

New Smyrna Sugar Mill Historic site

County of Volusia, Florida

Capital Improvement Program

FISCAL YEAR
2007 - 2008



Celebrating five years of the ECHO grant program

COUNTY OF VOLUSIA, FLORIDA
CAPITAL IMPROVEMENT PROGRAM
FY 2007-2008 to FY 2011-2012



**Chapter 15 (Capital Improvements Element)
Of the Volusia County Comprehensive Plan**

Prepared by:

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October 15, 2007

Honorable Members of the Volusia County Council
Thomas C. Kelly Administration Center
123 West Indiana Avenue
DeLand, Florida 32720

Honorable Members of the County Council:

Attached for your review and approval is the FY 2007-2008 Capital Improvement Program. Capital improvement programming is a guide toward the efficient and effective provision of public facilities. The result of this continuing programming process is the Capital Improvement Program (CIP), a document published annually that proposes the development, modernization or replacement of physical public projects over a multi-year period. By looking beyond year-to-year budgeting and projecting what, where, when and how capital investments should be made, capital programming enables public bodies to maintain an effective level of service to the present and future population. The CIP shows the arrangement of projects in a sequential order based on a schedule of priorities and assigns an estimated cost and anticipated method of financing for each project.

Current fiscal year Capital Projects are funded in the amount of \$127,508,076. This represents a 46% decrease from last years funded amount of \$234,820,933. This decrease is primarily attributed to Bond Funded Road Projects that were completed during last fiscal year, large information technology projects that were funded in previous years and over all scaled back projects county-wide.

New legislation now requires the County to include local Florida Department of Transportation (FDOT) projects in the Capital Improvement Program. To meet these requirements a new section has been added to the document which includes a schedule of FDOT projects. These projects are not managed or funded by the County, and are only included to meet the State's requirement.

BENEFITS OF CAPITAL PROGRAMMING

A long-term capital improvement program has many obvious benefits that result from its systematic approach to planning and financing public agency projects. Some of the more important benefits derived from a viable capital programming process include the following:

- **Assists in the implementation of the Comprehensive Plan**
The primary function of the CIP is to serve as a mechanism for implementation of the Comprehensive Plan. By outlining the facilities needed to serve the population and land uses called for in the Plan and by scheduling them over time, the CIP guides the public construction program for the future.

- **Focuses attention on community goals and needs**
Capital projects can be brought into line with community objectives, anticipating growth and the government's ability to pay. By planning ahead for projects, those that are needed or desired most can be constructed or acquired first. The CIP keeps the public informed about future capital investment plans of the County. The public involvement in the process provides a mechanism through which a previously unidentified need can surface, be addressed and placed in the framework of community priorities.
- **Encourages more efficient government administration**
The CIP promotes coordination among government agencies and provides a check on potential overlapping or conflicting programs. Coordination of capital improvement programming can reduce over emphasis on any one government function. The program can guide local officials in making sound annual budget decisions. In addition, the CIP will indicate where sites for projects are needed and where advance acquisition may be necessary to insure the availability of land.
- **Fosters a sound and stable financial program**
Through capital facilities planning, the need for bond issues or other revenue production measures can be planned and action taken before the need becomes so critical as to require emergency financing measures. In addition, sharp changes in the tax structure and bonded indebtedness may be avoided when the projects to be constructed are staged over a number of years. Where there is sufficient time for planning, the most economical means for project financing can be selected in advance. The CIP can facilitate reliable capital expenditure and revenue estimates and reasonable bond programs by looking ahead to minimize the impact of capital improvement projects. Keeping planned projects within the financial capacity of the County helps to preserve its credit rating and makes it more attractive to business and industry. Thus, the CIP is an integral element of the County's budgetary process.

PROGRAM SUMMARY AND FISCAL ANALYSIS

The Capital Improvement Program includes an unfunded section, located near the end of the document. Service divisions have identified these projects as being necessary to continue operations or meet various development and Council goals, but are not immediately required for compliance with Volusia County's Comprehensive Plan. Placement of these projects in this section is not meant to diminish their importance, nor the possibility of a project's ultimate completion. However, at this point in time, specific funding sources and methodologies have not been clearly defined. Class D projects are currently unfunded in the amount of \$108,754,779 and requires further discussion and fiscal analysis. The financial staff will review the program during the budget process and CIP process for FY 2008-2009.

