

<b>Department:</b>	County Assets	<b>Program Contact:</b>	John Lindenthal
<b>Program Offer Type:</b>	Internal Service	<b>Program Offer Stage:</b>	As Requested
<b>Related Programs:</b>	78007		
<b>Program Characteristics:</b>	In Target		

### 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 Summary

The Capital Improvement Program (CIP) creates an annual 5-year Capital Plan that focuses on the County's 17 primary owned Tier II and III buildings. (Two buildings are Libraries)  
 A Tier II building is one that is a desirable part of the County's long-term portfolio but has significant deferred maintenance needs which must be addressed. A Tier III building is one that is not economical or impractical to bring to 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. The plan works in conjunction with the 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 over a 10 year horizon.

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 departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users. The program is working on modifying the Facility Asset Management Evaluation (FAME) database into PULSE (Planned Useful Life - System Evaluation). The modified database is a better reflection of the County's business practices on capital improvements.

The Facilities Asset Strategic Plan (FASP) will also alter the projections on capital needs into the future. There is currently an identified capital need estimated at \$25,000,000 per year in fiscal years FY18-FY22. Efforts are underway County-wide to work on our building portfolio's recapitalization needs, which the current 8% annual CIP revenue increases are not adequate to address.

### Performance Measures

Measure Type	Primary Measure	FY13 Actual	FY14 Purchased	FY14 Estimate	FY15 Offer
Output	Percent of Planned CIP Projects Completed	62.2%	85.0%	88.0%	85.0%
Outcome	Percent of Primary Owned Buildings rated as Tier 1	66.7%	66.7%	66.7%	66.7%

### Performance Measures Descriptions

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.

## Legal / Contractual Obligation

Health Dept Headquarters (HDHQ) agreement with Home Forward

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2014	2014	2015	2015
Contractual Services	\$0	\$4,000,000	\$0	\$0
Materials & Supplies	\$0	\$1,120,531	\$0	\$476,000
Internal Services	\$0	\$450,000	\$0	\$0
Capital Outlay	\$0	\$61,058,999	\$0	\$65,791,980
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$66,629,530</b>	<b>\$0</b>	<b>\$66,267,980</b>
<b>Program Total:</b>	<b>\$66,629,530</b>		<b>\$66,267,980</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00

Program Revenues				
Other / Miscellaneous	\$0	\$30,322,511	\$0	\$31,899,480
Financing Sources	\$0	\$15,700,755	\$0	\$21,012,500
Interest	\$0	\$110,000	\$0	\$110,000
Beginning Working Capital	\$0	\$20,000,000	\$0	\$12,026,000
Service Charges	\$0	\$496,264	\$0	\$1,220,000
<b>Total Revenue</b>	<b>\$0</b>	<b>\$66,629,530</b>	<b>\$0</b>	<b>\$66,267,980</b>

## Explanation of Revenues

50000 \$11,800,000 carryover of on going CIP Projects from FY14 Budget 50320 Cash Transfer \$4,869,000 carryover of Health Dept Headquarters budget from fund 2507 to fund 2510  
50215 Other Capital Program Agreement ~ \$400,000 Tax Increment Financing/ \$26,900,000 Portland Development Commission Health Dept Headquarters  
50236 \$37,500 IGA with Clackamas County for Jail Bed Rental / \$1,182,500 City of Portland for shared Capital project cost at Justice Center  
50270 \$110,000 Interest earnings on fund 2507  
50320 \$367,500 Cash Transfer CIP fee from Facilities fund 3505  
50310 \$3,535,800 CIP fee from County clients / 50320 Cash Transfer \$1,063,680 CIP fee from Library District from fund 2507 to fund 2506

## Significant Program Changes

**Last Year this program was:** 78006A Facilities Capital Improvement Fund

Capital Improvement Fund Significant Changes for FY15

The Library District Capital Fee for capital projects is now fund 2506 and segregated from county capital fund 2507

Health Department Headquarters project is now fund 2510 and segregated from county capital fund 2507