

# City of Miami Gardens' Capital Improvement Program

## History of CIP

Because Miami Gardens is a fairly new municipality, the City's first Capital Improvement Program was only approved in FY 2007.

In order to prepare for such a program, in FY 04-05 the City Manager proposed, and the City Council approved, the establishment of a separate budgetary fund called The Capital Project Fund. This fund initially received its revenue from a dedicated .1840 mill revenue stream (\$500,000). No expenditures were planned from these funds for FY 04-05 or FY 05-06 in order to utilize the monies as a back-up emergency reserve and to assist in cash-flow. (As a new City, we did not have a lot of reserve fund balance to carry us over until the property tax receipts came in). Programming for these monies, as well as potential grants and other resources begin with the FY 06-07 budget.

In late FY-05, the City issued its first capital bond issue, a \$7.5 million, 20 year bond, designed to provide funding to purchase land for a future City Hall and a future Public Works complex. In FY-07, the City issued an additional \$14.4 million for a new Police Headquarters as well as other capital acquisitions. In FY-11 the City issue a \$55,000,000 Certificate of Participation for the construction of the City Hall. Most of the City's funding in the Capital Project Fund has come from grants and most are received on a reimbursement basis.

## What is a Capital Project?

Capital projects are major fixed assets or infrastructure with long-term value, such as buildings, roads, bridges and parks. Proposed project requests may originate from staff, City Council and/or citizens. A key feature of a capital project is that funds budgeted for specific projects remain allocated until project completion.

Project budgets are reviewed annually; and, if needed, funding may be adjusted. Projects may be funded by current revenues, grants or by debt financing, depending upon the availability of funds, the nature of the project.

## What is a Capital Improvement Program (CIP)?

The City's Capital Improvement Program (CIP) is a planning, budgetary, and prioritizing tool which reflects the City's infrastructure needs (via a list of capital projects) for a five-year time frame. Only the first year of a CIP is required to be balanced; for the remaining

four years, potential funding sources have been identified that in future years could be used to help balance the CIP. Utilization of these sources cannot be initiated without formal Council approval as part of the budget process. Based on such approval, the five-year CIP should be balanced in future years.

The program consists of projects that generally comply with all or a combination of the following criteria: project costs \$50,000 or more (minimum threshold); project meets a health and safety standard qualifying it for funding consideration; project enhances a department's productivity; and project is identified by the City's Development Master Plan. The CIP is updated on an annual basis during budget formulation time.

### **Capital Improvement Costs**

Capital project costs include all expenditures related to land acquisition, planning, design, construction, project management, legal expenses, and mitigation of damages. Departments estimate project costs but consider operating impacts as well, including startup and recurring costs. The start-up costs refer to one-time initial costs to be funded from the operating budget at the time the facility comes on line. Recurring costs are those costs to be borne from the operating budget that cover annual personnel and operating expenses related to the facility. Both start-up and recurring cost details are broken down by project and submitted with the proposed capital project list to the City Council for review and consideration. In this manner, the decision makers can readily recognize the "true" costs of a potential CIP project, and the funding impact once a project is completed and becomes "on-line." The operating cost estimates provide information which is then useful in preparing the City's operating budget.

### **Capital Improvement Program Process**

The Capital Improvement Program process begins during the second quarter of each fiscal year with a Capital Improvement Program meeting attended by all City departments. Instructions for required data and proposed schedules are discussed and revised. Preliminary revenue estimates are disseminated.

In July, City Council may hold a CIP workshop where department managers, Council Members and City residents identify initial proposed revisions to the CIP. Typically, there are not sufficient funds to provide for all of the projects that are identified. These preliminary lists are then reviewed to determine if the projects meet the requirements of the Comprehensive Plan. Once this review is completed, the revised project lists are reviewed by the City Manager and a "balanced CIP" is prepared. It is presented to the City Council along with the preliminary budget in July.

After receiving direction from the Council and implementing any resulting changes, the CIP is approved by the City Council in September. In balancing the CIP, projections of revenues from existing sources are compared to requested capital projects. If there are adequate revenues to fund all the requested projects, the program is balanced. If not, projects must be revised to reduce costs, postponed to a future time period or eliminated.

from the program. Alternative financing, such as long-term debt, may be proposed in order to provide sufficient revenues to fund requested capital projects. The current fiscal year funding for the approved CIP is incorporated in the proposed budget prepared in August and adopted at the public hearings held in September of each year.

