

## **CAPITAL IMPROVEMENTS**

Since the establishment of the Capital Fund in 1989, the City has successfully begun the process of restoring and improving its capital assets. In August 1993, voters passed a one-half cent sales tax dedicated to capital improvement projects. This new source of revenue has greatly enhanced the City's ability to meet its capital needs. Major accomplishments and highlights of St. Louis' capital improvement program are shown on the table on the following page.

This section presents an overview of St. Louis' capital improvement program, including the planning process, the five-year Capital Improvements Plan, and the FY99 Capital Budget. The entire Capital Improvements Plan, including a budget for each fund, account, and subaccount within the Capital Fund, is presented in a separately bound volume.

### **CAPITAL PLANNING PROCESS**

To address the City's pressing capital infrastructure and equipment needs, the City of St. Louis established capital planning policies and the Capital Fund in 1989. City ordinances require the Budget Division, together with the Capital Committee, to develop a five-year capital improvement plan (CIP) annually. Each year, a Capital Budget must be prepared, based on the first year of the CIP. Both the CIP and Capital Budget must be submitted by the Budget Division to the Board of Estimate and Apportionment and Board of Aldermen for approval. The CIP and Capital Budget are submitted in the same manner and time as the general operating budget of the City.

## CAPITAL IMPROVEMENT PROGRAM ACCOMPLISHMENTS

### *Roads and Bridges*

- Replacement of several major bridges in the City, including the South Kingshighway, Alabama bridge and the Arsenal Street bridge.
- Resurfacing of arterial and residential streets throughout the City.

### *Neighborhood Stabilization*

- Improvements, such as enhanced lighting, street resurfacing, and new playground equipment, in the City's six major parks and many neighborhood parks
- Enhanced street lighting at all recreation centers, neighborhood parks, community schools and churches throughout the City.
- Demolition of abandoned buildings
- Improvements at the City's recreation centers

### *Facility Improvements and Equipment Replacement*

- Repair, expansion, and construction of City-owned buildings, including the Civil Courts Building, the Justice Center, and the Police Department area command stations.
- Implementation of a rolling stock replacement program
- Progress toward complying with Federal mandates
- Replacement of refuse containers

The Capital Committee is responsible for the assessment and review of capital needs and

must develop and recommend the CIP and Capital Budget. As established by ordinance, the Capital Committee consists of the following members: the Budget Director, who serves as Chairperson, the Community Development Agency Director, the President of the Board of Public Service, the President of the Board of Aldermen (or his designee), one other Alderman appointed by the President of the Board of Aldermen, the Comptroller (or his designee), one other person from the Comptroller's office, the Mayor (or his designee), and the Chairperson of the Ways and Means Committee.

A committee of City residents, the Citizen's Advisory Committee for Capital Expenditures, is involved in the capital planning process. This committee reviews and assesses capital needs, advises the Capital Committee on the development and recommendation of the CIP and Capital Budget, and reviews the City's capital accomplishments.

The Capital Committee selects and prioritizes capital projects using established criteria. The following criteria are used to evaluate projects:

- Capital improvements that will foster St. Louis' goal of preserving and improving municipal buildings and other assets;
- Capital improvements that will foster St. Louis' goal of fiscal stability and soundness;
- Capital improvements that will foster St. Louis' goal of preserving its infrastructure and heritage;
- Projects that reduce the cost of operations or energy consumption;
- Projects that promote operational safety.

In January 1994, the Capital Committee adopted additional selection criteria. Projects are evaluated and funding recommendations are made according to the following priorities:

- 1) Required payment for existing debt service
- 2) Local match amounts for bridge improvements et al

- 3) Funding for State and Federal mandates, including underground storage tank removal, ADA compliance, asbestos and lead paint abatement
- 4) Ongoing replacements necessary for City operations

## **FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

The 1999-2003 Capital Improvements Plan identified the projects funded in the FY99 capital budget and those projects scheduled for the next four years. Projects included in the Capital Improvements Plan (CIP) from FY1999-FY2003 have a projected cost of \$400 million. The projects will be funded through a combination of local, state and federal sources. Over the five-year period, approximately \$172 million will be appropriated to pay for the projects. This amount includes outright purchases as well as debt service payments, and in the case of road and bridge projects, the City's local matching share of the total cost.