In the first three sections of the document (Class A, B and C), the majority of the projects can be funded from existing revenue sources. However, the following projects, while presented in the funded sections of this document, will also require some form of increased financing and, therefore, future Council action. They are highlighted here to provide information on the steps required to obtain financing and to detail needed Council actions.

Corrections

The current Jail facilities have a rated capacity of 1494 inmates including barracks added as temporary housing in 1982. Average daily population over the past six months is 1536. The general overcrowding and management of special populations has become increasingly difficult and an expansion is needed. A task assignment has been issued for review and analysis of the current square footage requirements and design.

- Branch Jail Expansion** (Class B section, page B-6)
 Projected Cost: \$43,000,000
 Proposed Funding: Loan proceeds/General Fund
 Future Council Action: Approval to proceed with the project and funding

Library Services

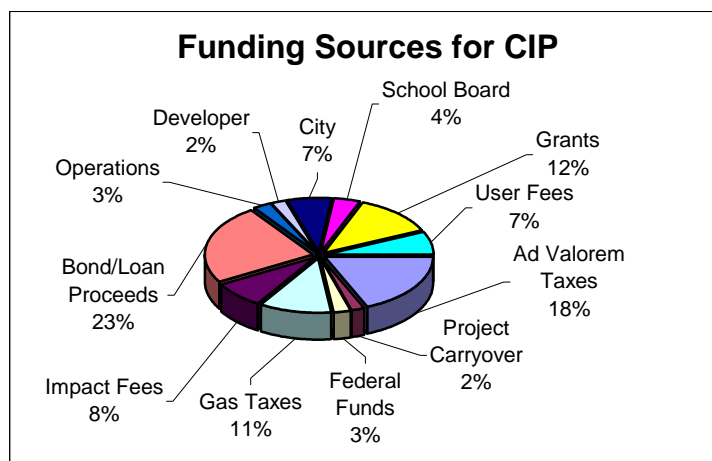
Due to the increased population in the City of Deltona the Deltona Regional Library needs to be expanded. The expansion will also include the construction of an Environmental Learning Center and office space for the Human and Veteran’s Services programs.

- Deltona Library Expansion** (Class C section, page C-110)
 Projected Cost: \$18,374,225
 Proposed Funding: Loan proceeds/Library Fund/Volusia ECHO
 Future Council Action: Approval to proceed with the project and funding

Financing the Capital Improvement Program

There are a number of funding options available for financing the proposed capital program. These range from direct pay-as-you-go methods using property tax revenue, state/federal grants, user fees, and other sources, to revenue and general obligation bonds and short-term loans. Over the past several years, the County has used all these methods of financing projects. By utilizing a variety of methods, the County has tried to maximize its capital expenditures and financial flexibility.

The following chart details funding for the FY 2007-2008 Capital Improvement Program. Bond/Loan Proceeds for major construction projects is the largest source of funding, comprising 23% of the CIP budget. Ad Valorem Taxes fund the next largest percentage of capital improvements at 18% and Gas Taxes at 11%. City and Developer contributions for Road Projects fund 9%. Federal Funding from the FAA and Federal Funding for Mass Transit fund 3% of the total. The remaining budget is funded through a mix of road and fire impact fees, User Fees, Operations, and State/Local grants.



Short-term financing continues to be used as a tool to address funding needs that exceed current revenues available to fund projects. Developing a strategy to pay for capital improvements while limiting the growth in debt service expenditures imposed on the operating budget requires examination of available funding sources and analyzing debt capacity. Whether a pay-as-you-go strategy is employed or bonding available revenue streams, it is important to protect the County’s credit rating and minimize the need to raise taxes. While under funding infrastructure can inhibit

development, debt funding infrastructure too far in advance of tax base growth causes otherwise high debt ratios and intensifies financial pressures if development slows. The capital budget should remain flexible enough to be scaled down in the event projected growth slows or fails to occur.

