

**Office of the City Manager**  
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# Memo

**To:** Members of Dublin City Council  
**From:** Dana L. McDaniel, City Manager   
Angel L. Mumma, Director of Finance  
**Date:** October 4, 2018  
**Re:** Ordinance 47-18 – Adopting the 2019 – 2023 Capital Improvements Program

## Summary

City Council has conducted four workshops/public meetings regarding the 2019-2023 Capital Improvements Program (CIP) (Wednesday, August 15; Monday, August 20; Wednesday, August 29; and Monday, September 10).

Based on Council feedback during these meetings, the Administration has continued to refine the 2019-2023 CIP in order to reflect a program that is based on the following priorities that were identified during the course of the discussions:

1. No deferral of maintenance;
2. Complete construction of the Riverside Crossing Park within a three-year timeframe, as originally shown;
3. Reduce the amount of debt issued such that no more than approximately \$6 million, or as close to the historical average of \$5.6 million as possible, is issued annually.

The Administration's proposed 2019-2023 CIP (revised) that is scheduled on the agenda for second reading at the Monday, October 8 City Council meeting reflects these priorities. The details are noted below.

### ***No deferral of maintenance***

The Administration appreciates Council's commitment to provide the level of funding necessary to maintain the City's existing assets and infrastructure. As such, with the exception of the projects listed below, no change in funding from the original proposed 2019 – 2023 CIP is recommended for maintenance projects:

- Stormwater - \$100,000 in funding for the annual ditch maintenance program was eliminated in 2019. Funding in the same amount remains in 2021 and 2023. This elimination was based on discussions with the Director of Public Works who indicated that there are no critical ditch issues that the City is aware of that must be addressed in 2019.  
**Total cost/(savings): (\$100,000)**
- Transportation – Bicycles & Pedestrians - The annual allocation for the Historic Dublin Brick Sidewalk Maintenance Program was reduced from \$120,000 annually to \$60,000 annually. Similar to the City's annual sidewalk program, repair/replacement of the brick sidewalks in Historic Dublin will be prioritized based on the level of severity.  
**Total cost/(savings): (\$300,000)**

- Transportation – Bridges & Culverts – Funding for the Annual Pedestrian Tunnel Maintenance has been adjusted from an annual allocation to a more precise amount needed to reflect actual projects that have been identified through the City’s asset management program. Tunnel maintenance has been proposed for 2019, 2021, and 2023.  
**Total cost/(savings): (\$295,000)**
- Transportation – Streets & Parking – Funding for the Traffic Signal Wiring and Cabinet Maintenance and Replacement has been advanced to 2019, 2020, and 2021 due to an increase in outages and repairs. Any delay in replacing the cabinets will result in an increase in funding needed in the Operating Budget.  
**Total cost/(savings): \$115,000**

The total savings achieved from the above reference changes is \$580,000 over the five-year period. Total maintenance funding for 2019 – 2023 is \$77,320,000 and with the exception of sewer lining and repair, is entirely cash funded.

***Complete construction of the Riverside Crossing Park within a three-year timeframe***

At the September 10, 2018 Finance Committee meeting, there seemed to be a general consensus amongst Council members to make sure the build-out of the park occurred in a relatively short timeframe. In working with the City’s consultant’s (MKSK) and Staff, a refined phased approach is being proposed.

2019 - \$5,600,000 – East Park Upper Plaza and West Plaza Site Improvements (to include railing and masonry packages)

2020 - \$5,200,000 – East Park Lower Plaza

2021 - \$7,000,000 – East Park Open Space & Event Lawn and West Plaza Site Improvements (to include masonry package) (\$4.2 million, debt funded); West Park Open Space and Restoration and West Park Bank Stabilization (\$2.8 million, cash funded).

