

Capital Projects

Capital Process Description

City Departments annually submit, along with their operating budgets, a five-year capital plan that outlines all capital activity, including funding sources, durations, and priorities. If additional funds are needed the department will include the request at this time.

The City Planning Commission and staff review these departmental plans; they in turn prepare a report that is a compilation of all citywide requests. This report is a recommendation to the Mayor, who through the overall budgetary process will incorporate current fiscal year capital funds in the Annual Budget.

Capital Project Definition

Capital improvement projects are typically major expenditures, such as the construction, reconstruction, renovation or replacement of a public building, facility or major equipment item; the purchase of land, buildings, or facilities for a public purpose; studies and surveys leading to such physical betterments or improvements; or any combination of the above. A capital improvement project should cost at least \$25,000 and have a life expectancy of 10 or more years. In addition, capital improvements should meet the following criteria:

- Should not be an operating budget expense;
- Should be a non-recurring expenditure; and,
- The life of the funding mechanism should not exceed the life of the project

Priorities for Approving a Capital Project

The City's capital improvement budget emphasizes three categories of projects.

- Improving the tools for operations

An example is the implementation of computer networking and technology upgrades. These technological improvements will improve customer service and facilitate the streamlining of service delivery.

- Maintenance and improvements to current facilities.

These include energy improvements, accessibility improvements and safety improvements. These will assist in lowering operating costs and risk exposure. Priority is given to projects intended to address needs in the first three categories.

- Expansion of service facilities.

Improvements in this category have the potential of increasing operating costs. An example of this is the significant growth in the size of the Parks & Recreation budget over the past five years, which reflect the increasing number of parks under their care and control. Although the newer larger facility requires a larger operating budget, only efficiencies are gained from a more efficient design and operational improvements.

The capital projects planned for FY2006 will not materially affect operating costs.

Recommended Capital Summarized

Department	Project Name	FY06
1. General Fund Small and Working Capital		\$1,000,000
Cemetery	General Improvements	8,000
Clerk/Treasurer	City Hall Stairs/Fountain	250,000
	City Hall Clock Tower	150,000
	Computer Acquisitions	40,000
	Reserve & Issue Costs	70,000
City Arts	Firehouse Center	7,000
Fire	Fire Station Study	25,000
Parks & Recreation	Leddy Arena/Gosse Court Armory	250,000
	Park Capital Improvements	95,000
	Ethan Allen Tower	5,000
Public Works	Mobile Inspection Equipment	50,000
Zoning	Zoning Rewrite Project	50,000
2. General Fund Other		\$2,102,200
Assessor	Act 68 Grand List Maintenance	27,500
Fire/Other	Impact Fees Including New Ambulance	102,000
Cemetery	Carryover Road Maintenance	22,000
Parks & Recreation	Parks Greenbelt	95,000
	Open Space Funds	189,000
Police	3 Police Detective Vehicles	70,000
Public Works	Street/Sidewalks Repaving	1,596,700
3. Included in Other Fund Budgets		\$1,705,770
Public Works: Wastewater	Rehabilitation of East & North Plant	1,674,270
	Walk-by Radio Meter Reading System	31,500
4. Capital Project Funds		19,310,800
	Champlain Parkway	2,267,300
	Westlake Garage Decks	8,100,000
	Telecommunications Project – Phase III	3,000,000
	Bikepath Relocation	100,000
	North Street Revitalization	1,277,500
	Riverside Reconstruction	3,500,000
	Englesby Brook - Watershed Restoration	400,000
	CNG Fuel Depot	666,000
5. Airport Department		\$8,774,336
	Airport South End Development (Mitigation)	600,000
	Airport South End Development (Taxiway/Apron Const)	3,000,000
	Land Acquisition (Noise)	1,674,000
	Terminal Bond Debt Service (97)	382,860
	South Expansion Bond Debt Service	697,476
	North Apron Expansion	500,000
	North Expansion Additional Boarding Bridges	700,000
	Terminal MUFIDS Upgrade	20,000
	Airfield Glycol Collection/Distribution System	1,200,000

