



Legislation Text

File #: 15-0543, **Version:** 1

Recommendation to receive a report on the Tidelands Capital Budget, and approve the 5-Year Capital Plan and prioritization of projects. (Districts 2,3)

On December 31, 2014, staff provided a memorandum (Attachment A) to the City Council indicating that the changing price of oil required a revised strategy for the Tidelands Capital Budget and a 5-year Capital Plan. The Tidelands Capital Budget is funded entirely from oil revenues, and the low price of oil has greatly reduced the oil revenue that the City can rely on receiving.

On February 3, 2015, the City Council approved nine (9) criteria for evaluating Tidelands Capital projects (Attachment B) and directed staff to recommend how to allocate available funding based on the criteria, and to present the recommendations to the City Council for review and approval. Attachment C, the 5-Year Capital Plan and Prioritization of Projects, list the projects that are being proposed for prioritization. Attachment D lists the prioritized projects that are awaiting funding.

This matter was reviewed by Deputy City Attorney Linda Vu on May 27, 2015 and by Budget Management Officer Victoria Bell on May 22, 2015.

City Council action on this matter is requested on June 16, 2015 to allow Tidelands Capital Improvement Division staff to advance approved projects to the next stages in the development process.

All of the projects subject to prioritization were previously approved by the City Council. The suggested action aligns available funding with proposed projects. Currently, a total of \$95,426,781 in Tidelands Operating Funds (TF 401) is available for allocation for prioritized projects, which consists of an estimated amount that can be reassigned from budgeted projects and funds available in TF 401. Additionally, there are a few ongoing Tidelands Capital Improvement Division projects that were not included in the prioritization process, as they were projects that were already underway prior to the prioritization process and are planned for completion in the near future. By approving the recommendation, the Tidelands Capital Plan will be updated. As new funding becomes available, staff will recommend additional projects to fund through a similar prioritization process, including projects from Attachment D, and other projects on the Master Needs List. The project cost estimates have been updated to account for increases, such as construction cost escalation, updated scope of work, project labor agreement compliance, and other necessary expenses.

Approve recommendation.

PATRICK H. WEST
CITY MANAGER