

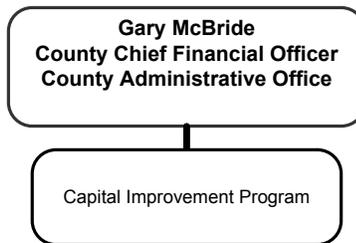
CAPITAL IMPROVEMENT PROGRAM Gary McBride

MISSION STATEMENT

The Capital Improvement Program receives and evaluates capital expenditure requests, recommends priorities for the acquisition or improvement of land, facilities and infrastructure, oversees and monitors major capital projects, and guides growth and change of County facilities and infrastructure by anticipating future needs.



ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

Funding for capital projects is included in the Architecture and Engineering Department (A&E) Capital Improvement Program (CIP) funds, and specific Arrowhead Regional Medical Center (ARMC), Airports, Regional Parks, Transportation, and Solid Waste Management CIP funds.



DESCRIPTION OF MAJOR SERVICES

The Capital Improvement Program (CIP) is an internal planning tool administered by the County Administrative Office (CAO) to provide the Board of Supervisors (Board) with information to assist in the decision-making process for the allocation of limited resources to capital projects. The CIP provides for the acquisition, construction, reconstruction, initial fixtures and equipment, renovation, rehabilitation or replacement of facilities or equipment with a life expectancy of at least five years and capital costs of \$5,000 or more. The program:

- Receives and evaluates requests to lease or expand leased space or to vacate, occupy, alter, remodel or construct County-owned space, land, or facilities;
- Recommends priorities for capital projects based on criteria in the Capital Budget Policy for government facilities, regional parks, airports, transportation, and solid waste facilities;
- Prepares the annual CIP budget, monitors and directs implementation of approved projects through the Architecture and Engineering (A&E), Real Estate Services, Airports, Regional Parks and Public Works departments;
- Provides direct oversight for major capital projects;
- Develops and implements facility standards and maintains land and building inventories;
- Performs long-range planning to:
 - Link department capital and operational budget plans to Countywide strategic plans,
 - Conduct physical condition assessments through periodic surveys of facilities to identify major, large-scale projects to repair and rehabilitate County assets,
 - Identify opportunities for energy efficiencies, life-cycle increases, and maintenance operating cost reductions,
 - Identify future space and infrastructure needs of the County,
 - Develop formal estimates of costs and seek adequate project funding, and
 - Identify opportunities for public-private partnerships for the development of County facilities.

BUDGET HISTORY

The CIP is funded by a number of sources, including the County general fund and various other funding sources:

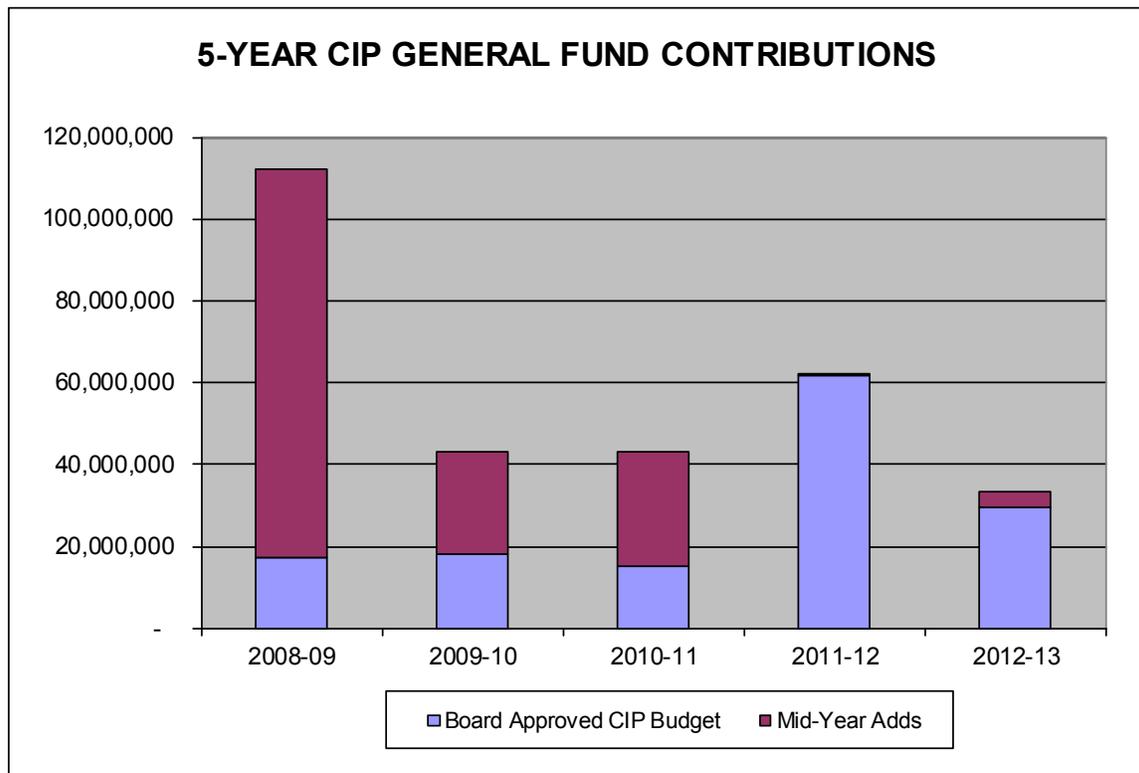
- Discretionary General Funding: Funded from County General Fund discretionary dollars provided to CIP for general fund projects.
- Other Funding: The underlying funding source is from a general fund department or from a funding source over which the Board has discretion (such as Realignment, fines and forfeitures, special revenue, or internal service funds such as Risk Management and Fleet Management), or is from a dedicated source for a specified purpose (such as grants, Inmate Welfare Fund, enterprise funds, Courts, Library, fees, dedicated gas and sales tax, and state and federal aid).

