



April 29, 2019

TO: The Honorable Mayor and City Council Members of the City of Pasadena

FROM: Steve Mermell, City Manager

SUBJECT: Recommended Fiscal Year 2020 to 2024 Capital Improvement Program

It is my privilege to submit the Recommended Fiscal Year (FY) 2020 to 2024 Capital Improvement Program (CIP) Budget. The CIP is a compilation of infrastructure and major maintenance projects designed to expand, enhance and/or preserve the foundation of this great City. The FY 2020 CIP Budget addresses and furthers the following City Council's Strategic Plan Goals:

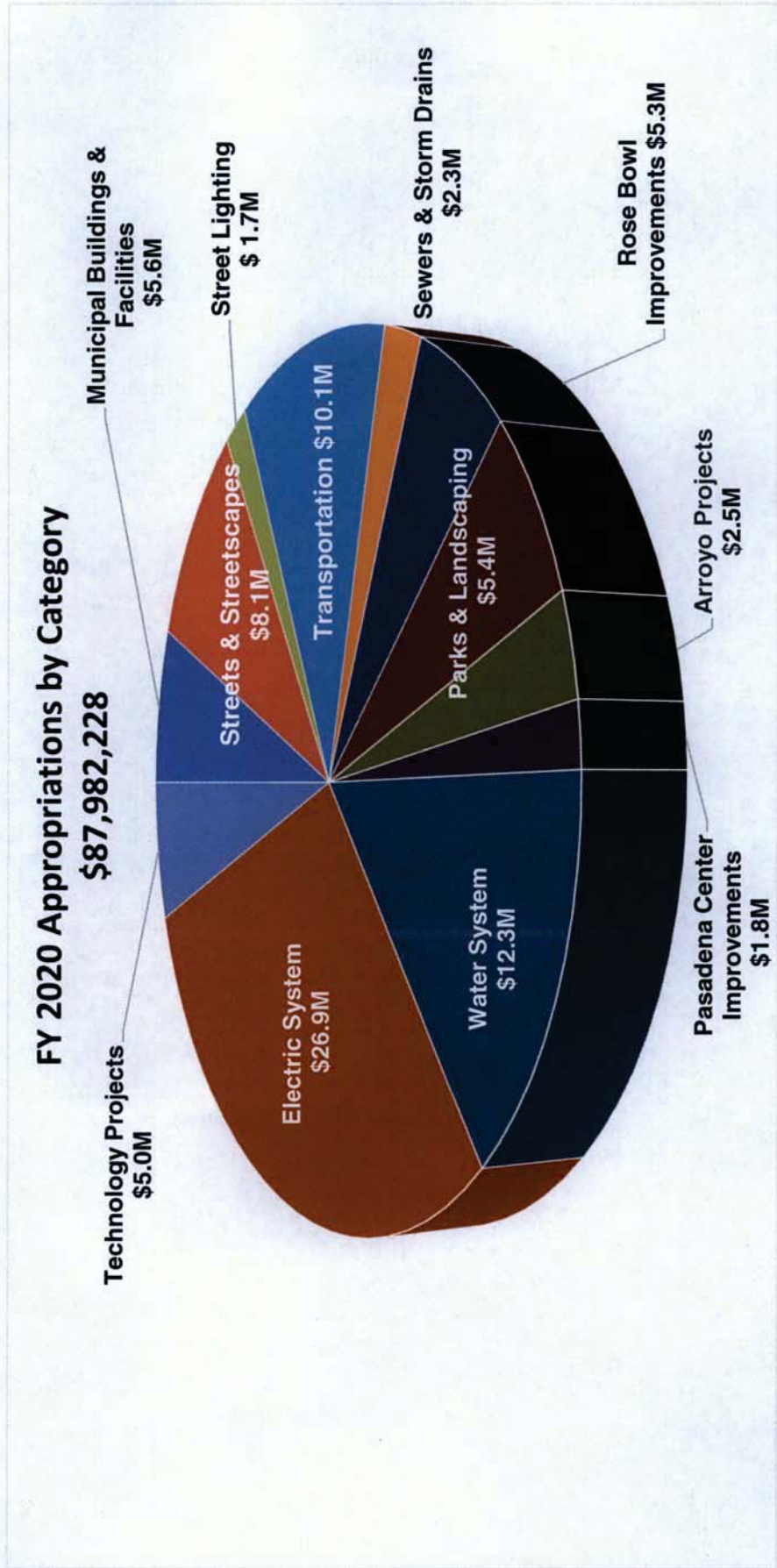
- Maintain fiscal responsibility and stability;
- Improve, maintain and enhance public facilities and infrastructure;
- Increase conservation and sustainability;
- Improve mobility and accessibility throughout the City;
- Support and promote the quality of life and local economy; and
- Ensure public safety.