The overall CIP with its five-year time-frame gives a fair indication of the foreseeable infrastructure needs of the City. The CIP helps to structure this decision-making by reviewing both capital project requests as well as the operational impact from the implementation of the program.

The Capital Improvement Program is dynamic, changing as identified projects require funding adjustments during the fiscal year and sometimes from year to year. Any amendments must be approved by the City Council. Monitoring of the CIP being the responsibility of the City Manager through the City's' Public Works Director or the Capital Projects Administrator.

### **Summary of FY 11-12 Capital Improvements Program**

The FY 11-12 the Capital Projects Fund is proposed for \$1,186,847 in operating expenses, mostly for debt service and expenses related to the three capital project managers who are funded here. Due to budget constraint the only new capital project is Coconut Cay Resurfacing. However, with the implementation of GASB 54 of the new classification of fund balance, the FY 2012 budget will automatically carry forward any unspent approved projects in previous fiscal year. The Five Year Capital Improvement Plan located on page 249 will provide better idea of what capital project activities the City will incur in FY 2012.

## FY 10-11 Carryover Capital Projects Overview

FUND	Project	Planning Goal	Cost
<b>GENERAL PROJECTS</b>			
Parks & Recreation	Rolling Oaks Park	CVS (1aeg); PMP	\$2,829,704
	Senior Center Park	CVS (3c); PMP	\$154,280
	North Dade Optimist	CVS (1aeg); PMP	\$1,030,602
	Optimist Park	CVS (1aeg); PMP	\$1,576,814
	Brentwood Pool	CVS (1aeg); PMP	\$34,000
	Miami Carol City Park	CVS (1aeg); PMP	\$202,483
	Buchanner Park	CVS (1aeg); PMP	\$200,000
	Bunche Park	CVS (1aeg); PMP	\$355,012
	Amphitheatre (BTF Phase II)	CVS (1aeg); PMP	\$54,782
	General Government	City Hall Complex	CDMP; CVS (1a)
Public Safety	Urban Area Security Initiative		\$644,983
<b>TOTAL GENERAL</b>			<b>\$50,876,784</b>
<b>TRANSPORTATION PROJECTS</b>			
Streets	School Safety Bridge/sidewalk	CDMP;TMP	\$1,000,000
	42 <sup>nd</sup> Bridge	CDMP;TMP	\$587,291
	NW 7 <sup>th</sup> Avenue Reconstruction	CMPD; TMP; CVS (1e)	\$1,250,000
<b>TOTAL TRANSPORTATION</b>			<b>\$2,837,291</b>
<b>TOTAL PREVIOUSLY APPROVED CAPITAL PROJECTS</b>			<b>\$53,644,075</b>

## New Projects for FY 11-12 Overview

FUND	Project	Planning Goal	Cost
<b>GENERAL PROJECTS</b>			
General Government	Street Paving w/Cocoanut Cay	CMPD; TMP; CVS (1e)	\$35,000
<b>TOTAL GENERAL</b>			<b>\$35,000</b>
<b>TOTAL NEW CAPITAL PROJECTS</b>			<b>\$35,000</b>

# City of Miami Gardens City Hall Complex LEED<sup>®</sup> Certification Plan

The City of Miami Gardens is in the process of building a new city governmental complex on property it owns at NE 188<sup>th</sup> Street and NW 27<sup>th</sup> Avenue. The complex will consist of a 63,000 sq. ft. City Hall building and a 58,000 sq. ft. Police facility. In addition, the City will build a 435 car multi-story parking structure. The site will also include open space and landscaping. The building's roofs are designed so that the City can add up to 60,000 sq. feet of photovoltaics (solar panels) to generate a substantial portion of our electrical needs. The total project is expected to cost approximately \$55 million and is financed by Certificates of Participation. All of this will be done to LEED<sup>®</sup> [Leadership in Energy & Environmental Design] certified platinum standards. Upon completion and certification, it will be the largest LEED<sup>®</sup>. Platinum City Hall complex in the United States.

LEED<sup>®</sup> certification provides independent, third-party verification that a building project meets the highest green building and performance measures. An integrated project team will consist of the major stakeholders of the project including the City's Capital Project Office, the project architect/engineer, landscape architect, developer, contractor, and asset and property management staff of the City. Implementing an integrated, systems-oriented approach to green project design, development and operations can yield synergies and improve the overall performance of a building. Initial LEED<sup>®</sup> assessment will bring the project team together to evaluate and articulate the project's goals and the certification level sought.

