



Recommended FY 2020 – 2024 Capital Improvement Program Overview

October 8, 2019



AGENDA

- Executive Summary for Recommended Capital Improvement Program (CIP)
- Review of Large Project Increases & Proposed New Projects Funded in Recommended CIP
- Financial Implications
- High Priority Unfunded Projects
- Proposed CIP Schedule
- Discussion

EXECUTIVE SUMMARY - GOVERNING BODY GOALS

- **Economic Development:** *“Promote & stimulate quality development...to enhance the city’s diverse economic base.”*
- **Reinvestment:** *“Promote & support efforts to redevelop retail sites and improve our neighborhoods...”*
- **City Center:** *“Partner in the development of a premier destination point...that serves as a community gathering place integrating a variety of uses...”*
- **Fiscal Responsibility:** *“Provide exceptional value...and strive for long-term financial balance...”*
- **City Services**
- **Sense of Community**

EXECUTIVE SUMMARY (continued)

- Recommended FY 2020 – 2024 CIP is \$211 million and includes 43 funded projects.
- Recommended CIP is \$55 million higher than the current CIP due to the addition of 15 new projects.
- 75% of the CIP is funded from 4 sources: General Obligation Bonds (\$64m - 30% of CIP), General Fund Revenues (\$40m - 19%), 3/8-Cent Sales Tax (\$26m - 13%), and External Grants (\$25m - 13%).

EXECUTIVE SUMMARY (continued)

- 85% of the CIP is expended in 2 areas: Streets/Bridges/Traffic projects (\$107m – 51% of CIP) and Facility projects (\$72m – 34% of CIP).
- Key assumption: Estimated mill levy for the Debt Service Fund (which accounts for the majority of debt issued to fund the CIP) is 6.3 mills for FY 2020 through 2024 (FY 2019 mill levy is 6.8 mills).
- Key assumption: Stormwater service charge is \$109 per equivalent dwelling unit (EDU) for FY 2020 through FY 2024 (same as FY 2019).

PROJECT INCREASE – Bridge Maintenance

- Added \$1.2 million due to bids previously received to paint the Prairie Star Parkway bridge.
- Total cost = \$2.9 million (\$1.1 million in FY 2020 - funded from the Capital Improvement Fund).
- See page 15 of the CIP document for additional information.

NEW PROJECT – Lenexa Logistics East Special Benefit District

- Construction of 116th Street east of Renner Boulevard and related improvements in the Lenexa Logistics East business park.
- Total cost = \$6.1 million (funded 100% from special assessments on property owners in the benefit district).
- Benefit district approved 4/2/2019; project is under construction and will be completed in FY 2020.
- See page 27 of the CIP document for additional information.

NEW PROJECT – 95th Street & Loiret Boulevard Intersection Improvements

- Installation of new traffic signals, construction of westbound right turn lane on 95th Street & a southbound right turn lane on Loiret Boulevard, & extension of the existing northbound right turn lane on Loiret Boulevard (construction/installation in FY 2022).
- Total cost = \$1.6 million (funded with \$846,000 of TIP fees & \$763,000 from the Capital Improvement Fund).
- Project is necessary due to new development in the area (Grundfos, Skyline, etc.).
- See page 29 of the CIP document for additional information.

NEW PROJECT – Gleason Road from Prairie Star Parkway to 97th Terrace

- Construction of Gleason Road and related improvements in FY 2021.
- Total cost = \$1.5 million (funded with \$412,000 from the Olathe School District & \$1.1 million from the Capital Improvement Fund).
- Project is necessary to provide a second access point to the new Canyon Creek Elementary School and reduce traffic on local subdivision streets.
- See page 30 of the CIP document for additional information.

NEW PROJECT – Little Mill Creek Trail Crossing at 87th Street Parkway

- Construction of a tunnel crossing under 87th Street Parkway to connect the north side trail with the south side trail, Sar-Ko-Par Trails Park, and Indian Trails Aquatic Center (construction in FY 2021 if City receives state funding).
- Total cost = \$1.4 million (requested \$1.1 million from the Kansas Department of Transportation; remaining \$367,000 funded from the Capital Improvement Fund).
- Project is necessary to improve accessibility of the trail and the safety of trail users crossing 87th Street Parkway.
- See page 31 of the CIP document for additional information.