6. Burlington Electric Department

\$5,943,141

Aerial Construction	73,552
Capacitor Banks	69,177
Convert 2S2F to 13,800Volt	86,844
Cyclone Relining Tile	87,500
Distribution Transformers	257,832
East Avenue Loop ACT 248	128,782
Eliminate Substation #2, #7	38,182
GT Blanket	18,000
ICCP	55,100
Install Automated Switch	38,057
Installing Conduits and Pads	192,051
Lake Street Substation Roof Replacement	28,000
Ledgwood Apartments	281,959
Northgate Apartments	433,730
Replacement of line 7	139,107
Replacement Utility Pole Tops	25,000
Riverside Avenue Aerial Location	2,079,566
RTU Upgrades	19,552
Secondary Service	18,609
Meter Purchase and Installation	202,248
Station Upgrades	23,250
Street Lighting	196,427
Underground Construction & Replacement	120,343
Upgrade East Avenue & Queen City	
Switchgears	103,764
Vehicle Replacement	96,000
Various Conversions	387,714
General Small Equipment	292,255

Capital Project Descriptions

1. General Fund Small and Working Capital

Cemetery	
General Improvements	\$8,000
Clerk/Treasurer	
City Hall Stairs and Fountain	\$250,000
City Hall Clock Tower	\$150,000
Computer Acquisitions	\$40,000
Reserve and Issuance Costs	\$70,000
City Arts	
Firehouse Center	\$7,000
General improvements for the Firehouse Center for the Visual Arts.	
Fire	
Fire Station Study	\$25,000
Master planning for station one improvements.	
Parks & Recreation	
Leddy Arena/Grosse Court Armory	
Park Capital Improvement	\$95,000
Small scale repair and renovation projects to park facilities and infrastructure; such as playground replacements and upgrades, court repair & resurfacing, roof replacements, asphalt paving. Individual projects and priorities to be determined annually. These projects will generally cost between \$5,000 and \$20,000.	
Ethan Allen Tower	\$5,000
Public Works	
Mobile Inspection Equipment	\$50,000
Planning & Zoning	
Zoning Rewrite Project	\$50,000
Rewrite of the City zoning and subdivision regulations into a new Comprehensive Development Ordinance.	

2. General Fund Other

Assessor	
Act 68 Grant List Maintenance	\$27,500
Cemetery	
Road Improvements	\$22,000
Parks & Recreation	
Parks Greenbelt	\$95,000
Police	
3 Police Detective Vehicles	\$70,000
Public Works	
Street/Sidewalks Repaving	\$1,596,700
Open Space Funds	\$189,000

3. Included in Other Fund Budgets

Public Works:	
Wastewater	
Rehab. of East & North Plant	\$1,674,270
The voters approved in March 2002 a bond vote of \$2.5 million to rehabilitate the East & North Plants Digesters. The FY04 Grant equals \$433,246 and FY05 Grant	

\$493,315. The City will receive 50% of all eligible costs eventually but most likely over more than one fiscal year.

Walk-By Radio Meter	
Reading System	\$31,500

4. Capital Project Funds

Public Works	
Water Capital Fund	\$250,000
Programmed every year for such things as replacement water mains, water meters, hydrants and security. In FY05 the balance of Water Capital Act will be used to repaint the 500,000 gallon storage tank at FAHC.	
Wastewater Capital Fund	\$68,740
Improvements to the Wastewater collection system including pipe, pump stations. Improvements to the Wastewater plants as outlined in East and North Plants 20 yr. Engineering Evaluation.	
Champlain Parkway	\$2,767,300
The Southern Connection/Champlain Parkway was originally conceived and designed as an extension of the Interstate highway to provide access into downtown Burlington and the waterfront. The Parkway/Connector is 2.3 mile road designed to get commuter and service vehicles off of neighborhood streets and into the Central Business District. Planning for this new project began in 1965 when it was identified by federal, state and local officials as a needed improvement. The Parkway/Connector will meet the following objectives: 1) To remove trucks from residential streets and serve as a designated truck route, 2) To remove through commuter traffic from residential streets by serving as an alternative route into the City and 3) To blend into adjacent residential neighborhoods with no more than two travel lanes, narrow widths, a low design speed and speed limits, sensitive streetscape design, and safe pedestrian crossways. It is necessary that the project be built soon in order to provide facilities that are badly needed to relieve severe traffic congestion in the southern part of the City of Burlington. Construction is scheduled for the summer of 2004.	
Westlake Garage	\$8,000,000
Construction of a 116 space parking garage annex to the Lakeview Garage to accommodate additional parking for Condominium and Hotel project infilling the empty surface lot corner of Battery St. and Cherry St.	
Capital Improvements –	
In Operation Budget	\$144,760
Capital Improvements to Three Parking Garages annually. Includes deck sealing and patching, revenue control equipment, lighting and other major maintenance items. Capital improvements to replace signalized intersections and to replace old and outdated fire alarm boxes. Capital money is used to install new parking meters on street and in lots. Additionally in FY04 capital money is carried to fund cost of vehicles purchased and not financed.	
Capital Improvements –	
MPG Elevator	\$34,000

