

TOWN OF CHAPEL HILL

**MANAGER'S RECOMMENDED
CAPITAL IMPROVEMENTS PROGRAM**

2002 - 2017

Mayor and Town Council

Kevin Foy, Mayor
Pat Evans, Mayor pro tem
Flicka Bateman
Ed Harrison
Mark Kleinschmidt
Bill Strom
Dorothy Verkerk
Jim Ward
Edith M. Wiggins

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2002-17 CAPITAL IMPROVEMENTS PROGRAM

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2002-17 CAPITAL IMPROVEMENTS PROGRAM

INTRODUCTION

What is a Capital Improvements Program?

The Capital Improvements Program is a 15-year financial plan for the Town's major capital and infrastructure needs. The Capital Improvements Program identifies capital needs, establishes priorities, identifies potential funding sources, and includes needs for which sources of funding have not been identified. Key sources for identifying capital needs include the 2000 Facility Condition Assessment, special studies, the Comprehensive Plan, and ideas from the Council, citizens and staff.

The Capital Improvements Program is comprehensive in scope: it includes all identified capital projects and a range of funding sources, as well as projects that have been identified but for which funding is not available. It includes projects that are funded through the Town's Capital Repair and Maintenance fund, and also those projects that are funded through bonds, State and federal grants, and other sources. However, the Capital Improvements Program does not include the capital needs of the Chapel Hill-Carrboro City School System, the Orange Water and Sewer Authority, or the Orange Regional Landfill, which was transferred to Orange County in 2000.

The Capital Repair and Maintenance Fund generally is funded by annual transfers from the Town's General Fund. In addition, the program includes projects for which Town bond funds will be used (please see Tables 1 and 2), and projects for which grant or other funds will be used (please see Table 3).

Goals

Key sources for identifying capital needs

include the Comprehensive Plan, the 2000 Facility Condition Assessment, special studies, and ideas from the Council, citizens and staff.

The Chapel Hill Comprehensive Plan serves as the basis for many of the Town's policy decisions related to a wide range of issues. Decisions related to capital projects also are tied to the Comprehensive Plan, which is organized around 12 major themes, "each growing out of the community values that have been identified and which, taken together, form a strategy for Chapel Hill's future." Comprehensive Plan themes related to the Capital Improvements Program include:

- *Provide quality community facilities and services.* These include police protection, fire protection, library services, parks and recreation, transportation facilities, and municipal operations. The Plan also cites schools, water and sewer, and solid waste management, but these are services provided by others.
- *Complete the bikeway / greenway / sidewalk systems.* The Comprehensive Plan reflects a high citizen Council priority on providing these facilities.
- *Create and preserve affordable housing opportunities.* The Town's Community Development Block Grant funding and other sources help the Town achieve housing goals.
- *Work toward a balanced transportation system.* Transit, bicycle, sidewalk and greenway projects funded in the Capital Improvements Program enhance opportunities for citizens to use modes of transportation other than the automobile.

Other Comprehensive Plan components, such as the Downtown Small Area Plan, and the Greenways Master Plan help determine capital facility needs. The proposed Parks and Recreation Master Plan, 2002, will help determine capital project priorities in the future, such as investments in new parks in certain areas of Town. Other current capital planning efforts include:

- Library Master Plan
- Municipal Operations, including a new transit facility and public works site.

The 2000 Facility Condition Assessment provides the Town the documentation needed to budget for current deficiencies at Town facilities as well as anticipate future needs, such as the replacement of a roof 10 years from now. The Town also conducts an annual analysis of all facilities to determine whether any projects must be addressed immediately. The next intensive Facility Condition Assessment by a consultant is scheduled for 2005-06.

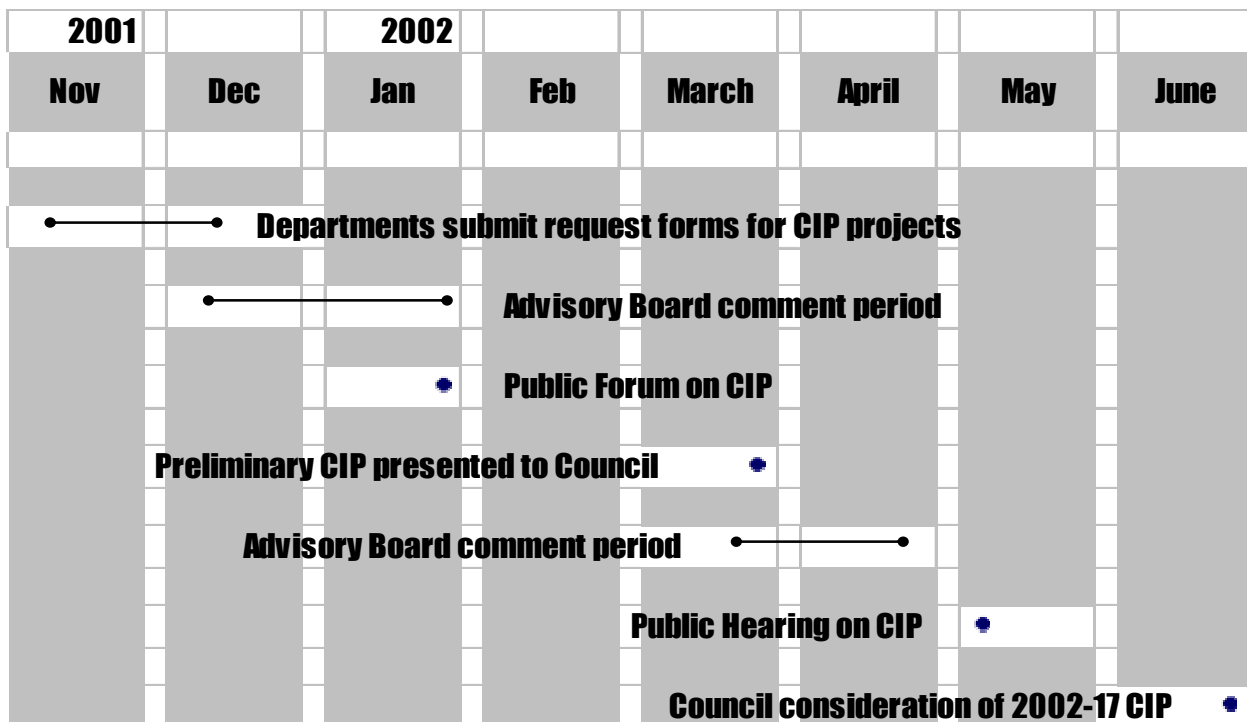
Process

The development of the Capital Improvements Program provides for significant input from the public, Town Advisory Boards and Town Departments. The process for developing the 2002-17 Capital Improvements Program is outlined in Figure 1 (below), beginning with the distribution of project request forms in November 2001 and concluding with the Council’s consideration of the Capital Improvements Program in June.

