



CAPITAL IMPROVEMENTS: AN OVERVIEW



What is a CIP?

Community Input

Why Develop a Capital Plan?

The Budget Connection

Cradle to Construction, the Life of a Capital Project

What are CIPs anyway?

This information covers the citywide CIP and budget approach. Different bureaus may use differing terms. Please contact individual bureaus for more detailed information.

- **Capital Improvement Project:** Construction, major maintenance, and improvement projects. Includes infrastructure upgrades & replacement.
- **Capital Improvement Plan:** A 5 to 20 year plan for these projects.
- *City Bureaus develop individual Capital Improvement Plans.*
 - *Projects are prioritized as funding is available.*



10 reasons for Capital Planning

1. Shows the community what projects are planned
2. Provides certainty for the future
3. Helps the City coordinate outreach and construction
4. Prioritizes capital construction and maintenance needs
5. Helps the City forecast & coordinate long-term needs
6. Ensures infrastructure is maintained and upgraded
7. Provides a framework for funding capital projects
8. Increases efficiency of engineering and budget efforts
9. Maintains high bond ratings which, in turn, saves costs
10. Allows effective time to plan for large projects



How does my neighborhood benefit?

Capital Improvement Plans & Projects:

- Ensure upgrades, repairs and replacement of aging infrastructure
- Allow bureaus to deliver needed services to meet demands of a growing and changing population
- Recognize and ensure implementation of community priorities for a livable city



How does the City know what the community wants?

- **Community & Neighborhood planning**
- **Citizen Advisory Committees**
- **Community & neighborhood-led livability initiatives**
- **Citizen input on mandated projects** (Endangered Species, Clean Water Act, Emergency Preparedness)
- **Bureau-sponsored meetings**
- **City Council forums & hearings**



What qualifies as a Capital Improvement Project?

Capital projects meet one or more of these criteria for budget review purposes:

- mandated
- community plan priority
- major City Council objective
- necessary to ensure public safety or health
- multi-year project
- a return on investment
- help economically disadvantaged areas
- decrease City's unfunded liability



THE BUDGET CONNECTION

How do these projects fit into the City Budget?

Volume 3 of Portland's budget contains an overview, budget tables and a description of all approved projects.

- The capital budget is about 10-15% of the total City budget.
- The Portland Development Commission's capital budget is an *additional* \$30-40 million.

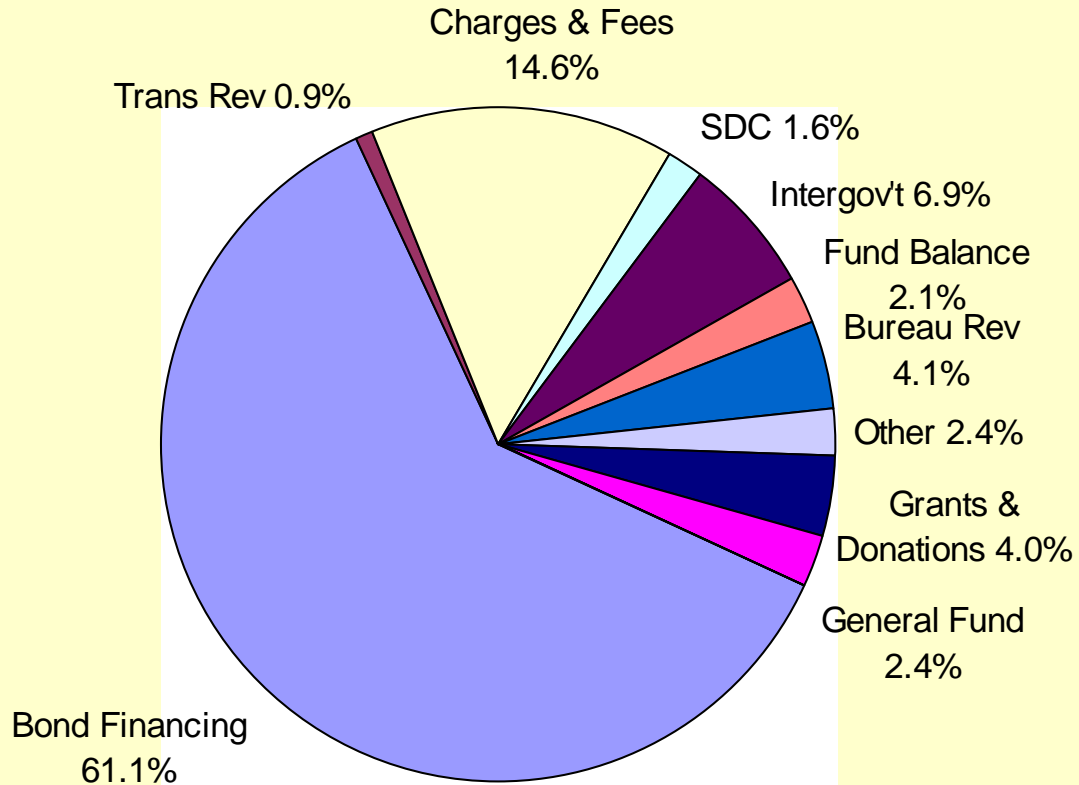


The Budget Connection, *continued*

FY 2001-02 Citywide CIP Funding Sources

Funding is mostly from restricted bonds, fees, grants and intergovernmental sources.