There are both environmental and financial benefits to earning LEED<sup>®</sup> certification. LEED<sup>®</sup>-certified buildings are designed to:

- Lower operating costs and increase asset value.
- Reduce waste sent to landfills.
- Conserve energy and water.
- Be healthier and safer for occupants.
- Reduce harmful greenhouse gas emissions.
- Demonstrate an owner's commitment to environmental stewardship and social responsibility.

This is accomplished by addressing nine (9) substantive areas of environmental concern through specific performance requirements in the process, promoting a whole-building approach to sustainability by recognizing performance in key areas:



#### **Sustainable Sites**

Choosing a building's site and managing that site during construction are important considerations for a project's sustainability. The Sustainable Sites category discourages development on previously undeveloped land; minimizes a building's impact on ecosystems and waterways; encourages regionally appropriate landscaping; rewards smart transportation choices; controls stormwater runoff; and reduces erosion, light pollution, heat island effect and construction-related pollution.



#### **Water Efficiency**

Buildings are major users of our potable water supply. The goal of the Water Efficiency credit category is to encourage smarter use of water, inside and out. Water reduction is typically achieved through more efficient appliances, fixtures and fittings inside and water-wise landscaping outside.



#### **Energy & Atmosphere**

According to the U.S. Department of Energy, buildings use 39% of the energy and 74% of the electricity produced each year in the United States. The Energy & Atmosphere category encourages a wide variety of energy strategies: commissioning; energy use monitoring; efficient design and construction; efficient appliances, systems and lighting; the use of renewable and clean sources of energy, generated on-site or off-site; and other innovative strategies.



#### **Materials & Resources**

During both the construction and operations phases, buildings generate a lot of waste and use a lot of materials and resources. This credit category encourages the selection of sustainably grown, harvested, produced and transported products and materials. It promotes the reduction of waste as well as reuse and recycling, and it takes into account the reduction of waste at a product's source.



#### **Indoor Environmental Quality**

The U.S. Environmental Protection Agency estimates that Americans spend about 90% of their day indoors, where the air quality can be significantly worse than outside. The Indoor Environmental Quality credit category promotes strategies that can improve indoor air as well as providing access to natural daylight and views and improving acoustics.



### **Locations & Linkages**

The LEED® for Homes rating system recognizes that much of a home's impact on the environment comes from where it is located and how it fits into its community. The Locations & Linkages credits encourage homes being built away from environmentally sensitive places and instead being built in infill, previously developed and other preferable sites. It rewards homes that are built near already-existing infrastructure, community resources and transit, and it encourages access to open space for walking, physical activity and time spent outdoors.



### **Awareness & Education**

The LEED® for Homes rating system acknowledges that a green home is only truly green if the people who live in it use the green features to maximum effect. The Awareness & Education credits encourage home builders and real estate professionals to provide homeowners, tenants and building managers with the education and tools they need to understand what makes their home green and how to make the most of those features.



### **Innovation in Design**

The Innovation in Design credit category provides bonus points for projects that use new and innovative technologies and strategies to improve a building's performance well beyond what is required by other LEED® credits or in green building considerations that are not specifically addressed elsewhere in LEED®. This credit category also rewards projects for including a LEED® Accredited Professional on the team to ensure a holistic, integrated approach to the design and construction phase.



### **Regional Priority**

USGBC's regional councils, chapters and affiliates have identified the environmental concerns that are locally most important for every region of the country, and six LEED® credits that address those local priorities were selected for each region. A project that earns a regional priority credit will earn one bonus point in addition to any points awarded for that credit. Up to four extra points can be earned in this way.

A LEED® rating is achieved through earning points in each of six categories. Within each category, there are subcategories including prerequisites. For example, the Sustainable Sites category contains a prerequisite for Erosion and Sediment Control, and also several other subcategories, including Site Selection and Storm Water Management, for earning possible points if applicable. The rating system is flexible in that it is performance-based, and does not force the applicant into following a narrowly defined set of specifications. The number of points available under LEED®-New Construction is 110. The chart below illustrates the point system as associated rating:

- Certified: 40 to 49
- Silver: 50 to 59
- Gold: 60 to 79
- Platinum: 80-plus



It should be noted that there are very few LEED® platinum buildings in the nation. At the time of this memo preparation, there were only five LEED® Platinum buildings in Florida. As far as our research goes, there are only two LEED® Platinum city halls in the nation, and they are relatively small in comparison to our project square footage.

