

Draft 2

**CAPITAL IMPROVEMENT ELEMENT
OF THE COMPREHENSIVE PLAN
CITY OF DELRAY BEACH**

Data, Inventory, and Analysis

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The outline below is provided for informational purposes only.

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INTRODUCTION

The Capital Improvements Element establishes standards, processes, and principles to support the capital project management services that are provided by the City to ensure that all residents and visitors of Delray Beach can use and enjoy quality infrastructure, facilities, and amenities for enhanced health, safety, and welfare.

The capital planning process and the Capital Improvement Plan (CIP) provides routine processes and procedures for identifying, evaluating, and implementing the current and future capital needs of the City, with specific emphasis on levels of services (LOS) as adopted. The capital planning process provides an orderly and routine method of proposing the planning and financing of capital improvements, and also makes capital expenditures more responsive to community needs by informing and involving the public in programming and approval.

The City of Delray Beach updates its Capital Improvements Plan annually, together with the annual budget, to effectively guide the City in planning for capital improvements. Capital Improvements involve construction of new facilities or repairs to existing facilities, such as roadways, parks, water and sewer systems, and community facilities. As Delray Beach continues to flourish and redevelop, many of the programmed improvements focus on maintaining the established levels of service for existing facilities through renewal, replacement, and correction of localized deficiencies in existing systems. These improvements are most often part of on-going programs, funded annually, such as street resurfacing. In some cases, replacement of existing systems is through new facilities. These improvements are identified in master plans (water, sewer, stormwater, etc.) that are designed to improve, enhance, and expand the overall level of service and address the quality-of-life desires of the community.

In 1989, the City had significant challenges with infrastructure and capital projects. Water lines previously installed were undersized and deteriorating due to age. Some areas of the City had low water pressure. Sewer transmission lines had high levels of salt content, and the City was experiencing saltwater intrusion. Storm water flooding was significant in several areas. Streets and sidewalks were in a poor state of repair or non-existent in several areas. The City's major roadways were also deteriorating, having a negative impact on the City's image and was discouraging visits to and investment in the downtown area.

That same year, the City took action and approved the "Decade of Excellence Bond" to make critical improvements to the City to usher in a new chapter in the City. Those projects were the catalyst to a revitalized Downtown, which has maintained its desirability as a destination to this day. The City also established annual renewal and replacement funding to improve and maintain the infrastructure that was in place or being installed during this period. Instead of focusing on dollars from new

development, the City focused more on improving values of existing real estate. By improving infrastructure and beautifying areas of the City, private investment in the City followed and a demand was created for vacant buildings, improving the overall image and reputation of the City. The private investment in Delray Beach has continued over the last three decades, but work is still necessary to address infrastructure needs and continue to address the quality-of-life expected by residents and visitors.

In 2017, the City approved a revenue bond based on the projected revenue from the one cent sales tax to provide the funds to make critical capital improvements within the City.

LEVEL OF SERVICE STANDARDS

Level of service (LOS) standards are established to ensure that adequate facility capacity will be maintained for the current population and also provided to address the increased demand generated by future development (as required by F.S. Section 163.3202(2)(g)). The City has adopted LOS standards for open space and recreation facilities (parks), transportation (roadways, potable water, sanitary sewer, drainage (stormwater management), and solid waste (garbage and recycling). The adopted LOS standards are listed in **Table CIE-xx** within Appendix A of the Capital Improvements Element Goals, Objectives, and Policies, and are also in **Policy CIE A-3.6**. These LOS standards are established to guide the City in prioritizing capital improvements. The LOS standards are regularly evaluated and specific projects are identified to address existing or projected deficiencies or projected future needs.

GUIDELINES FOR PRIORITIZING CAPITAL IMPROVEMENTS PROJECTS

A city growing through reinvestment and redevelopment, such as Delray Beach, has different priorities for infrastructure projects compared to a community with large vacant areas with virtually no infrastructure. Major infrastructure systems, such as water, sewer and roads, are already in place. Capacity for major systems such as water and wastewater treatment, street networks, and stormwater conveyance are already available to serve the existing population. These facilities need to be monitored for future upgrades or capacity deficiencies to serve the projected population.

The City continues to work with new developments and redevelopments to ensure upgrades are programmed for impacted facilities to maintain established LOS. The City's primary focus has shifted from accommodating new development to preparing for future sustainability and resilience of all existing and future systems and addressing impacts of redevelopment. The City is also addressing deficiencies and infrastructure needs in specific neighborhoods to assure that all parts of the City

receive the same level of service and achieve the highest quality-of-life desired by the community.

