

**RESOLUTION NO. 13 - 631**

**BE IT RESOLVED** by the City Council of the City of Huntsville Alabama that the CITY OF HUNTSVILLE CAPITAL IMPROVEMENT PLAN, 2014 - 2023 attached hereto as Exhibit "A" and made a part hereof by reference, is hereby adopted and approved, and an executed copy of said document shall be permanently kept on file in the Office of the City Clerk Treasurer of the City of Huntsville Alabama.

**ADOPTED** this the            day of September, 2013.

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President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the            day of September, 2013.

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Mayor of the City of  
Huntsville, Alabama

**Funding**      **2014**      **2015**      **2016**      **2017**      **2018**      **2019**      **2020**      **2021**      **2022**      **2023**

**Summary**

<b>Revenue</b>	<b>59,034,613</b>	<b>116,172,500</b>	<b>24,380,700</b>	<b>24,523,767</b>	<b>92,613,800</b>	<b>28,900,900</b>	<b>29,448,800</b>	<b>97,757,700</b>	<b>30,577,800</b>	<b>31,159,200</b>
<b>Annually-recurring</b>										
Sales tax transfer from General Fund	22,814,300	23,310,500	22,616,700	22,933,100	26,859,800	27,396,900	27,944,800	28,503,700	29,073,800	29,655,200
Lease revenue	485,000	485,000	485,000	311,867	225,000	225,000	225,000	225,000	225,000	225,000
Subtotal	<b>23,299,300</b>	<b>23,795,500</b>	<b>23,101,700</b>	<b>23,244,967</b>	<b>27,084,800</b>	<b>27,621,900</b>	<b>28,169,800</b>	<b>28,728,700</b>	<b>29,298,800</b>	<b>29,880,200</b>
<b>Planned debt issues</b>	<b>33,666,313</b>	<b>91,098,000</b>	<b>0</b>	<b>0</b>	<b>64,250,000</b>	<b>0</b>	<b>0</b>	<b>67,750,000</b>	<b>0</b>	<b>0</b>
<b>Other</b>										
Prior year funds	790,000	0	0	0	0	0	0	0	0	0
Resurfacing transfers from Gas Tax Fund	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000	1,279,000
Subtotal	<b>2,069,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>	<b>1,279,000</b>
<b>Expenditures</b>	<b>49,930,096</b>	<b>76,518,793</b>	<b>36,370,230</b>	<b>58,688,422</b>	<b>74,899,825</b>	<b>39,377,850</b>	<b>40,950,570</b>	<b>49,748,896</b>	<b>55,630,868</b>	<b>39,907,823</b>
<b>Projects</b>	<b>37,069,000</b>	<b>56,802,000</b>	<b>25,344,000</b>	<b>46,864,000</b>	<b>61,670,752</b>	<b>24,329,000</b>	<b>29,319,387</b>	<b>39,079,000</b>	<b>41,279,000</b>	<b>30,079,000</b>
<b>Debt service - Capital Fund</b>										
Existing debt service	26,105,322	27,601,279	16,154,504	17,513,696	16,904,554	16,740,538	13,930,871	12,480,218	12,481,120	9,038,917
Proposed new debt service	1,301,775	6,587,515	10,322,727	10,322,727	12,900,520	15,478,313	15,478,313	16,591,679	20,914,748	20,499,906
Less paid by 6.5 Mill Taxes	(11,345,288)	(11,819,888)	(12,333,138)	(12,839,338)	(13,383,338)	(13,919,738)	(14,482,488)	(15,078,738)	(15,667,400)	(16,291,150)
Less paid by General Fund	(3,665,713)	(3,681,113)	(3,671,863)	(3,684,663)	(3,675,663)	(3,690,263)	(3,695,513)	(3,684,263)	(3,697,600)	(3,693,850)
Net Debt Service	<b>12,396,096</b>	<b>18,687,793</b>	<b>10,472,230</b>	<b>11,312,422</b>	<b>12,746,073</b>	<b>14,608,850</b>	<b>11,231,183</b>	<b>10,308,896</b>	<b>14,030,868</b>	<b>9,553,823</b>
<b>TIF Transfers</b>	<b>465,000</b>	<b>1,029,000</b>	<b>554,000</b>	<b>512,000</b>	<b>483,000</b>	<b>440,000</b>	<b>400,000</b>	<b>361,000</b>	<b>321,000</b>	<b>275,000</b>
<b>Net</b>	<b>9,104,517</b>	<b>39,653,707</b>	<b>(11,989,530)</b>	<b>(34,164,655)</b>	<b>17,713,975</b>	<b>(10,476,950)</b>	<b>(11,501,770)</b>	<b>48,008,804</b>	<b>(25,053,068)</b>	<b>(8,748,623)</b>
<b>Beginning Balance</b>	<b>5,420,579</b>	<b>14,525,096</b>	<b>54,178,803</b>	<b>42,189,273</b>	<b>8,024,618</b>	<b>25,738,593</b>	<b>15,261,643</b>	<b>3,759,873</b>	<b>51,768,677</b>	<b>26,715,609</b>
<b>Ending Balance</b>	<b>14,525,096</b>	<b>54,178,803</b>	<b>42,189,273</b>	<b>8,024,618</b>	<b>25,738,593</b>	<b>15,261,643</b>	<b>3,759,873</b>	<b>51,768,677</b>	<b>26,715,609</b>	<b>17,966,986</b>