In addition, project managers consider the following when they evaluate, identify and create CIP projects and recommend funding:

- Is the project needed to address a particular safety concern?

- Is the project necessary because existing maintenance efforts are no longer satisfactory and repair costs exceed replacement costs?
- Is the existing facility or system no longer adequate to meet the demand?
- Does the project cost exceed \$75,000?

This five-year CIP contains 200 active projects with a total estimated cost of \$903.8 million. The FY 2020 CIP Budget contains 27 new projects, and appropriates \$87,982,228 to 139 projects in the categories shown below:



Addressing major deferred maintenance and upgrades of infrastructure is one of the City's basic and core responsibilities. While the \$87.9 million adopted for appropriation this year represents a major investment by the City; unfortunately, this level of investment is not sufficient to keep pace with the growing maintenance requirements of the City's extensive infrastructure. Identifying funding to meet these requirements is a significant challenge. Pasadena's capital projects are primarily funded through local revenues, long-term debt financing, pay-as-you go spending from special revenue sources, and when available, grants from the State and Federal governments. As a result, the funding options available for CIP projects are limited to the type of funding available. This presents a challenge in funding some of the larger CIP projects like fire station replacements or larger scale improvements because these types of projects do not have a dedicated funding source available.

Fortunately, in November 2018 Pasadena voters approved Measure I, a 3/4-cent sales tax that is anticipated to generate \$21 million annually, beginning in FY 2020. A separate advisory measure, Measure J, asked voters whether the City Council should share 1/3 of Measure I revenues with Pasadena Public Schools, as the success of the City is tied to the success of its schools. That measure received over 72% support of voters. This past March, the City Council took action to approve a Memorandum of Understanding with the Pasadena Unified School District to operationalize the will of the voters. This will leave the City with approximately \$14 million annually for operating and capital improvements. Due to the passage of Measure I, an additional \$9.4 million in General Fund are recommended for appropriation to various high priority capital improvement projects as part of the FY 2020 CIP Budget. These projects include fire station renovations and improvements; design for the replacement of Fire Station 37; design of the Colorado Street Bridge suicide mitigation enhancements; enhanced levels of sidewalk improvements; the conversion of high-voltage series street lights on Arroyo Boulevard and Marianna Road; 911 emergency radio communication equipment for the Police Department; roof and HVAC system replacements at La Pintoresca Library and Jackie Robinson Center; and the design of an upgraded sprinkler and fire alarm system at Central Library.

In addition, City staff is continually identifying and applying for grants for various capital needs. A part of the FY 2020 CIP Budget, nine projects are being awarded grant funding totaling \$9.4 million for various transportation and park projects. In addition, the City has received preliminary notice that approximately \$2.8 million of Measure M - Multi-year Sub-regional Program funding may be awarded to the City later this fiscal year for two complete street projects: Avenue 64 from Colorado Boulevard to South City Limits and North Hill Avenue from North City Limit to Villa Street (design phase), and for the purchase of replacement transit vehicles.

The additional funding for CIP projects will assist with meeting capital needs, however, it is still not enough. The FY 2020 CIP Budget identifies future funding needs of \$783 million. While a funding plan for approximately \$340 million of this future need has been identified, \$443 million is still unidentified. Some of the more significant unfunded needs are: \$119 million for the replacement and/or expansion of seven fire stations; \$33 million to construct a new Transit Operations Maintenance

Facility; \$34.4 million for the implementation of public improvements identified in specific plans; and, \$69.2 million to fully implement park master plans. Pasadena must strategically develop a funding plan to address these unfunded capital deficiencies as the needs only continue to expand.

