

CAPITAL IMPROVEMENTS

FY 2012 CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) for FY 2012 represents a \$80.2 million investment of public funds in infrastructure and public facilities. The project mix has changed from prior years to 34.6% of the funding being provided on the pay-as-you-go basis versus 55.5% in FY 2011. The major projects in this year's budget are 2010 Street/Utility Projects, Rio De Flag project, West/Arrowhead Improvements, and Municipal Services Maintenance Facility. This year's capital improvement program is funded 47.0% through debt financing including the 2010 Streets/Utility projects, FUTS/Open Space and Fire Stations. The grant funding of 18.4% is primarily for airport projects and Beautification.

In May 2004 voters approved 10 bond projects totaling \$155.2 million. These projects will be phased in over a 10-year period and budgeted on a cash flow basis.

In November 2010 voters approved two bond projects totaling \$21.2 million. These projects are Public Safety/City Operations Communications Systems and Street and Utilities Improvements. The Public Safety/City Operations Communications System will be implemented in FY 2011 and the Street and Utilities Improvements will be phased in over a 5-year period and budgeted on a cash flow basis.

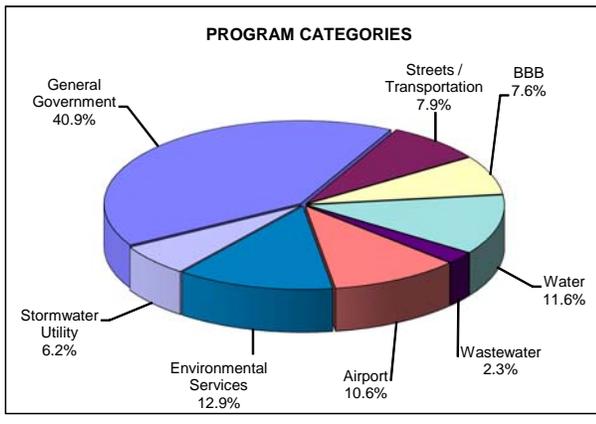
Expenditure totals may be shown as inflated or non-inflated costs depending on whether the scope of work or funding amount is the determining factor.

The Five-Year Capital Improvement Plan (multi-year, long-range study of construction and/or acquisition of high cost items with an extended useful life) is prepared separately from the Annual Budget and Financial Plan.

The following pages provided listing of the Capital Improvement projects along with a map to show the location of the improvements.

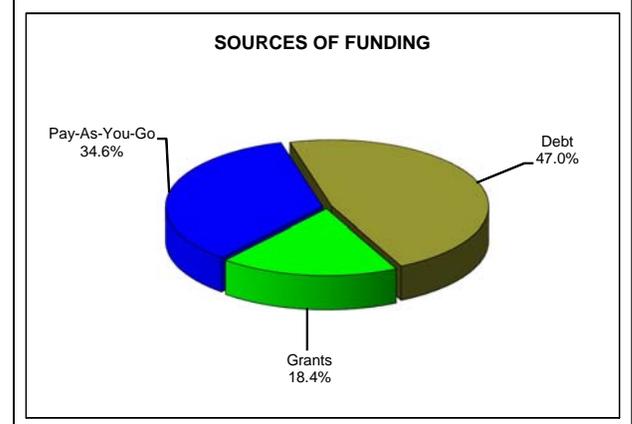
Funded projects in the five-year Capital Improvement Program fall into the following eight broad categories:

General Government	40.9%	\$	32,811,584
Streets / Transportation	7.9%		6,304,991
BBB	7.6%		6,098,292
Water	11.6%		9,286,000
Wastewater	2.3%		1,840,000
Airport	10.6%		8,515,528
Environmental Services	12.9%		10,399,000
Stormwater Utility	6.2%		4,952,724
	<u>100.0%</u>	<u>\$</u>	<u>80,208,119</u>



Sources of funding are categorized in three categories as shown below:

Pay-As-You-Go	34.6%	\$	27,779,108
Debt	47.0%		37,663,784
Grants	18.4%		14,765,227
	<u>100.0%</u>	<u>\$</u>	<u>80,208,119</u>



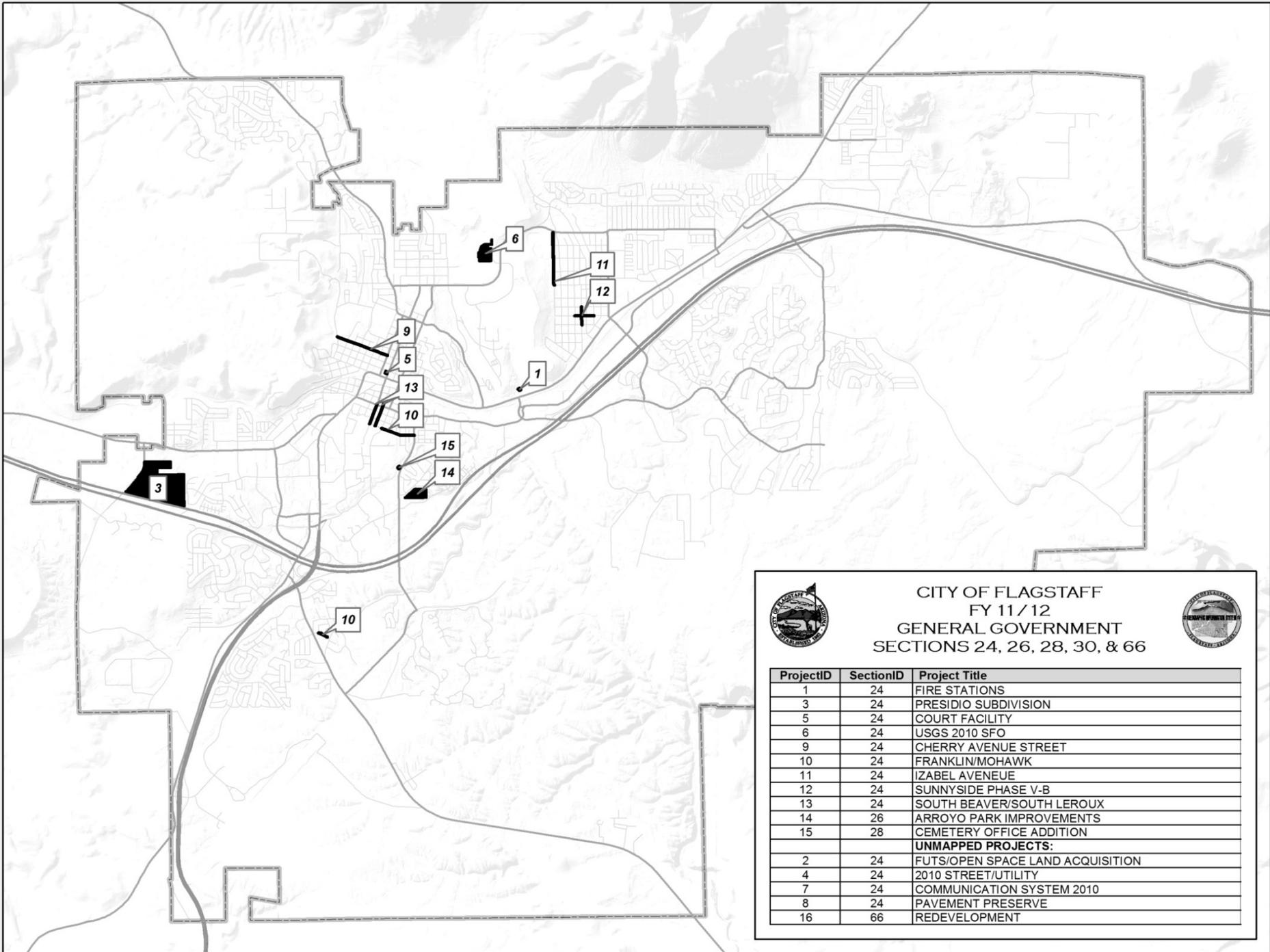
SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

**GENERAL GOVERNMENT
APPROPRIATIONS**

DIV	PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1 24	FIRE STATIONS	\$ -	209,261
2 24	FUTS/OPEN SPACE LAND ACQUISITION	1,300,000	1,300,000
3 24	PRESIDIO SUBDIVISION	3,500,000	3,500,000
4 24	2010 STREET/UTILITY	-	500,000
5 24	COURT FACILITY	-	10,000,000
6 24	USGS 2010 SFO	-	5,420,640
7 24	COMMUNICATION SYSTEM 2010	4,720,000	4,720,000
8 24	PAVEMENT PRESERVE	-	1,500,000
9 24	CHERRY AVENUE STREET	-	1,150,000
10 24	FRANKLIN/MOHAWK	-	2,084,308
11 24	IZABEL AVENEUE	-	500,000
12 24	SUNNYSIDE PHASE V-B	-	474,750
13 24	SOUTH BEAVER/SOUTH LEROUX	-	605,825
14 26	ARROYO PARK IMPROVEMENTS	73,800	73,800
15 28	CEMETERY OFFICE ADDITION	128,000	128,000
16 66	REDEVELOPMENT	645,000	645,000
TOTAL GENERAL GOVERNMENT		<u>\$ 10,366,800</u>	<u>32,811,584</u>

SOURCES OF FUNDING

DIV	PROJECT	BONDS	OTHER	TOTAL
1 24	FIRE STATIONS	\$ 209,261	-	209,261
2 24	FUTS/OPEN SPACE LAND ACQUISITION	1,300,000	-	1,300,000
3 24	PRESIDIO SUBDIVISION	-	3,500,000	3,500,000
4 24	2010 STREET/UTILITY	500,000	-	500,000
5 24	COURT FACILITY	8,000,000	2,000,000	10,000,000
6 24	USGS 2010 SFO	5,420,640	-	5,420,640
7 24	COMMUNICATION SYSTEM 2010	4,720,000	-	4,720,000
8 24	PAVEMENT PRESERVE	1,500,000	-	1,500,000
9 24	CHERRY AVENUE STREET	1,150,000	-	1,150,000
10 24	FRANKLIN/MOHAWK	2,084,308	-	2,084,308
11 24	IZABEL AVENEUE	500,000	-	500,000
12 24	SUNNYSIDE PHASE V-B	474,750	-	474,750
13 24	SOUTH BEAVER/SOUTH LEROUX	605,825	-	605,825
14 26	ARROYO PARK IMPROVEMENTS	-	73,800	73,800
15 28	CEMETERY OFFICE ADDITION	-	128,000	128,000
16 66	REDEVELOPMENT	-	645,000	645,000
TOTAL GENERAL GOVERNMENT		<u>\$ 26,464,784</u>	<u>6,346,800</u>	<u>32,811,584</u>





CITY OF FLAGSTAFF
FY 11/12
GENERAL GOVERNMENT
SECTIONS 24, 26, 28, 30, & 66



ProjectID	SectionID	Project Title
1	24	FIRE STATIONS
3	24	PRESIDIO SUBDIVISION
5	24	COURT FACILITY
6	24	USGS 2010 SFO
9	24	CHERRY AVENUE STREET
10	24	FRANKLIN/MOHAWK
11	24	IZABEL AVENEUE
12	24	SUNNYSIDE PHASE V-B
13	24	SOUTH BEAVER/SOUTH LEROUX
14	26	ARROYO PARK IMPROVEMENTS
15	28	CEMETERY OFFICE ADDITION
UNMAPPED PROJECTS:		
2	24	FUTS/OPEN SPACE LAND ACQUISITION
4	24	2010 STREET/UTILITY
7	24	COMMUNICATION SYSTEM 2010
8	24	PAVEMENT PRESERVE
16	66	REDEVELOPMENT

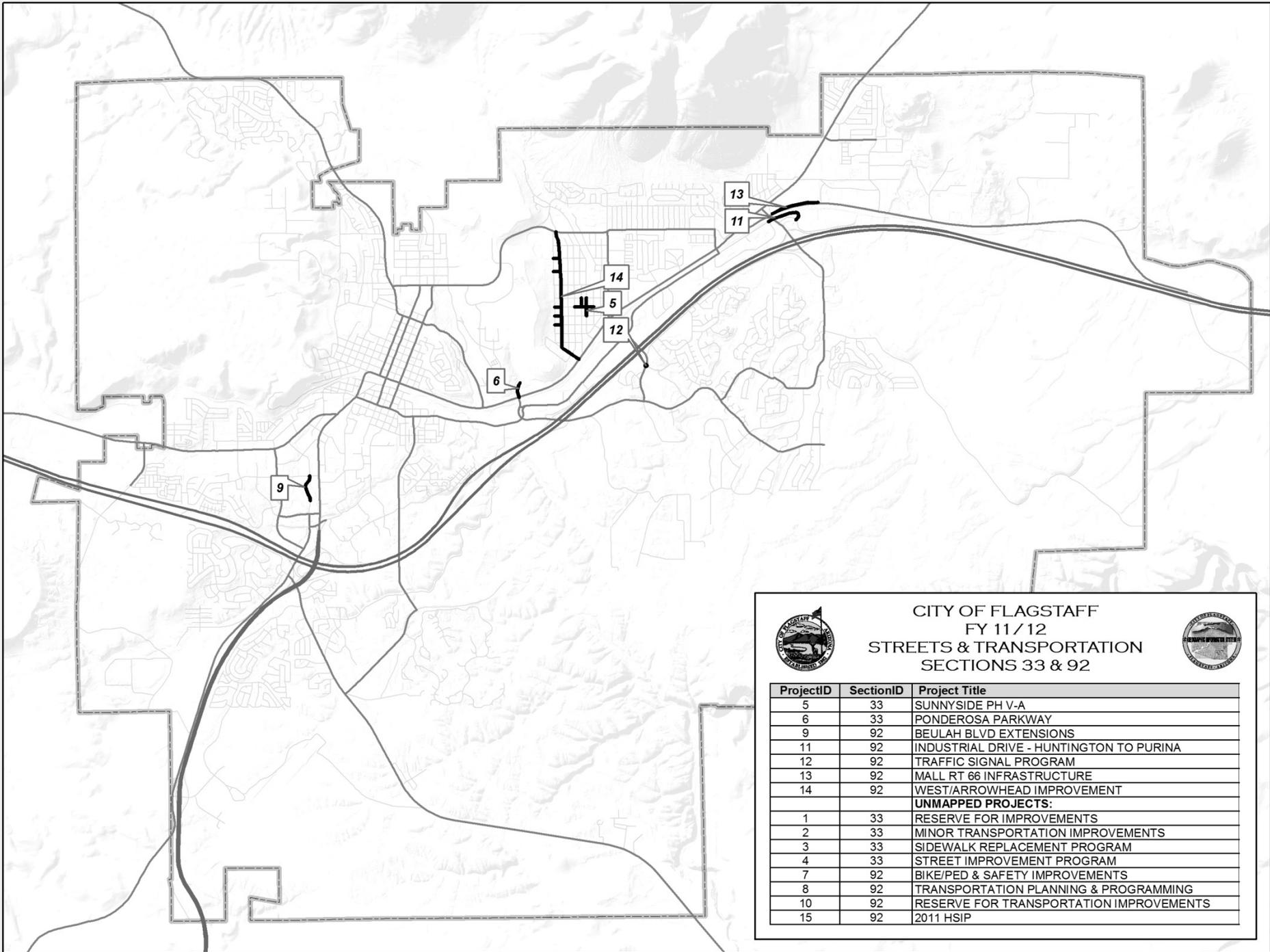
SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

