

Memorandum



Financial Services Department

Date: January 29, 2008

To: Mayor and Council

From: Jerry Hart, Financial Services Manager (x8505)

Subject: Capital Improvement Program Budget Requests

Attached are brief narratives from each department that has submitted capital improvement program (CIP) funding requests for your consideration during this year's budget process. The narratives provide an overview of the requests and highlight some of the departmental priorities. You were recently provided a notebook containing all of the CIP requests for your review.

It is vitally important that the Council is fully informed on the nature of each specific request. Accordingly, next week's budget session provides an opportunity for the Council to seek additional information about the various CIP requests. It also provides an opportunity for the departments to discuss with you their critical needs. We are not looking for a decision by the Council on what projects should be included in the five-year capital plan at this time.

Department representatives will be available at the February 7th CIP Budget Session to, upon your request, make brief presentations and/or answer questions.

Memorandum

Neighborhood Services Division
Community Relations Department



Date: January 29, 2008
To: Mayor and Council
From: Shauna Warner, Neighborhood Services Director (480-350-8883)
Through: Shelley Hearn, Community Relations Manager (480-350-8906)
Subject: FY 2008/2009 CIP Request for the Maryanne Corder Neighborhood Grant Program

The Maryanne Corder Neighborhood Grant Program was created to ensure that a portion of the City's annual budget be dedicated to the improvement of residential neighborhoods. A key component of the Neighborhood Grant Program is the support and encouragement of citizen involvement in the identification of projects to be funded. Neighbors work with neighbors to identify the specific needs and desires of their neighborhood.

Examples of projects include: landscape; security lighting; park improvements, etc. The 2007-2008 grant process included applications requesting a total amount of \$322,579 for the \$225,000 in available funding. The additional \$25,000 requested would provide an opportunity for more requests to be funded.

Memorandum



City of Tempe

Date: January 28, 2008
To: Mayor and Council
From: Chris Anaradian, Development Services Manager (x2204)
Re: 2007-2008 Capital Improvements Budget Requests

The Development Services Department (DSD) has submitted two requests for consideration:

1. Development Services Technology Modernization

\$300K Over Two Years - Long Term Operational Savings

- Three critical aspects of our department's review and permitting of building plans are: **timeliness, accuracy, and transparency.**
- DSD has been streamlined and staff re-organized to the point where it is now **technology, more so than people and systems, impeding further improvement.**
- Tempe current competitive edge in the area of development services is slowly eroding as customer expectations of information exchange increases, and our ability to meet those expectations **remains limited***. DSD does not make significant use of electronic media for building plans, or the internet in any meaningful way to conduct business.
- The processing of paper plans across the Department **forces unneeded operational expenses, opportunities for error, and inefficiencies** that are not tolerated in modernized operations.

2. Closeout of Building Plan Archive

\$150K over two years - No Operational Impact

- A backlog of **over 3,500 sets of building plans** was amassed between 1998 and 2005 within 200 square feet of the DSD office area.
- The control program established in 2006 is sized to effectively process new documents, however the backlog remains.
- To achieve **a complete plan archive and reduce response time** for building plan requests, (including those from our public safety personnel) this backlog must be reduced.

**From the Development Services Department 2007 Progress Report, Childress Consulting Services, LLC:*

"Customer comments regarding process weaknesses:

DSD technology is out of date and inefficient. Compared to other cities, Tempe's technology is at least 7-10 years behind. Technology upgrades are needed for customer education, customer ability to track progress of projects, and for storing and tracking plans." "Recommendations: Raise technology capabilities to a level that provides appropriate resources for staff to conduct timely and thorough reviews, and make information more accessible to customers."

Memorandum

City of Tempe



Financial Services

Date: January 28, 2008
To: Mayor and Council
Through: Jerry L. Hart, Financial Services Manager (ext. 8505)
From: Tom Duensing, Deputy Financial Services Manager (8866)
Subject: Utility Billing CIP Request – Water/Wastewater Application

The primary reasons for the need to replace the current utility billing system are:

- There currently is no maintenance agreement in place to upgrade, enhance or repair the current application.
- Support for the data base release may end causing major data issues if it becomes corrupt.
- The server (hardware) used to run the application is not considered adequate for the amount of data required to be maintained by the City.
- Because the current application cannot be upgraded, customer requested enhancements, primarily e-billing, cannot be offered without significant costs.

Highlights of the current utility billing application are as follows.

- A total of \$56 million is billed and received annually.
- Three City services water, sewer and solid waste are billed through the application.
- There are currently 42,000 active utility accounts.
- There are approximately 300 utility charges maintained in the utility billing system.

Memorandum
Parks and Recreation



TO: Mayor and City Council
THROUGH: Jeff Kulaga, Assistant City Manager, 480-350-8844
FROM: Mark Richwine, Parks and Recreation Manager, 480-350-5325
DATE: January 24, 2008
SUBJECT: Parks and Recreation CIP Summary

The Parks and Recreation Department has prepared a comprehensive CIP request that reflects an on-going reinvestment into Tempe's public park and open space infrastructure. The top priority, as submitted by staff, for the department is the continuation of the Park Renovation and Restoration program funded by Council in the 2007/2008 budget process. The 5-year program represents a total request of \$32,909,000 that will fund; (1) continuation of the renovation of three neighborhood parks per year, (2) renovation and ADA upgrades to various park restrooms, (3) renovation of the Kiwanis Recreation Center (KRC) and KRC wave pool equipment, (4) replacement of the Escalante Pool water play features, (5) potential renovation/replacement of the Clark Park Pool.