The Capital Improvement Plan (CIP) is prepared annually in coordination with the annual budget and contains updated and/or new projects for the next five years, with projects programmed for year one and planned for years two through five. This process reflects continued investment to provide for the health, safety and quality-of-life of Delray Beach residents and visitors. To assist in balancing and prioritizing needs across the City, projects are identified by one of the following “spending categories”.

A. Facilities

- a. Government Facilities – Government facilities with primarily government employee occupancy.
- b. Drainage –Improves drainage conditions and reduces flooding.
- c. Parks – Buildings, grounds and/or recreational facilities within a park.
- d. Roads/ Transportation – Expanding or widening roads; interchanges, overpasses and intersection improvements; road resurfacing; sidewalks/bike paths, as well as landscaping/tree planting along road projects.

B. Technology

- a. Government Services / Facilities – Hardware or software that improves the level of service of government services and facilities.
- b. Transportation / Mobility – Hardware or software improving transportation systems or mobility within the city.
- c. Economic Development – Infrastructure investment advancing the city’s businesses or attracting new businesses, consistent with the city’s economic development goals.

C. Economic Development

- a. Supports Private Development – Provision of grants and loans for public infrastructure and project development.
- b. Targeted Economic Development – Stimulates private investment through investment in public infrastructure, public transportation, or other public facilities.

D. Public Safety / Quality of Life

- a. Public Safety –Relating to public safety including facilities.

- b. Environment / Quality of Life –Promote or improve the environment for the citizens of Delray Beach (e.g. water treatment plants).

E. Sustainability / Resiliency

- a. Addresses the effects of climate change and the conservation of natural resources through sustainability initiatives, such as green buildings, and resiliency needs, such as infrastructure needed due to sea level rise.

A typical capital project is planned and executed in the following phases:

- a) *Project Development* –Identify project requirements and define a project’s work scope including preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, environmental impacts, and assessment of alternatives.
- b) *Engineering/Design* –Design a project in accordance with the scope of work set forth in the project development phase. This includes legal and technical documentation, constructability review, data collection, advertising, assessment of alternatives related to project design, construction management services, and bid reviews.
- c) *Land*– This may include the purchase of land, easements, and/or right-of-way. This also includes surveys, appraisals, environmental audit, permitting, legal costs, maps, charts, aerial photography, and other costs such as wetlands restoration.
- d) *Construction* – All construction related tasks required to place a project in service. This includes project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspections, testing, and permitting.
- e) *Contract Administration* – This includes in-house project management, supervision and administration of capital projects. Administration includes project design, technical reviews, construction management, construction inspection, technical specifications, surveying and mapping, cost of preparing reports and maintaining the capital projects log/management information system, eminent domain, contract management, monitoring, and processing the related financial transactions.

The CIP considers the priorities and goals of the City Commission, along with input from the advisory boards and the residents (some of which are submitted during the Annual Infrastructure Hearing process). The projects included in the CIP are based upon the following criteria:

Table CIE-xx	
Capital Improvements Criteria	
Criteria Description	Criteria Measurements
Supports Objectives of the City Commission	<ul style="list-style-type: none"> • Supports formally adopted plans or actions by the Commission. • Supports long-term goals established by the Commission.
Maintains What The City Has	<ul style="list-style-type: none"> • Public Safety • Replacing or repairing our existing assets • Maintaining current level of service • Reducing maintenance costs
Project Enhancements and Improvements	<ul style="list-style-type: none"> • Enhance and/or improve current services • Create new revenues • Streamlining operations through technology
Leverages City Resources	<ul style="list-style-type: none"> • Apply for grants and low cost loans • Engage in joint projects with our partners • Encouraging projects which spur smart economic growth
New Construction/Projects	<ul style="list-style-type: none"> • Complete neighborhood improvements
<i>Source: City of Delray Beach</i>	

Furthermore, the initial vetting for each project is based upon:

- (1) The correction of a health hazard,
- (2) The correction of a deficiency,
- (3) The replacement of an existing facility,
- (4) And/or projected need to accommodate new or expanded development.

