

## ■ CAPITAL FUND DEFINITION

Capital Funds account for the acquisition, construction, or rehabilitation of major fixed assets or capital projects which are not financed by special assessment, non-expendable trust funds, or proprietary funds. Capital projects include improvements to City arterials, sewers, curbs, gutters, sidewalks, drainage, and other infrastructure projects.

## ■ RELATIONSHIP BETWEEN CAPITAL BUDGET AND TOTAL CITY BUDGET

Each capital fund (e.g., Measure M) is an independent budget with its own revenue and expenditure accounts. The majority of funding sources come from grants which may or may not be competitive and fees charged by the City on new development. Transfers into the Capital Fund budget come from several sources including the General Fund for the Police Building Debt Service obligations and from Special Revenue Funds such as special gas tax to fund Select Street Construction projects.

## ■ CAPITAL FUND SUMMARY

Table 7-1 summarizes Capital Fund expenditures by the department or agency that manages the funds. While capital funds do not reflect budgeted positions as noted in Table 7-1, capital funds do support several positions in the general fund and enterprise funds. City staff time (e.g., engineering design) spent on capital projects is charged as labor costs which are distributed and tracked via the City's project accounting system.

Total Capital Fund Appropriations for FY07-08 is \$55,937,925 and 32.8% lower than last fiscal year (see table 7-1). The decrease is attributed to the anticipated \$23 million budgeted in FY07-08 vs. the \$46 million budgeted the year before in Select Street Construction projects from OCTA Gas Tax Subvention funding for the Bristol Street Widening project. This project is being completed in phases thru a funding commitment (that exceeds \$200 million) provided by the Orange County Transportation Authority (OCTA).

Capital funds are listed in Table 7-1 in descending order by their respective agency and described below by fund number as a cross-reference. The City's Public Works Agency is responsible for the entire effort and coordination of the CIP budget and works directly with the various departments in compiling and assessing each project.

- **Fund 28 – Traffic Congestion Relief Program (Public Works Agency)**

In July 2000, Governor Davis signed State Assembly Bill AB 2928, which provides \$400 million to cities and coun-

ties throughout the state for preservation, maintenance, and rehabilitation of local street and road systems. The identified funds are the City of Santa Ana's share of the allocation.

- **Fund 32 – Measure M (Public Works Agency)**

Measure M was a ballot measure passed in the 1990 election to add one-half percent to the then existing sales tax of 7.25 percent to finance for transportation improvements. This took Orange County's sales tax rate to its current level of 7.75 percent. To receive Measure M money, cities and the County of Orange must coordinate their land use and transportation decisions with neighboring jurisdictions, develop Growth Management Plans, and guarantee that Measure M funds will be used only for transportation purposes. The Orange County Transportation Authority (OCTA) administers and disburses Measure M proceeds as competitive and non-competitive funds.

- **Fund 33 thru 49 – (TSIA) Transportation System Improvement Area Funds (Public Works Agency)**

This account consists of separate funds which correspond to the eleven transportation system improvement areas as defined in the Santa Ana Municipal Code. Revenues come from fees the City charges for new developments in excess of \$30,000 in building valuation. The fee pays for the additional transportation requirements that new development projects generate. TSIA funds can only be used within the TSI area where the fees were levied and only for transportation capacity projects such as arterial, street widening, and traffic improvement projects.

- **Fund 55– Sewer Connection (Public Works Agency)**

Sewer connection fees are collected from various types of development based on the number of plumbing fixture units and the cost per lineal foot to construct a sewer main. The fees are intended to pay for sewer replacement and repair to meet the added demands on the system generated by redevelopment and new development. Fees are paid at the time of application for a sewer connection permit.



CAPITAL FUND SUMMARY

Table 7-1

Increase (Decrease)

DEPARTMENT/ AGENCY	Actual FY 05-06	Projected FY 06-07	Adopted FY 07-08	% of FY 07-08 Total	06-07 to 07-08	
					In \$	In %
<b>REVENUES</b>						
28 Traffic Congestion Relief Fund	1,127,626	980,000	2,580,750	4.7%	1,600,750	163.3%
32 Measure M	6,429,155	4,657,710	12,621,500	23.2%	7,963,790	171.0%
33 - 49 Transportation Area Funds	1,595,934	1,355,125	1,551,000	2.9%	195,875	14.5%
55 Sewer Connection Project	1,290,285	720,000	720,000	1.3%	0	0.0%
59 Select Street Construction	15,025,622	64,490,945	26,162,395	48.1%	(38,328,550)	-59.4%
148 Traffic Systems Management	118,543	0	0	N/A	0	N/A
156 Land & Water Conservation Fund	0	150,000	0	N/A	(150,000)	-100.0%
169 Habitat Conservation Fund	0	0	0	N/A	0	N/A
172 State Recreation Trails Program	16,000	102,750	240,000	0.4%	137,250	133.6%
201 - 226 Drainage Assessment	592,882	375,580	526,080	1.0%	150,500	40.1%
301 Park Acquisition & Dev.	41,387	601,000	880,970	1.6%	279,970	46.6%
400 Police Building Debt Service	9,857,756	9,126,625	9,127,225	16.8%	600	0.0%
	<u>36,095,190</u>	<u>82,559,735</u>	<u>54,409,920</u>	100.0%	(28,149,815)	-34.1%
<b>EXPENDITURES BY DEPARTMENT</b>						
<b>Public Works Agency</b>						
28-552 Traffic Congestion Relief Fund	626,825	980,000	2,580,750	4.6%	1,600,750	163.3%
32-551 Measure M	7,859,727	4,657,710	12,621,500	22.6%	7,963,790	171.0%
33 to 49 Transportation Area Funds	1,038,610	1,355,125	1,551,000	2.8%	195,875	14.5%
55-532 Sewer Connection Project	552,513	1,040,000	2,039,000	3.6%	999,000	96.1%
59-551 Select Street Construction	13,047,733	64,490,945	26,162,395	46.8%	(38,328,550)	-59.4%
148 Traffic Systems Management	144,872	0	0	N/A	0	N/A
201 to 226 Drainage Assessment	19,211	375,580	526,080	0.9%	150,500	40.1%
<b>Total</b>	<u>23,289,491</u>	<u>72,899,360</u>	<u>45,480,725</u>	81.3%	(27,418,635)	-37.6%
<b>Police Department</b>						
400 Police Building Debt Service	11,613,261	9,137,395	9,127,225	16.3%	(10,170)	-0.1%
<b>Total</b>	<u>11,613,261</u>	<u>9,137,395</u>	<u>9,127,225</u>	16.3%	(10,170)	-0.1%
<b>Parks, Recreation &amp; Community Services</b>						
156 Land & Water Conservation Fund	124,340	150,000	0	N/A	(150,000)	-100.0%
169 Habitat Conservation Fund	0	0	100,000	0.2%	100,000	N/A
172 State Recreation Trails Program	0	102,750	240,000	0.4%	137,250	133.6%
301 Park Acquisition & Dev.	628,038	955,330	989,975	1.8%	34,645	3.6%
<b>Total</b>	<u>752,378</u>	<u>1,208,080</u>	<u>1,329,975</u>	2.4%	121,895	10.1%
<b>GRAND TOTAL</b>	<u>35,655,130</u>	<u>83,244,835</u>	<u>55,937,925</u>	100.0%	(27,306,910)	-32.8%
<b>CAPITAL REVENUE FUNDS PERSONNEL</b>						
Number of Positions	0	0	0		0	N/A

Note: Includes Interfund Transfers

- **Fund 59– Select Street Construction (Public Works Agency)**

This fund pays for the cost of right-of-way acquisition, construction, rehabilitation, and improvements to city streets. Revenue comes from state gas taxes, highway users tax, county gas tax, and federal programs such as the Bridge Rehabilitation & Replacement Program.



- **Fund 156– Land & Water Conservation Fund (Public Works Agency)**

This competitive grant program is administered by the National Park Service. It has been in effect since 1965 and was extended to January 2015. The funds allocated may be used for statewide planning, and for acquisition or development of neighborhood, community, and regional parks. Improvements can include outdoor recreation areas and facilities, and indoor facilities that support outdoor recreation activities. Fifty percent of the funding must be matched by the participating agency.

- **Fund 169– Habitat Conservation Fund (Parks & Recreation)**

The program was established by the California Wildlife Protection Act of 1990 (The Mountain Lion Initiative). It provides funds for acquisition, enhancement, and restoration of wildlife areas including program sand trails that bring urban residents into parks and wildlife areas. The grant requires a 50% match from a non-state source.

Providing park facilities, community services, and recreational opportunities is a continuing challenge for a built-out city like Santa Ana *which has the youngest population among the largest cities in the nation.*

- **Fund 172-State Recreation Trails Program (Parks, Recreation and Community Service)**

This competitive grant program was established under the Transportation Equity Act for the 21st Century and provides funds annually for recreational trails and trail-related projects. Approximately \$2.2 million per year is available for non-motorized projects.