NEW PROJECT – Prairie Star Parkway & K-7 Interchange Improvements

- Bridge widening to create additional through lanes, turn lanes, & pedestrian/bicycle accommodations, installation of new traffic signals, & ramp reconstruction/widening (construction in FY 2022 if City receives state funding).
- Total cost = \$18.5 million (requested \$12.1 million from the Kansas Department of Transportation; remaining \$6.4 million funded with general obligation bonds). If the City does not receive state funds, the plan is to move forward with only new traffic signals.
- Project is necessary to support increased traffic due to additional development in the area.
- See page 36 of the CIP document for additional information.

NEW PROJECT – Complete Streets Implementation

- Implementation of Complete Streets Study recommendations, including signage, pavement marking, crosswalks, pedestrian/bicycle accommodations, etc.
- Total cost = \$790,000 (\$360,000 in FY 2020 funded from the Capital Improvement Fund).
- See page 37 of the CIP document for additional information.

NEW PROJECT – Ashley Park Storm Drainage Improvements

- Replacement/rehabilitation of storm drainage infrastructure in neighborhoods between Cottonwood & Pflumm from 79th Street to the northern City border (construction in FY 2020).
- Total cost = \$2.0 million (Funded with stormwater general obligation bonds).
- Project is part of the overall plan to replace traditional stormwater infrastructure throughout the City.
- See page 49 of the CIP document for additional information.

NEW PROJECT – Oakhill Storm Drainage Improvements

- Replacement/rehabilitation of storm drainage infrastructure in neighborhoods between 79th Street and 83rd Street from Lackman east to Little Mill Creek (construction in FY 2020).
- Total cost = \$2.1 million (Funded with stormwater general obligation bonds).
- Project is part of the overall plan to replace traditional stormwater infrastructure throughout the City.
- See page 50 of the CIP document for additional information.

NEW PROJECT – Sidewalk Repair Program

- Construction/rehabilitation of sidewalks throughout the City.
- Total cost = \$1.5 million (\$300,000 annually - funded from the Capital Improvement Fund; funds were reallocated from the Pavement Management Program).
- Project is necessary to repair existing sidewalks and address gaps in the current sidewalk network.
- See page 32 of the CIP document for additional information.

NEW PROJECT – Traffic Maintenance & Sign Shop Study

- Study to consider potential replacement options for the existing Traffic Maintenance & Sign Shop located at 7700 Cottonwood.
- Total cost = \$50,000 (Funded from the Capital Improvement Fund).
- Study is necessary to consider replacement options for an aging City facility.
- See page 40 of the CIP document for additional information.

NEW PROJECT – Community Center & Senior Center Improvements

- Construction of improvements to the Community Center/Senior Center as recommended in the study completed earlier this year (construction in FY 2021 & FY 2022).
- Total cost = \$7.1 million (Funded from the 3/8-Cent Sales Tax).
- Study recommends construction of improvements to enhance operations, programming, and function of the facilities.
- See page 41 of the CIP document for additional information.

NEW PROJECT – Cedar Station Park Development

- Construction of park improvements on parkland abutting Mize Lake, including a playground, restrooms, small shelter, parking lot, & other amenities (construction in FY 2021).
- Total cost = \$892,000 (\$670,000 from park & recreation impact fees & \$222,000 from other park funds).
- City has owned the property for several years and now needs to construct the park improvements due to residential development in the area.
- See page 45 of the CIP document for additional information.

NEW PROJECT – Parks & Recreation Master Plan Update

- Update the 2012 Parks, Recreation, & Open Space Comprehensive Plan.
- Total cost = \$80,000 (Funded from the 3/8-Cent Sales Tax).
- A large portion of the existing master plan is complete. The plan update would provide direction on programs offered, facility construction/management, general capital improvements, park amenities, and budgeting.
- See page 46 of the CIP document for additional information.