The County's CIP includes construction, rehabilitation, and repair projects for numerous facilities and structures. Solid Waste Management and Transportation Division (road) projects are administered by the Department of Public Works (DPW). A&E administers projects for all others, including Arrowhead Regional Medical Center (ARMC), Airports, Regional Parks, general fund departments, and Community Development and Housing which is part of the Economic Development Agency.

CIP funds are budgeted in various capital budget units and expended in various capital asset object codes for County-owned facilities: 4005-Land, 4010-Improvements to Land, 4030-Structures and Improvements to Structures, 4040-Equipment and 5010/5012-Transfers. The CIP budget also includes funding for non-owned facilities: 3305-Contributions to Other Agencies (for various city or community sponsored deferred maintenance/infrastructure capital projects that provide benefits to County residents), and 3310-Contributions to Non-Owned Projects (generally Community Development and Block Grant funded projects also administered by A&E).



The amount of Discretionary General Funding (Net County Cost) for CIP varies annually based on available one-time funding. The following chart demonstrates the Board's commitment in recent years to address the backlog of deferred maintenance projects for County buildings and infrastructure. General fund contributions to CIP over the past five years total **\$293.6 million** and have averaged approximately \$58.7 million per year.



ANALYSIS OF 2013-14 ADOPTED BUDGET

On December 20, 2012, County departments were requested to submit CIP requests for Discretionary General Funding for 2013-14. The CAO received 93 requests from 15 departments with an estimated total project cost of \$205.4 million. Departments submitting more than one CIP request prioritized their requests. CIP requests were also submitted by A&E, Facilities Management and Regional Parks for general projects.

The ongoing base budget allocation for CIP for 2012-13 was \$12.0 million. For 2013-14, the Board approved the same base budget allocation for CIP. This funding level allows the County to continue to invest in County building assets at an acceptable level.

2013-14 ADOPTED BUDGET

The following are funded from the ongoing base budget allocation of **\$12.0 million** for 2013-14:

- **Deferred Maintenance** **\$3.4 million**
 - Minor CIP Program – This program addresses minor deferred or unscheduled maintenance projects for County facilities in the total amount of \$2,057,210. Projects are identified and implemented as they occur during the year.
 - Regional Parks Improvement Program – This program addresses various deferred maintenance or infrastructure improvement projects at Regional Park facilities in the total amount of \$1,000,000. Six projects are funded at Prado, Cucamonga-Guasti, Glen Helen, Yucaipa and Mojave Narrows Regional Parks for 2013-14.