**STREETS/TRANSPORTATION
APPROPRIATIONS**

DIV	PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1	33 RESERVE FOR IMPROVEMENTS	\$ -	40,000
2	33 MINOR TRANSPORTATION IMPROVEMENTS	-	50,000
3	33 SIDEWALK REPLACEMENT PROGRAM	-	15,000
4	33 STREET IMPROVEMENT PROGRAM	-	893,000
5	33 SUNNYSIDE PH V-A	-	1,000
6	33 PONDEROSA PARKWAY	-	4,719
7	92 BIKE/PED & SAFETY IMPROVEMENTS	-	337,400
8	92 TRANSPORTATION PLANNING & PROGRAMMING	-	100,000
9	92 BEULAH BLVD EXTENSIONS	-	300,000
10	92 RESERVE FOR TRANSPORTATION IMPROVEMENTS	-	125,000
11	92 INDUSTRIAL DRIVE - HUNTINGTON TO PURINA	11,225	11,225
12	92 TRAFFIC SIGNAL PROGRAM	104,416	167,647
13	92 MALL RT 66 INFRASTRUCTURE	175,000	175,000
14	92 WEST/ARROWHEAD IMPROVEMENT	1,154,500	4,060,000
15	92 2011 HSIP	-	25,000
TOTAL STREETS AND TRANSPORTATION		\$ 1,445,141	6,304,991

SOURCES OF FUNDING

DIV	PROJECT	HURF	TRANS- PORTATION	GRANTS	OTHER	TOTAL
1	33 RESERVE FOR IMPROVEMENTS	\$ 40,000	-	-	-	40,000
2	33 MINOR TRANSPORTATION IMPROVEMENTS	50,000	-	-	-	50,000
3	33 SIDEWALK REPLACEMENT PROGRAM	15,000	-	-	-	15,000
4	33 STREET IMPROVEMENT PROGRAM	893,000	-	-	-	893,000
5	33 SUNNYSIDE PH V-A	1,000	-	-	-	1,000
6	33 PONDEROSA PARKWAY	-	-	-	4,719	4,719
7	92 BIKE/PED & SAFETY IMPROVEMENTS	-	337,400	-	-	337,400
8	92 TRANSPORTATION PLANNING & PROGRAMMING	-	100,000	-	-	100,000
9	92 BEULAH BLVD EXTENSIONS	-	-	300,000	-	300,000
10	92 RESERVE FOR TRANSPORTATION IMPROVEMENTS	-	125,000	-	-	125,000
11	92 INDUSTRIAL DRIVE - HUNTINGTON TO PURINA	-	11,225	-	-	11,225
12	92 TRAFFIC SIGNAL PROGRAM	-	167,647	-	-	167,647
13	92 MALL RT 66 INFRASTRUCTURE	-	175,000	-	-	175,000
14	92 WEST/ARROWHEAD IMPROVEMENT	-	4,060,000	-	-	4,060,000
15	92 2011 HSIP	-	-	25,000	-	25,000
TOTAL STREETS AND TRANSPORTATION		\$ 999,000	4,976,272	325,000	4,719	6,304,991



ProjectID	SectionID	Project Title
5	33	SUNNYSIDE PH V-A
6	33	PONDEROSA PARKWAY
9	92	BEULAH BLVD EXTENSIONS
11	92	INDUSTRIAL DRIVE - HUNTINGTON TO PURINA
12	92	TRAFFIC SIGNAL PROGRAM
13	92	MALL RT 66 INFRASTRUCTURE
14	92	WEST/ARROWHEAD IMPROVEMENT
UNMAPPED PROJECTS:		
1	33	RESERVE FOR IMPROVEMENTS
2	33	MINOR TRANSPORTATION IMPROVEMENTS
3	33	SIDEWALK REPLACEMENT PROGRAM
4	33	STREET IMPROVEMENT PROGRAM
7	92	BIKE/PED & SAFETY IMPROVEMENTS
8	92	TRANSPORTATION PLANNING & PROGRAMMING
10	92	RESERVE FOR TRANSPORTATION IMPROVEMENTS
15	92	2011 HSIP

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

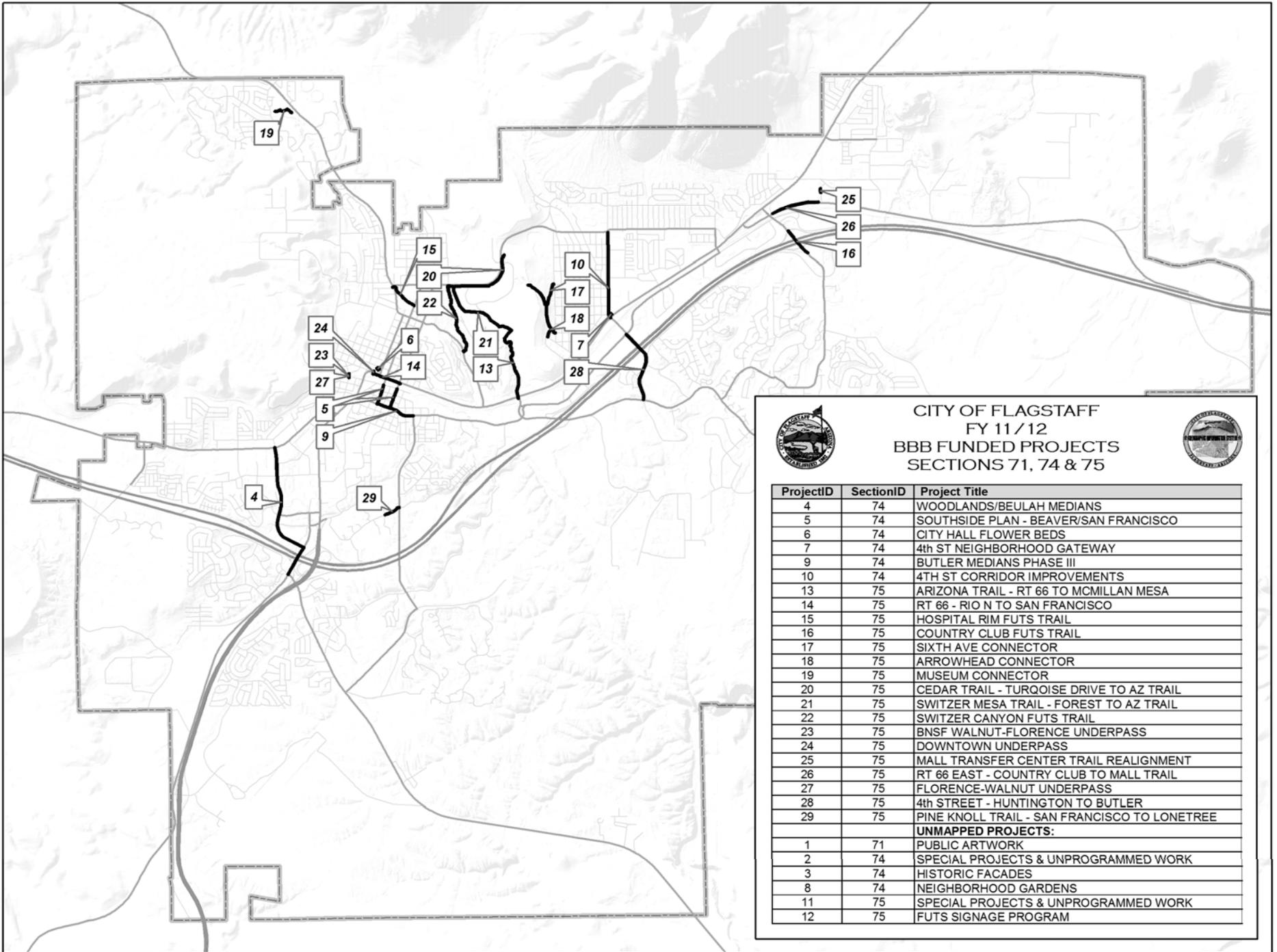
BBB

APPROPRIATIONS

DIV		PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1	71	PUBLIC ARTWORK	\$ 278,400	282,233
2	74	SPECIAL PROJECTS & UNPROGRAMMED WORK	30,000	80,000
3	74	HISTORIC FACADES	30,000	83,529
4	74	WOODLANDS/BEULAH MEDIANS	760,530	760,530
5	74	SOUTHSIDE PLAN - BEAVER/SAN FRANCISCO	27,000	27,000
6	74	CITY HALL FLOWER BEDS	47,592	55,500
7	74	4th ST NEIGHBORHOOD GATEWAY	97,360	197,360
8	74	NEIGHBORHOOD GARDENS	12,500	12,500
9	74	BUTLER MEDIANS PHASE III	20,000	521,080
10	74	4TH ST CORRIDOR IMPROVEMENTS	200,000	500,000
11	75	SPECIAL PROJECTS & UNPROGRAMMED WORK	-	50,000
12	75	FUTS SIGNAGE PROGRAM	110,000	260,000
13	75	ARIZONA TRAIL - RT 66 TO MCMILLAN MESA	-	292,080
14	75	RT 66 - RIO N TO SAN FRANCISCO	1,000	1,000
15	75	HOSPITAL RIM FUTS TRAIL	87,750	187,000
16	75	COUNTRY CLUB FUTS TRAIL	-	25,000
17	75	SIXTH AVE CONNECTOR	-	114,000
18	75	ARROWHEAD CONNECTOR	-	229,000
19	75	MUSEUM CONNECTOR	2,650	42,650
20	75	CEDAR TRAIL - TURQOISE DRIVE TO AZ TRAIL	-	134,000
21	75	SWITZER MESA TRAIL - FOREST TO AZ TRAIL	-	85,000
22	75	SWITZER CANYON FUTS TRAIL	250,000	250,000
23	75	BNSF WALNUT-FLORENCE UNDERPASS	357,530	681,164
24	75	DOWNTOWN UNDERPASS	-	150,000
25	75	MALL TRANSFER CENTER TRAIL REALIGNMENT	75,000	80,000
26	75	RT 66 EAST - COUNTRY CLUB TO MALL TRAIL	236,000	236,000
27	75	FLORENCE-WALNUT UNDERPASS	-	522,000
28	75	4th STREET - HUNTINGTON TO BUTLER	-	159,666
29	75	PINE KNOLL TRAIL - SAN FRANCISCO TO LONETREE	-	80,000
TOTAL BBB			\$ 2,623,312	6,098,292

SOURCES OF FUNDING

DIV		PROJECT	BBB	TRANS- PORTATION	GRANTS	OTHER	TOTAL
1	71	PUBLIC ARTWORK	\$ 282,233	-	-	-	282,233
2	74	SPECIAL PROJECTS & UNPROGRAMMED WORK	80,000	-	-	-	80,000
3	74	HISTORIC FACADES	83,529	-	-	-	83,529
4	74	WOODLANDS/BEULAH MEDIANS	310,530	-	450,000	-	760,530
5	74	SOUTHSIDE PLAN - BEAVER/SAN FRANCISCO	-	-	-	27,000	27,000
6	74	CITY HALL FLOWER BEDS	55,500	-	-	-	55,500
7	74	4th ST NEIGHBORHOOD GATEWAY	197,360	-	-	-	197,360
8	74	NEIGHBORHOOD GARDENS	12,500	-	-	-	12,500
9	74	BUTLER MEDIANS PHASE III	521,080	-	-	-	521,080
10	74	4TH ST CORRIDOR IMPROVEMENTS	500,000	-	-	-	500,000
11	75	SPECIAL PROJECTS & UNPROGRAMMED WORK	-	-	-	50,000	50,000
12	75	FUTS SIGNAGE PROGRAM	-	-	227,777	32,223	260,000
13	75	ARIZONA TRAIL - RT 66 TO MCMILLAN MESA	-	292,080	-	-	292,080
14	75	RT 66 - RIO N TO SAN FRANCISCO	-	223	-	777	1,000
15	75	HOSPITAL RIM FUTS TRAIL	-	187,000	-	-	187,000
16	75	COUNTRY CLUB FUTS TRAIL	-	-	25,000	-	25,000
17	75	SIXTH AVE CONNECTOR	-	114,000	-	-	114,000
18	75	ARROWHEAD CONNECTOR	-	229,000	-	-	229,000
19	75	MUSEUM CONNECTOR	-	42,650	-	-	42,650
20	75	CEDAR TRAIL - TURQOISE DRIVE TO AZ TRAIL	-	134,000	-	-	134,000
21	75	SWITZER MESA TRAIL - FOREST TO AZ TRAIL	-	85,000	-	-	85,000
22	75	SWITZER CANYON FUTS TRAIL	-	250,000	-	-	250,000
23	75	BNSF WALNUT-FLORENCE UNDERPASS	-	681,164	-	-	681,164
24	75	DOWNTOWN UNDERPASS	-	150,000	-	-	150,000
25	75	MALL TRANSFER CENTER TRAIL REALIGNMENT	-	80,000	-	-	80,000
26	75	RT 66 EAST - COUNTRY CLUB TO MALL TRAIL	-	-	236,000	-	236,000
27	75	FLORENCE-WALNUT UNDERPASS	-	22,000	500,000	-	522,000
28	75	4th STREET - HUNTINGTON TO BUTLER	-	9,101	150,565	-	159,666
29	75	PINE KNOLL TRAIL - SAN FRANCISCO TO LONETREE	-	-	80,000	-	80,000
TOTAL BBB			\$ 2,042,732	2,276,218	1,669,342	110,000	6,098,292



