



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY  
[tinyurl.com/SLCFY24CIP](http://tinyurl.com/SLCFY24CIP)

**TO:** City Council Members  
**FROM:** Ben Luedtke  
Budget & Policy Analyst  
**DATE:** August 8, 2023  
**RE:** FY2024 Capital Improvement Program (CIP)  
**ANNUAL BUDGET BOOK:** Pages 67-68 and 143 – 154

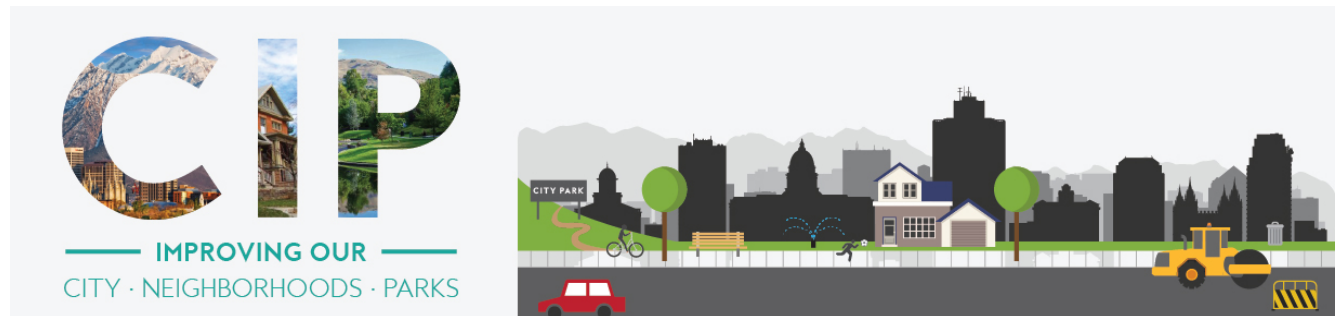
### Project Timeline:

Budget Hearings: May 16 & June 6, 2023  
1<sup>st</sup> Briefing: June 6, 2023  
2<sup>nd</sup> Briefing: July 11, 2023  
3<sup>rd</sup> Briefing & Public Hearing: July 18, 2023  
4<sup>th</sup> Briefing & Public Hearing: August 8, 2023  
Potential Action: August 15, 2023

*Note: The Council approves debt service and overall CIP funding in the annual budget. Project specific funding is approved by September 1.*

### CIP BUDGET BOOK PAGES:

- 5-12 shows a summary table of proposed projects and funding sources
- 13-15 lists CIP projects not recommended for funding
- 19-23 identify existing bonds paid from CIP (does not include General Obligation bonds) and other ongoing obligations
- 27-53 has project specific pages for the recommended General Fund CIP projects
- 57-108 has project specific pages for enterprise fund capital projects (Airport, Golf, and Public Utilities)



### NEW INFORMATION

In this section, first is a potential funding scenario for the Council’s seven identified priority projects discussed at the last briefing. The Council could consider other funding scenarios. Then responses to Council Member questions about specific projects are listed in the same order as the projects’ on the funding log. The Council is scheduled to vote on project specific funding at the August 15 meeting.

### Potential Funding Scenario for Council-identified Priority Projects:

At the last briefing, Council Members identified seven priority projects for potential funding from the \$614,689 of General Fund dollars and the \$644,126 of Funding Our Future dollars that were added to CIP above the Mayor’s recommended budget. The table below lists the seven projects and potential funding allocations from the two funding sources. This scenario provides funding to all seven projects. Note the Livable Streets traffic calming program was recommended for partial funding by the board and Mayor while the other six projects were not recommended for any funding. The scenario has no funding shifts away from projects recommended by the board and Mayor, and it does not require adding more funding into CIP in a later budget amendment.



- Combining CIP and Bond Funding – Projects #22 Richmond Park Playground and #27 North Temple Arts and Tourism District Improvements would be partially funded from CIP and combined with funding from the Parks, Trails & Open Space Bond.
- Dividing Projects into Phases – Projects #21 Rose Park Lane Beautification, Trail, and Safety Improvements and #46 Safety Enhancements to Westside of Foothill Drive would be partially funded and remaining phases could apply for funding in the next CIP cycle.
  - o Project #27 North Temple Arts and Tourism District Improvements is scalable to fit within the available budget. It does not have specific amenities or locations identified or designed yet. The Council could consider funding \$69,111 for public engagement, designs, and cost estimates. This would free up \$123,578 that could go to another project. The construction funding could come from the Parks, Trails & Open Space Bond and/or from a future CIP cycle.
- Fully Funded from CIP – Projects #32 Sugar House Safe Side Streets Part 2 and #57 Ensign Peak Nature Park Improvements would be fully funded.
- Project #7 Livable Streets traffic calming program would have a new total of over \$1.6 million from two funding sources. The program is scalable based on available budget and was used as the balancing line item receiving remaining funds after funding the other projects.
  - o The Transportation Division stated each zone in the program costs \$250,000 - \$500,000. The additional funding would be enough to address traffic calming needs for a small or medium-sized zone.

<b>Project</b>	<b>General Fund</b>	<b>Funding Our Future</b>
#7 Livable Streets Program <i>(New total would be \$1,644,126)</i>		\$294,126
#21 Rose Park Lane Beautification, Trail, and Safety Improvements <i>(For two driver feedback signs)</i>		\$30,000
#22 Richmond Park Playground <i>(Combine with Parks, Trails &amp; Open Space Bond funding for District Four reimagine neighborhood parks)</i>	\$212,000	
#27 North Temple Arts and Tourism District Improvements <i>(Combine with Parks, Trails &amp; Open Space Bond funds for Folsom Trail)</i>	\$192,689	
#32 Sugar House Safe Side Streets Part 2 <i>(Fully funds the second phase)</i>		\$150,000
#46 Safety Enhancements to Westside of Foothill Drive <i>(For Blaine Ave and 2500 East)</i>		\$170,000
#57 Ensign Peak Nature Park Improvements <i>(Fully funds the request)</i>	\$210,000	
<b>TOTALS</b>	\$614,689	\$644,126

## **Project #2 Safer Crossings: Main Street, 1700 South Glendale Park, and Citywide TBD**

*Recommended for full funding of \$900,000*

The Council asked is a cost breakout available for the individual crossing improvements? The project is split into three parts:

- \$500,000 for five crossings on Main Street. The per crossing cost estimate is \$60,000 - \$100,000 per crossing. This funding would be combined with \$500,000 remaining from a FY2021 CIP allocation for corridor transformations.
- \$100,000 for a HAWK signal across 1700 South at the future Glendale Park. This funding would be combined with remaining funds from FY2023 CIP for 1700 South. The price of a HAWK signal doubled in the past year to \$350,000.
- \$300,000 for TBD crossings citywide. The Transportation Division maintains a priority list of crossings for improvements pending available budget. Prioritization factors include vehicle and pedestrian counts, speed limits and actual speed data, roadway lane configuration and width, and crashes, injuries, and fatalities.
  - o For the citywide funds, Council Member Petro suggested 300 North to 600 North on 1200 West are high need areas in District 1 particularly for seniors walking to the Smiths grocery store.
  - o Councilmember Puy suggested an enhancement to the crosswalk at 900 West and Fayette Ave, which would cost about \$150k.