Mandated replacement of two elevators that will be needed to meet the new adopted codes, for inspection regulations at the Downtown Marketplace Parking Facility. The new elevators will be more energy efficient.

Riverside Reconstruction \$3,500,000

This is a project that will be managed by and mostly paid for by the State of Vermont. The City is responsible for the 2% as a local share match totaling \$109,000. The project involved the complete Rehabilitation of Riverside Avenue beginning at the intersection of North Winooski Avenue and proceeding northeast approximately 1 mile and will include new asphalt surfaces, sidewalks, bike paths and landscaping.

Public Works: Engineering

Englesby Brook - Watershed \$400,000

Englesby Brook is a severely impaired stream providing drainage to 570 acres of urban/developed land in Burlington and South Burlington, Vermont. Its watershed includes a mix of institutional, recreational, residential, commercial and industrial land use, with a considerable percentage of the total area being impervious as a result of streets, parking lots, driveways, and building roofs. The Brook suffers from many of the "classic" signs of urbanization, including stream channelization, high runoff flows, low base flows, streambank erosion, urban debris and pollution. Water quality problems and use impairments are well documented, most notably the permanent closing of Blanchard Beach, located at the mouth of Englesby, due to high bacterial counts. In addition to bacteria, the Brook is known to contribute phosphorus to Lake Champlain and metals such as zinc, lead, nickel, copper and chromium have been found in Brook sediment.

As part of the Pine Street Barge Canal settlement, a grant from Green Mountain Power was awarded to the City of Burlington for \$1.3M to fund a cleanup and restoration of the watershed with project management being handled by Public Works. Components of this restoration include a planning phase, design phase, construction phase, monitoring phase, strive to make Blanchard Beach "swimmable" the majority of the time and public outreach. Parts of this plan have been incorporated into the Watershed Improvement Permit (WIP) issued by the Vermont Department of Environmental Conservation, dated July 1, 2002.

In 2002 a retrofit project was complete at Burlington Country Club. Two existing stormwater ponds at the club were connected and the lower pond size was increased for enhanced flow control and pollutant removal.

In 2003 a single bid of \$1.224 M was received for a new pond to treat a 120 acre subwatershed draining the Shelburne St area and a shallow marsh/wetland to treat the 40 acre Richardson St area. This bid exceeded available funds and previous estimates. In the fall of 2005 DPW should receive \$400,000 in STAG funds that would allow the projects to be rebid and hopefully built.

Public Works: Equipment

CNG Fuel Depot \$1,800,000

Develop compressed natural gas fuel depot and

enhancements Part 1, Planning is funded by CCMPO and UVM. The work plan will include: Define roles - UVM, City and VT Gas (We would like VT Gas to provide monetary as well as technical and in-kind assistance.

Develop MOA; System selection - identify type of fueling station - Time Fill, Fast Fill or Transits Fill; Explore siting issues; Explore sizing issues; Explore training issues and develop RFP for the Design, Permitting and Construction of the facility. We will request the planning funds this week and hope to begin the planning activity this fall.

Part 2, Implementation - Funding provided by City, UVM, VT Gas and FTA. This project will provide for a compressed natural gas (CNG) fast fill fueling station at DPW for transit and city use with hope of expanding to public; any necessary retro-fit of DPW facilities; the purchase of CNG vehicles for UVM; and any necessary training for effected personnel.