At several stages in the development of the Capital Improvements Program, the Town provides the public and Advisory Boards an opportunity to comment. Advisory Boards are provided an opportunity to submit comments prior to the January 29 public forum and the upcoming May 8 public hearing on the Recommended Capital Improvements Program.

For the 2002-17 program, Town Departments

Figure 1. Schedule and Process for Developing 2002-17 Capital Improvements Program



submitted more than 100 project requests for funding in the 15-year Plan. In order to identify which projects to recommend for funding in a given year, we have proposed criteria to determine a project's priority level. These priority levels are listed in Figure 2, below.

Public Forum Comments

On January 29, 2002, the Council held a public forum on the budget and capital program needs. Advisory Board representatives and other citizens made project requests. On March 26, the Council held a second public forum and referred the Preliminary Capital Improvements Program

to Advisory Boards for comment. Citizen comments are summarized in Appendix 1. Written comments submitted by Advisory Boards are summarized in Appendix 2.

On Wednesday, May 8, 2002, Council will hold a public hearing to receive citizen comments on the Recommended Capital Improvements Program. The Public Arts Commission will study the Manager's Recommended Capital Improvements Program and make recommendations regarding the Percent for Art Program during May. The Town Council is scheduled to consider adopting the Budget and Capital Improvements Program on Monday, June 24, 2002.

Figure 2. Project Priority Level Descriptions

<i>Priority 1:</i>	Projects that have a Council mandate.
<i>Priority 2:</i>	Projects that the Town has a legal requirement to perform or complete.
<i>Priority 3:</i>	Projects for which the Town has a binding contractual agreement.
<i>Priority 4:</i>	Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance.
<i>Priority 5:</i>	Projects involving public safety.
<i>Priority 6:</i>	Projects that are part of an adopted master plan.
<i>Priority 7:</i>	Other projects.

2002-17 CAPITAL IMPROVEMENTS PROGRAM: MANAGER'S MESSAGE

Why Is This an Unusual Year?

This Recommended Capital Improvements Plan reflects the current economic environment and budget conditions stemming from the State's budget crisis and projected deficit next year. The restricted funding recommended for the Capital Improvements Program for next year limits funding primarily to current contractual debt payments, new contractual debt for the Hargraves Center and A. D. Clarke Pool renovations project currently underway, and new contractual debt payments for the Chapel Hill Museum roof replacement project.

The Program is unusual in two aspects: the Recommended Capital Repair and Maintenance Fund budget for 2002-03 is only \$478,000 and the projections for future years are proposed to increase beyond what has been contemplated in the past. While it will be a major challenge to identify funding for the needs included in this recommended

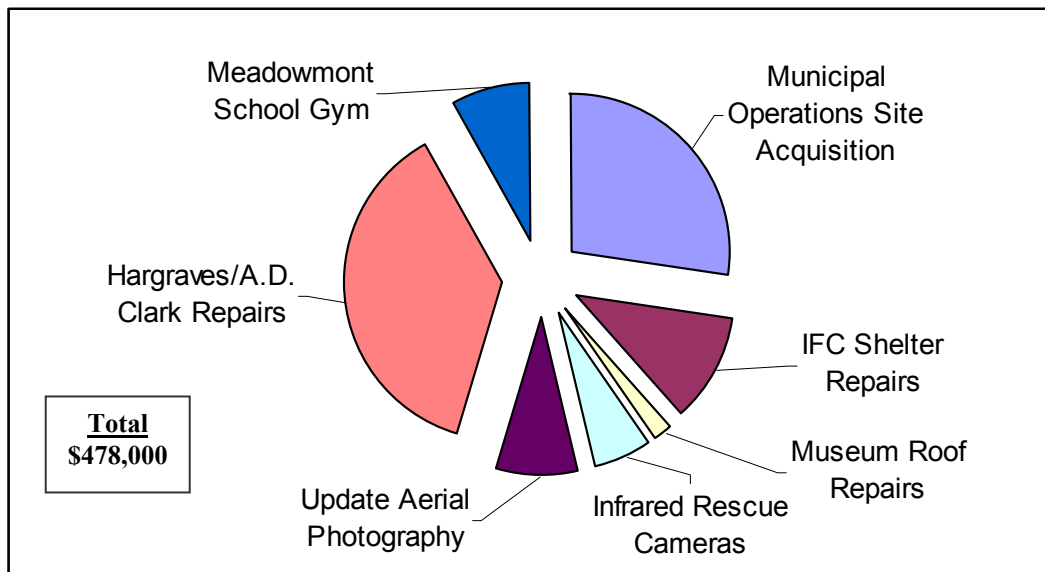
15-year plan, we believe that it is crucial that this community protect its investment in buildings and facilities.

Summary

In 2002-03, we recommend using the Capital Repair and Maintenance Fund to pay for six projects:

- An annual payment on 10-year installment debt on the 2001 purchase of a site for relocating the public works compound, \$131,000;
- An annual payment on 10-year installment debt on major repairs at the InterFaith Council Shelter (\$52,000);
- An annual payment on 10-year installment debt on major roof repairs at the Chapel Hill Museum (\$9,000);
- The second-to-last \$28,000 annual payment on a contract to purchase infrared rescue cameras;
- The last payment of \$40,000 as part of an existing contract to update the

Figure 3. 2002-03 Capital Improvements Fund Projects



- Town's aerial photography;
- An annual payment on 10-year installment debt on major repairs at the A.D. Clark Pool/Hargraves Center (\$180,000); and,
- A \$38,000 payment to the Chapel Hill-Carrboro school system as part of an agreement providing the Town access to the gym at the Meadowmont Elementary School.

Except for the installment debt projects mentioned above, the program would allocate no Capital Repair and Maintenance Fund resources for the maintenance of Town buildings and none to parks in 2002-03. No funding is provided for the construction of new sidewalks, greenways or bicycle facilities in 2002-03.

Based on our on-going inspections of properties, we believe the Town must not delay work on the three building maintenance projects listed above because of the deteriorating condition of each of those facilities. The Hargraves project would begin this spring and run through the winter. The roof repair of the museum would proceed later in the year. The work on the shelter would begin in 2002-03; the Town will act as general contractor over the course of the year.

