



Program #78205 - Facilities Capital Improvement Program 2/17/2017

Department: County Assets **Program Contact:** Henry Alaman
Program Offer Type: Internal Service **Program Offer Stage:** As Requested
Related Programs: 78204-18, 78206-18, 78213-18
Program Characteristics: 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 for the operating programs that use them.

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. 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 uses a PULSE (Planned Useful Life - System Evaluation) database to track building system life cycles.

Implementation of the Facilities Asset Strategic Plan (FASP) will also impact future capital needs. 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 | FY16 Actual | FY17 Purchased | FY17 Estimate | FY18 Offer |
|--------------|--|-------------|----------------|---------------|------------|
| Output | Percent of Planned CIP Projects Completed | 90.3% | 85.0% | 70% | 75% |
| Outcome | Percent of Primary Owned Buildings rated as Tier 1 | 66.7% | 56.3% | 58% | 58 |

Performance Measures Descriptions

- PM #1: Percent of planned projects that will be completed during fiscal year. Current year estimates are projected to be lower than planned due to vacancies from staff turnover.
- PM #2: Percent of Primary Owned Buildings rated as Tier 1.

Revenue/Expense Detail

| | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2017 | 2017 | 2018 | 2018 |
| Contractual Services | \$0 | \$6,007,853 | \$0 | \$8,328,398 |
| Materials & Supplies | \$0 | \$3,660,000 | \$0 | \$3,530,624 |
| Capital Outlay | \$0 | \$2,548,284 | \$0 | \$414,735 |
| Total GF/non-GF | \$0 | \$12,216,137 | \$0 | \$12,273,757 |
| Program Total: | \$12,216,137 | | \$12,273,757 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| Program Revenues | | | | |
|---------------------------|------------|---------------------|------------|---------------------|
| Other / Miscellaneous | \$0 | \$3,505,847 | \$0 | \$4,644,037 |
| Financing Sources | \$0 | \$585,439 | \$0 | \$199,519 |
| Interest | \$0 | \$35,000 | \$0 | \$35,000 |
| Beginning Working Capital | \$0 | \$7,514,475 | \$0 | \$5,661,029 |
| Service Charges | \$0 | \$590,441 | \$0 | \$1,734,172 |
| Total Revenue | \$0 | \$12,231,202 | \$0 | \$12,273,757 |

Explanation of Revenues

Fund 2507 Capital Improvement Program:

• 50000 BWC \$5,246,294 from Routine Project Carryover • 50236 IG City of Portland share of Justice Center Projects \$1,734,172 • 50270 Interest on fund 2507 \$35,000 • 50310 Intl Svc Reimbursement CIP Fee from County Occupants \$4,644,037 • 50320 Cash Transfer revenue from Fund 3505 FPM & Vacant space \$41,473 • 50320 Cash Transfer revenue from Fund 3505 FPM & Vacant space per repayment agreement for prior years CIP Fee on FPM/Vac SqFt due \$158,046

Fund 2503 Equipment Acquisition: 50000 BWC Carryover \$414,735

Significant Program Changes

Last Year this program was: FY 2017: 78205 Facilities Capital Improvement Program

A portion (\$288,526) of the CIP Fee from County Occupants will be included in program offer 78204-18 to cover Program Administration costs of the Facilities Capital Improvement Program.