- **Funds 201 through 226-Drainage Assessment (Public Works Agency)**

In accordance with Section 34-191 of the Santa Ana Municipal Code, the City has been divided into drainage assessment areas. The fee established for each drainage area is based on the need for drainage facilities in each area as shown in the City's Storm Drain Master Plan.

- **Fund 301– Park Acquisition & Development (Parks & Recreation)**

This fund is patterned after the TSIA, sewer, and drainage funds as applied to parklands. Revenues come from fees charged to developers of residential properties to defray the cost of providing green belts and recreational facilities to meet the increase in population generated by new residential development.

The built-out topography restricts the City's ability to add open space and green belts in the face of increasing service demands from its youthful demographics. Park Acquisition & Development revenues varies each year since they depend on donations from private sources such as the Friends of the Santa Ana Zoo, and on new development activity.

- **Fund 400– Police Building Debt Service (Police Department)**

The Police Building Debt Service Fund, or Fund 400, was established to account for the defeasance of lease revenue bonds issued in March 1994 by the City of Santa Ana through the Santa Ana Financing Authority to finance the construction of the Police Administration & Holding Facility. The \$107.4 million bond issue is payable from revenues of the Financing Authority, which would consist mainly of base rental payments to the City, pursuant to a lease agreement between the City and the Authority.

The Police Building Debt Service Fund also receives an annual General Fund transfer payment to support the debt service as the expenditure provides a basic public safety function. Although technically not a capital fund, Fund 400 is included in this section because its purpose is to pay debt on a capital project.

## ■ IMPACT OF CAPITAL BUDGET ON OPERATING BUDGET

Projects included in the FY 07-08 CIP which may impact the operating budget are city facility and park improvements.

### **Civic Center Fountain Renovation**

Renovation of the existing fountain located between the Law Library and the Federal Building. Once this facility is operational again, there will be an increase in routine maintenance and operational costs, \$10,000 to \$15,000 annually.

### **Civic Center Parton Street Entrance Landscaping**

Provision of new landscaping at the Parton Street/Santa Ana Boulevard entrance to Civic Center Plaza, adjacent to the new parking structure. There will be no impact to operational costs.

### **El Salvador Park Pool Renovation**

Renovation of existing swimming pool at El Salvador Center. Project should result in a small reduction of routine maintenance costs, \$500 to \$1,000 annually.

### **Santa Ana Zoo: New Site Lighting**

Installation of new permanent site lighting in the large event area, courtyard area inside main entrance gate and front yard area. The slight increase in routine maintenance costs will be offset by the reduction in staff costs needed for continual temporary set ups for evening programming and events, and graffiti removal in the once dimly lit front public area.

### **Santiago Creek Bike Trail Extension**

Extension of the existing bike trail, under Broadway Avenue and Interstate 5, and refurbishment of the existing trail from Main Street to its connection to Santiago Park. Project also includes installation of new interpretive and directional signage. The slight increase in routine maintenance costs of the new installations will be offset by the reduction of deferred maintenance costs of the refurbished areas.

### **Santiago Park Trailhead**

Installation of small retaining walls, landscaping, signage and interpretive graphics to the main entrance of the Santiago Nature Reserve Trail. This project will provide for a formal entrance into the park. Project will result in a small increase in routine maintenance costs by \$500 to \$1,000 annually.

### **Santiago Park Habitat Restoration**

Restoration of native landscaping at Santiago Creek, adjacent to the new Wildlife and Watershed Center. Project will result in a small increase in routine maintenance costs by \$1,000 to \$2,000 annually.

The *Capital Budget*, in contrast to the *Operating Budget*, is an on-going 7-year business plan updated yearly.

The City prepares a Capital Budget and an Operating Budget that are both submitted together to the Council for approval. The Operating Budget provides for general municipal delivery of services including personnel costs, supplies and services, and capital outlay for equipment. Revenues for the Operating Budget are primarily derived from recurring taxes, user fees, and intergovernmental sources.

The Capital Budget contains capital projects and differs from the Operating Budget in that the former focuses on expenditures that add to or improve the City's capital assets or infrastructure. Capital projects may fall under one or more of the following areas:

- ◆ Expenditures which may take place over more than one year thereby requiring continuing appropriations;
- ◆ Projects which require funding with debt because of significant costs to be shared by current and future beneficiaries;
- ◆ Projects which require systematic acquisition over an extended period of time in order to implement major operating systems or public programs; and
- ◆ Scheduled replacement of physical assets.

Capital Budget revenues come primarily from tax increments, Measure M monies, Transportation System Improvement Area fees, Water Utility fees, Park Acquisition & Development fees, Sewer Connection fees, and Gas Tax revenue. The General Fund may also transfer monies to the Capital Fund through the Capital Outlay Fund. For an in-depth discussion on the impact of the capital budget on the operating budget, see also the City Manager's Budget Letter at the beginning of this budget book.

## CAPITAL FUNDS

<b>Traffic Congestion Relief Program</b>	<b>PROGRAM</b>			<b>Fund 28</b>																																																																																								
<p><b>PURPOSE:</b> In 2002, California voters passed Proposition 42, which dedicated gas tax revenue to transportation projects. Due to financial constraints, the State suspended funding for Prop. 42 in FY 03-04 and FY 04-05. Passage of the Infrastructure Bond Package in November 2006 included Proposition 1A, which places restrictions on when and how often these funds can be borrowed and must be paid back. Because FY 07-08 is a scheduled "gap" year, the City will not be receiving new funding this year. However, allocations will resume in FY 08-09.</p>																																																																																												
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## CAPITAL FUNDS

Measure M	PROGRAM	Fund 32-551		
<p><b>PURPOSE:</b> To account for the Measure M sales tax apportionment to the City of Santa Ana, and eligible expenditures for street maintenance and street improvements.</p> <p>On November 6, 1990, Orange County voters approved Measure M, the Revised Traffic Improvement and Growth Management Plan. Measure M authorized the imposition of one-half percent retail transaction and use tax for a 20-year period. The sales tax is estimated to raise \$3.1 billion countywide over the 20-year period. The Measure M sales tax ordinance which went into effect on April 1, 1991, states that 14.6% of the total 1/2 percent sales tax revenues, net administrative costs, shall be available to eligible jurisdictions for local street maintenance and improvements</p>				
		<u>ACTUAL</u> <u>FY 05-06</u>	<u>PROJECTED</u> <u>FY 06-07</u>	<u>APPROVED</u> <u>FY 07-08</u>
<b>REVENUES</b>				
32	MEASURE M			
5010-1111	Other Revenue-Bank Recon	0	0	0
5038	Measure M Competitive - PY	610,151	0	2,135,000
5049	Measure M Competitive	965,938	868,780	6,300,965
5050	Measure M Turnback	3,591,162	3,778,930	3,872,250
5341	RSTP Federal Program	0	0	113,285
5621	Expense Reimbursement	0	0	0
5621-1	Expense Reimbursement-Garden Grove	0	0	0
5621-4	Expense Reimbursement-Condemn Dep 1745	0	0	0
5812	Earnings on Investment	255,823	10,000	200,000
5053	OCTA Transitway Project - MOS 3	805,800	0	0
5054	SCRRA Metrolink 2nd Main Track	190,000	0	0
5804	Rental of Property	10,281	0	0
	<b>TOTAL MEASURE M FUND</b>	<u>6,429,155</u>	<u>4,657,710</u>	<u>12,621,500</u>
		<u>ACTUAL</u> <u>FY 05-06</u>	<u>PROJECTED</u> <u>FY 06-07</u>	<u>APPROVED</u> <u>FY 07-08</u>
<b>EXPENDITURES</b>				
32-551	MEASURE M			
6611	Land	1,054,333	0	0
6631	Improvements Other than Buildings	6,695,394	4,647,710	12,421,500
6800-58	Transfer to Fund 58	0	10,000	200,000
		<u>7,749,727</u>	<u>4,657,710</u>	<u>12,621,500</u>
32-553	OCTA TRANSITWAY PROJECT - MOS 3			
6631	Improvements Other than Buildings	110,000	0	0
		<u>110,000</u>	<u>0</u>	<u>0</u>
	<b>TOTAL MEASURE M FUND</b>	<u>7,859,727</u>	<u>4,657,710</u>	<u>12,621,500</u>