In addition, Library gift funds would pay for repairs of the Library's mechanical system, and the Parking Fund would enable continued maintenance at the James C. Wallace Parking Facility.

We note that Council policy and practice has been to use revenue from cell tower leases, which in 2001-02 totaled \$55,000, for greenways. However, in 2002-03 no funding is included for greenways, and it is not until 2006-07 that the amount approaches the \$107,000 that had been

budgeted in 2001-02. This departure is being considered because of the severe general budget constraints and the equally intense needs for maintenance of the Town's buildings.

Payments for Community Gym at Meadowmont Elementary School

A new expense which also will affect the budget for 2003-04 and 2004-05 is the addition of an annual \$238,000 payment to Chapel Hill-Carrboro City Schools as part of an agreement providing the Town access to the gym at the Meadowmont school. In 2001, the Town Council agreed to pay \$750,000 over three years to the Chapel Hill-Carrboro City Schools to ensure that a community gymnasium would be built at the new elementary school planned for the Meadowmont development and that the Town would have access to the facility. The Town Council's waiver of development fees for the elementary school reduces the total owed from \$750,000 to \$714,000. A \$200,000 payment by the Meadowmont developer in lieu of building a softball field and restrooms for the Meadowmont Park will offset much of the Town's cost in 2002-03. The Capital Repair and Maintenance Fund will be needed to make the full payment of \$238,000 in each of the subsequent two years.

New Public Works Facility

The Chapel Hill Public Works Facility has been located on the University's Horace Williams tract since 1977. The lease expires on December 31, 2006, and the University has declined more than once to extend the term.

A site for a new Public Works facility was purchased in 2001 on an undeveloped tract north of Eubanks Road. The acquisition was

financed for 10 years, with the 2002-03 payment being \$131,000. The first annual payment last year was included in the budget in the General Fund, but it has been moved to the more appropriate Capital Improvements Program along with other short-term debt funding of capital projects. Funding from the Capital Repair and Maintenance Fund is shown beginning in 2003-04 for planning, design and site development work prior to construction of the new facility. Initial site analysis work been completed, and the remaining 1996 Public Works bonds will allow it to continue in 2002-03.

Because we do not have a program yet for what will be needed for a public works facility in 2007 and decades into the future, we do not have a firm cost estimate. However, based on early and general estimates of various types and amounts of space needed, we believe that the facility could cost in the range of \$15,000,000 to build. We would anticipate that general obligation bonds or another type of 20-year financing would be needed to raise this sum. Table 1 includes the estimated financing costs for this facility for the 11 years included in the program.

New Transit Operations Facility

The Transit Operations Facility is currently based on the Horace Williams tract, next to Public Works. Therefore, its lease will also expire on December 31, 2006, and a site search is underway. The Transportation capital fund now includes funds to purchase a site. We believe that federal and State funds will be available for 90% of the cost of developing the new operations facility and that the land could be used to cover part of the local share.

As with the public works facility, we do not

have a firm cost estimate. Based on newly built facilities for systems of about the same size as Chapel Hill Transit, we think that the cost could be in the range of \$15 million. Even if federal and State funds are available for 90% of that cost, and even if the land covers half of the local share, we estimate that about \$800,000 will be needed. We estimate that Chapel Hill would be responsible for 47 percent, or \$376,000 based on the estimated \$800,000 local share, with Carrboro and the University of North Carolina responsible for the remainder. Costs for financing that \$376,000 over 20 years at 5 percent interest are included in Table 1.

Structure of the Recommended Capital Improvements Program

The Recommended Capital Improvements Program for the years 2002-2017 was developed using a set of priority ranking criteria to evaluate projects (please see Appendix 3). The highest priorities are given to those projects for which the Town has executed a contract, those that have a Council mandate for funding, those which are needed to meet a legal requirement, and those that would repair existing facilities.

Appendix 4 describes the categories of projects. Appendix 5 describes funding sources.

The Capital Improvements Program consists of four tables:

- **Table 1: Recommended 2002-2017 Capital Improvements Program – Capital Repair and Maintenance Fund and Debt Financed Projects.** Table 1 includes a funding level of \$478,000 for 2002-03, \$1,438,000 for 2003-04, and ranges to a high of \$3,187,000 over the remainder of the

fifteen year period. We have assigned priorities to each project, and have identified whether each project is a Maintenance, Improvement, or Expansion item. The annual totals of expenditures include two new and large projects which are anticipated to be funded with 20-year financing, the new public works facility and the new transit facility.

- **Table 1A. Comparison of Identified Needs to Scheduled Funding.** This table lists the building maintenance projects identified in the 2000 Facility Condition Assessment report that remain after accounting for installment-financed projects and individual projects included in Table 1. These include some deferred maintenance projects as well as routine cyclic maintenance, such as repainting and re-roofing needs.

Funding included in the Allocation for Facility Maintenance (**Reference Number 28** in Table 1) would enable the Town to make these repairs over time. These needs are subject to change based on on-going inspections by staff. In addition, we propose funding an intensive study by consultants every five years.

- **Table 1B: Installment Financing Summary: Facility Maintenance Projects.** This table lists extraordinary maintenance projects which are large enough to be financed for 10 years.
- **Table 2: 2002-2017 Capital Improvements Program – Bonds.** Table 2 lists projects being funded by the 1996 bond projects, with a bond sale schedule adopted by the Council on September 8, 1997 and updated on February 25, 2002.

- **Table 3: 2002-2017 Capital Improvement Projects - Other Funds.** Table 3 lists capital projects funded by grants or other sources for which funding is available or anticipated with confidence.

- **Table 4: Unfunded 2002-2017 Projects.** Table 4 lists other capital repair and maintenance projects listed in the 2000 Facility Condition Assessment, or submitted by Departments, which are not included for funding. We also identify for each project its priority rating, and whether each project is a Maintenance, Improvement, or Expansion item. This table includes projects which may well be funded with grant sources; unless funding approval has been received, we have considered projects to be unfunded.

After 2002-03, we have expanded the future annual allocations from the Capital Repair and Maintenance Fund. Nevertheless, Table 4 contains about \$40 million in about 100 unfunded projects needed over the fifteen-year planning period.

Facility Maintenance

Two new items this year relate to facility maintenance over the 15-year scope of the Recommended Plan: Table 1A: Comparison of Identified Needs to Scheduled Funding, mentioned above, and the Allocation for Facility Maintenance line item (see Reference Number 28 in Table 1).

Table 1A summarizes the costs of building maintenance projects identified in the Facility Condition Assessment completed in August 2000. These costs, which are adjusted for inflation to 2002-03 dollars, are detailed in the two-volume Facility Condition Assessment.

