



## City of Blaine

10801 Town Square Drive NE

Blaine MN 55449-8100

City Hall 763-784-6700 | [BlaineMN.gov](http://BlaineMN.gov)

# City of Blaine, Minnesota



*Pictured: Blaine City Hall, Town Square Park*

## Facilities Capital Improvement Plan

Adopted March 21, 2019



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March 21<sup>st</sup>, 2019

Honorable Mayor and City Council Members:

Presented herein is a condensed version of the City of Blaine's 2019-2023 Facilities - Capital Improvement Plan (CIP). The attached 5-year plan outlines the City's projected capital expenditures for major capital projects related to Public Facilities, that will be funded through the issuance of capital improvement bonds, pursuant to State of Minnesota Statutes, chapter 475.

The primary objective of preparing a CIP is to develop a comprehensive program that allows the Council to align capital investments with specified projects based on the community's needs, while taking into consideration the best use of the limited resources available to provide efficient and effective delivery of services. This CIP, as prepared by staff and approved by the City Council, reflects the City's efforts to meet that objective.

Sincerely,

Joe Huss  
Finance Director

# **INTRODUCTION**

The City of Blaine's Facilities Capital Improvement Plan (CIP) is a 5-year program that outlines projected capital expenditures for infrastructure, construction and improvement of city facilities. In addition to identifying the specific capital projects, the CIP also outlines how these projects are to be financed.

The City's CIP is designed to set forth the estimated schedule, timing, and details of each specific capital improvement by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. With the adoption of the attached plan, and the projects contained herein, Council and staff have carefully considered for each project and the overall plan:

- The condition of the City's existing infrastructure, including the projected need for repair or replacement;
- The likely demand for the improvement;
- The estimated cost of the improvement;
- The available resources;
- The level of overlapping debt;
- The relative benefits and costs of alternative uses of the funds;
- Operating costs of the proposed improvements; and
- Alternatives for providing services most efficiently through shared facilities with other cities or local government units.

The following includes detail on each project included in the Facilities CIP. For each project an Improvement Worksheet is completed. This worksheet provides all estimated costs and anticipated funding sources as well as the timing and location for each improvement. When a project is first proposed for inclusion in the CIP, a sheet such as this is completed by the requesting department and forwarded to the Finance Department. Finance Department staff then enters the data in the CIP database for Council discussion and review.

## **FUNDING SOURCES**

The City employs a number of tools to finance capital projects. These various sources are listed below. Though the attached CIP does not reflect the use of all of the funding sources available to the City, the sources are identified below as potential sources for funding certain projects.

### **INTERNAL METHODS:**

**Property Taxes** – Property taxes are used to fund projects of general benefit to the entire city. Property taxes can be used to concurrently fund projects – i.e., taxes levied in a particular year are spent that year for the specific project – or, taxes can

be levied to retire bonded debt if the city borrowed money by issuing bonds to fund the project.

**Special Assessments** - Special assessments are based on the concept that when land is benefited from a particular improvement, all or part of the costs of the improvement should be levied against those properties to finance such improvements. Special assessment bonds are retired through special assessment collections and property taxes backed by the full faith and credit of the City.

**Utility Funds** - Capital improvements to the water and sewer utilities are financed through utility fund revenues derived from user charges for the respective services. Revenue bonds are used to finance large projects.

**Tax Increment Funds** - These funds are derived from tax increment districts at the full rate levied by the units of local government within the taxing jurisdiction. At the time the tax increment district is created, property values are “frozen”. The units of local government receive taxes based on the frozen property values. Any additional taxes paid by property owners based on the increase in property values since the district was created is known as the “increment”. The increment revenue is then used to finance physical improvements within a designated project area. These improvements can be financed on a cash basis after sufficient increment revenues have been collected, or through a bond issuance with increment tax revenues dedicated to retire the bonds.

**Lease/Revenue Bonds** - These bonds are backed by the full faith and credit of the City and supported through an annually appropriated ad valorem special tax levy.

**Equipment Certificates** - These certificates are capital notes subject to the city debt limit. They can be used to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes. The notes shall be payable in not more than 10 years. A tax levy is required for the payment of the principal and interest on the notes.

**Other** - Other internal funding options available include capital project and capital improvement funds whose source of funding includes property tax levies, interest income on City investments, and transfer from reserves.

**EXTERNAL METHODS:**

**Municipal State Aid** - The Minnesota Department of Transportation provides funding assistance for improvements to those municipal streets which are designated as part of its Municipal State Aid (MSA) system. Money for this fund is supplied with a dedicated portion of revenues collected from road use and gasoline taxes. Funds are released for improvements on those streets on the system whose design and construction meet MSA standards. Funds may be expended for any street on the MSA system and MSA funds may be accumulated over several years.

