

Capital

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The County's Capital Budget

In FY 2007, the County will be completing the Justice Bond and Library Construction Bond Programs

The FY 2007 Multnomah County Capital Budget identifies funding for improvements on many of the County owned buildings, roads and Willamette River Bridges and for completion of major information system projects. The specific projects presented to the Board for approval are listed by each contributing County Fund at the conclusion of this section.

In May 1996, Multnomah County voters approved two measures that authorized the sale of General Obligation Bonds for major construction programs for public safety and libraries. The \$79.7 million Justice Bond Levy authorized projects to construct a new jail, expand the Inverness Jail, upgrade other jail facilities, pay for major data processing linkages in the corrections system, and fund other justice projects authorized by the Board. During the upcoming year the Wapato closeout, repairs in the Inverness Jail kitchen and replacement of Inverness Jail kitchen equipment will occur. The \$29 million Library Construction Bond Levy authorized the renovation of branch libraries, and upgrades to the library computer systems and linkages. During FY 2007 Library Services will be completing its library technology projects as the final phase of a program that included renovations or improvements on 16 of its library branches and buildings.

Facilities Capital

Facilities & Property Management (FPM) capital planning staff work with departments to identify potential new building projects. Criteria for facility project rating take into account these general considerations in order of priority: fire/life safety, building envelope, compliance issues, major system maintenance, tenant moves and building disposition potential. Available funds are assigned first to the highest-scoring projects. FPM has recently updated its five year CIP (FY 2007- FY 2011) and presented it to the Board as part of the annual review of the County's Capital Budget.

Funding for Facilities Capital Improvements

Funding for facilities capital improvements come from a number of sources:

- General Obligation bonds, such as those approved by voters in 1996 for the renovation of County libraries and repaid from the collection of property taxes;
- Renewal and replacement fees, paid by building tenants as a way to cover the cost of renovation or replacement of facility systems or improvements;
- Sales proceeds from buildings and property disposed;
- Grants for specific capital projects;
- Energy trust incentives;
- Certificates of Participation (Building Projects Fund) which are lease purchase agreements until paid in full by the County;
- Revenue Bonds which are secured by revenues dedicated for retirement of the debt;
- Full Faith and Credit Bonds which are repaid from general County revenues (Building Projects Fund).

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Limited ongoing funding for capital improvements

The FY 2007 Capital Budget includes a carryover program of ongoing projects committed to by the Board in prior years. This is true for the two bond levy funds described on the preceding page. For county owned buildings, tenants pay a renewal and replacement fee as part of their monthly building charges. For FY 2007, departments will be contributing a total of \$2.2 million to the Asset Preservation Fund (tier 1 space) and \$2.4 million to the Capital Improvement Fund (tier 2 and 3 space) through these monthly charges. Tier 1 buildings are those in best condition with major systems and repairs current. Tier 2 buildings are those that have deferred maintenance but can be brought to tier 1 status eventually. Tier 3 buildings are those for which upgrade is believed to be cost prohibitive or which are targeted for disposition. Without future rate increases, these two ongoing sources of revenue will not be enough to cover the increasing major maintenance costs for tier 1 and 2 buildings.

See Financial and Budget Policies for more information about capital asset management

The County's Financial & Budget Policies, found in Volume 1 of the FY 2007 Adopted Budget, contains much greater detail on the capital asset management strategies employed by Multnomah County for its facilities and properties. In that section is additional information on capital improvement planning and funding, facility operations and long-term maintenance planning and funding, and property management.

Reducing County Space

The key to reducing maintenance costs

The over \$110 million backlog of deferred maintenance projects not shown in the current five year CIP makes it essential that the County dispose of the buildings most cost prohibitive to maintain to reduce overall maintenance costs. One strategy that Facilities & Property Management is pursuing is to reduce the County portfolio of buildings by up to 20% through the County's disposition strategy implementation. FPM is working with departments to consolidate programs into the most efficient spaces, backfilling underutilized sites and encouraging co-locations to reduce the number of county buildings. This project includes disposition of uneconomical structures and reducing the square footage by up to 10%. Reducing high maintenance space will allow the county to focus its capital investment on the remaining owned buildings. FPM prepared a disposition plan early in November 2004 that laid out an aggressive multi-year disposition program/consolidation plan. To date, County owned space has been reduced by over 200,000 square feet, approximately \$3.6 million in deferred maintenance has been avoided, and annual operating costs have been reduced by over \$2 million as a result of actions in response to this plan.

