

GENERAL INFORMATION

Subject

- Request - Review of the 2025-2029 Capital Improvement Program for Impact on the Master Plan
- Applicant - Wade Kapszukiewicz, Mayor

Applicable Plans and Regulations

- Forward Toledo Comprehensive Plan adopted by Ordinance 430-24
- Toledo Municipal Code (TMC) Chapter 165, Capital Improvement Program

CIP Process

- TMC Chapter 165 provides for referral of the CIP from City Council to the City Plan Commission for review of the impact on the Master Plan.

STAFF ANALYSIS

The 2025-2029 Capital Improvement Program (CIP) for Impact on the Master Plan has been forwarded to the Toledo City Plan Commission for review and recommendation pursuant to Toledo Municipal Code Chapter 165 - Capital Improvement Program. Although the 2025-2029 CIP includes capital expenditures from a variety of funding sources, the primary focus of this CIP review and analysis will be the “Traditional” (income tax-funded) portion of the Capital Improvement Program.

Toledo’s Income Tax consists of two (2) primary components, a permanent 1½% tax and a ¾% tax subject to renewal by the voters every four (4) years. Additionally, voters approved a continuation of the additional ¼% income tax for five (5) years specifically to fund roadway improvements starting in 2025. This fund has traditionally led to the resurfacing of an additional fifty (50) lane miles of roadway each year. Of the permanent 1½% tax, one sixth (1/6) is allocated to capital projects (equaling ¼%). Of the temporary ¾% tax, one third (1/3) is allocated to capital projects (also equaling ¼%). However, as in previous years, a portion of the percentages allocated to the CIP has been redirected to the operating budget for the past several years.

STAFF ANALYSIS (cont'd)

The proposed CIP Plan is attached as Exhibits “A”, “B” and “C”. Exhibit “A” contains the sources and uses of funds for the income tax funded portion of the CIP, with a breakdown of project support and specific projects included in Exhibit “B” and Exhibit “C”. As shown in Exhibit “A”, the total of the CIP sources over the next five (5) years is \$351.1 million, before deducting debt service obligations of \$98.1 million (existing) and \$15.3 million (new) also shown in Exhibit “A”. The CIP sources total \$76.5 million for 2025, an increase of \$11.3 million from 2024, before deducting \$20.6 million for debt service and \$24 million transferred to the General Fund.

Although the CIP is a five-year plan, traditionally the focus of City Council and the Administration has been on those projects that are proposed for funding in the first year. The CIP in years two (2) through five (5) is a guide to future capital spending that may be revised due to changing priorities and special project needs requiring re-direction of funds in future years. This analysis will focus primarily on the 2025 expenditures and how they relate to the goals of the Forward Toledo Plan, adopted by Toledo City Council on September 11, 2024, as the new master plan for the City of Toledo.

Forward Toledo Comprehensive Land Use Plan

The Forward Toledo Plan includes a total of thirty-three (33) goals with more than one hundred (100) strategies to aid in the implementation. The goals of the plan are categorized by the following themes: Build, Move, Place, Play and Sustain.

The Build theme focuses on the strategies for the design and use of structures with a focus on housing. The Move theme identifies strategies on increasing connectivity, supporting public transit, and encouraging walkability. The Place theme involves strategies for placemaking, expanding opportunity, and building inclusive communities. The Play theme focuses on strategies for enhancing residents’ quality of life through recreation, nature, and public spaces. And finally, the Sustain theme entails strategies for maintaining our natural environment, accessing healthy food, and promoting efficient energy use and development. The 2025-2029 CIP projects are analyzed against the goals of the Forward Toledo Plan, with special emphasis on those projects slated for 2025.

Overall Policies

The Forward Toledo Plan establishes the overall context, extent and location of various land uses and serves as a guide to communicate the policies of the Plan to citizens, the business community, developers and others involved in the development of the City of Toledo. Although the plan was adopted after midway through the year, there are multiple projects that support the goals and strategies of the plan.

The 2025-2029 CIP allocates \$107,192 to support Plan Commission staff in 2025. This funding is allocated under the project support budget for 2025 (Exhibit “B”). This funding allocation furthers the Forward Toledo Plan by providing the Plan Commission with additional staffing to support ongoing development services and the long-range planning needed to achieve implementation of the plan.

STAFF ANALYSIS (cont'd)

Strengthen Neighborhoods (*Build*)

The 2025-2029 CIP does not specifically address neighborhood and commercial land use needs, although a portion of the CIP will go towards bridges, street paving, and sidewalk repairs which has an impact on the quality of neighborhoods for residents and businesses.

Create Unique Places (*Build*) & **Support Creative Economy** (*Play*)

The 2025-2029 CIP provides \$532,417 in 2025 to support the 1% For the Arts Program as shown in Exhibit “A”. The Toledo Municipal Code requires that one percent (1%) of capital project funding be allocated for public art programs. An important element of community design is public art and establishing a sense of place.

The allocation of these funds supports the Create Unique Place goal which looks at the importance of how well-designed spaces can positively impact or affect the people that live there (e.g., placemaking). Additionally, this allocation furthers the Support Creative Economy goal by exploring how the Arts and the Creative Economy impact residents’ quality of life, Toledo’s marketability, and the local economy.

