



Board of County Commissioners Briefing 20 Year Capital Plan

Board of County Commissioners

Chief Operating Officer:

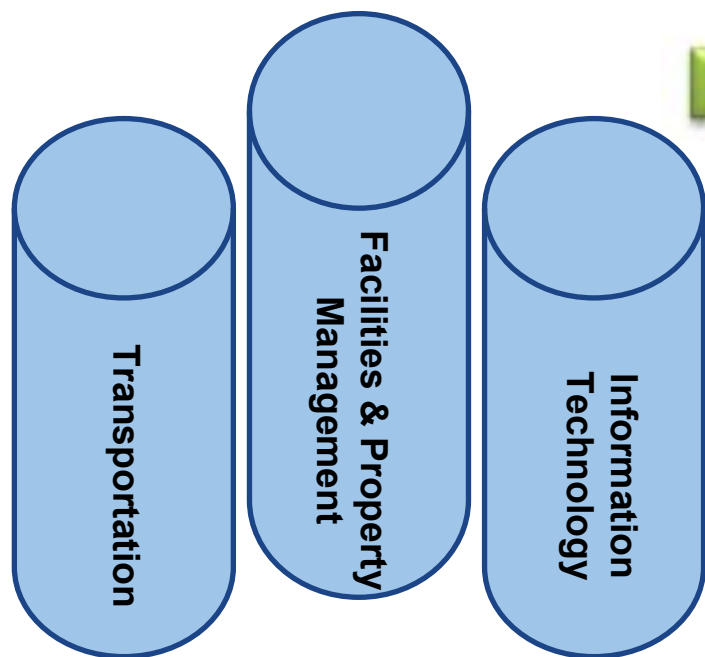
Marissa Madrigal

Capital Program Director:

