CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number_____

Meeting Type: Regular

Meeting Date: 4/23/2015

Action Requested By:
Finance

Agenda Item Type
Resolution

Subject Matter:

Capital Improvement Plan

Exact Wording for the Agenda:

Resolution to approve the amended City of Huntsville 1990 Capital Improvement Plan for Fiscal years 2015 – 2024, based on the amended allocations of the General Obligation Warrants Series 2015-A.

Note: If amendment, please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

Briefly state why the action is required; why it is recommended; what Council action will provide, allow
and accomplish and; any other information that might be helpful.

Associated Cost:

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head:_____

Date: 4/15/2015

revised 3/12/2012

RESOLUTION NO. 15 - 260

BE IT RESOLVED by the City Council of the City of Huntsville Alabama that the CITY OF HUNTSVILLE 1990 CAPITAL IMPROVEMENT PLAN, 2015 - 2024, as amended and as 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 23rd day of April, 2015.

_____

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

APPROVED this the 23rd day of April, 2015.

_____

Mayor of the City of
Huntsville, Alabama

EXHIBIT A

City of Huntsville
1990 Ten-Year Capital Improvement Plan

	Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Summary											
Revenue											
Annually-recurring revenue											
Sales/use tax											
Earmarked portion of total tax	Annual	25,259,000	25,764,300	26,279,600	26,805,200	27,341,300	27,888,100	28,445,900	29,014,900	29,595,200	30,187,100
Rate of growth		*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Adjustments retained by General Fund	Annual	(2,000,000)	(3,200,000)	(3,400,000)							
Adjustments retained by General Fund	Annual	(2,987,140)	(4,170,482)	(5,137,947)	(9,761,124)	(11,051,676)	(12,278,807)	(12,524,383)	(12,774,871)	(13,030,368)	(13,290,976)
Total sales/use tax		**20,271,860**	**18,393,818**	**17,741,653**	**17,044,076**	**16,289,624**	**15,609,293**	**15,921,517**	**16,240,029**	**16,564,832**	**16,896,124**
Lease revenue											
Embassy Suites	Annual	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
Total lease revenue		**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**
Special project financing	Annual			9,500,000							
Annually-recurring revenue total		**20,496,860**	**18,618,818**	**27,466,653**	**17,269,076**	**16,514,624**	**15,834,293**	**16,146,517**	**16,465,029**	**16,789,832**	**17,121,124**
Planned debt issues	Debt	**22,500,000**	**2,200,000**	**10,200,000**	**9,775,000**	**7,100,000**	**4,700,000**	**6,800,000**	**12,500,000**	**800,000**	**800,000**
Other											
1% Lodgings Tax-Recreation	RecTax	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ALDOT Industrial Access	ALDOT IndAcc	4,000,000	0	0	0	0	0	0	0	0	0
Transfer from 2014 Capital Improvement Fund	Annual	11,500,000	0	0	0	0	0	0	0	0	0
Resurfacing transfers from Gas Tax Fund	GasTax	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
Total Revenue		**60,175,860**	**22,497,818**	**39,345,653**	**28,723,076**	**25,293,624**	**22,213,293**	**24,625,517**	**30,644,029**	**19,268,832**	**19,600,124**
Expenditures											
Projects		**52,145,558**	**18,379,333**	**26,041,333**	**22,637,333**	**23,012,333**	**16,645,667**	**21,579,000**	**27,329,000**	**15,829,000**	**15,879,000**
Debt service - Capital Fund											
Existing debt service	Annual	30,884,587	19,846,832	21,206,711	20,657,685	20,495,685	18,486,106	17,042,165	17,042,597	13,653,239	12,771,790
IRS interest subsidy	Annual	(274,300)	(271,526)	(268,316)	(264,636)	(260,444)	(255,704)	(250,702)	(245,136)	(239,212)	(232,898)
Proposed new debt service	Annual	0	2,387,488	2,886,453	4,385,256	5,063,008	5,536,910	5,999,293	6,772,575	7,305,271	7,369,841
TIF debt service subsidies	Annual	1,050,000	360,000	428,000	377,000	353,000	319,000	277,000	236,000	191,000	(575,000)
Less paid by 6.5 Mill Taxes	Annual	(12,707,224)	(13,221,474)	(13,728,674)	(14,273,674)	(15,681,074)	(16,246,324)	(16,837,824)	(17,431,900)	(18,056,650)	(18,685,074)
Less paid by General Fund	Annual	(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)	(3,708,175)
Net Debt Service		**15,271,950**	**5,429,457**	**6,839,511**	**7,205,968**	**6,279,912**	**4,144,475**	**2,545,669**	**2,676,536**	**(840,202)**	**(3,059,516)**
Total Expenditures		**67,417,508**	**23,808,790**	**32,880,844**	**29,843,301**	**29,292,245**	**20,790,142**	**24,124,669**	**30,005,536**	**14,988,798**	**12,819,484**
Net Change		(7,241,648)	(1,310,972)	6,464,809	(1,120,225)	(3,998,621)	1,423,151	500,848	638,493	4,280,034	6,780,640
Beginning Balance		9,977,376	2,735,728	1,424,756	7,889,565	6,769,340	2,770,719	4,193,870	4,694,718	5,333,211	9,613,245
Ending Balance		**$2,735,728**	**$1,424,756**	**$7,889,565**	**$6,769,340**	**$2,770,719**	**$4,193,870**	**$4,694,718**	**$5,333,211**	**$9,613,245**	**$16,393,885**