In addition, the City has also developed *Guidelines for Prioritizing Capital Improvement Projects* (Guidelines), which establishes a hierarchy of needs: **Critical Items, Mandatory Items, and Desirable Items.**

The hierarchy of needs expressed in the Guidelines should be followed in the development of both annual Capital Improvements Budget and the Five-Year Capital Improvement Plan. The framework for decision-making, and the Capital Improvements Budget (CIB) and Capital Improvement Plan (CIP) implement the goals, objectives and policies contained in the Comprehensive Plan regarding service provision and redevelopment, along with the direction of the City Commission and the input from the public.

The following describes the hierarchy of needs in the Guidelines:

Critical Items

Critical items are those which must be satisfied in the current fiscal year (or year one of the CIP). The projects are necessary for the continued operations of the City and to maintain the normal delivery of services to the community. These items may force changes in project priority, displacing or delaying scheduled capital projects.

The most important of these are service interruptions. Service interruptions include any failure in the physical systems of the City which prevent the delivery of a service. For example, major potable water system breaks, or the failure of the emergency communication system which would prevent service delivery to a portion or all of the community. These interruptions are usually unforeseen, but because of their nature, will take precedence over any other programmed project.

Other critical (short-term, immediate) needs could include the following:

- Storm damage
- Facility damage (leaks, roof collapse, etc.)
- Facility contamination
- Emergency equipment breakdown or damage
- Unforeseen, one-time circumstances
- Severe neighborhood flooding
- Structural integrity of public facilities

Mandatory Items

Mandatory items are short term needs which should be satisfied within one year. Similar to critical needs, they are necessary to the continued operation of the City and the normal delivery of services to the community. Unlike critical needs, they will not necessarily displace other planned projects, and can be planned ahead. Examples of such needs are:

- Upgrading infrastructure to meet the adopted LOS standard
- Corrections of deficiencies in internal (operations) infrastructure
- Correction of deficiencies in external infrastructure
- Legal/contractual requirements and commitments, bond covenants and commitments to capital projects after bonds are sold, annexation agreements, and grant requirements
- Maintenance of infrastructure

Desirable Items

Desirable items are the long-term needs identified by the community to maintain and improve quality of life. These needs should be satisfied in a time frame that exceeds one year and can be planned for the most efficient use of available funds. Examples of such needs include:

- Extension of infrastructure to areas where none exists
- Improvements to the efficiency of service provision or to productivity
- Provision of new services and facilities
- Upgrading outdated technology

CAPITAL IMPROVEMENT BUDGET

The Capital Improvement Plan (CIP) is a listing of the projects with capital expenditures over \$25,000, which the city plans to initiate over the next five fiscal years. The Capital Improvement Budget (CIB) is the first year of that plan, to which the City Commission will commit as part of the adopted annual budget. The Fiscal Year (FY) 2017 – 2022 CIB contains projects for the FY 2017/18 from various city departments and agencies including the following major projects:

- a) Sidewalk Improvements: \$1,330,000 million
- b) Public Safety Improvements: \$5,076,130
- c) Roadway Construction: \$1,000,000
- d) Beach Master Plan Improvements: \$1,150,000
- e) Reclaimed Water Expansion: \$7,143,000
- f) Needs Assessment and Feasibility Studies for Public Safety Facility Upgrades: \$1,530,000

Table CIE-XXX is the Capital Improvement Element (CIE) Schedule of Projects (“Schedule”), which the city has identified throughout the various elements to support its adopted LOS for the next five years. The Schedule is the implementation mechanism for the Capital Improvements Element. The Schedule includes the timing, location, projected costs, and revenue sources for funding the projects in the Capital Improvements Program (CIP). As the CIE is updated each year, additional city projects are included in the CIP at this time. The data for the Schedule is based upon the inventory and assessments of facilities.

REVIEW, MONITORING, & EVALUATION OF THE CIE

Monitoring and evaluation of this Capital Improvements Element are necessary to ensure effectiveness. The CIE is reviewed annually to ensure projects are programmed that provide or upgrade the facilities to be available concurrent with the impacts of development and maintain the levels of service (Chapter 163 (Part II), F.S.).

The review and analysis of the CIE culminates in recommendations presented to the City Commission as part of the annual budgeting. Current practices that guide the timing and location of construction, extension and increases in capacity for public facilities are described in the Guidelines.