CITY OF FLAGSTAFF FY 11/12 BBB FUNDED PROJECTS SECTIONS 71, 74 & 75		
		
ProjectID	SectionID	Project Title
4	74	WOODLANDS/BEULAH MEDIANS
5	74	SOUTHSIDE PLAN - BEAVER/SAN FRANCISCO
6	74	CITY HALL FLOWER BEDS
7	74	4th ST NEIGHBORHOOD GATEWAY
9	74	BUTLER MEDIANS PHASE III
10	74	4TH ST CORRIDOR IMPROVEMENTS
13	75	ARIZONA TRAIL - RT 66 TO MCMILLAN MESA
14	75	RT 66 - RIO N TO SAN FRANCISCO
15	75	HOSPITAL RIM FUTS TRAIL
16	75	COUNTRY CLUB FUTS TRAIL
17	75	SIXTH AVE CONNECTOR
18	75	ARROWHEAD CONNECTOR
19	75	MUSEUM CONNECTOR
20	75	CEDAR TRAIL - TURQUOISE DRIVE TO AZ TRAIL
21	75	SWITZER MESA TRAIL - FOREST TO AZ TRAIL
22	75	SWITZER CANYON FUTS TRAIL
23	75	BNSF WALNUT-FLORENCE UNDERPASS
24	75	DOWNTOWN UNDERPASS
25	75	MALL TRANSFER CENTER TRAIL REALIGNMENT
26	75	RT 68 EAST - COUNTRY CLUB TO MALL TRAIL
27	75	FLORENCE-WALNUT UNDERPASS
28	75	4th STREET - HUNTINGTON TO BUTLER
29	75	PINE KNOLL TRAIL - SAN FRANCISCO TO LONETREE
UNMAPPED PROJECTS:		
1	71	PUBLIC ARTWORK
2	74	SPECIAL PROJECTS & UNPROGRAMMED WORK
3	74	HISTORIC FACADES
8	74	NEIGHBORHOOD GARDENS
11	75	SPECIAL PROJECTS & UNPROGRAMMED WORK
12	75	FUTS SIGNAGE PROGRAM

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

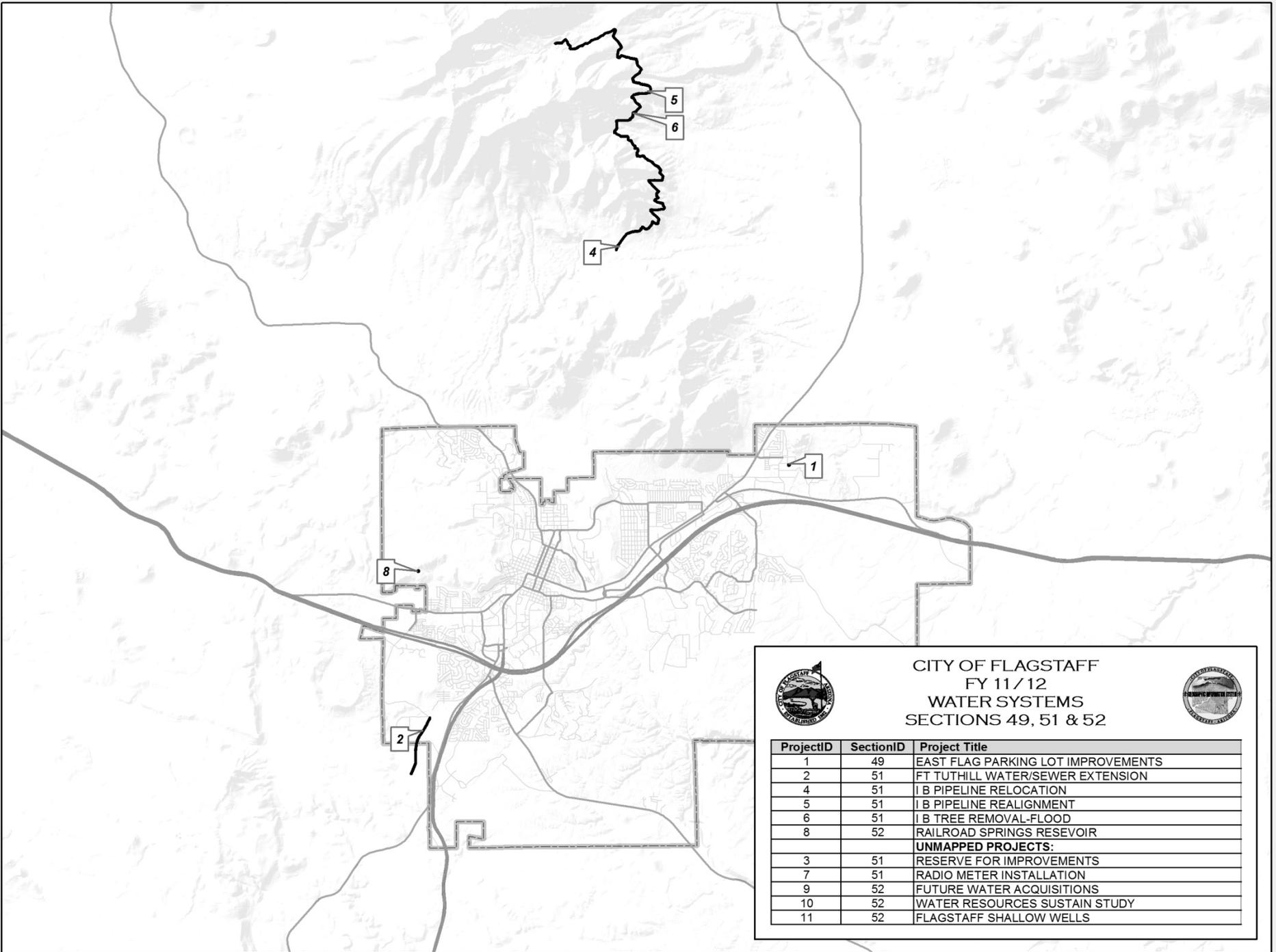
WATER

APPROPRIATIONS

DIV		PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1	49	EAST FLAG PARKING LOT IMPROVEMENTS	\$ -	57,000
2	51	FT TUTHILL WATER/SEWER EXTENSION	175,000	195,000
3	51	RESERVE FOR IMPROVEMENTS	-	125,000
4	51	I B PIPELINE RELOCATION	-	760,000
5	51	I B PIPELINE REALIGNMENT	-	3,600,000
6	51	I B TREE REMOVAL-FLOOD	-	1,000,000
7	51	RADIO METER INSTALLATION	-	100,000
8	52	RAILROAD SPRINGS RESEVOIR	450,000	450,000
9	52	FUTURE WATER ACQUISITIONS	749,563	948,000
10	52	WATER RESOURCES SUSTAIN STUDY	251,000	251,000
11	52	FLAGSTAFF SHALLOW WELLS	-	1,800,000
TOTAL WATER			<u>\$ 1,625,563</u>	<u>9,286,000</u>

SOURCES OF FUNDING

DIV		PROJECT	OPERATING	BONDS	GRANTS	TOTAL
1	49	EAST FLAG PARKING LOT IMPROVEMENTS	\$ 57,000	-	-	57,000
2	51	FT TUTHILL WATER/SEWER EXTENSION	195,000	-	-	195,000
3	51	RESERVE FOR IMPROVEMENTS	125,000	-	-	125,000
4	51	I B PIPELINE RELOCATION	-	-	760,000	760,000
5	51	I B PIPELINE REALIGNMENT	3,387,500	-	212,500	3,600,000
6	51	I B TREE REMOVAL-FLOOD	625,000	-	375,000	1,000,000
7	51	RADIO METER INSTALLATION	100,000	-	-	100,000
8	52	RAILROAD SPRINGS RESEVOIR	450,000	-	-	450,000
9	52	FUTURE WATER ACQUISITIONS	-	948,000	-	948,000
10	52	WATER RESOURCES SUSTAIN STUDY	-	251,000	-	251,000
11	52	FLAGSTAFF SHALLOW WELLS	-	1,800,000	-	1,800,000
TOTAL WATER			<u>\$ 4,939,500</u>	<u>2,999,000</u>	<u>1,347,500</u>	<u>9,286,000</u>



ProjectID	SectionID	Project Title
1	49	EAST FLAG PARKING LOT IMPROVEMENTS
2	51	FT TUTHILL WATER/SEWER EXTENSION
4	51	I B PIPELINE RELOCATION
5	51	I B PIPELINE REALIGNMENT
6	51	I B TREE REMOVAL-FLOOD
8	52	RAILROAD SPRINGS RESEVOIR
UNMAPPED PROJECTS:		
3	51	RESERVE FOR IMPROVEMENTS
7	51	RADIO METER INSTALLATION
9	52	FUTURE WATER ACQUISITIONS
10	52	WATER RESOURCES SUSTAIN STUDY
11	52	FLAGSTAFF SHALLOW WELLS

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

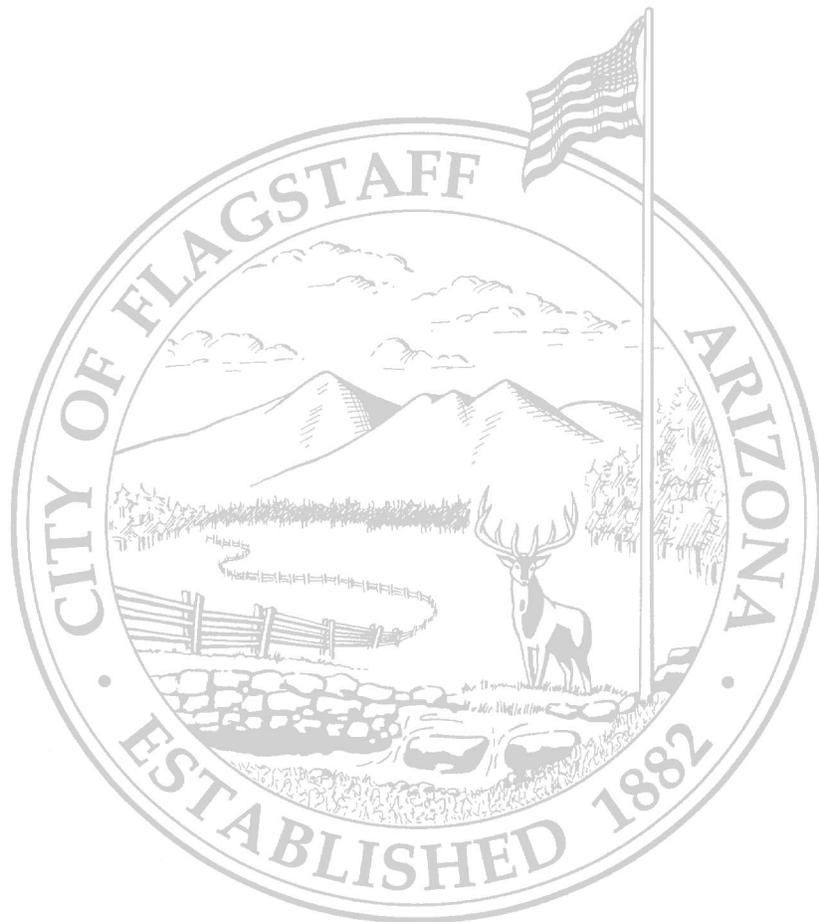
WASTEWATER

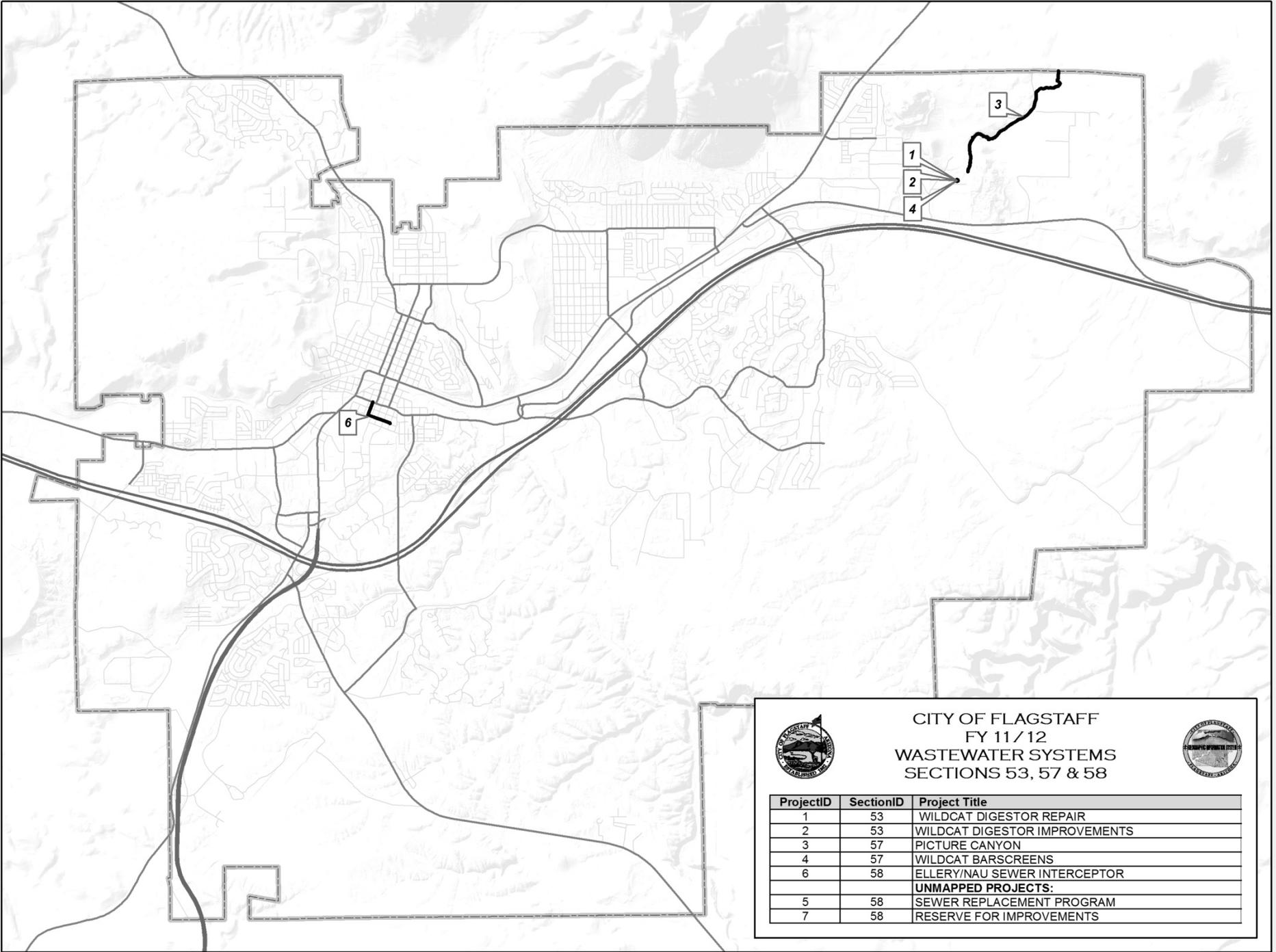
APPROPRIATIONS

DIV	PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1 53	WILDCAT DIGESTOR REPAIR	\$ -	600,000
2 53	WILDCAT DIGESTOR IMPROVEMENTS	-	176,000
3 57	PICTURE CANYON	184,000	184,000
4 57	WILDCAT BARSCREENS	-	300,000
5 58	SEWER REPLACEMENT PROGRAM	-	100,000
6 58	ELLERY/NAU SEWER INTERCEPTOR	-	380,000
7 58	RESERVE FOR IMPROVEMENTS	-	100,000
TOTAL WASTEWATER		\$ 184,000	1,840,000

