

## INTRODUCTION

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The City of Sugar Land's Capital Improvements Program has been developed in order to further our commitment to the citizens of Sugar Land. We are working to meet today's infrastructure needs as well as those of the future. From work on underground water and sewer lines, to more visible projects such as street paving and park improvements, the five-year CIP addresses the needs of the City through responsible City government with a comprehensive approach that ensures efficient use of public funds.

What is a Capital Improvement Program (CIP)? A CIP is a long range plan which identifies capital projects, provides a planning schedule, and identifies options for financing the plan. Essentially, the program provides a link between the City's comprehensive plan, various master plans, the annual budget and five year financial forecast.

A CIP provides many benefits, including:

- A systematic evaluation of all potential projects at the same time
- The ability to stabilize the debt tax rate and reduce borrowing costs through consolidated issuance
- Serves as a public relations and economic development tool

A long-term capital improvement program has many obvious benefits derived from its organized approach to planning projects. However, these benefits cannot be attained from the production of this document alone. One key benefit of a centralized capital improvement program is the opportunity to foster cooperation among departments and an ability to inform other governmental entities and rating agencies of the City's priorities and future plans. The support of the citizens of Sugar Land and the City's commitment to carrying out these programs is required in order to realize the following benefits:

Focuses attention of community goals and needs. Capital projects can be brought into line with the City's objectives, allowing projects to be prioritized based on need. Furthermore, the CIP can be used as an effective tool for achieving the goals set forth in the City's Comprehensive Plan. Since cost estimates in years two through five are neither concrete nor committed, City Council has an opportunity to align identified projects with the priorities established to meet the goals and needs of the community.

Allows for an informed public. The CIP keeps the public informed about the future capital investment plans of the City and allows them to play a more active role in the process. Since years two through five are for planning purposes, placing estimated costs in the out years allows City Council and the public to have an idea of the magnitude of a proposed project before considering it for funding.

Encourages more efficient program administration. By enhancing the level of communication among the various departments implementing capital improvement projects, the City is able to better coordinate efforts, avoiding duplication of efforts and potential conflicts. Work can be

more effectively scheduled and available personnel and equipment can be better utilized when it is known in advance what, when, and where projects will be undertaken.

Identifies the most economically sound means of funding projects. Through proper planning, the need for bond issues or other revenue production measures can be foreseen and action can be taken before the need becomes so critical that emergency financing measures are required. By identifying funding needs and fiscally constraining all five years of the CIP, the City is able to target needs by priority and work to put in place sources of funding for those projects where capacity may fall short.

Enhances the City's credit rating. Dramatic changes in the tax structure and bonded indebtedness can be avoided with proper planning that allows the City to minimize the impact of capital improvement projects. By keeping planned projects within the financial capabilities of the City, we are able to preserve our credit rating and make the City more attractive to business and industry.

Helps to plan for future debt issues. The City last held a general obligation bond election in January 1999. At that time the voters approved a \$34.5 million bond package. The City has issued all but \$2.4 million of the voted authorization as of July 2008. The five-year CIP is a key tool in planning for future issuance of debt, such as certificates of obligation, or identifying projects for a future bond referendum.

Defines the impact of master plans and studies. Based on history, a preliminary engineering report (PER) almost always results in a capital improvement. Until these PERs are completed and ready to move into the design phase of work, potential projects are not included in the CIP. The PERs are shown in a separate section and tracked under a different numbering system than active projects.

## **CIP DEVELOPMENT PROCESS**

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The development of a capital improvement program is a continual process and, consequently, should be viewed as a work in progress. Therefore, while this document covers a five-year planning perspective, it is revised every year in order to accommodate new projects, reflect changes in ongoing projects, and extend the program an additional year. The first year of the plan is incorporated into the annual budget as required by the City's charter, and funds are appropriated through the budget adoption. Improvements identified in subsequent years are approved only on a planning basis and do not receive any appropriation. Cost estimates for years two through five are presented for planning purposes only, and are used in conjunction with the City's long-range financial plan. The CIP development process utilizes a "project-ready" approach whereby the scope and budget for a proposed improvement are clearly defined prior to the appropriation of funds for construction.

