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# Major Fiscal Year 2014 Capital Improvement Projects



Mayor and Council Study Session  
April 9, 2013



FYs 2014-2018 CIP =  
\$809,000,000



## Five Year CIP: FYs 2014-2018

In FY 2013, capital comprised 22% of the citywide budget; projected at less than 20% for FY 2014.

Annual capital budget is adopted by Mayor and Council in conjunction with the operating budget.

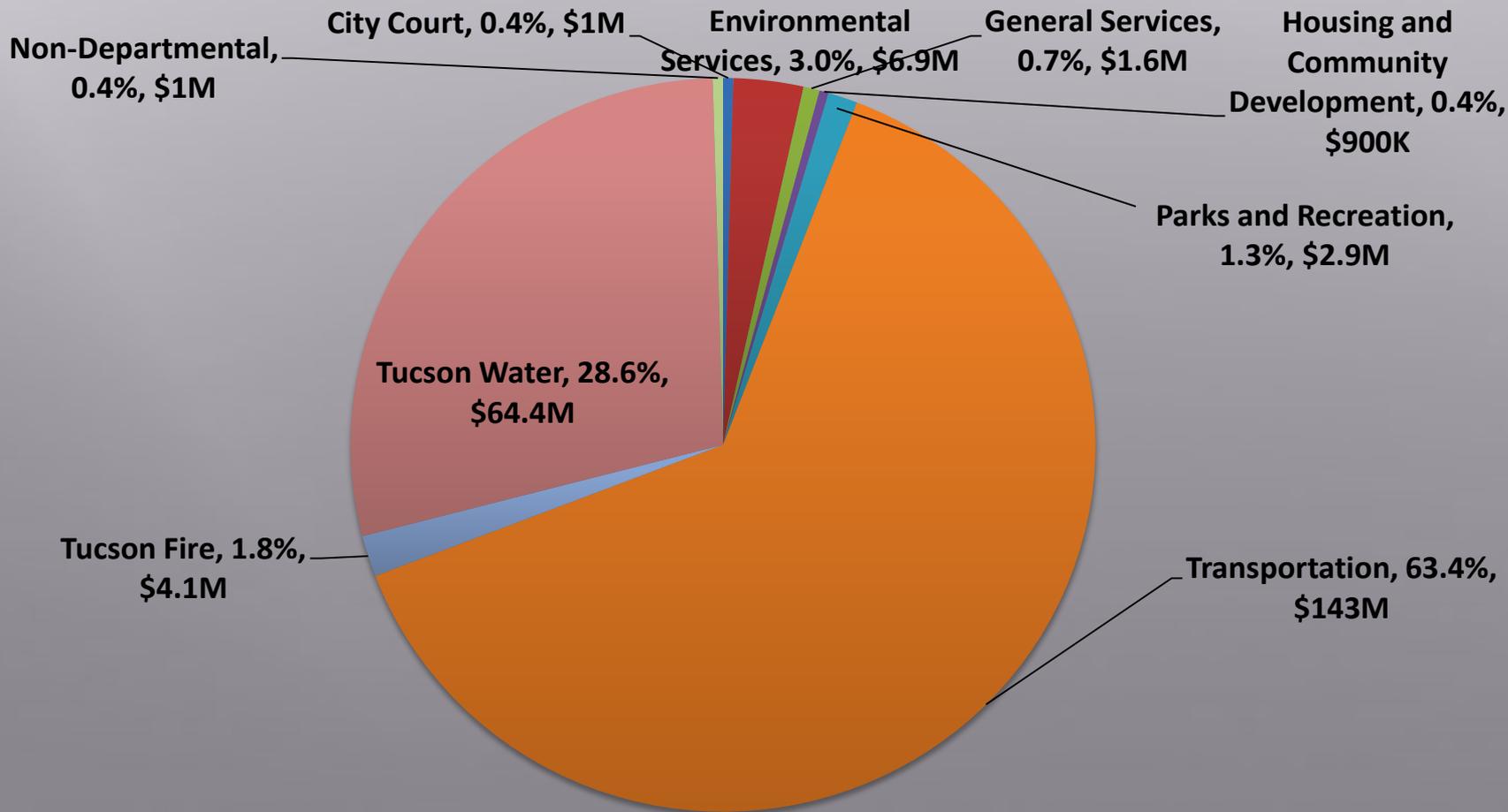
FY 2014 General Fund = \$2.4M

- \$1.4M for transit needs
- \$1M for ERP system expansion



# FY 2014 (Proposed Year 1)

Total = \$226M, 23% reduction from FY 2013 \$293M  
Carryforward funds = \$64M; New funding = \$162M





