

SUMMARY OF PLANNING PROCESS

The basic program of street projects for 2004 was created during the regular 2002-2003 planning period, and these projects were reviewed according to the process described and required by the Capital Improvement Program ordinance.

CAPITAL IMPLEMENTATION PROGRAM

The Capital Implementation Program division of the Department of Municipal Development administers the process by which capital improvement projects are planned, selected and proposed for adoption by the City Council. The capital plan encompasses a ten year period, and is reviewed and updated biennially. Under the guidelines proposed by the Mayor and adopted by the City Council, all departments, including the Transportation Development Division, Traffic Engineering Division and the Street Maintenance Division, developed a program of capital projects for the 2003-2012 Decade Plan. The street projects outlined in this document represent the first two-year cycle of the 2003-2012 Decade Plan.

SELECTION OF PROJECTS

The streets projects summarized in this document have been through several stages of review and public comment including:

- **Staff Review Committee**
Selected staff members rated all projects based on City Council adopted criteria. Individual ratings were averaged to determine the overall rank of the projects. Members of the committee included staff from the Office of Management and Budget, the Planning Department, the Public Works Department, and the Capital Implementation Program. Informal presentations were made to the staff review committee and formal presentations were made to the CIP (Senior Management) Review Committee.
- **CIP (Senior Management) Review Committee**
Ranked projects were evaluated by senior City management, including the Chief Administrative Officer, the Chief Financial, Operating and Public Safety Officers, and the Directors of the Department of Finance and Administrative Services and the Planning Department. The Director of City Council Services also participated as an ex-officio member of the CIP Committee. Funding recommendations were made to the Mayor by this committee.
- **Environmental Planning Commission (EPC) Public Hearing**
EPC reviewed the Mayor's proposed program at a public hearing on January 16, 2003. The commissioners found that the program conformed to the policies and criteria established by the City Council. There were no other recommendations.

SUMMARY OF PLANNING PROCESS (CONTINUED)

- 2003 Albuquerque City Council Review and Plan Adoption
After receiving the findings from the EPC, the Mayor finalized his recommendations and forwarded the program to the City Council. By ordinance the Council must conduct at least one public hearing prior to adoption of the program that will be placed on the ballot.

The City Council considered the 2003 capital program during two meetings of the Committee of the Whole, and amended and adopted the program at a regular meeting on May 5, 2003. Two public hearings were conducted, one during committee deliberations and one during final action. On June 23, 2003, after two additional public hearings, the City Council further amended the streets program to include Paseo del Norte west.

2003 APPROVAL BY VOTERS

Projects approved by the City Council were grouped into 10 ballot questions for the election, which was held on October 28, 2003. Nine of the ten questions were approved by the voters. The Street Bond question, valued at \$52,377,493 was not approved by the Voters.

2004 WEST SIDE ROADS Ad Hoc COMMITTEE

In view of the failure of the funding proposed for street improvements throughout the City of Albuquerque, members of the City Council appointed an ad hoc committee to consider projects for inclusion in a street bond question to be presented to the voters in 2004. The committee was composed of two City Councilors, Miguel A. Gómez, Council District 1 located on the Southwest Mesa and Councilor Brad Winter, Council District 4 located in the far Northeast Mesa, and representatives of various neighborhood associations approximately evenly divided between the east and west sides of the river. City staff also participated in the committee deliberations to provide technical support.

The committee met during the first quarter of 2004 and they took the 2003 street capital program as the starting point for their deliberations.

During this same period, the New Mexico state legislature met, made and ratified some decisions that had an important impact on the ad hoc committee's deliberations, including:

- The legislature authorized the Governor's plan for capital improvements to the state highway system. The Coors / I-40 Interchange reconstruction was established as the top priority.
- The legislature approved \$2,050,000 of capital outlay funds for the extension of Unser Blvd.
- The legislature approved \$3,300,000 of capital outlay funds for the extension of Paseo del Norte westward from its current terminus.

SUMMARY OF PLANNING PROCESS (CONTINUED)

In addition the City of Albuquerque was able to reduce the estimated cost to construct McMahon Blvd by \$2,500,000 due in part to increased developer contributions and in part to favorable construction bid prices. The availability of \$5.35 million from the state and \$2.5 million from proposed City funds provided the members of the West Side Roads Ad Hoc Committee with an opportunity to consider road projects that were not originally included in the 2003 City of Albuquerque Street bond question.