- Exterior Renovation Program - This program makes various improvements to renovate building exteriors in the amount of \$282,000. Four projects are currently approved for 2013-14: County Government Center (CGC) in San Bernardino (\$100,000) and three projects at the County Museum in Redlands (Association Buildings Exterior Renovation-\$50,000, Entry and Patio Deck Resurfacing-\$49,500 and Paint and Seal of the Dome-\$82,500).
- Joshua Tree Courthouse – This project replaces ceiling tiles in the Joshua Tree Courthouse. The funding sources are \$60,000 of Discretionary General Funding and \$62,431 from the Administrative Office of the Courts (AOC) for the Court's share of capital costs.
- Rancho Courthouse – This project replaces sprinkler heads in the Rancho Courthouse. The funding sources are Discretionary General Funding of \$10,000 and the AOC (\$31,754) for the Court's share of capital costs.

● **Heating, Ventilation and Air Conditioning (HVAC) \$2.8 million**

- HVAC Program - Seven HVAC projects in the total amount of \$2,760,000 are funded for 2013-14: Adelanto Detention Center HVAC (\$1,600,000), Countywide Hardware and HVAC Controls Upgrade (\$450,000), West Valley Detention Center (WVDC) HVAC Commissioning Implementation-Phase II (\$395,000), Twin Peaks Office Building Chiller Replacement (\$200,000), Barstow Public Health Building Air Handler (\$50,000), CGC HVAC Study (\$40,000), and Facilities Management Building HVAC Package Units Replacement (\$25,000).

● **Infrastructure \$1.5 million**

- Site Infrastructure Program - Nine projects in the total amount of \$1,497,500 improve site infrastructure: WVDC Perimeter Security Enhancements (\$950,000), Redlands Museum Flooding Resolution (\$140,000), Gilbert Street Oil Switches Replacement (\$215,000), 172 W. 3rd Street Oil Switch Replacements (\$48,000), 316 Mt. View Air Switches Replacement (\$42,000), Gilbert Street Switchgear Preventive Maintenance (\$40,000), 351 Mt. View Oil Switch Replacement (\$24,000), 364 Mt. View Oil Switch Replacement (\$24,000), and Cucamonga Guasti Regional Park Reclaimed Water final payment (\$14,500).

● **Interior Renovations/Remodels \$1.2 million**

- Interior Renovation Program – Eight projects in the total amount of \$1,225,000 renovate interior spaces in County buildings: WVDC Inmate Shower Renovation (3 year funding) (Year 1 - \$600,000), District Attorney Remodel of Sheriff Court Services Space in the Victorville Courthouse (\$220,000), Countywide Conference Room Upgrades (\$150,000), CGC Land Use Services Wall (\$80,000) and Break Room (\$40,000), Redlands Museum 2nd Floor Flooring Replacement (\$66,000) and Mammal Hall Flooring Replacement (\$44,000), and Glen Helen Rehabilitation Center (GHRC) Work Release Offices Carpet Replacement (\$25,000).

● **Building System Improvements \$1.0 million**

- Elevator Modernization Program – One project in the total amount of \$450,000 modernizes two elevators at 268 Hospitality Lane in San Bernardino.
- Boiler Replacement Program – Three projects in the total amount of \$350,000 replace boilers at 316 Mt. View (\$120,000), 268 Hospitality Lane (\$120,000), and the Regional Youth Education Facility (RYEF) (\$110,000) on Gilbert Street, all in San Bernardino.
- Big Bear Courthouse Elevator Modernization – This project modernizes the elevator in the Big Bear Courthouse. The funding sources are Discretionary General Funding of \$118,290 and the AOC (\$31,710) for the Court's share of capital costs.
- Generator Replacement Program – One project in the total amount of \$60,000 removes the generator and installs temporary connections for the RYEF on Gilbert Street in San Bernardino.

● **Roofing \$0.9 million**

- Roofing Repairs/Replacement Program – Four projects in the total amount of \$940,000 are funded for 2013-14: Adelanto Detention Center Roofing Replacement (\$340,000), Sheriff GHRC Facilities Roof (\$270,000), Probation Day Reporting Center Roof (\$220,000), and Barstow Probation Roofing Replacement (\$110,000).