# City Court





# Court Building Remodel (new)

Total Project: \$3.8M

- Certificates of Participation
- Estimated Completion Date: FY 2016
- Project Components:
  - Resurfacing of interior balcony walkways
  - Building seal and painting to eliminate water leaks
  - Entrance improvements to improve traffic flow and security
  - Replacement of electrical panels because unsupportable
  - Analysis, renovate/upgrade boiler system
  - ADA compliance adjustments
  - Functional/aesthetic improvements to public areas/courtrooms



# Environmental Services





## Los Reales Landfill (multiple projects)

Total FYs 2014-2018 CIP including prior years:

- \$14.3M Environmental Services Fund
- Infrastructure Plan:
  - Started in FY 2009; completion in FY 2014
  - \$150K proposed in FY 2014
  - Total project = \$1.7M
- Administration Building:
  - \$595K proposed in FY 2014 with June 2014 completion
  - Install pre-engineered metal building for landfill administrative staff and field crews.



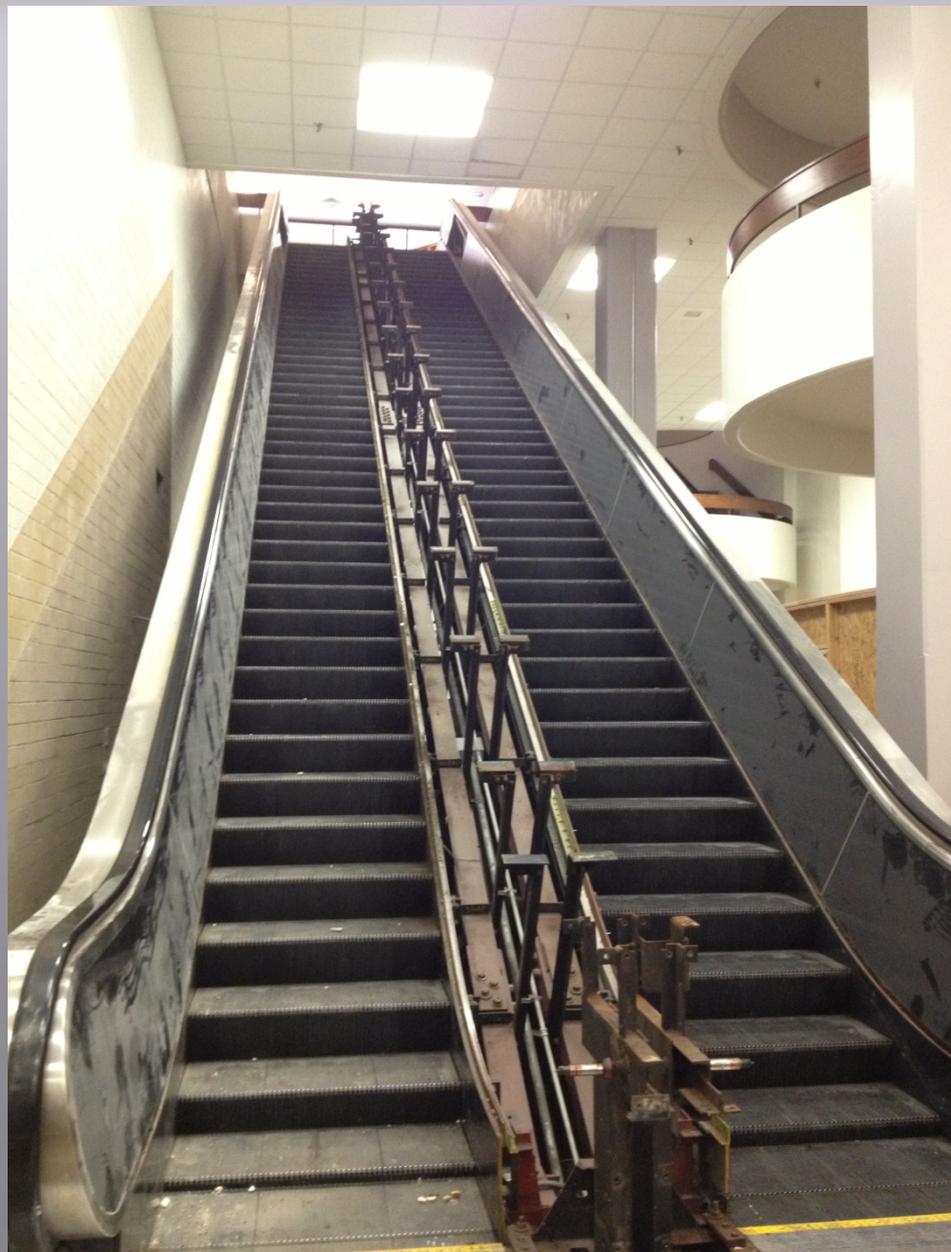
## Los Reales Landfill (continued)