5. Airport Department

Airport

Land Acquisition	\$1,674,000
Terminal Bond of Debt Service	\$382,860
South Expansion Bond of Debt Service	\$697,476
North Apron Expansion	\$500,000
North Expansion Boarding Bridges	
Terminal MUFIDS Upgrade	\$20,000
Airfield Glycol Collection/Distribution System	\$1,200,000

6. Burlington Electric Department

Aerial Construction \$73,552

The money in this account covers unexpected small aerial construction projects and system upgrades.

Capacitor Banks \$69,177

This project installs 2,400 KVAR capacitor bank at Substation #7 and 600 kVA capacitor bank on QCL2.

Convert 2S2F to 13,800 Volt \$86,844

This project converts 2S2F circuit on Intervale Avenue, Elmwood Avenue, Oak Street, Willow Street, Archibald Street, Decatur Street, Crombie Street, North Street, Allen Street, Peru Street, Grant Street, and Clarke Street to 13, 800 volt.

Cyclone Relining Tile \$87,500

Cyclone tile lining. The cyclone removes large particulate from the flue gas. Most of it is reinjected as burnable carbon to boost boiler efficiency, the rest is discarded as fly ash. The cyclones operate at temperatures over 300 degrees Fahrenheit.

Distribution Transformers \$257,832

This estimate includes the cost of distribution transformers needed to support projects.

East Avenue Loop ACT 248 \$128,782

This project obtains the ACT 248 for the proposed 115 KV loop to East Avenue Substation project.

Eliminate Substation #2, #7 \$38,182

GT Blanket \$18,000

This is for the replacement and upgrade of GT components such as starter motors, PLC devices, relays,

monitoring equipment hardware, support equipment, and equipment control/programming software.

ICCP **\$55,100**
Install Automated Switch **\$38,057**

This project connects Queen City Line 2 with Lake Street Line 7 by installing an automated switch at the intersection of Pearl Street and Union Street.

Installing Conduits & Pads **\$192,051**

This project installs conduits for the 34.5 KV circuit at East Avenue Substation, for the 13.8 KV circuits at the northwest corner of Pearl Street and N. Prospect Street, and at McNeil Substation. This project is part of the relocation of BED's lines at the waterfront.

Lake Street Substation Roof **\$28,000**

Ledgwood Apartments **\$281,959**

This project replaces the old direct buried underground electrical system at the Ledgwood Apartments with cables in new conduits.

Northgate Apartments **\$433,730**

This project replaces the old underground electrical system at Northgate Apartment with new underground wires in conduits.

Replacement of Line 7 **\$139,107**

This project replaces the old underground wire and conduit system on S. Prospect Street between Pearl Street and College Street.

Replace Utility Pole Tops **\$25,000**

Riverside Avenue Arial **\$2,079,566**

RTU Upgrades **\$19,552**

To replace in service damaged components, allow for unit expansion, and upgrade our older RTU's to newer microprocessor based equipment. Our replacement plan is 4 RTU's per year starting with the oldest, most critical units. The replacement units will allow us to use multiple protocols, fiber optic (LAN) connections, and improved error checking, as well as increase data transmission speeds. We have 15 remaining RTU's, last year we replaced 4 RTU's.

Secondary Service **\$18,609**

This blanket will cover new service installations.

Meter Purchase and Installation **\$202,248**

Station Upgrades **\$23,250**

(311) structures - \$2,500; (312) Boiler Plant - \$35,000; (314) Turbine Generator - \$7,000; (316) Plant

Street Lighting **\$196,427**

This estimate accounts for street lighting replacement and upgrade in the City.

Underground Construction & Replacement **\$75,318**

This blanket will cover damage to our underground system due to aging cables, and water damage to underground electrical equipment.