Projects included in the CIP have been grouped into three major categories. These categories are road and bridge improvements, neighborhood stabilization projects, and facility improvements and equipment replacement. Table 1 presents a summary of proposed capital projects for the next five years. The projects presented in the FY99 column represent the FY99 Capital Budget, while projects in subsequent years will be reviewed and updated on an annual basis. A detailed description of each proposed project is included in the separately bound Capital Improvements Plan.

### **Road and Bridge Improvement Projects**

Over \$85 million in road and bridge improvement projects is planned for FY99 to FY2003. This represents about 22 percent of total CIP projects in either progress or begun over the five-year period. Most of the costs of the transportation projects are funded through the Federal Surface Transportation Program. For these projects, the City is required to fund a 20 percent local match payment.

**TABLE I  
CAPITAL IMPROVEMENT PLAN  
USES OF FUNDS**

	FY99	FY2000	FY2001	FY2002	FY2003	TOTAL
<b>Road and Bridge Improvement Projects</b>						
Surface Transportation Program (ISTEA match)	\$3,031,000	\$2,705,000	\$2,305,000	\$2,760,000	\$2,280,000	\$13,081,000
Arterial Street Resurfacing / Repair	1,000,000	500,000	500,000	1,000,000	1,200,000	4,200,000
Bridge Resurfacing / Repair	250,000	250,000	250,000	250,000	250,000	1,250,000
<b>Total Road and Bridge Improvement Projects</b>	4,281,000	3,455,000	3,055,000	4,010,000	3,730,000	18,531,000
<b>Neighborhood Stabilization Projects</b>						
Ward Improvements	8,750,000	8,969,000	9,193,000	9,423,000	9,658,000	45,993,000
Police Department Improvements (Debt Service)	1,410,000	1,401,000	1,403,000	1,397,000	1,392,000	7,003,000
Major Park Improvements & Debt Service	2,975,000	3,049,400	3,125,600	3,203,800	3,283,800	15,637,600
Recreation Center Improvements	525,000	538,100	551,600	565,400	579,500	2,759,600
Building Demolition - Vacant Buildings	750,000	550,000	550,000	550,000	750,000	3,150,000
Warning Siren System	2,500,000	0	0	0	0	2,500,000
<b>Total Neighborhood Stabilization Projects</b>	16,910,000	14,507,500	14,823,200	15,139,200	15,663,300	77,043,200
<b>Facility Improvements and Equipment Replacement</b>						
Civil Courts Building Renovation (FY94 Lease Purchase)	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	14,000,000
Justice Center / MSI	8,100,000	8,400,000	9,300,000	9,300,000	9,300,000	44,400,000
Improvements to City Buildings	6,600,000	925,000	660,000	650,000	525,000	9,360,000
Ambulance Replacement	180,000	180,000	180,000	180,000	180,000	900,000
Other Rolling Stock Replacement	2,629,000	1,000,000	900,000	1,000,000	1,700,000	7,229,000
Federal Mandates	350,000	150,000	150,000	150,000	200,000	1,000,000
<b>Total Facility Improvements and Equipment Replacement</b>	20,659,000	13,455,000	13,990,000	14,080,000	14,705,000	76,889,000
<b>All Capital Improvement Projects</b>	\$41,850,000	\$31,417,500	\$31,868,200	\$33,229,200	\$34,098,300	\$172,463,200

The CIP also includes \$4.2 million for arterial street resurfacing and \$1.2 million for bridge repair/resurfacing. These street and bridge improvements will be funded entirely with City dollars. Prior to the passage of the capital improvement sales tax, many needed arterial street and bridge repairs went undone.