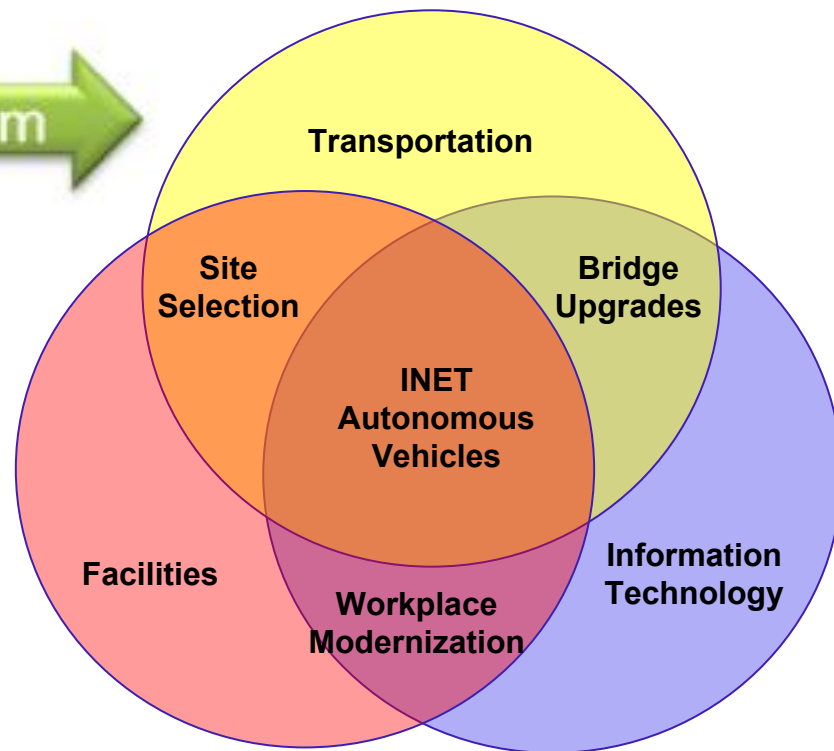
Peggidy Coffman Yates

June 26, 2018

Traditional Capital Process



Capital Planning System

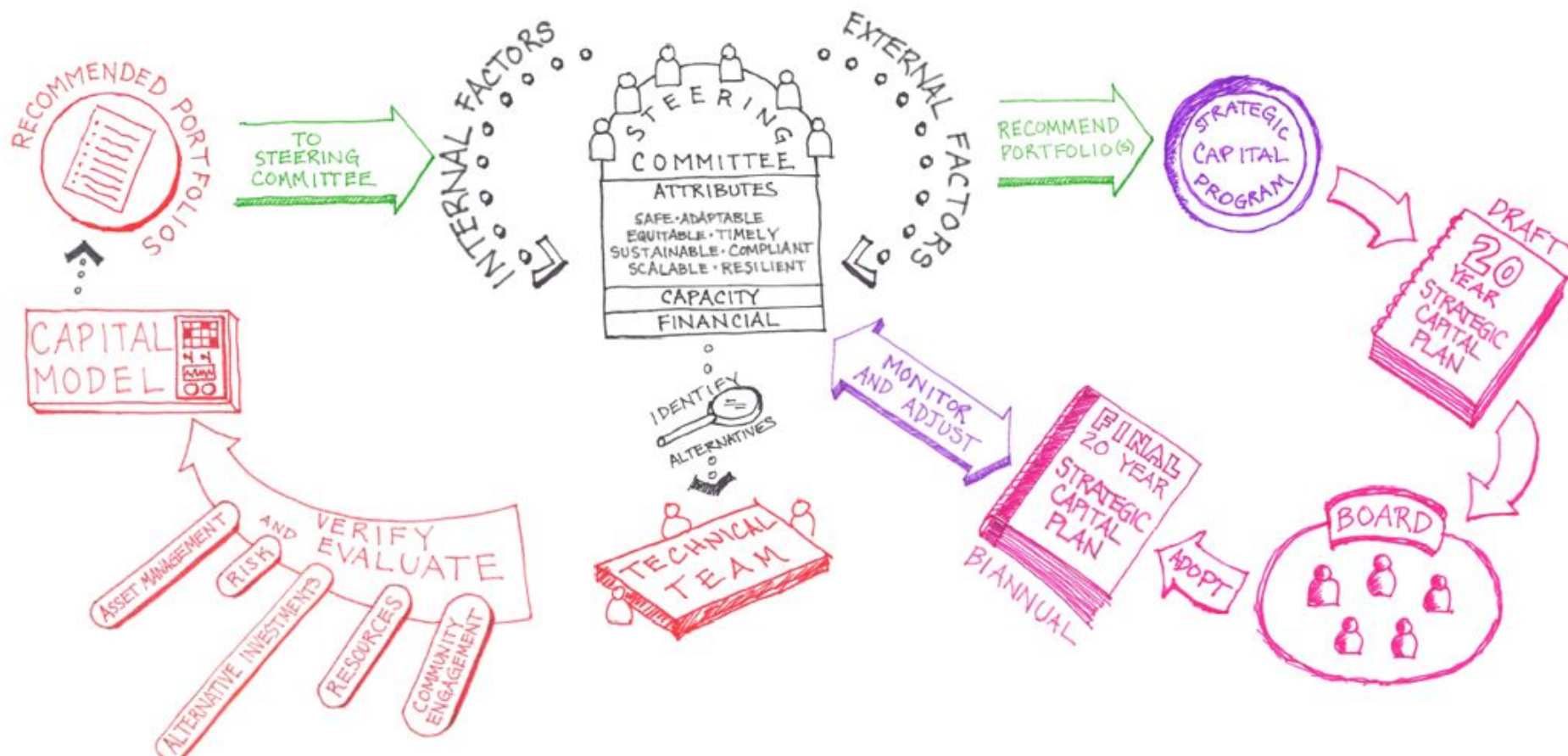


20 Year Capital Plan // Objectives

- Standardize a process to **identify and prioritize capital investments** that **provide community access** to programs and services and **reflect County values**
- **Improve the existing infrastructure system** while seeking **economies of scale**
- Align with **industry best practices**
- Incorporate the benefits and challenges around the **intersection of Facilities, Transportation and Technology**
- Conduct a **consistent and transparent evaluation** process
- Recommend a **viable 20 year capital plan**
- **Communicate a vision** around capital priorities



Capital Plan Process // Capital Planning Process



20 Year Capital Plan Framework

BCC: Adopted Resolution: #2017-072 Strategic Capital Planning Framework

STRATEGIC CAPITAL PLANNING FRAMEWORK

MISSION: PROVIDE ADAPTABLE INFRASTRUCTURE THAT ENSURES SAFE, EQUITABLE, SUSTAINABLE AND TIMELY ACCESS TO COUNTY PROGRAMS AND SERVICES.