EXHIBIT A

City of Huntsville
1990 Ten-Year Capital Improvement Plan

Project Details
(projects may appear in duplicate due to different funding sources)

	Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Street Construction		**3,000,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Greenbriar Road Ph 3	Debt 2013D	(4,000,000)									
Greenbriar Road Ph 3	ALDOT IndAcc	4,000,000									
Greenbriar Road Ph 3	Debt 2013D	3,000,000									
Other Street Projects		**4,079,000**	**4,329,000**	**4,329,000**	**4,379,000**	**4,379,000**	**4,429,000**	**4,429,000**	**4,479,000**	**4,479,000**	**4,529,000**
Street Resurfacing	Annual	812,295	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Street Resurfacing	Debt 2014B	1,487,705									
Street Resurfacing	GasTax	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
Street Maintenance	Annual	500,000	550,000	550,000	600,000	600,000	650,000	650,000	700,000	700,000	750,000
Traffic Improvements		**1,300,000**	**850,000**	**850,000**	**850,000**	**850,000**	**850,000**	**850,000**	**850,000**	**850,000**	**850,000**
Annual Traffic Improvement Program	Annual	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Controllers & LED Upgrades	Annual	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Wayfinder Signage	Annual	450,000									
Bridges		**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
Annual Bridge Program	Annual	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Drainage		**3,460,058**	**2,700,000**	**2,750,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**	**2,800,000**
Drainage Prioritized Projects	Annual	210,504	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Drainage Prioritized Projects	AlaTrust	989,496									
Drainage Maintenance	Annual	450,000	450,000	450,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Annual Improvements Program	Annual	1,660,058	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Watershed Study/Improvements	Annual	150,000	150,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Sidewalks		**775,000**	**775,000**	**800,000**	**800,000**	**800,000**	**800,000**	**800,000**	**800,000**	**800,000**	**800,000**
Sidewalk Projects-Engineering	Annual	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Sidewalk Projects-PWS	Annual	75,000	75,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
ADA Accessibility Improvements	Annual	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Economic Development		**4,390,000**	**1,773,333**	**1,533,333**	**1,533,333**	**1,533,333**	**866,667**	**200,000**	**200,000**	**200,000**	**200,000**
Sewell Property Option	Annual	300,000	150,000								
Whole Foods Project	Annual		1,333,333	1,333,333	1,333,333	1,333,333	666,667				
Economic Development Project	Debt 2013D	4,000,000									
Downtown Redevelopment											
Belk Hudson Lofts Agreement	Annual	90,000	90,000								
Streetscape Improvements	Annual		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