Additional CIP Projects

The following projects are currently in the planning stage, but may develop into significant capital improvement projects.

800 MHz (Page D-14)

Our present system is based on late 1990's technology, with many components and subsystems no longer in production. It is anticipated that over the next few years, system maintenance will become more difficult as a result of the industry moving towards newer up-to-date GPS technology. Included in the Unfunded Section is a Replacement of the Radio System with GPS Simulcast . This project is estimated to cost \$14 million .

East Side Service Center (Page D-30)

The Public Works East Side Service Center will consolidate the eastside operations of Mosquito Control, Road and Bridge, and Traffic Engineering. The facility will have administrative office space, equipment and supply storage, fuel depot and a helicopter hangar. A portion of the facility will be hardened to serve as an emergency field operations center for eastside field response and recovery teams. This project is estimated to cost approximately \$15 million.

Sheriff's Evidence/District 2 Headquarters (Page D-50)

During FY 2006-07 the county purchased 15.79 acres for the purpose of constructing a new Sheriff's facility. The project is projected to be a 31,000 sq. ft. facility that will house evidence storage and District 2 Headquarters. This project is estimated to cost \$16 million.

IN CONCLUSION

The ultimate goal of this document is to provide a realistic guide for Volusia County's capital program and useful reference for the County Council and County departments. The staff and I are prepared to respond to questions you may have about the Capital Improvement Program.

Sincerely,

Charlene S. Weaver, CPA
Chief Financial Officer

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VOLUSIA COUNTY'S CAPITAL IMPROVEMENTS PROGRAM

The purpose of the Capital Improvements Program (CIP) is to identify capital needs of the County over a five-year period. In addition to the capital needs, the CIP also identifies their funding sources, sets priorities and schedules the projects. These capital requests might be necessary to meet the standards established in the Capital Improvements Element (CIE) which is essentially the facility and financial part of the Comprehensive Plan. It is a mandated element by Chapter 163, Florida Statutes, and Rule 9J-5.016 and prescribes new facilities needed to correct existing deficiencies, accommodate new growth and plan for repair and renovation needs of existing facilities. Some of the capital projects might not be mandated by the CIE but are needs and recommendations by County Departments and Constitutional Officers.

Under the Comprehensive Plan, capital projects are designated as Class A, B, and C public facilities.

Class A facilities (concurrency) apply to development orders issued by the County on or after October 1, 1990, the date specified by Rule 9J-5 for the completion of implementing Land Development Regulations. It coincides with the start of the County's Five Year Schedule of Improvements as required by 9J-5. Such levels of service apply to the capital and annual budget and Land Development Regulation beginning October 1, 1990.