In addition to the park renovation and restoration program, staff has submitted additional requests for consideration that would continue the maintenance and replacement of vital components throughout our aging park system. The projects and the priority order as recommended by staff include:

2. **Neighborhood Park Improvement - \$1,875,000.** The program funds the timely replacement of various park elements including playground equipment, ramadas, grills, drinking fountains, fencing, playground sand, etc.
3. **Park Landscaping Improvements - \$882,000.** This program funds the periodic replacement of park landscape materials including trees, shrubs, sprinkler parts and associated landscape materials. This year's request includes additional monies for materials in the Mill Avenue District.
4. **Street Landscaping - \$725,000.** This program funds the replacement of landscaping materials in the City's non-park open spaces including street right-of-ways, medians, and other public properties.
5. **Sports Facility Relamping - \$300,000.** This program funds the timely replacement of lighting fixtures through the City's 51 lighted athletic fields, 51 tennis courts and 24 handball courts.
6. **Athletic Field Lighting Improvements - \$1,965,000.** This program funds the upgrading of athletic field lighting through the City to bring the facilities into compliance with the minimum national standard for the respective field uses.
7. **Kiwanis Park Sprinkler System Replacement - \$3,068,000.** This program funds the replacement of the original irrigations system installed with the construction of Kiwanis Park in 1974.
8. **Diablo Stadium Scoreboard Replacement - \$621,000.** This project funds the replacement of the scoreboard at Diablo Stadium. The current scoreboard was purchased in the mid-1980's and is difficult to find parts and maintenance items for. The new board

would be more energy efficient and consistent with others provided at comparable Cactus League stadiums.

9. **Tempe Sports Complex, Phase III - \$1,735,000.** This project funds the last phase of development for the Tempe Sports Complex including picnic ramadas, volleyball and basketball courts and a public playground.
10. **Kiwanis Park Lake Edge Renovation - \$1,382,000.** This project funds the renovation of the concrete edge and fishing piers on the 10-acre Kiwanis Park Lake.
11. **Bike, Blade, and Board Skate Park Development - \$998,000.** This project funds a second skate park that would be designed to accommodate bikes, boards and blades in one location. Tempe's current facility was only designed for skateboards and in-line skates and excludes a growing BMX bike user base.
12. **Rio Salado Athletic Field Development - \$21,000,000.** This project funds the development of a major athletic field complex on the 47 acre BLM site at the west end of the Rio Salado Parkway. Council has previously identified this location as a prime site for a youth and amateur sports facility and has issued several RFP's for private investors to develop such a facility.
13. **Development of the ADOT Property at Knox and I-10 - \$700,000.** This project would fund the design and engineering for a youth and amateur sports facility to be located in the basin on the current ADOT property. The City has a long-term lease of the site from ADOT the limits the use to public recreational purposes. This project is to provide a design for a long-term solution to the current site.

Memorandum

Public Works Department



To: Mayor and Council
From: Glenn Kephart, Public Works Manager (350-8205)
Subject: 2008-09 CIP Requests (Public Works Department)

Fiscal Year 2008/09 CIP submittals from the Public Works Department are categorized into three independent funding sources: General Governmental, Transit, and HURF. This briefing paper provides a general description and purpose of each category of projects by Fund.

I. Public Works General Governmental Projects

This group of projects provides the necessary resources for the continued maintenance and upgrade of over 90 city facilities. The requested amount is that required to continue to maintain our facilities to the same level as we have historically. These are basic, “take care of what we have” projects and include:

- City Facilities Rehabilitation
- Historic Properties Preservation
- HVAC Equipment Replacement
- Energy Upgrade and Retrofit
- Roof Maintenance Program
- Storm Drain Improvements
- Mold/Asbestos Removal

A new request for 2008-09 provides an essential link to managing the above projects:

- **Facility Maintenance Management Plan-** This project builds a database that will provide the information needed to manage our facilities based on a twenty-year horizon. This program is comparable to our current streets management program and will predict all needed expenditures for each facility for the next twenty years. The system will result in better allocation of resources and reduced overall repair/replacement costs.

In addition to the maintenance requirements listed above, we are requesting additional resources for specific needs and special projects. These include:

- **City Hall/Municipal Complex Renovation-** City Hall has reached an age in which significant repairs and renovations are needed. For the first year of this CIP we are requesting funding to evaluate and design the appropriate improvements. Construction funding would not be required until FY 2009/10.
- **Westside Center Roof Repair-** Certain areas of this roof need to be rebuilt to alleviate continual leaking problems which are causing damage to the interior and structure. Minor repairs are not resolving the problem.

- **Priest Yard Relocation-** This project is for design and construction of a new public works facility in anticipation of the sale and future development of the property at Priest Drive and Rio Salado Parkway. The request includes funding for design only.
- **Downtown Infrastructure Improvements-** This project provides a funding source for upgrading and maintaining the downtown infrastructure. Improvements may include refurbishing of brick sidewalks, lighting, street furniture, and small enhancements identified in the Project for Public Spaces project.
- **El Paso Gas Line Improvements-** This project was generated due to some community interest. It includes constructing a paved trail along the abandoned gas line easement from Rural Road to Kiwanis Park.
- **Park Storm Drain and Grading Modifications -** This project provides resources to increase storm water retention to help alleviate neighborhood flooding during severe storms. The retention project would be coordinated with park improvement projects.