### **Neighborhood Stabilization Projects**

Neighborhood stabilization capital projects include improvements in the City's 28 wards, recreation centers, parks, and Police Department, along with the lighting enhancement program and building demolition. Approximately \$77 million in neighborhood stabilization projects is included in the five-year plan. Proposed five-year plan funding includes the following:

- \$46.0 million for ward improvements
- \$15.6 million for major park improvements
- \$7.0 million for Police Department improvements
- \$3.2 million for building demolition
- \$2.8 million for recreation center improvements
- \$2.5 million for warning siren replacement

The majority of neighborhood stabilization projects will be improvements in the City's neighborhoods and parks. In FY99, each alderman will receive \$312,500 for capital improvements in their ward. In the past, alderman have spent these funds to resurface residential streets, improve neighborhood parks, reconstruct alleys, enhance street lighting and replace refuse containers.

## **Facility Improvement and Equipment Replacement**

Approximately \$77 million in facility improvements and equipment replacement is planned for the next five years. More than 75% of this amount will be expended to retire the debt associated with the new Justice Center and the expansion of the Medium Security Institution, which was completed in FY1996.

Facility improvement and equipment replacement projects proposed in the five-year plan include:

- \$44.4 million for the MSI expansion and Justice Center financing
- \$16.6 million for renovations to the Civil Courts building
- \$7.3 million for rolling stock replacement
- \$6.8 million for improvements to City buildings
- \$1.0 million for Federal mandate compliance
- \$0.9 million for new ambulances

## **Funding Sources**

The capital projects included in this plan will be financed through a combination of local, state, and federal sources. Table II presents a summary of estimated resources available for capital expenditures for the next five years. A brief description of the funding sources follows.

**TABLE II  
CAPITAL IMPROVEMENT PLAN  
SOURCES OF FUNDS**

	<b>FY99</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>	<b>TOTAL</b>
Previous Year General Fund Operating Balance	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
1/2 Cent Sales Tax for Capital Improvements	17,500,000	17,938,000	18,386,000	18,846,000	19,317,000	91,987,000
Transfer from Gaming Fund	2,800,000	3,000,000	3,000,000	3,000,000	3,000,000	14,800,000
Income from Sale of City Assets	6,450,000	250,000	250,000	250,000	250,000	7,450,000
General Fund Transfer for Justice Center Payment	4,700,000	5,000,000	5,000,000	5,900,000	6,300,000	26,900,000
Beginning Balance	80,000	80,000	80,000	80,000	80,000	400,000
General Fund Transfer for FY94 Civil Courts Lease Purchase	2,085,000	2,100,000	2,100,000	2,100,000	2,100,000	10,485,000
General Fund Transfer for Surface Transportation Program	800,000	800,000	800,000	800,000	800,000	4,000,000
Fund 1218 Transfer - DSR Earnings	700,000	500,000	500,000	500,000	500,000	2,700,000
Gasoline Tax Revenues	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	8,750,000
<b>TOTAL SOURCES OF REVENUE</b>	<b>\$41,865,000</b>	<b>\$31,418,000</b>	<b>\$31,866,000</b>	<b>\$33,226,000</b>	<b>\$34,097,000</b>	<b>\$172,472,000</b>

## *Local Sources*

The major local funding source is the one-half cent sales tax for capital improvements. This tax was passed in 1993 and is expected to generate about \$17.5 million this year. Proceeds from the capital improvement sales tax are distributed among the City's 28 wards (50%), citywide improvements (20%), major parks (17%), the Police Department (10%), and recreation centers (3%).

The City's General Fund, supported by local taxes and fees, contributes to the Capital Fund. In the FY99 Capital Budget, \$7.6 million will be transferred from the General Fund to the Capital Fund for capital projects. These funds are used to pay debt service on the expansion at the Medium Security Institution, construction of the Justice Center, and the renovation of the Civil Courts Building and to help fund the City's local match requirement for bridge and street projects. Additional local revenues, about \$250,000 annually, are generated through the sale of City assets, such as vehicles.