The monitoring and evaluating progress on the projects contained in the CIP is accomplished by multiple departments in conjunction with the Finance Department. The resulting recommendations are formally reviewed by the Planning and Zoning

Board (also referred to as the Local Planning Agency) on an annual basis prior to action by the City Commission. The steps of the annual review shall be as follows:

1. All appropriate departments shall report the status of approved capital projects, projects which are scheduled for the next fiscal year, and any changes which are desired in the schedule of capital improvements. The departments shall also provide an update of their individual capital improvement programs.
2. Departments also prepare and submit a CIP request for any new projects and prioritize their CIP requests.
3. Projects and changes which can be accommodated through the normal budget review and adoption process are identified. Those projects which require a change to the schedule of improvements are also identified.
4. The projects are then reviewed for prioritization, reasonableness related to costs, operating budget and level of service impact.
5. As a part of the annual budget preparation process, the Planning and Zoning Board (Local Planning Agency) reviews the Capital Improvement Plan and Capital Improvement Budget at a public meeting and issues its findings as to consistency of individual projects with the Comprehensive Plan by providing a recommendation to the City Commission. All projects included in the Capital Budget must be found consistent with the Comprehensive Plan.

The annual review process addresses:

- a) public hazards
- b) existing capacity deficits
- c) locational needs based upon projected growth patterns
- d) new development or redevelopment service demands
- e) Current and future concurrency status

REVENUE SOURCES

The city receives revenue from the following major sources each fiscal year starting October 1, and ending September 30, which are described in detail in the approved budget. In addition, the city administers the revenues from the Delray Beach Community Redevelopment Agency (CRA) which provides funds for projects within the CRA boundary. Revenues include the following:

General Revenues	
Ad Valorem Property Taxes	\$6.9611 per \$1,000 of assessed valuation
Sales/Use Taxes	County gas tax levy on motor and special fuel
Utility Taxes	Taxes imposed on electricity and metered or bottled gas.
Other Taxes	Communication Service Tax Act, comprised of the Local Option Tax and State Tax
Franchise, Licenses, & Permits	Derived from the granting of non-exclusive rights to public service companies for the right to construct, maintain and operate within the corporate limits of the City. This category also includes fees collected from a vendor providing cabana beach services.
Intergovernmental Revenue	City's distribution by the State of Florida for State sales and gas taxes, the Half-Cent State Sales Tax, and mobile home license taxes. Also included in this category are County, State, and Federal grants for the Children's Services Council, Community Policing Officer Grant Program, and the Parks and Recreation after school programs.
Charges for Services	These revenues are derived from a variety of governmental services to include public safety services (Fire/Emergency Medical Services) to Highland Beach and Gulf Stream, parking fees, parks and recreation fees, and development applications.
Fines & Forfeitures	Fines for traffic violations, non-compliance with building regulations and codes, and late payment of property taxes.
Miscellaneous	Interest earnings, collections from vending machines, license fees for the Riverboat, contributions from other entities for expenses, transfers from other funds of the City, and

General Revenues	
	funding from the Drug Enforcement Agency and Community Action Foundation.

Other Revenues	
Connection Fees	Water/Sewer
Enterprise Funds	Stormwater Utility Fund Water and Sewer Fund Sanitation Fund Municipal Marina Fund Delray Beach Municipal Golf Course Fund Lakeview Golf Course Fund

Special Revenue Funds	
Law Enforcement Trust Fund	Forfeitures of confiscated property by Police Department
Community Development Fund	Federal, state and local (county) grants to improve targeted areas of the city
Beautification Fund	1.2% utility tax for landscape installation and maintenance of beautification on median strips and other landscaped areas
Community Development Block Grant	Funds from a federal entitlement program to support low- and moderate-income residents
Recreation Impact Fee Fund	Impact fees from new residential unit construction
Beach Restoration Fund	Fund to provide project costs until reimbursement is received. There is an interlocal agreement with Palm Beach County that provides for funding of the local share of project costs. This agreement extends through the year 2023.
Special Projects Fund	In lieu of parking fees, parking license fees, and public arts program fees.
Building Permit and Inspection Fund	Fees collected from building permits and inspections

FINANCING MECHANISMS

The financing methods in use by the city include:

- Pay-as-you-go from operating and non-operating revenues
- Short-term and long-term borrowing from banks using operating revenues
- Short-term capital leasing
- Developer contributions
- Donations

- Interim-term borrowing from banks using operating revenues
- Grants, both participating and non-participating
- Long-term borrowing from municipal bond sales paid for by operating revenues:
 - Two outstanding general obligation bonds
 - Two outstanding special revenue bonds
 - Four outstanding water and sewer revenue bonds

BEST MANAGEMENT PRACTICES

Recommendations for best management practices (BMPs) primarily address processes as it relates to some of the City's major concerns, particularly ecological and economic sustainability. These BMPs provide guidance for several of the goals, objectives, and policies within the CIE.