STRATEGIES THAT SUPPORT THE MISSION:

- Implement a unified asset management framework
- Invest in new infrastructure to address evolving community needs
- Manage community risk
- Evaluate all potential resources
- Engage our community

ACTION STEPS:

- Demonstrate significant improvement in equitable community access while providing safety, resilience, efficiency and adaptability
- Develop and maintain conditional, functional and risk assessments by 2021 for transportation, facilities and technology assets
- By 2022, present to the Board a system-wide resiliency plan based upon the conditional, functional and risk assessments
- Invest in new infrastructure when economically viable
- Maintain infrastructure according to industry best practices and County functional needs
- Seek resource opportunities including grants, in-kind services, partnerships, etc. when considering infrastructure investments
- Leverage opportunities for sequencing and bundling infrastructure investments to capitalize on economies of scale
- Seek infrastructure innovation expertise during the early planning stages of redevelopment and investment
- Establish a local infrastructure advisory forum of organizations with similar portfolios to build upon industry best practices to address future challenges, managing uncertainty and seeking potential opportunities
- Consistently conduct community outreach during the critical phases of infrastructure development

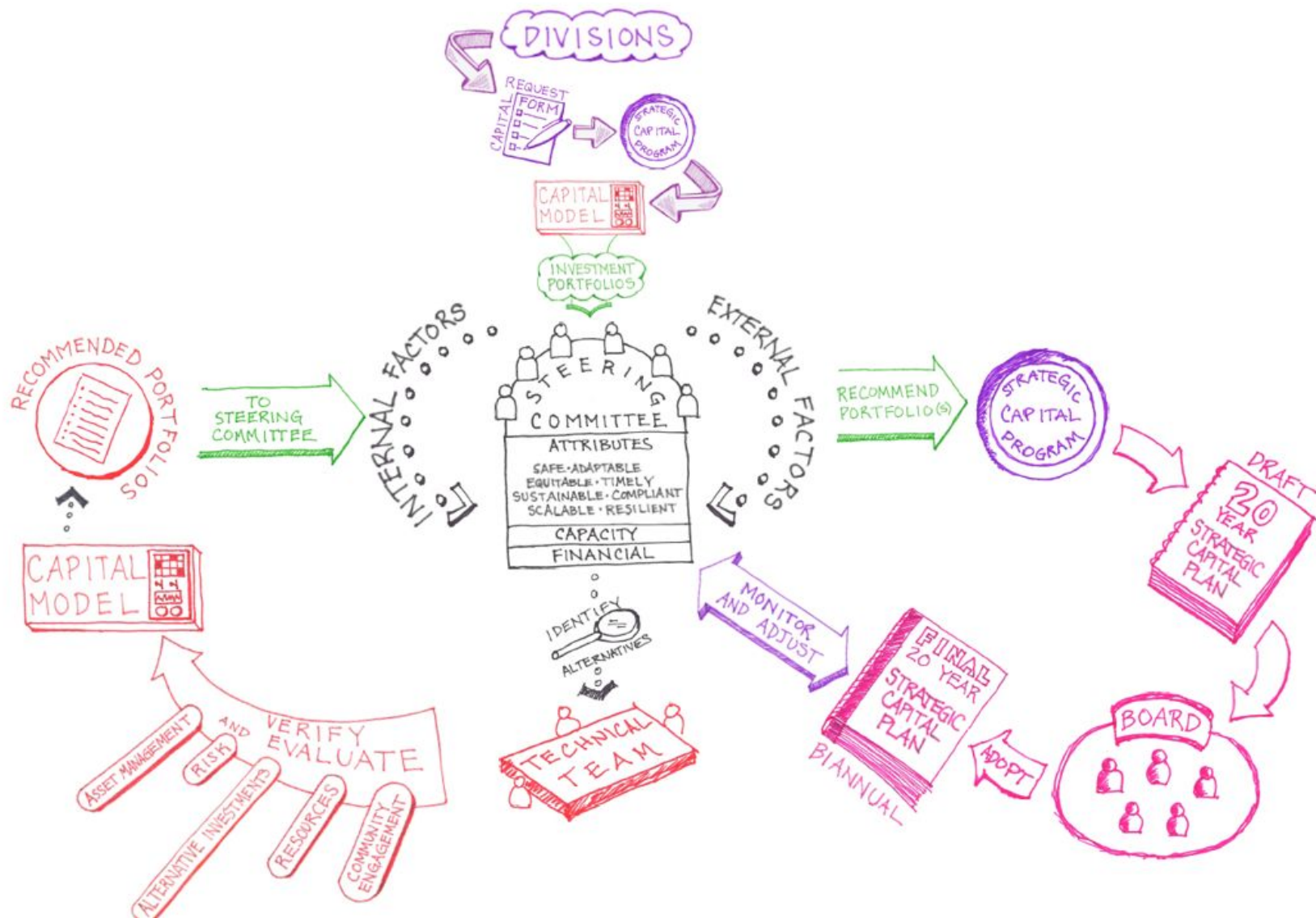


20 Year Capital Plan // County Values / Investment Attributes