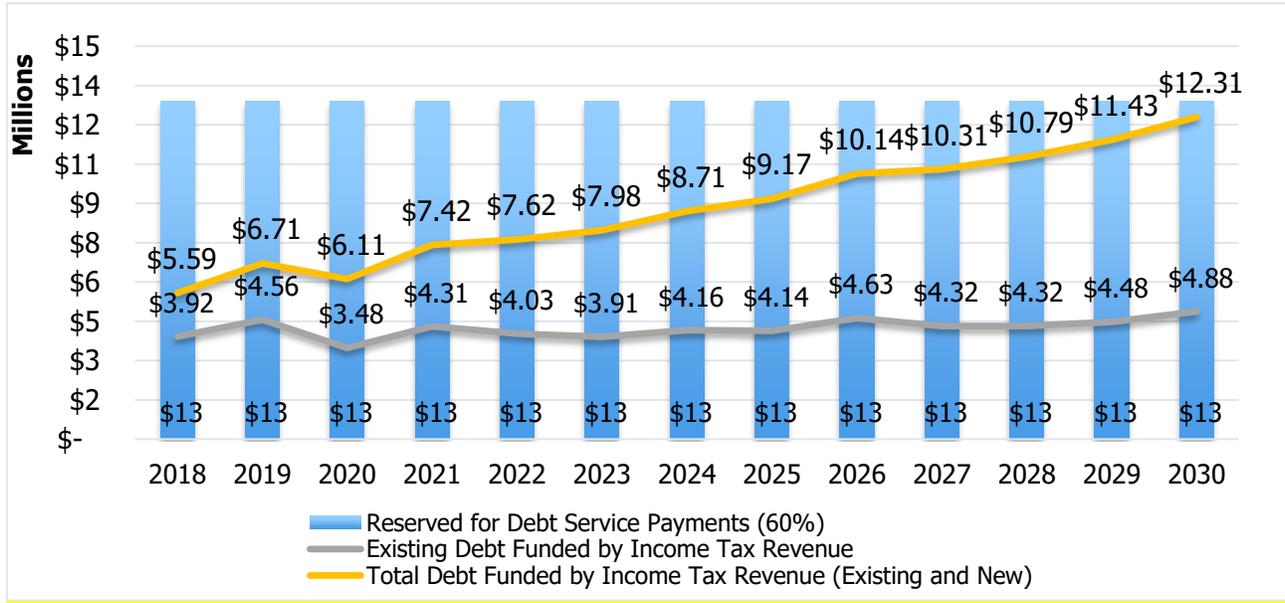
Staff will provide visual displays that show more detailed components of the Riverside Crossing Park buildout along with the associated timeframe and cost estimates at the Finance Committee meeting on October 8.

Completion of the Scioto River Pedestrian Bridge will determine the timing of when the plaza construction can begin. Based on that timing, it is possible that the work associated with the \$5.6 million planned for 2019 may not be actually bid until late 2019/early 2020. Should this occur, Staff would recommend that the 2019 and 2020 work (the East Park Upper and Lower Plazas) be bid and financed together, which is highly preferred in terms of construction procurement.

***Reduce the amount of debt issued such that no more than \$6 million (or as close to the historical average of \$5.6 million) is issued annually***

The Administration has continued to refine the 2019-2023 CIP in order to show Council a proposed program in which the level of income tax supported debt issued in any given year does not exceed \$6 million. This is in response to Council’s direction to cap income tax supported debt at a level in

which the City could show that should that level of debt be issued annually for the foreseeable future (in this case the next 11 years), the income tax allocation to pay the debt service, pursuant to the City’s Debt Policy, would be sufficient to meet the annual debt service. At an average of \$6 million annually from 2019 – 2030, the income tax allocation to pay the debt service is sufficient to meet the annual debt service, as reflected in the chart below:



\*Assumes no change income tax revenues.

At the Finance Committee meeting on September 10, City Council directed Staff to reprioritize the projects to be funded by income tax supported debt. The chart below reflects the original schedule of debt financed projects that the Administration proposed (in BLACK) against the revised proposal (in RED):

ORIGINAL/REVISED	2019	2020	2021	2022	2023
Riverside Crossing	\$10,625,000	\$4,200,000	\$2,900,000	\$0	\$0
Park	\$5,600,000	\$5,200,000	\$4,200,000	\$0	\$0
North Pool	\$0	\$6,000,000	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$6,000,000
River Forest Stormwater & Roadway Improvements	\$0	\$0	\$0	\$1,800,000	\$0
	\$0	\$0	\$0	\$1,800,000	\$0
Hyland-Croy Roadway Improvements	\$0	\$0	\$2,456,250	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$10,625,000</b>	<b>\$10,200,000</b>	<b>\$5,356,250</b>	<b>\$1,800,000</b>	<b>\$0</b>
	<b>\$5,600,000</b>	<b>\$5,200,000</b>	<b>\$4,200,000</b>	<b>\$1,800,000</b>	<b>\$6,000,000</b>

These changes result in the amount of income tax supported debt issued during the five-year period being reduced from \$27,981,250 to \$22,800,000, a reduction of \$5,181,250. This is due to eliminating the funding for Hyland-Croy Roadway Improvements as well as cash funding a portion of the Riverside Crossing Park.