One of the more unique features of LEED® is its requirement that a LEED® certified building commissioning occur as part of the process. The term commissioning comes from shipbuilding. A commissioned ship is one deemed ready for service. Before being awarded this title, however, a ship must pass several milestones. Equipment is installed and tested, problems are identified and corrected, and the prospective crew is extensively trained. A commissioned ship is one whose materials, systems, and staff have successfully completed a thorough quality assurance process.

Building commissioning takes the same approach to new buildings. When a building is commissioned it undergoes an intensive quality assurance process that begins during design and continues through construction, occupancy, and operations. Commissioning ensures that the new building operates as the owner intended and that building staff are prepared to operate and maintain its systems and equipment.

## Impact of Capital Projects on the Operating Budget

As indicated above, it is not only important to understand the full costs of constructing a capital improvement (planning, design, financing, bidding and construction), but it is important to understand that all Capital Improvements will have a resulting effect on the City's operating budget, positive or negative. The analysis below looks at the projects listed above and tries to predict the impact on the operating budget of the City in future years. This information assisted in the preparation of the FY 11-12 and will be useful subsequent budgets by providing a more complete picture of the cost of a particular capital project.

Capital projects are an important part of what we do in local government. They often make the difference in defining a community's identity, and in delivering efficient and responsive service to our residents. Because of the inherent significant costs involved in capital improvements, it is important to look at not only those immediate development costs such as planning, design and construction, but to understand how the capital improvement will affect the city's operating budget once completed.

For the purposes of this budget, a capital improvement is any project that costs in excess of \$10,000 and has an expected life of at least 10 years. This may be a single item, such as a recreation center, or may be a "project" such as the "ADA" sidewalk project. While repairs for routine maintenance are not generally considered "capital" projects, certain maintenance operations, because of their scope or sheer cost, may be classified as capital projects.

Capital projects will have an effect on the City's operating budgets. This effect may be to save money, or it may require an increase in operating funding. The table below looks at both the new CIP project for FY-12 and also the previous year funded projects that have not yet completed and their expected impact on operating budgets.

<b>Project</b>	<b>Capital Cost</b>	<b>Operating Cost impact</b>	<b>Notes</b>
Senior Center	\$154,280	+ \$120,000/yr	The renovated building will require Parks staff to operate and maintain. This includes a Recreation leader and aide and janitorial and minor repair services. Utilities will also be a new expense. These expenses are

<b>Project</b>	<b>Capital Cost</b>	<b>Operating Cost impact</b>	<b>Notes</b>
			not included in the FY-12 budget and renovations are not expected to be completed in FY-12. The City is currently in discussion with several joint participation partners for the development of a center at minimal capital cost to the City.
North Dade Optimist Park	\$1,030,602	-\$5,000	These improvements should result in a slight drop in maintenance costs.
NW 7 <sup>th</sup> Avenue Road Reconstruction	\$1,250,000	- \$5,000/yr	This is one of the City's major North - South arterials. By reconstruction the street to modern standards, the City can expect to realize savings in pothole and other surface repairs. The City's liability exposure may decrease due to better, safer streets. this signature community project. Maintenance has previously been assumed from the state, and they pay the city for the pre-enhanced level.
Brentwood Pool	\$34,000	\$0	These are minor upgrades for the pool and will have no affect on operating costs.
Optimist Park	\$1,576,814	+\$5,000	This is a major upgrade to the park and the facilities thereon including parking and concession. Operating savings will be minimal. There may be a small increase in concession revenue.
Miami Carol City	\$202,483	\$0	These are minor items associated with the major upgrade completed last year. They will have little impact on operating costs.
Buccaneer Park	\$200,000	\$0	This is a proposed expansion of the meeting area as a result of a developer contribution. As the

project is not expected to begin until late in the year or next year at best, there is no immediate impact on costs. When completed, there will be a small impact on maintenance; however this is expected to be off set by increased revenue from the expanded center.