Seismic Evaluation

In 2003, the Board adopted Resolution 03-94 that directed Transportation and Facilities & Property Management to continue to assess earthquake risk to county structures and to develop plans for risk mitigation. They were further directed to address earthquake mitigation as part of annual budget prioritization in the Capital Improvement Programs and to include in these plans a detailed statement of all work needed to mitigate potential earthquake damage which, for budgetary reasons, is not included in the CIP. This unmet need now totals over \$122 million for buildings and \$129 million for the Willamette River Bridges. Several

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buildings are planned for disposition in the near future. Sale of these buildings would reduce the County's deferred maintenance need by nearly \$20 million.

East County Court Facility

One of the buildings identified as having a high potential risk from earthquake damage is the Multnomah County Courthouse, built in 1914. Per resolution 06-033 the County is progressing toward siting a downtown courts facility by December 2006 and will be developing financing strategies for the construction of a new downtown Courthouse. Facilities also remains dedicated to continuing the efforts toward a new East County justice facility and seismic improvements at the Justice Center as part of providing an overall courthouse solution.

Transportation Capital Program

Multnomah County is responsible for the maintenance, operation and capital improvement for six Willamette River bridges and 300 miles of County roads, including bicycle and pedestrian facilities. Most of these structures and roadways are significant components of the regional transportation system and require coordination and collaboration with multiple jurisdictions. The County's jurisdiction includes roads in unincorporated urban and rural areas, in addition to paths, streets, bridges and highways in urban areas of east County.

Funding for Transportation Projects comes from several sources

The Land Use and Transportation Division, publishes a five-year Transportation Capital Improvement Plan and Program (CIPP) that is updated on a biennial schedule and adopted by the Board of County Commissioners. The current CIPP was adopted in February 2005. The CIPP forms the basis for the selection and funding of road and bridge projects.

Funding for roadway, bike, pedestrian, and bridge projects comes primarily from three sources: 1) State and County vehicle fuel taxes and registration fees; 2) Land development activity; and 3) Federal programs and allocations. The County uses all three sources to fund its Transportation Capital Improvement Program. The gap is widening between the transportation system's capital improvement and preservation needs and the resources available to address these needs. Funds derived from gasoline taxes and registration fees are the most flexible; within guidelines imposed by the state constitution, the County has full discretion on how they are used. The County generally incorporates street improvements as a requirement of development activity that is expected to affect the County's road system.

Federal funding and money from private development is usually project-specific. Most of the federal funds for road-related improvements are allocated by the regional government, Metro. Metro requires that projects meet specific criteria, are consistent with the Regional Transportation Plan, and have a local matching contribution from the County. The East Multnomah County Transportation Committee is involved in making decisions regarding which of the needed East County projects will be submitted to Metro for regional funding. The Board of County Commissioners gives final approval of applications for federal funds and any necessary associated Intergovernmental Agreements.

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Most of the current capital projects on the Willamette River bridges are financed with federal and state funding. The two primary sources of federal funds are the Highway Bridge Program and the 5-year transportation funding legislation (SAFETEA-LU). The County's leverages County dollars against Federal and State is found on the project list in the following section under "Non-budget sources".

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FY 2007 Capital Improvement Program

The County's FY 2007 Capital Improvement Program is categorized by the Fund that supports each project. Each Fund is dedicated for specific purposes as described by Board action, and projects assigned must adhere to the restrictions of that funding source.