**CAPITAL FUNDS**

Measure M	FY 07-08 PROJECT DETAIL		Fund 32-551
PROJECTS	FUNDING SOURCES		APPROVED TOTAL
	Turnback	Competitive	
<b>NEIGHBORHOOD IMPROVEMENTS</b>			
<b>Curb, Gutter, Sidewalk</b>			
Omnibus Concrete	250,000	0	250,000
<b>Subtotal Neighborhood Improvements</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>
<b>ARTERIAL IMPROVEMENTS</b>			
<b>Arterial Widening</b>			
Alton Avenue Overcrossing @ SR-55	0	2,276,000	2,276,000
First Street Bridge Widening over Santa Ana River	0	4,896,165	4,896,165
Grand Avenue Widening	217,355	113,285	330,640
MacArthur Boulevard @ SR-55	0	310,100	310,100
Memory Lane Bridge Widening - Mitigation	0	200,000	200,000
Project Development	0	3,700	3,700
Right of Way Management	200,000	0	200,000
<b>Subtotal Arterial Widening</b>	<b>417,355</b>	<b>7,799,250</b>	<b>8,216,605</b>
<b>Street Reconstruction/Resurfacing</b>			
Bridge Barrier Rail Replacement at Flower Street Bridge	100,000	0	100,000
First Street: Santa Ana River to Bristol	1,304,920	0	1,304,920
Main Street: Walkie to NCL	553,600	0	553,600
Rehabilitation of Bridges at 5th Street and McFadden Avenue	200,000	0	200,000
Warner Avenue: Otis to Raitt	1,026,375	0	1,026,375
<b>Subtotal Street Reconstruction/Resurfacing</b>	<b>3,184,895</b>	<b>0</b>	<b>3,184,895</b>
<b>TOTAL ARTERIAL IMPROVEMENTS</b>	<b>3,602,250</b>	<b>7,799,250</b>	<b>11,401,500</b>
<b>TRAFFIC IMPROVEMENTS</b>			
Bristol Street Traffic Management - Phase III	0	250,000	250,000
Bristol Street Traffic Management - Phase III	0	250,000	250,000
Citywide Traffic Signal Coordination	0	250,000	250,000
SBC (Pacific Bell) Rental Fee for Signal Interconnect	20,000	0	20,000
<b>Total Traffic Improvements</b>	<b>20,000</b>	<b>750,000</b>	<b>770,000</b>
<b>TOTAL MEASURE M PROJECTS</b>	<b>3,872,250</b>	<b>8,549,250</b>	<b>12,421,500</b>

**CAPITAL FUNDS**

<b>Transportation Area Funds</b>		<b>PROGRAM</b>		<b>Fund 33 to 49</b>	
<p><b>PURPOSE:</b> In accordance with Section 8-44 of the Santa Ana Municipal Code, the City collects Transportation Area Fees from new developments in excess of \$30,000 in building valuation. Fees vary from \$1.10 to \$5.53 per square foot of floor space, depending on the type of development and the particular area that the development is located. All fees are due upon issuance of the building permit. The fee is used to fund projects to improve roadway capacity and safety. In FY 07-08, funds will be used for <i>Arterial Improvements</i> and <i>Traffic Improvements</i>.</p>					
<b>FY 07-08</b>					
<b>TRANSPORTATION SYSTEM IMPROVEMENT AREA</b>		<b>Balance From Prior Year</b>	<b>Proposed Revenues</b>	<b>Total Revenues</b>	<b>Total Expenditures</b>
33 - New Area B		0	45,000	45,000	135,000
34 - New Area E		0	385,000	385,000	1,022,500
35 - New Area F		0	265,000	265,000	0
41 - Area A		0	30	30	0
42 - Area B		0	150	150	0
44 - New Transportation System Imp Area D		0	0	0	0
43 - Area C		0	3,000	3,000	0
48 - Area C-2		0	9,500	9,500	306,500
49 - Area G		0	3,000	3,000	87,000
<b>TOTAL</b>		<b>0</b>	<b>710,680</b>	<b>710,680</b>	<b>1,551,000</b>
 <b>PROJECTS</b>					<b>APPROVED</b>
					<b>FY 07-08</b>
<b>ARTERIAL IMPROVEMENTS</b>					
<b>Arterial Widening</b>					
Grand Avenue Widening: Area C-2					74,000
MacArthur Boulevard @ SR-55: New Area E					780,000
<b>TOTAL ARTERIAL IMPROVEMENTS</b>					<b>854,000</b>
 <b>TRAFFIC IMPROVEMENTS</b>					
Citywide Traffic Signal Coordination: New Areas B, E, Areas C-2, G					62,500
McFadden Railroad Crossing - Section 130 Improvement Project: Areas C-2, G					74,500
Railroad Grade Crossing Enhancement Safety Projects: New Area B, Area C-2					50,000
Traffic Management Plans: New Areas B, E, Areas C-2, G					160,000
Traffic Signal Capital Improvement: New Areas B, E, Areas C-2, G					100,000
Transportation System Improvement Program Fee Update: New Areas B, E, Areas C-2, G					250,000
<b>TOTAL TRAFFIC IMPROVEMENTS</b>					<b>697,000</b>
 <b>TOTAL TRANSPORTATION AREA FUNDS</b>					<b>1,551,000</b>

## CAPITAL FUNDS

Sewer Connection Projects	PROGRAM	Fund 55-532	
<p><b>PURPOSE:</b> The Sewer Connection Fee is collected from various types of development based on the number of fixture units and the cost per lineal foot of construction of a main sewer line. All monies received by the City as a fee for connection to the public sewers are deposited into the Sewer Connection Fee Fund and used for the construction of sewers. Fees paid at the time of application for a sewer connection permit, and no connection permit is issued until such fees are paid.</p>			
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>			
55 SEWER CONNECTION FEE FUND			
5010 1111 Other Revenue-Bank Recon	0	0	0
5484 Sewer Connection Fees	1,111,583	600,000	600,000
5621 Expense Reimbursements	0	0	0
5812 Earning on Investment	178,702	120,000	120,000
<b>TOTAL SEWER CONNECTION FEE FUND</b>	<b>1,290,285</b>	<b>720,000</b>	<b>720,000</b>
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>			
55 -532 SEWER CONNECTION PROJECTS			
6291 Other Contract Services	0	0	0
6631 Improvements Other than Buildings	552,513	1,040,000	2,039,000
<b>TOTAL SEWER CONNECTION PROJECTS</b>	<b>552,513</b>	<b>1,040,000</b>	<b>2,039,000</b>
<b>PROJECTS</b>			
			<b>FY 07-08</b>
INFRASTRUCTURE IMPROVEMENTS			
Segerstrom Sewer Lift Station Reconstruction			1,500,000
Sewer Reconstruction - Birch Street: Bishop to Richland			56,000
Sewer Reconstruction - First Street: Bristol to Pacific			122,000
Sewer Reconstruction - Seventeenth Street: English to Alona			361,000
<b>TOTAL</b>			<b>2,039,000</b>

## CAPITAL FUNDS

Select Street Construction	PROGRAM	Fund 59-551		
<p><b>PURPOSE:</b> This program includes all new work, reconstruction, widening, or traffic improvements done on the "Select Street System" of the City. Funds to support this program primarily come from these sources:</p> <p>A. State Gas Tax funds (Section 2105,6,7) transferred from Fund 29.            B. County Gas Tax funds administered by the Orange County Transportation Authority.</p>				
		<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
		<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>				
<b>59 SELECT STREET CONSTRUCTION</b>				
5335	OCTA Gas Tax Subvention	0	46,000,000	23,000,000
5341-2	Surface Transp Program	6,680,633	0	0
5342-5	Transportation Enhancement Activities	71,750	0	230,970
5342-7	Federal NCPD Program	772,309	0	0
5343	Highway Bridge Replacement Program (HBRR)	1,790,614	1,332,905	0
5344	SAFE TEA Grant	0	1,300,000	0
5350	Arterial Highway Rehabilitation Program (AHRP)	608,998	12,063,110	0
5572	Trench Cut Fee/Arterial	11,068	0	0
5573	Trench Cut Fee/Local	8,902	0	0
5790	Developer Contribution	595,000	0	0
5799	Miscellaneous Recoveries	2,000	0	0
	Urban Development Grant	0	377,000	0
5990	Transfer from Fund 29	4,402,098	3,417,930	2,931,425
5804	Rental of Property	82,248	0	0
<b>TOTAL SELECT STREET CONSTRUCTION</b>		<b>15,025,622</b>	<b>64,490,945</b>	<b>26,162,395</b>
		<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
		<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>				
<b>59-551 Select Street Construction</b>				
6291	Other Contract Services	0	0	0
6631	Land	3,384,094	0	0
6631	Improvements Other than Buildings	9,580,530	18,490,945	3,162,395
		<b>12,964,624</b>	<b>18,490,945</b>	<b>3,162,395</b>
<b>59-552 Traffic Congestion Relief AB 2928</b>				
6631	Improvements Other than Buildings	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>
<b>59-553 OCTA Gas Tax Subvention</b>				
6631	Improvements Other than Buildings	83,109	46,000,000	23,000,000
		<b>83,109</b>	<b>46,000,000</b>	<b>23,000,000</b>
<b>TOTAL 59 SELECT STREET</b>		<b>13,047,733</b>	<b>64,490,945</b>	<b>26,162,395</b>