In addition, half of any general fund-operating surplus is by ordinance transferred to the Capital Fund each year. Due to the impending need to replace the City's aging siren system, the FY99 capital budget appropriates the full operating surplus, currently estimated at \$5.0 million for FY98. If any general fund operating surpluses become available in future years, the City will budget these funds in the Capital Budget on a year-by-year basis. An additional \$6.2 million is available for appropriation as the result of the sale of Columbia Bottoms property to the State. The sale netted a total of \$9.3 million, of which \$3.1 million was appropriated in a supplement to the FY98 budget. Another local source of funds is revenue derived from riverboat gaming, which is discussed later in this section.

### ***State Sources***

The Capital Fund receives funding through several taxes and fees imposed by the State of Missouri. The City has allocated a portion of the proceeds of the statewide gasoline tax to be used for capital improvements. In FY99, \$1.75 million in gasoline tax revenues will be transferred to the Capital Fund. The entire revenue increase from additional gasoline tax revenues was dedicated to the Capital Fund. These revenues are used to help fund the City's local match requirements on bridge replacement and street repair projects financed through the Federal STP program.

In 1995 the state recently imposed an additional \$35 court filing fee on cases filed in the 22nd Judicial Circuit Court in St. Louis. Revenues generated from this filing fee are being used to assist in financing renovations to the Civil Courts Building. This additional filing fee generates about \$700,000 annually. These revenues are included in the general fund transfer for the FY94 Civil Court lease purchase.

### ***Federal Sources***

The City of St. Louis relies heavily upon Federal funding to finance its road and bridge improvement projects. Federal funding is available through the Surface Transportation Program (STP), which was established through the Intermodal Surface Transportation Efficiency Act (ISTEA). The ISTEA program provides 75 to 100 percent of the cost of major bridge renovation or replacement projects and certain street improvement projects. The St. Louis Metropolitan region receives approximately \$14 million annually in such matching funds and is currently on a three year planning cycle.

### ***Gaming Revenues***

Currently, the City benefits from three direct sources of gaming revenues. The first is a 10% share of the state tax on gaming adjusted gross receipts, (AGR). With the state tax set at

20%, the City's share is equal to 2% of AGR. The state also imposes a two-dollar fee for all admissions to a gaming boat, with the City receiving one-half of this fee, or a dollar per admission. A third source of revenue is the lease between the City's Port Authority and the riverboat operator. The current lease with the President Casinos specifies a payment of 2% of AGR.

Based on AGR on the riverfront since the approval of slot machines and on anticipated admissions, the City projects annual revenues of approximately \$5.4 million per year from these three sources of gaming revenues.

In appropriating these revenues the City has opted for a spending formula that maximizes the impact of these receipts without making ongoing City operations dependent on the success of the gaming industry. By state statute, the 2% of AGR the City receives from the state is set aside for use in providing services necessary for the safety of the public visiting gaming boats. Funds from this source are therefore appropriated primarily for Police Department services on the riverfront and for riverfront street lighting, and for public right-of-way improvements. Revenue from the admission fee is unrestricted as to use and will be used to supplement funds available for capital improvement projects.

## **FY99 CAPITAL BUDGET**

The capital budget for FY99 is \$41.9 million. Table III presents a summary of the FY99 capital budget. Citywide capital projects comprise over 66 percent of the total capital budget and ward improvement projects are about 21 percent of the budget. The remainder is divided among major parks, recreation centers, and the Police Department. The one-half cent sales tax for capital improvements is the largest source of capital funding and is expected to generate approximately \$17.5 million in revenue for capital improvements in FY99. Other major sources of funding include transfers from the General Fund, gasoline tax revenues, and gaming revenues. Also included for FY99 are the proceeds from the sale of City-owned property, known as Columbia

Bottoms in the amount of \$6.2 million.