The following consideration was given to the revised schedule:

- Riverside Crossing Park – As noted above, the Administration believes that the recommendation reflects an appropriate level of phasing that ensures the completion of the park within a three year timeframe while limiting the amount of debt that is issued in any given year.

It should be noted that \$2.8 million in funding for the West Park Open Space and Restoration as well as the West Park Bank Stabilization will be cash funded in 2021.

- River Forest Stormwater and Roadway Improvements - Like the original proposed 2019-2023 CIP, the Administration is proposing funding the River Forest Storm and Roadway Improvements in the amount of \$1.8 million in 2022.
- North Pool – The Administration is proposing to delay reconstruction of the North Pool until 2023. In order to extend the life of the current structure, funding in the amount of \$250,000 has been added to 2019.

As Council is aware, Staff is recommending an increase in Recreation membership and programming fees which will be used to fund capital improvements at the City's pools (including the North Pool reconstruction) and Dublin Community Recreation Center. Council's approval of Ordinance No. 65-18 at the October 8, 2018 City Council meeting will create a revenue stream beginning in 2019 that will be set aside in a special fund for these improvements. Given that the North Pool reconstruction is currently programmed (as part of the recommended CIP) in 2023, funds that accumulate between 2019 and 2023 can be used to reduce the amount of debt issued for the project. Conversely, should the pool fail prior to 2023, the revenue generated by the increased fee is expected to be sufficient to cover the debt service for this payment and debt could be issued earlier, should Council decide to do so.

By making the changes noted above, the average amount of income tax supported debt issued during the five-year period is \$4.5 million, reduced from \$5.6 million in the original proposal, with the highest amount occurring in 2019 at \$5.6 million. Based on this proposed debt schedule, an average of \$6.0 million in income tax funding set aside to retire debt remains available annually to cash fund projects during the five-year period. Pursuant to our debt policy, this equates to an average of \$58.4 million in additional debt that could be supported. Looking at it a different way, of the \$12.9 million in income tax revenue available to retire debt service annually (based on annual income tax revenues of \$86 million), on average, 54% of the allocation is used, leaving 46% of the allocation available to fund other projects (either through the issuance of bonds or by cash funding).

### ***Other Changes***

As part of the Administration's revised 2019-2023 CIP, a number of additional changes have been made. These changes have been done in order to allow Council the maximum flexibility in future years. Details are as follows:

### **Enhancements/New Infrastructure & Assets**

The following changes are recommended to Enhancements/New Infrastructure & Assets:

- Facilities – Renovations/Improvements – The Administration has adjusted the funding timeframe for costs associated with the relocation of the City Hall functions to the 5555 Perimeter Drive facility as well as the construction of a Council Chambers (and associated offices) and sale of the building located at 5800 Shier Rings Road. Funding for Council Chambers has been moved up to 2019 with funding for renovations and FF&E for the new City Hall delayed until 2020. This timeframe is more appropriate given that it is most efficient and cost effective to complete the fit-up of the 5555 Perimeter Drive building after the existing tenant has vacated the building (the current lease runs through 2020 with an option to terminate in 2019).  
**Total cost/(savings): \$0**
- Parks – Renovations/Improvements – The Administration has proposed the following changes within the Parks Budget:
  - Allocation for Bike Rack Installation – Funding in the amount of \$25,000 has been programmed in alternating years, 2020 and 2022, as opposed to every year.  
**Total cost/(savings): (\$75,000)**
  - Coffman Park Expansion – Of the \$350,000 programmed in 2019, a portion of the work expected to be completed has actually been done in 2018 with the remaining funds to be used for an irrigation well and related electrical work. This work is not critical and can be delayed or eliminated for the time being. Funding of \$225,000 originally requested in 2020 was to construct new basketball and tennis courts near the skatepark to replace those near City Hall. These projects are not a priority and have been pushed out beyond 2023.  
**Total cost/(savings): (\$575,000)**
  - John Shields Parkway Greenway - \$225,000 in funding for this project (from the Vrable TIF) has been eliminated. Instead, these funds will be used to retire debt service on the Riverside Drive realignment/Riverside Drive Roundabout/Park project, further reducing the amount of income tax dollars needed to retire debt service.  
**Total cost/(savings): \$0**
  - West Bridge Street/SR 161 Streetscape – Funding in the amount of \$600,000 has been eliminated in 2020. The \$250,000 remaining in 2019 will provide for the first phase of streetscape improvements in the area.  
**Total cost/(savings): (\$600,000)**