## CAPITAL FUNDS

Select Street Construction	PROJECT DETAIL			Fund 59-551
PROJECTS	FUNDING SOURCES			Approved Total
	Gas Tax	OCTA Gas Tax	Others	
<b>NEIGHBORHOOD IMPROVEMENTS</b>				
<b>Street Improvements</b>				
Neighborhood Traffic Mitigation	1,068,000	0	0	1,068,000
<b>TOTAL NEIGHBORHOOD IMPROVEMENTS</b>	<u>1,068,000</u>	<u>0</u>	<u>0</u>	<u>1,068,000</u>
<b>ARTERIAL IMPROVEMENTS</b>				
<b>Arterial Widening</b>				
Bristol Street Widening: Phase I - McFadden to Pine Project Development	0	23,000,000	0	23,000,000
	200,000	0	0	200,000
<b>Street Reconstruction/Resurfacing</b>				
Rehabilitation of Bridges at 5th St & McFadden Ave	195,000	0	0	195,000
Tustin Avenue: 17th to NCL	808,770	0	0	808,770
Warner Avenue: Otis to Raitt	189,655	0	0	189,655
Pavement Management	275,000	0	0	275,000
<b>TOTAL ARTERIAL IMPROVEMENTS</b>	<u>1,668,425</u>	<u>23,000,000</u>	<u>0</u>	<u>24,668,425</u>
<b>TRAFFIC IMPROVEMENTS</b>				
Bristol Street Traffic Management - Phase II	62,500	0	0	62,500
Bristol Street Traffic Management - Phase III	62,500	0	0	62,500
Flower Street/Walnut Street Lighted Crosswalk	70,000	0	0	70,000
<b>TOTAL TRAFFIC IMPROVEMENTS</b>	<u>195,000</u>	<u>0</u>	<u>0</u>	<u>195,000</u>
<b>PARK FACILITY IMPROVEMENTS</b>				
MacArthur Boulevard Bike Trail Enhancement	0	0	23,330	23,330
Santiago Creek Bike Trail Extension	0	0	207,640	207,640
<b>TOTAL PARK FACILITY IMPROVEMENTS</b>	<u>0</u>	<u>0</u>	<u>230,970</u>	<u>230,970</u>
 <b>GRAND TOTAL</b>	 <u>2,931,425</u>	 <u>23,000,000</u>	 <u>230,970</u>	 <u>26,162,395</u>

## CAPITAL FUNDS

Habitat Conservation Fund	PROGRAM	Fund 169	
<p><b>PURPOSE:</b> The Habitat Conservation Fund Program was established by the California Wildlife Protection Act of 1990 (The Mountain Lion Initiative). It provides funds for acquisition, enhancement, and restoration of wildlife areas, including programs and trails that bring urban residents into parks and wildlife areas. The grant requires a 50% match from a non-state source.</p>			
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>			
5378-1 Habitat Conservation - Santiago Park	0	0	100,000
TOTAL TRAFFIC SYSTEM MANAGEMENT GRANT	<u>0</u>	<u>0</u>	<u>100,000</u>
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>			
169-268 RECREATION GRANTS FUND			
6631 Improvements other than Buildings	0	0	100,000
TOTAL ANTICIPATED EXPENDITURES	<u>0</u>	<u>0</u>	<u>100,000</u>
<b>PROJECTS</b>			<b>FY 07-08</b>
<b>PARK FACILITY IMPROVEMENTS</b>			
Santiago Park Habitat Restoration			50,000
Santiago Park Trailhead Project			50,000
TOTAL PARK FACILITY IMPROVEMENTS			<u>100,000</u>

**CAPITAL FUNDS**

<b>State Recreation Trails Program</b>		<b>PROGRAM</b>		<b>Fund 172</b>
<b>PURPOSE:</b> This funding source is made available by the Sate of California, Department of Parks and Recreation. This competitive grant program was established under the Transportation Equity Act for the 21st Century and provides funds annually for recreational trails and trail-related projects. Approximately \$2.2 million per year is the available for non-motorized projects.				
		<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
		<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>				
172	NATIONAL RECREATION TRAILS FUND ACT			
	5360 State Aid Program	0	102,750	240,000
	5621 Expense Reimbursement	16,000	0	0
	TOTAL TRAFFIC SYSTEM MANAGEMENT GRANT	<u>16,000</u>	<u>102,750</u>	<u>240,000</u>
		<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
		<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>				
172-251	NATIONAL RECREATION TRAILS FUND ACT			
	6631 Improvements other than Buildings	0	102,750	240,000
	TOTAL ANTICIPATED EXPENDITURES	<u>0</u>	<u>102,750</u>	<u>240,000</u>
<b>PROJECTS</b>				<b>FY 07-08</b>
	PARK FACILITY IMPROVEMENTS			
	Santiago Creek Bike Trail Extension			240,000
	TOTAL PARK FACILITY IMPROVEMENTS			<u>240,000</u>

**CAPITAL FUNDS**

<b>Drainage Assessment</b>	<b>PROGRAM</b>	<b>Fund 201 to 226</b>
<p><b>PURPOSE:</b> In accordance with Section 34-191 of the Santa Ana Municipal Code, the City has been divided into drainage assessment areas. The fee established for each drainage area is based on the need for drainage facilities in each area as shown in the City's Storm Drain Master Plan.</p>		

<b>FY 07-08 LOCAL DRAINAGE ASSESSMENT AREA</b>	<b>Balance from Prior Year</b>	<b>Approved Revenues</b>	<b>Total Revenues</b>	<b>Total Expenditures</b>
Fund 201 - Local Drainage Area # 1	0	120	120	120
Fund 202 - Local Drainage Area # 2	0	450	450	450
Fund 203 - Local Drainage Area # 3	0	18,000	18,000	18,000
Fund 204 - Local Drainage Area # 4	0	300	300	300
Fund 205 - Local Drainage Area # 5	0	160	160	160
Fund 206 - Local Drainage Area # 6	0	200	200	200
Fund 207 - Local Drainage Area # 7	0	8,000	8,000	8,000
Fund 209 - Local Drainage Area # 9	0	190	190	190
Fund 210 - Local Drainage Area # 10	0	5,000	5,000	5,000
Fund 211 - Local Drainage Area # 11	0	60	60	60
Fund 213 - Local Drainage Area # 13	0	600	600	600
Fund 221 - Local Drainage Area I	0	64,000	64,000	64,000
Fund 222 - Local Drainage Area II	0	210,000	210,000	210,000
Fund 223 - Local Drainage Area III	0	38,000	38,000	38,000
Fund 224 - Local Drainage Area IV	0	160,000	160,000	160,000
Fund 225 - Local Drainage Area V	0	6,000	6,000	6,000
Fund 226 - Local Drainage Area VI	0	15,000	15,000	15,000
<b>TOTAL</b>	<u>0</u>	<u>526,080</u>	<u>526,080</u>	<u>526,080</u>
 				<b>APPROVED</b>
<b>PROJECTS</b>				<b>FY 07-08</b>
<b>INFRASTRUCTURE IMPROVEMENTS</b>				
ADD: Allocation for future projects and project contingencies				<u>526,080</u>
<b>TOTAL</b>				

## CAPITAL FUNDS

Park Acquisition & Development	PROGRAM	Fund 301	
<p><b>PURPOSE:</b> Park Acquisition and Development fees are charged to developers for all residential development in order to allow the City to maintain adequate green space and recreational facilities for the City's population as it increases as a result of such residential development. The fees this derived are the primary source of funding for development, enhancement, and renovation of the City's parklands.</p>			
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>			
301 PARK ACQUISITION AND DEVELOPMENT			
5070 Park Acquisition & Dev. Fees	0	296,000	880,970
5070-1 District 1 A & D Fees	10,148	25,000	0
5070-2 District 2 A & D Fees	0	100,000	0
5070-3 District 3 A & D Fees	(10,148)	100,000	0
5070-4 District 4 A & D Fees	0	50,000	0
5804 Rental of Property	0	0	0
5812 Earnings on Investments	41,387	30,000	0
<b>TOTAL PARK ACQUISITION AND DEVELOPMENT</b>	<b>41,387</b>	<b>601,000</b>	<b>880,970</b>
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>			
301-232 PARK ACQUISITION AND DEVELOPMENT			
6631 Improvements Other than Buildings	628,038	955,330	989,975
<b>TOTAL PARK ACQUISITION AND DEVELOPMENT</b>	<b>628,038</b>	<b>955,330</b>	<b>989,975</b>
<b>PROJECTS</b>			<b>APPROVED</b>
			<b>FY 07-08</b>
<b>FACILITIES IMPROVEMENTS</b>			
Fisher Park Improvements			150,000
MacArthur Boulevard Bike Trail Enhancement			23,332
Sandpointe Park Improvements			350,000
Santa Ana Zoo: New Site Lighting (PY)			9,000
Santiago Creek Bike Trail Extension			207,644
Santatao Park Habitat Restoration (PY)			50,000
Santiago Park Trailhead Project (PY)			50,000
Thornton Park Playground Improvements			150,000
<b>TOTAL</b>			<b>989,976</b>