- Property Acquisition: \$3M in FYs 2014 and 2015
  - Estimated Completion Date: June 2015
- Entrance Facilities Site Improvements
  - \$3.4M proposed in FY 2014 with June 2014 completion
- Truck Wash and Scale Facility:
  - \$845K proposed in FY 2014 with June 2014 completion
- Self Hauler Facility: \$4.8M in FYs 2016 and 2017
  - Estimated Completion Date: June 2017



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# General Services





# Elevator and Escalator Code Compliance

Total Project including prior years:

- \$5.5M Certificates of Participation
- Phase I: Started in FY 2010; completion in FY 2014
- \$1.6M in FY 2014 CIP
- Project Components:
  - Elevator Code and ADA compliance
  - Safety and operational improvements
  - City Court elevator replacement; completed 2012
  - Multiphase project with 19 elevators remaining.



# Elevator and Escalator Code Compliance (cont'd.)

- Project Components (continued):
  - Tucson Convention Center:
    - Administration Suite - 1 elevator and a pair of escalators, completion September 2013
    - Galleria – 2 pairs of escalators with demolition to start in May 2013, completion September 2013
    - Music Hall stage lift and freight elevator, completion September 2013
  - TPD Headquarters:
    - Modernization of three existing elevators; new fire alarm system because could not tie into existing; completion December 2013



# Parks and Recreation





# FYs 2014-2018 CIP Summary

- \$11M Total
- 22 Projects
- Funding Sources: Pima County Bonds, Impact Fees, Civic Contributions, Non-federal Grants, Certificates of Participation



## FY 2014 CIP Summary

- \$2.9M Total; 19 projects
- *13 projects started in prior years will be completed in FY 2014:* A Mountain Improvements, Arroyo Chico Urban Path: Campbell/Parkway, Atterbury Wash Sanctuary Expansion, Ball Field Lighting Upgrades (COPS), Cherry Avenue Center Expansion, Christopher Columbus Park Expansion, Freedom Park Improvements, Menlo Park Elementary Soccer Improvements, Purple Heart Park Expansion, Quincie Douglas and Silverlake Park Expansion, Toumey Park, Wakefield/St. John's Skate Facility, World War II Memorial Project



## Arroyo Chico Urban Path (2 projects)

Total FYs 2014-2018 CIP (including prior years):

– \$1.4M Pima County bonds, Impact Fees

- Project goal: to connect Reid Park to downtown as part of Pima Regional Trail System Master Plan
- Completed project: Arroyo Chico Urban Path, Si Schorr Segment
- Ongoing project: an additional segment will be completed in FY 2014: Tucson Boulevard to Parkway Terrace
  - \$1,148,200 of 2004 Pima County GO Bond Funds
  - \$12,200 of Central District Park Impact Fees



## Arroyo Chico Urban Path (cont'd.)

- New project: an additional segment, to begin in FY 2014, includes a new HAWK signal at Country Club and Camino Campestre and development of the urban greenway to Robison Elementary School at Treat
  - \$600,000 RTA funding included in TDOT's CIP
  - \$200,000 Parks Central District Impact Fees programmed in FY 2015



# FY 14 Pima County Neighborhood Reinvestment Bond Funds Program

**Wakefield – St. John’s Skate Facility (\$500,000):** ramada with picnic facilities, asphalt surfacing of walking track and lighted plaza skate park located within the St. John’s School Park

**Toumey Park (\$200,000):** asphalt perimeter path, expanded play area for new swingset, irrigation booster pump, public art and ramada lighting