The funding sources for addressing the maintenance needs identified in Table 1A include installment financing, individual Capital Repair and Maintenance Fund expenditures, and allocation of other sources such as library gift funds. The remainder of the facility maintenance costs are used as a basis for a new line item in Table 1, Allocation for Facility Maintenance.

The Allocation for Facility Maintenance sets aside funds for maintenance needs that have been identified in the Facility Condition Assessment. These needs are in addition to the installment financing projects and other specific maintenance items already included in Table 1. This Allocation for Facility Maintenance would provide the resources to complete maintenance projects ranging in cost from under \$10,000 to about \$250,000. Individual project costs may be low, but still too large and irregular in timing to be accommodated in a department's operating budget. We would expect that larger projects would probably be financed.

By grouping projected maintenance expenditures into a single line item, the Town would have the flexibility to determine which among the list of individual maintenance needs to address in a given year. We anticipate that priorities and needs will change, because 15-year projections of such items cannot remain accurate. Although the amount of funding of this allocation is based on the cost projections of the Facility Condition Assessment, a determination as to the timing of these projects would likely change from year to year.

Table 1A also shows the cumulative deferred cyclical maintenance needed over time and compares that to the cumulative allocation for facility maintenance. The difference between these two numbers

shows the extent of unfunded cumulative deferred maintenance. For example, in 2003-04 there is \$905,000 in cumulative maintenance needs and a \$300,000 annual allocation for facility maintenance. The resulting \$605,000 of unfunded projects is carried forward to 2004-05 and added to the cumulative total for that year.

You will note that funding for the Allocation for Facility Maintenance declines after about 10 years, reflecting the fact that most of the deferred maintenance projects and their financing will have been completed. Although additional projects will be identified in later facility condition assessments, we believe that the funding of maintenance on a steady basis will reduce overall maintenance costs significantly.

The Recommended Plan proposes continuing funding for the general category of Extraordinary Maintenance: Emergency Repairs, as provided in previous years, and should not be confused with the Allocation for Facility Maintenance. The Extraordinary Maintenance line is meant to provide funding to address unanticipated problems such as storm damage, and needs such as a failing roof or telephone system that appear earlier than the 2000 Building Assessment forecast. An example is the Museum roof project which is Reference Number 12 on Table 1. The Facility Assessment had scheduled that roof replacement for 2010-11, but the roof began to fail significantly this year. Because we had no cash reserves, we had no choice but to consider 10-year installment financing.

Installment Financing

To address deferred maintenance needs as much as possible, we have relied on installment financing with ten year terms to pay for immediately needed capital

maintenance projects. We believe installment financing is an efficient method of capital financing. Its use can prevent further deterioration, facilitate one efficiently organized project instead of several small ones and reduce the need for future deferred maintenance. It also is an equitable means, we believe, because it allows future beneficiaries of the projects to contribute to the cost.

By undertaking these projects in the Plan, we hope to reduce or eliminate the accumulation of deferred maintenance needed in future years. If we can follow the programmed cyclic capital maintenance items each year, we believe that we can prolong the useful lives of the community's public facilities and minimize the cost of doing so. Table 1B lists the facility maintenance projects which could be appropriately addressed by 10-year installment financing. Five-year installment financing for replacing the generator at the Police Headquarters and buying a new Town Hall generator, with an expected principal cost of \$100,000 and \$120,000, respectively, is included in 2003-04 in Table 1.

Ways to Submit Comments

Email

mayorandcouncil@townofchapelhill.org
manager@townofchapelhill.org.

Telephone

(919) 968-2714 or 968-2743

Fax

(919) 969-2063

Mail

306 N. Columbia St.
Chapel Hill, NC 27516

Future Steps

- May 8 Public hearing on Recommended Capital Improvements Program
- June 24 Council consideration of the Capital Improvements Program

Conclusion

Each year we refine and update our list of potential Capital Improvements Program projects and their timing. We look forward to receiving more input from citizens and staff as we continue to plan for the capital needs of the Town.



2002-17 Renovation Projects: Hargraves Center, A.D. Clark Pool and Bathhouse, and the IFC Shelter (close-up of window shown)

Table 1. Manager's Recommended 2002-2017 Capital Improvements Program – Capital Repair and Maintenance Fund and Debt Financed Projects

