

Capital Improvement Plan 2023-2027

CIP Advisory Committee:

Mayor: Patrick McNulty
Mayor Pro Tem: Kerry Schwartz
Council Member: Rees Langston
Council Member: Eva Jean Dalton
Council Member: Joe Ricco
Council Member: Ken Medders Jr.

General Summary

A Capital Improvement Program (CIP) is a multi-year plan that identifies and prioritizes projects related to public facilities and services. On November 3rd, 2009, the voters approved a home rule charter for South Padre Island. Section 5.09 of the charter requires that the City Manager annually prepare and submit to the City Council a five-year capital program (Capital Improvement Plan).

Section 5.09 further requires that the capital program (Capital Improvement Plan) include:

1. A clear general summary of its contents.
2. Identification of the long-term goals of the community as stated in the City's Comprehensive Plan.
3. A list of all capital improvements and other capital expenditures which are proposed to be undertaken during the fiscal years next ensuing, with appropriate information as to the necessity for each.
4. Cost estimates and recommended time schedules for each improvement or other capital expenditure.
5. Method of financing upon which each capital expenditure is to be reliant.
6. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.
7. A commentary on how the plan addresses the sustainability of the community and the region of which it is a part.
8. Methods to measure outcomes and performance of the capital plan related to the long-term goals of the community.

The Capital Improvement Plan must be submitted no later than the time of submission of the operating budget for the ensuing fiscal year which is on or before

sixty days prior to the beginning of each fiscal year (Home Rule Charter - Section 5.02).

Home Rule Charter - Section 5.10 requires that the City Council provide for a public hearing on the Capital Improvement Plan and shall give notice by publishing the general summary of the capital improvement program and a notice stating:

1. The times and places where copies of the capital program are available for inspection by the public.
2. The time and place, not less than two weeks after such publication, for a hearing on the capital program.

The City Council by resolution shall adopt the capital program with or without amendment after the public hearing and at the same time it adopts the ensuing fiscal year budget.

CIP Introduction

The City of South Padre Island Capital Improvement Plan (CIP) is a valuable part of the community planning process. The CIP links local infrastructure investments with comprehensive plan goals, land use ordinances and economic development efforts. The CIP bridges the gap between planning and spending, between the visions of the comprehensive plan and the fiscal realities of improving and expanding community facilities. The purpose of the Capital Improvement Plan (CIP) policy is to create a fair and consistent process outlining procedures for proposing, evaluating, and adopting capital projects creating long-term benefits.

Goals

1. Preserving public health, safety and welfare

Providing the basic services that ensure citizen health and safety is the fundamental responsibility of local government. Programs of regular facility maintenance upgrades and expansion of government services to meet minimum federal, state and local standards are essential to any community. The cumulative effect of deferring major maintenance expenditures and basic improvement of essential services is often an expensive series of stopgap measures that fail to address comprehensive, long-term needs.

2. Anticipating the demands of growth

When related to the comprehensive plan, the capital improvements programming process works to anticipate investments in community facilities which are needed to serve or shape the pattern of growth and development.

3. Supporting economic development

Communities having sound fiscal health and high-quality facilities and services are attractive to business and potential residents. New corporate investment and reinvestment in a community may be influenced by improvements that enhance the quality of life for the company management and their labor force. Private decisions that bring jobs to an area and new taxes to a community are based not only on availability of water and sewer, but also upon the quality of schools, public safety, recreation opportunities and many other services.

4. Developing a fair distribution of capital costs

The CIP process allows for public discussion of the preferred means of distributing capital costs not only over time, but also among users of the facilities to be financed. Some communities prefer to pay for capital costs out of current revenues and absorb a high but single year tax increase. Other communities prefer to establish annual appropriations to capital reserve accounts to save for future projects. Still others feel that construction should take place as needed, and be funded by debt, returned by both existing and future users of the facility. In some cases, user fees may be deemed more appropriate than property taxes. Federal or state funds may also be available to help finance specific projects. The CIP process can promote discussion of fairness in fiscal policy.

5. Avoiding undue tax increases

Capital improvements planning is a means of avoiding the unpleasant surprise of expensive projects generating large property tax increases. While cost impacts cannot always be precisely determined in advance, the CIP fosters discussion of the distribution of the tax burden of new capital expenditures over time. A corollary benefit of fiscal stability and sound community facility planning can result in an improved bond rating.