**Funding**      **2014**      **2015**      **2016**      **2017**      **2018**      **2019**      **2020**      **2021**      **2022**      **2023**

**Capital Plan Revenue**

<b>SALES TAX TRANSFER FROM GENERAL FUND</b>	Annual	<b>22,814,300</b>	<b>23,310,500</b>	<b>22,616,700</b>	<b>22,933,100</b>	<b>26,859,800</b>	<b>27,396,900</b>	<b>27,944,800</b>	<b>28,503,700</b>	<b>29,073,800</b>	<b>29,655,200</b>
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18.0% of total sales tax in the General Fund is transferred to the Capital Fund each year.

Rate of growth		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sales tax transfer		24,814,300	25,310,500	25,816,700	26,333,100	26,859,800	27,396,900	27,944,800	28,503,700	29,073,800	29,655,200
Adjustments retained by General-Fund		(2,000,000)	(2,000,000)	(3,200,000)	(3,400,000)	0	0	0	0	0	0

<b>BIG SPRINGS PARTNERS, INC. LEASE</b>	Annual	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>	<b>88,667</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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The City purchased the Holiday Inn Select Hotel land in 2006. Big Springs Partners, Inc. is leasing the property for 10 years, which pays interest on the related debt.

<b>EMBASSY SUITES PARKING GARAGE LEASE</b>	Annual	<b>225,000</b>									
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The City began receiving an annual payment for 25 years on 10/1/06. This payment is used to pay for the portion of the VBC-Summitt garage expansion not paid w/ other funds.

<b>RESURFACING TRANSFERS FROM GAS TAX FUNI</b>	GasTax	<b>1,279,000</b>									
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The State 4 and 5 cent gas taxes are restricted to maintenance of City roads, which the City uses for resurfacing. These restricted funds are transferred to the Capital Fund as additional resurfacing funds.

<b>PRIOR YEAR FUNDS</b>		<b>790,000</b>	<b>0</b>								
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This represents the amount of uncommitted funds estimated to be in the Capital Fund at the beginning of the budget year.



<b>Funding</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Bridges</b>	<b>250,000</b>	<b>4,250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>6,250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
Annual Bridge Program	Annual	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Franklin, Madison Gallatin Bridge Replacement	Debt		4,000,000							
Hobbs Island Bridge Replacement	Debt				6,000,000					
<b>Drainage</b>	<b>2,350,000</b>	<b>9,350,000</b>	<b>3,600,000</b>	<b>3,600,000</b>	<b>8,600,000</b>	<b>3,800,000</b>	<b>3,800,000</b>	<b>3,800,000</b>	<b>3,800,000</b>	<b>3,800,000</b>
Drainage Prioritized Projects	Annual	1,500,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Drainage Maintenance	Annual	250,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Annual Improvements Program	Annual	400,000	1,800,000	1,400,000	1,400,000	1,400,000	1,600,000	1,600,000	1,600,000	1,600,000
Watershed Study/Improvements	Annual	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Broglan Branch	Debt		4,850,000							
Huntsville Spring Branch	Annual				5,000,000					
<b>Sidewalks</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
Sidewalk Projects-Engineering	Annual	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Sidewalk Projects-PWS	Annual	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Economic Development</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,650,000</b>	<b>2,000,000</b>	<b>500,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
General Projects	Annual	910,000	910,000	910,000	1,500,000		1,500,000	1,500,000		
Sewell Property Option	Annual	300,000	300,000	150,000						
<b>Downtown Redevelopment</b>										
Belk Hudson Lofts Agreement	Annual	90,000	90,000	90,000						
Streetscape Improvements	Annual	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<b>Recreation</b>	<b>2,035,000</b>	<b>7,385,000</b>	<b>3,450,000</b>	<b>18,845,000</b>	<b>5,701,752</b>	<b>1,860,000</b>	<b>4,850,387</b>	<b>2,360,000</b>	<b>2,360,000</b>	<b>1,860,000</b>
Recreation Prioritized Projects	Annual	225,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Recreation Facilities Maintenance	Annual	125,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Goldsmith-Schiffman Sanctuary	Annual	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Hays Preserve	Annual	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Playground Equipment	Annual	100,000	100,000	125,000	125,000	75,000	75,000	75,000	75,000	75,000
Greenways/Bike Paths	Annual	200,000	300,000	450,000	600,000	941,752	600,000	1,090,387	1,100,000	1,100,000
Greenways/Bike Paths	2011A Debt	300,000	300,000	150,000						
Open Space Acquisition	Debt	500,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Capshaw Recreation Center	Debt			1,540,000	4,935,000					
Martin Road Sports Complex	Debt	500,000	5,000,000							
McDonnell School Gymnasium	Annual						2,500,000			
Merrimack Park Improvements	Annual					1,000,000				
Natorium - New	Debt		500,000		12,000,000	2,500,000				

