

CAPITAL IMPROVEMENT PLAN OVERVIEW

WHAT IS THE CIP?

The Capital Improvement Plan (CIP) is a **long-term planning tool** that identifies capital needs according to the City's policy and prioritizes projects based on the Citywide Strategic Plan.

The CIP helps the City look beyond year-to-year budgeting to determine what, when, where, and how future public improvements will take place **over the next five years**. This is a separate process from the annual operating budget. The CIP looks at every funding source to help maximize public benefits and link plans for future improvements with available financial resources.

CIP CRITERIA

To be included in the CIP, a project must cost **\$100,000 or more** AND result in either the **creation of a new asset or enhance the life of an existing asset**. CIP projects should also enhance the quality of service provided, reduce the lowest cost of ownership for an asset, and/or upgrade critical components of a larger asset.

Some examples of projects that meet CIP criteria are:

- Street construction;
- Trails, parks, or recreational amenities;
- Water line upgrades or extensions



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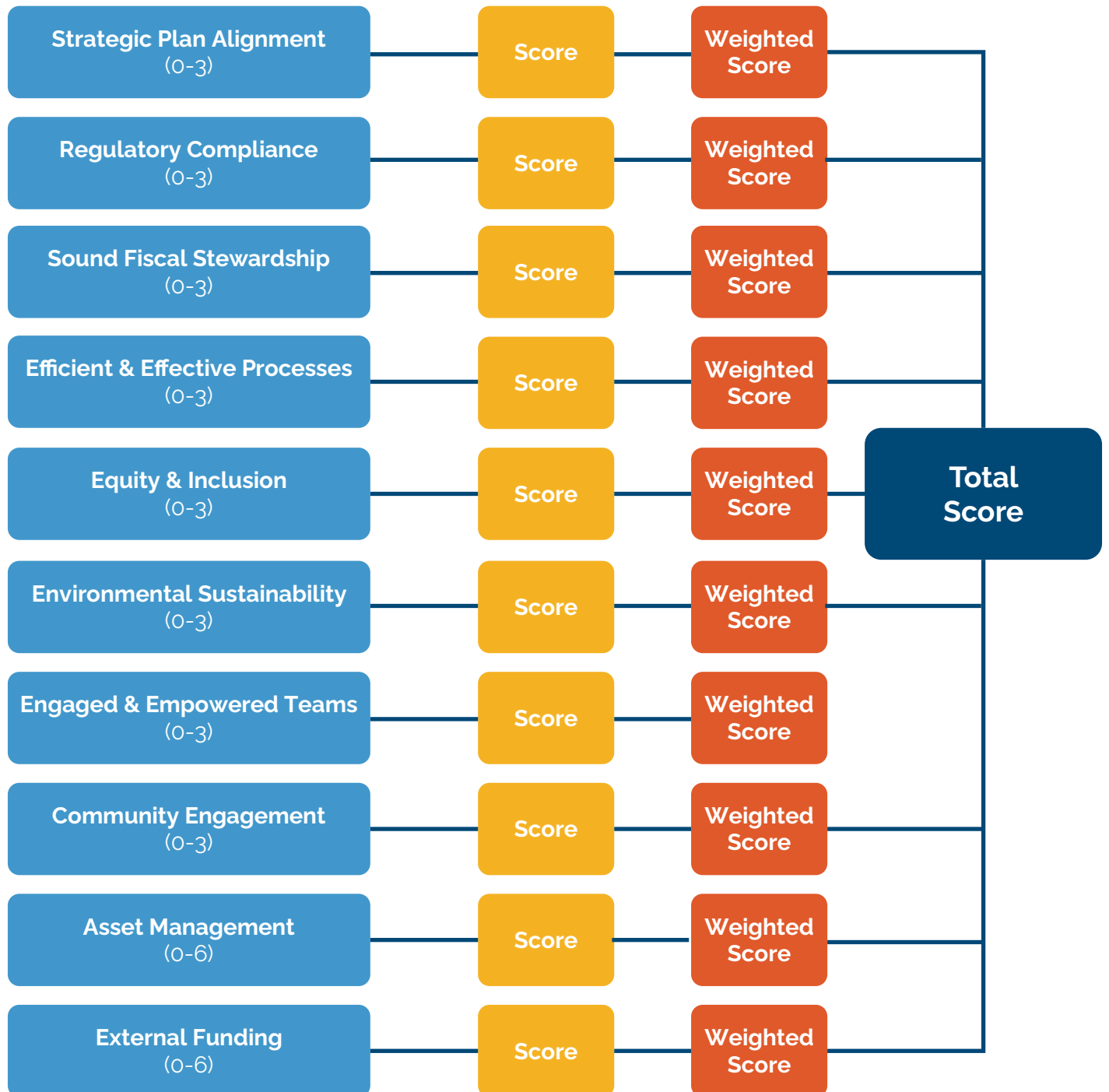
CIP PROCESS



*The Prioritization Matrix is detailed on the following page to show the areas CIP projects are scored against.