The development of this program, from the early identification of a project idea through its formal adoption by the Board of County Commissioners, is a process that has carefully evaluated the best use of limited County resources. This program represents the collective effort of County departments, elected officials and their staffs, and County stakeholders and customers.

Justice Bond Fund 2500

Proceeds are derived from the sale of General Obligation Bonds approved by voters May 21, 1996, and interest earned on these proceeds. Projects authorized are to expand Inverness Jail, construct new jail facilities, upgrade other jail facilities, pay for major data processing linkages in the Corrections system, or fund other justice projects approved by the Board.

Project	Total Budgeted Project Cost
Inverness Jail Kitchen Floor Repairs	405,000
Closeout Wapato Jail Project	110,000
Justice Center Kitchen Equipment Replacement	285,000
District Attorney Client Case Tracking System (CRIMES)	350,000
Total Justice Bond Fund	1,150,000

Building Projects Fund 2504

Accounts for expenditures for acquiring property, remodeling, and the construction of County facilities. Resources are derived from certificates of participation or other financing proceeds and General Fund service reimbursements.

Project	Total Budgeted Project Cost
Assessment & Taxation Business Application	
Systems Completion	325,000
Total Building Projects Fund	325,000

Library Construction Bond Fund 2506

Accounts for the renovation of branch libraries, and upgrades to Library computer systems and linkages. Proceeds are derived from the sale of General Obligation Bonds approved by the voters May 21, 1996, and interest earned on these proceeds.

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<u>Project</u>	<u>Total Budgeted Project Cost</u>
Library Public Access Management System	200,000
Total Library Construction Bond Fund	200,000

Capital Improvement Fund 2507

Accounts for the proceeds derived from the sale of unrestricted property, interest income, and any service reimbursement or operating revenue from leased facilities. Expenditures are made for capital acquisitions or for the retirement of lease/purchases. Authorized by Resolution 99-144.

<u>Facility/Project</u>	<u>Total Budgeted Project Cost</u>
<i>Multnomah County Court House</i>	
Emergency Notification Upgrades - Construction Phase	750,000
Americans with Disabilities Act (ADA)- Ramp and Drinking Fountain	24,500
Backup Power Generation Study	60,000
Concrete Beam Repair	60,000
Roof Repairs	150,000
Connect Basement to Emergency Generator	24,500
Jail Elevator Upgrade	250,000
<i>Justice Center</i>	
Kitchen Upgrades and Leak Remediation	110,000
Chiller Plant Upgrade	50,000
ADA Signage	30,000
Security Upgrade (County cost)	150,000
Building System Emergency Repairs (BSER) –	70,000
Dorms 5B&C Replace Inmate Doors	
Replace 2 water heaters	45,000
Elevator 5-8 upgrade	599,640
Domestic H2O boiler #1	80,000
Heating Ventilation and Air Conditioning (HVAC) Fan Upgrades	275,000
Cell Door replacement 4-8	300,000
Cooling Tower Upgrades	50,000
Hot & Cold Water Distribution	100,000

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Facility/Project	Total Budgeted Project Cost
<i>Martha Washington Building</i>	
Disposition costs	325,000
<i>Gladys McCoy Building</i>	
Disposition costs	7,500,000
<i>Mead Building</i>	
Disposition costs	5,000,000
Roof Re-coating	27,000
<i>Robert W Blanchard Education Service Center</i>	
Disposition costs – internal moves	25,000
<i>Vector Control</i>	
Sewer & Stormwater Construction	299,964
<i>Hansen Building</i>	
Disposition costs	1,950,000
Roof Repair	50,000
<i>Multnomah County Inverness Jail</i>	
Kitchen / Wall Floor Repair	345,000
HVAC Upgrades	350,000
Smoke Damper Testing & Repair	23,000
Domestic Hot Water Heater replacements	40,000
Repair/Replace Chillers	225,000
Dorm Shower Repair	80,000
<i>Library Administration</i>	
ADA- Elevator Replacement	25,000
Elevator Replacement	175,000
<i>Multnomah County Inverness Jail Laundry</i>	
West Wall Repair	15,000
<i>Walnut Park Building</i>	
HVAC Replacement	200,000
Branch Panels	134,800
Sidewalk Repairs – ML King Blvd	25,000
File Room Air Conditioning	25,000
<i>Animal Services</i>	
Master Plan	49,000
Replace Water Bowls	28,000
Roof Replacement	60,000
<i>Penumbra Kelly Building</i>	
Repair NE Retaining Wall	25,000
Disposition costs	4,600,000
Data Center Fire Suppression	305,000