The City is in the process of updating existing master plans and developing new ones that identify optimal funding levels and work-plans for improving and maintaining street lights, traffic signals, sewers, storm drains, the water system, and the electric distribution system. As the City's infrastructure ages and exceeds its useful life, master plans become critical planning tools. There are six master plan projects included in the FY 2020 CIP Budget that will be completed over the next two fiscal years. The Water and Power Department has initiated a thorough review and overhaul based on the master plans for the City's water supply resources as well as water and power delivery infrastructure within the City. Completion of these master plans may significantly shift capital investment and operational priorities after their adoption, which is expected toward the end of FY 2020.

Consequently, FY 2020 is a pivotal year for the Water System capital projects. The Water System and related infrastructure is an important contributor to the City's long term economic stability, public safety, and reliability of the public water supply. To this end, the capital projects for the Water System are now divided into in four categories: distribution, production, storage and miscellaneous facilities. This shift is a result of a life cycle and risk analysis that mandates the priorities shift beyond repairing distribution infrastructure to include implementation of new operations and management strategies that focus on resiliency and sustainability. The resulting effort will develop new sources of clean water; improved treatment of local water supply; replacement of failing distribution lines; replacement of aged water storage facilities; and provide facilities to safely perform the work necessary to ensure a reliable public water supply. However, while the strategies and priorities have been broadened, the overall level of funding also needs to increase over time to address the Water System's critical infrastructure needs.

The Electric System capital projects reflect an increased focus on strengthening infrastructure to ensure electric service reliability. The City continues to work towards the repair of critical local generation capacity to ensure reliability, and the utilization of Underground Surtax revenues (Fund 206) for the construction and repair of new and existing underground electric distribution and fiber optic communications systems. While design and development of new underground utility districts has been deferred for the last few years, as the City Council reconsidered the future of the underground districts program in FY 2020 work on established districts will ramp up utilizing existing and recommended new CIP appropriations.

Over the past several years staff has identified deficiencies in the street lighting system. The City has 23 obsolete high voltage series circuits with a total of 1,226 street lights that need to be updated to modern circuitry. Unlike new systems, in a high voltage series circuit, when one light goes out, all the lights on that circuit go out as well. The total estimated cost of this upgrade is \$21 million. As previously mentioned, funding from Measure I in the amount of \$1.0 million is being appropriated

to convert two series circuits along Arroyo Boulevard and Marianna Road, and to complete design of the *High Voltage Series Street Light Conversion – Phase II* project.

The City recently completed a Pavement Management Plan which assessed the pavement condition of City streets. The City's average Pavement Condition Index (PCI) score has fallen from 63 to 60 out of 100 which is considered "Good" on the rating scale but low for Pasadena's standard. Realizing the importance of having well maintained streets, the City has been allocating an average of \$1.5 million towards street resurfacing. With the recently voter approved SB1, an additional \$2.3 million is allocated annually. In FY 2020, this program will receive a total of \$5.4 million due to an additional appropriation of \$1.3 million in Surface Transportation Program funds. With this timely intervention of additional funding, street deterioration will be minimized and we can avoid expensive reconstruction, which typically costs five times more than resurfacing of pavement.

The City recognizes the extensive repair needs of sidewalks and curb ramps. To address this, the City Council annually commits \$1.0 million of General Fund support. Currently over 500,000 square feet of sidewalks have been repaired since FY 2016. While this is considerable progress, new locations are continuously being identified and added to the list of needs. Based on an FY 2015 inventory, an investment of approximately \$8.0 million remains to repair the balance of 600,000 square feet of identified damage. Through Measure I and Community Development Block Grant funding, the sidewalk program has an increased recommended appropriation of \$2.0 million in FY 2020. Although the City is also making strides in upgrading its curb ramps to meet the current Americans with Disabilities Act (ADA) standards, approximately 4,000 of the City's 5,000 corners remain non-compliant. Upgrading these ramps is estimated to cost over \$20 million.