## CAPITAL FUNDS

Police Building Debt Service	PROGRAM	Fund 400	
<p><b>PURPOSE:</b> The Police Administration and Holding Facility Lease Revenue Bonds, Series 1994A were issued in March 1994 for \$107,399,438.50 at a 5.80% yield. This program accounts for the flow of funds in terms of revenues and expenditures based on the debt service schedule.</p>			
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>REVENUES</b>			
400 POLICE BUILDING DEBT SERVICE			
5712 Bond Reserve Releases	0	0	0
5812 Earnings on Investments	0	0	0
5813 Investment Income -Trustee	264,831	0	0
5990 Transfer From General Fund 11	9,224,225	9,126,625	9,127,225
5990 Investment Income - Trustee Fund 510	368,700	0	0
<b>TOTAL POLICE BUILDING DEBT SERVICE FUND</b>	<b>9,857,756</b>	<b>9,126,625</b>	<b>9,127,225</b>
	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>APPROVED</b>
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>
<b>EXPENDITURES</b>			
400-343 POLICE BUILDING DEBT SERVICE			
6291 Other Contractual Services	11,336	10,770	0
6781 Bond Principal	3,838,000	3,610,000	3,755,000
6791 Bond Interest	5,754,925	5,516,625	5,372,225
6800-11 Transfer to General Fund	2,009,000	0	0
<b>TOTAL POLICE BUILDING DEBT SERVICE FUND</b>	<b>11,613,261</b>	<b>9,137,395</b>	<b>9,127,225</b>

## CAPITAL FUNDS

### Police Building Debt Schedule

### PROGRAM

**Fund 400**

**PURPOSE:** The Police Administration and Holding Facility Lease Revenue Bonds, Series 1994A were issued in March 1994 for \$107,399,438.50 at a 5.80% yield. In February 2004, the City issued a Lease Revenue Refunding Bonds Series 2004A to defease a portion of the \$107,399,438.50 in the aggregate principal amount of \$38,830,000 at an average yield of 3.0455 %. The refunding gave the City a net present value savings of \$ 3,282,010. This program shows the debt service payment schedule to defease the balance of the 1994 Lease Revenue Bonds and the Refunding Lease Revenue Bonds Series 2004A.

**CITY OF SANTA ANA  
POLICE BUILDING DEBT SERVICE FUND: REFUNDING LEASE REVENUE BONDS SERIES 2004A  
SCHEDULE OF ANNUAL DEBT SERVICE**

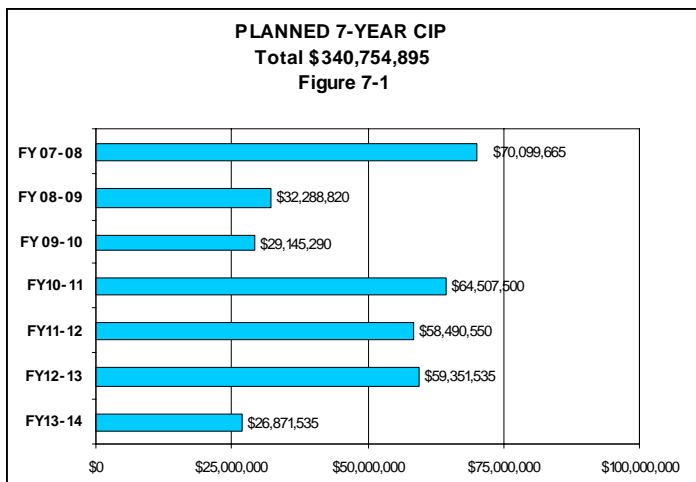
<u>Fiscal Year*</u>	<u>Principal Repayment</u>	<u>Interest Payments</u>	<u>Total Annual Interest &amp; Principal Payments</u>	<u>Capitalized Interest DSRF** Earnings</u>	<u>Annual Net Debt Service Year Ending</u>
2007-2008	3,755,000	5,372,225	9,127,225	0	9,127,225
2008-2009	3,870,000	5,259,575	9,129,575	0	9,129,575
2009-2010	4,030,000	5,085,425	9,115,425	0	9,115,425
2010-2011	4,190,000	4,904,075	9,094,075	0	9,094,075
2011-2012	4,370,000	4,694,575	9,064,575	0	9,064,575
2012-2013	4,585,000	4,541,625	9,126,625	0	9,126,625
2013-2014	4,685,000	4,381,150	9,066,150	0	9,066,150
2014-2015	5,030,000	4,193,750	9,223,750	0	9,223,750
2015-2016	5,345,000	3,879,375	9,224,375	0	9,224,375
2016-2017	5,680,000	3,545,313	9,225,313	0	9,225,313
2017-2018	6,035,000	3,190,313	9,225,313	0	9,225,313
2018-2019	6,410,000	2,813,125	9,223,125	0	9,223,125
2019-2020	6,815,000	2,412,500	9,227,500	0	9,227,500
2020-2021	7,240,000	1,986,563	9,226,563	0	9,226,563
2021-2022	7,690,000	1,534,063	9,224,063	0	9,224,063
2022-2023	8,170,000	1,053,438	9,223,438	0	9,223,438
2023-2024	8,685,000	542,813	9,227,813	0	9,227,813
<b>TOTAL</b>	<b>96,585,000</b>	<b>59,389,903</b>	<b>155,974,903</b>	<b>0</b>	<b>155,974,903</b>

\* Fiscal Year begins July 1st and ends June 30th.

\*\* Debt Service Reserve Fund (DSRF)

**CAPITAL IMPROVEMENT PROGRAM (CIP)**

Capital investments to construct, maintain, repair, and improve Santa Ana’s hardscape are needed to meet the City’s goal to provide first-rate infrastructure and community facilities, and to assure the City’s continued economic vitality. The Capital Improvement Program (CIP) lists and describes all planned projects and is updated yearly to reflect current and projected conditions. As shown in **Figure 7-1**, the City plans to invest \$340.7 million in CIP projects between FY 2007-08 and FY 2013-14 with \$70 million budgeted in FY 07-08.



**Table 7-2** shows FY 07-08 Budgeted CIP and per capita CIP expenditure ratios for the seven largest Orange County cities. Santa Ana’s CIP funding is considerably lower than Anaheim’s, primarily due to the presence of Disneyland and the contribution by Disney and other franchises to improve access roads to the attraction. Santa Ana’s CIP budget is projected at \$70 million with Arterial and Neighborhood Street projects making up approximately 84% of the total City in FY 07-08. For this upcoming year, the City has made a strong emphasis on neighborhood street improvements and has allocated approximately \$19.1 in CIP funds alone.

CITY	Budgeted CIP	Population	Per Capita Expenditures
Irvine	163,810,542	202,079	\$811
Anaheim	198,661,871	345,556	\$575
Fullerton	47,710,770	137,367	\$347
Orange	46,544,015	138,640	\$336
Huntington Beach	42,058,925	202,250	\$208
Santa Ana	70,099,665	353,428	\$198
Garden Grove	29,177,000	172,781	\$169

Source: Individual cities and State of California Department of Finance

**SOURCES OF FUNDS**

To ensure proper levels of capital investment, the City uses various funding sources to finance the projects outlined in the City’s CIP. **Figure 7-2** shows funding sources and amounts available to the City for capital projects. These funds are generally available to the City through government grants, development fees, and special local taxes.

**Orange County Combined Transportation Funding Programs**

The City receives transportation funding from Orange County through the following programs: Measure M Streets and Roads Programs, Arterial Highway Financing Program (AHFP), and Inter-modal Surface Transportation Efficiency Act (ISTEA) programs. The Revised Traffic Improvement & Growth Management Plan, better known as **Measure M**, was approved by Orange County voters in November 1990 allowing a 0.5 percent sales tax increase for a twenty year period. Measure M tax revenues must be used solely for transportation improvement projects and programs and is distributed in four categories: 43% to Freeway Projects; 25% to Transit Projects; 21% to Local Streets and Roads Projects; and 11% to Regional Streets and Roads Projects.

The **Arterial Highway Financing Program (AHFP)** was established in 1958 to develop an orderly system of arterial highways throughout Orange County in accordance with a countywide Master Plan of Arterial Highways (MPAH). The intent is to assist Orange County cities fund their regional transportation facilities. AHFP funds for cities come from a portion of Orange County’s Highway Users Tax allocation administered by the OCTA.

The **Intermodal Surface Transportation Efficiency Act (ISTEA)** of 1991 provides federal funding for local transportation projects. Unlike previous federal transportation acts, ISTEA is more flexible in that local governments are granted more control over funding administration. ISTEA-funded projects include the Local & Regional Surface Transportation Program (STP), Congestion Mitigation/Air Quality, Bridge Replacement, and Mass Transit.

**Gas Tax**

The Gas Tax is a major source of funding for research, planning, construction, improvement, maintenance, and operation of public streets and highways. Gas tax monies are allocated to localities according to a population-based formula that takes into account the overall transportation needs of the state.