The FY99 capital budget is nearly 25 percent higher than the previous year's budget. Debt service charges are higher as a result of changes in the design of the Downtown Justice Center and expected issuance of additional debt for project completion. Other areas with the largest percentage increases are 1) Roads and Bridges Reconstruction Program, 2) the City Building Improvement Program, and 3) the Rolling Stock Replacement Program. Funds available for Neighborhood Stabilization projects supported by the sales tax for capital improvements will remain at the current year's amount. During FY98, the City passed a supplemental capital appropriation of \$4.5 million consisting of one-half of the operating surplus from FY97 and the first installment payment for the sale of Columbia Bottoms.

The major areas of capital improvement spending are summarized in the following table. A more detailed break down of the sources and uses of funds listed in table III can be found in the Capital Improvements Plan (CIP) which is in a separate volume.

**TABLE III  
FY99 CAPITAL BUDGET**

	FY98 Budget	FY98 Supplemental Appropriation	FY99 Budget
<b>SOURCES</b>			
Prior Year Balance Transfer Correction	\$500,000	\$0	\$0
Previous Year General Fund Balance	3,000,000	1,406,000	5,000,000
Previous Year Capital Fund Balance	0	0	0
Capital Improvement Sales Tax	17,500,000	0	17,500,000
Beginning Balance	0	0	80,000
Gaming Revenues	2,800,000	0	2,800,000
Gasoline Tax	1,750,000	0	1,750,000
General Fund Transfer - ISTEА	800,000	0	800,000
General Fund Transfer - FY94 Lease Payment	2,300,000	0	2,085,000
General Fund Transfer - Justice Center Lease Payment	4,100,000	0	4,700,000
Fund 1218 Transfer	500,000	0	700,000
Income from Sale of City Assets	223,000	3,100,000	6,450,000
<b>Total Sources</b>	<b>33,473,000</b>	<b>4,506,000</b>	<b>41,865,000</b>
<b>USES</b>			
Citywide			
Existing Debt	7,880,000	0	10,480,000
Surface Transportation Program Match (ISTEA)	2,510,000	390,000	3,031,000
Arterial Streets	1,538,000	0	1,000,000
Bridge Resurfacing/Repair	250,000	200,000	250,000
Alley Reconstruction - Pilot Program	200,000	0	0
Ambulance Replacement	180,000	0	180,000
Rolling Stock Replacement	2,310,000	44,000	2,629,000
Street Lighting Enhancement	500,000	0	0
Building Demolition	650,000	0	750,000
Federal Mandates	530,000	100,000	350,000
City Building Improvements	2,415,000	2,447,000	6,600,000
Economic Development Projects	0	1,200,000	0
Warning Siren System	0	0	2,500,000
Refuse Container Replacement	500,000	0	0
Total Citywide	19,463,000	4,381,000	27,770,000
Ward Improvements	8,750,000	0	8,750,000
Major Park Improvements	2,975,000	125,000	2,975,000
Police Department Improvements	1,750,000	0	1,830,000
Recreation Center Improvements	525,000	0	525,000
	14,000,000	125,000	14,080,000
<b>Total Uses of Funds</b>	<b>33,463,000</b>	<b>4,506,000</b>	<b>41,850,000</b>
<b>Operating Balance</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$15,000</b>

### ***Citywide***

Approximately \$27.8 million in citywide capital improvement projects is funded for FY99.

Highlights for FY99 include:

- \$10.5 million in lease purchase payments for the renovation of the Civil Courts Building and the Justice Center
- \$3.0 million for local match payments for road and bridge improvement projects under the Federal Surface Transportation Program
- \$2.8 million for the rolling stock replacement program
- \$1.0 million for arterial street resurfacing and repair
- \$750,000 for demolition of vacant buildings
- \$2.5 million for warning siren system replacement
- \$6.6 million for City building projects, equipment and repairs. Includes \$2.6 million for the completion of Civil Courts Building improvements and \$1.0 million for design work on the Justice Center.
- \$350,000 for projects required under Federal mandates, including the removal of underground storage tanks, asbestos and lead paint abatement, and improvements to comply with the Americans with Disabilities Act

### ***Ward Improvements***

In FY98, \$8.75 million will be appropriated for ward improvements. Each of the 28 aldermen will receive \$312,500 for capital improvements in their wards. Projects typically include improvements in neighborhood parks, residential street resurfacing, repairs to alleys, street lighting enhancement, and dumpster replacement.