## **Project #4 Transit Capital for Frequent Transit Routes**

*Recommended for partial funding of \$1.1 million (\$400,000 less than requested)*

The Council asked what could be accomplished with an additional \$400,000 to meet the \$1.5 million requested funding level? The additional funding could be used for two purposes:

- Continuing to improve bus stops at the current level which is more expensive because of inflation. The Council approved \$1.1 million for this program annually in CIP from FY2018 – FY2021 and in FY2023. No funding was awarded in FY2022.
- Be held in a capital account for anticipated use as local matching funds for grants to construct a North Temple Westside Transit Hub. The Transportation Division reports that the total estimated cost for the transit hub is \$10 million - \$15 million. The Utah Transit Authority secured \$1.4 million for the project which is expected to be available in 2025 or later, and the City secured \$2,116,407 in a Wasatch Front Regional Council grant expected to be available in 2026 or later.

*Policy Question:*

- *The Council may wish to ask the Administration for more information about the North Temple Westside Transit Hub plans and consider a briefing to provide policy guidance on the major project.*

## **Project #5 Complete Streets Program**

*Recommended for partial funding of \$3.3 million (half of the \$6.6 million requested)*

The Council asked what is the impact of the recommended funding level being \$3.307 million less than the \$6.6 million requested? The recommended funding level would likely result in the 2100 South reconstruction project being prioritized because of the Streets Reconstruction Bond spending deadlines, earlier construction timeline, and larger total cost. The next project to be prioritized is reconstruction of Virginia Street which is also receiving funding from the bond but has a later construction schedule.

## **Project #6 Public Way Concrete Program**

*Recommended for full funding of \$750,000*

*See Attachment 10 for tables and graphs summarizing the 50/50 concrete program utilization*

Note that the 50/50 concrete program where a residential property owner and the City equally share replacement costs is separate from the proactive Public Way Concrete Program. Commercially properties are responsible for the full cost of replacement. The Council asked could the 50/50 cost sharing concrete replacement program use an income-based sliding scale approach? The Public Services Department stated that City Code sections 14.32.300 – 345 which govern the program does not include a sliding scale and welcomes a policy discussion for potential changes.

The Council also asked what data exists about the program utilization? The program is run on a first-come first-served basis. The available budget is spent each construction season completing about 130 individual projects. The Department provided Attachment 10 which shows a breakout of projects by Council district, whether the project was residential or commercial, and the total funding from 2020 to the present.

*Policy Question:*

- *The Council may wish to request a briefing about the City's approaches for public right of way concrete repair and replacement to provide policy guidance on potential changes such as an income-based sliding scale and the available funding for the different programs.*

**Project #27 North Temple Arts and Tourism District Improvements**

*Not recommended for funding (\$495,111 requested)*

The Council requested info about the specific improvements proposed and a cost breakout. The project area is both sides of 800 West and the center green median from North Temple to the dead-end street at approximately 150 South (cutoff by Interstate-15). This project could be considered like the green medians along 500 West downtown that function as a linear park and the larger downtown green loop concept.

The project application identified five categories of potential improvements. Specific cost estimates are unavailable because locations and types of improvements are to be determined. The Administration provided cost ranges for the five categories as follows. The Council could consider funding \$69,111 for public engagement, designs, and cost estimates as phase 1 of this project, and phase 2 would return in a future CIP cycle requesting construction of specifically identified improvements.

- Pedestrian safety improvements such as \$40,000 - \$220,000 for raised crosswalks or \$40,000 - \$120,000 for rapid flashing beacons.
- Sidewalk upgrades to meet ADA requirements pending an engineering site survey to determine existing conditions and cost estimates for potential improvements.
- Enhanced lighting described as “pedestrian-scale” or “decorative lighting” estimated to cost \$185,000 (one side of the street only) to \$365,000 for both sides. Installation on the center median may add cost to add electrical connections to the medians.
- Park like amenities such as \$2,000 - \$5,000 for benches, \$700 - \$1,000 for bike racks, and \$45,000 - \$100,000 for kids play feature (less than a full playground) which might be partially eligible for parks impact fees. The Department noted these amenities are easily scalable based on the available budget.
- Public artworks from \$20,000 for small scale murals to \$120,000 for large scale sculptures

Potential to Combine CIP and Parks Bond Funding

The CIP project area partially overlaps with the Folsom Trail at the intersection of 800 West. The first issuance of the Parks, Trails & Open Space Bond includes \$5 million to complete the Folsom Trail west of 1000 West and to add amenities to the trail east of 1000 West. Some of the proposed amenities and improvements in the CIP project also appear eligible for this bond funding. The Council could consider partially funding the CIP project and request the Administration evaluate how to combine with the bond funding.

**Project #32 Sugar House Safe Side Streets Part 2**

*Not recommended for funding (\$150,000 requested)*

The Council asked whether the temporary traffic calming features currently in place could stay over the winter and/or be added back in the spring. The Transportation Division responded that the temporary traffic calming features could be restored in the spring. They are checking with the Streets Division about potentially leaving some or all features over the winter pending evaluation of compatibility with the need for snow removal (plows).

**Project #35 Replacement of 75-Year-Old Traffic Signal**

*Recommended for full funding of \$400,000*

The Council asked for details about which traffic signals are 75 years old or more. The Transportation Division provided the below summary table showing the six oldest traffic signals in the City. The requested funding this CIP cycle is to replace the traffic signal at 1300 East and 100 South. The signal at 900 West and 200 South is still operational and per the Division “is most likely to become a nonagenarian.”