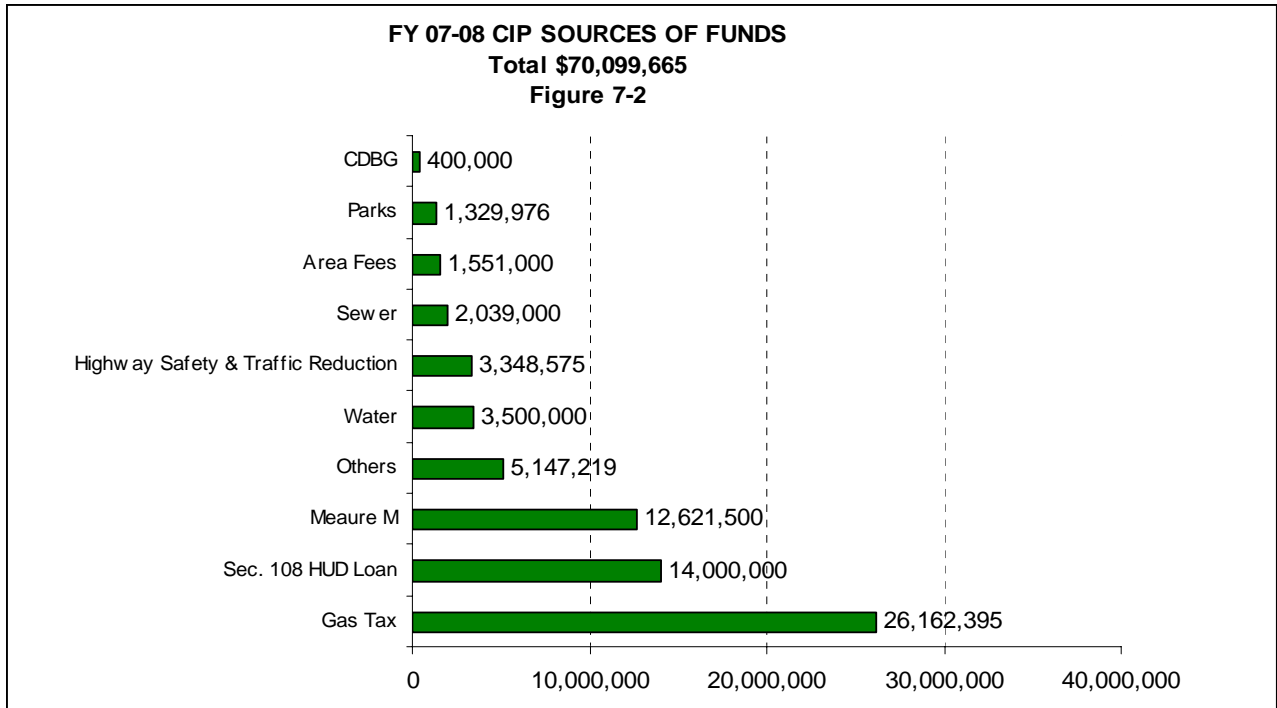
**Tax Increment**

When a Redevelopment Project Area (RPA) is created, all real estate in the RPA is given a base assessment value. Changes in ownership, and new development or improvements would increase the assessed value of the improved property, which is then reassessed at a higher value. The property tax increase over the base assessment value is

called the tax increment. The City’s Community Development Agency (CDA) has the authority to use tax increment money for capital projects. CDA issues tax allocation bonds to pay for these projects. The County of Orange collects the tax increment revenue and makes it available to CDA upon demonstration of debt.

**Park Acquisition & Development Funds**

The City Council established a per capita standard of two acres of park and recreation facilities per one thousand City residents. To maintain this standard, the City charges a Residential Development Fee to any person or corporation adding a net increase in the number of residential units or converting apartments to condominiums in the City. The proceeds are used for the acquisition, construction, and renovation of park and recreation facilities.



**Community Development Block Grants (CDBG)**

CDBG is a federal program to help eliminate blight, develop viable communities with decent housing, and expand opportunities for low- and moderate- income families. A maximum of 15% of CDBG monies received annually may be used for Social Services programs, with the balance going to capital projects.

**Sewer Connection Fees**

These fees pay for sewer connections related to various types of developments. Fees are paid at the time of application for a sewer connection permit, and are based on the number of fixture units and the cost per lineal feet of construction of a main sewer line.

**Drainage Area Fees**

Like TSIA fees, drainage fees are paid by developers to offset the cost of system improvements to accommodate new development. The City is divided into several local drainage areas created by City Council resolution. The City maintains a separate fund for each local drainage area. Revenue in each drainage area fund must be expended within the boundaries of the drainage area from which the fees were collected.

**Transportation System Improvement Area Fees**

Transportation System Improvement Area (TSIA) Fees are paid by developers to offset the cost of providing transportation system improvements for new development. The fee is a percentage of the estimated construction costs. TSIA fees can only be used to improve the transportation system within that TSI area.



**CIP PROJECT CATEGORIES**

Capital improvement investments are methodically and consistently tracked based on the six major project categories the City has used over the last decade: arterial, traffic, neighborhood, infrastructure, city facility and park improvements as shown in **Figure 7-3**.

**Arterial Improvements**

Arterial improvements refer to street widening and street reconstruction/resurfacing projects and account for over \$39.5 million or approximately 56% of the total CIP budget for FY 07-08. The largest projects include arterial widening of Bristol Street (\$23 million) and First Street bridge widening over the Santa Ana River (\$4.8 million).

**Infrastructure Improvements**

Infrastructure improvements refer to water, storm drain, sewer, and underground utility projects and account for \$6.4 million or 9.13% of the CIP. The largest projects include the Segerstrom Sewer Lift Station Reconstruction (\$1.5 million) and various water main replacements throughout the City (\$3.5 million).

**Traffic Improvements**

Traffic improvement budget for FY07-08 is \$1.6 million which equal to 2.37% of the total CIP budget. The largest projects include Phase II & III of the Bristol Street Traffic Management. This project will install traffic signal communication infrastructure on Bristol Street between Fifth Street and McFadden Avenue and Edinger Avenue and Warner Avenue. This will allow real-time traffic data for traffic signal operations.



**Park Facility**

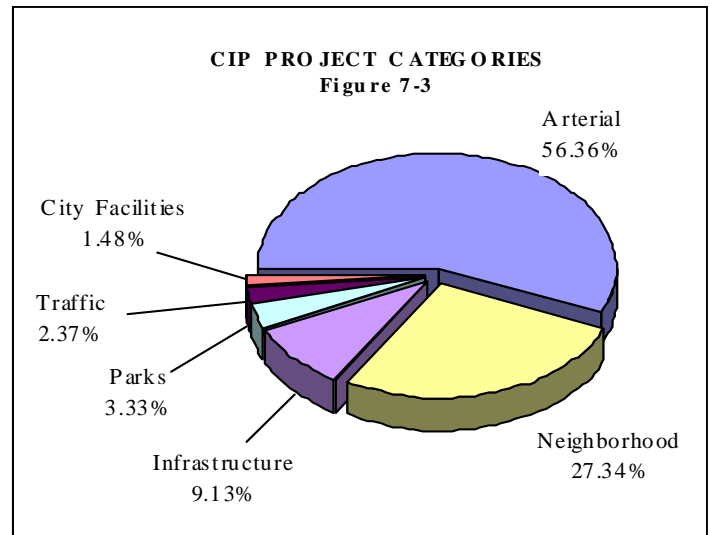
The City has allocated \$2.3 or 3.3% of the total CIP budget to Park Facilities. The projects include improvements to Santiago Park bike trail, Thorton Park playground improvements, El Salvador & Memorial Park pool renovations, Santa Ana Zoo new “Tierra de las Pampas” exhibit and new site lighting. Improvements are also scheduled for Fisher and Sandpoint parks.

**Neighborhood Improvements**

This category includes citywide curb, gutter, sidewalk replacements and neighborhood street improvements. More than \$19 million or 27.3% of the total CIP budget has been earmarked for this category. The priority in FY 07-08 is to focus on neighborhood streets.

**City Facilities**

This category includes City facility improvement projects for which accounts for \$1 million or 1.48% of the total CIP



budget for improvements to the Civic Center area which includes bridge & fountain renovations and street entrance landscaping.

**CIP PROCESS CALENDAR**

From *December through March*, departments prepare their Capital Improvement Program (CIP) requests by identifying capital project needs and establishing project feasibility, scheduling, alternatives, and cost estimates. CIP requests are reviewed and/or approved by the respective department head to ensure consistency with City goals and priorities. Projects receiving such approval are submitted to the City Manager for final review.

In *April*, Public Works staff evaluates the capital project requests. Typically, Public Works is the lead agency in the formulation of the CIP since most CIP projects and funding sources are under its purview. The Community Development Agency provides considerable CIP funding from the agency’s tax increment monies.

Historically, the City’s practice has been to identify CIP funding on the premise of “no change in the City’s current staff or service levels.” On the basis of this evaluation, and direction from the City Manager, the proposed CIP budget is prepared for submission to the Planning Commission and the City Council.

During *May* of each year, the Planning Commission reviews the CIP and submits recommendations to the City Council. The City Council also reviews the CIP document, as presented by the City Manager, along with any Planning Commission recommendations. The Council holds public hearings, as required, and directs any revisions or deletions. The CIP is then adopted, along with the rest of the annual City budget by City Council ordinance.