- **Paving** **\$0.9 million**
 - Pavement Management Program - Three paving projects in the total amount of \$820,000 are funded from the Pavement Management Program for 2013-14: General Services Building (GSB) Patch and Slurry Seal (\$360,000), CGC Complex Paving Rehabilitation (\$240,000), and Facilities Management Parking Lot and Driveway Rehabilitation (\$220,000).
 - Joshua Tree Courthouse – This project in the total amount of \$240,000 rehabilitates the parking lot at the Joshua Tree Courthouse. The funding sources are Discretionary General Funding of \$120,000 and the AOC (\$120,000) for the Court's share of capital costs.
- **Health/Safety/Americans with Disabilities Act (ADA)** **\$0.3 million**
 - Fire/Life Safety Program – One project in the total amount of \$250,000 is funded for 2013-14 to upgrade the fire alarm system at 268 Hospitality Lane in San Bernardino.

The 2013-14 new projects will extend the useful life of facilities, remove potential hazards and reduce liability, and decrease operating expenses in some cases.

In addition to the projects described above, which are funded with a \$12.0 million ongoing allocation of Discretionary General Funding, construction projects totaling \$44.8 million are also funded with Discretionary General Funding (Net County Cost). These projects, which are described below, include the 800 Megahertz (MHz) Upgrade Project which is funded on an ongoing basis at \$20.0 million per year, and one-time construction projects that are funded with \$24.8 million of one-time Discretionary General Funding. These construction projects are described below:

- **Construction** **\$44.8 million**
 - 800 MHz Upgrade Project – This project will begin to address the upgrade of the aging 800 MHz digital radio system. The Board previously approved redirecting an annual allocation from the Future Space Needs Reserve to fund this project. The total estimated project cost is \$175.0 million with a project duration in excess of seven years. \$24.0 million was funded in 2011-12, \$20.0 million in 2012-13, and \$20.0 million is funded in 2013-14.
 - Sheriff's Crime Lab – In 2012-13, the Board approved \$1.3 million for design to expand and remodel the existing Sheriff's Crime Lab located at 200 S. Lena Road in San Bernardino. The total estimated project cost is \$17.0 million to expand the existing facility approximately 20,000 square feet. \$15.7 million is funded in 2013-14 for the estimated cost of construction for this project.
 - Sheriff's Aviation Relocation from Rialto Airport to San Bernardino International Airport – This project relocates the Sheriff's Aviation Division from Rialto Airport located at 1776 Miro Way to the San Bernardino International Airport (SBIA) and consolidates space currently leased at SBIA into a new facility. The County will construct approximately 55,000 square feet of maintenance and hangar space and approximately 10,000 square feet of office space on approximately 8 acres of land at SBIA. The total estimated cost is \$9.6 million and will be funded with \$4.1 million from the City of Rialto for relocation, \$1.0 million from the Sheriff/Coroner/Public Administrator Asset Seizure Fund, and \$4.5 million from one-time Discretionary General Funding. It is anticipated that the County will enter into a 25-year lease with six, five-year options to extend the term with SBIA for the land at an estimated annual cost of \$62,000 increasing 3% every five years. The estimated operating expenses are \$170,800 annually for a total ongoing cost of \$242,800. This cost will be offset from savings of existing lease cost in other buildings leased by the Sheriff.
 - County Buildings Acquisition and Retrofit Project – Funding of \$4.5 million is added to the County Buildings Acquisition and Retrofit Project to acquire existing office space near the Victorville Courthouse to relocate general fund departments currently in leased space. This budget acquires and remodels space for the District Attorney and Public Defender.
 - Sheriff's Resident Deputy Housing Improvements – This project makes various improvements in the total amount of \$150,000 to the Resident Deputy Housing at various locations throughout the County. Improvements include carpet, paint, plumbing, electrical, roofing and heating, ventilation and air conditioning upgrades as required to address deferred maintenance at remote sites.



In addition to the Discretionary General Funding projects identified above in the total amount of **\$56.8 million**, other new projects are funded from other sources in the total amount of **\$8.0 million** including department funded projects, and projects at the Arrowhead Regional Medical Center (ARMC) and County Airports, for a total of **\$64.8 million** in new projects administered by A&E.

The Department of Public Works (DPW) administers various new Transportation projects in the amount of **\$17.6 million** funded with \$4.1 million in Discretionary General Funding and \$13.5 million of other sources. DPW also manages Solid Waste Management projects in the amount of **\$12.0 million**, which utilize other funding sources. In addition, various departments will manage smaller CIP projects with total departmental funding of **\$0.9 million** with oversight and inspection provided by A&E as needed. In 2013-14, the total budget for new CIP projects is **\$95.3 million**.

