

Program #78007 - Facilities Capital Improvement Program

5/7/2015

Department: County Assets **Program Contact:** John Lindenthal

Program Offer Type: Internal Service Program Offer Stage: As Proposed

Related Programs: 78006-16, 78008-16

Program Characteristics:

Executive Summary

The Capital Improvement Program actively monitors, upgrades, and improves the County's portfolio of Tier II and III (substandard) buildings. The program preserves the County's assets by investing in improvements that maintain building values and provide accessible, functional, and energy efficient facilities.

Program Summary

The Capital Improvement Program (CIP) creates an annual 5-year Capital Plan that focuses on the County's 14 primary owned Tier II and III buildings.

A Tier II building is one that is a desirable part of the County's long-term portfolio but has significant deferred maintenance needs which must be addressed. A Tier III building is one that is not economical or impractical to bring to County standards and is therefore designated for disposition. Capital expenditures are avoided or minimized in Tier III facilities pending disposition of the building, if possible. The plan works in conjunction with the Facilities Strategic Plan which provides a basis for a sound investment strategy that addresses building needs and includes projects ranging from equipment upgrades to construction of new facilities over a 10 year horizon.

The program allows Capital, bond/levy, grants, and other funding components to be distributed based on priorities established with the aid of a detailed needs assessment and a decision-scoring matrix. The program looks for project efficiencies that benefit the building users and extend the useful life of the building.

The 5-year CIP Plan sets clear goals and fosters communication with departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users. The program uses a PULSE (Planned Useful Life - System Evaluation) database to track building system life cycles.

The Facilities Asset Strategic Plan (FASP) will also alter the projections on capital needs into the future. There is currently an identified capital need estimated at \$25,000,000 per year in fiscal years FY18-FY22. Efforts are underway County-wide to work on our building portfolio's recapitalization needs, which the current 8% annual CIP revenue increases are not adequate to address.

Performance Measures									
Measure Type	Primary Measure	FY14 Actual	FY15 Purchased	FY15 Estimate	FY16 Offer				
Output	Percent of Planned CIP Projects Completed	92.0%	85.0%	96.8%	85.0%				
Outcome	Percent of Primary Owned Buildings rated as Tier 1	66.7%	66.7%	56.3%	56.3%				

Performance Measures Descriptions

PM #1: Capital Improvement Program (CIP) program offer metric is set at 85%. This allows flexibility for changes due to County needs.

PM #2: FY15 percentage decline is due to the Library District formation, Wikman building disposition and anticipated Women's Transition Buildings (3).

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2015	2015	2016	2016
Contractual Services	\$0	\$0	\$0	\$5,771,000
Materials & Supplies	\$0	\$301,479	\$0	\$1,285,351
Capital Outlay	\$0	\$18,133,300	\$0	\$11,553,658
Cash Transfers	\$0	\$174,521	\$0	\$0
Total GF/non-GF	\$0	\$18,609,300	\$0	\$18,610,009
Program Total:	\$18,609,300		\$18,610,009	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues								
Other / Miscellaneous	\$0	\$3,935,800	\$0	\$3,214,778				
Financing Sources	\$0	\$1,317,500	\$0	\$671,731				
Interest	\$0	\$110,000	\$0	\$25,000				
Beginning Working Capital	\$0	\$28,384,600	\$0	\$13,161,000				
Service Charges	\$0	\$1,220,000	\$0	\$1,537,500				
Total Revenue	\$0	\$34,967,900	\$0	\$18,610,009				

Explanation of Revenues

Fund 2507 Capital Improvement Program

50000 BWC from Routine Project Carryover \$12,790,000; includes \$900,000 Animal Services 2015 BWC

50236 IGA Jail Bed Rental \$37,500

50236 IG City of Portland share of Justice Center Projects \$1,500,000

50270 Interest on fund 2507 \$25,000

50320 Cash Transfer revenue from Fund 3505 FPM & Vacant space \$636,380

50310 Intl Svs Reimbursement CIP Fee from County Occupants \$3,214,778

Fund 2503 Equipment Acquisition

50000 BWC Carryover \$371,000

Significant Program Changes

Last Year this program was: FY 2015: 78006 Facilities Capital Improvement Program

Capital Improvement Fee collected on Library District Owned/Primary Tier 2 & 3 square feet is now collected to Fund 2506. Program Offer 78017-16

FY16 Capital Program Fund 2507 Revenue appears reduced due to segregation of new Downtown Courthouse to Fund 2500, Program Offer 78014-16 and Health Headquarters to Fund 2510, Program Offer 78018-16.