**PRIORITY FACTORS FOR CIP INCLUSION**

The City uses established criteria to determine which projects to include in the final CIP. The criteria is reviewed annually and modified as necessary. Priority is given to projects that:

1. are required by an agreement with another agency;
2. are essential to public health or safety;
3. are grant funded and would have minimal or no operating cost impact on the General Fund;
4. will preserve an existing capital facility and avert greater expenses in future years, with no increase in General Fund operating cost; (e.g., continuation of a 10-year cycle street maintenance program);
5. save on General Fund operating costs;
6. fulfill a City commitment (evidenced by previous inclusion in the CIP and community support) to provide minimum facilities in areas deemed deficient;
7. purchase land for future projects at favorable “pre-developed” prices;
8. are new facilities with minimal or no operating cost, or whose operating cost has been designated by the Council as exceptions to the established operating cost policy;
9. are to be constructed as a cost-sharing activity in conjunction with another agency;
10. generates sufficient revenue to be essentially self-supporting;
11. increases the use or efficiency of an existing facility with minimal or no operating cost increase;
12. fulfill City commitment (evidenced by previous inclusion in the CIP and by community support) to provide greater than minimal facilities;
13. are grant funded but would require increased operating costs in the General Fund; and
14. are not grant funded and would require increased operating costs in the General Fund, and have not been designated as exceptions to the operating cost policy by previous City Council actions.

**Santa Ana** is one of only 28 cities nationwide, and of only 2 in Orange County, to receive the highest rating of *Class 1* city in the Insurance Services Office, Inc. (ISO) survey of community fire safety. This distinction was achieved in part because of the City’s proactive investments in firefighting capital assets. The ISO evaluation criteria is described below.

**FIRE DEPARTMENT (50 %):** includes number and location of fire engine companies on duty; availability of fire equipment, (e.g., aerial ladders), firefighter training; and response time.

**WATER SUPPLY (40%):** includes water sufficiency to fight a fire, beyond normal needs; water pump, storage and filtration systems; number and location of fire hydrants and their location.

**FIRE ALARMS (10%):** includes adequacy of fire dispatch systems; number of phone lines in fire dispatch center; size of dispatch staff per shift; firefighter notification methods.

**ISO FIRE PROTECTION RATINGS OF ORANGE COUNTY CITIES**

Class 1 (Outstanding) to Class 10 (Unprotected)

CITY	RATING
Anaheim	1
Brea	3/9**
Buena Park	2
Costa Mesa	2
Cypress	3/9**
Dana Point	3/9**
Fountain Valley	3
Fullerton	2
Garden Grove	2
Huntington Beach	2
Irvine	3/9**
La Habra	3
Laguna Beach	4
Laguna Hills	3/9**
Laguna Niguel	3/9**
Lake Forest	3/9**
Los Alamitos	3/9**
Mission Viejo	3/9**
Newport Beach	2
Orange	2
Placentia	3/9
San Clemente	4
San Juan Capistrano	3/9**
<b>Santa Ana</b>	<b>1</b>
Seal Beach	3/9**
Stanton	3/9**
Tustin	3/9**
Villa Park	3/9**
Westminster	2
Yorba Linda	3/9**
Orange County	3/9**

Class 1 to 8: area is classified as protected, which means the community has at least one fire hydrant every 1,000 feet and a fire station every 5 miles.

Class 9: semiprotected and usually indicates a rural area.  
Class 10: unprotected.

\*\* Split ratings are for communities served by the Orange County Fire Authority, which serves both urban and rural areas. The better score would represent the urbanized communities, the lower score represents rural areas.

Source: Insurance Services Office, Inc. of New York 1998

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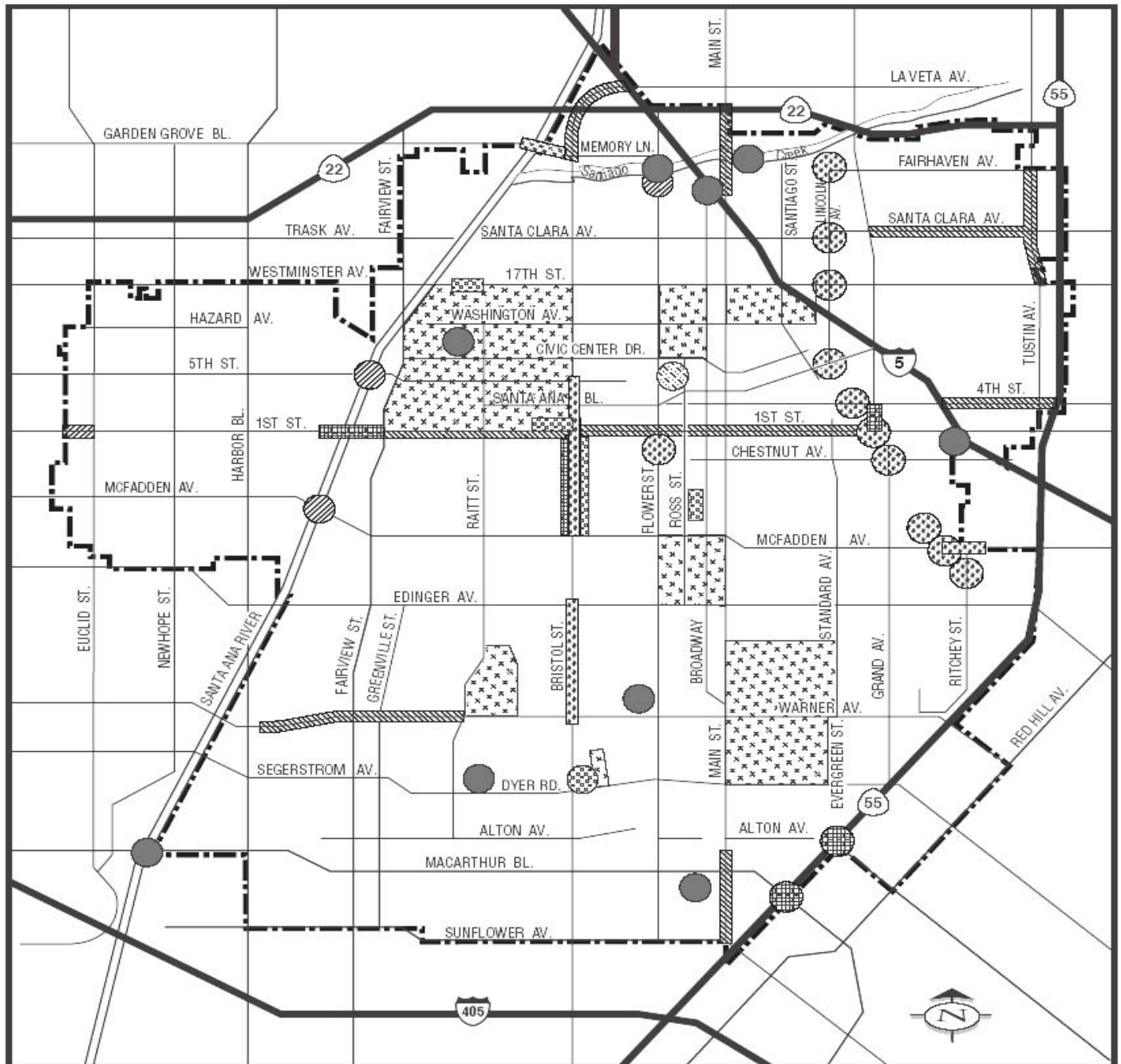
FIGURE 7-4



**City of Santa Ana  
Construction Projects  
Target Schedules  
2007-2008**

**LEGEND**

- Neighborhood Street Improvements
- Arterial Widening
- Street Reconstruction/Resurfacing
- Traffic Improvements
- Infrastructure Improvements
- City Facility Improvements
- Park Facility Improvements