NEW PROJECT – Police Department Specialty Armored Vehicle

- Purchase specialty armored vehicle in FY 2020 to transport personnel & equipment to high risk incidents. The Police Department will use the armored vehicle to protect personnel & citizens during active critical events & other life-threatening situations.
- Total cost = \$378,000 (Funded from the Capital Improvement Fund).
- Vehicle is needed to facilitate effective & coordinated response to high-risk incidents & emergencies.
- See page 55 of the CIP document for additional information.

NEW PROJECT – Public Safety Complex

- Design & construction of a new Public Safety Complex to meet the current & future space needs of the Police Department, Municipal Court, and Information Technology (location is TBD; construction in FY 2021 & FY 2022).
- Total cost = \$60 million (this amount is preliminary & subject to change; funding sources are \$39 million in general obligation bonds, \$15 million from the County ¼-Cent Sales Tax, & \$6 million from the Capital Improvement Fund).
- The current facility was constructed in phases beginning in 1980 & has reached the end of its useful life. The facility does not meet the current or future space needs of the City & is not configured to meet best practices in law enforcement.
- See page 39 of the CIP document for additional information.

FINANCIAL IMPLICATIONS

- For the past few years, the City has not added many new projects in order to build financial capacity to address recommendations coming from the Aquatics Study, Community Center/Senior Center Study, Complete Streets Study, & Public Safety Facility.
- The recommended FY 2020 – 2024 CIP uses a large portion of the City's capital funding capacity to finance new projects. As mentioned earlier, staff has assumed the Debt Service Fund mill levy will remain at 6.3 mills during the 5-year forecast period. In addition, staff has assumed the General Fund mill levy will remain at 23 mills during the forecast period (total estimated mill levy of 29.3 mills).

FINANCIAL IMPLICATIONS (continued)

- The recommended CIP allocates funds built up over time in the Capital Improvement Fund (through transfers from the General Fund) to various new projects.
- The recommended CIP allocates historical & future collections of the County ¼-Cent Sales Tax to the Public Safety Complex project.
- The recommended CIP allocates excess collections of the 3/8-Cent Sales Tax to the Community Center/Senior Center Improvements project & the Parks & Recreation Master Plan Update.

FINANCIAL IMPLICATIONS (continued)

- The recommended CIP allocates future excess capacity in the Debt Service Fund (based on the 6.3 mill levy) to issue general obligation bonds for the Public Safety Complex (\$39 million).
- Staff will submit the recommended CIP to the City's bond counsel & financial advisor for review as required by City policy; staff will ask the City's financial advisor to confirm the City's credit rating will not be negatively impacted by the issuance of the new debt as proposed in the recommended CIP.

FINANCIAL IMPLICATIONS (continued)

- The recommended CIP does reduce the City's future financial flexibility. For example, the City will have less flexibility to apply for external grants for capital projects that require a significant local match (in the past, the City had significant capital funding capacity to meet match requirements for most projects).
- However, the City does still have an annual transfer of \$3 million budgeted in the General Fund to the Capital Improvement Fund. This transfer does provide a cushion in the event of a future economic downturn & also could provide match funding for some external grants.
- See pages 10-13 of the CIP document for additional information on future financial projections.

HIGH PRIORITY UNFUNDED PROJECTS

- K-10 & Lone Elm Interchange Construction (\$15 million for north ramps only; \$35 million for entire interchange)
- Pavement Reconstruction (\$30 million)
- Fire Station #6 (\$6 million)
- Fire Station #2 rebuild (\$12 million)
- Outdoor Aquatics Facilities (cost TBD)
- See page 56 of the document for full list of high priority projects.

PROPOSED CIP SCHEDULE

- Planning Commission considers recommended CIP (11/4/2019).
- Public hearing on recommended CIP (11/19/2019).
- Governing Body adoption of CIP (12/3/2019).

DISCUSSION