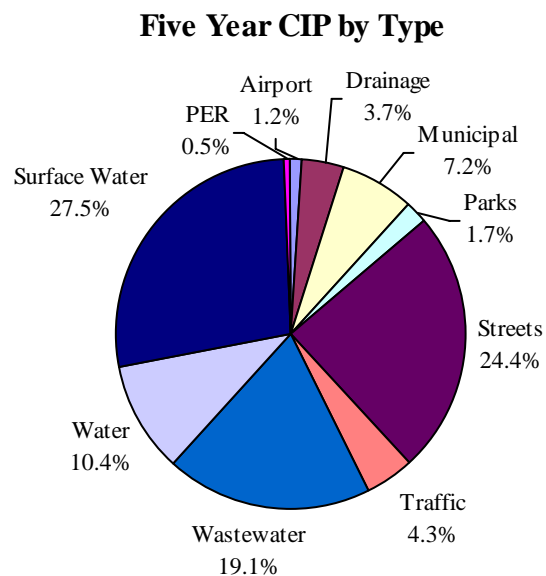
Recognizing the importance of the Capital Improvement Program that allows the City of Sugar Land to continue to be a "great place to live and work," the City considers input from citizens, the Planning and Zoning Commission, City Council and City staff members in the Capital Improvement Program's preparation. A project list is compiled, prioritized by year, and cost estimates assigned. City Council is able to weigh citizen input with staff recommendations to ensure that both are equally considered. The Fiscal Services Department also looks at the overall impact of projects, including the need to issue debt, potential impact on the tax rate, and operations and maintenance impact to the City. The City

Council, through budget workshops, reviews the proposed CIP and any recommended changes are incorporated into the final document. A final five-year CIP is then presented with the annual budget for Council consideration and approval. Upon Council adoption, the five-year CIP document is reproduced and distributed for implementation of the program. Years two through five become the beginning of the next five year CIP and project scopes are further refined based on additional information garnered through preliminary engineering and design work, combined with adjustments to cost based on updated scopes and market conditions.

## 2009-2013 CAPITAL IMPROVEMENT PROGRAM

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The Five-Year Capital Improvement Program for 2009 to 2013 totals \$249,340,637. Funding for CIP projects are derived from various sources including general obligation bonds, utility revenue bonds, certificates of obligation, utility revenues, general sales tax, economic development sales taxes, airport revenues, TxDOT highway funds, county mobility bonds and grants. Uses of the funding include Airport, Streets, Traffic, Drainage, Municipal, Parks, Water, Wastewater and Surface Water projects.



## FISCAL YEAR 2009 PROJECT HIGHLIGHTS

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### AIRPORT

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Airport projects include an update to the Airport Layout Plan and design work for standby power facilities for the airport. All projects are funded through airport revenues or grant funding.

### DRAINAGE

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Drainage projects include rehabilitation of the AMIL gates, evaluation of the base flood elevation for the Brazos River, construction of storm sewer laterals to divert flow from Covington Woods to Eldridge Road, construction of drainage improvements at River Bend Country Club to benefit the Sugar Creek area, radar based flood alert system, and localized drainage improvements.

FY09 design projects include additional conveyance capacity to Jane Long Lake.

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## MUNICIPAL

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Municipal projects include design of the Public Works/Utilities/Fleet Expansion, design of Fire Station #7, construction of emergency generators, renovations to facilities as identified in the municipal facilities study and improvements to the administrative annex to facilitate the relocation of the archives center and house additional personnel within the building.

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## PARKS

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Parks projects include land acquisition along the Brazos River, supplemental funds for a recreation center, rehabilitation of existing park infrastructure, improvements to Sugar Land Memorial Park, beautification of SH6 and US90A interchange and streetscape along US90A, and renovation to landscaping along SH6.

FY09 design projects include: trails and pavilions in Imperial Park, hike & bike trail extensions in various areas, Brazos River Park Phase II, First Colony Park improvements, Seniors Center Phase II, and US59 beautification and improvements to Settlers Way and Colony Bend Parks.