**CITY OF SANTA ANA  
CAPITAL IMPROVEMENT PROGRAM (CIP)  
FY 07-08 CIP PROJECTS BY CATEGORY**

<u>PROJECTS</u>	<u>TOTAL</u>
<b>I. NEIGHBORHOOD IMPROVEMENTS</b>	
<b>Neighborhood Street Improvements</b>	
Artesia Pilar Neighborhood Improvements	5,000,000
Delhi Neighborhood Improvements	2,000,000
French Court Neighborhood Improvements	3,000,000
Laurelhurst Neighborhood Improvements	3,348,575
Rosewood Baker Owners Association	500,000
Willard Neighborhood Improvements	1,250,000
Wilshire Square Neighborhood Improvements	2,750,000
Neighborhood Traffic Mitigation	1,068,000
<b>Subtotal Neighborhood Street</b>	<b>18,916,575</b>
<b>Curb, Gutter, Sidewalk</b>	
Omnibus Concrete	250,000
<b>Subtotal Curb, Gutter, Sidewalk</b>	<b>250,000</b>
<b>Alleys</b>	
<b>Subtotal Alleys</b>	<b>0</b>
<b>Street Lighting</b>	
<b>Subtotal Street Lighting</b>	<b>0</b>
<b>TOTAL NEIGHBORHOOD IMPROVEMENTS</b>	<b>19,166,575</b>
<b>II. ARTERIAL IMPROVEMENTS</b>	
<b>Arterial Widening</b>	
Alton Avenue Overcrossing @ SR-55	2,276,000
Bristol Street Widening: Phase I-McFadden to Pine	23,000,000
First Street Bridge Widening over Santa Ana River	4,896,165
Grand Avenue Widening	404,640
MacArthur Boulevard @ SR-55	1,090,100
Memory Lane Bridge Widening - Mitigation	200,000
Project Development	203,700
Right-of-Way Management	200,000
<b>Subtotal Arterial Widening</b>	<b>32,270,605</b>
<b>Street Reconstruction/Resurfacing</b>	
Bridge Barrier Rail replacement at Flower Street Bridge	100,000
Bristol Street: Memory to NCL	733,200
First Street: Euclid to WCL	330,100
First Street: Santa Ana River to Bristol	1,655,990
Fourth Street: I-5 to SR-55	705,000
Main Street: Columbine to Sunflower	40,000

**CITY OF SANTA ANA  
CAPITAL IMPROVEMENT PROGRAM (CIP)  
FY 07-08 CIP PROJECTS BY CATEGORY**

<u>PROJECTS</u>	<u>TOTAL</u>
Main Street: Walkie to NCL	599,355
Rehabilitation of Bridges at Fifth Street and McFadden Avenue	395,000
Santa Clara Avenue: Grand to Tustin	125,000
Tustin Avenue: 17th to NCL	808,770
Warner Avenue: Otis to Raitt	1,466,655
Pavement Management	275,000
<b>Subtotal Street Reconstruction/Resurfacing</b>	<b>7,234,070</b>
<b>TOTAL ARTERIAL IMPROVEMENTS</b>	<b><u>39,504,675</u></b>

**III. TRAFFIC IMPROVEMENTS**

**Traffic Improvements**

Bristol Street Traffic Management - Phase II	312,500
Bristol Street Traffic Management - Phase III	312,500
Citywide Traffic Signal Coordination	312,500
Flower Street/Walnut Street Lighted Crosswalk	70,000
McFadden Railroad Crossing - Section 130 Improvement Project	74,500
Railroad Grade Crossing Enhancement Safety Projects	50,000
SBC (Pacific Bell) Rental Fee for Signal Interconnect	20,000
Traffic Management Plans	160,000
Traffic Signal Capital Improvement	100,000
Transportation System Improvement Program Fee Update	250,000
<b>Subtotal Traffic Improvements</b>	<b>1,662,000</b>
<b>TOTAL TRAFFIC IMPROVEMENTS</b>	<b><u>1,662,000</u></b>

**IV. INFRASTRUCTURE IMPROVEMENTS**

**SEWER**

Segerstrom Sewer Lift Station Reconstruction	1,500,000
Sewer Reconstruction - Birch Street: Bishop to Richland	56,000
Sewer Reconstruction - First Street: Bristol to Pacific	122,000
Sewer Reconstruction - Seventeenth Street: English to Alona	361,000
<b>Subtotal Sewer</b>	<b>2,039,000</b>

**WATER**

Water Main Replacements - Extended Downtown Area	1,200,000
Water Main Replacements - Southeast Area	300,000
Water Main Replacements - Southwest Area	2,000,000
<b>Subtotal Water</b>	<b>3,500,000</b>

**CITY OF SANTA ANA  
CAPITAL IMPROVEMENT PROGRAM (CIP)  
FY 07-08 CIP PROJECTS BY CATEGORY**

<u>PROJECTS</u>	<u>TOTAL</u>
<b>STORM DRAIN</b>	
<b>Subtotal Storm Drain</b>	<b>0</b>
<b>UNDERGROUND UTILITIES</b>	
Bristol Street: McFadden to Pine (Underground Utilities)	860,000
<b>Subtotal Underground Utilities</b>	<b>860,000</b>
<b>TOTAL INFRASTRUCTURE IMPROVEMENTS</b>	<b><u>6,399,000</u></b>
<b>V. CITY FACILITY IMPROVEMENTS</b>	
Civic Center Bridges Renovation	289,000
Civic Center Fountain Renovation	645,000
Civic Center Parton Street Entrance Landscaping	100,000
<b>Subtotal City Facility Improvements</b>	<b>1,034,000</b>
<b>TOTAL CITY FACILITY IMPROVEMENTS</b>	<b><u>1,034,000</u></b>
<b>VI. PARK FACILITY IMPROVEMENTS</b>	
<b>Park Improvements/Renovation</b>	
El Salvador Park Pool Renovation	88,475
Fisher Park Improvements	150,000
MacArthur Boulevard Bike Trail Enhancement	46,660
Memorial Park Pool Resurfacing	150,000
Park Improvements	400,000
Sandpointe Park Improvements	350,000
Santa Ana Zoo "Tierra de las Pampas" Exhibit	92,000
Santa Ana Zoo: New Site Lighting	51,000
Santiago Creek Bike Trail Extension	655,280
Santiago Park Habitat Restoration	100,000
Santiago Park Trailhead Project	100,000
Thornton Park Playground Improvements	150,000
<b>Subtotal Park Improvements/Renovation</b>	<b>2,333,415</b>
<b>TOTAL PARK FACILITY IMPROVEMENTS</b>	<b><u>2,333,415</u></b>
<b>GRAND TOTAL</b>	<b><u><u>70,099,665</u></u></b>

**CITY OF SANTA ANA  
SEVEN-YEAR CAPITAL IMPROVEMENT PROGRAM  
FY 07-08 THROUGH FY 13-14**

<b>PROJECTS</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>TOTAL</b>
<b>I. NEIGHBORHOOD IMPROVEMENTS</b>								
Neighborhood Street Improvements	18,916,575	7,988,450	7,174,360	8,798,220	10,721,390	10,847,075	10,847,075	75,293,145
Curb, gutter, Sidewalk Improvements	250,000	250,000	250,000	250,000	250,000	250,000	250,000	1,750,000
<b>Total Neighborhood Improvements</b>	<b>19,166,575</b>	<b>8,238,450</b>	<b>7,424,360</b>	<b>9,048,220</b>	<b>10,971,390</b>	<b>11,097,075</b>	<b>11,097,075</b>	<b>77,043,145</b>
<b>II. ARTERIAL IMPROVEMENTS</b>								
Arterial Widening	32,270,605	13,122,380	11,297,610	45,244,700	33,780,000	33,780,000	450,000	169,945,295
Street Reconstruction/Resurfacing	7,234,070	4,135,020	505,350	3,164,580	5,159,160	5,034,460	5,034,460	30,267,100
<b>Total Arterial Improvements</b>	<b>39,504,675</b>	<b>17,257,400</b>	<b>11,802,960</b>	<b>48,409,280</b>	<b>38,939,160</b>	<b>38,814,460</b>	<b>5,484,460</b>	<b>200,212,395</b>
<b>III. TRAFFIC IMPROVEMENTS</b>								
Traffic Improvements	1,662,000	1,442,970	3,317,970	300,000	280,000	290,000	290,000	7,582,940
<b>Total Traffic Improvements</b>	<b>1,662,000</b>	<b>1,442,970</b>	<b>3,317,970</b>	<b>300,000</b>	<b>280,000</b>	<b>290,000</b>	<b>290,000</b>	<b>7,582,940</b>
<b>IV. INFRASTRUCTURE IMPROVEMENTS</b>								
Sewer	2,039,000	1,750,000	2,100,000	2,450,000	2,800,000	3,150,000	3,500,000	17,789,000
Water	3,500,000	3,600,000	4,500,000	4,300,000	5,500,000	6,000,000	6,500,000	33,900,000
Storm Drain	0	0	0	0	0	0	0	0
Underground Utilities	860,000	0	0	0	0	0	0	860,000
<b>Total Infrastructure Improvements</b>	<b>6,399,000</b>	<b>5,350,000</b>	<b>6,600,000</b>	<b>6,750,000</b>	<b>8,300,000</b>	<b>9,150,000</b>	<b>10,000,000</b>	<b>52,549,000</b>
<b>V. CITY FACILITY IMPROVEMENTS</b>								
Facility Improvements	1,034,000	0	0	0	0	0	0	1,034,000
<b>Total City Facility Improvements</b>	<b>1,034,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,034,000</b>
<b>VI. PARK IMPROVEMENTS</b>								
Park Improvements/Renovation	2,333,415	0	0	0	0	0	0	2,333,415
<b>Total Park Improvements</b>	<b>2,333,415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,333,415</b>
<b>GRAND TOTAL</b>	<b>70,099,665</b>	<b>32,288,820</b>	<b>29,145,290</b>	<b>64,507,500</b>	<b>58,490,550</b>	<b>59,351,535</b>	<b>26,871,535</b>	<b>340,754,895</b>

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