LOCATION	AGE	CONDITION	REPLACEMENT STATUS
West Temple 200 South	88	Poles rotting	Part of 200 South Reconstruction Project
Highland Dr. 2700 South	88	Wooden Pole	In design, construction is funded
900 West 200 South	87	Direct bury poles	~400k funding needed
1300 East 200 South	75	Direct bury poles	~400k funding needed
1300 East 300 South	75	Direct bury poles	~400k funding needed
1300 East 100 South	75	Direct bury poles, Emergency route	Requested funding, per this FY24 application

**Reuse of Traffic Calming and Control Equipment**

The Council asked what happens to these types of equipment once it's no longer needed at a location such as being replaced with an upgraded version or displaced by construction or development? The Transportation Division responded that "Used equipment removed by upgrades or development is first evaluated to see if it's reusable and in satisfactory condition. If so, it's sent to [the] Streets [Division] to be stored for future use as part of maintenance activities. Because equipment standards are constantly being updated, new installations are built using new equipment that meets current standards. Used signal equipment would rarely be suitable for use in new construction but may be used to maintain existing signals."

**Project #38 First Encampment Park**

*Not recommended for funding (\$125,500 requested)*

The Council asked what existing funding sources are available to meet the maintenance needs at the Park? The maintenance expenses are ineligible for parks impact fees and bond funding. The Public Lands Department stated that many of the maintenance expenses could be handled by existing maintenance teams internally. \$56,000 of General Fund CIP dollars were identified for a phase one small asset replacement project including irrigation replacement, plantings, and design. Additional potential funding sources are remaining one-time funds from the Funding Our Future \$2 million for parks maintenance approved in FY2023 CIP or remaining ongoing base funding for parks maintenance approved annually prior to FY2023 CIP. When reviewing CIP accounts as part of the annual budget, there was over \$1.1 million remaining from the \$2 million appropriation last year, and over \$200,000 remaining from the ongoing base funding.

**Project #40 Multimodal Capital Maintenance**

*Not recommended for funding (\$200,000 requested)*

The Council asked what could be accomplished if this request was partially or fully funded? The Transportation Division responded that the "public could see fewer bike racks downtown when existing bike racks are damaged (primarily in car crashes) or in need of replacement; damaged delineators or missing delineators along bicycle routes and/or pedestrian corridors; and faded, damaged, or missing pavement markings along bicycle and pedestrian facilities."

**Moving this Ongoing Maintenance Expense into Public Services' Base Budget**

The Council discussed a preference to move this ongoing \$200,000 maintenance need into the Transportation Division's or Public Services Department's base budgets. The two are collaborating on an inventory and assessment of the assets. This will be used to inform an analysis of whether bringing these functions in-house would be more cost efficient than relying upon outside contractors. Adding this maintenance into a department's budget may require one-time equipment purchases, ongoing supplies funding, and new full-time employees. The analysis would determine whether there are long-term savings from an in-house approach and could be considered in the next annual budget.

**Project #55 1200 East Curb, Gutter, and Sidewalk**

*Not recommended for funding (\$351,000 requested)*

The Council asked would this project reduce the available street parking on the block, and is it correct that adding the project to a street reconstruction would be more efficient? The Administration responded that the one-block segment is not currently scheduled for a street reconstruction. Adding these types of improvements to a full street reconstruction project would be more cost effective in terms of savings from a single project mobilization instead of doing it twice and less disruption to the neighborhood. Impacts to on-street parking are identified for all street projects during early design phases and included in public outreach and engagement to potentially impacted residents, businesses, and property owners.



## Updated Attachment 8 Regular CIP Projects Cost Estimates

The departments with common CIP projects provided updated cost estimates based on recent construction projects and actual bids. The attachment includes cost estimates back to 2019 which shows the impacts of inflation and supply chain constraints on the City's construction budgets.

– Information below was provided to the Council at earlier briefings –

The Council added a total of \$1,258,815 to the FY2024 CIP budget above the Mayor's Recommended Budget. This funding is from two sources: \$644,126 Funding Our Future limited to the five critical need areas, and \$614,689 recaptured from capital projects older than three years which are basically General Fund dollars available to any CIP project. As a reminder, the five Funding Our Future categories are: improved street conditions (sidewalk-to-sidewalk), greater housing opportunities, better public transit services, public safety (fire, police, social workers, and 911 dispatch), and parks maintenance.

### Projects of Council Member Interest Not Recommended for Funding by Advisory Board & Mayor

The total cost to fully fund the four projects listed below is \$2,214,126. Of this amount, \$496,412 could come from impact fees which is itemized by project below. The Council could fund these projects by adding funding to CIP above the Mayor's Recommended Budget and/or shifting funding from projects that are recommended for funding. Projects are listed in district numerical order and updated since the first briefing.

#### Council Member Petro: Project #21 is \$830,000 for Rose Park Lane Landscaping, Trail Rebuild, and Safety

- \$235,000 is eligible for parks impact fees (second phase listed below)
- Council Member Petro expressed interest in only funding the \$30,000 for two solar feedback speed limit signs pending available funding
- The project could be partially funded in two or three phases:
  - o \$565,000 for the trail reconstruction as the first phase
  - o \$235,000 for irrigation and tree planting as the second phase
  - o \$30,000 for two solar feedback speed limit signs which could be done independently from the other two phases (at any time)

#### Council Member Wharton: Project #57 requesting \$210,000 for Ensign Peak Nature Park Access and Security Improvements

- The project would install new lighting, an access gate and fence at the popular trailhead, and landscaping around the entrance
- The nature park has experienced on and off nuisance (traffic, noise, littering, trespassing) and criminal activity (fires, public intoxication, firearm discharges) for several years particularly late at night
- The project appears ineligible for parks impact fees

#### Council Member Valdemoros: Project #22 requesting \$530,000 for Richmond Park Playground

- \$212,000 is eligible from park impact fees
- Richmond Park is also identified as a neighborhood park to be reimagined with funding from the Parks, Trails, and Open Space General Obligation Bond

#### Council Member Dugan: Project #46 requesting \$494,126 for Westside of Foothill Drive Safety Enhancements

- The project is 10% eligible for transportation impact fees which is \$49,412
- The project is from the 2017 Foothill Drive Implementation Strategy but this was not brought to the Council for adoption
- The project could be split into phases which would increase the total cost. Individual cost estimates by intersections and potential phase are:
  - o Phase 1:
    - 2600 East / Foothill Drive: \$110,000
    - Westminster / Foothill Drive: \$20,000
    - Laurelhurst / Foothill Drive: \$85,000
  - o Phase 2:
    - Blaine + 2500 E / Foothill Drive: \$170,000
    - Bryan / Foothill Drive: \$110,000

#### Council Member Fowler: Project #32 requesting \$150,000 for Sugar House Safe Side Streets Phase 2

- Phase 1 received \$153,221 in FY2022 CIP for studying, testing, public engagement, and designs of traffic calming improvements on six local streets: Hollywood Avenue, Ramona Avenue, Garfield Avenue, Lincoln Street, 1000 East, and McClelland Street
- An application was submitted in the FY2023 CIP cycle for Phase 2 but did not receive additional funding
- The FY2024 CIP application is requesting funds that would be combined with remaining funds from Phase 1 to complete the traffic calming improvements recommended in the Phase 1 traffic study

### **Project #1 Library Plaza Structural Assessment and Visioning**

Council staff asked the Administration how does the proposed Library Plaza structural assessment and visioning project relate to the already funded 200 East Green Loop designs and study, the Washington Square Master Plan, and the several studies already done about the plaza (2002 Library Square Block Plan, 2017 Evaluating Library Square Urban Land Institute Report, 2018 GSBS Architects Library Square Study, and others)? The Administration’s response is copied below for reference.