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PRIORITIZATION MATRIX



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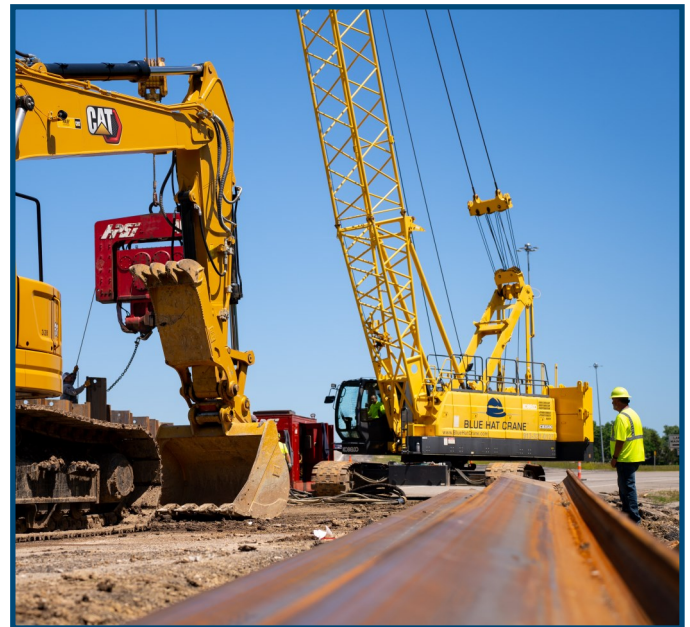
FINANCING

The City uses two distinct financing methods for its CIP. These methods are: **debt financing** and **cash financing**.

Debt Financing: With this method, the City takes out bonds (general obligation or revenue) to cover the cost of a project. The bond is then paid back on a specified schedule over a period of time, including interest.

Cash Financing: With this method, the City uses available cash (operating funds or fund balance) to cover the cost of a project. Cash financed projects are included in the CIP as well as the annual operating budget.

- Reserves in excess of a fund's fund balance minimum policy can be used to pay for projects that align with the fund's rules and regulations.



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FUNDING SOURCES

The City uses a variety of funding sources to pay for CIP projects. Funding sources are as follows:

General Obligation (G.O.) Bonds: This is a type of debt issued to finance various public projects. These bonds are backed by the full faith and credit of the City. This means the City will pay back the bond through its ability to raise funds.

Revenue Bonds: This is a type of debt issued that is payable from a specific source of revenue such as Water or Parking charges for service. Unlike General Obligation bonds, the full faith and credit of the City's taxing power is not pledged.

Special Sales Taxes: The City collects multiple special purpose sales taxes that fund CIP projects. Each is listed below.

- **Capital:** A 0.3 cent sales tax for infrastructure and equipment was approved by voters. This Capital Sales Tax funds various projects throughout the CIP.
- **Public Transportation:** A 0.2 cent sales tax for public transportation was approved by voters. This sales tax funds public transportation related CIP projects.

Operating Funds: Capital purchases over \$100,000 must be included in the CIP as well as the operating budget.

Transient Guest Tax: This is a tax that is imposed on lodging rentals (such as hotels and motels) that is used to finance various tourism activities.

Federal Funds Exchange: This is a voluntary program that allows local agencies to trade all or part of its federal fund allocation in a specific federal fiscal year with the Kansas Department of Transportation in exchange for state transportation dollars.

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HOW TO READ THE CIP

1. **Project Number:** The unique number that distinguishes each CIP project
2. **Project Name:** The name of the CIP project
3. **Type:** The type of capital project:
 - **Improvement:** projects that exceed \$100k with a useful life of 2 years or more
 - **Maintenance:** routine and preventative projects
 - **Vehicle/Equipment:** Machinery/equipment/vehicles that exceed \$100k and equip a person or operation in providing a service or good
 - **Software**
4. **Useful Life:** The anticipated useful life of the requested project
5. **Department:** The City department requesting the project
6. **Prioritization Guidelines Score:** The project's weighted scores for each area
7. **Total Score:** The project's total prioritization score
8. **Description:** A brief description of the requested project
9. **Total Project Cost:** The total cost of the project for the years requested
10. **Justification:** A brief justification of why the project is needed
11. **Expenditures (Cash):** The project's anticipated expenses by year and category
12. **Funding Source:** The requested funding source for the project. Some may have multiple sources.
13. **Budget Impact/Other:** A brief description of whether the project will have lasting budget impacts (lowering or increasing operating costs or maintenance)

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Recommended Capital Improvement Plan	2026 thru 2030
City of Lawrence, Kansas	

1 Project # MS1-00060
2 Project Name Dynamic Message Signs
3 Type Improvement
4 Useful Life 30 years
5 Department Municipal Services & Operation

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Prioritization Guidelines Score				
Regulatory Compliance: 0	Strategic Plan Outcome Alignment: 6	Sound Fiscal Stewardship: 1	Efficient & Effective Processes: 3	Equity & Inclusion: 0
Environmental Sustainability: 1	Engaged & Empowered Teams: 0	Community Engagement: 3	Asset Management: 2	External Funding: 5

7 Total Score: 21

8 Description
9 Total Project Cost: 1,800,000
 Installation of 12 Permanent Dynamic Message Signs (DMS) on gateway arterial streets around the community. The DMS boards will provide real time event, detour, parking, and other information to travelers as they enter the City of Lawrence. Locations will be selected prior to critical travel decision points to encourage travelers to take alternate routes when there is congestion on main roads. A camera would also be installed at each DMS location.

10 Justification
 The project was identified as a priority in the Lawrence-Douglas County Intelligent Transportation System (ITS) Strategic Deployment and Maintenance Plan approved by the MPO Policy Board July 15, 2021. This is a potential quick build legacy project that could be implemented prior to the World Cup in 2026 and assumes 80% grant funding.

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Expenditures (Cash)	2026	2027	2028	2029	2030	TOTAL
Planning/Design	125,000					125,000
Construction/Maintenance	1,675,000					1,675,000

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Funding Source	2026	2027	2028	2029	2030	TOTAL
Infrastructure Sales Tax - Fund 201	360,000					360,000
Intergovernmental State Grant - Fund 851	1,440,000					1,440,000

13 Budget Impact/Other
 Estimated cost of \$12,000 year in utility and maintenance costs.
 Potential to reduce staff time installing portable message boards in the future.