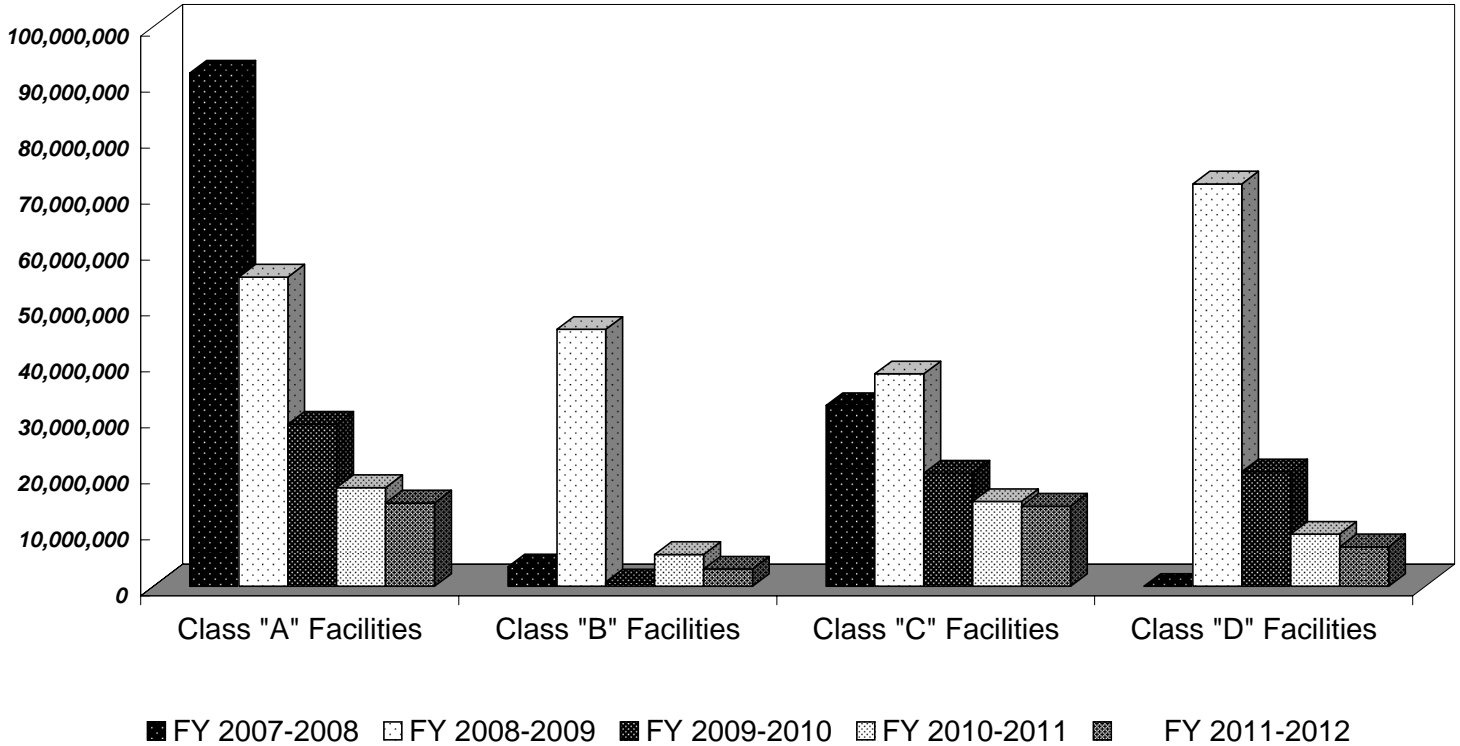
Class B facilities apply to the County's annual budget and capital budget beginning October 1, 1990 and the Five Year Schedule of Improvements. These standards do not apply to the issuance of development orders by the County, unless so directed by the County Council, subject to an amendment of the Comprehensive Plan.

Class C facilities do not apply to the issuance of development orders by the County after October 1, 1990, but are used for facility planning purposes as related to the scheduling of individual capital projects in the Five Year Schedule of Improvements.

Class D facilities is a separate section for important projects or project elements for which precise funding has not yet been identified. This section allows Management to quickly identify which project/elements still require funding.

COUNTY OF VOLUSIA, FLORIDA Capital Improvement Projects Summary

FY 2007-2008 to FY 2011-2012



CAPITAL IMPROVEMENT PROJECTS SUMMARY

FY 2007-2008 TO FY 2011-2012

FACILITY CLASS	BUDGET YEAR FY 2007-2008	YEAR 2 FY 2008-2009	YEAR 3 FY 2009-2010	YEAR 4 FY 2010-2011	YEAR 5 FY 2011-2012	FIVE YEAR TOTAL
Class "A" Facilities	91,704,180	55,255,885	28,964,205	17,642,480	14,906,256	208,473,006
Class "B" Facilities	3,499,242	45,899,500	774,500	5,684,500	3,104,500	58,962,242
Class "C" Facilities	32,304,654	37,962,838	20,227,244	15,147,429	14,314,846	119,957,011
TOTAL FUNDED CIP	\$127,508,076	\$139,118,223	\$49,965,949	\$38,474,409	\$32,325,602	\$387,392,259
Class "D" Facilities	0	71,883,724	20,481,443	9,322,086	7,067,526	108,754,779
TOTAL CIP PROGRAM	\$127,508,076	\$211,001,947	\$70,447,392	\$47,796,495	\$39,393,128	\$496,147,038