**Freedom Park Improvements – 29<sup>th</sup> Street Coalition (\$500,000):** lighted asphalt walking path with fitness stations and shade structure over existing playground



## Shade Structures (Playground)

Project Funding of \$100,000 is pursued on an annual basis to address a critical need

- Civic Contributions include anticipated Parks Foundation funding
- Non-Federal Grants include anticipated 12% Tribal Gaming Grants

### Project Components:

- Design and construct shade structures over existing playgrounds
- Address ADA compliance requirements



# Parks Strategic Plan

Total Project including prior years:

- \$432K Impact Fee Funds
- Consultant Selection Process to begin in FY 2013
- Project completion scheduled in FY 2015
- \$274K in FY 2014 CIP
- Project Components:
  - Update Ten-Year Strategic Service Plan
  - GIS data will be developed and incorporated into the plan
  - Significant community and M&C involvement and input
  - Accreditation requirement
  - Incorporate new Impact Fee Legislation requirements and compliance with SB 1525<sup>20</sup>



# Transportation





# FYs 2014-2018 CIP Summary

- \$444.5M Total
- 67 Projects
- Funding Sources: Regional Transportation Authority , Impact Fees, Federal Highway Grants, HURF, Pima County Bonds, PAG, GO Street Bonds



## FY 2014 CIP Summary

- \$143.2M Total; 61 projects
- *18 projects started in prior years will be completed in FY 2014:* Camino Seco: Speedway/Wrightstown Signalization, Campbell Ave. Revitalization, CNG Fueling Upgrade, Five Pts. Transportation Enhancement, Houghton Rd.: Irvington to Valencia, La Paloma Academy Pedestrian Traffic Signal, Modern Streetcar, Pantano Repaving: Escalante to Irvington, Park-and Ride Lots: Houghton and Rita Ranch, Seamless Fare System, Regional Transportation Data Network System, Rita Road Enhancements, Ronstadt Transit Center, Stone Ave.: Drachman and Speedway, Transit Centers Improvements, Tucson Blvd. Multi-Use Path, Union Pacific Railroad: Nogales Branch Safety



# Street Improvements: Proposition 409

## Total Project:

- \$99M: City General Obligation Bonds; \$1M for cost of bond issuance
- \$19.8M in FY 2014 CIP and annually through FY 2018
- Project Components:
  - Restore, repair and resurface streets
  - 85% of funding dedicated to major streets and 15% to neighborhood streets
  - Competitively bid out to private contractors



## Modern Streetcar/Sun Link

Total Project including prior years:

- \$166.5M: Transportation Investment Generating Economic Recovery (TIGER) grant, RTA, mass transit funds, General Fund
- \$33.6M in FY 2014 CIP
- Project Components:
  - Plan, design, and construct a 4 mile fixed rail transit system to connect UA and downtown/west side of I-10
  - Management company (RDMT) started work in January
  - First car scheduled to arrive in July; last car in April 2014
  - Revenue service date projected for July 2014



# Broadway Boulevard: Euclid to Country Club

Total Project including prior years:

- \$70.2M: RTA, Impact Fee Fund, Pima County Bonds
- Started in FY 2007; completion in FY 2018
- \$2.5M in FY 2014 CIP
- Project Components:
  - Widening to 6 lanes and adding bus lanes
  - In planning phase; Citizens Task Force is discussing cross-section and roadway alignment opportunities.



## Grant: Oracle to Swan

Total Project including prior years:

- \$172M: HURF, Pima County Bonds, Impact Fees, RTA
- Started in FY 2007; completion in FY 2021
- \$2.3M in FY 2014 CIP
- Project Components:
  - Six-lane divided cross section with full urban amenities
  - 93% RTA funded
  - Currently working on Oracle to Stone segment



# Barraza-Aviation: Downtown Links

Total Project including prior years:

- \$78M PAG, HURF, RTA
- Started in FY 2006; completion in FY 2021
- \$5.7M in FY 2014 CIP
- Project Components:
  - Design and construct 4 lane roadway from 6<sup>th</sup> to Broadway Boulevard east of railroad tracks
  - 98% RTA funded
  - St. Mary's segment is under construction; the remainder is in the design phase.