II. Transportation and R.O.W. Projects (HURF)

This category of projects provides the necessary funding to continue to maintain and preserve our street pavement, sidewalk, and bridge infrastructure in a condition recognized as one of the best in the valley. As the city's roadway infrastructure is aging, it is necessary to perform maintenance activities beyond preventive maintenance work that will extend the life of our arterial and residential streets. This CIP plan provides for rubberized asphalt pavement on arterial streets, new pavement on residential streets, and the reconstruction of arterial intersections to replace worn out, rutted pavements.

Other HURF projects include the following:

- **Baseline Bridge Replacement-** The need for this project was identified in last year's CIP program. The project is currently being designed and is on schedule to begin construction in January 2009, immediately following the holiday shopping season.
- **Neighborhood Transportation Management-** This project provides funding to resolve neighborhood traffic problems, including construction of speed humps and other minor projects identified through the transportation management program.
- **First Street Realignment** – This project would initiate a feasibility analysis to review the realignment of First Street between Farmer and Ash avenues, with the intent to provide for potential increased development.
- **Traffic Signal/Street Lighting-** The currently funded and recommended program provides adequate resources to maintain the city's traffic signal and street light program in a functional and safe condition. We are requesting additional projects utilizing the latest Intelligent Transportation System (ITS) technology to enhance the city's traffic signal system by improving traffic flow and providing more timely information to transportation users. It is important to note that these projects include a majority of grant funding.
 - **ITS Strategic Plan** – This plan will provide the city a blueprint for ITS investments in the next five to ten years. (The source of funding for this project is the Transit fund.)

- **Fiber Optic Cable Installation-** provides real-time traffic detection and monitoring
- **Video Traffic Detection System** – provides real-time traffic signal adjustments based on traffic conditions
- **CCTV monitoring systems** – provides real-time traffic detection and monitoring in areas where fiber optics communication is not available (The source of funding for this project are HURF and Transit funds)

III. Transit Projects

Dedicated funding was approved by voters in 1996 for transit improvements. The current group of projects provides the necessary resources for implementation and operations of transit improvements such as the completion of light rail construction, bus fleet replacements, construction of multi-use paths, construction of streetscape and pedestrian improvements, and development of a south Tempe transit center.

- **LRT-** This year's funding request is consistent with previously approved schedule and budget.
- **Bus Fleet Replacements-** Our bus fleet is approaching the end of its designed life. This request provides funding for the purchase of 81 new buses needed for both replacement and currently programmed expansion of the existing program. It is important to note that our bus fleet replacement is eligible for Federal and Regional grant funding. We are in the process of working to secure these grants.
- **Multi-Use Path Projects** - These projects continue the expansion and construction of the City's Multi-Use Path facilities and include the following:
 - Crosscut Canal Phase II- Papago Park to Moeur Park
 - Rio Salado- Priest to SR 143
 - I-10 and Alameda Bike/Pedestrian Crossing
- **Streetscape and Pedestrian Improvement Projects** - These projects continue the city's ongoing neighborhood streetscape improvement projects and include the following:
 - Broadway Road- From Mill to Rural
 - Hardy Road- From Broadway Road to University Drive
 - University Drive- From Priest to Mill
- **South Tempe Transit Center** – This facility will have four to six bus bays and passenger amenities to allow for convenient transfers between buses. A location analysis will be conducted to determine where the facility will be built. The project is funded with regional Proposition 400 funds.

Thank you for your consideration of these important projects. We look forward to the opportunity for further discussion at the February 7th Issue Review Session.

Please do not hesitate to contact me at x8205 if you have any questions or would like additional information or clarification on any projects.



Memorandum Police Department

TO: Mayor and Council
FROM: Tom Ryff, Police Chief
DATE: January 29, 2008
SUBJECT: Police Department CIP Requests

At the February 7, 2008 Issue Review Session, I would like to present a summary of the Department's CIP Requests. These 6 CIP requests (3 existing and 3 new) tie directly to our renewed focus on improving the quality of life for the community by maintaining safe neighborhoods, being responsive to the needs of community members, and being proactive in efforts to combat crime. The PD has worked hard to reduce the crime rate in Tempe to the lowest level it has been in over 20 years. However, the continued success of the PD in tackling the policing challenges of the future depends on the funding of these CIPs requests. All of these projects are a priority for the PD; however, we have prioritized these CIPs based on the urgency to which these existing and new projects need funding.

Existing Projects

1. Although 40% of the one time cost of the Police / City Radio System Replacement Project is being funded by federal grants, CIP funding is still needed in FY 08/09 to continue this project. This CIP, initially approved by council in FY 05/06, remains the highest priority for the PD due to the fact that this project will:
 - *Continue the replacement of the City's antiquated analog radio system with an interoperable digital system and the outdated radio equipment for the PD and other City radio users.*
 - *Allow Tempe to participate in the establishment of long term public safety interoperability in the Phoenix metro area.*
2. The Laptop Replacement Project, initially approved by council in FY 03/04, is also a high priority for the PD since the lifespan of the police laptops is only 5 years and the infrastructure within the vehicles that accompanies these laptops changes as the laptop technology changes. Therefore, all units need to be replaced at the same time rather than replaced partially over time. Specifically, this project will:
 - *Provide for the replacement of laptop computers and infrastructure used by Patrol Officers and other field personnel.*
 - *Allow Officers to interface with Dispatch, communicate with other Officers, maintain and access data resources, and prepare police reports through the electronic workflow approval process.*
3. The Technology Integrated Police Systems (TIPS) Project, initially approved by council in FY 03/04, also remains a high priority for the PD because it provides the necessary resources to incorporate new technology as well as resources to upgrade and interface existing automated systems. Planned projects include:
 - *The implementation of COPLINK, a regional web-based data sharing and crime trend analysis software that will link with the crime records databases from East Valley agencies.*
 - *The purchase of wireless infrastructure that will ensure police vehicles have seamless and integrated wireless capability.*