Environmentally Responsible Practices. Sustainability initiatives can provide long-term reduction of both costs and liabilities associated with public infrastructure. Use of “green” practices in construction and management of assets, such as transportation and utility systems; standards for building construction; and energy efficient facilities and equipment are such initiatives. , the city should evaluate financial and non-financial costs and liabilities (such as impacts on the quality of life) when planning for sustainability capital projects as the costs and benefits of sustainability programming are not yet always quantifiable. In planning for sustainable capital improvements, the city should establish sustainability priorities in the comprehensive plan, and include sustainability goals which are established within a broader policy framework. All new and upgraded assets should identify the total costs and benefits associated with the proposed plan, and include environmental factors during the policy prioritization process. To implement sustainable practices, the city should use a combination of state and federal grants, partnerships with private development, or even a revolving loan fund for sustainable improvements. The city can use the capital improvement plan as a tool to communicate the full benefits of the project, including its long-term reduction of costs and liabilities contributing to sustainability. (Source: “Environmentally Responsible Practices in Capital Planning,: Government Finance Officers Association).

Asset Management. The US Department of Environmental Protection (EPA) refers to the water systems capital planning process as “asset management,” which involves “maintaining a desired level of service for what you want your assets to provide at the lowest life cycle cost. Lowest life cycle cost refers to the best appropriate cost for rehabilitating, repairing or replacing an asset. Asset management is implemented through an **asset management program** and typically includes a written **asset management plan**” (Source: “Asset Management: A Best Practices Guide,” EPA, 2008). The five core areas of asset management involve assessment of 1) the current state of the system assets, 2) the required sustainable level of service, 3) assets critical to sustained performance, 4) minimum life cycle costs, and 5) the best long-term funding strategy. These five core areas are assessed as part of a planning, implementation, monitoring, and revision process.

Capital Improvements as Part of the Operating Budget. Part of effective capital projects planning involves consideration of the expenditures in the context of the overall operating budget. Capital improvements will result in either a negative or positive impact on budgets: increased revenues, increased expenditures, or savings.

As such, capital improvements should be considered in the context of the entire budget (Source: “Presenting the Capital Budget in the Operating Budget Document,” Government Finance Officers Association).

Stakeholder Engagement. To make the public and stakeholders aware of the scheduled capital improvements, capital projects budgets should be presented as its own section in the municipal budget document. It should clearly be defined how the municipality is using the term “capital expenditures,” the sources and uses of funds should be clear, and projects should be identified as recurring or non-recurring. Each project should be described in detail, including timing and impacts. The document should clearly identify the process used in the capital budgeting process: the timing, project prioritization, funding sources and options, and capital project management (Source: “The Impact of Capital Projects on the Operating Budget,” Government Finance Officers Association).

The capital improvements budget should provide stakeholders with consistent messaging about details of planned projects, through multiple methods of communication. Municipalities should make a make particular effort to obtain public feedback on large projects. Outreach strategies include community meetings, use of citizen committees, surveys, and an established comment / complaint system (Source: “Communicating Capital Improvement Strategies,” Government Finance Officers Association).

Economic Development Capital Planning. The Capital Improvements Plan should be developed in relationship with economic development initiatives. New development may increase the demand on utilities, schools, parks, and public safety. Conversely, proactive public infrastructure improvements such as street repaving, multi-modal improvements, and lighting and landscape improvements can support economic development efforts. The city should coordinate the timing of economic development projects with related infrastructure projects, and other initiatives in the master plan or comprehensive plan. Where developer contributions cannot be leveraged to fund capital improvements, the city should rely on tools such as improvement districts, statutory financing districts, or state or federal economic development incentives (Source: “Coordinating Economic Development and Capital Planning,” Government Finance Officers Association).

The noted examples of best management practices for capital improvements provide a few lessons and key points that can be applied in Delray Beach, including taking the following steps and actions:

Implement Sustainable Practices. All new and upgraded assets should identify the total costs and benefits associated with the proposed plan, and include environmental factors during the policy prioritization process.