## 22<sup>nd</sup> Street: I-10 to Tucson Boulevard

Total Project including prior years:

- \$118M Pima County Bonds, FHA Grant, HURF, RTA, Impact Fees
- Started in FY 2007; completion in FY 2021
- \$16.9M in FY 2014 CIP
- Project Components:
  - Widening to 6 lanes
  - Kino/22<sup>nd</sup> interchange under construction
  - Kino to Tucson Blvd. in design
  - I-10 to Kino on hold until FY 2016



## Houghton Road: Tanque Verde Road to I-10 (4 active projects)

Total FYs 2014-2018 CIP (including prior years):

- \$52.9M Pima County bonds, FHA grants, HURF, RTA, Impact Fees
- Bridge Replacement over Union Pacific Railroad tracks:
  - Design started in FY 2009; completion in FY 2016
  - \$1.0M proposed in FY 2014; \$13.1M total project



## Houghton Road (continued)

- **Broadway Intersection Improvements:**
  - Design started in FY 2007; completion in FY 2016
  - \$8.3M proposed in FY 2014; \$8.7M total project
  - In accordance with RTA Plan
  - 85% RTA funded
- **Irvington to Valencia:**
  - Widen to six-lane divided arterial per RTA Plan
  - Design started in FY 2006; completion in FY 2014
  - \$11.8M proposed in FY 2014; \$22.1M total project
  - 43% RTA funded



## Houghton Road (continued)

- Union Pacific Railroad to I-10:
  - Widen to six-lane divided arterial per RTA Plan
  - Design started in FY 2009; completion in FY 2016
  - \$1.3M proposed in FY 2014; \$8.9M total project
  - 33% RTA funded



# Tucson Fire





# Communications Center Renovation

Total Project including prior years:

- \$9.6M public safety impact fees, Pima County bonds, federal grants
- Started in FY 2010; completion in FY 2015
- \$4.1M in FY 2014 CIP
- Project Components:
  - Expand dispatch facility to allow for 20-year growth
  - Replace console and telephone switching
  - Upgrade radio communications infrastructure
  - Serves as back-up to County dispatch facility



# Tucson Water





# FYs 2014-2018 CIP Summary

- \$323.9M Total
- 87 Projects
- Funding Sources: Revenue and Operations Fund, Water Revenue System Obligation Funds, Future Water Revenue Bonds
- FY 2014 \$64.4M Total; 70 projects



# Advanced Oxidation Process Treatment

Total Project including prior years:

- \$18.6M water revenue obligation bonds, infrastructure reserve fund
- Started in FY 2009; completion in FY 2014
- \$5.4M in FY 2014 CIP
- Project Components:
  - Construct treatment plant at Tucson Airport Remediation Project site to remove 1,4-dioxane
  - Construction underway with substantial completion 11/13
  - Full operation in January 2014



# SCADA Upgrade: Potable and Reclaimed (2 projects)

Total Project including prior years:

- \$23.9M water revenue obligation funds, future revenue bonds, revenue and operations fund
- Started in FY 2012; completion in FY 2017
- \$6.9M in FY 2014 CIP
- Project Components:
  - Supervisory Control and Data Acquisition (SCADA) communication equipment has become obsolete.
  - Installation of field instrumentation, controllers, and equipment necessary to communicate water system flows, levels, and pressures to operators.



# Meter Upgrade and Replacement Program (3 projects)

## Total FYs 2014-2018 Project:

- \$29.8M water revenue obligation bonds, revenue and operations fund, future water revenue bonds
- \$5.8M in FY 2014 CIP
- Project Components:
  - Upgrade approximately 225,000 billing meters with automatic meter read technology to enhance efficiency of meter readers and to provide customers with detailed consumption information.



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# Upgrades to Santa Cruz Wellfield (4 projects)

Total Projects including prior years:

- \$13.8M water revenue obligation bonds, operating funds, future water revenue bonds
- \$5.8M in FY 2014 CIP
- Project Components:
  - Upgrade recovery wells, transmission mains, and treatment processes to increase the amount of recovered water from the Santa Cruz wellfield.
  - Highly energy efficient to operate due to shallow groundwater. Recovers renewable CAP water from Pima Mine Road Recharge Project.
  - All upgrades programmed for completion by FY 2016