“This March, a planning and design consultant, Wenk Associates, was hired by the inter-departmental City team to work on studying the Green Loop, including more detailed planning and schematic (preliminary) design for the 200 East leg (South Temple to 900 South). Assessing land uses, utilities, transportation, demographics, future development, and other information will help the City understand the possibilities for a drastically different design for the street, including more green space and necessary utilities. This also considers the impacts and feasibility of a “festival street” between 400 South and 500 South. Final documents will form the basis of federal grant applications that the City will submit in April 2024. The Green Loop project will target the Right of Way, as opposed to the Library Plaza CIP application which includes the public space within the block.

The submitted CIP application for this funding cycle is intended to provide a vision, plan and conceptual design for Library Plaza (\$125,000 of a larger \$190,000 Library Plaza application). If funded, this process will identify solutions and designs for activating the plaza and revitalizing the space as a site for large public events, as originally intended. Solutions will mitigate barriers to access and enjoyment, including direct sunlight, lack of shade, urban heat island effect, and protection from the elements. With Salt Lake City being a potential candidate for the 2030 or 2034 Olympics, reimagining and retrofitting this space will be critical if Library Plaza and adjacent civic sites are intended to be used to host significant events and accommodate additional capacity. It is critical that these studies, plans, and schematic designs of 200 East and Library Plaza be completed before the City can confidently understand the need for and costs of additional design and construction of these sites.”

#### *Policy Question:*

- *The Council may wish to discuss with the Administration whether the City’s policy goal is to advance the concept of a Civic Campus by further connecting the two sides of 200 East between 400 S and 500 S (Washington Square and Library Plaza). Previous Councils discussed and funded studies to look at changing this one-block section of 200 East to facilitate public events and the Civic Campus concept.*

### **Project #60 Maintenance of City-owned Property**

The Council approved \$700,000 for this use in the last annual budget of which \$598,685 remains available. Another \$700,000 was requested of which \$200,000 (the base ongoing funding) was approved as part of the annual budget adoption on June 13. The Administration provided the following list of five projects with high-level cost estimates (FY2023 remaining funds and FY2024 requested funds). The Public Services Department is conducting a facility assessment which may recommend projects to use these funds.

#### *Policy Question:*

- *The Council may wish to discuss with the Administration whether some of the \$500,000 requested in FY2024 could be used for other CIP projects since the FY2023 remaining appropriation of \$598,685 is enough to cover the cost estimates of the five items listed below.*

#### **\$100,000 at the Former Public Safety Building (PSB):**

*(Note this building is also called the Northwest Pipeline Building at 315 E 200 S)*

The Administration is planning projects that will improve the safety and security of the building and surrounding property while the property is being prepared for redevelopment. These improvements include repair to an existing gate, a new motorized gate to access Magnolia parking, improvements to the park strip, ongoing landscape maintenance and cleanup (including biowaste cleanup), and car towing and disposal. These expenses are anticipated to cost up to \$100,000.

#### **\$200,000 for a Development Strategy and Spacing Needs Study:**

*(Note the Council may consider this item as a separate project since the scope is beyond maintenance of city-owned property)*

The Administration would like to utilize a portion of these funds to issue an RFP for a consultant to develop a Disposition and Development Strategy for a suite of City-owned parcels, with the intent of planning for future space needs, identifying surplus property for future municipal purposes, and identifying property for revenue generation. This effort, anticipated to be as much as \$200,000, is somewhat outside of the scope of the approved use of funding and may require a scope adjustment.

\$100,000+ additional Funding for Major Renovations to the Annex building Leased by Odyssey House:

This project was awarded \$500,000 in CIP funding for structural repairs. Public Services is working on a site assessment in order to identify improvements and develop bids. Based on the condition of the building, it is believed that the necessary improvements may require an additional \$100,000+ to bring the building up to health, safety, and welfare standards. Odyssey House has abandoned operations in one section of the building due to safety issues and is still operating its programming in the other section on a limited basis.

\$100,000 for Maintenance of City-owned Buildings Leased to Third Parties:

The Administration would like to utilize a portion of the funding for maintenance of not only vacant city-owned property but for property that is leased to a third-party (vacant from city municipal function). Projects include replacement of a disintegrating fence at the Salt Lake Acting Company building, anticipated to be up to \$15,000. In addition, improvements are needed to the Memorial House building that are the responsibility of the City pursuant to the lease, including items such as HVAC replacement, repair of windows and doors, repair of water damage, etc. These repairs could cost up to \$75,000.

\$50,0000 for Pre-development Work at the Fleet Block and former Public Safety Building (PSB):

The Administration is planning to use up to \$50,000 to prepare Fleet Block and the former PSB for redevelopment. Funds will be used for surveys, title work, appraisals, subdivision of property, etc.

**Project #61 Urban Trails Maintenance**

*(Note this is proposed to be a new ongoing annual maintenance line item)*

The Administration provided the following description of this new line item. “These funds will be used for repaving, crack and seal repair, bridge re-decking, bridge replacements, trail shoulder surfacing, snow removal, debris removal on urban paved trails. Project locations include the Jordan River Parkway, 9Line Trail, Folsom Trail. Short description: These funds will be used to fund contractors, equipment, and material to maintain urban trails and trail segments that potentially come online during the fiscal year. The maintenance of these trails is necessary to keep them safe for all that use them and so they can be used year-round.”

