



TO: MAYOR AND TOWN COUNCIL
FROM: TOM FISHER, TOWN MANAGER
RE: RESOLUTION 25-12: A RESOLUTION TO APPROVE THE 10-YEAR CAPITAL IMPROVEMENT PROGRAM FOR THE TOWN OF FRISCO
DATE: APRIL 8, 2025

Summary:

On January 8, 2025, the Frisco Town Council prioritized capital projects for the next 10 years at a retreat. Staff presented scenarios for the Council's review during the February 25 work session. The proposed 10-year Capital Improvement Program (CIP) reflects the Council's priorities and supports the Town's strategic vision. Once adopted, Staff will initiate necessary processes like research, procurement, and financing. The CIP will guide budget discussions and project priorities, though several unfunded projects remain.

Under Section 8-4 of the Town's Home Rule Charter, a 5-year CIP must be submitted with the budget and adopted by resolution. While this requirement is met for 2025, Staff recommends extending the CIP to 10 years for better long-term planning. The Council can revise the CIP at any time.

Background:

In August 2024, the Town Council adopted the Town of Frisco Strategic Plan, which includes four strategic objectives supported by key pillars. The Town Council was asked to assign weights to each pillar to help determine where resources should be allocated for maximum impact. These pillar weights will be crucial when allocating capital funds, as they reflect the areas of greatest need. As the Council adopts the 10-year Capital Improvement Program, it is important to consider these priorities to ensure that the capital plan meets both current and future community needs. The Town also adopted a new mission and vision as part of the Strategic Plan:

- **Mission:** *We create a powerful sense of community by maintaining public safety, providing quality core services, fostering connections to one another, and creating unparalleled experiences.*
- **Vision:** *To be a welcoming mountain town that connects people with nature and supports opportunities for community well-being.*

Staff is currently working on the Frisco Comprehensive Plan, which will be presented to the Council on April 22, 2025. This plan includes guiding principles that reflect the core values and priorities of the community. Many of the goals within the Comprehensive Plan align with both the approved 5-year Capital Improvement Program and the unfunded future projects. Staff recommends that Council reference the Comprehensive Plan when prioritizing future capital projects.

Analysis:

During the Council Retreat, staff received feedback on several key areas:

1. **Recurring Annual Expenditures:** Council acknowledged and agreed that certain line items in the capital plan are necessary for recurring annual expenditures, including:
 - Environmental Sustainability
 - Trail Enhancements
 - Walkability Improvements
 - Technology Purchases
 - Vehicle & Equipment Replacements
 - Police Vehicle Upgrades
 - Building Facility Improvements
2. **Unfunded Projects – Critical Needs:** Council agreed with the list of “Unfunded Projects – Critical” identified by staff, which are necessary for operational success over the next 10 years. This list prioritizes maintaining Town infrastructure and addressing deferred maintenance. These critical projects include:
 - Recapitalization of Town Hall
 - Island Grill/Lund House and Marina bathroom improvements
 - Infrastructure improvements at Eye of the Needle Parking (Adventure Park) with minimal pavement
 - Lighting for the Tubing Hill / Adventure Park area
 - Marina playground replacement
 - Recapitalization of the Community Center at 3rd and Granite
 - Frisco Backyard work
3. **Unfunded Projects – Need Direction:** Council provided direction on several items from the “Unfunded Projects – Need Direction” list:
 - Support for improving the Boneyard area at the Adventure Park, which is essential for the Town’s operations and trail network.
 - A plan for historic structures in storage, including disassembling and utilizing them in future construction.
 - A \$3,000,000 allocation from the Housing Fund for potential future property purchases.
 - Ongoing collaboration with the County on a county-wide solution for micro-transit.
4. **Debt Mechanisms:** The Council has expressed support for utilizing debt mechanisms to finance high-priority capital projects. This approach is reflected in the CIP, which prioritizes the Complete Streets project on Granite. However, the Town Hall

Recapitalization project has been revised to a pay-as-you-go model, rather than being debt-financed as presented on February 25, 2025.

5. **Tax Increase:** Council expressed interest in exploring a tax increase to support funding for capital projects and/or ongoing operational expenses. Staff will engage a firm to research community sentiment on this issue.
6. **Capital Expenditure Threshold:** Council supported raising the threshold for capital expenditures from \$5,000 to \$25,000. Staff will propose an amendment to the Town's Financial Policies at the April 8, 2025 Town Council meeting for adoption by resolution.

Staff also recommends adding the following projects to the 10-year Capital Improvement Program, highlighted in red in the attached scenarios:

- Ten Mile Drive Improvements
- Historic Park Land Use Plan and Implementation
- Burying Overhead Lines with Xcel
- Adventure Park Maintenance Shed + Fuel System
- Adventure Park Restrooms & Shade Structure
- PRA Ballfield Parking Lot Lighting

Assumptions:

- Real Estate Investment Fee (REIF): 5% annual growth
- Conservation Trust Fund: 3% annual growth
- Transfer from General Fund: 3% annual growth
- Storm System Revenue: 5% annual growth from 2030-2034 (flat in the first 5 years) after the formation of a Storm Water Utility
- Grant Revenue: \$1M for Complete Streets (reduced from \$2M); \$425k for Lusher Sidewalk Project; future grants are uncertain but will be pursued based on project success
- Sale of Assets: 40% of current year vehicle expenditures
- Miscellaneous Revenue: Investment income growing at 3% annually, plus Basecamp debt revenue (2033 balloon payment)
- Current Debt: Retired on its existing schedule

Financial Impact:

The proposed plan allows the Capital Improvement Fund to maintain a positive fund balance for all 10 years. The projected ending fund balance for 2034 is \$871,607. The borrowings proposed remain within legally available limits.

Alignment with Strategic Plan: The proposed 10-year Capital Improvement Program reflects Town Council's Strategic Plan and Pillars. It aligns with the Town's mission, vision, and long-term goals.

Environmental Sustainability: An environmental sustainability lens will be applied to all projects across the 10-year plan to ensure that sustainability remains a top priority in project implementation.

Staff Recommendation: Staff recommends the adoption of the 10-year Capital Improvement Program as presented, based on the January 8 Council Retreat and February 25 work session discussions.

Reviews and Approvals:

Diane McBride, Assistant Town Manager

Leslie Edwards, Finance Director

Chris McGinnis, Public Works Director

Addison Canino, Senior Capital Projects Manager

Attachments:

Attachment 1 – Resolution 25-12 A Resolution to Approve the Capital Improvement Program for the Town of Frisco

Attachment 2 – 10 year Capital Improvement Program

Attachment 3 – List of Unfunded Projects