# Non-Departmental: General Expense





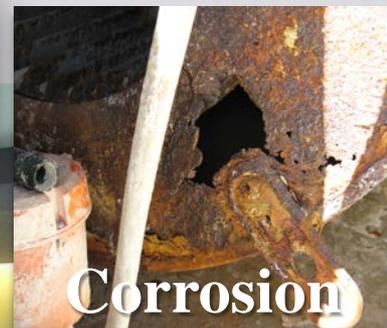
# TucsonAdvantage ERP Software

Total Project including prior years:

- \$6.9M Certificates of Participation, Assigned Fund Balance, General Fund
- Started in FY 2010
- \$1.0M in FY 2014 (General Fund)
- Project Components:
  - Complete addition of human resources/payroll functions to current enterprise resource planning (ERP) system
  - Potential for addition of Procurement functions



# Deferred Maintenance





# Deferred Maintenance

- Acknowledged Infrastructure Needs
  - Streets
  - Tucson Water
- Additional Infrastructure Needs
  - Information Technology
  - Communications
  - Vehicle Replacement
  - Facilities / Buildings



# Deferred Maintenance

## Today's Presentation

- Current Policies
- Deferred Maintenance assumptions & risks
- Vehicle Replacement
- Facilities / Buildings
- Maintenance
  - Building Maintenance Agreements
  - The cost of routine maintenance > budgets
  - Repair & Renewal
- Current approach - How can we do better?
- Recommended Actions



# Current Policies

- **Mayor and Council Financial Policy - December 2012**
  - *The extent of deferred maintenance , whether temporary or permanent, should be an explicit decision made by Council.*
- **Budget Goals – March 5, 2013**
  - *Develop strategies that address ongoing and future fiscal challenges*
- **ELT Guiding Principles - November 2012**
  - *Take better care of what we have: improve City facilities by investing or divesting*



# Deferred Maintenance

## Assumptions

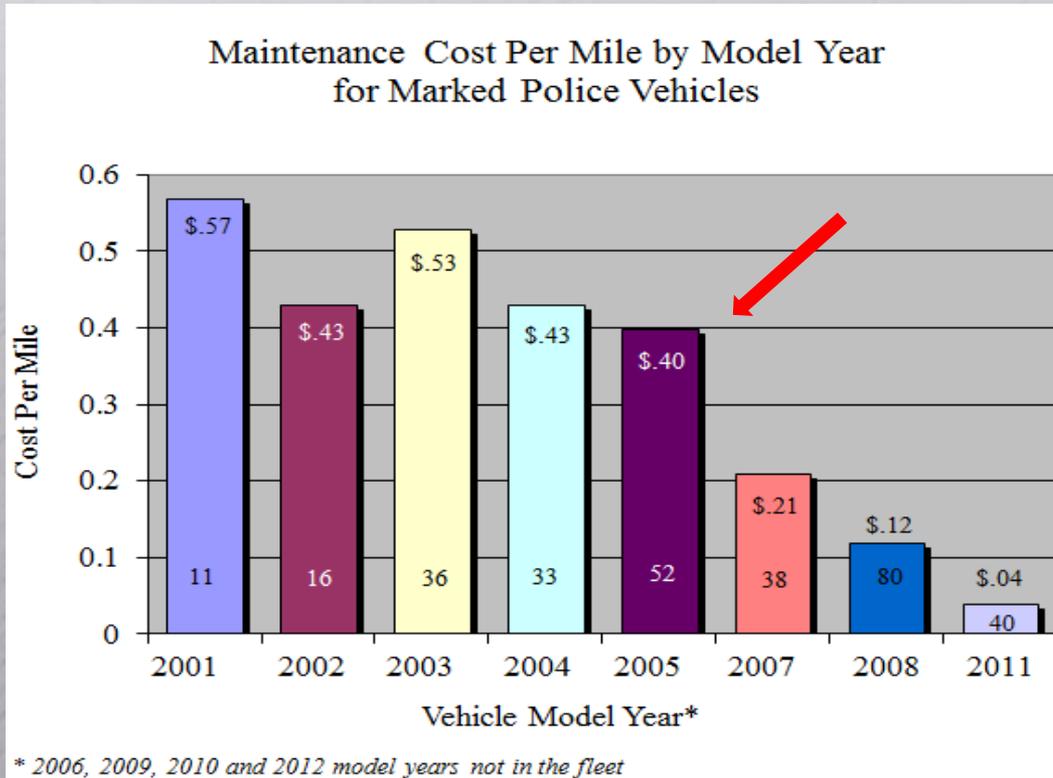
- Postponing maintenance actions or decreasing levels of activities to reduce costs
- Assumes there is a definitive plan to restore funding in the future
- Impacts are not obvious – deterioration is gradual, largely unseen until failure occurs
- Results in operational impacts and “Crisis Management”