Only 2.4% is from the City's General Fund.



The Life of a Capital Improvement Project

Planning

- Community involvement identifies needs and partnership opportunities

City Council provides endorsement/direction

- Community provides testimony at hearings

Budget, timeline & pre-design

- Internal City process to prepare project for budget approval



Life of a Capital Improvement Project *(continued)*

Schedule into Capital Improvement Plan

- Also an internal process

Approved for current budget

- Community provides input at budget forums & hearings

Design & construction

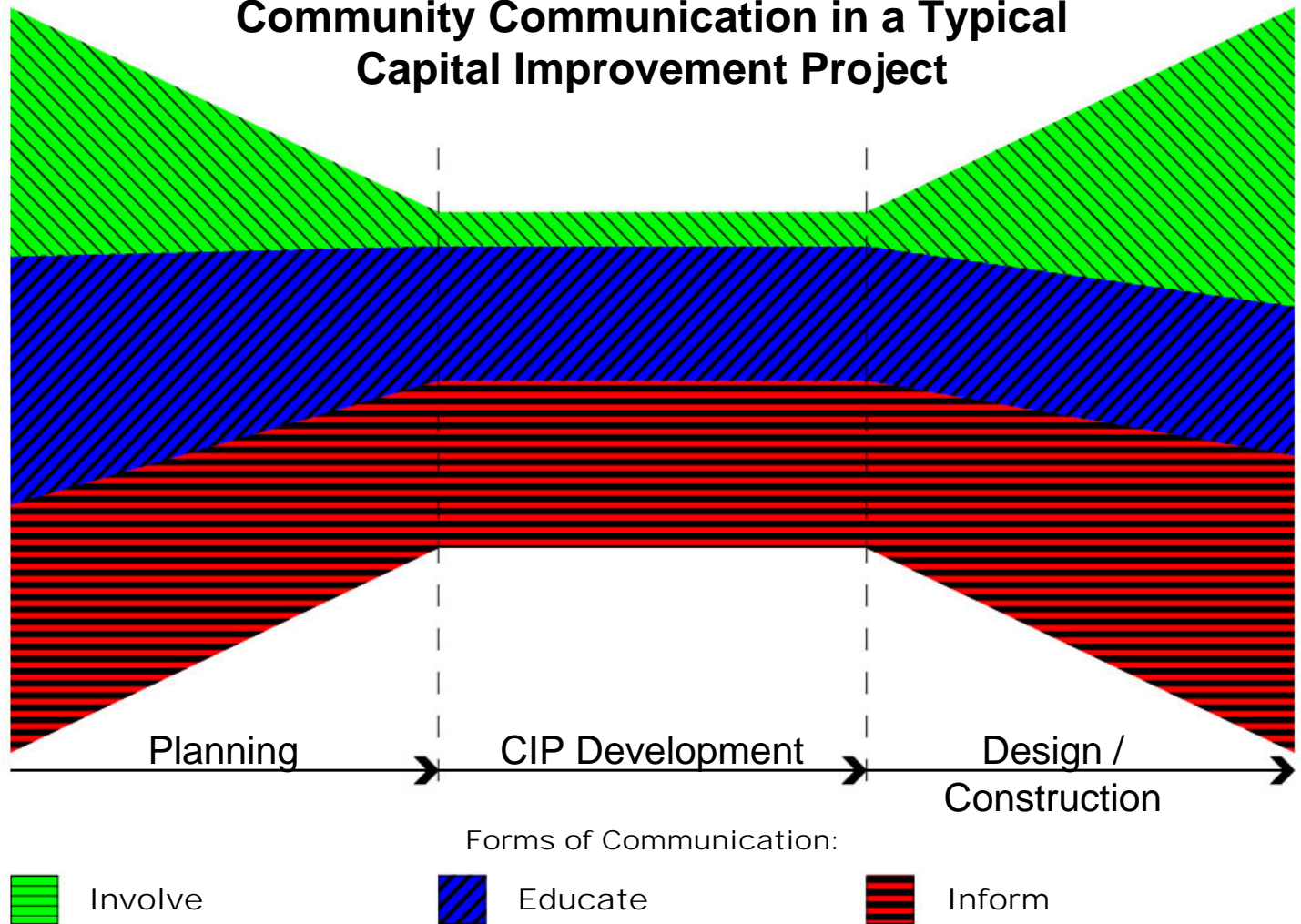
- Community provides input into design and tracks construction progress

This entire process can take several years.



Project Life Cycle

Community Communication in a Typical Capital Improvement Project



Source: Portland Bureau of Planning



Summary

- **Capital planning ensures**
 - timely repair and replacement of aging infrastructure
 - implementation of community priorities for livability
 - service delivery needs are planned and met
- **Stay involved!**
 - Continue learning about projects in your neighborhood
 - Attend planning and budget meetings to provide input
 - Visit this web site frequently to learn more, stay informed