New Projects

1. The Central City Facility Project, to be developed on the Lopiano Mesquite Bosque parcel in north Tempe, will help the PD accommodate growth and keep pace with the change and growth in downtown Tempe. Although this project does not require funding until FY 11/12, approval for this project is needed for the five year CIP plan. This project is the highest priority for new PD CIPs as this future facility will:
 - *Enhance policing services in the downtown Tempe, facilitate police recruitment and training, increase the police presence along Rio Salado, Tempe Beach Park and the Downtown area.*
 - *Replace the mounted facility at Kiwanis Park and replace the deteriorating bike trailer and other temporary storage units at Mouer Park.*

2. The Cellular Phone Tracking System Project, will provide a state of the art tracking system for the PD. This project is important as the PD does not currently have a cellular phone tracking system that is regularly used by law enforcement to investigate violent crimes and the acquisition of this system will:
 - *Provide the ability to track and identify the physical locations of cellular phones.*
 - *Enhance the ability to investigate and solve serious criminal cases (e.g., robberies, kidnappings, homicides) and rescue victims.*

3. The Police Records Media Conversion Project, will convert all existing non-electronic official police records into electronic format. This project is important as police reports from 1970-1999 are being stored on microfiche, microfilm and letter size paper format and this project will:
 - *Convert all of these multi-media formats into a .TIF format to ensure that these records are restorable, as required by the City's Business Continuity Plan.*
 - *Ensure timely and efficient access of the records by all members of the PD as well as providing proper retention and purge ability in accordance with State agreements.*

CIP Request Summary: Non-Recurring Funding

Project Title	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Total
Radio System Replacement	\$3,663,649	\$1,985,800	\$700,000	\$700,000	\$700,000	\$7,749,449
Laptop Replacement	\$1,860,000	\$0	\$0	\$0	\$0	\$1,860,000
TIPS	\$375,000	\$375,000	\$250,000	\$250,000	\$200,000	\$1,450,000
Central City Facility	\$0	\$0	\$0	\$8,342,393	\$18,569,261	\$26,911,654
Cellular Phone Tracking System	\$362,600	\$0	\$0	\$0	\$0	\$362,600
Police Records Media Conversion	\$663,500	\$0	\$0	\$0	\$0	\$663,500
Total - CIP Recommendations	\$6,924,749	\$2,360,800	\$950,000	\$9,292,393	\$19,469,261	\$38,997,203

CIP Request Summary: Recurring Funding

Project Title	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Total
Radio System Replacement	\$0	\$0	\$0	\$0	\$0	\$0
Laptop Replacement	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$220,000
TIPS	\$53,500	\$97,000	\$97,000	\$97,000	\$97,000	\$441,500
Central City Facility	\$0	\$0	\$0	\$0	\$1,013,927	\$1,013,927
Cellular Phone Tracking System	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$137,500
Police Records Media Conversion	\$0	\$0	\$0	\$0	\$0	\$0
Total - CIP Recommendations	\$125,000	\$168,500	\$168,500	\$168,500	\$1,182,427	\$1,812,927

MEMORANDUM

INFORMATION TECHNOLOGY DEPARTMENT

DATE: January 28, 2008
TO: Honorable Mayor and Members of the City Council
FROM: Gene Obis, Chief Information Officer (Extension 8353)
SUBJECT: Information Regarding the CIP Requests of the Information Technology Department

Enterprise Data Storage & Archiving (Priority 1)

The demand for data storage has increased dramatically in the last two years. The City's Storage Area Network (SAN) is not keeping up with operational needs. Some the challenges we currently face are:

- Capacity limits of the hardware
- Disruption to business operations during backup periods because of network congestion
- Slow data access speeds because of limitations on current hard drive technology
- Large backup time frames, some exceeding 72 hours
- Limited redundancy options for fault-tolerance

Due to data storage growth trends, technical obsolescence, and continued expectation of high system availability, the following resources are being requested over the next five years:

- Upgraded hardware for the two existing SAN environments
- Additional disks to accommodate the anticipated storage growth
- Upgraded hardware for the existing enterprise tape library
- Upgraded hardware for the data fiber-switches
- Access licensing for more comprehensive system-wide fault tolerance

Enterprise GIS (Priority 1)

Continued funding of this project will allow the existing Enterprise GIS system to move into its second phase. The framework for a City-wide GIS is now in place, but advanced training, contracted mapping services, additional web-based departmental themes, and new data import routines need to be acquired in order to complete a number of Departmental initiatives. With the additional services and software, Traffic Operations could update their current system to the new platform. Development Services would be able to display zoning information for the public and also display permit information. Customer Service and Field Services could develop more effective routes for their field personnel. Community Development could do improved property analysis to provide potential businesses the information they need to relocate to Tempe. Blue-staking could become more efficient with the use of on-line utility maps. The Emergency Operation Center would have more current geographical information for decision making and the system would be more sustainable during a

disaster. The Police Department's new CAD (Computer Aided Dispatch) system would benefit from the creation of a routable street network. Tax & License needs the ability to determine revenue for enterprise zones and other user-defined areas. In addition, Parks & Recreation, the Fire Department, Community Relations and other Departments have operational needs that are ready to build onto this geographical footprint.