### ***Major Parks***

The City's six major parks will receive approximately \$3.0 million in FY99 for capital improvement projects. The distribution of these funds among the parks is based upon the acreage

of the park. The FY99 Capital Budget appropriates the following amounts for each park:

Forest Park	\$1,823,000
Tower Grove Park	\$387,000
Carondelet Park	\$253,000
Fairground Park	\$184,000
O'Fallon Park	\$179,000
Willmore Park	\$149,000

***Recreation Centers***

\$525,000 is appropriated for capital improvements at recreation centers. The City currently operates 10 recreation centers located throughout the City. Capital improvements planned for FY99 include the air-conditioning at Tandy Recreation Center, upgrade lighting and doors at the Buder Center and upgrades of the buildings to comply with ADA standards at Tandy, Gamble and the Tucker and Park Centers.

***Police Department***

The portion of the capital improvement sales tax allocated to the Police Department will be used for debt service on the area command stations. The debt service payment scheduled for FY99 is approximately \$1.4 million. Funds remaining after debt service on the area command stations have been paid for will be used to augment lease payments on the Downtown Justice Center.

## **Capital Improvements Plan - Impact on Operations**

One of the criteria used in developing the City's Capital Improvements Plan is based on the impact a capital project may have on current and future operating budgets. Knowing to what extent a given project will increase or decrease future operating costs provides the opportunity to plan ahead once the project is approved and funded. For the most part, projects such as road and bridge improvements, building improvements and rolling stock replacement effectively improve the City's infrastructure and reduce the strain on resources dedicated for street, building and vehicle maintenance. Of course with the increase in the number of projects made possible by 1/2-cent sales tax proceeds, more operating funds have been allocated in recent years for design and engineering. For example, in FY98 the Board of Public Service staff increased by six positions to address increased demand of design work and project management. The enhanced lighting program has increased the City's energy costs. While the operating budget impact of this kind of capital spending is not project specific, other large capital projects such as the downtown City Justice Center will have a unique and identifiable impact on the City's general fund budget and are detailed in the project description. The following is a summary of projects from the FY99 Capital Budget that have or will have known impacts on future operating costs.