Know The Lowest Life Cycle Cost. Lowest life cycle cost refers to the best appropriate cost for rehabilitating, repairing or replacing an asset.

Collaborate with Economic Development Projects. Proactive public infrastructure improvements such as street repaving, multi-modal improvements, and lighting and landscape improvements can support economic development efforts.

Communicate During Budget Planning. To make the public and stakeholders aware of the scheduled capital improvements, capital projects budgets should be presented as its own section in the municipal budget document.

CAPITAL IMPROVEMENT FRAMEWORK

The City of Delray Beach's capital improvement framework includes an orderly process for selecting capital improvement projects that are ranked by priority on a five-year schedule based upon expected project funding, with an estimate of project costs and financing resources. The Capital Improvement Element (CIE) goals, performance measures, and strategies reflect community input, survey results, and statutory requirements; and, inform the City's Capital Improvement Plan (CIP).

The CIE and CIP serve to help Delray Beach realize other financial goals, such as securing a good credit rating, promoting economic development, avoiding unexpected expenditures, and competing more successfully for state or federal funds. Fortunately, the City does not have any critical capital deficits; however, developing and implementing a CIP takes a considerable amount of work by administrative and departmental staff who take an analytical approach to ensure public improvements are strategically located where public needs and priorities are the greatest.

Since the City has no critical capital deficits, this allows Delray Beach to invest in innovative capital projects that improve sustainability and increase the quality of life for Delray Beach citizens.

Delray Beach has developed a strategic approach to capital improvement planning that provides an orderly and routine method of proposing projects and funding of capital improvements, which allows the City to include citizens by integrating a public input process during City budget approval. The following general steps are involved in preparing the City's capital improvement plan:

1. **Project Submission** – City departments are asked to submit a list of capital improvement projects in order of priority, which includes a project description and justification, an estimate of initial project costs, ongoing operating and maintenance costs, and recommended funding sources.
2. **Project Evaluation.** The City budget team and City Administration reviews, prioritizes and selects projects based on initial vetting criteria, including:
 - a. The correction of a health hazard, the correction of a deficiency;
 - b. The replacement of an existing facility; and/or;
 - c. Projected need to accommodate growth.
3. **Project Selection.** Another level of review, prior to project selection, includes a determination of priority (critical, mandatory, and desirable). In addition, other pertinent information is also considered, such as:
 - a. Desired level of service standard;

- b. Project demand, as determined by an inventory of existing land, equipment and facility conditions;
 - c. Number of residents or geographic area served;
 - d. Return on investment, cost savings or revenue generation;
 - e. Sustainability or energy efficiency improvements;
 - f. Economic, environmental, aesthetic or social impacts;
 - g. Public health, safety or other legal concerns;
 - h. Consistency with community plans and policies; and,
 - i. Public and political support.
4. **Financial Analysis** – Financial data, including historic and projected revenues, expenditures and debt service are used to assess the City’s ability to pay for proposed projects and to select appropriate financing tools.
 5. **Plan Preparation** – The draft CIP is developed as a list of recommended projects by funding year, project and scheduling details, and financing sources.
 6. **Review and Adoption** – Following public review and revisions, the City Commission adopts the CIP and capital budget.

Using the orderly approach summarized above, the City has successfully developed a rational, defensible capital improvement plan and Capital Improvement Element that is assessed regularly and updated annually. In addition, shared interests in local improvements that affect other public agencies add to the City’s framework for capital planning through interlocal agreements and funding partnerships.

NEEDS & RECOMMENDATIONS

Delray Beach generally follows a “pay-as-you-go” philosophy accomplishing as much as can be funded by the general fund or special funds. For certain projects, the City utilizes bonding or increasing rates and taxes when the time frame required to fully implement the projects using pay-as-you-go may not be acceptable to the community. Community desires, timing, and overall project cost efficiency may dictate financing for specific needs.

Capital improvement needs are specifically identified in Master Plans for several public facilities, including water supply, water distribution, wastewater transmission, and the stormwater (drainage) system. The specific plans and studies recommended in other elements should be completed to identify the costs and funding options to implement identified needs. The goal of these activities should be to address public facility needs in the next 5-10 years.

Projected Capital Needs by Element

A summary of capital needs, by theme and element, are presented below. The summary identifies the general type of programs and projects recommended to achieve the goals and objectives identified throughout the Comprehensive Plan. The Capital Improvements Plan is updated yearly and is provided as an appendix.