Promote Housing Variety & Building Preservation (*Build*)

There are no specific allocations in the 2025-2029 CIP to support housing programs. Prior to 2007, CIP funding was specifically allocated for demolition programs as well as infrastructure to support housing development projects. Currently, the funding for these activities is provided by the general fund, Lucas County Land Bank, and community development block grant dollars.

Park Access & Support Childhood Development (*Play*)

The 2025-2029 CIP allocates \$100,000 for Crossgate Park playground improvements per a Toledo Public Schools (TPS) partnership as shown in Exhibit “C”. Funding for recreational purposes declined in the CIP in recent years due to alternative funding that was available as part of the American Rescue Plan Act.

This funding project supports the goals of Park Access and Support Childhood Development within the Play theme of the Forward Toledo Plan. Park Access explores the impacts that nature and public spaces have on residents’ quality of life. The Support Childhood Development goal examines how recreation, quality education, and cultural opportunities positively affect childhood development. Both of these goals have specific strategies to 1.) ensure that all neighborhoods have equitable access to quality parks and open space; and 2.) strengthen the access between schools and public parks.

STAFF ANALYSIS (cont'd)

Increase Connectivity, Expand Right-of-Way Use (*Move*) & Funding Big Ideas (*Place*)

A total of \$16.9 million is included in 2025 for major street projects, which will leverage state and federal funding, \$1.9 million for bridge projects, and \$800,000 for continued improvements to the MLK Bridge as shown in Exhibit “C”. These improvements will support multiple goals of the Forward Toledo Plan.

The MLK Bridge improvements include a multi-use path connecting the downtown to two (2) major Metroparks along a riverfront trail on the Maumee River. This allocation supports multiple goals of the Forward Toledo Plan. The Increase Connectivity goal looks to provide a diverse transportation network that better connects people throughout the community. Additionally, the Expand Right-of-Way Use goal aims to understand how right-of-way design impacts travel choices and caters to all modes of transportation.

Furthermore, the Funding Big Ideas goal specifically identified the following strategies for implementation: 1.) allocate a fixed portion of CIP funds each year to projects that support the goals of the plan; and 2.) promote larger ideas and projects, such as a multi-purpose trail, that connects local businesses, neighborhoods, public art, and people to direct shoreline access along Lake Erie & the Maumee River. These expenditures further support the implementation of the plan and the ability to provide access to public amenities that improve the overall quality of life of Toledo residents.

Other Major 2025 CIP Expenditures

Other major 2025 CIP expenditures not previously mentioned include: \$2.5 million for new vehicles and vehicle replacements, \$3.3 million for new equipment as shown in Exhibit “C”. The list of overall expenditures is up in 2025 due to a higher CIP.

One of the new equipment being purchased is a waste handler (\$1.2 million) for landfill operations at the Hoffman Road Landfill. This project supports the Reduce Pollution (*Sustain Theme*) goal which aims to promote land use and transportation options that are environmentally friendly. The purchase of a new waste handler will promote responsible and environmentally friendly land use operations at the city landfill.

Summary

The 2025-2029 CIP aids in the implementation of multiple goals of the Forward Toledo Plan. While the plan was only adopted in September 2024, staff was encouraged by the amount of positive feedback and support provided from departmental requests on the various goals and strategies of the plan. The Forward Toledo Plan provides a framework to coordinate project planning between different City departments and strategically optimize funding opportunities. Although the transfer of CIP dollars to the General Fund is a limitation, in recent years this has been a precautionary measure with funding returned midway through the fiscal year. The downside is that a large percentage of the CIP budget is never reviewed for compliance with the adopted comprehensive land use plan.

STAFF ANALYSIS (cont'd)

Summary (cont'd)

This plan offers a chance to reset and reevaluate community priorities for the next 10-20 years and was influenced by substantial public input to provide a framework for the vision of our community. CIP funding can play an instrumental role in implementing the goals of the plan through strategic and coordinated project implementation that will have a lasting impact on the City of Toledo and its neighborhoods.

STAFF RECOMMENDATION

Staff recommends that the Toledo City Plan Commission recommends approval of the 2025-2029 Capital Improvement Program as being in conformance with the Forward Toledo Comprehensive Land Use Plan, to the Toledo City Council.

SPECIAL STUDY
TOLEDO CITY PLAN COMMISSION
REF: M-20-24
DATE: January 16, 2025
TIME: 2:00 p.m.