Enterprise Network Infrastructure Replacement (Priority 2)

An upgrade to the network infrastructure will ensure the ability of the Information Technology Department to deliver current and future voice and data applications city-wide. Upgrading and replacing the telecommunications network infrastructure will provide increased bandwidth, reliability, and a continued migration to Voice over IP (VoIP)

The project involves the installation of conduit, fiber-optic cable, wireless networks, and other alternative telecommunication infrastructure enhancements. The bulk of the funding is used to place conduit and fiber optic-cable into trenches during undergrounding projects. This conduit and cable will be used in the future to connect City facilities and eliminate the need to lease telecommunication services from Qwest and Cox. Conduit for city use is installed when other utilities have the streets open to place their materials. Having funds available to place conduit at the appropriate time is crucial to avoiding future street cuts. As City telecom services can be moved to the new infrastructure, monthly lease charges can be eliminated, and the City's operational costs reduced.

Workflow Management (Priority 2)

Workflow Management is a new type of application for the City. Due to very large file sizes, inter-departmental, government-to-government, and government-to-business projects need a new platform to more effectively conduct business. Workflow Management will create a large electronic workspace so that sizeable files such as Computer Aided Design construction plans, geographical images, photographs and MS-Office files can be easily manipulated and distributed. This application will provide the proper security for both internal and external users and provide logs for version control, check-in/check-out, and communication thread features. The management of projects will improve with the use of metadata to search documents, establish project calendars, create project dashboards, and by analyzing the workflow of a project to determine where bottlenecks are occurring. We would begin with a pilot project in the Engineering and Community Development Departments before expanding it City-wide to accommodate the EOC and various City events (Block Party, 4th of July), redevelopment projects, and the creation of E-GIS data layers.

Memorandum



Water Utilities Department

Date: January 29, 2008
To: Mayor and Council
From: Don Hawkes, Water Utilities Manager
Through: Charlie Meyer, City Manager
Jeff Kulaga, Assistant City Manager
Jerry Hart, Financial Services Manager

Subject: Proposed FY 2008-2009 5-Year CIP Program

The Water Utilities Department (WUD) continues to have a high-dollar Capital Improvement Project (CIP) budget driven by three realities: regulation, growth and aging infrastructure. To ignore these realities will bring consequences such as violations of the Safe Drinking Water Act or the Clean Water Act, potential constraints on development and re-development, and higher operation and maintenance (O&M) costs and possible disruptions of customer's service. Following are a few highlights of our CIP requests and how they address those issues.

Regulation

The Long Term 2nd Enhanced Surface Water Treatment Rule (LT2ESWTR) promulgates much more stringent regulation of disinfection by-products (DBP's). These are known cancer causing compounds created by disinfecting our potable water supplies with chlorine. Two projects:

- **JGMWTP Water Quality Improvements**
- **STWTP Water Quality Improvements**

that total \$67.5 million or 33% of the proposed 5-year CIP, are absolutely essential for the City to be able to meet these new regulations that go into effect in 2012.

Growth

While overall demand for potable water has decreased by 10% between 2002 and 2007, development pressures in the downtown, Rio Salado and Apache Boulevard districts require improved infrastructure to be able to deliver services. Three infrastructure projects:

- **WL Upgrade/Replacement Rural (Rio Salado-Apache)**
- **Sewer Replacement/Upsize Scottsdale Rd. Curry to Gilbert MS**
- **Sewer Replacement/Upsize Smith Rd Apache to University**

All are required to meet the demands of the anticipated development in these high density growth areas.

Aging Infrastructure

Much of the infrastructure in Tempe, including our water treatment facilities, is approaching or has exceeded its normal useful life. Replacement or renewal of this infrastructure is essential to be able to provide a reliable level of service to our customers. These projects:

- **Southern Avenue Interceptor (SAI) Rehab – All Phases**
- **WL Upgrades/Replacement on 22nd/24th St (Hardy-Roosevelt)**
- **WL Upgrades/Replacement Margo/Geneva (Fairmont-Hardy)**
- **WL Upgrades/Replacement Orange/Lemon**

are geared to ensure we continue to provide adequate levels of service and protect the health and safety of our citizens.

This gives a high-level view of our CIP requests and provides perspective for some of our very critical projects. However, I cannot close without also discussing the 91st Avenue Wastewater Treatment Plant (91st Avenue WWTP) and our participation and commitment there, and our water and sewer rates.

91st Avenue WWTP

The bulk of our wastewater program is our participation in the 91st Avenue WWTP. This project totals \$65 million or 31% of the proposed 5-year CIP. Various projects underway there fit into all three of the categories described above. There are specific projects related to regulation and the ability to meet discharge permits requirements, there are projects related to growth and adding capacity for both treatment and conveyance of wastewater to the facility, and there are projects related to replacement and rehabilitation of infrastructure; again for both treatment facilities and conveyance infrastructure. By partnering with the other cities that jointly own and operate the 91st Avenue WWTP, we achieve an economy of scale that is very favorable to the citizens and businesses of Tempe and is reflected in our rates which are the lowest in the valley.