Live

Transportation Element. Transportation capital improvements are funded by the General Capital Improvements Fund with potential funding from the MPO (Metropolitan Planning Organization). Major expenses include:

- Parking management projects
- Bicycle and pedestrian improvements
- Alleyway improvements
- sidewalk and swale improvements
- traffic safety improvements

Community survey respondents overwhelmingly support investments in mobility improvements. The city currently allocates funds annually for such items as street resurfacing, street reconstruction, and sidewalks. Efforts should be made to prioritize such work effectively and to coordinate with other programmed work such as water and sewer projects. The city is developing a master plan for all components of the street system, including roadways, sidewalks, street lights, drainage, utilities, reclaimed water, landscaping, signs, and markings. These components are currently being added to the citywide GIS system to allow the city to improve planning and decision-making. Multi-modal improvements contribute to a high quality of life.

Recommendation: Place a high priority on all improvements that make the bicycle and pedestrian experience safer, such as improvements to pedestrian facilities, bicycle lanes, and non-vehicular connections that improve circulation.

Recommendation: Establish a mobility plan to replace transportation concurrency and an associated mobility fee to provide funding for mobility-related projects.

Housing Element. Housing is one of the city's most vital assets. Projects supporting the sustainability of the city's neighborhoods and capital improvement projects in the area of housing are funded by the Neighborhood Services Fund. Major funding expenses support:

- Workforce Housing
- Residential Mitigation Program
- Housing Rehabilitation
- Neighborhood Housing

Respondents to the Community Survey expressed strong support for a diverse mix of housing types.

Recommendation: Continue to prioritize investments to support diverse housing.

Healthy Community Element. Street trees, sidewalks, and bicycle lanes are important components of a healthy community. Street trees promote walkability by providing shade to pedestrians, and a robust tree canopy reduces the heat island effect. The city is in the process of completing a tree canopy survey, as well as a mobility master plan. These documents should be used to guide city capital investments in these areas.

Recommendation: Plan for mobility improvements, including the installation of street trees.

Historic Preservation Element. Historic properties are a vital part of the Delray Beach community fabric because of the aesthetic and cultural benefits they provide to residents and visitors.

Recommendation: Continue to prioritize funding for the preservation of historic properties.

Work

Economic Development Element. Walkable, bikeable streets are an important component of tourist attraction and long-term talent attraction / retention strategies, as visitors and potential residents alike are more likely to find a community with multi modal transportation facilities attractive. Adequate infrastructure is another component of economic development.

Recommendation: Provide infrastructure support to high value projects, and continue to evaluate infrastructure improvements as part of an economic development strategy.

Intergovernmental Coordination Element. The Economic Development Administration (EDA), the US Department Housing and Urban Development (HUD), and the Florida Department of Transportation (FDOT) are just a few examples of agencies who offer competitive grants that can provide funding for large projects. Some funding from these agencies is allocated to local and regional organizations (such as the Metropolitan Planning Organization) that then fund projects in municipalities on a competitive basis based.

Recommendation: Continue to foster partnerships with regional, state, and federal agencies to secure funding for capital projects.

Play

Conservation, Sustainability, & Resilience Element. Planned ongoing improvements in Conservation, Sustainability, and Resilience include:

- Maintain/Replace/Enhance existing facilities
- Continue the Beach Erosion Control Program
- Provide for Projected New Conservation Facilities
- Preservation Program for the Florida Inland Navigation District (FIND) parcels

Recommendation: Continue to invest in conservation projects.

Open Space & Recreation Element. Capital expenditures to open space and recreation facilities are funded by the General Capital Improvements Fund, the City Marina Fund, and the Municipal Golf Course Fund.

- Maintain/replace existing parks and facilities
- Develop New Parks and Facilities
- Develop Urban Park at Old School Square
- Develop Western Community Center

Recommendation: Continue to plan for parks and recreation facility maintenance and expansion.

Coastal Management Element. The City of Delray Beach is dependent upon sound management of the coastal areas for its role as an economic development driver in the tourist industry, as well as its actual survival due to the potential impacts of natural erosion exacerbated by sea level rise, due to climate change.

- Maintain existing beachfront conditions
- Beach Nourishment Program
- Seawall Maintenance and Repair Program

As discussed in other elements of the Comprehensive Plan, the City should implement research-driven policies to support the Adaptation Action Area designation. An Adaptation Action area “identifies one or more areas that experience coastal flooding due to extreme high tide and storm surge, and that are vulnerable to the related impacts of rising sea levels for the purpose of prioritizing funding for infrastructure needs and adaptation planning” [F.S. 163.3164(1)].