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## STREETS

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Street projects include the final segment of street reconstruction in Mayfield Park, supplemental funding for the widening of Burney Road, pavement and sidewalk rehabilitation, and replacement of streetlights throughout the City.

FY09 design projects include improvements to Dulles Avenue, Meadowcroft Blvd, University Blvd Extension and University Blvd North bridge over ditch "H".

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## TRAFFIC

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Traffic projects include upgrades to traffic technology, replacement of span wire signals along SH6, upgrades to traffic signal management, expansion of the system detection network, and design of a median extension for SH6 through the rest of the City.

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## WASTEWATER

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Wastewater projects include lift station rehabilitation at Ragus Lakes and Mayfield Park, rehabilitation of the collection system, land/ROW acquisition for diversion of flow from the north treatment plant to the west treatment plant, and emergency power for treatment plants.

FY09 design projects include the west treatment plant expansion, interceptor rehabilitation, and south treatment plant aeration system rehabilitation.

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## WATER

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Water projects include construction of distribution main upgrades at the Sugar Creek water plant, rehabilitation of distribution water main, land acquisition for replacement of groundwater wells, construction of water line & appurtenances for water plant #3, rehabilitation of existing wells, and improvements to the Austin Pkwy water plant.

FY09 design projects include alternative disinfection systems, upgrades to various water plants to facilitate emergency operation, and ground storage expansion at the Woodchester water plant.

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## SURFACE WATER

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Surface Water projects entail design of the surface water treatment plant and related transmission lines for the City's mandated 30% reduction in groundwater use by 2013. The plant will begin construction in the latter part of 2010 and be on-line by 2013.

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## HOW TO USE THIS DOCUMENT

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The Capital Improvement Program document is organized by project type. Each project type includes information on existing projects that will carryover into fiscal year 2009, and projects that are anticipated for funding in 2009-2013. Due to the nature of capital projects, the life of a project may span across fiscal years. As funds are designated for a project, they are accumulated in the appropriate capital fund and expended as the project progresses. When the funds are not spent in one year, they remain in the fund balance to be used in the future. This is also referred to as carryover. As the City refines the annual CIP, these carryover projects will be redefined into areas of contractual obligation, and ongoing projects will be re-appropriated in the following year to ensure full project funding. The summary section includes total uses and sources of funding, a list of all the projects and project numbers and amount for each year. Detailed project descriptions and justifications follow by project type of each individual project, including the estimated operating expense, project costs, and funding sources.

Individual project data sheets include:

- Description/Justification: Information about the purpose and scope of the project and explanation of why the project is needed.

- **Impact on Operating Budget:** Estimated increases in annual operational costs as a direct result of the project (not cumulative). Typically no costs are shown for FY09 as these costs will already be built into the operating budget if the project will be placed in service during FY09. These costs are utilized to incorporate the impact of the CIP into the five year forecast.
- **Project Costs/Source of Funds:** Details of project expenditures and sources of funding, including prior years funding and sources for the project, FY09 appropriations and estimated costs for FY10- FY13 (or until project completion).
- **Project costs and timing as shown in FY10-13** are estimates for planning purposes only and are subject to change
- **Project Schedule:** Estimated project schedule by phase (PER, design, construction), shown by month and year for FY09, and by year for future years.
- **Site Information:** Location map (if available) indicating the project’s approximate location within the city.
- **Other:** This section may contain additional information regarding the funding source or status of the project.

For clarification in determining project timing, each project has been assigned an alphanumeric CIP number.

- The first two digits identify what type of project it is:

AP = Airport	DR = Drainage	WW = Wastewater
MU = Municipal	PK = Parks	WA = Water
ST = Streets	TR = Traffic	SW = Surface Water

- The second two digits of the number (AP08) identify the first fiscal year in which the project is planned, and the last two digits (AP0801) assign a sequential number. If project funding crosses multiple years, the project retains its original fiscal year designator for supplemental funding requests.
- Project titles provide a brief description of the project. An (s) at the end of the title indicates that the project is receiving supplemental funding to complete the original project.
- Preliminary Engineering Reports are numbered based on the project type, “PE” to designate that it is a PER, the middle two digits reflect the project type and the last two digits are a sequential number based on the number of PERs already completed for that project type.