Ref #	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total: 2002-17	Principal: Financed Projects	Priority	Type
1. MUNICIPAL OPERATIONS FACILITIES																			
1	Municipal Operations Site Acquisition Phase 1	131,000	126,000	122,000	117,000	112,000	107,000	102,000	97,000	92,000	87,000						1,093,000	859,200	1 E
2	◆Fire Station No. 2: Capital Repairs		12,000	12,000	11,000	11,000	10,000	10,000	10,000	9,000	9,000	8,000					102,000	73,000	2 M
3	Municipal Oper. Facility Site Development		100,000	150,000	150,000	200,000											600,000		2 E
4	Building Condition Assessment				50,000					50,000				50,000			150,000		4 M
5	Extraordinary Maintenance: Emergency Repairs		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		700,000		4 M
6	◆Town Hall: Capital Repairs								65,000	62,000	60,000	58,000	56,000	54,000	52,000		407,000	430,000	4 M
7	Town Hall Carpet (partial)		26,500														26,500		4 M
8	◆Police: Replace Generator		23,000	23,000	23,000	23,000	23,000										115,000	100,000	4 I
9	◆Town Hall Generator		27,000	27,000	27,000	27,000	27,000										135,000	120,000	5 I
2. TOWN FACILITIES LEASED BY OTHERS																			
10	◆IFC Shelter: Capital Repairs	52,000	49,000	47,000	46,000	44,000	42,000	41,000	39,000	37,000	35,000						432,000	340,000	2 M
11	◆Post Office/Courthouse: Capital Repairs			180,000	174,000	168,000	162,000	156,000	150,000	144,000	138,000	132,000	126,000				1,530,000	1,200,000	2 M
12	◆Museum Roof: Capital Repairs	9,000	9,000	8,000	8,000	8,000	8,000	8,000	7,000	7,000	6,000						78,000	60,000	4 M
13	◆Museum: Capital Repairs				104,000	100,000	97,000	93,000	90,000	86,000	83,000	79,000	76,000	73,000			881,000	690,000	4 M
3. INFRASTRUCTURE																			
14	Sidewalk and Bicycle Facilities		75,000	75,000	100,000	100,000	100,000	125,000	125,000	125,000	150,000	150,000	200,000	225,000	225,000		2,000,000		2 E
15	Curb Repairs: ADA Compliance		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		350,000		3 I
16	Cemetery Beautification		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	20,000	20,000		160,000		4 M
17	◆Bolinwood Dr. Bridge Replacement			97,000	94,000	90,000	87,000	83,000	80,000	77,000	73,000	70,000	66,000				817,000	625,000	4 M
18	Homestead Rd. Widening - Bike-Ped Improv.: Town Share			61,000													61,000		6 I
4. COMMUNICATIONS AND TECHNOLOGY																			
19	Infrared Rescue Cameras	28,000	28,000														56,000		1 I
20	Update Townwide Aerial Photography	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000		600,000		2 M
5. PARKS AND OTHER PUBLIC USE FACILITIES																			
21	◆Hargraves/A.D. Clark: Capital Repairs	180,000	175,000	168,000	162,000	156,000	150,000	144,000	138,000	132,000	126,000						1,531,000	1,200,000	1 M
22	◆Community Center: Capital Repairs						123,000	119,000	115,000	111,000	107,000	102,000	98,000	94,000	90,000	86,000	1,045,000	820,000	2 M
23	Greenways		50,000	50,000	75,000	100,000	100,000	100,000	125,000	125,000	125,000	150,000	150,000	150,000	175,000	175,000	1,577,000		2 E
24	Small Park Improvements		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		700,000	1,400,000	2 M
25	◆Library: Capital Repairs											53,000	51,000	49,000	47,000	46,000	246,000	350,000	4 M
26	◆Tennis/Basketball Court Renovations		24,500	37,000	35,000	35,000	33,000	31,000	30,000	29,000	27,000	26,000	13,000				320,500	240,000	4 M
27	Meadowmont School Gym Payments to Schools	38,000	238,000	238,000													514,000		7 E
28	Allocation for Facility Maintenance (See Table 1A)		300,000	300,000	300,000	300,000	300,000	250,000	250,000	250,000	50,000	75,000	300,000	25,000	150,000	150,000	3,000,000		4 M
	<i>Subtotal: Capital Fund</i>	478,000	1,438,000	1,770,000	1,651,000	1,649,000	1,544,000	1,437,000	1,431,000	1,514,000	1,253,000	1,080,000	1,313,000	847,000	976,000	919,000	19,227,000	8,507,200	
6. DEBT FINANCED PROJECTS¹																			
29	Development of New Public Works Facility				1,500,000	1,462,500	1,425,000	1,387,500	1,350,000	1,312,500	1,275,000	1,237,500	1,200,000	1,162,500	1,125,000		14,437,500	15,000,000	2 I
30	Development of New Transit Facility - Local Share ²				38,000	37,000	36,000	35,000	34,000	33,000	32,000	31,000	30,000	29,000	28,000		363,000	376,000	2 I
	<i>Subtotal: Debt Financed Projects</i>				1,538,000	1,499,500	1,461,000	1,422,500	1,384,000	1,345,500	1,307,000	1,268,500	1,230,000	1,191,500	1,153,000		14,800,500		
	TOTAL	478,000	1,438,000	1,770,000	1,651,000	3,187,000	3,043,500	2,898,000	2,853,500	2,898,000	2,598,500	2,387,000	2,581,500	2,077,000	2,167,500	2,072,000	34,027,500		

◆ Installment financing project

¹ Only 11 years of the 20-year finance terms are shown

² 10 percent local match of \$15,000,000 estimated project cost, with Town share 47 percent, financed at 5% over 20 years. Local share includes cost of acquiring land. In practice, we would anticipate acquiring land in 2002-03 and be in a position to have a lump sum accumulated for the full acquisition cost.

Project Type
E=Expansion
I=Improvement
M=Maintenance

Table 1A. Comparison of Identified Needs to Scheduled Funding

Ref #	Facility	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total: 2002-17	
1. MUNICIPAL OPERATIONS FACILITIES																			
a	Fire Station No. 1			87,980					43,990	76,850	8,692			43,990				261,502	
b	Fire Station No. 2		8,611		12,644					29,103	29,539		7,630	1,417				88,944	
c	Fire Station No. 3		5,300	82,998				4,452	7,420					7,420				107,590	
d	Fire Station No. 4		68,688	5,830	16,112		4,452			34,980								130,062	
e	Fire Station No. 5 (request)						15,900			5,300		15,900						37,100	
f	Fire Training Facilities (request)			31,800			31,800			31,800			31,800			31,800		159,000	
g	Parks and Recreation Offices	23,320	11,236	3,816		7,420				2,120	26,500					7,420		81,832	
h	Police Station (non-Bond projects) ¹		21,200	307,400	95,400				159,000		7,950			159,000				749,950	
i	Public Works Compound (request) ²		12,720	7,420	12,720	5,300	5,300			9,540				5,300				58,300	
j	Town Hall	60,000		43,248	1,060	45,580	5,088		5,300					5,300				165,576	
k	Town Hall Parking Deck	7,420			8,904					8,904						8,904		34,132	
2. TOWN FACILITIES LEASED BY OTHERS																			
l	IFC Shelter				15,260			15,260		6,649	15,260			15,260		6,649		74,338	
m	Museum													20,458		14,840		35,298	
n	Post Office/Courthouse				1,308		68,997		12,862	13,298	48,287					1,308		146,060	
3. INFRASTRUCTURE																			
4. COMMUNICATIONS AND TECHNOLOGY																			
5. PARKS AND OTHER PUBLIC USE FACILITIES																			
o	A.D. Clark Pool		6,867	6,867	10,573	6,867	14,497	10,573	6,867	6,867	10,573	18,203	8,720	8,720	6,867	8,720		131,781	
p	Hargraves Center				16,023	3,597		16,023			16,023			16,023				67,689	
q	Community Center (Estes Drive)										44,520							44,520	
r	Library	45,580	16,112		53,000		54,590	11,660								53,000		233,942	
s	Northside Gym		2,968		3,392	3,392	3,816	2,968	6,254				6,360					29,150	
t	Park Restrooms/Bathhouses	2,544	26,924	8,374	2,014	6,890	954	3,286	1,060	954	8,798	1,060	2,226	2,014	1,060	954		69,112	
	Annual Needs	138,864	180,626	585,733	248,410	79,046	205,394	64,222	242,753	226,365	216,142	35,163	56,736	284,902	18,139	123,383	0	2,705,878	
	Cumulative Deferred, Cyclical Maintenance	138,864	319,490	905,223	853,633	632,679	538,073	302,295	245,048	221,413	187,555	(27,282)	(20,546)	189,356	(92,505)	5,878	(144,122)	2,411,756	
	Annual Allocation for Facility Maintenance			300,000	300,000	300,000	300,000	300,000	250,000	250,000	250,000	50,000	75,000	300,000	25,000	150,000	150,000	3,000,000	
	Unfunded Cumulative Deferred, Cyclical Maint.³	138,864	319,490	605,223	553,633	332,679	238,073	2,295	(4,952)	(28,587)	(62,445)	(77,282)	(95,546)	(110,644)	(117,505)	(144,122)	(294,122)	(588,244)	

¹ Project costs in addition to renovations funded with 1996 bond issue

² Building Assessment project costs for facilities at Public Works compound, including Transportation facilities, are not included in this chart due to plans to construct a new facility at a new location. Costs shown are requested funds for extraordinary maintenance at the compound prior to the move.