Attribute	Description	Value
Access	Infrastructure that maximizes access to multiple populations.	17%
Equity	Infrastructure that increases accessibility for vulnerable populations	17%
Sustainability	Infrastructure that reduces carbon footprint	16%
Safety	Improves safety and security of the public, clients and employees	12%
Adaptability	Infrastructure that provides maximum flexibility with minimal cost	10%
Compliance	Need of investment to comply with regulation	10%
Resiliency	Ability to regain continuity of operations	10%
Scalability	Ability of system to increase performance of efficiency with minimal investment	8%



Capital Plan Process // Capital Planning Process



20 Year Capital Plan // Capital Asset Management Model (CAMM)

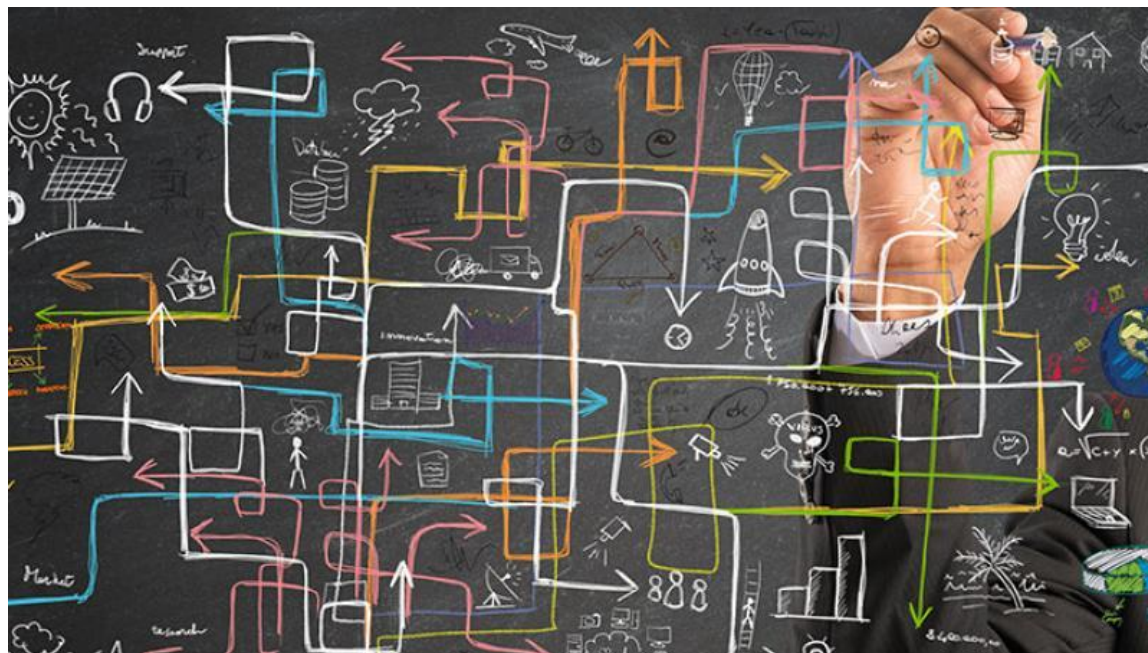
- Aligns with 20-year **General Fund Forecast (GF)**
- Reflects County debt policy of **maximum 5% of GF for annual debt payment**
- Identifies **Capital Costs, Funding Resources, Operating Costs and/or Efficiencies**
- Costs incorporate projected **Inflation**
- Differentiates investments based on **Level Of Need**
- Reflects infrastructure **Attributes** on an individual investment and portfolio of investments
- **Identifies a portfolio of investments over 20-years** based upon the financial capacity
- Defines the **investment schedule**
- Provides **numerous economically viable portfolios**
- **Focus on portfolios which meet the greatest Level of Need and Attribute Scores**



The volume of project combinations and funding strategies over 20 years are beyond human calculations.