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Facility/Project	Total Budgeted Project Cost
<i>Multnomah County Correctional Facility</i>	
Disposition costs	46,000
<i>John B Yeon Facility</i>	
ADA-Yeon building improvements	50,000
Fire Alarm Upgrades	95,000
Replace Roof Skylights	250,000
Pigeon netting	11,000
<i>Skyline Road Shop</i>	
HVAC Replacement	75,000
<i>Rockwood Neighborhood Health Access Center</i>	
Disposition costs	10,000
<i>Wikman Building</i>	
Disposition costs	60,000
<i>Central Probation Office</i>	
Roof Repair	25,000
<i>Multnomah Building</i>	
Energy Star Award	1,000
<i>Central Library</i>	
Foundation Repairs	170,000
2nd Floor Lobby Remodel	10,000
<i>Title Wave Bookstore</i>	
Major ADA Modifications	150,000
Roof Maintenance	188,000
<i>All Properties</i>	
ADA Upgrades	50,000
Security Upgrade (Including Card Readers)	100,000
Building System Emergency Repair	500,000
Fire Life Safety Construction	150,000
Architecture & Engineering Consultations	150,000
Emergency Expenditures	8,423
Interior Finishes	25,000
Small Energy Projects	25,000
Regional Arts & Culture Council (RACC) 1% for Art	30,000
Asset Management Disposition Costs	100,000
Building Disposition-Summary Costs	465,000
Consultant contract -Disposition	150,000
Total Capital Improvement Fund	27,979,827

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Asset Preservation Fund 2509

Resources for this fund are derived from an asset preservation fee, part of facilities charges assessed to County building tenants. Accounts for expenditures for building system repairs, primarily before they have reached the end of their life cycle. Projects include scheduled maintenance projects such as boiler replacement, carpet replacement, roof replacement, etc.

Facility/Project	Total Budgeted Project Cost
<i>Juvenile Justice Complex</i>	
Replace Domestic Hot Water Boilers	79,000
Assistive Listening Devices	24,500
Grill Vent Replacement	350,000
Security Upgrades	200,000
<i>Gresham Probation</i>	
Roof Curb Repair	25,000
<i>Elections Building</i>	
ADA Upgrades	59,500
Elections Security Card reader	10,000
Skylight Replacement	60,000
Telecom Room Enclosure	55,000
Fire Alarm Strobe Synchronization	75,000
<i>Southeast Health Center</i>	
ADA Upgrades	55,000
Replace HVAC # 1-5	74,000
Fire Alarm Upgrades	145,000
Additional HVAC Repairs	45,000
Patient Parking Resurface	50,000
Basement Parking Gate	60,000
<i>Mid-County Health Center</i>	
Duct Cleaning	35,000
Fire Alarm Upgrades	150,000
Retail Space Remodel	50,000
Security System Upgrades	15,000
Pigeon Protection	10,000
<i>Gateway Children's Center Service Building</i>	
Landscape & Parking Lot Lighting	100,000
<i>Multnomah Building</i>	
Chiller Replacement	565,000
Purchase ODOT Easement	15,000
Repair Leaky Roof	50,000
Auto Attendant at Garage Entrance	75,000