³ Negative amounts appear in years where the allocated funding exceeds the projected maintenance needs for the given year as indicated in the 2000 Facility Condition Assessment.

Table 1B. Installment Financing Summary: Facility Maintenance Projects

Facility	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Principal
Fire Station No. 2		12,000	12,000	11,000	11,000	10,000	10,000	10,000	9,000	9,000	8,000					102,000	73,000
Town Hall									65,000	62,000	60,000	58,000	56,000	54,000	52,000	407,000	430,000
IFC Shelter	52,000	49,000	47,000	46,000	44,000	42,000	41,000	39,000	37,000	35,000						432,000	340,000
Museum (Roof)	9,000	8,500	8,500	8,000	8,000	7,500	7,500	7,000	6,500	6,500						77,000	60,000
Museum (Other Projects)				104,000	100,000	97,000	93,000	90,000	86,000	83,000	79,000	76,000	73,000			881,000	690,000
P.O. Office/Courthouse			180,000	174,000	168,000	162,000	156,000	150,000	144,000	138,000	132,000	126,000				1,530,000	1,200,000
Hargraves/A.D. Clark*	180,000	175,000	168,000	162,000	156,000	150,000	144,000	138,000	132,000	126,000						1,531,000	1,200,000
Community Center						123,000	119,000	115,000	111,000	107,000	102,000	98,000	94,000	90,000	86,000	1,045,000	820,000
Library											53,000	51,000	49,000	47,000	46,000	246,000	350,000
TOTAL	241,000	244,500	415,500	505,000	487,000	591,500	570,500	549,000	590,500	566,500	434,000	409,000	272,000	191,000	184,000	6,251,000	5,163,000

*Financing initiated.

Table 2. Manager's Recommended 2002-2017 Capital Improvements Program - Bonds

Ref#	Bond Sale Schedule			TOTAL	Bond Issue	
	Phase I: 1997-98 &	1999-2000	2002-03 &			
1. MUNICIPAL OPERATIONS FACILITIES						
31	Fire Station No. 5 / Truck	120,000	1,180,000		1,300,000	1996 Public Safety
32	Police: Building Renovations		600,000	100,000	700,000	1996 Public Safety
33	Public Works Improvements/Site Development		210,000	290,000	500,000	1996 Public Works
2. TOWN FACILITIES LEASED BY OTHERS						
3. INFRASTRUCTURE						
34	Bridge Replacement	180,000	250,000	270,000	700,000	1996 Streets
35	Curb and Gutter Replacement/Improvements		100,000	200,000	300,000	1996 Streets
36	Downtown Improvements - Streetscape	100,000	400,000	500,000	1,000,000	1996 Streets
37	Drainage Assistance		40,000	60,000	100,000	1996 Streets
38	Drainage Improvements		170,000	230,000	400,000	1996 Streets
39	Sidewalk and Bicycle	200,000	200,000	100,000	500,000	1996 Streets
4. COMMUNICATIONS AND TECHNOLOGY						
5. PARKS AND OTHER PUBLIC USE FACILITIES						
40	Homestead Aquatics Center			1,230,000	1,230,000	1996 Parks
41	Hargraves Gym	425,000			425,000	1996 Parks
42	Homestead Park	3,260,000		85,000	3,345,000	1996 Parks
43	Open Space	265,000	1,550,000	1,185,000	3,000,000	1996 Open Space
TOTAL		4,550,000	4,700,000	4,250,000	13,500,000	

*On February 25, 2002 the Town Council postponed the sale originally scheduled for early 2002.

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Table 3. Manager's Recommended 2002-2017 Capital Improvement Programs - Other Funds (Projected)

Ref#	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total: 2002 17	Priority	Type	Source
1. MUNICIPAL OPERATIONS FACILITIES																			
44	Transit Operations Site Acquisition															700,000	2	I	Capital Transit Fund
2. TOWN FACILITIES LEASED BY OTHERS																			
45	Rehabilitation of Public Housing															1,795,000	2	M	CDBG
46	Rehabilitation of Public Housing															9,173,775	2	M	Capital Fund
3. INFRASTRUCTURE																			
47	Repairs to James C. Wallace Parking Facility															525,000	4	M	Parking Fund
48	Homestead Rd. Widening - Bike-Ped Improv.																6	I	STP/DA
49	Weaver Dairy Rd. - Bike-Ped Improv. ¹																6	I	STP/DA
4. COMMUNICATIONS AND TECHNOLOGY																			
50	Library Phone System Replacement															20,000	4	I	Library Gift Funds
5. PARKS AND OTHER PUBLIC USE FACILITIES																			
51	Homestead Aquatics Center ²															855,000	2	E	Orange Co '97
52	Homestead Aquatics Center ²															3,500,000	2	E	Orange Co '01
53	Library: Capital Maintenance															0	4	M	Library Gift Funds
54	Library Mechanical System Repairs															25,000	4	M	Library Gift Funds
55	Southern Community Park ²															795,000	7	E	Orange Co. '97
56	Southern Community Park ²															2,000,000	7	E	Orange Co. '01
TOTAL		1,636,585	7,786,585	1,576,585	766,585	766,585	766,585	766,585	766,585	766,585	766,585	766,585	766,585	766,585	766,585	19,388,775			

¹ Local match of \$142,000 is reserved in the Town's 1996 sidewalk bond funds.

² Timing of County's allocation has not yet been determined by the Orange County Board of Commissioners.