The following chart demonstrates the allocation of funding sources for all new projects funded in CIP for 2013-14:

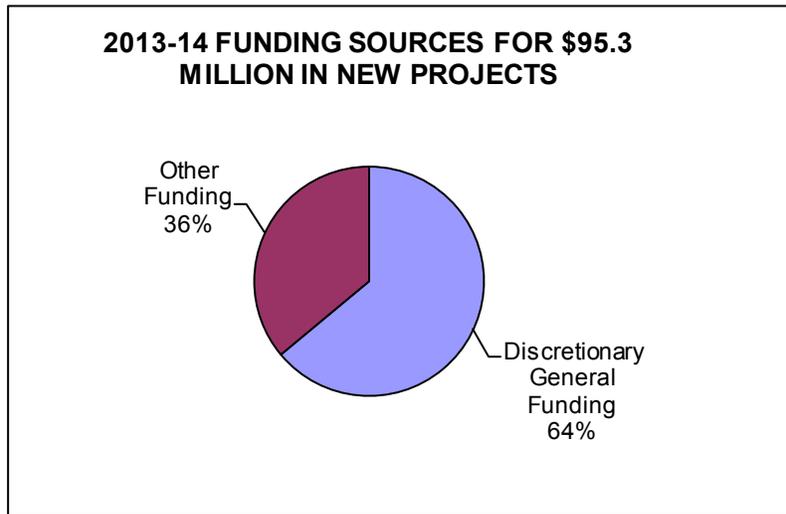


Table 1 provides a summary of all new CIP projects for 2013-14.

Table 1

SUMMARY OF 2013-14 NEW CIP PROJECTS			
	Discretionary General Funding	Other Funding	Total New Projects
NEW PROJECTS ADMINISTERED BY A&E:			
A&E Capital Fund (Fund CJP)	56,850,000	7,276,341	64,126,341
ARMC Capital Fund (Fund CJE)	-	714,853	714,853
Total New Projects Administered by A&E	56,850,000	7,991,194	64,841,194
NEW PROJECTS ADMINISTERED BY DPW:			
Transportation New Projects (Various Funds)	4,109,813	13,471,154	17,580,967
Solid Waste Management New Projects (Various Funds)	-	12,034,941	12,034,941
Total New Projects Administered by DPW	4,109,813	25,506,095	29,615,908
NEW PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:			
Various Departments (Various Funds)	-	871,009	871,009
TOTAL NEW CIP PROJECTS	60,959,813	34,368,298	95,328,111



REVIEW OF CARRYOVER PROJECTS

Large capital projects often span more than one fiscal year and project balances are carried over annually until project completion. Carryover projects administered by A&E have projected carryover balances of approximately \$113.4 million. Carryover projects administered by Department of Public Works (DPW) have carryover balances of \$68.8 million. Carryover projects administered by other departments have carryover balances of \$559,940. Table 2 provides a summary of all Carryover Projects.

Table 2

SUMMARY OF 2013-14 CARRYOVER BALANCES			
	Discretionary General Funding	Other Funding	Carryover Balance
CARRYOVER PROJECTS ADMINISTERED BY A&E:			
A&E Capital Fund (Fund CJP)	85,820,104	14,500,570	100,320,674
A&E Capital Fund (Fund CJV)	1,088,805	9,263,313	10,352,118
ARMC Capital Funds (Fund CJE)	-	2,718,953	2,718,953
Total A&E Carryover Projects	86,908,909	26,482,836	113,391,745
CARRYOVER PROJECTS ADMINISTERED BY DPW:			
Transportation Carryover Projects (Various Funds)	7,980,000	55,574,112	63,554,112
Solid Waste Mgmt Carryover Projects (Various Funds)	-	5,276,506	5,276,506
Total DPW Carryover Projects	7,980,000	60,850,618	68,830,618
CARRYOVER PROJECTS ADMINISTERED BY OTHER DEPARTMENTS:			
Various Departments (Various Funds)	-	559,940	559,940
TOTAL CARRYOVER PROJECTS	94,888,909	87,893,394	182,782,303

Following is a status of the large carryover construction projects administered by A&E:

Project	Total Project Cost	Carryover Balance
<p>800 MHz Upgrade Project</p> <p>As part of the adoption of the CIP budget for 2011-12, the Board approved redirecting the ongoing set aside for Future Space Needs to fund an 800 MHz digital radio system upgrade for public safety. The total estimated project cost is \$175.0 million. \$44.0 million has been funded to date and an additional \$20.0 million is funded in 2013-14. During 2012-13, \$4.75 million of the \$44.0 million was redirected to the High Desert Government Center (HDGC) Public Safety Operations Center (PSOC) project for infrastructure to support the 800 MHz upgrade and a consultant contract was issued in the amount of \$250,000 to Motorola to assist in the planning and implementation of the system upgrade. The scope of the project includes acquisition/lease of microwave sites, tower construction and upgrades, and equipment. The assessment by Motorola is expected to be completed September 2013. Other actions will be presented to the Board for implementation of the project in 2013-14.</p>	\$175.0 million	\$39.0 million



Project	Total Project Cost	Carryover Balance
<p>Adelanto Detention Center Expansion In December 2010, the Board approved the project budget of \$120.0 million and awarded a construction contract for the 1,368 bed expansion of the Adelanto Detention Center located in Adelanto. Since that time, the Board has approved three additional increases in the project budget totaling \$24.0 million bringing the construction project budget to \$144.0 million. In addition, the Sheriff/Coroner/Public Administrator estimates transition planning costs of \$1.5 million bringing the total project cost to \$145.5 million. The project is funded with a combination of a grant from the State of California under the Public Safety and Offender Rehabilitation Services Act of 2007 (AB900) and by the County from the Future Space Needs Reserve. The current estimate of the State's share of the project cost is \$100.0 million. The County's total share of the project cost is estimated at \$45.5 million. Construction commenced in January 2011 and is estimated to be completed January 2014. Estimated annual staffing and operating costs are \$37.5 million when fully operational. It is anticipated that the full operation of this facility will be phased in over a period of time depending on availability of funding and will be included within the Sheriff/Coroner/Public Administrator Department's budget allocation.</p>	<p>\$145.5 million</p>	<p>\$9.2 million</p>
<p>County Buildings Acquisition and Retrofit Project As part of the adoption of the CIP budget for 2011-12, the Board allocated one-time Discretionary General Funding of \$30.0 million to acquire and complete tenant improvements to existing buildings, and to complete the seismic retrofit and modernization of certain existing buildings in San Bernardino. Additional funding of \$10.0 million was added in 2012-13 to meet the anticipated need to acquire additional square footage and to fund furniture, fixtures and equipment, which were previously planned to be funded by department occupants. Approximately \$1.7 million was also transferred from existing CIP projects into the County Buildings Acquisition and Retrofit Project bringing the total to \$41.7 million funded to date. The 2013-14 budget includes the addition of \$4.5 million to acquire additional office space near the Victorville Courthouse to relocate general fund departments currently in leased space. The estimated total cost of the project is \$49.8 million for San Bernardino and \$4.5 million for Victorville for a total of \$54.3 million. The amount that is not currently funded is approximately \$8.1 million. It is anticipated that \$4.1 million will be funded from the annual base allocation for the CIP over the next three to four years (the project duration in San Bernardino) and \$4.0 million has been set-aside in the County's general fund contingencies. Activities during 2012-13 included the acquisition of a 106,000 square foot existing office building and 4.3 acres of land for additional parking at 268 W. Hospitality Lane in San Bernardino. Space programs and restacking plans were also completed for 13 departments in approximately 500,000 square feet of existing space. In addition, planning for County Government Center campus improvements, building exteriors and seismic retrofits, and parking studies are underway. Additional acquisition of space is under consideration for the project in 2013-14. The estimated operations and maintenance cost for approximately 150,000 square feet of additional space is \$1,080,000 annually.</p> <p>*Budgets of \$41.0 million were distributed to individual building remodel projects. Current carryover balances are \$28,031,938.</p>	<p>\$54.3 million</p>	<p>\$5.18 million*</p>



A summary of new projects and previously approved CIP projects still in progress is provided in:

- Exhibit A – 2013-14 Capital Improvement Program Projects Administered by Architecture and Engineering Department
- Exhibit B – 2013-14 Capital Improvement Program Projects Administered by Department of Public Works-Transportation
- Exhibit C – 2013-14 Capital Improvement Program Projects Administered by Department of Public Works-Solid Waste Management
- Exhibit D – 2013-14 Capital Improvement Program Projects Administered by Other Departments