SOURCES OF FUNDING

DIV	PROJECT	OPERATING	GRANT	TOTAL
1 53	WILDCAT DIGESTOR REPAIR	\$ 600,000	-	600,000
2 53	WILDCAT DIGESTOR IMPROVEMENTS	176,000	-	176,000
3 57	PICTURE CANYON	-	184,000	184,000
4 57	WILDCAT BARSCREENS	300,000	-	300,000
5 58	SEWER REPLACEMENT PROGRAM	100,000	-	100,000
6 58	ELLERY/NAU SEWER INTERCEPTOR	380,000	-	380,000
7 58	RESERVE FOR IMPROVEMENTS	100,000	-	100,000
TOTAL WASTEWATER		\$ 1,656,000	184,000	1,840,000





CITY OF FLAGSTAFF
FY 11/12
WASTEWATER SYSTEMS
SECTIONS 53, 57 & 58



SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

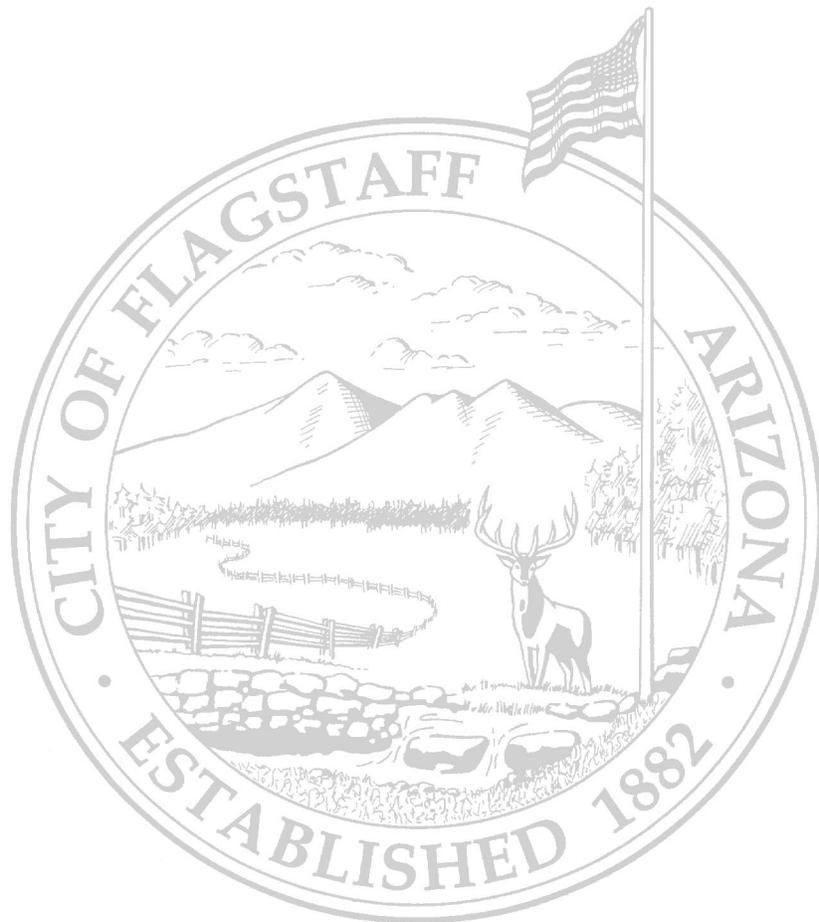
AIRPORT

APPROPRIATIONS

DIV	PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1	37 APRON RECONSTRUCTION	\$ 223,710	223,710
2	37 ACCESS ROAD CAPACITY	3,159,061	3,159,061
3	37 REHAB TAXIWAY RECONSTRUCT	5,132,757	5,132,757
	TOTAL AIRPORT	<u>\$ 8,515,528</u>	<u>8,515,528</u>

SOURCES OF FUNDING

DIV	PROJECT	GRANTS	OTHER	TOTAL
1	37 APRON RECONSTRUCTION	\$ 215,602	8,108	223,710
2	37 ACCESS ROAD CAPACITY	3,044,562	114,499	3,159,061
3	37 REHAB TAXIWAY RECONSTRUCT	4,946,722	186,035	5,132,757
	TOTAL AIRPORT	<u>\$ 8,206,885</u>	<u>308,643</u>	<u>8,515,528</u>





ProjectID	SectionID	Project Title
1	37	APRON RECONSTRUCTION
2	37	ACCESS ROAD CAPACITY
3	37	REHAB TAXIWAY RECONSTRUCT



CITY OF FLAGSTAFF
FY 11/12
AIRPORT
SECTIONS 37



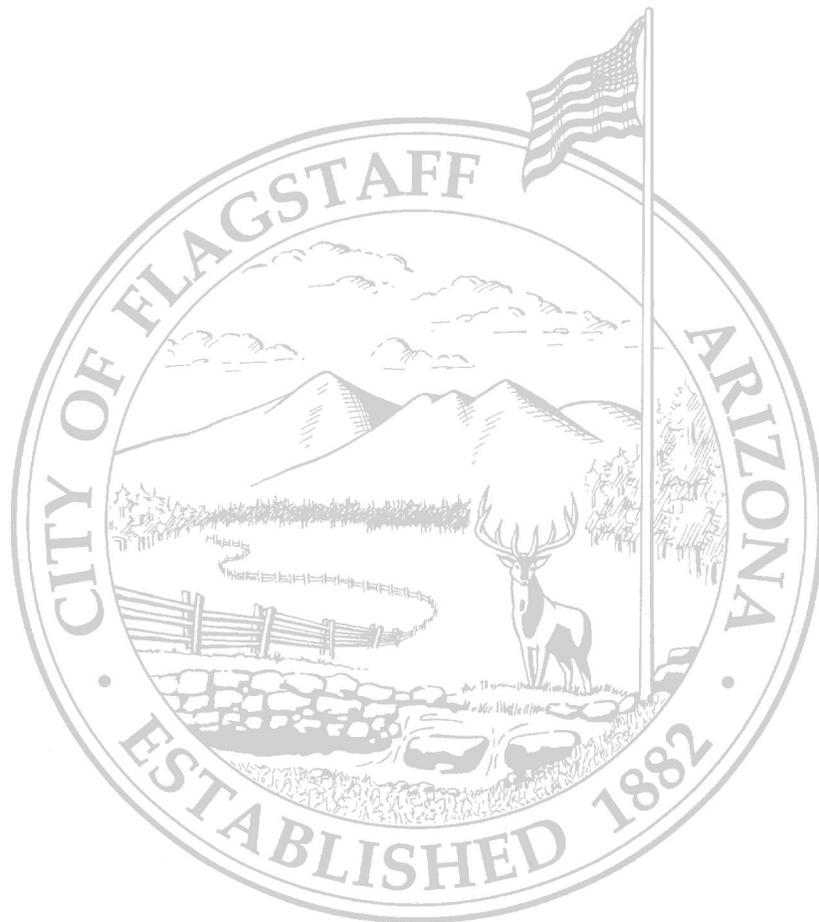
SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2011-2012

ENVIRONMENTAL SERVICES
APPROPRIATIONS

DIV	PROJECT	CARRYOVER FY 2011	BUDGET FY 2012
1 41	STORMWATER INFRASTRUCTURE	\$ -	24,000
2 41	MAINTENANCE BUILDING	75,000	100,000
3 41	FUELING STATION	-	275,000
4 41	MUNICIPAL SERVICES MAINTENANCE FACILITY	-	10,000,000
TOTAL ENVIRONMENTAL SERVICES		\$ 75,000	10,399,000

SOURCES OF FUNDING

DIV	PROJECT	OPERATING	BONDS	TOTAL
1 41	STORMWATER INFRASTRUCTURE	\$ 24,000	-	24,000
2 41	MAINTENANCE BUILDING	100,000	-	100,000
3 41	FUELING STATION	275,000	-	275,000
4 41	MUNICIPAL SERVICES MAINTENANCE FACILITY	1,800,000	8,200,000	10,000,000
TOTAL ENVIRONMENTAL SERVICES		\$ 2,199,000	8,200,000	10,399,000





CITY OF FLAGSTAFF FY 11/12 ENVIRONMENTAL SERVICES SECTIONS 41		
2	41	MAINTENANCE BUILDING
3	41	FUELING STATION
UNMAPPED PROJECTS:		
1	41	STORMWATER INFRASTRUCTURE
4	41	MUNICIPAL SERVICES MAINTENANCE FACILITY

SCHEDULE OF CAPITAL IMPROVEMENTS - FISCAL YEAR 2010-2011

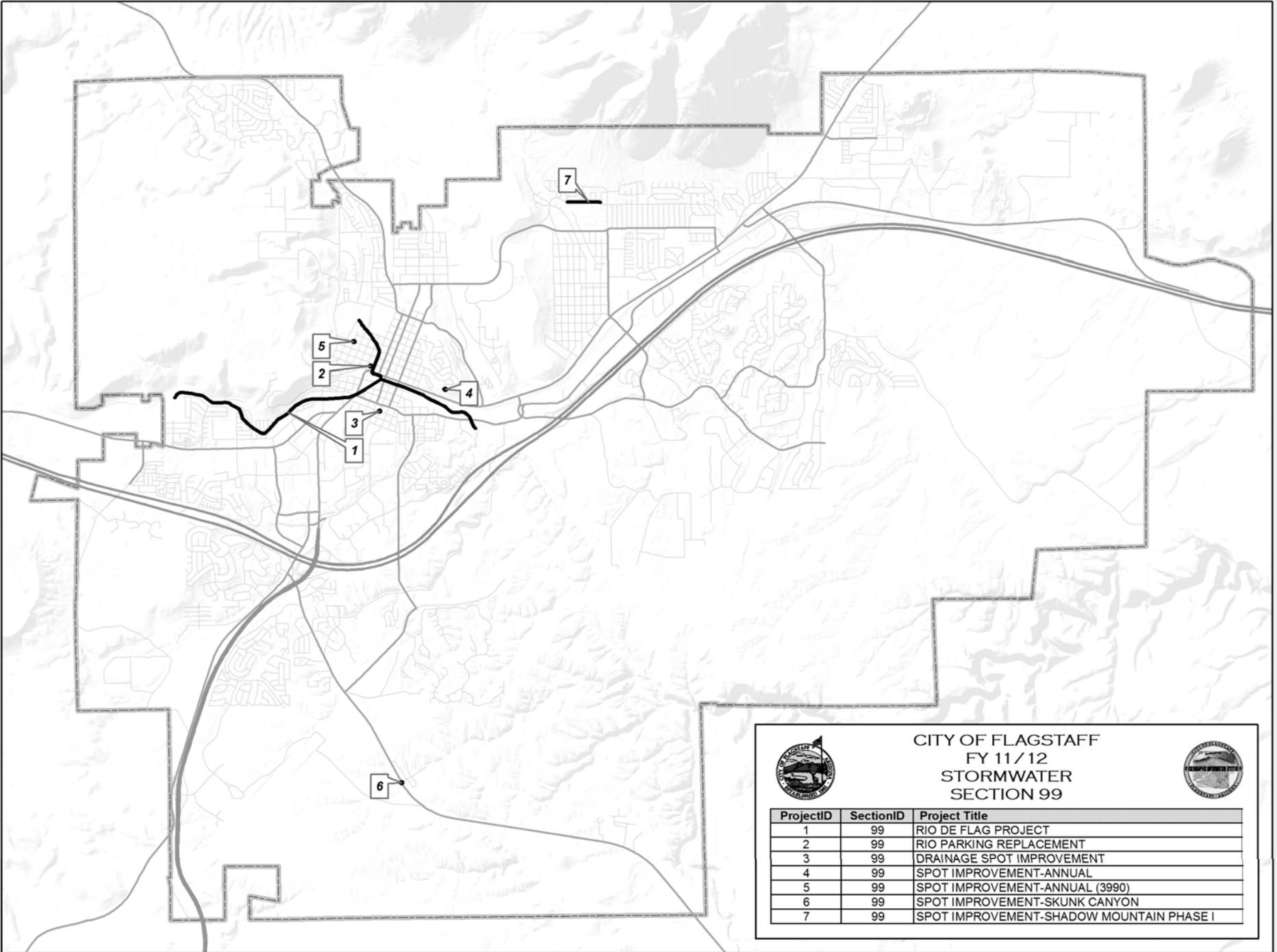
**STORMWATER UTILITY
APPROPRIATIONS**

DIV	PROJECT	CARRYOVER FY 2010	BUDGET FY 2011
1	99 RIO DE FLAG PROJECT	\$ 2,483,020	3,135,981
2	99 RIO PARKING REPLACEMENT	1,200,000	1,200,000
3	99 DRAINAGE SPOT IMPROVEMENT	-	2,419
4	99 SPOT IMPROVEMENT-ANNUAL	-	75,000
5	99 SPOT IMPROVEMENT-ANNUAL (3990)	-	15,000
6	99 SPOT IMPROVEMENT-SKUNK CANYON	108,371	276,380
7	99 SPOT IMPROVEMENT-SHADOW MOUNTAIN PHASE I	108,372	247,944
TOTAL STORMWATER UTILITY		<u>\$ 3,899,763</u>	<u>4,952,724</u>

SOURCES OF FUNDING

DIV	PROJECT	OPERATING	TOTAL
1	99 RIO DE FLAG PROJECT	\$ 3,135,981	3,135,981
2	99 RIO PARKING REPLACEMENT	1,200,000	1,200,000
3	99 DRAINAGE SPOT IMPROVEMENT	2,419	2,419
4	99 SPOT IMPROVEMENT-ANNUAL	75,000	75,000
5	99 SPOT IMPROVEMENT-ANNUAL (3990)	15,000	15,000
6	99 SPOT IMPROVEMENT-SKUNK CANYON	276,380	276,380
7	99 SPOT IMPROVEMENT-SHADOW MOUNTAIN PHASE I	247,944	247,944
TOTAL STORMWATER UTILITY		<u>\$ 4,952,724</u>	<u>4,952,724</u>





ProjectID	SectionID	Project Title
1	99	RIO DE FLAG PROJECT
2	99	RIO PARKING REPLACEMENT
3	99	DRAINAGE SPOT IMPROVEMENT
4	99	SPOT IMPROVEMENT-ANNUAL
5	99	SPOT IMPROVEMENT-ANNUAL (3990)
6	99	SPOT IMPROVEMENT-SKUNK CANYON
7	99	SPOT IMPROVEMENT-SHADOW MOUNTAIN PHASE I

FY 2012 PROJECT DESCRIPTIONS

GENERAL GOVERNMENT

1. **2010 Street/Utility:** Street reconstruction, pavement preservation and utility replacements as authorized at the November 2010 special election.
2. **Cherry Avenue Street Replacement:** Sewer main replacement and roadway resurfacing from Humphreys Street to Thorpe Road.
3. **Communication System 2010:** Replacement of the Public Safety/City Operations Communication System.
4. **Court Facility:** Budget appropriation for Municipal Courts improvements, renovations or relocation contingent on availability of funding.
5. **Fire Stations:** Complete construction of new fire stations to replace existing facilities and improve response times as authorized at general election 2004.
6. **Franklin/Mohawk – 2010 Bond:** Replace existing water distribution main and reconstruct Franklin Avenue from South San Francisco Street to Lone Tree Road. Replace existing water distribution main and resurface Mohawk Drive from Walapai Drive to Lake Mary Road.
7. **FUTS/Open Space Land Acquisition:** Acquisition of core open space for FUTS trails as well as for protection of critical open space lands as authorized in May 2004.
8. **Izabel Avenue – 2010 Bond:** Complete curb, gutter, sidewalk and water distribution main and resurface from Sixth Avenue North to Coconino High School.
9. **Pavement Preserve-Bond 2010 (Beulah):** Mill and repave Beulah Boulevard from Forest Meadows Drive South to Ft. Tuthill.
10. **Presidio Subdivision:** Budget allocation to be funded by development surety for the completion of public improvements in the event of default of other settlement agreement.
11. **South Beaver/South Leroux – Bond 2010:** Sewer main replacement and resurfacing at South Beaver Street from Butler Avenue to Franklin Avenue. Water distribution main replacement, sewer replacement and street reconstruction at South Leroux Street from Benton Avenue to Franklin Avenue.
12. **Sunnyside Ph V-B – 2010 Bond:** Complete approximately five blocks of street reconstruction including curb, gutter and sidewalk at Second Avenue and at Main Street.
13. **USGS 2010 SFO:** Design of general office and lab space to replace existing USGS facilities subject to lease agreements with General Services Administration and Geological Survey.
14. **Arroyo Park Improvements:** Budget appropriation for relatively minor neighborhood park enhancements funded via private development contribution.
15. **Cemetery Office Addition:** Expansion of existing Cemetery Office to provide family meeting area, office space and employee break room with restroom facilities.
16. **Redevelopment:** The City has been working with the property owners in the downtown area on enhancing the amenities in the area. The City is proposing a project that would add parking meters to both the north and south business areas and develop controlled parking lots for the employees, businesses and visitors alike. Property owners have expressed concerns with the lack of parking enforcement and turnover as one of the major obstacles for promotion of downtown.