The purpose of CAMM is to Inform Decision-Making

Not to Dictate Solutions



- ❖ **Standardize investment information**
- ❖ **Compare diverse infrastructure investments**
- ❖ **Quantify Level of Need and County values**
- ❖ **Assess impact of shifting priorities**
- ❖ **Evaluate investment trade offs**
- ❖ **Communicate viable long term capital plan**
- ❖ **Align asset management with the 20 year investment plan**
- ❖ **Quantify the impact of changes in County debt policy**
- ❖ **Evaluate impact of interest rate change**
- ❖ **Account for retiring debt**
- ❖ **Bundle and sequence investments for maximum efficiencies**



20 Year Capital Plan // Findings from Capital Requests Forms

Total Infrastructure Investments	99
Estimated Cost of Investments	\$1,680 M
Projected General Fund Need	\$750 M
Cost of Infrastructure by Category Transportation: 58% Facilities: 31% Technology: 11%	\$970 M \$526 M \$187 M
Level of Need Greatest Need = 3 High Need = 2 Needed = 1	22 34 43
Maximum Level of Need = 3 Based Upon Current Constraints	17
Impact of Full 5% Capacity	2019 \$2.5 M 2038 \$4.5 M



Selecting the “Best Portfolio”

- ❖ Most Number of Projects?
- ❖ Most Greatest Level of Need Projects?
- ❖ Highest Attribute Score?
- ❖ Distribution of Attributes?
- ❖ Least amount of debt?
- ❖ Operational Capacity?



20 Year Capital Plan // Potential Investment Portfolios

	Current Capacity		Maximum Capacity
	Portfolio A	Portfolio B	Portfolio C
# Investments	19	20	25
# of Level 3	17	13	18
Attribute Score	1,277	1,397	1,592
Portfolio Investment	\$1,121M	\$1,165M	\$1,207M
Other Funding Sources	\$748M	\$868M	\$781M
General Fund Need	\$373M	\$297M	\$425M
Remaining Capacity	\$82M	\$124M	\$142M



20 Year Capital Plan // Potential Investment Portfolios

	Portfolio A	Portfolio B	Portfolio C
Year 1 - 5	Burnside Bridge - NEPA	Burnside Bridge - NEPA	Burnside Bridge - NEPA
	Animal Services	Animal Services	
	ADA Tier 1 Projects	ADA Tier 1 Projects	ADA Tier 1 Projects
	Countywide Resident System		Countywide Resident System
	Cybersecurity	Cybersecurity	
	Bridgeshop Upgrade	Bridgeshop Upgrade	
	Emergency Operation Center	Emergency Operations Cnt	Emergency Operation Center
	Asset Assessments	Asset Assessments	Asset Assessments
	Facilities Capital System	Facilities Capital System	Facilities Capital System
	Halsey St: 238th-244th	223rd RR Undercross	



20 Year Capital Plan // Potential Investment Portfolios

	Portfolio A	Portfolio B	Portfolio C
Year 6-10	Burnside Bridge ROW/Design	Burnside Bridge ROW/Design	Burnside Bridge ROW/Design
	Burnside Bridge Construction	Burnside Bridge Construction	Burnside Bridge Construction
	Broadband Network Infrastructure Replacement		
	NextGen Network Infrastructure		NextGen Network Infrastructure
			Mult Building Seismic
		Homeless Services System	Homeless Services System
			Bridgeshop Upgrade
			Cybersecurity
	Workplace and Workspace Modernization		Workplace and Workspace Modernization
		Countywide Resident System	Hawthorne Deck Joint Replace
		Walnut Park Phase 1, 2 and 3	Bikeway Blue Lake



20 Year Capital Plan // Potential Investment Portfolios

	Portfolio A	Portfolio B	Portfolio C
Year 11-15	Mid County Health	Mead Building Seismic	Mid County Health
			ERP Replacement
	Yeon Shop Seismic		Yeon Shop Seismic
		Walnut Park Phase 4	Vance Property
		Marine Drive Reconstruction	Glisan Street - Fairview Parkway
Year 16-20	Mead Building Seismic		
			Justice Center Seismic
	NE 223rd Ave: Marine Dr	Halsey Street; Historic Columbia River Highway	NE 223rd Ave: Marine Dr
			Hogan Intersection Improvement
			NE Glisan