**Surplus Land Fund Updated Balance**

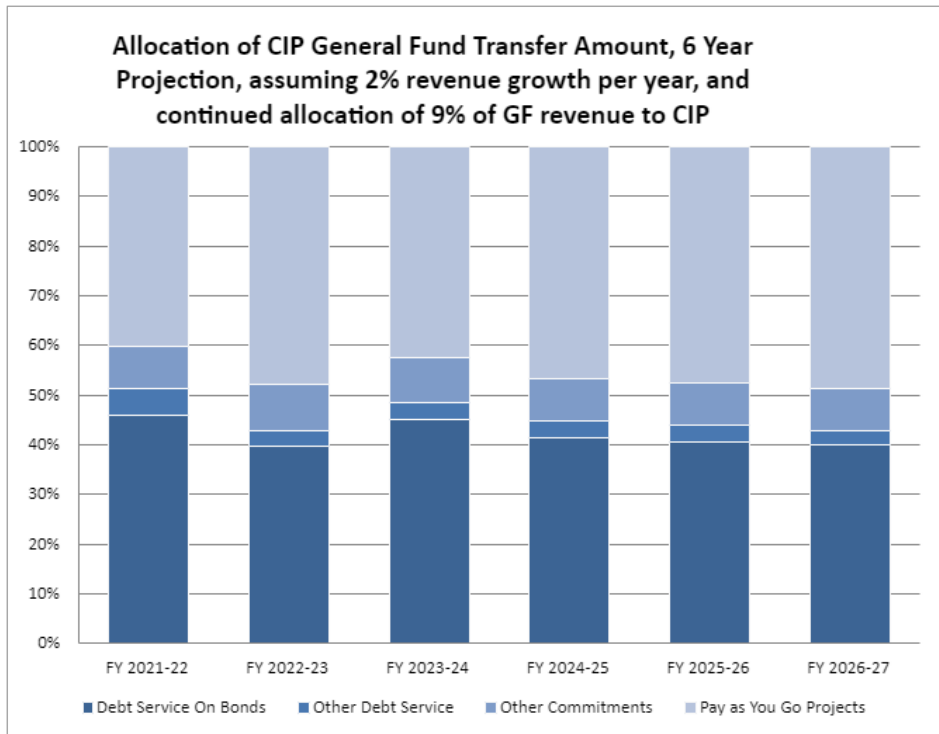
During the review of capital accounts older than three years, the Finance Department identified a few old property management accounts with land sale proceeds that should have been returned to the Surplus Land Fund because that was the original source for the unused funds. The Surplus Land Funds new balance is \$5,128,676 after these proceeds are transferred.

**CIP Debt Load Projections through FY2027**

The Administration provided the following chart to illustrate the ratio of ongoing commitments to available funding through FY2027. Pay as you go projects reflect new capital projects. The chart shows relatively stable debt load projections using approximately 55% of the annual General Fund transfer to CIP. An important caveat to note is the chart assumes 9% of ongoing General Fund revenues are transferred into CIP annually. The FY2023 budget hit the 9% transfer goal but the City has typically been closer to 7% over the past 15 years. The FY2024 budget transferred 7.1% of ongoing General Fund revenues into CIP (after including the Council’s \$1.2 million above the Mayor’s Recommended Budget) which means less funding is available to go to new projects.

Most of these commitments are debt payments on existing bonds. Other commitments include, ESCO debt payments, the Crime Lab lease, capital replacement funding for parks and facilities, contributions to the CIP cost overrun account and the 1.5% for art fund. The CIP Budget Book includes an overview and details on each of the ongoing commitments. Note that General Obligation (G.O.) bonds are not paid from CIP because they are funded through a separate, dedicated voter-approved property tax increase.





– Information below was provided to the Council at earlier briefings –

**ISSUE AT-A-GLANCE**

Each year, the Council appropriates overall funding available for the Capital Improvement Program (CIP) and approves debt payments and ongoing obligations as part of the annual budget in June. Over the summer, the Council reviews individual projects and per state law must approve project specific funding by September 1. CIP is an open and competitive process where residents, local organizations, and City departments submit project applications. The Community Development and Capital Improvement Program (CDCIP) resident advisory board reviews the applications in public meetings and makes funding recommendations to the Mayor and Council. The Mayor provides a second set of funding recommendations which this year are identical to the advisory board’s except one project; \$150,000 for Westside Art was proposed after the CDCIP board completed their deliberations. The Council considers both sets of funding recommendations and ultimately decides project specific funding. Funding for capital improvements sometimes occurs in midyear budget amendments but the annual CIP process is the Council’s largest annual opportunity to fund large public construction projects. This report provides an overview of the proposed overall budget for FY2024, projects of Council Member interest not recommended for funding, policy questions, and further details in the Additional Info section and attachments.

**Overview of the FY2024 CIP Proposed Budget**

The total FY2024 CIP budget is \$39.3 million which is \$7.4 million (16%) less than last year. FY2023 was a record year for CIP with nearly \$47 million total funding plus the \$67.5 Million Sales Tax Bond and \$85 million Parks, Trails, and Open Space General Obligation Bond. The proposed FY2024 CIP budget is closer to the City’s typical total CIP funding level in recent years. However, the General Fund transfer to CIP (first row in the table below) is 6.8% of ongoing revenues which is slightly below the 7% seen in most budget years (last year was a record at 9%). An additional \$851,814 would be needed to reach the 7% level for FY2024. Most of the lower total CIP funding is caused by removal of \$3.7 million in one-time funds used in FY2023 to replace hand held radio equipment and the shift of \$1.8 million from Funding Our Future for parks from CIP (as it was in the FY2023 budget) to personnel costs. The Administration indicates that ongoing funding spent on vehicles this year for those personnel could be added to CIP again next year. The table below details funding sources for CIP by fiscal year. See Attachment 5 for an overview of the major CIP Funding Sources. Other highlights include:

**\$10.3 Million Unrestricted Funds** – \$10,287,935 of the ongoing transfer from the General Fund are unrestricted funds available for any new projects (the most flexible funding available). This does not include the Funding Our Future source which the Council has restricted to five critical need areas.

**\$1.4 Million Decrease of Impact Fees Spending** – The amount of impact fees in the proposed CIP budget is the smallest amount since FY2017. There are over \$20.7 million of impact fees available to spend across the four types: fire, parks, police, and transportation. Most of the available funds are for parks and transportation. See Additional info section for more. It’s worth noting the Council sometimes approves significant amounts of impact fees for capital expenses in midyear budget amendments so CIP is not the only relevant budget opening.

**\$300,000 Decrease for County 1/4¢ Sales Tax for Transportation** – This became a new funding source three years ago and is available to transportation projects per state law. As seen in other sales tax revenue line items, this one has experienced significant growth in recent years but is projects to slightly decrease in FY2024.