STREETS/TRANSPORTATION

1. **Minor Transportation Improvements:** Undesignated appropriation to fund street capacity, safety or operational improvements such as turn lanes, neighborhood traffic management devices and traffic signal modifications.
2. **Ponderosa Parkway:** City participation in design and construction of arterial roadway improvements north of Route 66 opposite Enterprise Rd. To facilitate access to the new Fire Station No. 2 and development at the south end of McMillan Mesa.

3. **Reserve for Improvements:** Annual allocation for un-programmed street improvements and/or City participation in projects of other agencies (i.e.: ADOT, BNSF, NAU).
4. **Sidewalk Replacement Program:** Provides replacement of curb, gutter and sidewalk in cases where property owners contribute 50% of replacement costs.
5. **Street Improvement Program:** City-wide annual pavement maintenance consisting of crack sealing, seal coating and asphalt overlay and ADA sidewalk compliance.
6. **Sunnyside Phase V-A:** Completion of warranty period for curb, gutter and sidewalk improvements at portions of Third Avenue, Second Avenue, Main Street or First Street.
7. **2011 HSIP:** Federal funding allocated via the local Metro Planning Organization for eligible Highway Safety Improvement projects. Project funding for FY 12 includes: Traffic Sign Inventory and Management, Guardrail Safety Improvements, Pavement Marking Upgrades, Intersection studies and Beulah Blvd Bike Lanes.
8. **Beulah Blvd Extension:** Preliminary design including utility and environmental clearances for the extension of Beulah Blvd from Forest Meadows St. to University Avenue at Yale St.
9. **Bike / Pedestrian and Safety Improvements:** Annual appropriation for infrastructure enhancements which provide improved safety and accessibility for bicyclists, pedestrians and vehicular traffic.
10. **Industrial Drive-Huntington To Purina:** Design construction documents and right-of-way acquisition for paving of Industrial Drive from Huntington Drive to Ralston Purina Drive.
11. **Mall Route 66 Infrastructure:** City contribution via development agreement for E. Route 66 improvements associated with the Flagstaff Market Place expansion.
12. **Reserve for Transportation Improvements:** Annual allocation of transportation tax revenues for unidentified transportation related improvements and/or City participation in transportation related improvements with other agencies (i.e. ADOT, NAU, FMPO).

13. **Traffic Signal Program:** Transportation tax appropriation for the installation of new traffic signals or other traffic control improvements at existing intersections as warranted.
14. **Transportation Planning and Programming:** Community wide transportation planning services for the identification and prioritization of projects based on the regional plan, current needs and public input. Transportation projects include pedestrian, bikeways, safety, capacity and street improvements. Includes the development and updating of the 5-year Transportation Program on an annual basis.
15. **West / Arrowhead Improvement:** Design, services, and right-of-way acquisition for the construction of collector street improvements at West St. and Arrowhead Ave. as authorized by the local transportation tax approved in May 2000.

BBB - Beautification

1. **Public Art:** The City periodically purchases and installs permanent outdoor art pieces. Typically, the pieces are solicited through a Call-to Artists process and juried by the Beautification and Public Art Commission. For FY12, the pieces are Rendezvous Bronze Sculpture, Lumberyard Mural, Rt 66 Preservation Sculpture and East Flagstaff Gateway.
2. **Butler Median Phase III:** The medians between the new medians at Sawmill and the new medians at the HCCC would be raised and planted to match the surrounding new medians.
3. **City Hall Flower Beds:** Landscaping the "pork chop" on the Route 66 side of City Hall (at Santa Fe and Milton Corner).
4. **Fourth Street Corridor Improvements:** To be determined – per the Fourth Street Corridor Study – North.
5. **Fourth Street Neighborhood Gateway:** This project would create an entrance element on the northeast corner of Route 66 and Fourth Street that could include neighborhood signage, landscaping, and public art.
6. **Historic Facades:** A very successful program to assist property owners with preservation of historic properties, building, and signs. Distribution overseen by Historic Preservation Commission.

7. **Neighborhood Gardens:** The Commission has considered this as having two parts: The first part is a neighborhood micro-grant program and the second is community garden start-up funding. Both are intended to deliver small scale beautification projects.
8. **Southside Plan – Beaver / San Francisco:** Provide traffic, pedestrian and/or bicycle improvements at South Beaver and San Francisco Streets.
9. **Special Projects and Unprogrammed Work:** Covers small emergent items of work, such as minor streetscape projects, plant replacements, irrigation system repairs, art installation needs, and other miscellaneous beautification needs.
10. **Woodlands / Beulah Medians:** Landscaping for Woodlands and Beulah medians (completed) in order to comply with Engineering Standards, to replace dead plants, and to install needed irrigation.
11. **Fourth Street – Huntington to Butler:** This project completes missing segments of concrete trail along the west side of Fourth Street from Route 66 to Butler Avenue. There are existing trail segments from Route 66 to Huntington and adjacent to Forest Springs townhouses.
12. **Arizona Trail - Rt 66 to McMillan Mesa:** Construction of about 3/4 mile of aggregate FUTS trail, from Route 66 to the top of McMillan Mesa. Completes the last missing segment of the Arizona Trail through Flagstaff.
13. **Arrowhead Connector:** Short connecting trail on the east slope of McMillan Mesa beginning from Izabel Street and Arrowhead Avenue, which travels north along the hillside and will intersect with the Sixth Avenue Connector trail.
14. **BNSF Walnut – Florence Underpass:** A new dedicated bicycle and pedestrian underpass of the BNSF railroad tracks, and a short section of concrete trail to connect Walnut Street on the north side of the tracks with Florence Street on the south side.
15. **Cedar Trail – Turquoise Dr to AZ Trail:** Two short additions will complete the Cedar Trail along the south side of Cedar/Forest Avenue between West Street and Turquoise Drive. At the east end, a new aggregate trail will fill-in a missing section between Gemini Drive and the existing Arizona Trail. At the west end, the existing sidewalk at the southeast corner of Forest Avenue and Turquoise Drive will be replaced with a 10-foot concrete trail.
16. **Country Club FUTS Trail:** Completes missing section of FUTS trail along the east side of Country Club Drive between Cortland Boulevard and the East Flag Traffic Interchange.
17. **Downtown Underpass:** Bicycle and pedestrian underpass trail under the BNSF tracks adjacent to the planned Rio channel in downtown Flagstaff.
18. **Florence – Walnut Underpass:** Pedestrian and bicycle underpass trail at the BNSF tracks between Walnut and Florence Streets just west of downtown.
19. **FUTS Signage Program:** Comprehensive program to install regulatory, directional, trailhead, boundary, and interpretive signs along the entire FUTS system.
20. **Hospital Rim FUTS Trail:** Aggregate-surfaced trail will provide a connection between Beaver Street and the intersection of Fort Valley Road and Forest Avenue.
21. **Mall Transfer Center Trail Realignment:** Reconstruction of a short section of the El Paso FUTS Trail to accommodate improvements to the Mall Transfer Center.
22. **Museum Connector:** Short section of trail will allow direct access from the Rio North FUTS Trail to the Museum of Northern Arizona.
23. **Pine Knoll Trail – San Francisco to Lone Tree:** This trail is planned along the north side of Pine Knoll Drive, and completes a connection between the trail on San Francisco Street and the trail on Lone Tree Road.
24. **Route 66 East-Country Club to Mall Trail:** FUTS Trail per Regional Land Use and Transportation Plan FUTS Trial Map along Route 66 connecting Country Club to the Flagstaff Mall.

25. **Route 66 – Rio North to San Francisco:** Short section of paved FUTS trail along the south side of Route 66 through downtown.
26. **6th Avenue Connector:** Trail connection on the east slope of McMillan mesa, from the Sunnyside neighborhood to the Arizona Trail on top of McMillan mesa.
27. **Special Projects and Unprogrammed Work:** Covers small emergent items of work, such as minor trail projects and repairs, and other miscellaneous trail needs.
28. **Switzer Canyon FUTS Trail:** Concrete trail follows an open space corridor along the east side of Turquoise Drive between Forest Avenue and Switzer Canyon Drive. The north end of this trail was constructed as part of the Summit Center, and another segment is under construction as part of the YMCA project.
29. **Switzer Mesa Trail – Forest to AZ Trail:** A planned aggregate-surfaced trail will connect the ends of two existing trails on top of McMillan Mesa. At the west end the planned trail extends the existing Switzer Mesa Trail east from Pink Cliff Drive, and on the east side the trail will connect to the existing trail at the end of Hemlock Way.

WATER

1. **East Flagstaff Parking Lot Improvements:** Rehabilitate and replace existing pavement in the parking lot at east flagstaff utility shop.
2. **Flagstaff Shallow Wells:** Bond funded project to drill multiple shallow wells at Red Gap Ranch. These wells will help secure water rights and be used to future delivery of water to Flagstaff.
3. **Inner Basin Pipeline Realignment:** Replacement and relocation of 3700 ft of 18" DL pipe that is located in the Forest Service Wilderness area.
4. **Inner Basin Pipeline Reconstruction:** Inner Basin Pipeline replacement project that was caused by the Schultz Fire in fall 2010. Approximately 5.5 miles of pipeline and access road needs to be replaced.

5. **Inner Basin Tree Removal:** There are 11,000 burnt trees along pipeline road. Scope of work is to identify, select and partially remove trees that pose a danger to crews during reconstruction of the pipeline and road.
6. **Radio Read Meter Replacement:** Annual replacement of water meters to new style radio read meters.
7. **Railroad Springs Reservoir:** Participation with the developer of the Presidio Project to upsize the reservoir from 500,000 to 1,000,000 gallons.
8. **Reserve for Improvements:** Annual reserve for unanticipated line replacements, oversizing and participation with developers that may occur during the fiscal year.
9. **Ft. Tuthill Water/Sewer:** Replace the old undersized O'Neil Springs waterline on Ft. Tuthill property.
10. **Future Water Rights:** Acquisition of water rights and continued development of water ranch.
11. **Water Resources Sustain Study:** Engineering study to evaluate the city's long term sustainable water supplies.

WASTEWATER

1. **Annual Sewer Replacement Program:** Replace 5,000 ft of sewer main each year. Sewer mains will be prioritized by age, condition, material and maintenance repair costs.
2. **Ellery/NAU Sewer Interceptor:** Replacement of 1,200 ft of 30" VC sewer line along Ellery Street from Beaver Street to Agassiz.
3. **Picture Canyon:** Realign Rio de Flag channel to original configuration.
4. **Reserve for Improvements:** Annual Reserve for unanticipated line replacement, oversizing.
5. **Wildcat Bar Screens:** Replacement of two existing bar screens at the headwork's of the Wildcat Hill facility.
6. **Wildcat Digester Building Repairs:** Emergency repair of Digester #1 cover at Wildcat Hill WWTP. Anaerobic digester #1 cover failed in November 2010 and immediate repair is required to process city wastewater.

7. **Wildcat Digester Building Improvements:** Improvements to the Wildcat Hill co-generation unit digester gas delivery system. Digester Gas delivery system will include installation of a compressor and heat exchanger.

AIRPORT

1. **Apron Reconstruction:** Joint repairs between commercial ramp concrete slabs. Project includes replacing backer rod spacers and permanently sealing joints to prevent concrete slab “heave.”
2. **Rehab Taxiway Reconstruct:** The project consists of paving of Taxiway “A” from Taxiway A-6 to Taxiway A-9, installation of new runway edge lighting, installation of new taxiway edge lighting, installation of all new guidance signs and related electrical work.
3. **Terminal Access Road Reconstruction:** Mill and overlay or otherwise reconstruct road in front of the airport terminal building.

ENVIRONMENTAL SERVICES

1. **Fueling Station Project:** Install a fueling station at the landfill to fuel landfill equipment to reduce visits to the landfill by the fleet service truck.
2. **Maintenance Building:** This project is a facility that will house the Public Works Division and will enable us to move from the current yard.
3. **Municipal Services Maintenance Facility:** Continue to pursue the addition of a new Maintenance Facility.
4. **Stormwater Infrastructure:** The landfill will be adding a storm water control system around the perimeter of the landfill to direct the flow of storm water to the detention ponds located at the landfill.

STORMWATER

1. **Spot Improvement – Annual:** Annual Maintenance of the storm drain system.
2. **Spot Improvement – Annual (3990):** Annual fund for modifications and/or additions to the storm drain system.

