

GENERAL INFORMATION

Subject

Request	-	Review of the 2026-2030 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 2026-2030 Capital Improvement Program (CIP) 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 2026-2030 CIP includes capital expenditures from a variety of funding sources, the primary focus of this review and analysis will be the “Traditional” (income tax-funded) portion of the CIP.

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. 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 have been redirected to the operating budget.

The proposed CIP Plan is attached as Exhibits “A”, “B” and “C”. Exhibit “A” contains the various sources and uses of funds for the income tax funded portion of the CIP, with a breakdown of project support and specifics 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 \$357.1 million, before deducting debt service obligations of \$101 million (existing) and \$17 million (new). The CIP sources total \$85.7 million for 2026, an increase of \$9.2 million from 2025. The CIP projected uses total \$96.1 million for 2026, including \$7.2 million for project support, \$11.1 million for major road & bridge project matching, and \$29.7 million for buildings, improvements & equipment.

STAFF ANALYSIS (cont'd)

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 2026 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 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 2026-2030 CIP projects are analyzed against the goals of the Forward Toledo Plan, with special emphasis on those projects slated for 2026.

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 Toledo.

The 2026-2030 CIP allocates \$113,750 to support Plan Commission staff in 2026. This funding is allocated under the project support budget for 2026 (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.

Increase Connectivity & Expand Right-of-Way Use (*Move*)

A total of \$11.1 million is allocated in 2026 for major street and bridge projects, which will leverage state and federal funding, \$6.5 million for street projects, and \$4.6 million for bridge projects as shown in Exhibit "C". These improvements will support 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.

STAFF ANALYSIS (cont'd)

Funding Big Ideas (*Place*)

The 2026-2030 CIP allocates \$18 million for reconnecting Englewood, Junction, & Uptown with roadway reconstruction, curb extensions, high visibility crosswalks, enhanced streetscaping, new street lights, and a new multi-use path. Also allocated is \$500,000 for sidewalk rehabilitation and \$278,000 for the planning & design of a new multi-use trail along Swan Creek. These improvements support multiple goals of the Forward Toledo Plan, including the previously discussed Increase Connectivity & Expand Right-of-Way Use goals.

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. 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.

Strengthen Neighborhoods (*Build*)

The 2026-2030 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 2026-2030 CIP provides \$633,213 in 2026 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.

Reduce Pollution (*Sustain*)

The 2026-2030 CIP allocates \$2.7 million towards demolishing the Toledo Health Center building located at 635 N Erie Street and replacing it with a city-owned surface parking lot. Due to the Health Center's age and construction rehabilitation/renovation may not be viable. The reuse of this high-visibility property as a surface parking lot will not preclude the property from converting to a more functional use in the future. The additional city-owned parking would reduce city expenditure on employee parking fees.

STAFF ANALYSIS (cont'd)

Reduce Pollution (*Sustain*) (cont'd)

The Reduce Pollution goal identifies a need to reduce the amount of impervious pavement that can cover a site. Impervious surfaces (e.g. pavement) cannot absorb water like permeable ground (e.g. soil) which contributes to strain on Toledo's aging sewer system, which has historically discharged into waterways during heavy rain, causing a decrease in overall water quality. This project proposes permeable pavers instead of traditional pavement for the parking lot, which would support the Reduce Pollution goal.

Promote Housing Variety & Building Preservation (*Build*)

There are no specific allocations in the 2026-2030 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 2026-2030 CIP allocates \$300,000 for parks infrastructure. Funding for recreational purposes increased this year. This 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.

Other Major 2026 CIP Expenditures

Other major 2026 CIP expenditures not previously mentioned include: \$3.4 million for new vehicles and vehicle replacements, \$2.2 million for IT infrastructure upgrades and subscriptions, \$925,000 for building improvements, and \$800,000 for new equipment as shown in Exhibit "C". The list of overall expenditures is up in 2026 due to a higher CIP.

Summary

The 2026-2030 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)

The Forward Toledo 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 recommend approval of the 2026-2030 Capital Improvement Program to the Toledo City Council as being in conformance with the Forward Toledo Comprehensive Plan.

SPECIAL STUDY
TOLEDO CITY PLAN COMMISSION
REF: M-20-25
DATE: January 15, 2026
TIME: 2:00 p.m.

