

September 2, 2008

Mayor Lieber and Members of the City Council:

We are pleased to present a five-year Capital Improvement Plan (CIP), commencing with fiscal year 2008-09. This plan continues and modifies the last five-year CIP, which was adopted in July 2006.

The CIP serves as a guide for implementation of the City Council's decisions regarding the construction, purchase, renovation and major repair of the City's parks, streets, buildings, sanitary sewers, and storm drain facilities. Major funding sources for the CIP are:

- Limited Obligation Bonds (Measure R) - 1999 \$6,230,000
- General Obligation Bonds (Measure F) – 2002 \$8,000,000
- Sewer Revenue Bonds – 2004 \$8,675,000
- General Obligation Bonds (Measure F) – 2007 \$6,500,000
- General Obligation Bonds (Measure C) – 2007 \$5,000,000
- River Parkways Grant \$2,200,000
- FEMA Grant \$1,700,000
- Measure F - 2006
- State Grants
- Community Development Block Grants
- Prop. 1B, Local Streets & Roads Improvements
- Landscaping and Lighting District Assessments
- Sewer Enterprise Fund Revenue
- General Fund Revenues

The Limited Obligation Bonds – Measure R were issued in 1999 and are being repaid from assessments of the Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1. Funds available for capital expenditures at June 30, 2008 were:

Open Space	\$1,747,000
Recreational Playfields	\$ 462,000
Creek Restoration	\$ 648,000

In November 2002 Albany voters approved General Obligation Bonds (Measure F 20002) of \$14,500,000. Bonds of \$8,000,000 were issued in 2003 and \$6,500,000 were issued in 2007. A summary of the expenditure and balance of these funds is included on page I1 of this report.

In June 2006 Albany voters passed Measure F – 2006, the *City of Albany Street Paving and Storm Drain Facility Improvement Tax*. This citywide parcel tax generated revenue of \$825,000 in fiscal year 2007-08. The initial tax rate was \$96/ERU (Equivalent Residential Unit), and the rate is indexed annually by the rate increase in the Consumer Price Index, to a maximum of 5%. Approximately \$325,000 of this annual tax revenue has been dedicated, by the City Council, to pay the debt service on the \$2.9 million major drainage improvements in the Curtis/Neilson neighborhood. The unencumbered balance of the annual revenue is used to correct various chronic site specific storm drain problems citywide; and rehabilitate a number of city streets in need of major pavement work.

The largest capital project in the CIP is the Civic Center earthquake retrofit project, which is budgeted at \$14,680,000. Construction commenced in June 2008 and is projected to be completed in the Fall of 2009. This project is being financed by revenues of \$6.5 million from Measure F – 2002, \$5 million from Measure C, a bond passed in November 2006, a FEMA grant of \$1.7 million and \$1.48 million of revenue from the General Fund.

We would like to thank all of the members of the City’s Capital Improvement Plan team who participated in the preparation of this CIP document: including Rich Cunningham, Public Works Director, who is responsible for overall management of the capital improvement projects, the project managers:

- Barry Whittaker – Civic Center Project Manager
- Randy Leptien – City Engineer
- Penelope Leach – Recreation and Community Services Director
- Ana Bernardes – Engineer-Project Manager
- Jeff Bond – Planning Manager
- Aleida Andrino-Chavez – Transportation Planner,

Susan Hsieh – Accounting Supervisor, and Jennifer Wee - Accounting Intern.

Respectfully submitted,

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