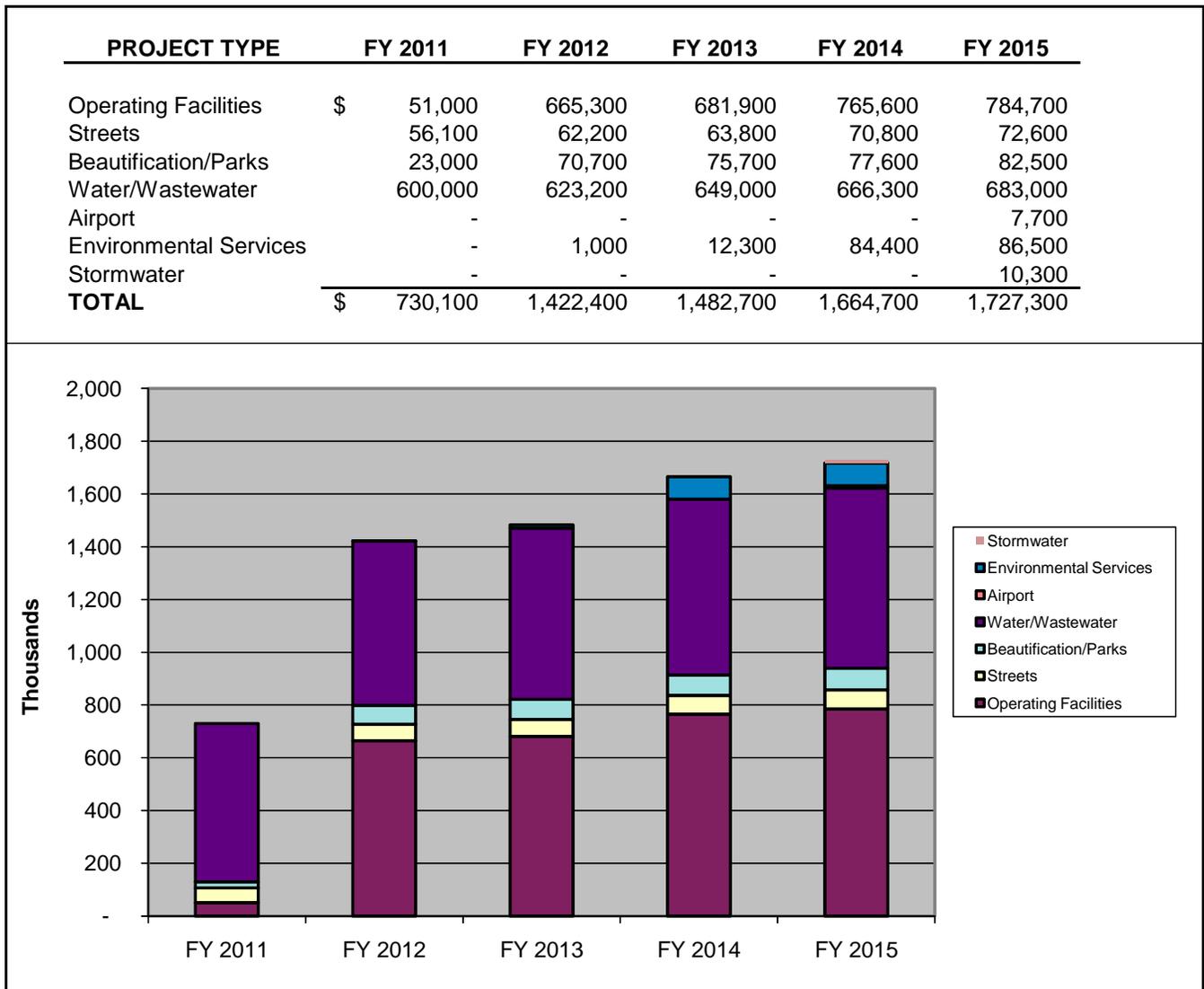
3. **Spot Improvement – Skunk Canyon Construction:** The neighborhood downstream of where Skunk Canyon Wash crosses Lake Mary Road currently and historically has been flooded by the runoff in Skunk Canyon Wash. Skunk Canyon crosses Lake Mary Road in a 3’x8’ Box Culvert where it spreads out through the neighborhood since there is no defined downstream conveyance system. There is one house that receives flooding often and several other properties that experience yard flooding due to the stormwater spreading out between the houses.
4. **Spot Improvement – Shadow Mountain Phase I:** Runoff from North Harris Way and both Rainer Loops bypasses the ex. Street gutter and runs across Linda Vista. This water then floods residences on the south side of Linda Vista. This project will reconstruct the intersections on the north side of Linda Vista and install valley gutters to ensure the runoff does not cross to the south side of Linda Vista.
5. **Rio De Flag Project:** City participation in Army corps of engineers flood control project to mitigate potential flood damage and facilitate redevelopment in central business district.
6. **Rio Parking Replacement:** General Fund allocation for partial funding to replace parking displaced by the Rio de Flag Project.
7. **Drainage Spot Improvement:** Annual allocation of Stormwater Utility funds to mitigate localized drainage problems.

OPERATING BUDGET IMPACT

The Capital Improvement Plan (CIP) identifies the costs required to construct City facilities and infrastructure. However, the completion of these projects creates effects in continuing costs that must be absorbed in the operating budget. These costs include new personnel, maintenance, and various utilities needs. As the City develops the Capital Improvement Plan (CIP), attempts are made to identify and plan for operating costs resulting from the projects undertaken. The City is not anticipating any significant operational cost savings due to the Capital Improvement Plan (CIP).

When analyzing the fiscal impacts of the CIP, city staff invests considerable time in evaluating the necessary operating elements of each project. Staffing levels, including position classification, are analyzed and determined. Equipment needs and the cost of operations and maintenance are also looked at and estimated. Inflationary impacts are also factored into future operating costs.

The following table and graph shows the operating impact by project type and includes compounded increases due to expected project phases. A number of projects such as the Fire Stations and Business Incubator are included in the costs below and will require funds for maintenance and operations.



**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM SUMMARY
FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Beginning Balance	\$ -	-	-	-	-	-	-	-	-
Resources									
Debt	13,564,025	6,269,435	37,663,784	17,848,855	10,421,500	3,506,539	11,500,000	1,800,000	89,010,113
Grants	11,288,787	1,541,066	14,765,227	5,234,490	3,890,601	1,306,065	8,061,391	-	34,798,840
Pay-as-you-go	29,612,249	9,245,699	27,779,108	10,441,748	12,508,849	12,881,785	13,206,184	11,035,900	97,099,273
Reserved	-	-	-	-	-	-	-	-	-
Total Resources	54,465,061	17,056,200	80,208,119	33,525,093	26,820,950	17,694,389	32,767,575	12,835,900	220,908,226
Expenditures									
General Government	23,463,699	6,814,633	32,811,584	17,098,855	8,421,500	3,506,539	11,500,000	1,500,000	81,653,111
Streets/Transportation	5,444,169	4,398,183	6,304,991	6,409,000	6,474,600	4,740,150	3,474,900	2,031,900	33,833,724
BBB	6,204,437	2,687,019	6,098,292	2,638,868	1,378,000	1,262,000	1,227,000	1,060,000	16,351,179
Utilities: Water	3,626,256	634,154	9,286,000	1,975,000	2,890,000	3,950,000	4,550,000	5,024,000	28,309,154
Utilities: Wastewater	644,204	145,763	1,840,000	775,000	2,285,000	2,500,000	3,210,000	2,600,000	13,355,763
Airport	9,264,792	713,309	8,515,528	3,828,370	3,051,850	1,415,700	8,485,675	-	26,010,432
Environmental Services	385,000	130,398	10,399,000	480,000	2,010,000	10,000	10,000	310,000	13,349,398
Stormwater Utility	5,432,504	1,532,741	4,952,724	320,000	310,000	310,000	310,000	310,000	8,045,465
Total Expenditures	54,465,061	17,056,200	80,208,119	33,525,093	26,820,950	17,694,389	32,767,575	12,835,900	220,908,226
Ending Balance	\$ -	-	-	-	-	-	-	-	-

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
General Government									
General Fund									
Cemetery Office Addition	\$ 140,000	12,000	128,000	-	-	-	-	-	140,000
Redevelopment	645,000	-	645,000	-	-	-	-	-	645,000
Arroyo Park Improvements	87,500	10,571	73,800	-	-	-	-	-	84,371
Jay Lively Reconstruction	3,500,000	1,680,320	-	-	-	-	-	-	1,680,320
General Fund Bond Fund									
Fire Stations	2,765,530	3,370,914	209,261	15,495	-	-	-	-	3,595,670
Fire Training Tower	29,184	-	-	-	-	-	-	-	-
FUTS/Open Space Land Acquisition	1,627,275	125,000	1,300,000	-	1,500,000	-	1,500,000	1,500,000	5,925,000
USGS 2010 SFO	1,578,000	19,250	5,420,640	12,983,360	3,821,500	-	10,000,000	-	32,244,750
Incubator Expansion	2,500,000	-	-	-	-	2,500,000	-	-	2,500,000
Science Park Sewermain	500,000	-	-	-	-	-	-	-	-
2010 Potential Bond Projects	1,365,000	-	-	-	-	-	-	-	-
Communication System 2010	-	-	4,720,000	-	-	-	-	-	4,720,000
2010 Street/Utility	-	-	500,000	2,000,000	3,100,000	1,006,539	-	-	6,606,539
Pvmt Preserve-Bond 2010 (Beulah)	-	1,160,700	1,500,000	-	-	-	-	-	2,660,700
Cherry Ave St Replace	-	25,000	1,150,000	-	-	-	-	-	1,175,000
Franklin/Mohawk - 2010 Bond	-	103,070	2,084,308	-	-	-	-	-	2,187,378
Izabel Avenue - 2010 Bond	-	95,058	500,000	-	-	-	-	-	595,058
Sunnyside Ph V-B - 2010	-	61,000	474,750	-	-	-	-	-	535,750
S. Beaver/S. Leroux - Bond 2010	-	33,750	605,825	2,100,000	-	-	-	-	2,739,575
Aspen Place At Sawmill	26,210	118,000	-	-	-	-	-	-	118,000
Jay Lively - 2nd Sheet Ice	5,000,000	-	-	-	-	-	-	-	-
Presidio Subdivision	3,700,000	-	3,500,000	-	-	-	-	-	3,500,000
Court Facility	-	-	10,000,000	-	-	-	-	-	10,000,000
Total General Government	\$ 23,463,699	6,814,633	32,811,584	17,098,855	8,421,500	3,506,539	11,500,000	1,500,000	81,653,111

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Streets/Transportation									
Streets									
Minor Transportation Improvements	\$ 100,000	75,000	50,000	50,000	50,000	50,000	50,000	50,000	375,000
Presidio Roundabout	-	3,000	-	-	-	-	-	-	3,000
Sidewalk Replacement Program	15,000	11,211	15,000	15,000	15,000	15,000	15,000	15,000	101,211
Street Improvement Program	937,500	1,159,820	893,000	1,079,600	1,865,100	1,749,900	1,034,000	1,067,200	8,848,620
Overlay (Bonded Project)	-	150,256	-	-	-	-	-	-	150,256
Sunnyside	-	-	-	850,000	-	-	-	-	850,000
Sunnyside Phase V-A	895,484	517,541	1,000	-	-	-	-	-	518,541
Ponderosa Parkway	785,223	1,377,436	4,719	-	-	-	-	-	1,382,155
Reserve for Improvements	40,000	40,000	40,000	50,000	50,000	50,000	50,000	50,000	330,000
Transportation									
Miscellaneous Safe to School Project	100,000	61,492	-	-	-	-	-	-	61,492
Misc Bike/Pedestrian Improvements	100,000	12,000	-	-	-	-	-	-	12,000
Bike/Ped and Safety Improvement	-	-	337,400	200,000	200,000	200,000	200,000	200,000	1,337,400
Country Club Drive	-	182	-	-	-	-	-	-	182
Transportation Planning & Programing	115,000	85,500	100,000	100,000	100,000	100,000	100,000	100,000	685,500
East Flagstaff Gateway	-	60,000	-	-	-	-	-	-	60,000
Beulah Blvd Extension	468,600	468,979	300,000	700,000	2,000,000	-	-	-	3,468,979
Downtown Rail Crossing Modifications	21,318	4,982	-	-	-	-	-	-	4,982
Reserve for Transportation Improvements	125,000	50,000	125,000	151,900	159,500	167,500	175,900	184,700	1,014,500
Lake Mary Rd/Forest Highway 3	17,520	13,842	-	-	-	-	-	-	13,842
Industrial Drive/Fanning Wash	-	500	-	-	575,000	1,375,000	-	-	1,950,500
Brannen & Gabel Paving	416	416	-	-	-	-	-	-	416
West/Sixth Intersection	5,000	7,472	-	-	-	-	-	-	7,472
Industrial Drive-Fanning to Eagle Mtn Drive	-	338	-	-	-	-	-	-	338
Industrial Drive-Huntington to Purina	38,500	20,275	11,225	-	-	700,000	1,850,000	-	2,581,500
Steves Blvd Rail X-ing Study	-	25,931	-	-	-	-	-	-	25,931
Traffic Signal Program	304,608	200,192	167,647	302,500	-	332,750	-	365,000	1,368,089
West/Arrowhead Improvement	1,200,000	45,500	4,060,000	2,910,000	1,460,000	-	-	-	8,475,500
Mall Rt 66 Infrastructure	175,000	-	175,000	-	-	-	-	-	175,000
Lone Tree Overpass Study	-	1,318	-	-	-	-	-	-	1,318
2011 HSIP	-	5,000	25,000	-	-	-	-	-	30,000
Total Streets/Transportation	\$ 5,444,169	4,398,183	6,304,991	6,409,000	6,474,600	4,740,150	3,474,900	2,031,900	33,833,724