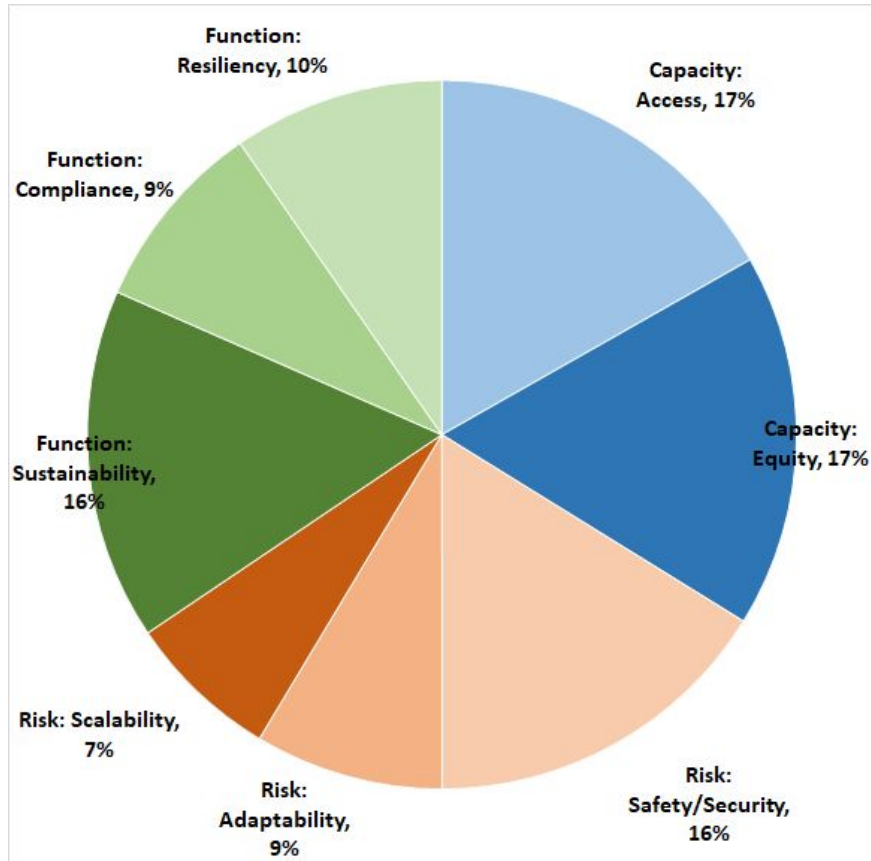
20 Year Capital Plan // Level 3 Investments Not Made

	Portfolio A	Portfolio B	Portfolio C
Level 3 Investments Not Made	Multnomah Building Seismic	Multnomah Building Seismic	Mead Building Seismic
	Lincoln Replacement	Lincoln Replacement	Lincoln Replacement
	Justice Center Seismic	Justice Center Seismic	
	ERP System Replacement	ERP System Replacement	
	Homeless Services System	Broadband Network Infrastructure Replacement	Broadband Network Infrastructure Replacement
		NextGen Infrastructure	Animal Services
		Yeon Shop Seismic	
		Mid County Health	
		Workplace and Workspace Modernization	