Recommendation: Coordinate with the Office of the City Manager to ensure that all projects necessary to mitigate the impacts of sea level rise (including planning and assessment) are included in the five-year schedule of capital improvements.

Grow

Future Land Use Element. An appropriate mix of land uses is needed to meet the needs of current and future residents and businesses. The planned mixed use centers in the City of Delray Beach, such as the proposed Congress Avenue Initiative and the planned Tri Rail Coastal Link transit oriented development will contribute to the city’s continued economic development efforts. While mixed use centers reduce car trips and eliminate the need for additional roadway improvements, the higher densities associated with mixed use developments require LOS analysis to ensure that adequate infrastructure is in place (such as multi modal facilities, water and sewer, and education facilities) to meet the increased demand.

Recommendation: Place a high priority on infrastructure investments in walkable, mixed use land use designations.

Public Facilities Element. Capital improvements to public facilities are funded by the Water/Sewer Fund, the Water/Sewer Renewal and Replacement Fund, the Storm Water Fund, the General Capital Improvements Fund, and the Garage Fund. Capital improvements are generally made in the following areas:

- Maintain/replace existing facilities, equipment and infrastructure
- Renewal and replacement programs for infrastructure components, including streets, stormwater management, water, sewer, and buildings and facilities mainframe, software and other computer equipment
- Golf course improvements
- Vehicle replacements
- Inflow and Infiltration Reduction Program
- Provide for projected new facilities, equipment and infrastructure
- Water main extensions
- Sewer main extensions
- Stormwater facilities pursuant to the Stormwater Master Plan
- Stormwater facilities compliant with the National Pollutant Discharge Elimination System (NPDES) permit
- Reclaimed water system

Green streets are a proactive way to improve stormwater runoff through infrastructure improvements within rights-of-way that use natural systems to capture and treat stormwater. As a coastal community facing sea-level rise, green infrastructure provides a valuable tool for the city to use to mitigate increased flooding.

Recommendation: Explore the use of green infrastructure to treat stormwater.

Education & Public School Facilities Element

The City is completely within the Palm Beach County School District. Within the City are: one high school, three middle schools, and four elementary schools. The Village Academy on the Art & Sara Jo Kobacker Campus has been established at the site of the former Carver Middle School, and serves grades K-12. The Delray Full Service Center provides adult education programs, including GED prep classes. However, Delray Beach is not directly responsible for capital improvements to educational facilities, as development falls under the jurisdiction of the School District. The District has planned capital investments in the following facilities in the FY 2018-2022 Capital Plan:

- Delray Full Service Center remodel
- Fields for Village Academy
- Demolition of old Plumosa Elementary School

Recommendation: Provide facilities support, as applicable, for educational initiatives that strengthen the cradle to career pipeline.

FISCAL ASSESSMENT

A current review of the General Fund and Enterprise Funds finds that capital improvement implementation needs could be accomplished without additional bonds, and the attendant impacts upon operating costs can be met with conservative increases in revenue. A five-year Forecast of General Fund Revenues and Expenditures is provided below. The City could readily accommodate additional bond expenses, if necessary, as shown in the attached City of Delray Beach Pledgeable Revenue Matrix (Table CI-xx), which shows schedule and the Debt Summary which shows existing debt service coverage ratios.

To fund unforeseen critical needs and provide cash flow prior to the receipt of ad valorem tax distribution, a general fund reserve of at least 25% of the recurring annual operating budget, excluding major one-time costs such as those related to bonding, should be maintained. [Confirm with Finance]

The city should monitor legislation that may impact the City's ability to fund projects. One such proposed 2017/2018 legislative change is HB 7105 and SB 1774 which would raise the homestead exemption from \$50,000 to \$75,000 of a home's first \$100,000 of taxable value. This would significantly reduce the City's revenues.

APPENDICES

The appendices contain the following tables:

1. Appendix A: Table XX – School District of Palm Beach County Capital Plan Summary
2. Appendix B: Table XX - General Fund Revenues and Expenditures
3. Appendix C: Table XX - FY 17/18 to FY 21/22 Five Year Capital Budget
4. Appendix D: Table XX - Pledgeable Revenue Matrix
5. Appendix E: Table XX - Debt Summary