

2018 TOWN OF BELLEAIR CAPITAL IMPROVEMENT PLAN

A MEMO TO THE TOWN COMMISSION | AUGUST 21, 2018

SUMMARY

Over the past several months, the staff has compiled its proposed Capital Budget for the fiscal year 2018-2019. The Town's Charter requires that the Town Manager provides a capital plan of no less than three years to the Commission for approval. Accordingly, a revised 5-Year Capital Improvement Plan with an additional 5-year outlook of projected capital needs is included with this memo. The revised plan seeks to maintain much of the original priorities identified in what was previously referred to as "Plan 2," but also reprioritizes some projects based on cooperative funding opportunities. Previously-unscheduled projects such as the Bluff and Belleair Creek have also been added, which - due to their size and scope - have greatly impacted the previously-approved plan.

THREE SEGMENTS OF CAPITAL IMPROVEMENT PLANNING

The plan, as provided, should be considered in three segments, year one (2018-2019), years two through five, and year six and beyond. Year one is referred to as the Capital Budget, as the projects listed are ready to begin and have funds appropriated for their execution. These projects are considered "shovel-ready" and have received the "green light" to commence.

Project years two through five are considered the Capital Improvement Plan (CIP). The CIP identifies the capital improvements that the Town wishes to undertake over the next five years. There is an important distinction between the Capital Budget and the Capital Improvement Plan and it is that the Capital Budget for the year is adopted as part of the legally-binding budget. On the other hand, the Capital Improvement Plan is a "plan" and is subject to revision, but it does lay out near-term proposed capital projects that will require study, design, multi-jurisdictional coordination, and - perhaps most importantly - financing.

Project years six and beyond serve more as a forecast of capital needs that have been identified but are of lower priority than those in the Capital Budget and the CIP. For these projects, staff attempts to provide cost estimates as placeholders for future-year forecasting and cash flow analysis. Once these projects move into the two-to-five year corridor, engineering estimates will be provided to help inform what the budgetary allocation should be to design and construct the projects.

As is the case with most municipalities, we have more justifiable capital needs than we do resources to address our needs. Accordingly, it is the role of the Commission to help provide direction as to which projects are of highest priority to be funded and constructed. Over the past three years, the staff has attempted to provide data-driven tools to help identify capital needs and priorities based on elements such as safety, structural condition, aesthetic, pavement condition, and cost-effectiveness.

With this updated plan, it is my specific choice to display capital needs that are both funded and unfunded in order to illustrate to the Commission the entire universe of needs to consider when making budget decisions. One of the first tasks for the new Engineer of Record will be to evaluate the current validity of the CIP cost estimates. Then, currently-proposed project scopes will be reviewed and compared to our capital needs analysis in order to seek opportunities to reduce costs and defer lower-priority projects. The CIP, in my opinion, should be continually reviewed and revised on an annual or biannual basis so that the Commission is in the best position to make decisions free of unpleasant budgetary surprises in the year a project is to be constructed.

STRATEGIC PLANNING

As the Town precedes with its strategic planning process, staff will be working with the Commission to make sure there is alignment between the Strategic Plan, the Capital Improvement Plan, and the Comprehensive Land-Use Plan. This plan alignment along with the identification of data-driven capital needs assessments should put the Commission in the best position to make informed decisions regarding their funding priorities.

KEY REVISIONS TO THE PREVIOUS CIP

Differently, than the old CIP, this proposed new CIP includes:

- *Projects that are unfunded and displays funding shortfalls for future years*
- *The addition of the Bluff project with conceptual estimates of the cost*
- *The addition of Belleair Creek with conceptual estimates of costs and cooperative funding opportunities*
- *The addition of bridge and seawall repairs*
- *The display of project costs related to study, design, construction, and other work types*
- *The segmentation of larger-scope projects to prioritize segments which are a higher priority*

REVENUES

The Town's capital program is largely funded by four main revenue sources. The largest of these sources is the dedicated millage from property taxes. The increase of the millage rate to 6.5 allows for an additional .25 mill - or roughly half of the total increase - dedicated to infrastructure projects. This increase is projected to net in excess of \$180,000 annually, with total Ad Valorem proceeds exceeding \$900,000. Additional revenues, such as the municipal public service tax on electric, the Penny for Pinellas, and the stormwater utility fee combine for over \$900,000 of recurring revenue.

These above-mentioned funding sources are dedicated to service the debt on the initial \$10 million dollar bond. Because the debt service is currently \$715,000 annually, there is likely excess debt capacity that could allow the Town to refinance and borrow slightly more in order to complete a few projects ahead of inflationary trends while taking advantage of the current lower costs of borrowing.

Additionally, there is a projection of approximately \$3 million for the sale of the AHLF property upon the encumbrances of the life estate expiring. This number is an estimate and not yet a fully-appraised amount. Also revised on the new CIP is further detail on granting sources such as SWFWMD that now includes targets like federal LAP funding, funding from other agencies such as Pinellas County and Largo (specifically for the creek project), direct legislative funding, and other entities that may be willing to be involved with the Bluff project. These projections are currently estimates and staff will have further-refined detail by next year's plan revision as we engage with our partners regarding the sizes and scopes of the projects

PROJECTS FY 2018-2019

- Pinellas/Ponce, Phase 2: \$3,300,000 - This project is revised to construct the outfall segments, add drainage, include utility upgrades, and full reconstruction of Ponce from the roundabout to Oleander.
- Palmetto: \$750,000 - This project includes full roadway reconstruction and drainage improvements from Manatee to the north at Ocala.
- Carl Road: \$691,000 - This project includes full roadway reconstruction and drainage improvements, and could possibly provide other surface and drainage improvements at Barbara, Sunny, and Varona.
- Belforest Drive: \$50,000 - This project is simply a chip seal overlay.
- The Bluff: \$15,000 - This requires continuous survey updates and engineering proposals to SWFWMD to fund a permeability study.
- Belleair Creek Study: \$50,000 - This project includes cost sharing with Pinellas County and will examine the watershed and conditions of bank stabilization along the length of the creek, and will evaluate flooding concerns and maintenance issues.
- Ponce from Indian Rocks to the Pinellas Trail: \$244,000 - This cost includes estimated engineering fees for conceptual design and bid specifications for the project's design. The project itself focuses on drainage improvements to be made to fix unsafe flooding issues that occur at intersections. This could be a good project for clustering.
- Pinellas/Ponce, Phase 3: \$782,000 - The revised design work for this project will only include a smaller segment that improves the intersection of Osceola/Indian Rocks westward towards Pinellas. This will eliminate standing water and safety concerns and increases drainage westward. This could also be a good project for clustering.
- Bridge Repairs: \$60,000 - This project will add scour protection around bridge pilings, additional grouting, and sealing.
- Magnolia/Wall One-Way (Concept): \$200,000 - This project would convert the roads around Magnolia/Wall Park to one-ways on Magnolia and Laurel, and would eliminate the median at Ponce in this segment. This adjustment would address traffic volume and safety around the park and would allow for increased parking opportunities the park.
- Indian Rocks Road (From Poinsettia to Rosery): \$75,000 - This project is designed to add drainage and eliminate long-range surface conveyance of water in the nearby area. Discharge could possibly be routed to the Pelican Golf Course. The project also addresses safety concerns and could be a possible candidate for cooperative funding from SWFWMD. This could be a good project for clustering.
- Bayview Bridge to Indian Rocks (no funding in 2018-2019): This project seeks to improve drainage and roadway conditions on Bayview, and will investigate the possibility of partnering with the Belleair Country Club for alternative water use points to increase our CFI ranking.