Upgrade East Avenue **\$103,764**

Vehicle and Trailer Replacements **\$96,000**

\$23,000

Various Conversions **\$387,714**

General Small Equipment **\$292,255**

Historical Capital Spending

This table summarizes five complete years, FY1996 to FY2000 and the first six months of this fiscal year 2001 of capital spending. Over this time period, the City departments invested over \$87.3 million in improvements to land, buildings and facilities, and the replacement of major vehicles and equipment. The summary by department is as follows:

Capital Expenditures

Department	FY 1996–2001
Airport	45,765,000
CEDO	47,241
Cemetery	106,771
City Arts	399,513
Clerk Treasurers	173,649
Fire	853,204
General	4,399,920
Library	151,754
Marketplace	6,274
Police	3,347,252
Parks & Recreation	4,839,758
Public Works	20,478,269
Planning & Zoning	51,955
Schools	4,777,273
Wastewater	383,921
Water	1,572,054
Total	87,353,808

During this period the City invested in major renovations and expansion to the Airport, the acquisition and renovation of the Police Station, the Central Maintenance Facility, major renovations to Leddy Arena and other Parks facilities, street reconstruction, school renovations and expansions, as well as, the replacement of police cruisers, fire trucks, and public works vehicles. Funds used included locally raised property tax dollars; voter approved general obligation and revenue bonds, certificates of participation and federal and state grants in 199_. The voters approved expansion from 250,000 to 750,000 per year in borrowing authority for annual small capital programs as well as a .5 cent increase in the dedicated tax for street sidewalk and curb repairs (including ½ cent for greenbelt improvements). In 2005 the annual borrowing authority was increased to \$1 million.

Over half of the expenditures occurred at the Airport. Other expenditures included street reconstruction program, the construction of the Central Maintenance

Facility, the Police Station, the Lakeview parking garage, and school reinvestment.

Some major projects of recent origin, such as, the 52 million wastewater system improvements and the construction of two new fire stations are not included since they occurred before FY 1996.

Tax Increment Financing (TIF) District Projects

The City has established a Tax Increment Financing District in the downtown. The District generally includes the property on the West Side of Battery Street along the waterfront between King Street and the urban reserve. It also includes the Burlington Square Mall property extending from Battery Street east to Church Street and the former Woolworth property. It was later expanded to include property on Lakeside Avenue. The purpose of the District is to provide a funding mechanism for public improvements by dedicating the incremental growth in tax revenue from property development within the District for these capital costs.

Fiscal years 1995 and 1997 are the baseline for determining the incremental value the revenue from which is devoted to capital repayments.

Tax Increment Financing District Projects

Project	Source	FY 2006
Lake Street Reconstruction	HUD Section 108	118,090
Urban Reserve Acquisition	Certificates of Participation	103,790
Lakeview Parking Garage	Certificates of Participation	None in FY06
Waterfront Fishing Pier	Certificates of Participation	33,540
Lake Street Site	HUD Section 108	26,410
Battery Street Extension	Estimated	15,000
131 Battery Street	HUD Section 108	85,000

The first capital project in the District was the reconstruction of Lake Street and improvements to both Community Boathouse and the former Moran Generating Station. This project was financed with HUD Section 108 Loan Guarantee program. And has a current year obligation of \$108,090. The second project is the repayment of certificates of participation for the urban reserve land acquisition, which requires \$103,790 this fiscal year. The third project is the

downtown (Lakeview) parking garage constructed in association with the location of the Filene’s department store and the Burlington Square Mall renovations. The FY 2006 obligation is \$545,820, including state contributions from the Vermont Downtown program and the remainder coming from tax increments. In FY 2001, the City sold additional certificates of participation the construction of a new fishing pier on the waterfront. The obligation for FY 2006 is \$33,540.

In FY 2005, design and engineering work began begin on the expansion of the Lakeview and College Street garages as part of the Westlake hotel and housing development project. This construction is now in progress.

Certificates of Participation (COPS)

Over the years, the City has sold certificates of participation to provide lease financing for certain essential and key public improvements. The first projects funded under this method include the Police Station, Lakeview Parking Garage, and the Urban Reserve Acquisition. Over time, three other projects have been added. The first is the central maintenance facility which houses public works and parks maintenance, equipment maintenance, and administration. The project replaced severely substandard public works and parks maintenance facilities, alleviated the need for certain rented office space, and expanded available parks programming space. The FY 2006 lease obligation will be \$278,959 which is included in a new operating program budget for the facility. The second project is the waterfront fishing pier with an annual lease payment of \$35,740. The third project under the certificates of participation program is the renovation of approximately 3,000 square feet of general office space for City use to be included in the supermarket development project at 82-92 South Winooski Avenue. The FY 2005 payment of \$27,640 will come from BCDC resources. In July, 2002, the certificates relating to the Police Station were refunded, producing a considerable amount of savings to the City.