# Vehicle Replacement

## GSD Fleet Services

- 2500 vehicles no - Fire apparatus
- Full vehicle life cycle (Acquisition - M&R - Disposition)



Fleet monitors cost trends  
Goal

- Replace prior to M&R spike
- TPD marked vehicles spike @ year 5

Current Need

- approximately \$52 M
  - \$22.2M General Fund
  - \$14.8 M TPD



# Facilities / Buildings

- GSD maintenance responsibility:
  - 500 locations
  - 6 million square feet of occupied space
  - transit centers, ramadas, fuel stations, cranes & lifts
- Not included:
  - Tucson Water's La Entrada Building
  - Information Technology Building
  - City Courts Building
  - Housing & Community Development properties



# Building Maintenance Agreements (BMAs)

The Facilities Division (F&CM) provides routine building maintenance, repair and replacement through BMAs with, and funded by customer departments.

- Service levels are explicit
  - *maintenance service matrix ( by-building and major trade)*
  - *24-7 coverage*
  - *cost is budgeted by customer departments*
  - *GSD has no funds to supplement customer departments*
- Intended to maintain to *current* condition
- Includes minor repairs up to \$10,000 each



# Building Maintenance Agreements (BMAs)

- Since 2009 BMA funding has remained flat:
  - *Costs continue to increase*
  - *Funding level is far below industry standards*
- GSD minimizes impact to our customers by:
  - *Absorbing increases rather than increase customer charges*
    - Contracts and supplies
    - Labor (including indirect costs & overhead)
    - Vandalism and extraordinary events
  - *Offsetting cost increases*
    - Operational efficiencies
    - Modified practices
    - Internal Service Fund Reserves



# Building Maintenance Agreements (BMAs)

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  - *Funding level is far below industry standards*
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  - *Absorbing increases rather than increase customer charges*
    - *Contractor fees*
    - *Labor (including indirect costs & overhead)*
    - *Vandalism and extraordinary events*
  - *Offsetting cost increases*
    - *Operational efficiencies*
    - *Modified practices*
    - *Internal Service Fund Reserves*

**For FY 14 true costs exceed customer departments' fiscal capacity.**



# Repair and Renewal

## Major Components Replacements

Major R&R Near Term Need = **\$67.4 M**

- Estimate reflects the rough value of system **deficiencies**
  - no evaluation, engineering, or design
  - impact on other systems
  - disruption of service delivery
- Requires action
  - constant attention required to remain operational
  - parts are often no longer available



# Repair and Renewal

## Operate to Failure

### Risks

- Roofs (\$1.3M)
  - *Water damage, mold, interruption of service*
- Parking Lots (\$19.4 M)
  - *Liability –trips and vehicles*
  - *Decreased longevity*
- HVAC systems
  - *Personal comfort*
  - *Productivity*



