

April 20, 2020

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

FROM: Steve Mermell, City Manager

SUBJECT: Recommended Fiscal Year 2021 to 2025 Capital Improvement Program

It is my privilege to submit the Recommended Fiscal Year (FY) 2021 to 2025 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 2021 CIP Budget addresses and furthers the following City Council's Strategic Plan Goals:

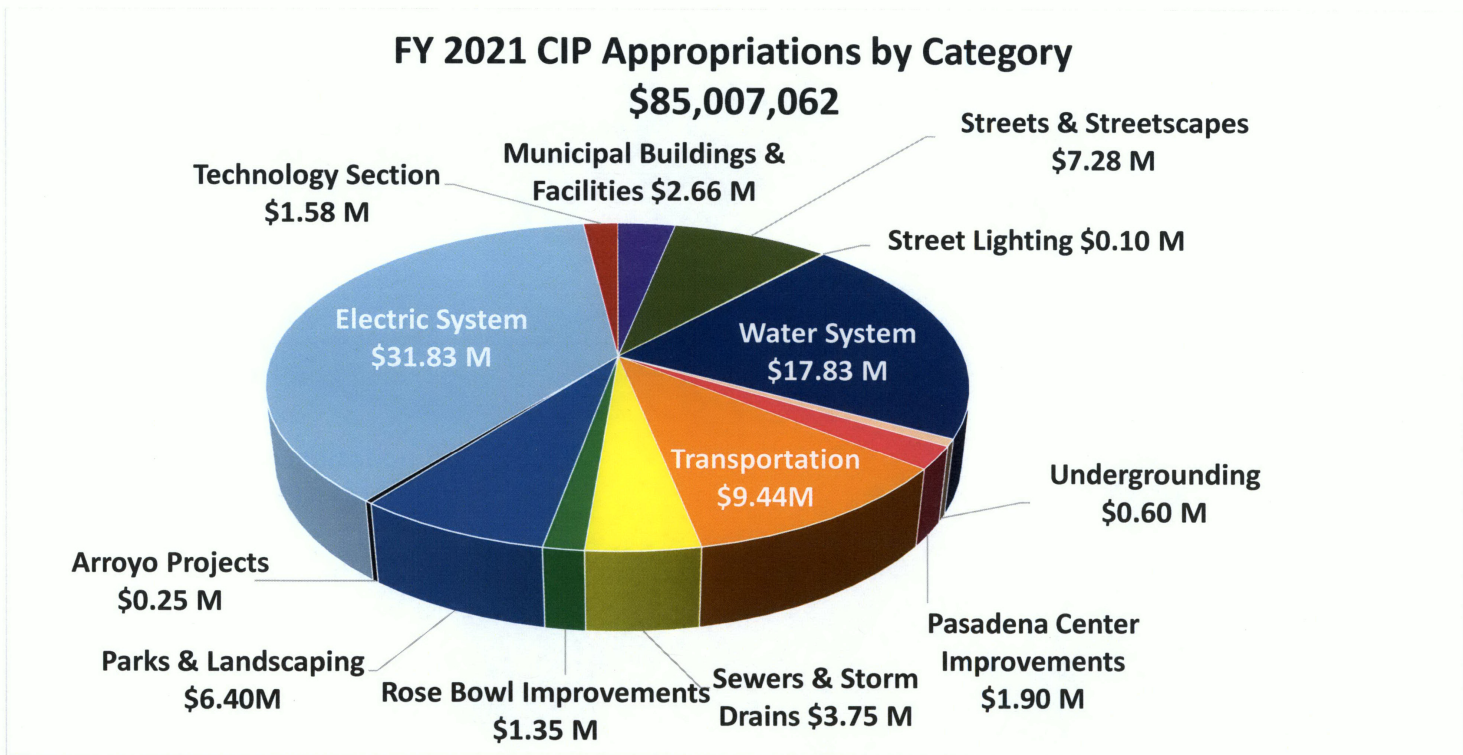
- Maintain fiscal responsibility and stability;
- Improve, maintain and enhance public facilities and infrastructure;
- Increase conservation and sustainability;
- Improve mobility and accessibility throughout the City;
- Support and promote the quality of life and local economy; and
- Ensure public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

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

- Does the project address a particular safety concern?