- Emerald Parkway Streetscape – Funding in the amount of \$80,000 in 2019 and \$250,000 in 2020 has been eliminated.  
**Total cost/(savings): (\$330,000)**
- Transportation – Bicycles & Pedestrians - Funding for the Concord Road Shared Use Path has been reduced from \$75,000 to \$50,000. This amount reflects the most recent estimates for the project.  
**Total cost/(savings): (\$25,000)**
- Transportation – Streets & Parking - The Administration has proposed the following changes within the Transportation Budget:
  - Hyland Croy Road/McKitrick Road Roundabout – Funding in the amount of \$400,000 has been delayed from 2019 to 2022 for right-of-way acquisition needed for the construction of the roundabout (currently programmed in 2021). There is no need to acquire the remaining parcel any earlier.  
**Total cost/(savings): \$0**
  - Frantz Road Streetscape Improvements - \$470,000 has been deferred to a year beyond the five-year period or until such a time as redevelopment within the area generates TIF revenues to fund the landscaping improvements.  
**Total cost/(savings): (\$470,000)**
  - Hyland-Croy Road Corridor Improvements – Based on feedback from the Department of Public Works, the design fee originally estimated at \$1,450,000, or approximately 15% of the construction cost, has been reduced by \$288,000 to reflect 10% of the construction cost. The impact of this change does not result in any savings to the City given that funding for the project has been eliminated until such time that the remaining 75% of project funding is made available by benefiting entities and partners.
  - **Total cost/(savings): \$0**

The total savings achieved from the above reference changes is \$2,075,000 over the five-year period.

### **Water/Sewer Extensions**

With the approval of Ordinance No. 93-15 on December 7, 2015, City Council amended Chapters 51 and 52 of the Codified Ordinances revising the connection requirements for the sanitary sewer and water systems. As part of that discussion, Council proceeded with a 15-year implementation plan to construct the public water utility and sanitary sewer utility extensions in unserved areas. Beginning with the 2016-2020 CIP, funding was programmed to construct the extensions on that timeframe. While water and sewer charges were expected to fund a portion of the design and construction costs, additional funding was required by way of an annual transfer from the General Fund and/or Capital Improvement Tax Fund in order to accomplish these extensions on an accelerated timetable (the Administration originally proposed a 25-year implementation plan).

During the 2019 – 2023 CIP workshops, Council seemed willing to consider extending the implementation plan beyond 15 years.

The Administration is planning on conducting a water/sewer rate study in late 2018/early 2019. The primary outcome from this study is to determine the rate structure that needs to be in place in order to provide sufficient funding for the maintenance of our existing systems in the long-run. The outcome of that analysis will inform the City in determining the amount, if any, from the General Fund and/or Capital Improvement Tax Fund that will be needed to fund these extensions.

Staff is recommending that a revised implementation plan (likely 25-years) be brought forward for Council consideration in conjunction with the water/sewer rate study as the outcome of that study should help influence the schedule of the extensions. In the meantime, the Administration recommends moving forward with the design and construction originally programmed in 2019 (as part of the original 2019-2023 CIP) with all future years zeroed out. Programming for 2020 and beyond will occur next year as part of the 2020 – 2024 CIP based on the results of the rate study and discussions.

