of Hampton utilize come from several sources such as the federal and state governments, general obligation bonds, dedicated taxes and fees and the General Fund.



Federal and State Government

The federal and state governments provide a great deal of dedicated and one-time funding for specific types of projects such as street improvements. In Hampton’s case, revenues that come from the federal and state governments are Congestion Mitigation Air Quality (CMAQ) Funds; Urban Construction Funds; Urban Development Action Grant (UDAG) Funds and Urban Maintenance Contributions. It is important to note that funding received from these sources *may* require a cash match from the City.

General Obligation Bonds

The issuance of bonds is another way that many localities fund capital projects. Bond issuances are governed strictly by state laws and regulations. A General Obligation Bond works similarly to a mortgage loan. The issuer (or requestor) of the bond, in this case the City of Hampton, proves its credit worthiness by demonstrating the current level of debt, income and savings, and receives cash in exchange for the promise to repay the loan with interest. The repayment of the bonds is usually long-term, or about 20 years.

Typically, government regulations require that the proceeds from a bond issue be expended on one-time capital projects within a certain amount of time after the issuance. For Hampton, bond proceeds will be used to fund the majority of Community Plan projects such as the construction of a new Circuit Court building and a new educational facility in Buckroe. Other projects funded with bond proceeds include a new public safety radio system. The level of debt that the City can incur is governed by Council approved financial policies.

General Obligation Bond Interest

Simply stated, bond interest is the money earned from bond proceeds on deposit until used. As previously stated, bond proceeds must be expended within a certain time frame. However, until such time as the funds are expended, they remain on deposit and the City has the benefit of using the interest earned for other projects.

Dedicated Taxes and Fees

At times, the City will dedicate revenue received from certain taxes and fees to fund a specific project. For instance, a portion of the revenues received from Stormwater User Fees are dedicated to funding drainage improvement projects.

Contributions from the General Fund

The General Fund is the primary depository for taxes and fees, including real estate and personal property taxes, sales and meal taxes, utility taxes, etc., which are collected for the general operation of the City. The current financial policies dictate that the City can use a minimum of 2%, but no more than 6%, of the estimated General Fund revenues each year for the Capital Budget.

The CIP Committee typically assigns General Fund monies to maintenance-type projects and one-time only capital expenditures.