AS

Exhibit "A": Capital Improvement Fund Fiscal Plan and Projection
Exhibit "B": Capital Improvement Plan – Proposed Project Support
Exhibit "C": Capital Improvement Plan Proposed Project Appropriations

EXHIBIT "A" SOURCES AND USES

M-20-25

Exhibit A

Capital Improvement Fund Fiscal Plan and Projection

Projected Sources	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2026-2030 Total
Income Taxes Allocated for CIP	\$ 53,730,137	\$ 55,570,652	\$ 57,300,438	\$ 59,082,118	\$ 60,917,248	\$ 286,600,593
Other Revenues, Transfers and Closeouts	50,000	50,000	50,000	50,000	50,000	250,000
New Debt Issuance & Other Obligations	31,900,000	11,088,750	7,775,000	9,750,000	9,750,000	70,263,750
Total Sources	85,680,137	66,709,402	65,125,438	68,882,118	70,717,248	357,114,343

Projected Uses	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2026-2030 Total
Existing Debt Service (Net)	23,486,609	22,152,793	21,488,153	17,690,554	16,190,197	101,008,306
Projected New Debt Service	-	2,899,903	3,947,625	4,696,687	5,445,748	16,989,962
Project Support	7,161,889	7,233,508	7,305,843	7,378,901	7,452,690	36,532,832
Major Road & Bridge Projects - City Match	11,100,000	7,900,000	7,400,000	7,500,000	7,750,000	41,650,000
Buildings, Improvements & Equipment	29,714,607	3,188,750	375,000	2,250,000	2,000,000	37,528,357
1% for the Arts Contribution	633,213	427,595	407,924	475,976	501,841	2,446,548
Transfer to General Fund	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000	120,000,000
Total Uses	96,096,318	67,802,549	64,924,545	63,992,119	63,340,475	356,156,005

Projected Fund Balance*	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Projected Starting Fund Balance	12,647,077	2,230,896	1,137,750	1,338,642	6,228,642
Change in Fund Balance	(10,416,181)	(1,093,147)	200,893	4,889,999	7,376,773
Projected Ending Fund Balance	\$ 2,230,896	\$ 1,137,750	\$ 1,338,642	\$ 6,228,642	\$ 13,605,415

Project Internal Debt Limit - 90% Calculation	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
1/9th of Projected Income Tax	27,390,068	28,229,770	29,094,664	29,985,503	30,903,069
Projected Net Debt Service	23,486,609	25,052,696	25,435,778	22,387,241	21,635,944
Net Debt Service/Income Tax	85.7%	88.7%	87.4%	74.7%	70.0%

EXHIBIT “B” PROJECT SUPPORT

M-20-25

Exhibit B - Capital Improvement Plan - Proposed Project Support

Funds Center	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2026-2030 Total
10200-Office Of The Mayor	\$ 21,326	\$ 21,539	\$ 21,755	\$ 21,972	\$ 22,192	\$ 108,784
10202-Communications	18,586	18,772	18,960	19,149	19,341	94,807
10400-Plan Commission	113,750	114,888	116,036	117,197	118,369	580,239
14700-Finance ERP	37,052	37,423	37,797	38,175	38,556	189,002
14800-Debt Management	86,801	87,669	88,546	89,431	90,325	442,772
22500-Transportation	746,804	754,272	761,815	769,433	777,127	3,809,451
23100-Road & Bridge Maintenance	292,070	294,991	297,941	300,920	303,929	1,489,851
35000-Engineering & Construction Management	5,416,800	5,470,968	5,525,678	5,580,934	5,636,744	27,631,124
40100-Parks, Recreation & Community Enrichment	428,700	432,987	437,317	441,690	446,107	2,186,801
Total Project Support	\$ 7,161,889	\$ 7,233,508	\$ 7,305,843	\$ 7,378,901	\$ 7,452,690	\$ 36,532,832

EXHIBIT “C” PROJECT APPROPRIATIONS

M-20-25

Exhibit C - Capital Improvement Plan Proposed Project Appropriations

Division	Project Title	Appropriation
City Council	Council District Improvement Program	\$ 300,000
Engineering & Construction Management	Major Road Matches & Planning	6,500,000
Engineering & Construction Management	Swan Creek Planning & Design Grant Match	278,000
Engineering & Construction Management	Uptown & Junction Improvements (RAISE Grant Match)	18,000,000
Engineering & Construction Management	Sidewalks	500,000
Environmental Services	1% for Environment Capital	316,607
Facility Operations	Health Department Building Demolition & Site Improvement	2,700,000
Facility Operations	Building Improvements/HVAC	500,000
Fire & Rescue	Fire Vehicles	1,000,000
Fire & Rescue	Fire Building Improvements	250,000
Fire & Rescue	Fire Equipment	250,000
Fleet Operations	Vehicles (Non-Public Safety)	1,000,000
Information Technology	Universal Communications as a Service (UCaaS) Implementation	220,000
Information Technology	IT Data Center Redesign	175,000
Information Technology	ICT Infrastructure	200,000
Information Technology	Budgeting Software Subscription	750,000
Information Technology	Universal Communications as a Service (UCaaS) Subscription	1,050,000
Parks, Recreation & Community Enrichment	1% for the Arts Contribution	633,213
Parks, Recreation & Community Enrichment	Parks Infrastructure	300,000
Police	Police Vehicles	1,000,000
Police	Police Equipment	300,000
Road & Bridge Maintenance	Major Bridge Matches & Planning	4,600,000
Road & Bridge Maintenance	Snow Plow Purchase	375,000
Traffic Management	Traffic Devices	250,000
Total New Project Appropriations		\$ 41,447,820