## CAPITAL IMPROVEMENTS PLAN - IMPACT ON OPERATIONS SUMMARY

<u>Division</u>	<u>Project</u>	<u>Operating Budget Impact</u>
Corrections & Police	City Justice Center	<p>The original debt service on the Justice Center is scheduled to gradually increase to \$8.5 million by FY2001. This cost is being funded by an estimated \$5.0 million in prisoner reimbursements from the State and \$3.0 million in Capital revenues. The additional debt service on the revised Justice Center plan may require up to an additional \$1.0 million per year. This will be funded by recent increases in the State's per diem reimbursement rate, as well as funds from the Police Capital accounts.</p> <p>While the new Justice Center will be significantly more efficient to run on a per bed basis, the overall rise in the number of detention beds will result in a net increase in operational costs. Preliminary annual operating cost estimates of the 732 bed facility total \$10.0 mil. With \$4.0 mil. in savings expected from the closing of the old 228 bed City Jail, the net annual increase in operating costs is estimated at \$6.0 million. This increased cost is expected to be offset by an estimated \$800,000 in annual savings due to the consolidation of the Police Departments prisoner processing / holdover function with the intake function of the Corrections Division upon completion of the Justice Center.</p>
City Wide Accounts	Civil Court Building Lease	<p>Of the \$2.8 million in annual debt service required to retire the debt on the FY94 Civil Courts building improvement lease, \$2.1 mil. is from the City's General Fund. Approximately \$0.7 mil. of this amount is from court fees specifically dedicated to the building improvements leaving the net annual impact on general revenues at \$1.4 mil.</p>
Equipment Services	Rolling Stock Replacement	<p>The City's Equipment Services Division maintains a vehicle replacement priority list based on the age and maintenance costs of City vehicles. By systematically replacing older vehicles with new rolling stock, the City seeks to optimize vehicle life cycles and control fleet maintenance costs. A total of \$2.6 mil. is appropriated for rolling stock in FY99. It is estimated that with these replacements the City will be avoiding in excess of \$100,000 in maintenance costs. However, these savings will be offset by the aging and increased maintenance costs of those vehicles that are not replaced.</p>
BPS	Surface Transportation Program (ISTEA), Arterial Street & Bridge Repair, Ward & Other Improvements	<p>The Board of Public Service (BPS) provides the engineering, design and project management services for the City's public work projects. While many of these projects may be small in size and have little impact on the operating budget, collectively the need to design and manage a greater number of projects has led to increases in the operating budget for BPS. The FY99 budget has a net increase of 1 position previously assigned to special project funds that is now assigned to assist with general projects. The cost of recent personnel additions is about \$300,000. Also, the budget for BPS annually contains \$800,000 in local matching funds as part of the federal ISTEA street repair program.</p>

## CAPITAL IMPROVEMENTS PLAN - IMPACT ON OPERATIONS SUMMARY

<u>Division</u>	<u>Project</u>	<u>Operating Budget Impact</u>
Building, Parks	Building Demolition	The City incurs a number of costs related to abandoned and derelict buildings. The demolition of these structures does provide some relief in areas such as the Building Division which must continually ensure that the buildings are securely boarded-up. It also costs twice as much to control weed and debris around a vacant building than a vacant lot. Assuming the demolition of about 700 buildings, the City can expect savings of about \$80,000 per year in these areas. Of far greater impact however is the potential cost avoidance related to the elimination of public safety hazards for services such as the Police and Fire Departments.
Traffic	Street Lighting Enhancement	Through FY98, approximately 30% of the City's 51,000 street lights have been enhanced with higher wattage bulbs. This public safety initiative has focused on public gathering areas such as parks, schools and recreation centers. In FY98, street lights around churches were upgraded. The direct impact on the operating budget from this initiative has been an increase in utility bills due to the increased wattage of the street lights. The estimated annual cost increase for those light enhancements already completed or underway totals about \$215,000. This cost can be expected to increase to about \$250,000 per year once lighting enhancements funded in FY98 are complete.
Streets	Salt Storage Facility	The construction of the salt storage facility will reduce the salt run-off which results in an approximate \$37,000 loss of salt annually. It also reduces the labor needed to maintain the cover and limits the risk of injury when dealing with frozen salt. The new facility will provide a storage location for seasonal vehicles. This will reduce the cost to winterize the seasonal equipment. The equipment storage area will be heated using City produced waste motor oil.

### General Fund Impact (constant 1998 dollars)

<u>Department / Division</u>	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
City Wide Accounts (net revenues)	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Public Safety - ( Corrections )	100,000	200,000	200,000	6,000,000	6,000,000
Public Safety ( Police )	0	0	0	(800,000)	(800,000)
BPS - Equipment Services	0	0	0	0	0
BPS - President's Office	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Parks - Forestry Division	(48,000)	(93,000)	(138,000)	(183,000)	(228,000)
Public Safety - Building Division	(32,000)	(62,000)	(92,000)	(122,000)	(152,000)
Streets - Traffic & Lighting	250,000	260,000	270,000	280,000	290,000
Streets Department	0	(37,000)	(37,000)	(37,000)	(37,000)
	<u>\$2,770,000</u>	<u>\$2,768,000</u>	<u>\$2,703,000</u>	<u>\$7,638,000</u>	<u>\$7,573,000</u>