**\$10.9 Million Debt and Lease Payments** – \$10,901,526 (44%) of the General Fund transfer to CIP (including Funding Our Future dollars) is needed to cover debt payments and the Crime Lab lease payment. However, it should be noted that \$4,393,161 of this amount is for a first-year payment on a proposed sales tax revenue bond for which the Council has not approved the list of projects. This funding could be used for FY2024 projects if the Council declines to proceed with the bond or approves a smaller bond.

**Comparison of CIP Funding Sources by Fiscal Year**

CIP Funding Sources	Adopted 2021-22	Adopted 2022-23	Proposed 2023-24	FY2023 to FY2024	
				\$ Change	% Change
General Fund	\$ 15,126,884	\$ 25,231,431	\$ 21,189,461	\$ (4,041,970)	-16%
Funding Our Future*	\$ 3,580,000	\$ 5,100,000	\$ 3,626,875	\$ (1,473,125)	-29%
Class C	\$ 3,021,706	\$ 3,000,000	\$ 3,500,000	\$ 500,000	17%
Impact Fees**	\$ 8,276,103	\$ 4,159,755	\$ 2,968,850	\$ (1,190,905)	-29%
CDBG	\$ 322,000	\$ 722,000	\$ -	\$ (722,000)	ONE-TIME
Repurpose Old CIP Accounts***	\$ 252,271	\$ 152,660	PENDING	-	ONE-TIME
County 1/4¢ Sales Tax	\$ 4,900,000	\$ 8,000,000	\$ 7,700,000	\$ (300,000)	-4%
Surplus Land Fund	\$ 200,000	\$ -	\$ -	\$ -	ONE-TIME
Smith's Naming Rights Revenue	\$ 154,000	\$ 154,000	\$ 150,000	\$ (4,000)	-3%
SLC Sports Complex ESCO	\$ 148,505	\$ 148,505	\$ 150,500	\$ 1,995	1%
Memorial House Rent Revenue	\$ 68,554	\$ 68,554	\$ 50,000	\$ (18,554)	-27%
<b>TOTAL</b>	<b>\$ 36,027,131</b>	<b>\$ 46,736,905</b>	<b>\$ 39,335,686</b>	<b>\$ (7,401,219)</b>	<b>-16%</b>
<b>TOTAL without ONE-TIME</b>	<b>\$ 35,252,860</b>	<b>\$ 45,862,245</b>	<b>\$ 39,335,686</b>	<b>\$ (6,526,559)</b>	<b>-14%</b>

\*Includes % to CIP "off the top" available to any project, and funding for transit, and public right of way infrastructure. Also, funding source is ongoing but Council could change the use categories in the future

\*\*There are four impact fee types: fire, parks, police and streets

\*\*\*Includes recaptured funds from multiple funding sources

Note: There's a \$22,892 debt service rescope reduction not separated out in the table above for FY2022

**Projects of Council Member Interest Not Recommended for Funding by Advisory Board & Mayor**

The total cost to fully fund the four projects listed below is \$2,514,126. Of this amount, \$747,000 could come from parks impact fees which is itemized by project below. The Council could fund these projects by adding funding to CIP above the Mayor’s Recommended Budget and/or shifting funding from projects that are recommended for funding. Projects are listed in district numerical order:

**Council Member Petro: Project #21 is \$830,000 for Rose Park Lane Landscaping, Trail Rebuild, and Safety**

- \$235,000 is eligible for parks impact fees
- The project could be partially funded in two or three phases:
  - o \$565,000 for the trail reconstruction as the first phase
  - o \$235,000 for irrigation and tree planting as the second phase
  - o \$30,000 for two solar feedback speed limit signs which could be done independently from the other two phases (at any time) and potentially with funding from the temporary traffic calming intervention funding in the Transportation Division’s base budget

**Council Member Puy: Project #18 requesting \$500,000 for Madsen Park Improvements**

- \$300,000 is eligible from park impact fees
- CDCIP Board said if additional funding is available, then this project is their next highest priority
- Madsen Park is also identified as a neighborhood park to be reimaged with funding from the Parks, Trails, and Open Space General Obligation Bond

Council Member Valdemoros: Project #22 requesting \$530,000 for Richmond Park Playground

- \$212,000 is eligible from park impact fees
- Richmond Park is also identified as a neighborhood park to be reimaged with funding from the Parks, Trails, and Open Space General Obligation Bond

Council Member Dugan: Project #46 requesting \$494,126 for Westside of Foothill Drive Safety Enhancements

- Some elements might be partially eligible for transportation impact fees
- The project is from the 2017 Foothill Drive Implementation Strategy but this was not brought to the Council for adoption
- A request has been submitted to the Administration for phasing options

Council Member Fowler: Project #32 requesting \$150,000 for Sugar House Safe Side Streets Phase 2

- Phase 1 received \$153,221 in FY2022 CIP for studying, testing, public engagement, and designs of traffic calming improvements on six local streets: Hollywood Avenue, Ramona Avenue, Garfield Avenue, Lincoln Street, 1000 East, and McClelland Street
- An application was submitted in the FY2023 CIP cycle for Phase 2 but did not receive additional funding
- The FY2024 CIP application is requesting funds that would be combined with remaining funds from Phase 1 to complete the traffic calming improvements recommended in the Phase 1 traffic study

**Simplified Funding Log and Project Scores from CDCIP Resident Advisory Board**

*(See Attachment 4 for the simplified funding log)*

The CDCIP Board scored each CIP application which serves as a general guide to help inform funding decisions but is not meant to be strictly adhered to. The Board recommends that if additional funding were available, then project #18 Madsen Park Improvements be prioritized. The log also includes a social vulnerability index developed by the Centers for Disease Control (CDC) using 16 factors to rank Census Tracts. The next column shows scores from the Sustainability Department where 10 is the highest (best) possible. Then the Parks, Natural Lands, Urban Forestry, and Trails or PNUT Board scores are shown where 1 is the highest (best) possible. The last column on the right side shows current pavement conditions for public right of way (streets, alleys, curb & gutter, and sidewalks) where applicable.

**Recapture Funds from Completed Projects and Unfinished Projects Older than Three Years**

*(Attachment 6 – Pending at time of publishing this staff report)*

The CIP and Debt Management Resolution (Attachment 1) states that remaining funds should be considered for recapture from completed projects and unfinished projects that are older than three years unless there has been significant progress. The table in Attachment 6 is the staff's attempt to follow up on the Council's policy guidance for CIP projects. Most of the 128 projects received General Fund dollars or impact fees. Some of this funding could be recaptured by the Council as one-time revenue for General Fund uses, however, the other sources like Class C, CDBG, impact fees, and donations have uses limited by law. The table was sent to the Administration to identify whether a project is completed and status updates for unfinished projects. A response and potential funding to recapture will be added to one of the Council's upcoming unresolved issues briefings.