Bunche Park	\$355,012	\$0	This is for repairs and upgrades to the pool; however, since all pools have been closed for budgetary reasons, these repairs will most likely be postponed for another year at least.
Amphitheater	\$54,782	\$5,000	This is the final bills for the amphitheatre. The operation and maintenance of the facility will add some cost to the Parks budget; however, this will be partially offset by revenues from events.
Rolling Oaks Park	\$2,829,704	\$60,000	This is a major renovation of the park to include the addition of two football fields and the construction of a number of enhancements. It is expected that one additional staff person will be needed to manage the new facilities. This project will not be completed for several years (FY-14)
City Hall Complex	\$43,724,124	Significant Staff - \$150,000 Electric (\$100,000)	Development of the new City Hall complex is expected to be complete in mid-2013. Until that time, all costs for the new complex are paid from the proceeds of the sale of COPs (Certificates of Participation). The new building will have solar and should save over \$150,000 in electric expenses. On the cost side, there will need to be added one facilities.

Engineer position to deal with the complex HCAV and Photovoltaics and the overall facilities repair and maintenance. In addition, a new reception will be created as well as an additional 2 janitorial staff persons.

Coconut Cay Paving	\$35,000	Minimal	Matching for repaving due to damage by the developer of Coconut Cay. Should help reduce the on-going pothole repair for this road section.
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## FY 2011-2012 Capital Improvement Plan with 5-Year Horizon

	FY 2011 Est.	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>Revenues</b>						
Fund Balance Forward	\$2,181,453	\$44,341,588	\$24,714,184	\$2,695,412	\$4,295,412	\$7,545,412
Transportation Fund: CITT		\$2,000,000	\$2,000,000	\$2,000,000		
Interest on City Hall bond	\$250,000	\$200,000	\$50,000			
Impact Fees	\$506,500	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Bonds/Loans	\$48,503,626					
Donations	\$209,654	\$230,951	\$200,000			
Sale of Assets		\$0	\$0	\$1,000,000	\$3,800,000	\$0
Grant: FRDAP			\$185,347			
Grant: FDOT	\$463,968	\$161,671				
Grant: ARRA	\$1,287,481	\$587,291				
Grant: County SNP/Qnip	\$422,077	\$519,851	\$1,010,733			
Grant: County G.O. Bond	\$1,756,391	\$2,511,470				
Grant: 7th Avenue Reconstruction	\$2,004,529	\$1,250,000				
Grants: School Safety		\$1,000,000	\$135,000	\$592,114		
Grant: UASI	\$182,138	\$256,295	\$388,688			
<b>Total Revenues</b>	<b>\$57,767,817</b>	<b>\$53,159,117</b>	<b>\$28,783,952</b>	<b>\$6,387,526</b>	<b>\$8,195,412</b>	<b>\$7,645,412</b>
Washutta Land	\$1,772,992					
183 Landscape	\$318,765					
City Hall	\$5,279,502	\$21,524,124	\$22,200,000			
Police Building	\$9,000					
UASI	\$182,138	\$256,295	\$388,688			
Brunche Park		\$355,012				
Brentwood Pool		\$34,000				
MG Recreation Center	\$1,012,853					
Amphitheatre	\$844,154	\$54,782				
Norwood Park & Pool	\$33,144					
Miami Carol City Park	\$217,461	\$202,483				
Optimist Park	\$23,520	\$1,576,814				
Buchanneer Park			\$200,000			
Misc. Parks						
Rolling Oaks Park	\$104,000	\$1,414,852	\$1,414,852			
Senior Center	\$42,806	\$154,280				
Fueling Station	\$12,662					
Palmetto Beautification			\$150,000	\$150,000	\$150,000	\$150,000
ARRA - 42 BRIDGE	\$250,000	\$587,291				
ARRA - Road Improvements	\$1,037,481					
School Safety Bridge project		\$1,000,000				
Rolling Oaks trail, ADA sidewalks			\$135,000	\$592,114		
Coconut Cay Resurface		\$35,000				
Sidewalk Renovation			\$200,000	\$200,000	\$150,000	\$150,000
Paving Program			\$1,000,000	\$1,000,000	\$200,000	\$200,000
Tree Program			\$150,000	\$150,000	\$150,000	\$150,000
NW 25 Street Road Improvement			\$250,000			
Turnpike Wall	\$95,088					
MPO - N.W. 7 Avenue	\$2,004,529	\$1,250,000				
Arch/Palmetto Interchange	\$186,134					
<b>Total Expenditures</b>	<b>\$13,426,229</b>	<b>\$28,444,933</b>	<b>\$26,088,540</b>	<b>\$2,092,114</b>	<b>\$650,000</b>	<b>\$650,000</b>
Balance	\$44,341,588	\$24,714,184	\$2,695,412	\$4,295,412	\$7,545,412	\$6,995,412



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