



City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: March 4, 2008
FROM: OFFICE OF THE CITY MANAGER ITEM NO: 1
WARD: ALL
SUBJECT: RIVERSIDE RENAISSANCE UPDATE

ISSUES:

Provide an update to the City Council on the status of the Riverside Renaissance Initiative projects for fiscal years 2006/07 through 2010/11.

RECOMMENDATIONS:

That the City Council:

1. Receive and file the Riverside Renaissance Initiative update; and
2. Direct staff to return to the City Council with another update in six months.

BACKGROUND:

On October 3, 2006, the City Council unanimously approved the Riverside Renaissance Initiative, aimed at aggressively investing in critical infrastructure and public facilities. The Initiative focuses on improving the quality of life for all residents and is designed to secure Riverside's position as the leadership city of the Inland Empire. The Initiative replaces aging water, electric, sewer and transportation infrastructure, and enhances public facilities and services. The Renaissance Initiative, as originally conceived by the City Council, identified projects and funding totaling approximately \$781 million to complete over 200 capital projects citywide. The Initiative's goal is to accomplish 30 years worth of citywide infrastructure and quality of life projects within five years.

The original funding plan for the Riverside Renaissance Initiative identified nearly \$397 million in new funding sources to meet the critical investment needs across the City. The new funding includes \$157 million in Redevelopment Agency Tax Allocation Bonds and \$113 million in City Certificates of Participation (COPs). Both the bonds and the COPs were sold prior to the close of fiscal year 2006/07. The issuance of the bonds and COPs has enabled staff to competitively secure funding from outside agencies that would otherwise not have been available – primarily federal, state, and regional grants. It is important to note that both the bonds and the COPs were issued without the need to raise taxes.

6-Month Update - Recap

On May 1, 2007, staff presented a six-month update on the Renaissance Initiative to the City Council. At that time, staff reported that the total Renaissance Initiative had grown from \$781 million to \$1.25

billion. Of the \$1.25 billion in projects, staff had identified funding for all but \$75 million. The increase in the total Renaissance Initiative was primarily attributable to:

1. Refined cost estimates – The Renaissance Initiative was presented to the City Council in October 2006 with many conceptual projects included. Upon approval of the Initiative by the City Council, staff refined cost estimates and project scope as projects moved through the design phase and were put out to bid.
2. Annual refinements to the Capital Improvement Program (CIP) – Each year, the City produces a CIP that identifies projects to be undertaken in the next five years. Typically, years four and five of the CIP are preliminary in nature and do not include all of the projects that will ultimately be funded. With approval of the fiscal year 2007/08 CIP by the City Council in May, additional projects were added to the total Renaissance Initiative. As the remaining years of the Renaissance move forward, it is anticipated that additional new projects will be included in the total Renaissance Initiative as subsequent CIPs are approved by the City Council.
3. Additional grant funds – Primarily as a result of the leveraging of the proceeds from the bonds and COPs issued at the close of fiscal year 2006/07, additional grant funds were obtained for City projects.
4. Additional priorities identified by the City Council – In addition to projects added through the refinements to the CIP described above, other substantial projects were added to the Renaissance Initiative in the months following approval by the City Council, which included:

Project	Cost
RERC Units 3 & 4	\$110,000,000
Riverside Transmission Reliability Project	\$90,200,000
Jurupa Ave Railroad Grade Separation	\$26,900,000
Tequesquite Park	\$15,000,000
Fire Station Rehabilitations and Replacements	\$32,785,000
2 nd Aquatics Facility	\$3,000,000
Lincoln Police Station Rehabilitation	\$2,262,000
Sierra Middle School Park	\$2,700,000
Mt. Rubidoux Improvements	\$1,500,000

16-Month Update

In the ten months that have passed since the May 1, 2007 update, staff has continued to refine cost estimates and scope, as well as to make adjustments to the project list and funding plan to better meet City Council goals. As a result, the total Renaissance Initiative now includes \$1.78 billion in infrastructure investment. In spite of the growth in the total Renaissance Initiative, the unfunded component has actually decreased from the \$75 million detailed in the May update to \$52.3 million today. The major additions include the projects listed in the following table:

Project	Cost
Critical Sewer Projects	\$145,090,000
Parking Garage 8 (Next to the Fox Theatre)	\$20,000,000
Parking Garage 7 – City Portion (Fox Plaza)	\$2,000,000
Riverside Transmission Reliability Project (Phase II Funding)	\$94,755,000
John W. North Water Treatment Plant	\$17,200,000

Project	Cost
San Bernardino Water Transmission Line	\$5,100,000
Raley Water Reservoir Replacement	\$16,300,000
Railroad Grade Separation Cost Estimate/Scope Revisions	\$17,303,000
Magnolia Avenue Street Widening	\$8,000,000
Van Buren/SR 91 Interchange Cost Estimate/Scope Revision	\$13,335,000
Public Safety Projects Cost Estimate/Scope Revisions	\$35,001,000
Arlington Senior Center	\$7,000,000
Rutland Park Renovation	\$1,100,000
Victoria Avenue Improvements	\$1,500,000

Of the \$1.78 billion funded component of the Renaissance Initiative, \$782 million has already been appropriated by the City Council, representing 44% of the total projected funding requirement. An additional \$132 million in bond and COPs proceeds are available in the City's accounts for Renaissance project appropriations. Other projects anticipate funding from future bond issues by the Redevelopment Agency, Electric, Water and Sewer funds, as well as development impact fees that are either on hand or projected to be available. Commitments of grant funds not yet appropriated total \$57 million and an additional \$206 million is projected to be available in the future. The sale of surplus city property, other miscellaneous City funds, and private funds complete the rest of the funding plan. Staff continues to review the funding plan and to identify new funding sources in an effort to reduce the remaining unfunded amount totaling \$52.3 million.

In summary, the projects can be divided into the following categories and funding sources:

Project Category	Total Projects
Airport	\$14,556,000
Arts & Culture	\$66,302,000
General Services	\$18,327,000
Grade Separations/Railroad	\$182,311,000
Library	\$30,487,000
Parks, Recreation, and Community Services	\$180,988,000
Public Parking	\$26,511,000
Public Safety	\$70,905,000
Public Utilities (Water/Electric)	\$658,648,000
Redevelopment	\$135,496,000
Sewer	\$183,896,000
Storm Drain	\$950,000
Transportation	\$211,185,000
Total	\$1,780,562,000

Funding Source	Total Projects
Certificates of Participation Proceeds	\$115,934,000
County/State/Federal (Including Anticipated Grants)	\$353,384,000
Development Impact Fees/Other City Funds	\$147,681,000
Electric, Water, and Sewer Rates	\$778,556,000
Land Sale Proceeds	\$33,890,000
Private	\$59,950,000
Redevelopment Agency Bond or Land Sale Proceeds	\$238,867,000
Unfunded	\$52,300,000
Total	\$1,780,562,000

Project Status

Riverside’s Renaissance is clearly underway. In the past 16 months, 45 projects have been completed, and 53 additional projects have begun construction. Additionally, 42 projects are currently out to bid or in design. As can be seen in the following table, in the ten months that have passed since the last update was presented to the City Council, \$200 million of Renaissance projects have moved from the planning phase into varying stages of design or construction and \$55.3 million dollars of projects have been completed. An additional \$62 million has been utilized for redevelopment projects not included in the table below, for a total of \$977.9 million of projects in progress, representing 55% of the total.

Project Phase	Status – May 2007		Status – March 2008	
	Projects	Budget (Millions)	Projects	Budget (Millions)
Complete	9	\$6.8	45	\$62.1
Construction Phase	41	\$181.0	53	\$253.4
Bid Phase	6	\$52.8	4	\$12.4
Design Phase	29	\$482.0	38	\$650.0
Total	85	\$722.6	140	\$977.9

FISCAL IMPACT:

Funding for the Riverside Renaissance Initiative is provided through a variety of sources including Certificates of Participation, Redevelopment Agency Tax Allocation Bonds, grants, the General Fund, enterprise funds, transportation funds, and other sources. Actual project appropriations occur through the budget or as supplemental requests throughout the year.

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