

June 16, 2010

The Honorable Alan P. Krasnoff and
 Members of the City Council
 City of Chesapeake – Municipal Center
 306 Cedar Road
 Chesapeake, Virginia 23322

Dear Mayor Krasnoff and Members of the City Council:

On May 11, the Council approved the 2011-15 Capital Improvement Plan with one modification: the removal of the Jordan Bridge Monument. In June the Council made two amendments to the Capital Improvement Plan: (1) to redirect funds for Public Communications equipment (capital) to the department’s operating budget and (2) to reestablished the George Washington Highway project.

With these changes, the City’s Capital Improvement Plan for the next five years totals \$325.6 million. Projects that are scheduled to start in the first year total \$107.1 million. Below is a reconciliation of the plan as originally recommended with the currently approved Capital Improvement Plan.

2011-15 Capital Improvement Plan	Amend Date	5-Year Capital Plan	FY 2010-11 Capital Budget
Capital Plan as Recommended by City Manager		\$ 322,426,195	\$ 103,971,853
Amendments by City Council:			
Remove funding of Jordan Bridge Memorial	05/11/10	(400,000)	(400,000)
Remove first year's funding of video equipment for Public Communications	06/08/10	(50,000)	(50,000)
Add funding for George Washington Highway improvements (includes \$1.6 million redirected from other transportation projects and \$2.2 million funded by general obligation bonds)	06/15/10	<u>3,600,000</u>	<u>3,600,000</u>
Plan and First-Year (2010-11) Budget as Approved by City Council through June 15, 2010		<u>\$ 325,576,195</u>	<u>\$ 107,121,853</u>

A summary of the revised funding plan for the Capital Improvement Plan appears on the next page.

Source of Funds	5-Year Capital Plan	FY 2010-11 Capital Budget
General Fund Transfers (from current operations)	\$ 5,952,000	\$ 1,202,000
General Fund Designated for City Capital (Lockbox)	1,500,000	1,500,000
General Fund Designated for Schools (Lockbox)	1,629,200	1,629,200
General Fund Designated for Transportation (Lockbox)	2,300,000	2,300,000
General Obligation Bonds (unissued authority)	57,173,000	18,700,000
General Obligation Bonds backed by Greenbrier TIF	51,354,521	28,683,953
General Obligation Bonds backed by South Norfolk TIF	22,400,000	6,400,000
Greenbrier TIF (cash)	5,271,267	1,032,985
Public Utility Revenue Bonds (unissued authority)	60,105,182	12,185,500
Public Utility Renewal and Replacement Fund (504)	23,817,637	2,577,127
Redirected from Projects in Prior Years' Capital Plans	1,600,000	1,600,000
School Proffers	1,695,000	-
Stormwater Management Funds (Fees)	29,000,000	5,800,000
Virginia Department of Transportation	25,197,088	23,511,088
Virginia Public School Authority (GO Debt)	36,581,300	-
Total Source of Funds	<u>\$ 325,576,195</u>	<u>\$ 107,121,853</u>

The \$325.6 Capital Improvement Plan for FY 2011-2015 reflects the commitment of our staff, our citizens, and the City Council to shape and deliver a capital improvement spending plan that reflects the highest priorities and needs of our citizens. We firmly believe this plan will ensure the sustainability of our outstanding quality of life while moving forward in addressing our most critical infrastructure needs across the City of Chesapeake.

Sincerely,



William E. Harrell
 City Manager

WEH/sj