<p>Project Type E=Expansion I=Improvement M=Maintenance</p>
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Table 4. Unfunded 2002-17 Projects

Ref #	Project	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	Priority	Type
1. MUNICIPAL OPERATIONS FACILITIES																			
57	Housing Administration: Capital Maintenance		19,186	95,082				5,300	19,504					19,504			158,576	4	M
58	Housing Maintenance: Capital Maintenance		4,770	21,624	4,134			5,300	4,770		6,784			4,770			52,152	4	M
59	Field Operations Building: Capital Maintenance		10,282		12,190		74,200			12,190					12,190		121,052	4	M
60	Garage No. 1: Capital Maintenance		19,292	31,906			5,300		16,748					4,028			77,274	4	M
61	Garage No. 2: Capital Maintenance	5,300	7,526		30,846												43,672	4	M
62	Expand Police Headquarters				900,000	2,300,000	1,800,000										5,000,000	4	E
63	Municipal Operations Signage	10,000															10,000	4	M
64	Sprinkler Retrofit for Fire Station No. 1	45,000		40,000		40,000		40,000									165,000	5	I
65	Classroom at Fire Training Grounds	74,000															74,000	7	E
66	Police Training Complex		150,000	521,500													671,500	7	E
2. TOWN FACILITIES LEASED BY OTHERS																			
3. INFRASTRUCTURE																			
67	Cemetery Beautification	25,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	5,000	5,000	215,000	2	M
68	Drainage Assistance Program	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	300,000	2	I
69	Sidewalk and Bicycle Facilities	115,000	40,000	38,000	15,000	15,000	20,000		5,000	5,000	50,000	50,000					353,000	2	E
70	Curb Repairs: ADA Compliance	25,000															25,000	3	I
71	Curb and Gutter Replacement/Improvements		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	700,000	4	M
72	Downtown Improvements - Streetscape			500,000			500,000			500,000			500,000				2,000,000	4	M
73	Extraordinary Maintenance - Infrastructure	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	750,000	4	I
74	Parking Lots/Bike&Ped Paths/Trails	100,000	100,000	100,000	50,000	50,000	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	700,000	4	M
75	Traffic Calming Projects/Construction	20,000	20,000	20,000	20,000	35,000	35,000	35,000	35,000	35,000	45,000	45,000	45,000	45,000	45,000	60,000	540,000	4	I
76	Crosswalk Improve./Special Projects	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	375,000	5	I
77	Entranceway Corridors		100,000			50,000			100,000			50,000			100,000		400,000	6	I
78	15-501 North Park/Ride Lot	1,070,000	1,000,000														2,070,000	7	E
79	Multimodal Transportation Center		700,000	8,000,000													8,700,000	7	E
4. COMMUNICATIONS AND TECHNOLOGY																			
80	Traffic Signal System Upgrade		2,425,000									2,910,000					8,700,000	2	I
81	Traffic Signal System Upgrade (Town Share)		75,000									90,000					165,000	##	I
82	Fire: Camera Monitoring System	48,300															48,300	5	I
83	Police: 800Mhz Radio			5,000,000													5,000,000	5	I
5. PARKS AND OTHER PUBLIC USE FACILITIES																			
84	Greenways	109,000	62,000	64,000	41,000	22,000	22,000	22,000									342,000	2	E
85	Small Park Improvements	50,000							1,000	50,000							101,000	2	M
86	Library: Automation system replacement						225,000										225,000	4	I
87	Playground Replacements/Additions	60,000	25,000	30,000	10,000	20,000											145,000	4	I
88	Relocate Umstead Play Area	36,000				38,000	37,000	36,000	35,000	34,000	33,000	32,000	31,000	30,000	29,000	28,000	399,000	##	M
89	Restroom Replacements and Additions		85,000	60,000	30,000	60,000	30,000										265,000	4	I
90	Lincoln Arts Center: Capital Maintenance	59,360		5,194				3,604	136,740			3,604					208,502	4	M
91	Lincoln Gym: Capital Maintenance	127,518		290,970			8,692			25,652		8,692					461,524	4	M
92	Bolin Creek Greenway, Phase 3	50,000	639,000														689,000	6	E
93	Morgan Creek Greenway, Phase 1 ^a	500,000															500,000	6	E
94	Downtown Spray Park	500,000	15,000	85,000													600,000	7	E
95	Dry Creek Park		25,000		200,000												225,000	7	E
96	Meadowmont Park	300,000															300,000	7	E
TOTAL		3,424,478	5,682,056	15,063,276	1,473,170	2,790,000	2,970,796	490,340	402,022	796,842	369,784	3,374,296	761,000	288,302	361,190	263,000	41,875,552		

^a Design of Morgan Creek greenway is funded in the current year from STP/DA funds (\$71,500) and about \$18,000 in payment in lieu funds for the local match.

APPENDIX 1

SUMMARY OF PUBLIC FORUM COMMENTS

On January 29 and March 26, 2002 the Council held public forums on the budget and capital program needs. Advisory Board representatives and other citizens made project requests. Below is a summary of comments made at the two forums.

January 29 Public Forum

Advisory Board Comments

At the forum, the following comments were made by Advisory Board representatives:

- ***Library.*** The Library Board of Trustees requested that the Town include the expansion of the library in the 15-year program, begin to identify funding sources, and fund a consultant report on the project.
- ***Sidewalks and pedestrian improvements.*** The Bicycle-Pedestrian Advisory Board requested increased funding for sidewalks and crosswalks in the first five years.
- ***Greenways.*** The Greenways Commission asked that the 2001-16 Capital Improvements Program funding for greenways be maintained, and that the Town use additional funding sources such as the County bond issue and State funding.
- ***Parks.*** The Parks and Recreation Commission, citing safety concerns, requested that funding in 2002-03 for small park improvements continue at \$50,000, or be increased to \$75,000 if possible, and recommended that the Town continue to fund ongoing maintenance projects at facilities to prevent more expensive repairs in the future.

Citizen Comments

Comments from individual citizens included the following:

- ***Grants for Rogers Road neighborhood.*** A citizen requested grant money to pay for sewer lines connecting houses on Rogers Road, and transportation grant funding for transit improvements in that area.
- ***Sykes Street improvements.*** A citizen requested funding for an intersection realignment, and other traffic and safety improvements for Sykes Street.

March 26 Public Forum

No one from the public or an Advisory Board commented on the Program.

APPENDIX 2

**SUMMARY OF WRITTEN COMMENTS
FROM ADVISORY BOARDS**

The Town Council invited comments from Advisory Boards to provide an opportunity for input before the January 29 public forum and tonight's public hearing on the Capital Improvements Program. Below is a summary of submitted Advisory Board comments.

Comments Submitted Prior to January 29 Public Forum

The Housing and Community Development Advisory Board and the Community Design Commission did not submit comments.