FY 2010-2014 Category Expenditures

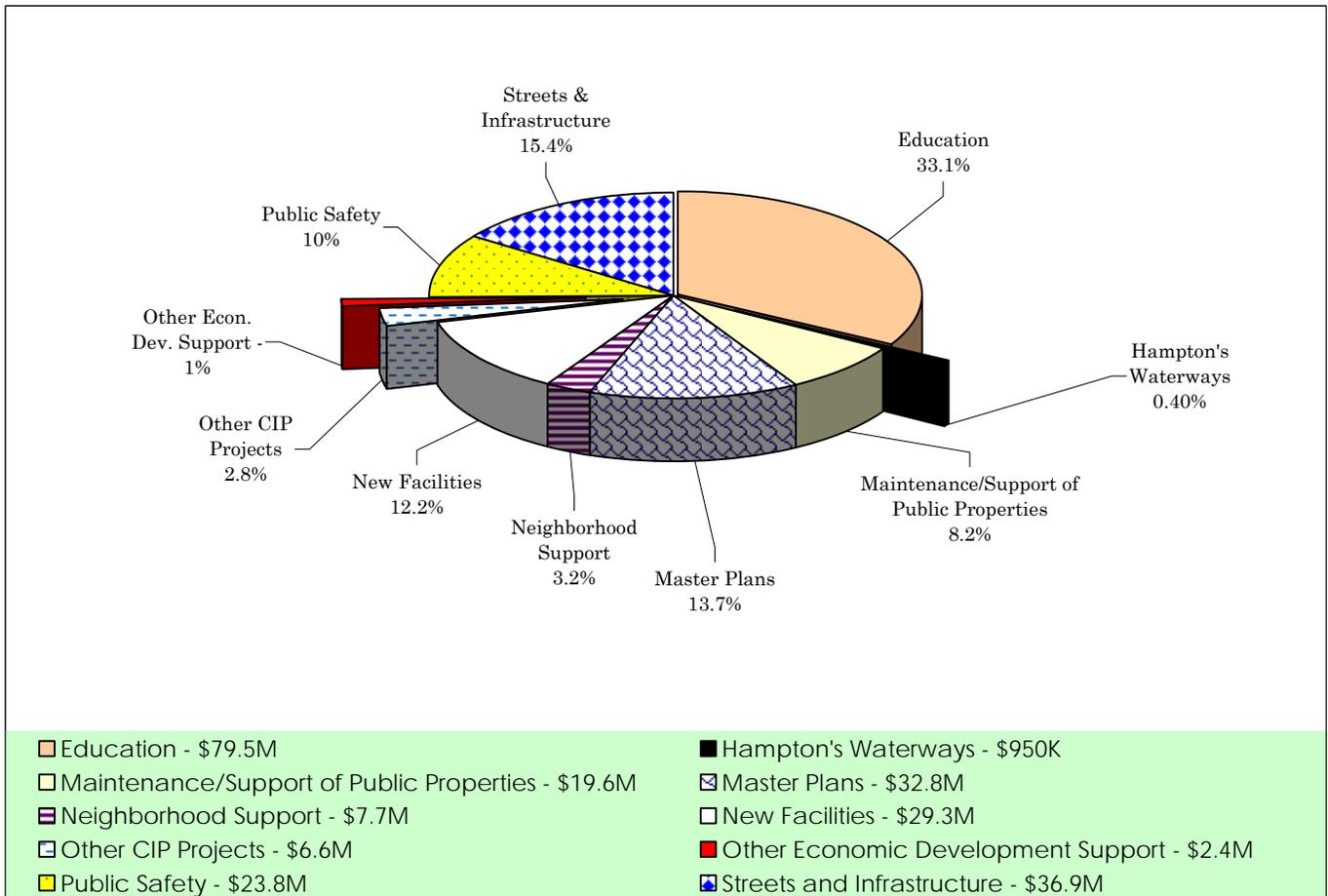
As indicated in the section entitled “What is a CIP Project?” each project included in the CIP falls into one of ten broad categories according to the nature of the project. Brief descriptions of these categories, which are also referred to as expenditure categories, are listed below:

The ***Education*** category incorporates funding to:

- support various site improvements at Thomas Nelson Community College (TNCC) as mandated by the Code of Virginia, Chapter 16, Section 23-215 and the Virginia Community College System (VCCS) Policy, Section 10.0;
- support the basic maintenance of public school buildings and grounds;
- aid the public schools with several large projects such as replacing roofs, adding restrooms, refurbishing hallways, etc. and
- construct new public school facilities, as recommended by the School Investment Panel.

The ***Hampton’s Waterways*** category includes improvement projects to various waterways in Hampton such as dredging.

FY 2010-2014 Category Expenditures



The ***Maintenance of Public Properties and Performance Support*** category encompasses any maintenance and/or major improvements, including construction to existing public facilities. General building maintenance is based on a five-year maintenance plan. This category also includes all Parks and Recreation groundskeeping as well as City-wide landscaping maintenance.

The ***Master Plans*** category includes projects that implement the Community Plan through various strategic community investments.

The ***Neighborhood Support*** category includes projects that enhance the quality of life in neighborhoods through the acquisition and demolition of blighted properties; drainage improvement projects and housing improvement grants.

The ***New Facilities*** category encompasses the construction of all new public facilities such as a new Circuit Court building.

Other CIP Projects are those projects that do not fit within the other expenditure categories. An example would be “Contingency,” which covers cost overruns and change orders for capital projects that exceed the original cost estimate due to an increase in materials, labor costs, etc.

Other Economic Development Support includes expenditures that indirectly aid in improving the economic environment in the City and provides assistance to existing businesses for structural improvements (curb appeal).

The **Public Safety** category includes technological improvements and other legally mandated changes for both the Police and Fire divisions.