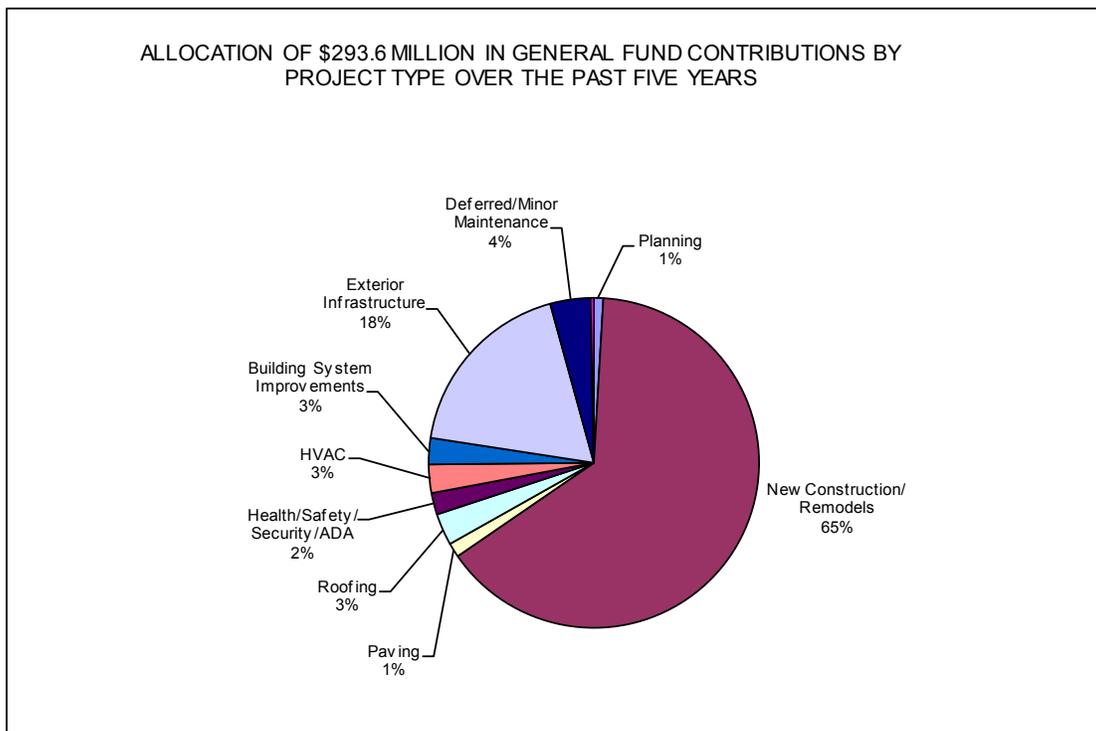
FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM PLAN

The Five-Year CIP is reviewed annually and revised based on current circumstances and opportunities and considers historic requirements and expenditures for capital projects. While the Five-Year CIP does not appropriate funds, it does serve as a budgeting tool to set priorities, identify needed capital projects, estimate capital requirements, and coordinate financing and timing. It identifies projects for annual funding, focuses resources in program areas, and supports the County Goals and Objectives. It also identifies project impacts on future operating budgets, including additional staffing, maintenance, and other recurring operational expenditures that require ongoing funding and must be considered in the planning and approval of new projects.

The current General Fund annual allocation for CIP projects is \$12.0 million and the focus is on maintenance. That funding has been programmed over the next five years and is summarized on Exhibit E – 2013-14 through 2017-18 Five-Year Capital Improvement Program and includes capital expenditures of \$60.0 million.

THE LAST FIVE YEARS

Over the past five years, the Board of Supervisors has allocated \$293.6 million in general fund contributions for the CIP. The following chart indicates how those resources have been allocated by project type:



CIP NEEDS ADDRESSED IN THIS PROGRAM

The Five-Year CIP addresses the following needs:

- **Departmental Requirements**
 - Carpet/paint
 - Minor remodels
 - Restroom upgrades/ADA improvements
- **Building Systems**
 - Backlog of deferred maintenance
 - Moving towards emphasis on Preventative Maintenance
 - Emphasis on energy efficiency projects
- **Building Exterior/Interior Renovations**
- **Site Infrastructure**
 - Landscaping, irrigation and lighting
 - Increases parking and provides pavement management
- **New Projects**
 - Allocates from \$0.8 to \$3.2 million per year to unprogrammed new projects