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
BBB FUNDS									
Arts and Science									
Public Art	\$ 269,622	22,258	282,233	40,000	63,000	67,000	72,000	80,000	626,491
Beautification									
Streetscape									
Special Projects & Unprogrammed Work	49,740	31,466	80,000	50,000	50,000	50,000	50,000	50,000	361,466
Historic Facades	83,529	30,000	83,529	30,000	30,000	30,000	30,000	30,000	263,529
Neon Corridor/Route 66 Preservation Project	135,788	85,942	-	-	-	-	-	-	85,942
Rt 66-Country Club to Maill Trail	-	316	-	-	-	-	-	-	316
Woodlands/Beulah Medians	810,530	50,000	760,530	-	-	-	-	-	810,530
Southside Plan - Beaver San Francisco	1,485,945	1,197,126	27,000	-	-	-	-	-	1,224,126
City Hall Flower Beds	59,526	11,934	55,500	-	-	-	-	-	67,434
Rt 66 North Side Streetscape	280,000	-	-	-	-	-	-	-	-
4th Street Corridor North - Study	46,518	46,518	-	-	-	-	-	-	46,518
E. Flag TI ADOT Corridor	-	35,000	-	-	-	-	-	-	35,000
City Hall Lawn	50,000	-	-	-	-	-	-	-	-
4th Street Neighborhood Gateway	100,000	2,640	197,360	-	-	-	-	-	200,000
Neighborhood Gardens	40,000	22,500	12,500	-	-	-	-	-	35,000
Butler Medians Phase III	100,000	80,000	521,080	-	-	-	-	-	601,080
4th Street Corridor Improvements	200,000	-	500,000	300,000	300,000	300,000	300,000	300,000	2,000,000
Fourth Street Bridge Enhancement	-	-	-	250,000	-	-	-	-	250,000
Heritage Square Permanent Lighting	-	-	-	30,000	-	-	-	-	30,000
Arts Incubator Façade Contribution	-	-	-	125,000	-	-	-	-	125,000
Pulliam Exit Signage	-	-	-	-	50,000	-	-	-	50,000
Fort Valley Road Enhancements	-	-	-	-	100,000	-	-	-	100,000
Gutter Diversions-Sustainable Streets	-	-	-	-	-	100,000	200,000	-	300,000
	3,441,576	1,593,442	2,237,499	785,000	530,000	480,000	580,000	380,000	6,585,941
FUTS									
Special Projects & Unprogrammed Work	50,000	30,000	50,000	50,000	50,000	50,000	50,000	50,000	330,000
FUTS Signage Program	250,000	140,000	260,000	-	-	-	-	-	400,000
Route 66 East - Country Club to Mall Trail	526,040	150,500	236,000	-	-	-	-	-	386,500
Arizona Trail - Rt 66 to McMillan Mesa	32,674	44,741	292,080	-	-	-	-	-	336,821
Route 66 - Rio North to San Francisco	16,044	13,566	1,000	-	-	-	-	-	14,566
Hopsital Rim FUTS Trail	135,000	47,250	187,000	-	-	-	-	-	234,250
Rio North - Blue Willow to Hwy 180	-	17,933	-	-	-	-	-	-	17,933
Country Club FUTS Trail	30,000	5,000	25,000	547,395	-	-	-	-	577,395
Sixth Avenue Connector	36,000	11,000	114,000	-	-	-	-	-	125,000
Arrowhead Connector	18,000	23,000	229,000	-	-	-	-	-	252,000
Brannen Connector	-	-	-	40,000	-	-	-	-	40,000
Museum Connector	15,000	12,350	42,650	-	-	-	-	-	55,000
Cedar Trail - Turquoise Dr to AZ Trail	-	-	134,000	-	-	-	-	-	134,000
Linda Vista FUTS Connector	161,000	29,991	-	-	-	-	-	-	29,991
Switzer Mesa Trail - Forest to AZ Trail	-	-	85,000	-	-	-	-	-	85,000
Switzer Canyon FUTS Trail	380,000	55,000	250,000	-	-	-	-	-	305,000
Downtown Underpass	20,000	-	150,000	-	-	-	-	-	150,000
Mall Transfer Center Trail Realignment	75,000	-	80,000	-	-	-	-	-	80,000
Picture Canyon Mall to County	-	-	-	-	-	50,000	100,000	300,000	450,000

**CITY OF FLAGSTAFF
CAPITAL IMPROVEMENT PROGRAM LISTING
FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
BBB FUNDS									
FUTS (Cont'd)									
BNSF Walnut - Florence Underpass	452,048	94,518	681,164	-	-	-	-	-	775,682
Sheep Crossing-Ponderosa Tr-Soldiers Tr	-	-	-	-	65,000	260,000	-	-	325,000
High Ctry Tr. Wild West - Lk Mary Rd	-	-	-	-	70,000	280,000	-	-	350,000
Marshall Tr-Fort Valley-Rio North Tr	-	-	-	220,000	-	-	-	-	220,000
Lake Mary - Wild West to JW Powell	-	-	-	-	-	-	125,000	250,000	375,000
Rio North - Crescent Bridge	296,433	387,814	-	-	-	-	-	-	387,814
Lonetree - Sawmill Rd - Sinclair Wash	-	-	-	-	-	25,000	100,000	-	125,000
Little A - ATA to Herold Rn Rd	-	-	-	80,000	480,000	-	-	-	560,000
Florence-Walnut Underpass	-	8,656	522,000	-	-	-	-	-	530,656
4th Street-Huntington to Butler	-	-	159,666	531,345	-	-	-	-	691,011
Pine Knoll Trail-San Francisco to Lone Tree	-	-	80,000	315,128	-	-	-	-	395,128
SW Crossing Tr-Highland Mesa Rd-Woodlands	-	-	-	30,000	120,000	-	-	-	150,000
Switzer Cyn Tr-Switzer Cyn Dr-Terrace Ave	-	-	-	-	-	50,000	200,000	-	250,000
	2,493,239	1,071,319	3,578,560	1,813,868	785,000	715,000	575,000	600,000	9,138,747
Total BBB	\$ 6,204,437	2,687,019	6,098,292	2,638,868	1,378,000	1,262,000	1,227,000	1,060,000	16,351,179

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Annual Financial Plan

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City of Flagstaff

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Water/Wastewater									
Water									
Lake Mary Utility Relocate	\$ 73,109	6,909	-	-	-	-	-	-	6,909
Ft Tuthill Water/Sewer Extension	200,000	25,000	195,000	-	-	-	-	-	220,000
Benton/SF Alley/Elden Waterline	17,100	-	-	-	-	-	-	-	-
Inner Basin Pipeline	76,388	-	-	-	-	-	-	-	-
Reserve for Improvements	50,000	50,000	125,000	125,000	150,000	150,000	150,000	150,000	900,000
Railroad Springs Reservoir	450,000	-	450,000	-	-	-	-	-	450,000
Water Wells Production - Bond	1,472,826	60,000	-	-	-	-	-	-	60,000
Future Water Rights	1,000,000	250,437	948,000	450,000	-	-	-	-	1,648,437
Chlorine Dioxide	10,833	-	-	-	-	-	-	-	-
Water Resource Sustainability Study	276,000	-	251,000	-	-	-	-	-	251,000
I-17/I-40 Waterline Relocates	-	1,808	-	-	-	-	-	-	1,808
Inner Basin Pipeline Realignment	-	-	3,600,000	-	-	-	-	-	3,600,000
Inner Basin Pipeline Re-location	-	40,000	760,000	-	-	-	-	-	800,000
Inner Basin Tree Removal	-	-	1,000,000	-	-	-	-	-	1,000,000
Aging Water Infrastructure Replacement	-	-	-	500,000	1,000,000	2,000,000	2,000,000	2,000,000	7,500,000
Radio Read Meter Replacements	-	-	100,000	100,000	200,000	300,000	300,000	400,000	1,400,000
Rio Flood Control Project-W/L Replacement	-	-	-	500,000	350,000	500,000	500,000	-	1,850,000
San Francisco Alley Waterline	-	-	-	-	40,000	-	-	-	40,000
Sunnyside Improvements PH 5-9	-	-	-	-	300,000	300,000	500,000	500,000	1,600,000
Ft Tuthill Waterline Loop PH2	-	-	-	-	-	-	300,000	-	300,000
Beaver Street WL (Phoenix/Dupont)	-	-	-	-	-	-	-	218,000	218,000
Elm Street Waterline	-	-	-	-	-	-	-	230,000	230,000
Franklin Waterline	-	-	-	-	-	-	-	653,000	653,000
Flagstaff Shallow Wells	-	200,000	1,800,000	-	-	-	-	-	2,000,000
Raw Water Pump Station VFD Upgrade	-	-	-	150,000	-	-	-	-	150,000
Lake Mary Land Acquisition	-	-	-	-	700,000	700,000	-	-	1,400,000
Stonehouse-Well Pump & Building	-	-	-	-	-	-	800,000	-	800,000
LM Wellfield-LM#2 12" Pipeline	-	-	-	-	-	-	-	300,000	300,000
Water Optimization Study	-	-	-	-	-	-	-	100,000	100,000
LM Electrical Service Upgrade	-	-	-	-	-	-	-	300,000	300,000
LM Roof Replacement-Chlorine Storage	-	-	-	-	-	-	-	23,000	23,000
East Flag Parking Lot Improvements	-	-	57,000	-	-	-	-	-	57,000
Rate Study Analysis	-	-	-	-	150,000	-	-	-	150,000
Water System Master Plan	-	-	-	150,000	-	-	-	150,000	300,000
	3,626,256	634,154	9,286,000	1,975,000	2,890,000	3,950,000	4,550,000	5,024,000	28,309,154

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City of Flagstaff

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Water/Wastewater									
Wastewater									
WC Treatment Upgrade/Rec Conn	180,000	-	-	-	-	-	-	-	-
Picture Canyon	315,000	128,763	184,000	-	-	-	-	-	312,763
Westside Interceptor Improvements	15,432	-	-	-	-	-	-	-	-
Mall Reclaim Booster	80,000	14,000	-	-	-	-	-	-	14,000
Sewer Master Plan	-	-	-	100,000	-	-	-	100,000	200,000
Xeriscape Projects	3,772	3,000	-	-	-	-	-	-	3,000
Rio Plant-Replace UV System	-	-	-	-	-	-	-	1,000,000	1,000,000
Digester Building Repairs	-	-	600,000	-	-	-	-	-	600,000
Digester Building Improvements	-	-	176,000	-	-	-	-	-	176,000
Rate Study-Sewer Portion	-	-	-	-	100,000	-	-	-	100,000
Wildcat Barscreens	-	-	300,000	-	-	-	-	-	300,000
Replacement Dredge	-	-	-	-	210,000	-	-	-	210,000
Wildcat-Replacement Grit Pumps	-	-	-	-	75,000	-	-	-	75,000
Wildcat-Third Digester	-	-	-	-	500,000	1,000,000	1,500,000	-	3,000,000
Annual Sewer Replacement Program	-	-	100,000	200,000	200,000	300,000	300,000	300,000	1,400,000
Rio Flood Control Project-Sewer Replacement	-	-	-	375,000	1,000,000	1,000,000	1,000,000	1,000,000	4,375,000
Ellery/NAU Sewer Interceptor	-	-	380,000	-	-	-	-	-	380,000
Reclaim Card Reader Replacement	-	-	-	-	100,000	-	-	-	100,000
Reclaim System Expansion	-	-	-	-	-	100,000	100,000	100,000	300,000
Juniper Point 12" Reclaim Line Connection	-	-	-	-	-	-	210,000	-	210,000
Reserve for Improvements	50,000	-	100,000	100,000	100,000	100,000	100,000	100,000	600,000
	644,204	145,763	1,840,000	775,000	2,285,000	2,500,000	3,210,000	2,600,000	13,355,763
Total Water And Wastewater	\$ 4,270,460	779,917	11,126,000	2,750,000	5,175,000	6,450,000	7,760,000	7,624,000	41,664,917

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FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Airport									
Land Acquisition	\$ -	6,000	-	-	-	-	-	-	6,000
Glycol Recovery Projects	-	-	-	-	-	638,700	-	-	638,700
Non-Revenue Parking Design	-	-	-	-	-	777,000	-	-	777,000
Non-Revenue Parking	-	-	-	-	-	-	8,070,375	-	8,070,375
Rehab Taxiway Reconstruct	5,505,521	372,764	5,132,757	-	-	-	-	-	5,505,521
Terminal Access Rd Reconstruct Pulliam Dr	3,159,061	-	3,159,061	-	-	-	-	-	3,159,061
Pavement Marking Installation	376,500	334,545	-	-	-	-	-	-	334,545
Westplex Taxilane - Design	-	-	-	554,318	-	-	-	-	554,318
Rehab Taxiway - Westplex	-	-	-	2,878,732	2,878,732	-	-	-	5,757,464
Apron Reconstruction	223,710	-	223,710	-	-	-	-	-	223,710
Reconstruct Aircraft Parking Apron	-	-	-	-	173,118	-	-	-	173,118
Future Projects	-	-	-	395,320	-	-	415,300	-	810,620
Total Airport	\$ 9,264,792	713,309	8,515,528	3,828,370	3,051,850	1,415,700	8,485,675	-	26,010,432

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FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Environmental Services									
Maintenance Building	\$ 75,000	-	100,000	100,000	-	-	-	-	200,000
Stormwater Infrastructure	10,000	10,398	24,000	10,000	10,000	10,000	10,000	10,000	84,398
Methane Gas Collection Wells	-	-	-	300,000	2,000,000	-	-	-	2,300,000
Road Extension	-	-	-	70,000	-	-	-	-	70,000
Fueling Station-Project #414501	-	-	275,000	-	-	-	-	-	275,000
MRF Retrofit for Glass Recycling	300,000	120,000	-	-	-	-	-	-	120,000
Cell Preparation Fees	-	-	-	-	-	-	-	300,000	300,000
Municipal Services Maint Facility	-	-	10,000,000	-	-	-	-	-	10,000,000
Total Environmental Services	\$ 385,000	130,398	10,399,000	480,000	2,010,000	10,000	10,000	310,000	13,349,398

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FISCAL YEARS 2012-2017**

	Budget 2010-2011	Estimate 2010-2011	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Budget 2014-2015	Budget 2015-2016	Budget 2016-2017	Total Plan
Stormwater Utility									
Drainage Spot Improvement	\$ 782,282	93,000	2,419	5,000	-	-	310,000	310,000	720,419
Spot Improvement-Annual	-	75,000	75,000	-	-	-	-	-	150,000
Spot Improvement-Annual (3990)	-	15,000	15,000	-	-	-	-	-	30,000
Spot Improvement-Cherry Ave	-	51,800	-	-	-	-	-	-	51,800
Spot Improvement-Skunk Canyon	-	86,348	276,380	-	-	-	-	-	362,728
Spot Improvement-East Rt 66 Culvert	-	30,000	-	-	-	-	-	-	30,000
Spot Improvement-Skunk Canyon Construction	-	101,891	-	-	-	-	-	-	101,891
Spot Improvement-Shadow Mountain Phase I	-	112,500	247,944	-	-	-	-	-	360,444
Spot Improvement-Steves Soliere	-	-	-	315,000	-	-	-	-	315,000
Spot Improvement-Shultz Creek & Construction	-	-	-	-	35,000	-	-	-	35,000
Spot Improvement-Steves Soliere	-	-	-	-	25,000	-	-	-	25,000
Spot Improvement-Spruce Linda Vista	-	-	-	-	250,000	130,000	-	-	380,000
Spot Improvement-Shultz Creek Construction	-	-	-	-	-	180,000	-	-	180,000
Rio De Flag Project	3,450,222	967,202	3,135,981	-	-	-	-	-	4,103,183
Rio Parking Replacement	1,200,000	-	1,200,000	-	-	-	-	-	1,200,000
Total Stormwater Utility	\$ 5,432,504	1,532,741	4,952,724	320,000	310,000	310,000	310,000	310,000	8,045,465

FINANCING THE CAPITAL PLAN

The major sources of financing capital improvements in the upcoming fiscal year are:

Operating Funds	34.6%
Debt Financing	47.0%
Grants	18.4%

The rating agencies (Standard and Poors' Corp. and Moody Investors, Inc.) view 15% from operating funds as highly favorable. The City currently is financing 34.6% of its CIP out of operating funds. However, because of large funding requirements, debt financing still continues to be the major source of financing for capital improvements. A brief description of the major types of financing available and limitations as to use is presented below.