EXHIBIT A

City of Huntsville
1990 Ten-Year Capital Improvement Plan

	Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Recreation		**26,685,000**	**1,935,000**	**3,110,000**	**4,160,000**	**4,460,000**	**4,060,000**	**4,560,000**	**12,560,000**	**2,760,000**	**2,760,000**
Recreation Prioritized Projects	Annual	250,000	250,000	250,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Recreation Facilities Maintenance	Annual	200,000	200,000	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	35,000
Hays Preserve	Annual	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Playground Equipment	Annual	50,000	50,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Big Spring Park Renovations (east)	Annual	200,000									
Big Spring Park Renovations (west)	Debt								5,000,000		
John Hunt Park Improvements	Debt	0	0	0	300,000	600,000	600,000	600,000	600,000	600,000	600,000
John Hunt Park Improvements	RecTax	700,000	700,000	700,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
ADJUST MCDONNEL/JOHN HUNT PARK ACCOUNT	Annual										
Greenways/Bike Paths	Annual	300,000	450,000	600,000	600,000	600,000	200,000	700,000	700,000	900,000	900,000
Open Space Acquisition	Debt	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Open Space Acquisition	Annual	200,000									
Open Space Acquisition	Debt	2,500,000									
Merrimack Park Expansion	Annual	1,000,000									
Merrimack Park Expansion	Debt	0		1,000,000	500,000	400,000	400,000	400,000			
Merrimack Park Expansion	Debt				1,500,000	1,600,000	1,600,000	1,600,000			
Natatorium - design	Annual	1,200,000									
Natatorium - construction	Debt	20,000,000	0								
Community Projects		**3,450,000**	**2,515,000**	**8,800,000**	**5,275,000**	**4,600,000**	**2,200,000**	**300,000**	**300,000**	**300,000**	**300,000**
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
Councill School Redevelopment - Matching	Debt			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
Goldsmith-Schiffman Renovations	Debt			500,000		1,000,000					
Iceplex Expansion	Debt				2,500,000						
Iceplex Expansion	Annual	400,000									
Johnson & Grissom High Revelopment	Debt			2,500,000		2,500,000					
Military Museum	Debt			250,000	1,000,000						
Senior Center Expansion	Debt			2,900,000							
Public Libraries	Debt			2,000,000			1,000,000				
Tennis Center Expansion	Annual		215,000								
Tennis Center Expansion	Debt				325,000						
Corridor Redevlopment	Debt	0	2,000,000								

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1990 Ten-Year Capital Improvement Plan

	Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VBC facility design planning	Annual	350,000									
VBC facility support systems	Annual	2,400,000									
VBC facility support systems	Debt				1,150,000	800,000	900,000				
Public Safety		**1,406,500**	**527,000**	**919,000**	**2,340,000**	**40,000**	**40,000**	**4,040,000**	**1,740,000**	**40,000**	**40,000**
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)	Debt								1,700,000		
Fire Station (Highway 72/Limestone County)	Debt				2,300,000						
Police Firing Range	Annual	150,000									
Police Firing Range	Debt			500,000							
Fire & Rescue training facility	Debt							4,000,000			
Green Mountain fire station - generator extra	Annual	14,500									
Police Net Motion conversion	Annual	462,000	384,000	379,000							
Fire Net Motion conversion	Annual	99,000	103,000								
EMA Warning Siren control system	Annual	361,000									
Police cars (7) for new officers	Annual	280,000									
Other Projects		**3,350,000**	**2,725,000**	**2,700,000**	**250,000**	**3,300,000**	**350,000**	**3,350,000**	**3,350,000**	**3,350,000**	**3,350,000**
Debt refinancings transfer	Debt	0									
Debt refinancings transfer	Annual	0									
Fleet and Capital	Annual	3,000,000	2,500,000	2,500,000		3,000,000		3,000,000	3,000,000	3,000,000	3,000,000
Facilities maintenance	Annual	100,000	100,000	150,000	200,000	250,000	300,000	300,000	300,000	300,000	300,000
Lowe Mill Annex	Annual	200,000									
Fleet backup fuel site	Annual		75,000								
ITS Communications system buildout	Annual	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Grand Total All Projects		**$52,145,558**	**$18,379,333**	**$26,041,333**	**$22,637,333**	**$23,012,333**	**$16,645,667**	**$21,579,000**	**$27,329,000**	**$15,829,000**	**$15,879,000**