**Minnesota Department of Transportation** - The Minnesota Department of Transportation provides financing assistance for maintenance and improvements on those highways included in the Mn/DOT trunk highway system and federal interstate system. These improvements could include intersecting local or county streets. Improvements on these highways must meet State trunk highway standards before Mn/DOT releases funds.

**Other** - Other sources of financing available externally include grants and donations.

# **FUND SUMMARY**

<i>Internal Service Fund Facilities Maintenance</i>	2019	2020	2021	2022	2023
<b>Beginning Working Capital Balance</b>	\$ -	\$ 2,337,155	\$ 131,375	\$ 98,675	\$ 99,175
<b>REVENUES</b>					
Tax levy	\$ -	\$ -	\$ -	\$ -	\$ -
User Fees	-	-	-	-	-
Replacement chargebacks	75,000	75,000	80,000	80,000	85,000
External	-	-	-	-	-
Investment Earnings	2,500	2,500	2,500	2,500	2,500
Transfer In (From Unrestricted Reserve in GF)	250,000	-	-	-	-
Transfer In (Capital Improvement Fund)**	3,900,000				
Capital Improvement Bonds	4,200,000		650,000		
<b>TOTAL REVENUE</b>	<b>\$ 8,427,500</b>	<b>\$ 77,500</b>	<b>\$ 732,500</b>	<b>\$ 82,500</b>	<b>\$ 87,500</b>
<b>Capital</b>					
<b>Public Works Facility</b>					
- Lavatory Improvements	29,450				
- Office Buildout	59,100				
- Bird Netting	12,000				
- Car Wash System	77,300				
- Roof Replacement/Repair			450,000		
- A/C Unit for Computer Room			47,000		
<b>City Hall</b>					
<b>Buildings Improvements</b>	55,875	39,900	68,200	82,000	59,900
- Parking Lot Replacement					
- South Parking Lot			130,000		
- Police Parking Lot			35,000		
- Fire Parking Lot			35,000		
<b>City Hall Expansion/Improvement project</b>	1,956,620	2,243,380			
<b>New Senior Activity Center**</b>	3,900,000				
				-	-
<b>TOTAL EXPENSES</b>	<b>\$ 6,090,345</b>	<b>\$ 2,283,280</b>	<b>\$ 765,200</b>	<b>\$ 82,000</b>	<b>\$ 59,900</b>
<b>Increase (Decrease) in WC bal.</b>	<b>\$ 2,337,155</b>	<b>\$ (2,205,780)</b>	<b>\$ (32,700)</b>	<b>\$ 500</b>	<b>\$ 27,600</b>
<b>Ending Working Capital Balance</b>	<b>\$ 2,337,155</b>	<b>\$ 131,375</b>	<b>\$ 98,675</b>	<b>\$ 99,175</b>	<b>\$ 126,775</b>
** City Council approved use of \$5.4 million for construction of the new Senior Center					



# **PROJECT SUMMARIES**



<b>PROJECT NAME:</b> City Hall Expansion/Renovation <b>PROJECT TYPE:</b> Building Improvements										
<b>Description:</b> 1.) Expansion and build out of the third floor of the existing City Hall building. 2.) Reconfiguration and relocation of existing workspaces for various departments. 3.) Improvements to existing infrastructure, such as flooring, walls, lighting, furniture, and fixtures.										
<b>Justification:</b> A space needs study was conducted by 292Group in 2018. The findings concluded that due to growth in City Hall, additional space will be required in the near future. Proposed plan includes moving PD to the 2nd floor (currently - Admin area), building out the third floor and relocating Finance, Admin, and IT. Additionally, other departments will be reconfigured to maximize space and efficiency and fulfill current and future space needs for staffing and programming.										
<b>Operational Impacts:</b> 1.) Increased operational space for the police department, allowing for appropriate accommodations for detectives and other staff. 2.) Increase growth potential for the addition of future City Hall staff 3.) Update workspaces to emphasis increased efficiency and productivity										
<b>SOURCES:</b>										
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>					
Capital Improvement Bonds	\$ 4,200,000.00									
<b>TOTAL SOURCES</b>	<b>\$ 4,200,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>					
<b>USES:</b>										
<b>City Hall Facility</b>										
<b>Building</b>										
Architect/Engineering*	\$ 234,300.00									
Bond Issuance costs	\$ 87,140.00									
<b>Construction:</b>										
A - Third Floor expansion	\$ 1,021,330.00	\$ 1,021,330.00								
B - Building renovation	\$ 613,850.00	\$ 698,150.00								
C - Equipment, Security, IT, Furnishings		\$ 150,000.00								
<b>Contingency</b>		\$ 373,900.00								
	<b>\$ 1,956,620.00</b>	<b>\$ 2,243,380.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>					
<i>*Currently under contract w/ Wold Architects for design and architectural services for City Hall Improvements</i>										