Water and Sewer Rates

Tempe's water and sewer rates are the lowest of the municipalities in the valley. However, the CIP program that we are proposing will require an increase in rates. We have retained the services of an outside consulting firm to study our rates and help us plan a program of regular but moderate rate increases. This will allow us to fund the improvements needed to meet regulatory requirements, provide for the anticipated growth, and keep our infrastructure secure and up to date. The rate plan includes careful use and reduction of the water fund retained earnings balance to protect our rate payers from exceptionally large increases. The entire proposed CIP (including all unfunded projects) and proposed O&M budgets (including all supplemental requests) have been incorporated into the rate model. This is a work in progress and we will be bringing our recommendations to the Council in the early summer months. Even with regular but moderate rate increases we anticipate that Tempe will remain the low-cost leader for water and sewer rates in the metro area.

I look forward to any questions the Council may have on the proposed WUD 5-year CIP plan.

Memorandum

Fire Department



Date: January 25, 2008
To: Mayor and Council
From: Cliff Jones, Fire Chief
Subject: Fiscal Year 2008-2009 Capital Improvement Projects Narrative

The following is a brief narrative of the Fire Department's FY08-09 Capital Improvement Project requests.

- Fire Station #7 – this project was approved in the FY 03-04 CIP process. Fire Station #7 is part of the fire station relocation plan which was first presented to the City Council in 1990 and since has been a part of every submitted CIP Budget. Fire Station #7 is well behind its original planned construction. It is critical that this station be built in order to maintain commensurate levels of service delivery throughout the community as average response time has increased from 5:28 to 5:45. Construction of this station will meet a major goal of locating a second fire company in the south end of the City.
- Radio Replacement for Conversion to 800MHz – this project was approved in the FY 03-04 CIP process as a result of the FCC's realignment of all public safety frequency spectrums from VHF to 800MHz. Due to additional costs associated with price increases for equipment and the need for more radios and repeaters an additional \$171,896 is being requested in FY 09-10. This project is for the Fire Department's conversion to 800MHz radios and approval of this request will allow us to continue with the federally mandated conversion and remain on track in our partnership with the other Valley cities for fire communications in the Automatic Aide System.
- New Support Services Facility – this project was approved in the FY 07-08 CIP process. An additional \$1,411,250 is being requested due to increases in construction costs. The Support Services Facility of the Fire Department is comprised of the fire apparatus maintenance shop, self contained breathing apparatus and emergency equipment maintenance and repair facility, and the Fire Department warehouse. The facility was built in 1988, received some renovations and expansion in 2001, but is completely inadequate in terms of size and capabilities to support our firefighters.
- Fire Station #2 – this project was approved in the FY 07-08 CIP process. An additional \$1,414,578 is being requested due to increases in construction costs. This project is for building a new four bay fire station on the property of the existing Fire Station #2 and Support Services building on south Hardy. Over the years improvements have been made to Fire Station #2 but all of those efforts are working against some inherent structural shortcomings. The Department's Special Operations Section has a significantly expanded role since 9-11, making

the size of this facility inadequate. Fire Station #2 is also the only Tempe Fire Station where apparatus must be backed into the building as opposed to the safer option of driving in from the back.

- New Emergency Operation Center Facility – The Fire Department is charged with the responsibility of overseeing the City's emergency management effort. The current EOC was built in 1998 and is located in the Fire Administration building. This issue will be carefully studied over the next year in light of many changes in the requirements, function, and capacity of emergency operations centers.
- Replace Burn Room at the Fire Training Center – The Fire Training Center with the burn room was built in 1993. The extensive use of this facility and the significant benefits derived for our members have exceeded expectations. Because the building sustains damage with each live fire training exercise it limits the life of the building. The substantial use of the burn room for training necessitated the installation of fire resistant tiles in 2003. This installation was done as a temporary measure to extend the useful life of the building. Given the critical nature of this training for firefighter safety, it is essential that the burn room be kept in a functioning state.
- Fire Facilities Maintenance – This request has been removed and concerns will be addressed through the City's Facilities Management section.

Memorandum

Community Services



Date: January 25, 2008
To: Mayor and Council
From: Tom Canasi, Community Services Manager (480) 350-5305
Through: Jeff Kulaga, Assistant City Manager (480) 350-8844
Jerry Hart, Financial Services Manager (480) 350-8505
Subject: 2008-2009 CIP Request Summaries

The Community Services Department has submitted the following CIP requests for this as part of the FY08-09 budget cycle.

CIP Projects Currently Funded and Underway

- **Tempe Public Library Renovation**

Prior Funding	\$ 928,533
FY 08-09 Funding	\$ 3,425,133
FY 09/10 Funding	\$ 3,536,333
FY 10-11 Funding	\$ 115,000
Total Project Funding	\$ 8,004,999

This CIP request is to continue the renovation of the Tempe Public Library. The Library was constructed and opened in 1989, prior to the Internet and other electronic media formats. The building was designed as a book repository and does not meet the needs of today's Libraries and has not been upgraded since its' opening. The project provides for a complete renovation of internal public spaces and significant technological improvements and upgrades.

This project is currently underway and began with improvements focusing on wiring and technology enhancements. The architectural selection process is underway, with interviews occurring in February of 2008. This year's funding will continue technology enhancements and complete architectural drawings and begin construction and renovation.

CIP Projects Submitted but Unfunded

- **Edna Vihel Center**

Total Project Funding	\$6,446,000
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This project would fund the renovation and expansion of the Edna Vihel Center for the Arts. This is a 37 year old facility used for classes and programs for the citizens of Tempe. The doors, HVAC, lighting, ceiling, recirculation, stage and dressing room systems need to be replaced. The existing design of portions of the building including stage and restrooms do not meet ADA requirements. Additional space is needed for increased art classes and programs. The space needs to be more flexible to allow for the many types of programs offered and programs projected in the future.