EXHIBIT A

City of Huntsville
1990 Ten-Year Capital Improvement Plan

Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service										
Debt service related to Capital Improvement Fund projects:										
2005A	3,405,510									
2005C	9,211,750									
2009A	4,480,720	4,479,347	4,477,253	4,481,097	4,479,036	236,452	236,452	236,452	1,889,785	170,320
2010A	3,640,050	3,645,450	3,641,650	4,883,850	4,887,050	4,886,550	3,439,750	3,438,750		
2010B	655,082	652,154	647,980	647,466	640,494	636,950	632,656	626,756	619,830	611,790
2010C	391,716	391,716	391,716	391,716	391,716	391,716	391,716	391,716	391,716	391,716
2011A	3,340,876	3,344,876	2,311,376	2,310,401	2,144,526	2,144,026	2,140,526	2,143,776	2,143,526	2,144,651
2012A	2,058,750	2,061,475	4,455,650	3,841,550	3,845,050	3,848,325	3,846,400	3,844,700	3,845,600	3,845,400
2013D	1,885,900	1,885,213	1,886,526	1,887,613	1,888,475	1,886,700	1,887,050	1,886,150	1,887,875	1,887,600
2013E	771,618	781,413	785,672	789,454	797,700	805,349	812,402	818,859	824,719	
2014A	570,325	1,752,200	1,758,700	572,200	572,200	1,952,200	1,953,200	1,955,700	354,450	2,019,450
2014B	472,290	852,988	850,188	852,338	849,438	1,697,838	1,702,013	1,699,738	1,695,738	1,700,863
FUTURE										
FUTURE										
FUTURE										
FUTURE										
Current Debt Service Total	**$30,884,587**	**$19,846,832**	**$21,206,711**	**$20,657,685**	**$20,495,685**	**$18,486,106**	**$17,042,165**	**$17,042,597**	**$13,653,239**	**$12,771,790**
Proposed Debt Service										
Debt service on debt proposed to be issued according to the Project Details										
2015A		2,299,221	2,300,682	2,299,035	2,299,741	2,300,212	2,301,200	2,300,141	2,299,224	2,299,600
2016		88,267	176,534	176,534	176,534	176,534	176,534	176,534	176,534	176,534
2017 special project financing				699,027	699,027	699,027	699,027	699,027	699,027	699,027
2017			409,237	818,474	818,474	818,474	818,474	818,474	818,474	818,474
2018				392,186	784,371	784,371	784,371	784,371	784,371	784,371
2019					284,861	569,722	569,722	569,722	569,722	569,722
2020						188,570	377,140	377,140	377,140	377,140
2021							272,825	545,650	545,650	545,650
2022								501,516	1,003,032	1,003,032
2023									32,097	64,194
Proposed Debt Service Total	**0**	**2,387,488**	**2,886,453**	**4,385,256**	**5,063,008**	**5,536,910**	**5,999,293**	**6,772,575**	**7,305,271**	**7,369,841**

EXHIBIT A

City of Huntsville
1990 Ten-Year Capital Improvement Plan

TIF Transfers for Debt Service

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 rtransfer is made in the budget each year. The City's risks will be better understood or eliminated as tax collections are received each year. When TIF taxes can cover expected debt service, funds will be transferred back to the CIF. Comments about each TIF in this regard are shown below.

	Funding Code	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TIF 2 - HUNTSVILLE HIGH SCHOOL DEBT		300,000	250,000	269,000	267,000	260,000	256,000	255,000	249,000	244,000	(491,000)

TIF 2 (HHS) revenue is growing at a low rate, so there is low risk of unforeseen circumstances, which the City can respond to well in advance, without making significant Capital Plan adjustments. The transfer amount is generally the amount necessary to cover debt service needs until tax collections rise to cover debt service.

TIF 3A		0	0	0	0	0	0	0	0	0	0

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, transfers were made to build an adequate reserve until the tax assumptions in 2012 and beyond can be proven. Transfers are currently expected to be returned by 2016.

TIF 4		750,000	110,000	159,000	110,000	93,000	63,000	22,000	(13,000)	(53,000)	(84,000)

TIF 4 has growing tax collections, and the taxes are estimated to exceed debt service in 2022. There is moderate risk of projection error since some significant tax assumptions were made. The annual transfers cover debt service advances and projection risk.