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

This Recommended FY 2021 – 2025 CIP Budget contains 209 active projects with a total estimated cost of \$961.5 million. The CIP Budget contains 14 new projects, and appropriates \$85,007,062 to 120 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 \$85 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 majority of the funding options available for CIP projects are limited to the type of funding available. This presents a challenge in funding, especially with 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.

Starting in FY 2020, approximately \$7 million of General Fund received from the passage of Measure I (Pasadena's ¼-sales tax increase), has been available for capital improvements. The General Fund dollars provide funding flexibility for the large scale improvement projects lacking dedicated funding sources. When staff originally drafted the FY 2021 – 2025 CIP budget, approximately \$8.5 million of General Fund was recommended for various CIP projects. Unfortunately, due to the Covid-19 emergency, the General Fund dollars were removed from the Recommended CIP Budget.

Despite the funding challenges, as part of the FY 2021 – 2025 CIP Budget, 12 projects are being awarded grant funding totaling \$8.3 million for various transportation, streets improvements, and building projects. The City was awarded \$7.55 million in Measure R competitive grant dollars in FY 2020 on three projects: *Walnut Street Corridor Signal Improvements*, *St. John Capacity Enhancement*, and *Traffic Signal at Fair Oaks Ave. and Bellevue Dr.* While these projects were awarded in FY 2020, they are beginning their work plan in FY 2021. Additionally, Metro has given preliminary approval of Measure R funding towards *Intelligent Transportation System Enhancements within the SR 710 Affected Corridors* to be awarded in FY 2022. The *Fire Station 31 Seismic Retrofit* was also awarded \$64,650 in FEMA Hazard Mitigation Grant which will fund the design portion of the project. This project will help further the updates necessary to bring the Fire Station up to current code standards.

The additional funding for CIP projects will assist with meeting capital needs, however, it is still not enough. The FY 2021 - 2025 CIP Budget identifies future funding needs of \$793 million. While a funding plan for approximately \$468 million of this future need has been identified, \$325 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.

FY 2021 is an important year for expansion of investments in the Water System infrastructure to further the critical goals for improved reliability and resiliency of the City's water treatment and delivery systems. 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. The completion of life cycle and risk analyses for Water System infrastructure has directed the priorities and resource commitment to implementation of new operations and management strategies that focus on local production, storage and sustainability. Capital projects for the Water System are now divided into in four categories: distribution, production, storage and miscellaneous facilities. Priorities include developing new and environmentally responsible sources of clean water; improved treatment of local water supply and investment in replacement of aging distribution lines and water storage facilities. In order to meet the critical infrastructure investment goals, it will be necessary to increase the overall level of funding.

Capital outlay for Electric System infrastructure for FY 2021 reflects the need to balance expenditures in expansion and strengthening of existing facilities with investment in emerging technologies. The repair of critical local generation facilities remains a high priority to ensure that reliability and capacity requirements are met. Improvements and replacement of overhead and underground distribution assets will strengthen service delivery dependability, which remains the highest commitment for the Department. In addition, expanded investment in electric vehicle charging infrastructure and support programs will continue in FY 2021. Note that funding for electric vehicle charging infrastructure is derived from limited use sources including grants and revenues from the sale of low carbon fuel standard credits that must be used for electric transportation purposes. Technology investments are a priority, including the project underway to replace the Customer Information System and upgrade systems for work management and energy trading. The Department will continue to utilize Underground Surtax revenues (Fund 206) for the construction and repair of new and existing underground electric distribution and fiber optic communications systems.