- **Escalante Community Center**

Total Project Funding \$1,484,020

The steadily increasing participation at the Escalante Community Center has created a need for a fitness center, teen center and an additional classroom. In the 10 years of operation, youth participation has increased 57% and adult participation is up 47%. The proposed fitness and teen center would provide for a designated fitness area, which eliminates sharing the small area currently operating in the youth program room. The current designated fitness area is not large enough for the growing number of participants and limits the program space for youth. A new teen center would give teens a special supervised place similar to the Teen Centers at Westside and North Tempe Multigenerational Centers. The proposed project would transform the courtyard / patio into a classroom for community meetings and classes for all ages. This work would add approximately 3,520 square feet of programming space making it possible to expand and enhance community programs.

Memorandum



Community Development Department

Date: January 29, 2008
To: Jerry Hart, Financial Services Manager
From: Nancy Ryan, Rio Salado Manager
Through: Chris Salomone, Community Development Manager
Subject: 2008-2009 CIP Request Narrative – Top Ranked Projects

#1 Tempe Town Lake Pedestrian Bridge

Design is underway for this pivotal segment of the Town Lake pedestrian corridor. The pedestrian bridge project spans the west dams of Tempe Town Lake. Included is the creation of a plaza at the north landing of the bridge; and an elegant transition to the existing Tempe Center for the Arts and the multi-use path along the south bank. Construction may include conduit placed for fiber optic communications use.

In 2007/08 Council approved \$3,837,100 toward this project. Total funding at that time was \$6,062,100. Total grant funding is \$4,150,000. The 2008/09 request is for \$1,754,800 as the local funds.

#2 US Army Corps Match Money

This is the local share match for the US Army Corps of Engineers (USACOE) Habitat Restoration Project, Rio Salado Tempe Reach. This is the third and final Phase that constructs a multi-use path, rest area/wildlife overlook and native vegetation on the north and south banks of the Salt River from Indian Bend Wash to McClintock (at Tempe Marketplace), and which will complete (along with the Rio East Park) the pedestrian loop at the east end of Town Lake. The inundation prevents planting of the riverbed in Phase 3. So the recreation path and overlooks require a greater proportion (50% Fed-50% Tempe) of local funding than habitat (60% Fed-40% Tempe). Also the funding is needed to supplement the original budget (2001) for all three phases of construction due to increased cost of construction materials. The 2008/2009 request is for \$1,391,500 (project construction) of which Tempe's share is \$463,700 for construction and then \$300,196 over subsequent years for the ongoing operation and maintenance.

#3 Rio East Park

Rio East linear park runs from Giuliano Park along the south bank of Town Lake to the West Dam. This project will serve to complete the linear park system around Tempe Town Lake and a connection to the USACE Path to McClintock Drive. The first public pier with on-water moorage at Town Lake and a public restroom in the park area are included with this project. Infrastructure improvements and the docks/pier will be developed in the following fiscal year. The linear park project timing is to run concurrent with adjacent development of "The Pier at Town Lake". "The Pier at Town Lake" development will contribute \$1.5 million toward park design and enhancements to park construction. The 2008/2009 request is for \$2,616,561 for the park development and 1,684,030 for the pier in the 2009/10 budget. \$547,228 is budgeted for operating impacts of the park/pier maintenance and restroom upkeep through budget years 2012/13.

#4 Town Lake Downstream Dam Repairs - ADWR

This project will complete required repairs to the Town Lake's downstream dam area as required by ADWR (Arizona Department of Water Resources). One phase is to complete some concrete patch work. The need for this work is outlined in the "2006 Annual Report - Tempe Town Lake Dams", dated June 22, 2007 and request the repairs need to be complete before ADWR performs another inspection of the dams in 2009. The other phase includes replacing piezometer cables so that groundwater level reading can resume and repairs of the rip-rap boulders that are placed for scour control. The 2008/2009 request is for \$125,000 and another \$600,000 for the second phase in 2009/2010.

#5 Town Lake Dam Replacement

The inflatable rubber dams have a 10 year warranty and an anticipated useful life of 10+ years. The warranty expires in 2009. Premature aging of the downstream dams has been documented, but the precise useful years left for those dams is undetermined. Bridgestone has notified the City that they will no longer be manufacturing rubber dams. Replacement of the large downstream dams is the first priority. A dam retrofit and alternatives study on the dams will be complete in May 2008. New technology for inflatable dams will be selected for the large rubber bladders on the west end. The cost of a new technology to retrofit the current downstream dam will be substantially more than was anticipated to replace the rubber bladders. A new technology, however, will have a longer useful life than the rubber bladders. Initiation of the dam replacement is targeted for 2009-2011 to allow the lead time to engineer and then construct the replacement bladders one by one. Part of this funding will be reimbursed from the payment agreement for \$10 million plus interest between the City of Tempe and GDG Partners (C2006-301). Payments are \$65,995.57 per month for 15 years, with a lump sum payment of \$3,563,147.62 on the 180th month. The CIP request is \$0 in 2008/2009, \$15,600,000 in 2009/2010 and \$6,600,000 in 2010/11.

#6 Consultant Studies

This account provides funding for title, appraisal, engineering or geotechnical related studies for potential sale, lease and development of the remaining city owned property in Rio Salado. This could include, for example, the land west of the Tempe Performing Arts Center and west of Priest Drive near and around the VORTAC. The 2008/2009 request is for \$50,000 and then \$25,000 per year through the 2012/13 year budget.