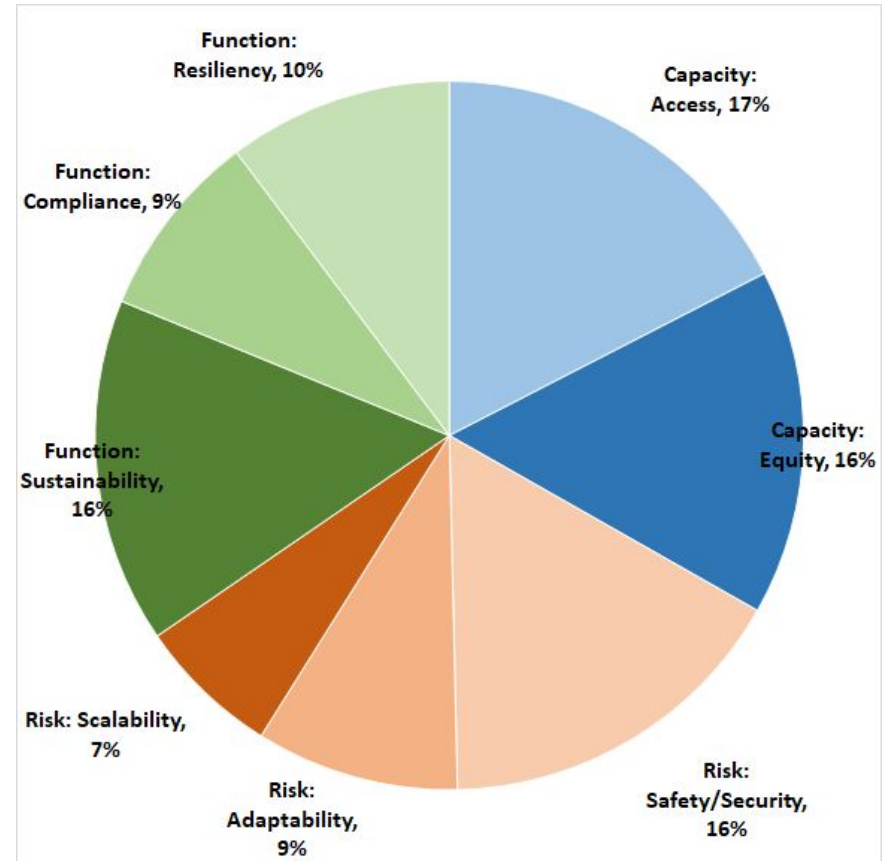


20 Year Capital Plan // Attribute Distribution by Portfolio

Portfolio A

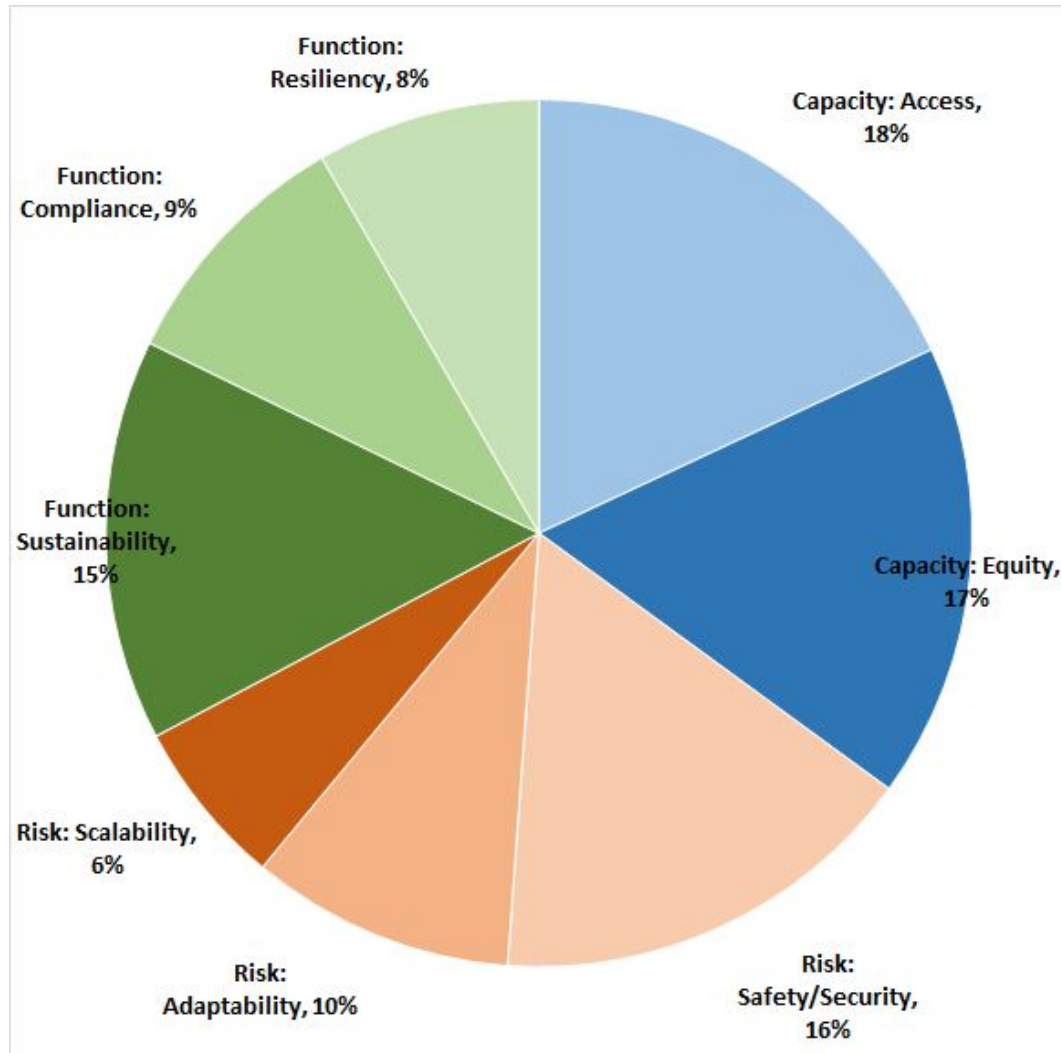


Portfolio B

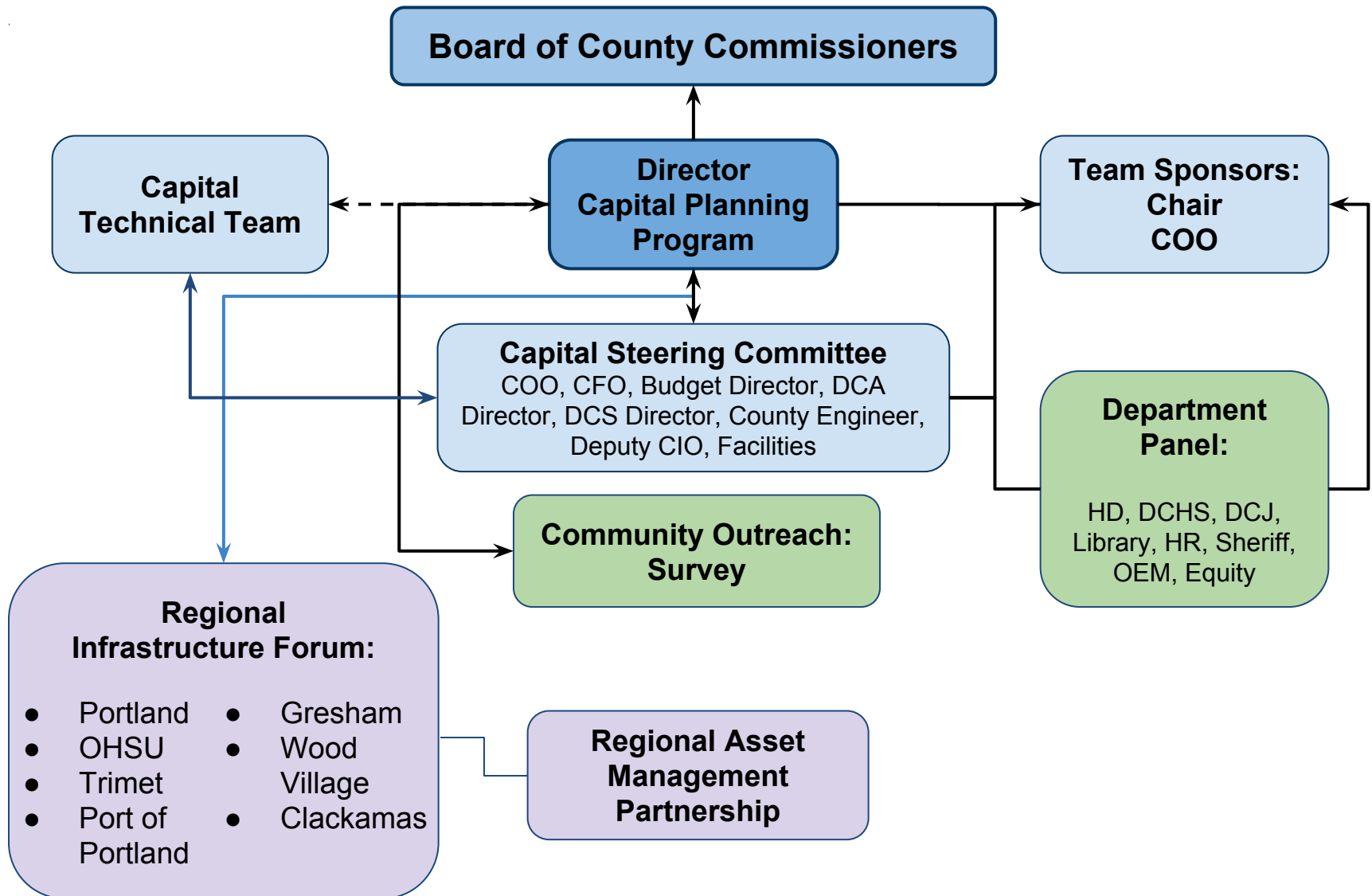


20 Year Capital Plan // Attribute Distribution by Portfolio

Portfolio C



20 Year Capital Plan // Building Consent



Purpose: Assess the the Communities values and priorities for making capital investments using a online survey tool in additional to capturing the following:

- ❖ Demographics
- ❖ Geographic location



Schedule:
Commence effort the first of July with results in early fall.



Community Survey	Jul - Sep 2018
Policy Discussions and Alignment	Jul - Dec 2018
Capital Plan Recommendations	Sep - Oct 2018
Asset Management Alignment	Ongoing
Annual Capital Planning Update	Feb 2019

