

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Internal Service **Program Contact:** John Lindenthal
Related Programs: 72068, 72070, 72072, 72075

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 Description

The Capital Improvement Program creates an annual 5-year Capital Plan that focuses on the County's 22 primary owned Tier II* and III** buildings. It works in conjunction with the long-term 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. *A Tier II building is one that is a desirable part of the County's long-term portfolio but that has significant deferred maintenance needs which must be addressed. **A Tier III building is one that is uneconomic or impractical to improve to current 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.

Program Justification

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 all departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users. The Facility Asset Management Evaluation (FAME) database projects a need of \$4.58/sq.ft. annually over a 30 year period excluding seismic. If seismic was included, it almost doubles the need. We use the FAME database as one indicator to determine building needs. Currently the rate for FY09 is \$2.35/sq.ft. and will be \$2.55/sq. ft. in FY10. In addition to the annual increases, additional funding sources are needed.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Completed CIP Projects	65.7%	85.0%	60.0%	85.0%
Outcome	Portion of Primary Owned Buildings which are rated as Tier I*	57.7%	58.8%	58.8%	58.8%
Outcome	Project Management Costs (\$/hr)	96	92	92	95

Performance Measure - Description

The metric (output) for completed projects are those adopted stand-alone projects that are scheduled to be completed in current fiscal year. Only multi-year projects which are scheduled for completion in the subject year are included in the metric. The project completion metric is set at 85%. This allows for flexibility in adjusting project schedules due to County needs and unforeseen circumstances. In FY09 to date, Project Manager's project workload includes an additional 37% of unplanned/emergency projects. This unplanned and unscheduled work affects planned projects completion. Also, a staff vacancy (7 months) affected the start of several projects this year.

*A Tier I building is one which is designated for long-term retention and which meets current County standards.

The Primary Owned Tier 1 building percentage change is due to the Martha Washington building. It is still projected to be disposed of by the end of the FY09 (June 30, 2009).

Comparable project management costs at the City of Portland are \$103/hr in FY'09 (this year).

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2009	2009	2010	2010
Personnel	\$0	\$86,555	\$0	\$0
Contracts	\$0	\$19,199,039	\$0	\$0
Materials & Supplies	\$0	\$250,000	\$0	\$387,237
Internal Services	\$0	\$25,000	\$0	\$474,500
Capital Outlay	\$0	\$28,964,144	\$0	\$44,166,314
Cash Transfer	\$0	\$1,923,203	\$0	\$0
Subtotal: Direct Exps:	\$0	\$50,447,941	\$0	\$45,028,051
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$50,447,941	\$0	\$45,028,051
Program Total:	\$50,447,941		\$45,028,051	
Program FTE	0.00	1.00	0.00	0.00
Program Revenues				
Fees, Permits & Charges	\$0	\$0	\$0	\$10,800,000
Intergovernmental	\$0	\$2,221,000	\$0	\$388,000
Other / Miscellaneous	\$0	\$48,226,941	\$0	\$33,840,051
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$50,447,941	\$0	\$45,028,051

Explanation of Revenues

Beginning working capital is \$15,225,000 including \$500,000 for FY08 Hansen Bldg and \$1,850,000 for FY08 McCoy project carryover; \$5,978,000 carryover for other projects in process; \$6,896,797 of Portland Development Commission funding (\$8.8 million minus \$1.9 million transferred to Bridge Shop) plus \$165,000 earned interest dedicated Hawthorne Bridgehead relocation; \$177,924 Central Library Foundation

Additional Revenue - \$140,000 IGA Agreement for Jail bed rental, agreement ends in 2012. \$248,000 Shared project costs from City of Portland at the Justice Center; \$3,188,521 CIP fees of \$2.35 per square foot Cash Transfer amount with \$49,352 2nd year Lincoln Bldg loan amortization; Program Offer 72067; \$8,800,000 Potential sale to public for the Morrison Bridgehead property; \$2,000,000 Potential sale to public for the Penumbra Kelly Building; Cash transfer amt is \$2.35 psf. .20 cent var from fund 3505 collection \$2.55 is for deferred maint loan partial payment.

Significant Program Changes

✔ Significantly Changed

Last year this program was:

Last year this program was: #72050, Facilities Capital Improvement Program (CIP). The proposed 8% increase in last years program offer(s) (#72057) was not funded for FY09. Note: the 8% increase was requested in a separate program offer. This years Program Offer includes a rate increase of 8% as proposed in the Board-approved Facilities Strategic Plan. Without the projected rate increases, the CIP will not be able to keep up with future building needs. In addition, periodic infusions of additional funds and/or other funding strategies will be needed. Further, the FY09 Downtown Courthouse plan (program offer #72053) has been incorporated into this program offer.