The City will sell approximately \$8 million in certificates in June 2005 for the Westlake project. First payments will not be due until FY 2007.

Certificates of Participation Summary

Project	Source of Payment	FY 2006
Police Station	General Fund	200,734
Central Maintenance Facility	General Fund	278,959
Lakeview Parking Garage	Tax Increment District	535,140
Urban Reserve Acquisition	Tax Increment District	105,960
Fishing Pier	Tax Increment District	35,740
82-92 South Winooski	BCDC	27,640

Burlington Community Development Corporation (BCDC)

Incorporated in the State of Vermont in 1982, the Burlington Community Development Corporation is a non-profit corporation established to further the community and economic development objectives of the City of Burlington. Towards those objectives, it works in partnership with City Departments to secure financing for City sponsored projects. Under its bylaws, the Board of Directors is the same as the City’s Board of Finance, which consists of the Mayor, City Council president, two City Councilors, and the City Clerk Treasurer.

BCDC, as a legally separate entity of the City, is accounted for as a component unit of the City’s financial statement. An operating budget is not included for this function but its revenues and expenditures are shown in the City’s General Ledger and on the consolidated revenue and expenditure statement included in this budget.

BCDC owns a property at 131 Battery Street which is slated to be sold to a private concern pending a permit appeal. The Battery Street building will be sold as an offer has been accepted from a local vendor to purchase the property. Permits for the redevelopment project have been obtained but are currently under appeal.

BCDC served as the agent of the City in the public/private partnership to locate a new downtown supermarket. BCDC entered into a long-term lease for the land with the Onion River Coop for the operation of the City Market.

BCDC also owns a building at the Burlington International Airport Industrial Park which is leased to The AV Center.

In addition to the buildings noted previously, the Burlington Community Development Corporation has also participated in other transactions over the years. In May of 1996, BCDC was authorized to provide financing for the construction and purchase of two new industrial buildings at the Airport Industrial Park. These buildings were to house expanded operations for both the Pratt & Whitney Company, a leader in the design, manufacture and support of engines for commercial, military and general aviation aircraft, and Aviatron, who provides aircraft component repair and overhaul services. BCDC secured loans from the Howard Bank and from the Vermont Economic Development Agency (VEDA) to finance this work. The construction was completed, and these two tenants paid rent to BCDC. In August 1999, the Airport purchased these two buildings having a total book value of \$2,693,594 and the loans with the Howard Bank and VEDA were extinguished.

BCDC continued to work with the Airport on an expansion project involving additional space for Pratt & Whitney, relocation of the Army National Guard facility and a new location for an Airport FBO.

Telecommunications Project

The City is moving forward with the expansion of the telecommunications project. The effort builds upon the successful contraction of a broadband fiber network serving city and school facilities with voice and data services. The expansion is both geographically – bring the broad band network to the whole city, and service offerings – including the triple play of voice, data and cable TV service over the advanced digital network. Funding has been secured for the expansion of the project. The staff is expanding from the core of technical persons that designed and implemented the original 16 miles of fiber backbone to include additional technical, marketing, customer service and business staff required to offer a full range of services direct to the customers.

The City is before the Vermont Public Service Board with an application for a Certificate of Public Good (CPG) for cable TV services, the required CPG for other service already in place. The CPG is expected to be awarded in the summer 2005. Meanwhile the finalization of the technical design, purchase of required electronic and other equipment and development the customer service capacity are being completed in anticipation of unveiling a test site in late summer, early fall and moving to service offering in 2006.

The expansion project is financed through a lease financing subject to the annual appropriation by the

City Council. The project is designed to operate on its own revenues; property taxes are not being used to subsidize the project. The project has been established as an enterprise fund in accordance with Government Accounting Standards.