On March 31, 2004, the Ad Hoc Committee made its recommendations to the Mayor. Major changes to the 2003 Street Bond Program are summarized as follows:

- Funding for Paseo del Norte West was reduced to \$8,700,000
- Funding for Unser Blvd Extension was reduced to \$4,500,000
- Funding for McMahon Blvd was reduced to \$2,000,000.
- Funding for Reconstruction of Major Streets was increased to include Unser, and/or 86th, and/or Sage Road, all located on the southwest mesa. In addition, the committee recommended that a high priority be placed on the reconstruction of the 2nd St and Montañó Rd., and the 4th St and Montañó Rd. intersections.
- Funding for Reconstruction of Major Intersections was increased to include improvements to local streets in the vicinity of the Coors / I-40 reconstruction project.
- Funding for Bridge Repair was increased by \$500 thousand for needed improvements to the Central Avenue Bridge and the Guadalupe Overpass.

A complete comparison of the 2003 streets program to the 2004 streets program is included on page 18, Table 1.

Finally, the task force made significant recommendations regarding the design of Unser Blvd and Paseo del Norte to provide for the preservation of the environment and mitigation of the impact of the roads to the surrounding areas.

2004 ALBUQUERQUE CITY COUNCIL PUBLIC HEARINGS, REVIEW AND PLAN ADOPTION

After receipt of the recommendations made by the West Side Roads Ad Hoc Committee, the City Council held two special public hearings. The first was on the east side at the Convention Center and the second was on the west side at the meeting room at Ladera Golf Course.

On August 16, 2004, the City Council, after extensive public comment, approved the streets program described in this document and authorized a special municipal election in conjunction with the state and federal election scheduled to be held on **November 2, 2004**.

If this ballot question is approved by the voters, the City Council will make corresponding fund appropriations, approximately during the first quarter of 2005. At this time, the various implementing Streets divisions in the Department of Municipal Development and the Public Works Department will begin to take action on the authorized capital improvement projects.

GENERAL OBLIGATION BOND FUNDING

General Obligation bonds (G.O. bonds) may be used to finance any capital improvement approved by the voters. These bonds are called "General Obligation" because the City's general income from all sources is pledged to the payment of principal and interest on the bonds. As a matter of policy, however, the City redeems its general obligation bonds with property tax revenue.

Approval of the projects contained in the 2004 general obligation street bond program will not require a City property tax rate increase.

- **Bond Rating and Repayment**

Generally, the City's policy is to issue general obligation bonds for a ten-year, or shorter, period. Most recently, some types of equipment have been paid off in as little as one year. For example recent G.O. bond sales for marked police vehicles were sold for a one year period. This rapid debt retirement schedule is looked upon favorably by the bond rating agencies and contributes to the high bond ratings enjoyed by the City: Moody's Aa₃; Standard & Poors AA; Fitch AA, all with a stable outlook for the future.

- **Bond Capacity**

The amount of G.O. bond funds for capital projects that may be funded in any particular planning cycle is dependent on the available bonding capacity. Bonding capacity results from the amount of revenue available from property taxes based on a statutory formula. The amount of revenue available is determined not only by tax payments, but also by the bond repayment schedule and the growth of the tax base. Due to low interest rates, the cost to the taxpayers for the issuance of bonds has been at historically low levels, enabling the City to pay down bond indebtedness in an average of 8 years, rather than the usual 10 years.

- **Bond Purpose**

It is required by law that voters approve general obligation bonds by purpose. A "purpose", sometimes also called a bond question, may be understood as the grouping of like projects into one question for the voters to consider. For example, all streets projects, including median and interstate landscape projects located in the public right-of-way, are grouped together in the Streets bond question; all Police Department projects are grouped together in the Police bond question; and so on. The 2004 street bond projects may be found starting on page 3 of this document.

The purpose of the bond question must be stated so that the voters have the option of approving, or not approving, each purpose individually. Once a question has been approved by the voters, it must be used for that purpose only. Funds may not be transferred to another purpose. For example, police purpose funds may not be transferred to the streets bond purpose. However, if the City Council holds a public hearing, and if a majority of Councilors approve, funds may be transferred within the same purpose from one project to another.

GENERAL OBLIGATION BOND FUNDING (CONTINUED)

Please refer to Table 2, page 25 for a breakdown of the amount of each bond purpose approved by the voters in 2003 and the amount of the street bond purpose proposed for the 2004 election. The full text and amount of the street bond question may be found on page 2. A full list of City Staff who may be able to answer specific questions about the street projects may be found on page 31. If there are questions regarding the capital program in general, please contact Pat Montoya, CIP Official, or Barbara Taylor, Manager Capital Planning at 768-3830.