Definition

The CIP is a five-year planning document adopted annually by the City Council to plan for capital improvements related to the City's beach renourishment efforts, streets and drainage, parks and recreational amenities, and facilities infrastructure. The Capital Improvement Plan is not to be confused with the Capital Improvement

Budget. The Capital Improvement Budget is prepared each year in conjunction with the annual Operating Budget. It generally includes only those projects from the first year of the Capital Improvement Plan funded during the current year.

A capital project is defined as having a minimum cost of \$50,000 resulting in

1. Creation of a new fixed asset.
2. Enhancement to an existing fixed asset.

Typically, the life expectancy of a capital project is 20 years. Examples include construction or expansion of public buildings, the acquisition of land for public use, planning, and engineering costs and street construction.

CIP Development Process

The City Manager, or designee is responsible for coordinating the CIP process each year. Each Department Director will submit projects in a form and timeframe annually established by the City Manager. The City Council appointed a Capital Improvements Advisory Committee to prioritize and rank projects according to the criteria listed in Project Criteria Section. Citizens may submit capital projects for consideration electronically using the CIP Project Request Form available on the City's website: www.myspi.org. Forms will also be available in a written format in the lobby of City Hall at 4601 Padre Boulevard. Members of the public should forward all materials concerning their submission to the City Manager or designee to be incorporated into the CIP process.

Departments will include as part of their project proposal:

1. A **Project Description** providing an overview and justification of the project. Requests should be made and include estimated linear, square feet, or other applicable measurements.
2. In the **Comprehensive Plan Section**, each project submission must illustrate compliance with the Comprehensive Plan by linking the project to a specific goal or objective.
3. Under **Fiscal**, possible funding options must be identified including:
 - a. Operating Revenues
 - b. Reserves and/or Debt
 - c. Grants
 - d. Partnerships
 - e. Dedicated Fees
4. Proposed **Schedule** for design, bid, and construction.

5. Estimated **Operating Costs** – The estimated annual cost of operating and maintaining the capital asset.
6. **Sustainability** – Defines how the capital project contributes to the sustainability goals of the City.
7. Identification of **Project Leader**.
8. Complete **Notes** as necessary to explain the unique situations and circumstances pertaining to the project.

Additional information may be requested of the project by the City Manager/designee and/or members of the CIP Advisory Committee.

Project Criteria

The evaluation of proposed capital projects will be in accordance with the following criteria. Attachment A provides the criteria scorecard used in the evaluation process.

1. **Public Health and Safety** – Project improving the public health and safety of the community will be rated with highest priority. Projects must demonstrate the benefit provided to the community and possible risks from not completing the project. Compliance with state and federal mandates fall under this category. (25 points)
2. **Recreation and Aesthetics** – Projects promoting recreational and aesthetic improvements opportunities for the City of South Padre Island citizens are considered priority. (10 points)
3. **Funding** – Funding availability considerations are included when ranking projects. Grants and funding partnerships are considered first followed by operating revenues, fund balance, and debt. Fund balance may only be used to fund capital projects if the use of reserves will delay or eliminate a proposed bond issue and sufficient fund balance exists to provide necessary contingency reserves. Debt may be issued to fund non-continuous capital projects benefiting future citizens only after alternative funding sources are explored. (15 points)
4. **Economic Development/Tourism** – Projects promoting desirable economic development and or enhancing tourism within the City shall be rated including but not limited to beach renourishment projects and the economic support of the convention and hotel industry. (20 points)
5. **Service and Operational Impact** – The service category prioritizes projects including promotion of improved service delivery or reduction of increased maintenance costs including rehabilitating aging infrastructure. A cost-benefit analysis shall be done to weigh the impact of project rehabilitation to determine if the project will reduce future ongoing maintenance costs.

Performance data will also be analyzed when considering projects related to improved service delivery. Future operation and maintenance expenses will be considered as part of this analysis. (10 points)

6. **Strategic Alignment** – Projects will be evaluated to determine alignment with strategic priorities identified by the City Council and with strategic planning documents such as the Comprehensive Plan. (10 points)
7. **Sustainability** – Projects designed with environmental impact consideration and creation of the smallest possible ecological footprint and produces the lowest quantity of pollution possible. In an effort to make the City of South Padre Island more sustainable, projects considered environmentally conscious and promote “sustainability thinking” will be awarded additional points through the sustainability criteria. (10 points)

CIP Amendment

Amendments to the CIP affecting the current fiscal year must be recommended by the City Manager and approved by the City Council through a budget amendment. Amendments will be considered according to project scoring criteria as previously identified. Higher priority will be given to projects necessary for the public health and safety, desirable economic development, and funding availability.