RS

Exhibit "A": Capital Improvement Program Sources and Uses 2025-2029
Exhibit "B": Capital Improvement Program Project Support 2025-2029
Exhibit "C": Capital Improvement Program Project Appropriations 2025-2029

EXHIBIT "A" SOURCES AND USES

M-20-24

Exhibit A - Capital Improvement Plan Sources and Uses 2025-2029

Projected Sources	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2025-2029 Total
Income Taxes Allocated for CIP	\$ 50,472,544	\$ 51,858,405	\$ 53,245,268	\$ 54,895,959	\$ 56,596,172	\$ 267,068,348
Other Revenues, Transfers and Closeouts	4,467,490	200,000	200,000	200,000	200,000	5,267,490
New Debt Issuance & Other Obligations	21,575,000	10,925,000	22,490,000	14,775,000	9,000,000	78,765,000
Total Sources	76,515,034	62,983,405	75,935,268	69,870,959	65,796,172	351,100,838
Projected Uses	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2025-2029 Total
Existing Debt Service (Net)	20,696,904	21,020,622	20,185,596	20,042,206	16,244,107	98,189,435
Projected New Debt Service	-	1,922,029	2,830,055	4,852,279	5,738,628	15,342,991
Project Support	6,676,492	6,743,257	6,810,689	6,878,796	6,947,584	34,056,819
Major Road & Bridge Projects - City Match	16,950,000	7,050,000	7,500,000	9,200,000	9,000,000	49,700,000
Buildings, Improvements & Equipment	8,925,000	3,875,000	14,990,000	5,950,000	375,000	34,115,000
1% for the Arts Contribution	532,417	416,895	545,734	466,352	454,722	2,416,120
Transfer to General Fund	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	120,000,000
Total Uses	77,780,813	65,027,802	76,862,074	71,389,634	62,760,042	353,820,366
Projected Fund Balance	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected	
Projected Starting Fund Balance*	6,061,616	4,795,837	2,751,439	1,824,633	305,959	
Change in Fund Balance	(1,265,779)	(2,044,397)	(926,806)	(1,518,675)	3,036,130	
Projected Ending Fund Balance	\$ 4,795,837	\$ 2,751,439	\$ 1,824,633	\$ 305,959	\$ 3,342,088	

*Projected starting fund balance, excluding non-spendable portion

Project Internal Debt Limit - 90% Calculation	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
1/9th of Projected Income Tax	25,700,412	26,373,647	27,067,078	27,892,424	28,742,530
Projected Net Debt Service	20,696,904	22,942,650	23,015,651	24,894,485	21,982,736
Net Debt Service/Income Tax	80.5%	87.0%	85.0%	89.3%	76.5%

EXHIBIT “B” PROJECT SUPPORT

M-20-24

Exhibit B - Capital Improvement Plan - Proposed Project Support

<u>Funds Center</u>	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
10200-Office Of The Mayor	\$ 20,289	\$ 20,492	\$ 20,697	\$ 20,904	\$ 21,113
10202-Communications	16,944	17,113	17,285	17,457	17,632
10400-Plan Commission	107,192	108,264	109,347	110,440	111,544
14700-Finance ERP	37,052	37,423	37,797	38,175	38,556
14800-Debt Management	82,306	83,129	83,960	84,800	85,648
22500-Transportation	667,515	674,190	680,932	687,741	694,619
23100-Streets, Bridges & Harbor	251,604	254,120	256,661	259,228	261,820
35000-Engineering Services	5,078,405	5,129,189	5,180,481	5,232,286	5,284,609
40100-Parks	415,185	419,337	423,530	427,766	432,043
Total Project Support	\$ 6,676,492	\$ 6,743,257	\$ 6,810,689	\$ 6,878,796	\$ 6,947,584

EXHIBIT “C” PROJECT APPROPRIATIONS

M-20-24

Exhibit C - Capital Improvement Plan Proposed Project Appropriations

Division	Project Title	Proposed Funding	Project Description
City Council	2025 DIP Allocation	300,000	District Improvement Program for City Council Districts
Engineering and Construction	Roads Matches & Planning	15,000,000	Annual amount for city match for road projects
Facilities Operations	Building Improvements/HVAC	275,000	Building improvements to various city buildings
Facilities Operations	Municipal Court Clerk Office Renovations	100,000	Building improvements to TMC Clerk Office
Fire	Fire Vehicles	600,000	Replace fire vehicles
Fire	Fire Equipment	250,000	Fire equipment
Fleet Operations	Vehicles (Non-Public Safety)	1,100,000	Replace non-public safety vehicles
IT	IT Infrastructure	200,000	Various enhancements to city IT infrastructure
IT	IT Security Improvements	200,000	Enhancements to infrastructure security
IT	City-wide Computer Replacements	250,000	Replacement program for computers
IT	MDT Replacement for Public Safety Vehicles	750,000	Mobile data terminals for Police and Fire vehicles
Parks, Recreation, and Community Enrichment	Crossgates Playground	100,000	Crossgate Park playground (TPS partnership)
Parks, Recreation, and Community Enrichment	1% for the Arts	532,417	TMC Required 1% for the Arts Contribution
Police	Police Vehicles	500,000	Replace police vehicles
Police	Police Equipment	1,925,000	Police equipment, including SBITA for body camera cloud storage
Road and Bridge Maintenance	Bridges Matches & Planning	1,950,000	Annual amount for city match for bridge projects
Road and Bridge Maintenance	MLK Bridge Improvements	800,000	Continued improvements to MLK bridge
Solid Waste	Landfill Equipment	1,200,000	Replacement of waste handler
Streets & Bridges	Snow Plow	375,000	Snow Plow
	Total	26,407,417	