The **Streets and Infrastructure** category includes street resurfacing projects; the installation of roads/streets and sidewalks; street lighting; major improvements and maintenance of streets and roads. A tentative street resurfacing schedule is received from Public Works annually.

Capital Budget Revenues for Fiscal Year 2010

General Fund Revenues

Transfer from General Fund Balance	\$4,487,500
Urban Maintenance Contributions	<u>4,035,000</u>
Total General Fund Revenues	8,522,500

Other Revenues

Congestion Mitigation Air Quality (CMAQ) Funds	267,296
General Obligation Bond Interest	3,900,000
General Obligation Bond Proceeds	4,555,104
General Obligation Bond Proceeds ~ Schools	5,287,500
Stormwater Fees	585,000
Urban Construction Funds	15,000,000
Urban Development Action Grant (UDAG) Funds	<u>200,000</u>
Total Other Revenues	<u>29,794,900</u>

Grand Total ~ Revenues	<u>\$38,317,400</u>
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Capital Budget Expenditures for Fiscal Year 2010

EDUCATION

School Maintenance Projects \$5,287,500
 Support Hampton City School's general and enhanced maintenance projects such as replacing roofs, HVAC units, boilers, fire alarm systems, refurbishing hallways and restrooms, etc.

Thomas Nelson Community College Site Improvements 169,104
 The City's share of capital improvements which is mandated by the Code of Virginia, based on the number of Hampton residents enrolled and the Virginia Community College System.

HAMPTON'S WATERWAYS

Pochin Place/Indian Creek Dredging 550,000
 Dredging and construction of a storm gate at Pochin Place/Indian Creek.

MAINTENANCE OF PUBLIC PROPERTIES AND PERFORMANCE SUPPORT

Building Maintenance Fund 2,000,000
Funds for major renovations needed for City owned/leased buildings. Proposed projects include Fire Station #5 roof replacement; General District Court air handler replacement; Public Safety building generator replacement; North Phoebus Community Center electrical/interior/HVAC upgrades; Jail Annex rooftop HVAC units; and pipes, valves, pumps and motor replacement at City Hall.

City-wide Landscaping Upgrade 200,000
Replant overgrown shrubs, flower beds and ground covers at selected city-wide public buildings, major thoroughfare medians and neighborhood entryways. Re-design flower beds by installing perennial flowers, ground covers, mulch and irrigation systems in high visibility areas.

Hampton Coliseum Roof Replacement 400,000
Replace the roof on the Hampton Coliseum. The balance of funds will come from the Coliseum Fund’s Retained Earnings.

Hampton Public Library – Furniture Replacement 122,500
Replace furniture to complete renovations at the Library’s main branch.

Parks and Recreation Maintenance 450,000
Provide regular maintenance and upkeep to various athletic surfaces at public schools, parks and recreational facilities.

Re-engineering Technology 100,000
Funding pool for technological improvements necessary to implement recommendations made by the re-engineering teams.

MASTER PLANS

Buckroe Investment

- **Redesign Parking/Park Area ~ Pembroke Avenue and First Street:** 1,000,000
Redesign parking areas on the north and south sides of the park to maximize the open space and improve the park area with new sidewalks, landscaping and proper pedestrian crossings.

Downtown Investments:

- **Acquisition of Kings Way Property:** 625,000
Funding for property acquisition to re-establish Kings Way as a landmark street in the Downtown area.
- **Redevelop Macy Carmel Site:** 400,000
Redevelop this key property as part of re-establishing Kings Way as a landmark street in the Downtown area.

North King Street Investment: 500,000
Funding allocated for the implementation of the North King Street Master Plan. Action steps are currently being identified.

Other Master Plan Projects: 400,000
Funding set aside for upcoming economic development efforts.