The CIP budget demonstrates the City's ongoing efforts to prioritize transportation projects based on safety needs. Staff reviews traffic collision history for motorists, bicyclists and pedestrians during the CIP development process. High collision intersections are evaluated and safety enhancements are identified for inclusion into the CIP Budget. In addition to identifying potential candidate locations based on collision history, staff also takes into consideration the potential risk for vulnerable pedestrians and bicyclists at high volume locations. It is important to note that while many safety enhancements are implemented outside of the capital budget process through operational modifications, larger capital investments or large scale outreach are included as part of the Recommended CIP Budget. The FY 2020 CIP Budget contains safety enhancement projects at several of the top 10 high-collision intersections in the City. The safety enhancement projects include: installation of left turn arrows at the intersection of San Gabriel Boulevard and California Boulevard; and, upgrades to traffic signals at the intersections of Marengo Avenue and Union Street, Lake Avenue at Orange Grove Boulevard, and Lake Avenue at Corson Street and Maple Street. In addition to these intersections, work will also be done at the intersection of Lincoln Avenue at Mountain Street and Seco Street; installation of new traffic signals at the intersections of Green Street and Holliston Avenue, and Fair Oaks Avenue and Bellefontaine Street; installation of rapid rectangular flashing beacons for uncontrolled crosswalks; and installation of speed feedback signs at various locations. Finally, this budget includes the

Concept Study for Lake Avenue Traffic and Pedestrian Safety Enhancements from Mountain Street to Maple Street which will provide for community outreach to identify safety concerns along this high collision corridor and proposes short and long term measures to address safety.

Pedestrian and bicycle connectivity and access continue to be a high priority in capital infrastructure planning. This is demonstrated in the FY 2020 CIP through projects such as the Pedestrian Crossing Enhancements Program, the Union Street Cycle Track, the Cordova Street Complete Streets Project, the South Lake Avenue Pedestrian Access Improvements Project, and the new traffic signal at Fair Oaks Avenue and Bellefontaine Street. These projects collectively appropriate approximately \$6.8 million as part of the FY 2020 CIP Budget.

In addition to the multitude of various capital improvement efforts described above, this budget also demonstrates the City's commitment to improving and expanding its parks infrastructure. Over the past few years, the City has received an influx of Residential Impact Fees (RIF) as a result of increasing residential development throughout the City. In FY 2020 approximately \$5.5 million in RIF is being appropriated to seven park projects: *Villa Parke Community Center Improvements, La Pintoresca Park Improvements, Washington Park Community House and Restroom – Design Phase, Restroom Building Replacement at Victory Park, Central Park Improvements, Hamilton Park – Various Projects, and Lamanda Park Library Pocket Park – Construction*. Furthermore, work will continue on the four projects that received \$6.7 million in RIF as a part of the February 4, 2019 CIP Budget Amendments approved by City Council: *Robinson Park – Pool and Pool Renovations; Citywide Sports Facilities Improvements at Robinson and Brenner Park; Installation of Restroom Building at Desiderio Park; and Annandale Canyon Open Space Trail Access, Improvements and Park Expansion*.

One of the most notable park projects is the *Playhouse District Park and Parking Lot*, which is the first new park to be constructed in the underserved portion of the Central Park District in over two decades. This project will address current park space deficiencies and provide residents in this area walkable access to parkland (i.e., within 0.5 miles). In the FY 2019 CIP budget, this project was previously two: *Neighborhood Park Development – Union/EI Molino Concept Study and Union St/Oak Knoll Avenue Pocket Park – Concept Study*. On March 11, 2019, City Council acquired the Union/EI Molino parking lot from the Off-Street Parking Facilities Fund to combine these two efforts into one. By doing this, the City is able to establish a new park as well as maintain much needed parking in this area.

ATTACHMENT F

While there is no doubt that the needs outlined above are great, the FY 2020 CIP Budget is a step in the right direction. With the successful passage of Measure I, this budget begins addressing the many longstanding capital needs by appropriating roughly \$10 million of newly available General Fund towards capital projects. This, along with the leadership of the City Council and the City's careful financial planning and analysis, will enable the City of Pasadena to continue to enhance public infrastructure and maintain a high quality of life.

Respectfully Submitted,



STEVE MERMELL
City Manager