### **Allocation for Land Acquisition**

In the upcoming weeks, the Administration will be bringing forward for Council consideration the purchase of three parcels totaling approximately 28.84 acres along Eiterman Road. These parcels are adjacent to city-owned property. Acquisition of these parcels brings about an opportunity to leverage the existing City asset and increase the likelihood of a broader development strategy as a result of:

- Gaining approximately 1500 feet of highly visible frontage along OH 161/SR33
- Gaining approximately 1,500 feet of highly accessible frontage along Eiterman Road
- Amassing a total of approximately 100 vacant acres

Purchase price of the three parcels is \$4,263,000 or approximately \$147,000 per acre. While the funding for this acquisition is proposed to come from the City's General Fund Balance, it is the Administration's recommendation to utilize the annual allocation for land acquisition to repay the General Fund for this purchase. It should be noted that any proceeds from the sale of this property, as part of a future economic development agreement, would be credited to the General Fund, thus reducing the amount of repayment from the Capital Improvement Tax Fund.

### **Parkland Acquisition Funding**

As Council is aware, the property tax revenues from the City's inside millage (also known as "unvoted" millage) rate of 1.75 mills can be allocated as City Council sees fit, although historically it has been allocated between the Capital Improvement Tax Fund and the Parkland Acquisition Fund. A historical look at the distribution is as follows:

<b>Year</b>	<b>Parkland Acquisition Fund</b>	<b>Capital Improvement Tax Fund</b>
<b>2001</b>	1.75 mills	0.00 mills
<b>2002</b>	1.75 mills	0.00 mills
<b>2003</b>	1.75 mills	0.00 mills
<b>2004</b>	1.75 mills	0.00 mills
<b>2005</b>	1.75 mills	0.00 mills
<b>2006</b>	1.75 mills	0.00 mills
<b>2007</b>	0.95 mills	0.80 mills
<b>2008</b>	0.95 mills	0.80 mills
<b>2009</b>	0.95 mills	0.80 mills
<b>2010</b>	0.35 mills	1.40 mills
<b>2011</b>	0.35 mills	1.40 mills
<b>2012</b>	0.35 mills	1.40 mills
<b>2013</b>	0.35 mills	1.40 mills
<b>2014</b>	0.35 mills	1.40 mills
<b>2015</b>	0.35 mills	1.40 mills
<b>2016</b>	0.35 mills	1.40 mills
<b>2017</b>	0.35 mills	1.40 mills
<b>2018</b>	0.35 mills	1.40 mills

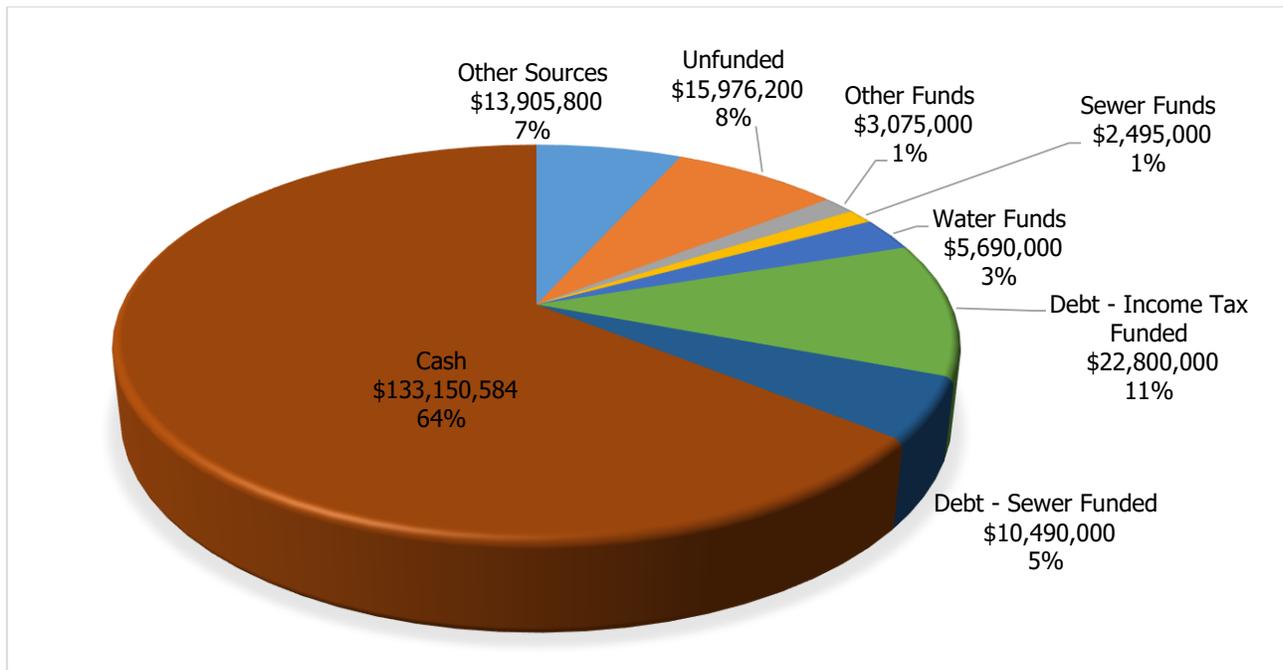
As part of the Administration’s initial 2019-2023 CIP, the allocation for 2019-2023 remained as it currently is today, with 1.40 mills credited to the Capital Improvements Tax Fund and the balance of 0.35 mills credited to the Parkland Acquisition Fund. On September 10, 2018, City Council approved Resolution 58-18 which essentially confirmed the 2019 distribution between the Capital Improvements Tax Fund and the Parkland Acquisition Fund in the same manner. However, as part of the revised CIP, the Administration is recommending that for years 2020-2023, the revenue generated from the full 1.75 mills be allocated to the Capital Improvement Tax Fund. For each of the four years, this amounts to an additional \$720,000 in revenue available to be spent in the Capital Improvement Tax Fund. Certainly, City Council has the ability to spend money from the Capital Improvement Tax Fund on parkland acquisition. However, there are limited opportunities to acquire parkland throughout the City and doing so results in additional operational costs that must be taken into consideration. As such, the Administration feels providing this resource as part of the Capital Improvement Tax Fund provides Council with optimal flexibility for the foreseeable future.