<u>Funding</u>		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Community Projects</b>		<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>5,150,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
Comm. Dev. HOME Program	Annual	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Council School Redevelopment - Matching	Annual				350,000						
Library Book Purchases	Annual	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Johnson & Grissom High Redevelopment	Annual				2,500,000						
South Library Construction - Matching	Debt				2,000,000						
<b>Public Safety</b>		<b>2,140,000</b>	<b>40,000</b>	<b>40,000</b>	<b>1,940,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>1,740,000</b>	<b>40,000</b>
Emergency Warning Sirens	Annual	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Fire Station (Chase Area)	Annual									1,700,000	
Fire Station (Highway 72/Limestone County)	Annual				1,900,000						
Fire Station (Move Airport Road to Drake Ave)	Debt	2,100,000									
<b>Other Projects</b>		<b>0</b>									
Debt refinancings transfer	Debt	6,460,000	6,500,000								
Debt refinancings transfer	Annual	(6,460,000)	(6,500,000)								
<b>Grand Total All Projects</b>		<b>37,069,000</b>	<b>56,802,000</b>	<b>25,344,000</b>	<b>46,864,000</b>	<b>61,670,752</b>	<b>24,329,000</b>	<b>29,319,387</b>	<b>39,079,000</b>	<b>41,279,000</b>	<b>30,079,000</b>

Funding      2014      2015      2016      2017      2018      2019      2020      2021      2022      2023

**Proposed Debt Service**

Debt service on debt proposed to be issued according to the Project Details

<u>Proposed Debt Issue Total</u>	<u>33,666,313</u>	<u>91,098,000</u>	<u>0</u>	<u>0</u>	<u>64,250,000</u>	<u>0</u>	<u>0</u>	<u>67,750,000</u>	<u>0</u>	<u>0</u>
<u>Debt Service</u>										
2014 Issue #1	414,841	829,683	829,683	829,683	829,683	829,683	829,683	829,683	829,683	414,841
2014 Issue #2	886,934	2,183,105	2,183,105	2,183,105	2,183,105	2,183,105	2,183,105	2,183,105	2,183,105	2,183,105
2015 Issue		3,574,727	7,309,939	7,309,939	7,309,939	7,309,939	7,309,939	7,309,939	7,309,939	7,309,939
2018 Issue					2,577,793	5,155,586	5,155,586	5,155,586	5,155,586	5,155,586
2021 Issue								1,113,366	5,436,435	5,436,435
2024 Issue										
<u>Proposed Debt Service Total</u>	<u>1,301,775</u>	<u>6,587,515</u>	<u>10,322,727</u>	<u>10,322,727</u>	<u>12,900,520</u>	<u>15,478,313</u>	<u>15,478,313</u>	<u>16,591,679</u>	<u>20,914,748</u>	<u>20,499,906</u>

**Funding            2014    2015    2016    2017    2018    2019    2020    2021    2022    2023**

**TIF Transfers**

The City has borrowed money for TIF 2, TIF 3A and TIF 4 projects, and structured the repayment to minimize the Interest cost to the City. When the debt was issued, tax collections from the TIFs were expected to be below the desired debt service initially, so plans were to use Capital Improvement Fund (CIF) money to pay the difference, as necessary. Taxes will eventually exceed debt requirements and the CIF will be reimbursed from the TIF revenues, which will occur at different times for each TIF.

Also, and more importantly, each TIF has unique risks that its tax collections will not meet City projections. Because of these two factors, a reserve is made in the budget each year. The City's risks will be better understood or eliminated as tax collections are received each year, so as this occurs, the annual reserve will be reduced and used for other budget needs. Comments about each TIF in this regard are shown below.

<b>TIF 2 - HUNTSVILLE HIGH SCHOOL DEBT</b>	<b>136,000</b>	<b>281,000</b>	<b>276,000</b>	<b>271,000</b>	<b>269,000</b>	<b>263,000</b>	<b>258,000</b>	<b>257,000</b>	<b>252,000</b>	<b>246,000</b>
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TIF 2 (HHS) revenue is growing at a modest amount given the mostly-developed nature of the district, so there is low risk of unforeseen circumstances, which the City can respond to well in advance, without making significant Capital Plan adjustments. The reserve amount is generally the amount of the advances made since the advance amount is not available for other needs.

<b>TIF 3A</b>	<b>0</b>									
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TIF 3A tax collections currently cover debt service, but there is considerable risk associated with significant tax assumptions after 2012, although some may be mitigated with development in the large district that was not projected when the TIF was established. Nonetheless, it is necessary to build a reserve until the tax assumptions in 2012 and beyond can be proven.

<b>TIF 4</b>	<b>329,000</b>	<b>748,000</b>	<b>278,000</b>	<b>241,000</b>	<b>214,000</b>	<b>177,000</b>	<b>142,000</b>	<b>104,000</b>	<b>69,000</b>	<b>29,000</b>
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TIF 4 has growing tax collections, and the taxes are estimated to exceed debt service in 2016. There is moderate risk of projection error since some significant tax assumptions were made. The annual reserve covers debt service advances and projection risk.