#5 Rio Salado Ancillary Projects

Rio Salado Ancillary Projects will fund the various design, safety and emergency repairs, signage and fencing projects, additional hardscape and landscaping, other park enhancements like shade and drinking fountains, and annual maintenance/repairs of the Splash Playground at Tempe Beach Park, as well as any other unforeseen project that becomes necessary at Tempe Town Lake, Tempe Beach Park, and the linear park system. The 2008/09 request is for \$100,000 and then \$100,000 for each year through the 2012/13 budget.

#6 Brownfield Remediation- Rio Salado

This project will be to analyze and implement the removal of household waste, construction debris and/or environmentally hazardous materials from the city-owned properties in order to allow for lease, sale or redevelopment. Initially a Phase 2 Environmental Analysis will be completed for Rio Salado land between Hardy and Priest Drives, and from Priest Drive to the VORTAC. The next step is environmental (Brownfield) remediation of approximately 82 acres to allow redevelopment in accordance with potential commercial, industrial and recreational land uses. The 2008/2009 request is for \$100,000 and then \$100,000 in 2009/10 for environmental testing and analysis of the subsurface conditions. \$1,500,000 is requested in 2010/11 and \$1,000,000 in 2011/12 for remediation budget years.

#7 Habitat De-Watering System

This project is for pumping nuisance water up to 20 Million Gallons per Day (MGD) from upstream of the eastern Town Lake dam to downstream of Town Lake. The nuisance water has a high concentration of nutrients that create algae blooms. If algae blooms occur and raise the pH above 9.0, the water swimming events in the lake need to be cancelled and the lake closed. Historically chemical treatment has been used to adjust the pH, but long term this is not cost effective. Pumping and piping the water past Town Lake is a more cost effective long term solution for this challenge. The budget will be used for two project phases: 1) increased pump-out capacity of the pipe system (this portion was completed with Water Utility Department funding and needs repayment from Rio Salado), and 2) construct a permanent pump station that will divert water around the lake and release it west of the western dams. Prior funding for temporary pumping was approved by Council for pump rental and operation expenses until a permanent pump structure can be constructed.

A portion of this budget (\$3,371,322.57) is to reimburse the Water Enterprise Fund for fronting the design and construction costs of storm drain improvements to Rio Salado Parkway. The project is recommended for funding on the CIP. The 2008/2009 request is for \$7,485,817.

#8 Tempe Beach Park Upgrades

The Splash Playground is now six years old and is in need of some significant updating and repairs because of its intense use during the summer – average 59,000 visits during each season. The Tempe Beach Park Upgrades project will cover costs to design and construct enhancements/additional water features at Cox Splash Playground, adding a new children's playground for year round use, place two fire hydrants (at the request of Tempe's Fire Department), and electrical/ telecommunication service upgrades to Tempe Beach Park. The 2008/2009 request is for \$745,000 plus a \$10,000 grant from Kiwanis Club is available to use for adding another water spray feature.

Of special note (CIP projects with their own outside funding) (See following page)

Town Lake Welcome Center & Boathouse

The Town Lake Boat House will be the final phase of the Marina Center at Town Lake. It will be a public facility for Town Lake water sports recreation and the information and operations center for Tempe Town Lake, Park Rangers, and Events. The project includes a 35,000 to 45,000 S.F. building and boat dock facility. Funding for the design of the Boat House came in 2006 with the land sale for the Rio West project (\$700,000).

The Boathouse is moving forward to complete a development agreement for the private development of the building using donated funds. \$9.6 million for design, construction, and furnishing costs will come from is to come from the Rio Salado Town Lake Foundation and Chanen Development, dba Arizona Boat House LLC. Revenues will help offset O&M costs of the Boat House. These revenues will come from boat storage in the lower level of the boat house, the fitness/training center, plus facility/conference room rentals. No additional funding is requested at this time, but the project is recommended for listing in the CIP, subject to the fundraising commitment of Arizona Boat House, LLC.

Rio Salado Parkway 230 kV Relocation

The Rio Salado Parkway 230kV Electric Relocation project will relocate the remaining segment of existing overhead high-voltage electrical distribution lines along Rio Salado Parkway, west of Rural Road. On or about 2009, Arizona State University (ASU) will ask the City to form an Improvement District (or some other mechanism) to finance the cost to relocate 230 kV powerlines that are currently on the property, and the adjacent property (ASU and SunCor) will be assessed and the agree to pay those assessments or pass the assessments on to any of their tenants on the Town Lake property. No funding is requested at this time, but the project is recommended for listing in the CIP, because the funding will be repaid entirely by ASU, SunCor and their subsequent tenants of the development.

Plaza Between the Mill Avenue Bridges

The Plaza at Mill Avenue Bridges project will provide a plaza and stair connection between Mill Avenue and Tempe Town Lake in the vicinity of the Mill Avenue Bridges on the south bank. Funding for the design of the Plaza came in 2006 with the land sale for the Rio West project (\$450,000). Approximately \$382,000 remains of that amount, with \$68,000 paid to ASU for conceptual development plans. The project will at a minimum include a grand stair case, shade, fountain, restrooms, storage, and a concession area. It may also include a community building above the grand staircase with transition to Mill Avenue, Tempe Beach Park, and Giuliano Park. This project will be 100% funded Avenue Communities. No additional funding is requested at this time, but the project is recommended for listing in the CIP, subject to the fundraising commitment of Avenue Communities.