GENERAL OBLIGATION (G.O.) BONDS

Bonds issued as general obligations of the City are secured by the full faith and credit of the City through its power to tax. In order for bonds to be issued, voter authorization must be obtained. Debt service (payment of principal and interest) is to be paid from the proceeds of ad valorem taxes, i.e., property taxes. The Arizona Constitution and State Statutes limit the indebtedness that a jurisdiction may incur by the type of project constructed. The City can issue G.O. bonds up to 20% of the secondary assessed valuation for projects involving water, sewer, artificial lighting, parks, open space, recreational facilities, public safety, law enforcement, fire and emergency services, and street and transportation facilities. For all other general-purpose improvements, the City may issue up to 6% of its secondary assessed valuation. The City has elected to use this option. \$27.8 million is outstanding on July 1, 2011, and the City has \$47.5 million in available capacity at the 6% debt margin and \$130.4 million in available capacity at the 20% debt margin as of July 1, 2011.

HIGHWAY USER REVENUE (HURF) BOND

The State distributes a share of the motor vehicle fuel tax to cities based partially on population (50% of allocation) and partially on jurisdiction of origin. This special revenue source can only be used for maintenance or construction of streets and highways. Special revenue bonds can be issued for construction of street projects, with the gas tax revenues pledged as a source of debt repayment. The annual total debt service, both principal and

interest, cannot exceed 50% of the HURF distribution received for the most recent twelve month period by the City.

JUNIOR LIEN BONDS PAYABLE FROM HIGHWAY USER TAX REVENUES

In order for the City to issue junior lien bonds, the City must have received Highway Users Tax Revenues in the twelve months preceding the issuance of the bonds in an amount equal to 1.5 times the highest annual debt service requirements (principal and interest) on all HURF bonds outstanding. Additionally, if coverage is not at least two times the highest debt service requirements, then the proposed bonds must bear a rating at the time of the issuance of "A" or better by one of the nationally recognized rating agencies. The City issued \$5.2 million of junior lien bonds in FY 1993 and \$1.7 million is outstanding as of July 1, 2011. The City may issue any combination of junior and senior lien bonds as long as the coverage requirements are satisfied. Approximately \$19.0 million in capacity is currently available in junior lien bonds or as senior lien bonds.

WATER AND SEWER REVENUE BONDS

In addition to water/sewer G.O. bonds, the City can sell bonds that pledge utility revenues. Debt service requirements are paid from the net revenue derived by the City from the operations of its water and sewer system after provision has been made for the payment from such revenues of the reasonable and necessary expenses of the operation and maintenance of such systems. Therefore, there is no legal limitation on indebtedness that can be incurred; rather, there is only the practical limitations imposed by what the utility rate structures will support.

The \$40.7 million authorized by voters in November 1990 can be either G.O. bonds or revenue bonds. G.O. bonds accounted for \$33.9 million of the issuance, with \$3.8 million outstanding at July 1, 2011. The \$6.8 million remaining authorization was sold in FY 2003 through the Water Infrastructure Financing Authority (WIFA), with \$4.2 million outstanding at July 1, 2011. The City is pledging the revenue of its water and wastewater system. Of the \$46.6 million authorized by voters in 2004, \$44.2 has been issued, with \$37.0 outstanding at July 1, 2011.

SPECIAL IMPROVEMENT/ASSESSMENT DISTRICTS

Special improvements/assessments are a means of financing services or capital improvements that benefit specific property owners more than the general public. Majority consent must be obtained from the property owners within the designated geographic assessment district. The property owners are then levied a supplemental property tax assessment for their share of the costs of the improvements. The City issued \$19.1 million of Aspen Special Improvement Debt related to Sawmill as of July 1, 2011. \$18.1 million is outstanding.

MUNICIPAL FACILITIES CORPORATION (MFC) BONDS

The Flagstaff Municipal Facilities Corporation, Inc. (MFC) is a not for profit corporation over which the City exercises significant oversight authority. It was formed to assist the City in acquiring land and constructing improvements thereon, constructing and acquiring improvements upon land owned by the City, and in any other way incurring expenses to improve the use of presently owned facilities, or as they may be expanded in the future. The City Charter requires that to construct projects, with the exception of utilities, public safety and street facilities in excess of \$1 million require voter approval. The \$1 million limit is adjusted annually by the consumer price index at July 1 of each year. The estimated amount July 1, 2011 is \$2.18 million.

The Corporation finances various projects for the benefit of the City by issuing MFC bonds. Bonds may be issued without voter approval and without limitation as to interest rate or amount. The City enters into a rental lease agreement with the corporation sufficient to service the debt on the MFC bonds. The bonds are made marketable by assuring, prior to entering into any lease agreement with the MFC, the City will maintain an excise, transaction privilege, and franchise tax base at least three times the maximum annual debt service.

Most municipalities in Arizona have utilized this method of financing to construct major public projects such as municipal complexes, civic centers, and sports complexes. In September 1997, voters approved \$4.7 million in MFC Bonds for the construction of a facility to be leased by USGS. The City issued these bonds in FY 2001 and \$2.0 million is still outstanding. In May 2000, the City received voter authorization to issue \$25 million in bonds for the construction of an overpass at 4th Street. The City issued these bonds in FY 2004, and \$16.1 million is still outstanding.

The City received voter authorization to issue \$61.2 million in bonds for the construction of a business incubator and USGS office/lab building. The City issued \$3.4 million in FY 2010, and \$3.2 million is still outstanding.

CERTIFICATES OF PARTICIPATION

This type of financing is often used for lease purchases and is very similar to bond financing. An official statement for the certificates is prepared, which very closely resembles bond-offering statements. Proceeds from the certificates are remitted through a trust and per the lease agreement to the lessor. Lease payments are made to the trustee who then remits the appropriate funds to the certificate holders. Additionally, the trust holds an assignment agreement with the lessor to protect the investors. Certificates of Participation are often brokered through private placements to hold down issuance costs. The City will be issuing Certificates of Participation to fund the local economic stimulus package which includes the Street Overlay Program. The City issued \$4.9 million in FY 2010 and \$4.5 million is still outstanding.

LEASE FINANCING

Under this type of debt financing, a governmental entity enters into a contractual arrangement with the issuer to construct or otherwise acquire facilities and/or equipment that is needed by the entity. Ordinarily, all operation and maintenance costs are the responsibility of the lessee (borrower).

The lease terms are generally structured such that the rental payments are sufficient to meet debt service costs as well as any administrative expenses. Usually a reserve fund is set-aside at inception as security to obtain a competitive interest rate.

Typically, lease financing is used for acquisition of major capital equipment, e.g., computer systems, fire apparatus, which are very expensive and have a useful life greater than five years but typically are not expected to have a useful life as long as the terms of bonds issued.

GRANTS

Grants are contributions of cash or other assets from another governmental entity to be used or expended for a specified purpose, activity, or facility. Grants can be either capital grants or operating grants. Capital grants are for the acquisition or construction of fixed assets and usually require some local effort match. All other grants are considered operating grants. Grants have specific compliance requirements including prescribing the activities allowed and not allowed, eligibility requirements, matching level of effort or earmarking requirements, reporting requirements, and special provisions to be taken into consideration.

The current expansion at Pulliam Airport is being financed with proceeds from the sale of airpark property and ADOT and FAA grants. Major funding for the City's various affordable housing programs is provided through HOME and Community Development Block grants. The City has also received major funding for a streetscape project under the ISTEA (Intermodal Surface Transportation Efficiency) grant.

Block Grant Programs: The Federal government distributes grant funds under eight omnibus block grant programs. With the 1995 Census, HUD designated Flagstaff as an Entitlement Community. This designation allows the City to receive funding directly from HUD. These funds will be used primarily for low income housing repair and construction and infrastructure in low-income neighborhoods.

INTERGOVERNMENTAL AGREEMENTS (IGA)

Infrastructure needs may, at times, overlap different jurisdictional boundaries. Jurisdictions then often enter into an IGA for the construction and proportionally shared payment of the project. One jurisdiction will act as primary lead agent for project management purposes. The Transportation Regional Plan and Storm Drainage Master Plan, in particular, may often require coordinated efforts between the City, Arizona Department of Transportation (ADOT) and Coconino County.

STATE REVOLVING LOAN FUND

Arizona has established a revolving fund empowered to accept Federal capitalization grants for publicly owned wastewater treatment projects pursuant to the Federal Water Pollution Control Act and Water Quality Act. In order to qualify for the Federal monies, the State must match a 20%

contribution into the fund. The WIFA that issues bonds that are then lent to different governmental entities to finance projects manages Arizona's fund. Projects are submitted to WIFA for review, and prioritization. Based on this compilation, projects are then eligible for funding.

Another loan program available through the State is the Arizona State Transportation Board's Airport Revolving Loan Program. The loans are provided for airport-related construction projects not eligible for federal funding or under other programs and are designed to improve airport self-sufficiency.

PAY AS YOU GO FINANCING

Projects funded on a pay as you go basis derive their financing from current revenue streams or prior savings that have been kept in fund balance. This method of financing eliminates the need for borrowing and thereby preserves debt capacity for other purposes. Costs are lower because non-debt financing does not incur interest costs. The major drawbacks of pay as you go financing include inadequacy of funds available (taxes, reserves); erratic impact on rate structures (water/sewer rates); legislative approval (formation of improvement district); and political difficulties (impact fees or other exactions).

The City is currently funding 34.6% of capital improvements on a pay as you go basis. Capital improvements that are considered ongoing improvements and maintenance required expenditures are built into the rate structure of the two enterprise funds (Utilities and Environmental Services). Additionally, the City has sinking reserve funds for landfill closure.

UNFUNDED PROJECTS

Projects that do not have a funding source are classified as unfunded City capital projects. These projects are evaluated annually as changes in funding occur and estimates are revised as well as changes in priorities for the City. The following schedule is a list of the current unfunded projects through FY 2021.

**CITY OF FLAGSTAFF
UN-FUNDED CAPITAL IMPROVEMENTS
FY 2012- 2022**

The following is a list of projects that currently do not have a funding source and are therefore unfunded City capital projects at this time. This list is updated annually as changes in funding occur as well as changes in priorities for the City.

	<u>Estimated Cost</u>
GENERAL GOVERNMENT	
Police Department	
Police Admin. Facility Expansion	\$ 2,650,000
Joint City/County Evidence Storage	2,500,000
Fire Department	
Apparatus Replacement Program	5,517,000
Training Center, Sta. 4 and 6 Improvements	1,250,000
Municipal Facilities	
Municipal Courts Facility	23,000,000
Municipal Services Maintenance Facility	54,000,000
Downtown Parking Garage	25,000,000
City Hall Annex	3,750,000
Records Storage Facility	250,000
ECONOMIC VITALITY	
Community Design/Streetscape	
N. Fourth St. Corridor Improvements	12,500,000
Arts Incubator Facility	TBD
Tourism/Visitor Services	
Visitor Center Platform Reconstruction	330,000
COMMUNITY ENRICHMENT	
Recreation	
Aquaplex Expansion - 25 meter	10,000,000
Competitive Pool - 50 meter	20,000,000
Cogdill Recreation Center Structural Renovations	1,000,000
Enclosed Tennis Courts/Flag Rec Center	1,000,000
Flagstaff Soccer Complex - Christiansen Parcel	4,000,000
Snow Play Area	5,640,000
Jay Lively Ice Rink Expansion	5,000,000
Girls Softball Facility	TBD

**CITY OF FLAGSTAFF
UN-FUNDED CAPITAL IMPROVEMENTS
FY 2012- 2022**

	<u>Estimated Cost</u>
PUBLIC WORKS	
Parks	
Arroyo Park Improvements	\$ 1,316,800
Buffalo Park Improvements	1,277,700
Bushmaster Park Land/Expansion	1,915,000
Cheshire Park Improvements	5,354,500
Christensen Park Development	9,399,700
Clay Basin West Park Development	13,193,500
Continental Regional Park Phase I	29,466,800
Continental Regional Park Phase II	15,428,200
Joe Montalvo Park Improvements	997,450
Lake Mary Regional Park Development	24,202,100
McPherson Park Improvements	1,597,000
Thorpe Park Improvements Phase II	9,735,600
Wheeler Park Re-Design	1,096,500
Woodlands Village/Boulder Park Park Land Acquisition	4,428,200
Ft. Tuthill Park Land Acquisition	TBD
Cemetery	
Cemetery Entrance	680,000
Cemetery Expansion	TBD
Streets	
Sunnyside Neighborhood Improvements	7,500,000
Unfunded Street Pavement Preservation	12,125,000
Lockett Rd. Reconstruction	7,500,000
TRANSPORTATION	
Lone Tree Corridor	
Rte 66 to Butler Ave	50,000,000
Butler Ave to Pine Knoll	3,800,000
Pine Knoll to J Wesley Powell Blvd	47,900,000
Milton Rd. Corridor Improvements	13,000,000
Riordan Ranch St. Backage Rd.	2,000,000
Yale/Plaza Way/Metz Walk Backage Rd.	3,000,000
Beulah Blvd - Airport T.I. to L. Mary Rd.	14,000,000
Fourth St./I-40 Overpass & Roadway	10,000,000
J. Wesley Powell Blvd - Airport to L. Mary Rd.	8,000,000
Woody Mtn Loop - Rte 66 to I-17	28,000,000
I-17/Woody Mtn Rd Traffic Interchange	23,300,000
J. Wesley Powell Blvd - L. Mary Rd. to S. Fourth St.	25,000,000
E. Butler Ave Extension to Section 20	15,000,000
Empire Ave. Extension to E. Rte 66	10,700,000

**CITY OF FLAGSTAFF
UN-FUNDED CAPITAL IMPROVEMENTS
FY 2012- 2022**

	<u>Estimated Cost</u>
URBAN TRAILS	
Bow & Arrow Trail - Lone Tree to AZ Trail	\$ 75,000
Downtown Underpass	550,000
Lone Tree Trail - Butler to Sinclair Wash	70,000
Santa Fe West Trail - Clay Ave. to Railroad Springs	200,000
Santa Fe West Trail - Walnut to Rio	1,050,000
Woodlands Trail - Rte 66 to Santa Fe West	200,000
 UTILITIES	
Water	
Lake Mary Water Plant (3 projects)	1,225,000
Water Distribution (3 projects)	6,500,000
Water Production (5 projects)	2,121,000
 Wastewater	
Wastewater Treatment Plant (1 projects)	250,000
Wastewater Collection (2 projects)	1,000,000
Wastewater Monitoring (1 project)	250,000
Wastewater Treatment Improvements (2 projects)	4,150,000
Wastewater Collection/Reclaim Distribution (2 projects)	1,776,500
 Stormwater	
Rio de Flag Flood Control (partially funded)	17,885,000
Rio de Flag Parking Replacement (partially funded)	3,800,000
 TOTAL UNFUNDED PROJECTS	 <u>\$ 619,403,550</u>