**Summary of the Administration’s proposed 2019-2023 CIP**

Based on the changes noted above, the Administration’s revised proposed 2019-2023 CIP reflects the following project funding (based on projects not funded through other sources such as TIFs, Debt, Water/Sewer revenues):

	2019	2020	2021	2022	2023
Total Resources	\$23,751,220	\$22,741,760	\$25,412,134	\$26,377,817	\$30,449,773
Total Project Requests	\$22,723,000	\$17,980,000	\$20,127,000	\$16,145,000	\$18,485,000
<b>Balance Available</b>	<b>\$1,028,220</b>	<b>\$4,761,760</b>	<b>\$5,285,134</b>	<b>\$10,232,817</b>	<b>\$11,964,773</b>

The total proposed funded projects for the five-year period total \$193,079,000 with resources to fund the projects totaling \$207,582,584. The resources are as follows:



In each year of the 2019-2023 CIP, the amount of resources available exceeds the project costs for the year. This excess available in each year provides resources that can be spent the following year. At the end of the fifth year, there remains an additional \$11,964,773 in funding available.

**Recommendation**

The revised CIP incorporates Council’s collective feedback over the course of the past two months. Staff recommends City Council approve the Administrations revised proposed 2019 – 2023 CIP at the second reading/public hearing on Monday, October 8, 2018.

# RECORD OF ORDINANCES

Ordinance No. 47-18

Passed \_\_\_\_\_, 20\_\_\_\_

## AN ORDINANCE ADOPTING THE 2019-2023 FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM

**WHEREAS**, Section 8.03(a) of the Revised Charter requires the City Manager to prepare and submit to City Council a five-year capital plan in accordance with the annual budget calendar as authorized by City Council; and

**WHEREAS**, City Council has received and reviewed the Five-Year Capital Improvements Program (CIP) for the years 2019-2023; and

**WHEREAS**, the CIP represents a long-term financial plan, which establishes priorities, identifies project costs and phasing, identifies funding sources, and serves as a planning document for capital improvements; and

**WHEREAS**, the Administration has incorporated in the attached CIP all modifications as requested by City Council as a result of the CIP budget workshops.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ elected members concurring, that:

Section 1. The 2019-2023 Five-Year Capital Improvements Program attached as an Exhibit be, and hereby is, approved.

Section 2. This Ordinance shall take effect and be in force on the earliest date permitted by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Mayor - Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of Council