**POLICY QUESTIONS**

1. **Capital Asset Plan Early Policy Check-in Briefing** – The Council may wish to schedule a briefing for an early policy check-in about the guiding priorities and framework for developing the Capital Asset Plan (five-year CIP plan). The Non-departmental budget has a \$350,000 transfer to IMS for Capital Asset Planning software to facilitate development and periodic updating of the plan. See Attachment 7 for the Council's potential policy goals, metrics, and requests from a briefing in 2019.
2. **Livable Streets (Traffic Calming) Program Funding Level** – The Council may wish to discuss the funding level and pace of implementing the Livable Streets Program. See Attachment 9 with information from the Transportation Division including first year accomplishments and maps of the highest need zones. The Division anticipates completing six or seven zones (neighborhoods) at the proposed funding level of \$1.35 million in FY2024 combined with the \$2 million from FY2023 CIP. An

additional \$9 million would be needed to fully fund the remaining 18 high need zones (red, orange, and yellow on the color-coded map assuming an average cost of \$500,000 per zone).

3. **Combine Two Separate \$150,000 Appropriations for Westside Art** – The Council may wish to continue the discussion from the RDA FY2024 budget overview about whether to combine two separate \$150,000 appropriations proposed for new art on the Westside. One appropriation is proposed in CIP and the other is proposed in the RDA 9-Line Project Area.
4. **Inflationary Price Increases and the Cost Overrun Account** – The Council may wish to ask the Administration how inflationary price increases have impacted departments utilizing the CIP Cost Overrun Account, and if additional funding may be needed to avoid project scope reductions. The Council could also re-evaluate the funding level for the account and/or the formula for the maximum amounts a project may receive, which hasn't been updated since 2004 (see section 11 of Attachment 1).
5. **Resources to Support Constituent Applications** – The Council may wish to discuss with the Administration the need to address geographic equity issues with additional targeted City resources for neighborhoods that submit few or no constituent applicants. Some Council Members expressed interest in being proactive to support constituent applications from neighborhoods with higher poverty rates. Some constituents and CDCIP Board Members commented at public meetings in recent years that they felt like some projects get more support from departments than others.
6. **CIP Project Status Reports** – The Council may wish to ask the Administration about mechanisms to facilitate the up-to-date sharing of information on current CIP projects. In the past, there were a variety of mechanisms to share information, ranging from topic-by-topic email requests to consolidated monthly reports. Council Members could then more quickly provide accurate/timely information to interested constituents.

## **ADDITIONAL & BACKGROUND INFORMATION**

### **Definition of a CIP Project**

As defined in the Council-adopted 2017 Capital and Debt Management Guiding Policies Resolution (Attachment 1), a CIP project must “involve the construction, purchase or renovation of buildings, parks, streets or other physical structures, ... have a useful life of five or more years, ... have a cost of \$50,000 or more, ... or significant functionality can be demonstrated...such as software.” The Council also set a three-year spending deadline as part of the guiding policies. CIP accounts older than three years are periodically reviewed for recapture from projects that finished under budget or were not pursued.

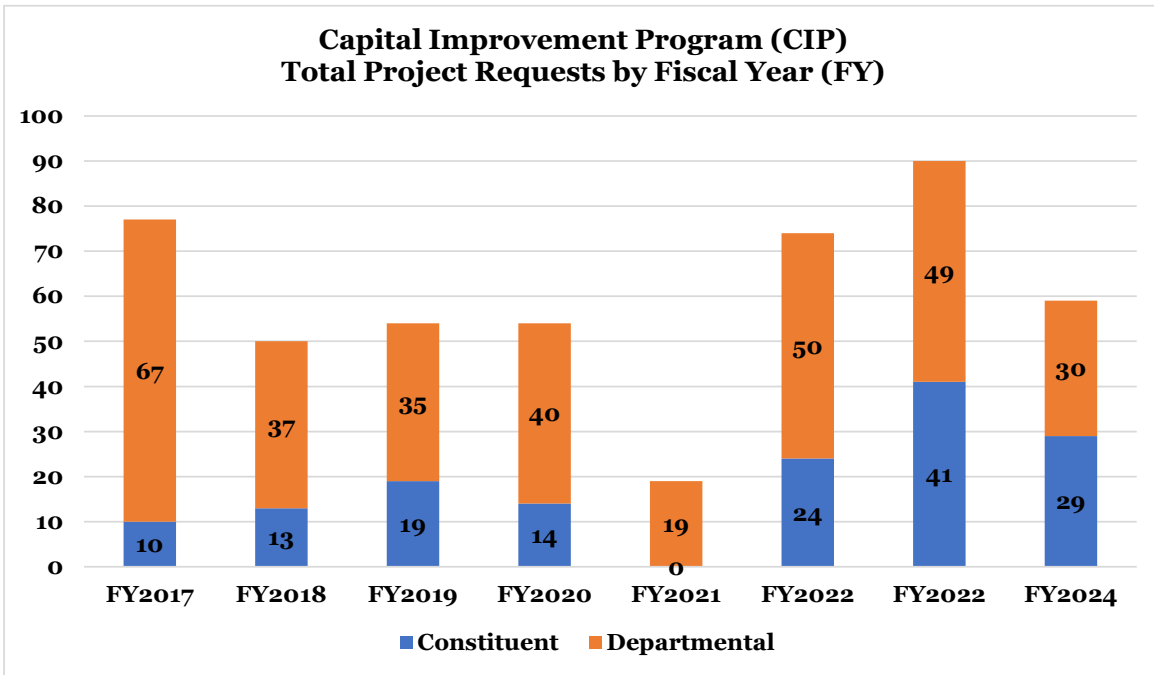
### **Cost Estimates for Regular CIP Projects**

*(Attachment 8)*

Cost estimates will be updated over the summer to inform the Council's project-specific deliberations in July and August. The current version was last updated in July 2022. Cost estimates for various types of projects are based on actual costs from recent years. The document was developed by Council staff in collaboration with the Administration. The three categories of project cost estimates are parks, streets, and transportation. Inflation and supply chain constraints have continued to impact the City's capital projects so the costs shown in the current version are likely more expensive now. Some categories have seen significant increases while others have closer to typical inflation rate increases. The Engineering Division provided some context that the City doesn't know to what extent the larger price increases are temporary (such as related to pandemic caused short-term supply chain disruptions) or longer-term trends.