# Repair and Renewal

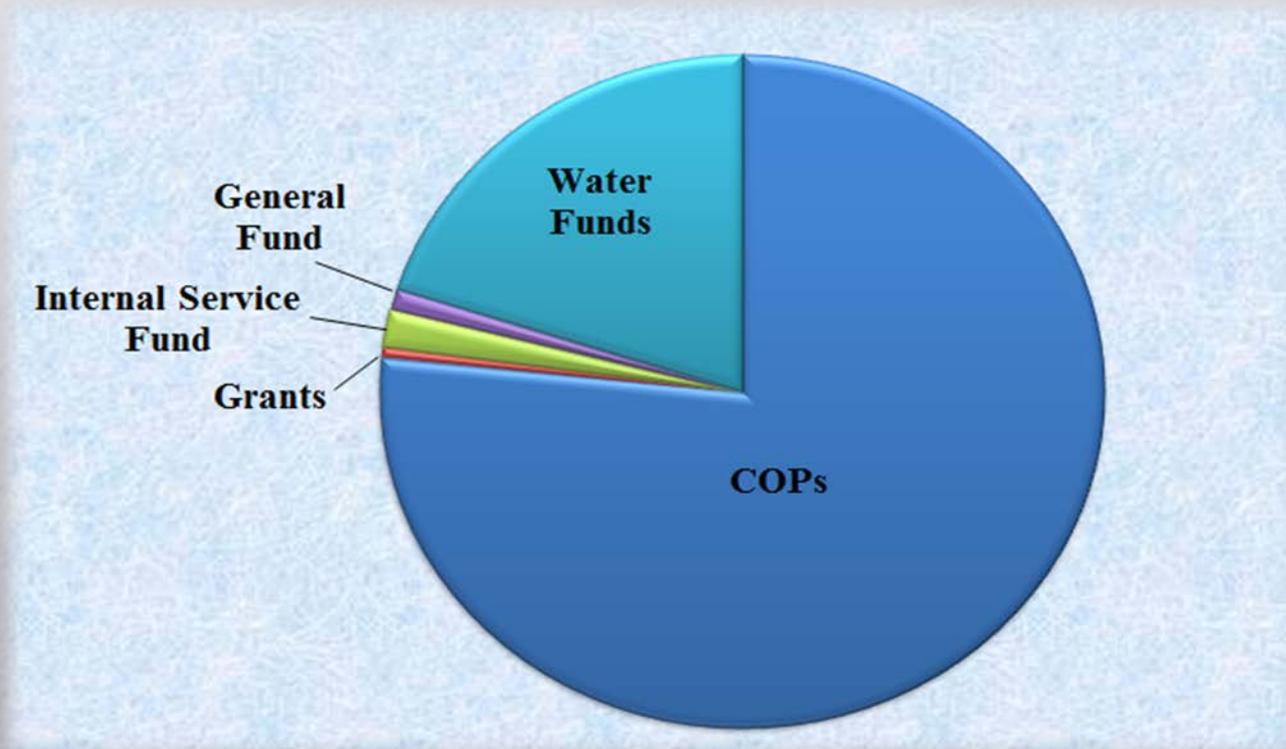
Current process:

- GSD provides expertise & project oversight, not funding
  - identifies assets at end of useful life, failed or failing
- Customer department is decision-maker
  - identify internal funds
  - work with Budget to identify other funding
  - do nothing
- Budgets for this category have been largely non-existent for over 5 years



# Repair and Renewal

## FY10 – FY12 Actual Expenses (\$13.0M)



FY 12 Unmet Capital Needs \$1.3 billion



# Summary

- Vehicle Replacement, Building Maintenance, Repair and Renewal is not adequately funded.
- GSD provides expertise and support to customer departments.
- Customer departments have been the decision makers and must balance the maintenance, repair and replacement needs against the demands of service delivery.



# Summary

- Vehicle Replacement, Building Maintenance and Repair and Renewal is not adequately funded
- **Vehicles and Buildings** should be actively and centrally managed as part of a complete asset management program.
- Customer departments are the decision makers and are forced to balance the maintenance, repair and replacement needs against the demands of service delivery.



# Recommended Actions

FY 2014

1. Immediately adhere to COT Policies, Goals & Guiding Principles



# Recommended Actions

- Mayor and Council Financial Policy - *December 2012*
  - *The extent of deferred maintenance , whether temporary or permanent, should be an explicit decision made by Council.*
- Budget Goals – *March 5, 2013*
  - *Develop strategies that address ongoing and future fiscal challenges*
- ELT Guiding Principles - *November 2012*
  - *Take better care of what we have: improve City facilities by investing or divesting*



# Recommended Actions

FY 2014

1. Immediately adhere to COT Policies, Goals & Guiding Principles
  
2. Create a Vehicle Management Program in Fleet
  - establish & fund a self-sustaining General Fund Vehicle Replacement Program with a 10-year catch-up goal
  - centralize oversight of vehicle utilization/optimization



# Recommended Actions

3. Building Maintenance, Repair and Renewal
  - Stop current “by-department” asset management
  - Centralize the coordination of facilities management and decision making with GSD professionals
    - improve management at portfolio level
    - develop complete life cycle strategies
    - optimize space utilization
  - Establish mechanism to fund emergency repairs



# Recommended Actions

## 4. FY 2015 & FY 2016

- recovery period
- institutionalize minimum standards for maintenance and repair
- incrementally increase maintenance and repair funding to reach an optimum level



# Questions