The City recognizes the extensive repair needs of sidewalks and curb ramps. Currently, over 525,000 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 a FY 2015 inventory, an investment of approximately \$9 million remains to repair the balance of 575,000 square feet of identified damage. The City is also making strides in upgrading its curb ramps to meet the current Americans with Disabilities Act (ADA) standards, as approximately 4,000 of the City's 5,000 street corners remain non-compliant. The *Curb Ramp ADA Improvements FY 2021* has been added to the CIP to improve this deficiency. This annual program will prioritize installation of 800 new curb ramps at street corners where none exist. In FY 2021, this program is recommended to receive \$900,000 which will provide approximately 160 new curb ramps, with emphasis around commercial districts.

In the past few years, the City has been updating the inventory and condition of its infrastructure assets to prepare master plans and prioritize capital improvement needs. Per the 2019 Sewer Master Plan, two of the City's three pump stations were

identified as deficient. The City's Busch Garden and Rosemont sewer pump stations are over 70 years old and have not been upgraded since they were built. The *Modernization of Busch Garden and Rosemont Sewer Pump Stations* project will upgrade the stations' mechanical, structural, and electrical systems to meet current standards.

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 2021 - 2025 CIP Budget contains safety enhancement projects at several of the top 10 high-collision intersections in the City. In an effort to continue to make City streets safer for pedestrians, bicyclists, and motorists, a Pedestrian Master Plan will be completed this year under the *Citywide Complete Streets Program*, along with the Rosemont Avenue Complete Streets project. Through traffic investigations, staff annually identifies and installs rapid rectangular flashing beacons for uncontrolled crosswalks and speed feedback signs. 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.

In addition to the multitude of capital improvement efforts described above, this budget also demonstrates the City's commitment to improving and expanding its network of parks. 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 2021 approximately \$6.5 million in RIFs is being appropriated to five park projects which will ensure efforts such as: *Villa Parke Community Center Improvements, La Pintoresca Park Improvements, Playhouse Park and Parking Lot, Citywide Sports Facilities Improvements and Installations, and Lamanda Park Library Pocket Park – Construction.*

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 an underserved portion of the central park district in over two decades. This new neighborhood park will consist of 0.67 acres, and include lawn area, children's playground, dog run, and restroom. The adjacent 0.35-acre parking lot at Union-El Molino will be reconstructed to provide for an integrated design with the park. Construction will begin in FY 2021.

Respectfully Submitted,



STEVE MERMELL
City Manager

FY 2021 - 2025 Capital Improvement Program
 Streets and Streetscapes
 Annual ADA Sidewalk Improvement Program - FY 2021
 73913

Priority	Project No.	Description	Total Estimated Costs	Appropriated Through FY 2020	Recommended FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed FY 2024	Proposed FY 2025 and Beyond
2	73913	Annual ADA Sidewalk Improvement Program - FY 2021							
		Community Development Block Grant	2,987,271	2,487,271	500,000	0	0	0	0
		General Fund	11,500,000	5,500,000	0	1,000,000	1,000,000	1,000,000	3,000,000
		Unfunded	2,500,000	0	0	500,000	500,000	500,000	1,000,000
		Total	16,987,271	7,987,271	500,000	1,500,000	1,500,000	1,500,000	4,000,000

Sidewalk Repair



DESCRIPTION: This project provides for annual concrete sidewalk improvements citywide. Sidewalk locations are prioritized based on the City's Accessibility and Disability Commission's criteria, which are: (1) high traffic volume streets; (2) high pedestrian usage; (3) highest vertical deviation; and (4) ADA-related citizen complaints. This is a continuing program designed to repair identified damaged sidewalks. The number of locations completed each year will vary based on available funding.

JUSTIFICATION: Pasadena had nearly 1.1 million square feet of damaged sidewalk per citywide inspection in 2015. Repairing these sidewalks will result in a safer, more pleasant pedestrian environment.

SCHEDULE: Sidewalk improvements will continue in FY 2021.

RELATIONSHIP TO THE GENERAL PLAN: This project is consistent with the Mobility Element Policy 2.7 of the General Plan by promoting improvements for pedestrians to support vibrant and active streets and major places of activity.

IMPACT ON THE NORTHWEST: A portion of this project is located in Northwest Pasadena which is an area that has been targeted for revitalization.

HISTORY: This project was created and initially funded in FY 2016.