### **Comparison of CIP Project Requests by Year and Type**

This chart was prepared by Council staff as a comparison of total project requests on the CIP funding log since FY2017, and whether the application is come a constituent or internal to a City department. The FY2024 CIP cycle has 59 project requests which is about average over the time shown in the chart. FY2021 had the fewest with 19 project requests only from departments (it was intentionally an “abbreviated CIP cycle” per the Administration at the time). FY2023 had the most with 90 project requests.



**Surplus Land Fund**

The Administration reports the current available to spend balance is \$2,374,127 and another \$2,195,130 is proposed in FY2023 Budget Amendment #6. If approved, then the total available balance would be \$4,569,257. The Surplus Land Fund receives proceeds from the sale of real property (land and buildings). According to City policy the Surplus Land Fund can be spent on purchasing real property. The funds are one-time because the property can only be sold once.

**Cost Overrun Account**

The Administration reports the current available to spend balance is \$823,081 and another \$100,000 is proposed in FY2023 Budget Amendment #6 as a reimbursement to the account. The FY2024 CIP budget includes \$247,571 of additional funding. If the two appropriations are approved, then the total available balance would be \$1,170,652. The Council established this account for projects that experience costs slightly higher than budgeted. A formula determines how much additional funding may be pulled from the Cost Overrun account depending on the total Council-approved budget. See section 11 of Attachment 1 for the formula. This process allows the Administration to add funding to a project without returning to the Council in a budget amendment. A written notification to the Council on uses is required. The purpose is to allow projects to proceed with construction instead of delaying projects until the Council can act on a budget amendment which typically takes a few months.

**1.5% for New Art and Maintenance of Existing Artworks**

*(New annual report is pending from the Arts Council)*

The Administration stated the annual report required by ordinance about maintenance of City artworks in the past fiscal year and planned for the next will be transmitted to the Council in July or August. This timing is after the annual budget is adopted so the amount of funding available in CIP overall allows the 1.5% to be calculated and inform how those funds would be used.

Salt Lake City Code, Chapter 2.30, established the Percent for Art Fund and designates roles for the Art Design Board and Arts Council related to artist selection, project review and placement. The Public Art Program also oversees projects with funding from the Airport and RDA. In April 2021 the Council amended Chapter 2.30 to make several changes to the ordinance including an increase from 1% to 1.5% of ongoing unrestricted CIP funding for art. There is no ceiling so the Council could approve funding for art above 1.5%.

The ordinance also sets a range of 10%-20% for how much of the resulting annual funding is allocated to maintenance (as opposed to new artworks). This section of the ordinance also states that before funds are deposited into the separate public art maintenance fund a report from the Administration will be provided to the Council identifying works of art that require maintenance and estimated costs. This creates the first ongoing

dedicated funding for conservation and maintenance of the City’s public art collection consisting of over 270 pieces and counting. The collection is expected to continue growing. Note that in Budget Amendment #2 of FY20 the Council made a one-time appropriation of \$200,000 to establish an art maintenance fund.

**Impact Fee Unallocated “Available to Spend” Balances and Refund Tracking**

The Council approved several million dollars of impact fee projects in the past few years. The table below is current as of April 24, 2023, and includes a couple adjustments based on Budget Amendment #6 of FY2023. Available to spend impact fee balances are bank account balances subtracting encumbrances and expired funds. The Mayor’s recommended CIP budget proposes using \$2,728,850 of parks impact fees and \$240,000 of transportation impact fees. The total amount of the four impact fee types is \$20,730,097. Impact fees must be encumbered within six years of the City receiving them. Expired impact fees must be returned to the entity who paid them with interest over the intervening six years.

Type	Unallocated Cash “Available to Spend”	Next Refund Trigger Date	Amount of Expiring Impact Fees
Fire	\$0	More than two years away	-
Parks	\$13,980,808	More than two years away	-
Police	\$1,339,030	More than two years away	-
Transportation	\$5,410,259	More than two years away	-

*Note: Encumbrances are an administrative function when impact fees are held under a contract*

**Clarifying “Complete Streets” and “Livable Streets” Initiatives**

*(See Attachment 9 for a Livable Streets Program update from the Transportation Division including first year accomplishments and maps of the highest need zones)*

There are two separate pots of funding – one for “complete streets” and another for “Livable Streets” – which are both under the CIP umbrella. The “complete streets” funding is intended to be used to ensure that major street reconstruction projects meet the standards defined in City Code Chapter 14.06, with elements like bike lanes (Complete Streets). The “Livable Streets” funding is intended to be used for neighborhood scale traffic calming projects as defined by the Livable Streets program presented to the Council in October 2021. This is separate from street reconstruction projects. The program ranked all 113 zones citywide across several variables including crash data, community assets, and resident socioeconomic factors. In August 2022, the Council provided policy guidance that a citywide needs-based equity approach should be used to prioritize zones based on the ranking.

**CIP Tracking Technology Improvements**

The Administration reports improvements are ongoing to CIP tracking of projects and applications. A project dashboard is in development. Once complete, the Administration plans to make the dashboard publicly available. The City currently provides a public interactive construction and permits project information map available here: <http://maps.slcgov.com/mws/projects.htm>

**ATTACHMENTS**

1. Capital and Debt Management Guiding Policies Resolution 29 of 2017
2. FY2024 CIP Funding Log – *Note the spreadsheet from the Administration is not formatted for printing*
3. FY2024 Mayor’s Recommended CIP Budget Book Log
4. FY2024 Simplified CIP Funding Log by CDCIP Board Scores
5. Overview of CIP Major Funding Sources
6. List of Completed and Unfinished Projects Older than Three Years
7. Capital Asset Plan (CAP) Council Requests from January 2019
8. Regular CIP Projects Cost Estimates (last updated July 2022)
9. Livable Streets Traffic Calming Program First Year Accomplishments Summary and Updated Zone Map
10. 50/50 Concrete Program Utilization Summary from 2020 to Present

**ACRONYMS**

- CAP – Capital Asset Plan (a five-year CIP plan)
- CDBG – Community Development Block Grants
- CDC – Centers for Disease Control
- CDCIP – Community Development and Capital Improvement Program Advisory Board
- CIP – Capital Improvement Program
- ESCO – Energy Service Company
- FTE – Full-time Employee



FY – Fiscal Year  
GO Bond – General Obligation Bond  
IMS – Information Management Systems Department  
PSB – Public Safety Building