



**FY 2018-23 Preliminary Five-Year Capital Improvement Program**

This report transmits the Preliminary Five-Year Capital Improvement Program (CIP) for information. The Charter requires the City Manager to submit the Preliminary CIP prior to adoption of the final budget.

The CIP represents investments in the long-term health of our community, through job creation and economic development, responsible infrastructure maintenance, sustainability and an assured water supply, and public safety. The five-year program totals \$5.2 billion, with a \$1,544,272,000 program for 2018-19. This report is available at: [http://www.phoenix.gov/budgetsite/Documents/PRelim\\_2018\\_23\\_CIP\\_Contents.pdf](http://www.phoenix.gov/budgetsite/Documents/PRelim_2018_23_CIP_Contents.pdf)

**THIS ITEM IS FOR INFORMATION AND DISCUSSION.**

**Summary**

The five-year Preliminary CIP presented totals \$5.2 billion. Year One of the program will ultimately be updated for carryover and presented to the City Council for appropriation; the remainder of the CIP is presented for responsible planning purposes and is dependent upon resource availability. The first year of the program totals \$1,544.3 million, including:

Aviation	\$560.2 million
Water	\$362.2 million
Street Transportation and Drainage	\$172.0 million
Wastewater	\$156.5 million
Public Transit	\$112.2 million
Other	\$181.2 million

Program-specific overviews have been presented to the appropriate City Council Subcommittees throughout January, February and March 2018. Programs presented include Arts & Culture, Aviation, Facilities Management, Housing, Parks, Public Transit, Solid Waste, and Street Transportation and Drainage.

Highlights of the first year of the program follow.

**Aviation:** \$560.2 million in 2018-19. The Aviation CIP represents investment in the long-term economic viability of Arizona. Significant projects include stage two of the Phoenix Sky Train project, addition of the Terminal 4 S1 concourse, Terminal 4 north apron reconstruction, and Terminal 3 modernization. Funding sources include Aviation operating and bond funds, capital grants, Customer Facility Charge funds and Passenger Facility Charge funds.

**Water:** \$362.2 million in 2018-19. The Water Program secures our future water supplies and our means to distribute water. The Water program includes replacement, rehabilitation and/or production improvements to water treatment plants, water mains, wells, booster pump stations, water treatment processes, and power redundancy; water resource acquisition; water resiliency efforts; and field service yard consolidation. Funding sources primarily include Water and Wastewater operating and bond funds, development impact fees and Other Cities Joint Venture funds.

**Street Transportation and Drainage:** \$172.0 million in 2018-19. This program facilitates economic development and public safety, including new and expanded streets, major street maintenance, mobility improvements, technology enhancements, and storm water improvements. Funding sources include Highway User Revenues and reserves, Capital Construction funds, Transportation 2050, development impact fees, and partner agency funding.

**Wastewater:** \$156.5 million in 2018-19. The Wastewater program addresses replacement, rehabilitation and/or capacity improvements to the wastewater treatment plants, sewer lines and lift stations. Funding sources include Wastewater operating and bond funds, development impact fees and Sub-Regional Operating Group funds.

**Public Transit:** \$112.2 million in 2018-19. This will include the South Central Light Rail extension, replacement of the transit fare collection system, acquisition of public transit buses and dial-a-ride vehicles.

**Other:** Other significant projects in 2018-19 include the replacement of the KIVA permitting system, construction of the 27th Avenue Resource Innovation and Solutions Network Incubator, design and construction of the Cesar Chavez Community Center, Margaret T. Hance Park renovation, and construction of Fire Station 55 at I-17 and Jomax Road.

### **General Obligation (GO) Bond Funds**

The adopted 2017-22 Capital Improvement Program included \$8,000,000 in GO Bond funding for Fire Computer-Aided Dispatch system replacement, which continues to be reflected in this Preliminary CIP. Initial analysis has identified that project timing may

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be delayed pending maturation of the potential replacement software. Following the completion of ongoing fit-gap analysis, staff may recommend reallocating project funding in whole or in part to other needs: the construction of Fire Station 55 at I-17 and Jomax Road, and potentially other public safety and information technology projects. This reallocation would be reflected in the proposed Final CIP.

**Responsible Department**

This item is submitted by City Manager Ed Zuercher and the Budget and Research Department.