NEIGHBORHOOD SUPPORT

Blighted Property Acquisition and Demolition 750,000
Acquisition and demolition of blighted properties. **Additional information and funding for this program is located in the Community Development Block Grant (CDBG) section of the 2009 Council Approved Budget.*

Housing Improvement Grants 400,000
Expand the Curb Appeal Matching Grants program to older neighborhoods within the adopted Master Plan areas. Grant recipients will be required to provide a minimum of a one-to-one match for the funds invested by the City which will allow a better concentration of resources and have a greater impact over a shorter period of time.

Neighborhood Curb and Gutter Program 585,000
Program to fund the construction of curbs and gutters in existing residential neighborhoods to facilitate proper drainage of runoff from public streets and/or improve maintenance of street infrastructure. All projects are subject to the 2008 Council approved policy.

Neighborhood Improvement Funding 200,000
Funding for neighborhood level public improvements such as signage, landscaping and playgrounds. Funds are awarded by the Neighborhood Commission with a 10% match required. A neighborhood must also demonstrate that their request is a high priority based on an extensive neighborhood outreach and input process.

NEW FACILITIES

New American Theatre Expansion 300,000
Remaining contribution of a \$1 million commitment to the New American Theatre Capital Campaign to fund the renovation of the newly acquired Mugler Building, which will facilitate the expansion of the New American Theatre.

New Circuit Court Building 1,000,000
Architectural design for the new Circuit Court building, the parking garage and the acquisition of any rights-of-way.

OTHER CIP PROJECTS

Contingency 340,000
This funding source covers cost overruns and change orders for capital projects that exceed the original estimated cost due to an increase in materials, labor costs, project delays, etc.

Strategic Property Acquisition 750,000
Acquire property in strategic areas of the City to continue the implementation of the Master Plans.

OTHER ECONOMIC DEVELOPMENT SUPPORT

Retail Incentive/Opportunity Fund 1,500,000
Recommended by Hampton’s Finance Committee, this newly created program is designed to stimulate retail and other commercial activities in the Downtown and Phoebus areas. Funds will be transferred to the Industrial Development Authority for administration.

Retail/Shopping Center Revitalization Program 200,000

Promote and encourage residential neighborhood retail recruitment and retention by providing incentives and assistance to property owners and businesses to make changes including façade improvements, renovations, new signage, landscaping and/or build-outs to attract new tenants.

PUBLIC SAFETY

Pre-Wiring of Critical Facilities for Generator Service 200,000
Pre-wire critical facilities including public schools, fire stations, police precincts and community centers, for emergency generators which will be obtained through a contingency contract in the event of a major disaster.

Weapons Range Cleaning/Lead Abatement 236,000
Install backstops at the weapons range to meet Occupational Safety and Health Administration’s (OSHA) lead cleanup requirements.

STREETS AND INFRASTRUCTURE

Hampton Electric Automated Transit (HEAT) 267,296
Provide full-time transit shuttle service that connects key nodes within the Coliseum Central Business District including the Hampton Coliseum, Hampton Roads Convention Center, Peninsula Town Center, Power Plant, Sentara CarePlex, Hampton Teen Center and other hotel, retail, restaurant and entertainment venues.

Saunders Road Improvements 15,000,000
Widen Saunders Road from Big Bethel Road to the Newport News City Line. Project includes curb and gutters, drainage and utility relocation.

Street Resurfacing Program 4,385,000
Resurface and/or reconstruct arterial and residential streets throughout the City. A street resurfacing schedule is provided annually by the Department of Public Works.

Total Expenditures **\$38,317,400**

ADDITIONAL INFORMATION

The Council Approved FY 2010-2014 Capital Improvement Plan-*In Brief* and the FY 2010 Council Approved Budget documents are located on-line at <http://www.hampton.gov/budget/>.

The documents are also available at the following City of Hampton public library locations:

- Main Branch Library, 4207 Victoria Blvd., (757) 727-1154
- Northampton Branch Library, 936 Big Bethel Road, (757) 825-4558
- Phoebus Branch Library, One South Mallory Street, (757) 727-1149
- Willow Oaks Branch Library, 227 Fox Hill Road, (757) 850-5114

Additional copies can be obtained from the Office of Budget and Management Analysis, City Hall, 7th Floor, at no cost.