Calendar

Date	Item
4/14/2023	Capital Improvement Plan forms and instructions will be posted on the City's website, distributed to staff and made available to the public.
5/8/2023	CIP project request forms are due back from the public and staff to the Director of Operations or designee.
6/7/2023	Draft CIP will be presented to City Council at the Budget Workshop.
7/13/2023	Publish a general summary of the CIP and note the time and places where copies of the CIP are available for public inspection.
7/27/2023	CIP will be officially submitted to the City Council.
8/16/2023	Conduct public hearing for discussion of 5 Year CIP.
8/16/2023	Consideration and action on approval of Resolution adopting the 5 Year CIP at the same time adopting the ensuing fiscal year budget.

Attachment A: CIP Project Evaluation Scorecard

Project Name: _____

Maximum Points	Project Criteria	Number of Points
25	Public Health and Safety/Federal Mandate	
10	Recreation and Aesthetics	
15	Funding	
20	Economic Development/Tourism	
10	Service and Operational Impact	
10	Strategic Alignment	
10	Sustainability	

Total Points:

Capital Improvement Plan Project List by Type:

Shoreline Projects:

- Beach Renourishment/Beneficial Use of Dredge Material (BUDM)
- Dune Restoration
- Coastal Management Program (CMP)
- Bayside Restoration
- Marisol Boat Ramp and Infrastructure
- Tompkins Channel Maintenance Dredging and Expansion
- Shoreline and Beach Access Facility
- Marina
- Boardwalk on the Bay
- Palm Street Boat Ramp

Public Works/Planning Projects:

- Crew and Equipment Building
- Drainage Improvements
- Reconstruction of Laguna Boulevard and Drainage Improvements
- Street Reconstruction and Maintenance
- Street Lights (Option 1, 2 & 3)

Parks & Recreation/Beautification Projects:

- John L. Tompkins Park Phase III
- Pickleball Park
- Queen Isabella Memorial Causeway Illumination

Venue Tax Projects:

- November 2016 Venue Tax Election Project
 - A. Amphitheater/Events Center/Convention Centre Expansion
 - B. Wind and Water Sports Venue
 - C. Parking Structure

Capital Improvement Plan Project List by Rank:

Tier 1 Projects: (100 Points)

- Beach Renourishment/Beneficial Use of Dredge Material (BUDM)
- Dune Restoration
- Coastal Management Program (CMP)
- Bayside Restoration
- Marisol Boat Ramp and Infrastructure
- Reconstruction of Laguna Boulevard and Drainage Improvements
- Street Reconstruction and Maintenance

Tier 2 Projects: (90 Points)

- November 2016 Venue Tax Election Project – Total Project
 - A. Amphitheater/Events Center/Convention Centre Expansion (90 Points)
 - B. Development for Wind Sports Park (90 Points)
 - C. Parking Structure (85 Points)
- John L. Tompkins Park Phase III
- Tompkins Channel Maintenance Dredging and Expansion

Tier 3 Projects: (85 Points)

- Shoreline and Beach Access Facility

Tier 4 Projects: (75 Points)

- Drainage Improvements

Tier 5 Projects: (65 Points)

- Pickleball Park
- Queen Isabella Memorial Causeway Illumination

Tier 6 Projects: (55-60 Points)

- Street Lights (Option 1, 2 & 3)

Tier 7 Projects: (Any 50 points or less.)

- Marina
- Boardwalk on the Bay
- Palm Street Boat Ramp
- Crew and Equipment Building

Completed Capital Improvement Projects:

- Median Boardwalk & Sidewalk Improvements – Completed 2022
- John L. Tompkins Park Phase II – Completed 2022
- Upgrade Jail/Holding Facility Security and Cameras – Completed 2022
- Multi-Modal Transit Center - (Completed April 2019)
- Visitors Center Upgrades - (Completed June 2019)
- Water Tower Park Repairs - (Completed September 2018)
- John L. Tompkins Park Phase I (Phase II Completion Estimated summer of 2021)
- Fire Station #1
- Tompkins Channel Dredging
- Boat Ramps at Bay Endings
- South PR 100 Street Lighting
- Coastal Management Program
- Street
- Community Center (Old City Hall)
- Convention Center Improvements

The Project Evaluation Scorecards along the detailed Capital Improvement Project Request Forms are attached for each project listed in the fiscal year 2023/2027 Capital Improvement Plan. (Projects are in order by type listed in this document above.)