Bicycle and Pedestrian Advisory Board

- Increase the level of funding for sidewalks.
- Pursue a bond specifically targeted for sidewalk construction.
- Add funding for safety improvements at intersections.
- Add funding for bicycle-sensitive traffic signals.
- Add funding for marked crosswalks with pedestrian signals, where warranted, across major roads to access bus stops.
- Earmark a portion of existing On-Street Parking Fund revenues for sidewalk improvements and transfer to the Capital Improvements Program budget.
- Continue to pursue State Direct Allocation funds for sidewalk construction.
- Shift funds for new curb and gutter construction associated with new sidewalk projects from the Sidewalks and Bicycle Facilities budget to other street improvement budgets.

Greenways Commission

- Maintain level of funding for greenways projects as shown in the 2001-16 Capital Improvements Program.

Historic District Commission

- Continue maintenance of Chapel Hill gravel and upgrading of sidewalks in the Historic Districts.
- Improve pedestrian-level lighting.
- Investigate underground utilities.
- Installation of Historic District Boundary signs including street signs.
- Continue work on the Chapel Hill Cemetery.
- Continue support of Chapel Hill Museum.
- Develop web site for Historic District Commission.

2002-17 CAPITAL IMPROVEMENTS PROGRAM

Library Board of Trustees

- Add Library building expansion to the Capital Improvements Program schedule.
- Fund a Library building consultant.

Parks and Recreation Commission

- Continue Small Park Improvements at the current level of funding at a minimum.
- Include long-term funding for upkeep and maintenance of Parks and Recreation facilities, including the Hargraves and Community Centers and the Parks and Recreation Administrative Building on Plant Road.

Planning Board

- Include sidewalks in the downtown area and Sykes Street.
- Allocate funds for communications and technology; improve Town's web site.
- Bike paths and greenways should be Council's top priorities.
- Make provision for the new public works facility.
- Continue Geographic Information Systems funding.
- Do not fund dog parks.

Transportation Board

- Include additional funding for intersection improvements, specifically at Merritt Mill Road and Cameron Avenue, and at Cameron Avenue and Columbia Street.
- Include additional funding for crosswalks.
- Include funding for a raised median along N.C. 86 from Homestead Road to Estes Drive.
- Double the amount of funding designated for sidewalk and bicycle improvements.
- Clearly identify the location of the new public works and transit facility.

Comments Submitted Prior to May 8 Public Hearing

Comments received will be forwarded to the Council prior to the May 8, 2002 Public Hearing on the Manager's Recommended Capital Improvements Program.

APPENDIX 3

PRIORITIES FOR SELECTING CIP PROJECTS

- Priority 1:** Projects that have a Council mandate.
- Priority 2:** Projects that the Town has a legal requirement to perform or complete.
- Priority 3:** Projects for which the Town has a binding contractual agreement.
- Priority 4:** Projects that would repair or maintain existing Town facilities/infrastructure above and beyond ordinary maintenance.
- Priority 5:** Projects involving public safety.
- Priority 6:** Projects that are part of an adopted master plan.
- Priority 7:** Other projects.

APPENDIX 4

DESCRIPTIONS OF PROJECT CATEGORIES

Following is a description of each project category included in the Capital Improvements Program:

Municipal Operations Facilities: This category includes improvements to buildings owned, occupied, and maintained by the Town of Chapel Hill for the general services of government. It also includes funding for continuing assessments of building conditions on a five year cycle, and a study of needs for future municipal operations space.

Town Facilities Leased by Others: This category includes improvements to buildings which the Town owns and leases to other entities, such as the IFC Shelter, public housing and the Chapel Hill Museum.

Infrastructure: This category deals with improvements to Town infrastructure, such as bridges, sidewalks, drainage, bike paths, and cemeteries.

Communications and Technology: This category includes projects which support the communications, technology, and information functions of the Town.

Parks and Other Public Use Facilities: This category includes projects which relate to buildings or facilities which are used by the public, such as parks, greenways and the library.

APPENDIX 5

CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

1996 Fire and Police Facilities: In November, 1996 voters approved a \$2 million general obligation bond for public safety facility improvements. This bond will help to fund the capital costs of providing or improving public safety facilities.

1996 Parks and Recreation Bond: In November, 1996 voters approved a \$5 million general obligation bond for Parks and Recreation Department facility improvements. This bond will help to fund the capital costs of providing additional parks and recreational facilities including the acquisition and installation of equipment and the acquisition of necessary land.

1996 Public Works Bond: In November, 1996 voters approved a \$500,000 general obligation bond for Public Works Department facility improvements. This bond will help to fund the capital costs of acquiring, constructing, enlarging and renovating public works construction and maintenance facilities.

1996 Open Space and Greenways Bond: In November, 1996 voters approved a \$3 million general obligation bond for purposes of open space preservation. This bond will help to fund the capital costs of the acquisition of land for the preservation of open space.

1996 Streets and Sidewalks Bond: In November, 1996 voters approved a \$3 million general obligation bond for improvements to public streets and related infrastructure. This bond will help to fund the capital costs of acquiring, constructing, improving, reconstructing and replacing certain streets and sidewalks, curbs and gutters, bridges, culverts, drains and related facilities.

1997 Orange County Parks and Recreation Bonds: In November, 1997 voters approved a \$6 million local bond to purchase park land and to develop park facilities. The OC Commissioners have indicated that they plan to allocate \$1 million each to the Southern Community Park and the Northern Community Park.

Capital Improvements Fund: The Town's Capital Improvements Fund provides funding for small and incremental projects. The Capital Improvements fund generally is funded by annual transfers from the Town's General Fund.

Community Development Block Grant (CDBG): The Town receives annual federal grants from the U. S. Department of Housing and Urban Development (HUD). The Council approves a general three-year spending plan to benefit lower-income neighborhoods, and adopts an annual budget for these funds by a capital projects ordinance.

Comprehensive (Comp) Grant: Beginning in 1993-94, the Town began receiving an annual entitlement for public housing renovations from the U. S. Department of Housing and Urban

2002-17 CAPITAL IMPROVEMENTS PROGRAM

Development (HUD). This program replaced the Comprehensive Improvement Assistance Program.

Gifts: Occasionally, citizens of Chapel Hill will provide the Town with contributions to be used toward a project in which the citizen holds a special interest.

N. C. Department of Transportation (NCDOT): For public transit projects, a 10% match for Federal Transit Administration (FTA) funding is provided by NCDOT. For the State's thoroughfare, bikeways and pedestrian programs, the Department funds projects selected from an annual Transportation Improvements Program in which local governments request that the State allocate funds for these types of improvements in their community. Local request are considered in a State-wide priority list. Projects are implemented by NCDOT.