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Facility/Project	Total Budgeted Project Cost
<i>Central Library</i>	
Leak Repair	11,000
Sidewalk Repair	15,000
Roof Replacement	100,000
<i>Gresham Library</i>	
Women's Bathroom Remodel	15,000
<i>Midland Library</i>	
Tile Repair	4,000
<i>All Properties</i>	
ADA-Upgrades	100,000
Security Projects	100,000
Architecture & Engineering Consultations	100,000
Emergency Expenditures	15,704
Underground Injection Collection Upgrades	50,000
Capital Repairs	150,000
Interior Finishes	125,000
Small Energy Projects	25,000
RACC 1% for Art	25,000
Security Lockboxes	50,000
Unappropriated Fund Balance	750,000
Total Asset Preservation Fund	4,067,704

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Road Fund 1501

Dedicated funds for construction, repair, maintenance, and operations of County roads. These projects receive funding from State Motor Vehicle sources, County gasoline tax, permits, development fees, and by intergovernmental agreement.

Project	Road Fund Budgeted Cost	Non-Budget Sources	Total Project Cost
223 rd Avenue (@ UPRR Railroad Crossing) Construction	3,300,000	3,200,000	6,500,000
282 Stone Road / Johnson Creek Construction	788,500		788,500
OTIA ~ Sandy Blvd / Gresham Transfer	1,096,000		1,096,000
OTIA ~ Sandy Blvd / Fairview	250,000		250,000
257 th @ Orient (Carryover)	353,000		353,000
Wood Village Extension on	248,380		248,380
223 Ave @ Sandy Blvd – Signal	823,070		823,070
NE 238th Dr Widening Construction – HEP	310,000		310,000
223 rd Ave Median (Arata/Halsey)	75,000		75,000
OTIA ~ Beaver Creek Construction	681,000		681,000
OTIA ~ Corbett Hill Viaduct Construction	1,005,000		1,005,000
NW Newberry Rd Culvert Repair Construction	195,000		195,000
NW Newberry Rd Slide Repair Construction	75,000		75,000
NE 235 th – Storm Water Facilities	90,000		90,000
County Asphaltic Concrete Overlay <i>Construction County Owned Streets</i>	225,250		225,250
<i>Construction East County Cities</i>	150,000		150,000
ADA – Sidewalk In-fills Construction	50,000		50,000
Various Streets/Culverts/Emergencies Construction Reserve	50,000		50,000
	200,000		200,000
Total Road Fund	9,965,200	3,200,000	13,165,200

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Bicycle Path Construction Fund 1503 – Bicycle & Pedestrian Projects

This fund receives its revenue from one percent of the County’s share of motor vehicle fees or through dedicated project grants and intergovernmental agreements.

Location / Project Description	Bike Fund Budgeted Cost	Non-budget Sources	Total Project Cost
Morrison Bridge Accessibility Construction	250,000	1,300,000	1,550,000
Pedestrian Crossing Enhancements	50,000		50,000
Enhancements	50,000		50,000
Sidewalk Infill Projects	50,000		50,000
Miscellaneous Bike/Pedestrian Projects	64,000		64,000
Total Bike Fund	464,000	1,300,000	1,764,000

Willamette River Bridge Fund 1509

This fund accounts for funding from a share of the County’s State Motor Vehicle fee and County gasoline tax, dedicated Federal and State project revenues, and grants. Projects in this fund are limited to the Hawthorne, Morrison, Burnside, Sellwood, Broadway, and Sauvie Island bridges.

Location / Project Description	Bridge Fund Budgeted Cost	Non-Budget Sources	Total Project Cost
Sauvie Island Replacement	\$9,161,655	\$1,368,983	\$10,530,638
Burnside Lift Span Rehabilitation	1,405,365	2,498,427	3,903,792
Sellwood Bridge Repair	300,000		300,000
Miscellaneous On-going Repairs	50,000		50,000
Miscellaneous Small Improvement	50,000		50,000
Miscellaneous Building and Equipment	49,000		49,000
Total Bridge Fund – Appropriated FY 2007	11,016,020	3,867,410	14,883,430
<i>Bridge Fund Unappropriated Balance ^{1/}</i>	<i>23,298,121</i>		<i>23,298,121</i>
Total Bridge Fund	34,314,141	3,867,410	38,181,551

1/ To be used for future year's construction commitments