



May 2, 2022

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

FROM: Cynthia Kurtz, Interim City Manager

SUBJECT: Fiscal Year 2023 to 2027 Capital Improvement Program

It is my privilege to submit the Fiscal Year 2023 to 2027 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 2023 CIP Budget addresses and furthers the following City Council's Strategic Plan Goals to:

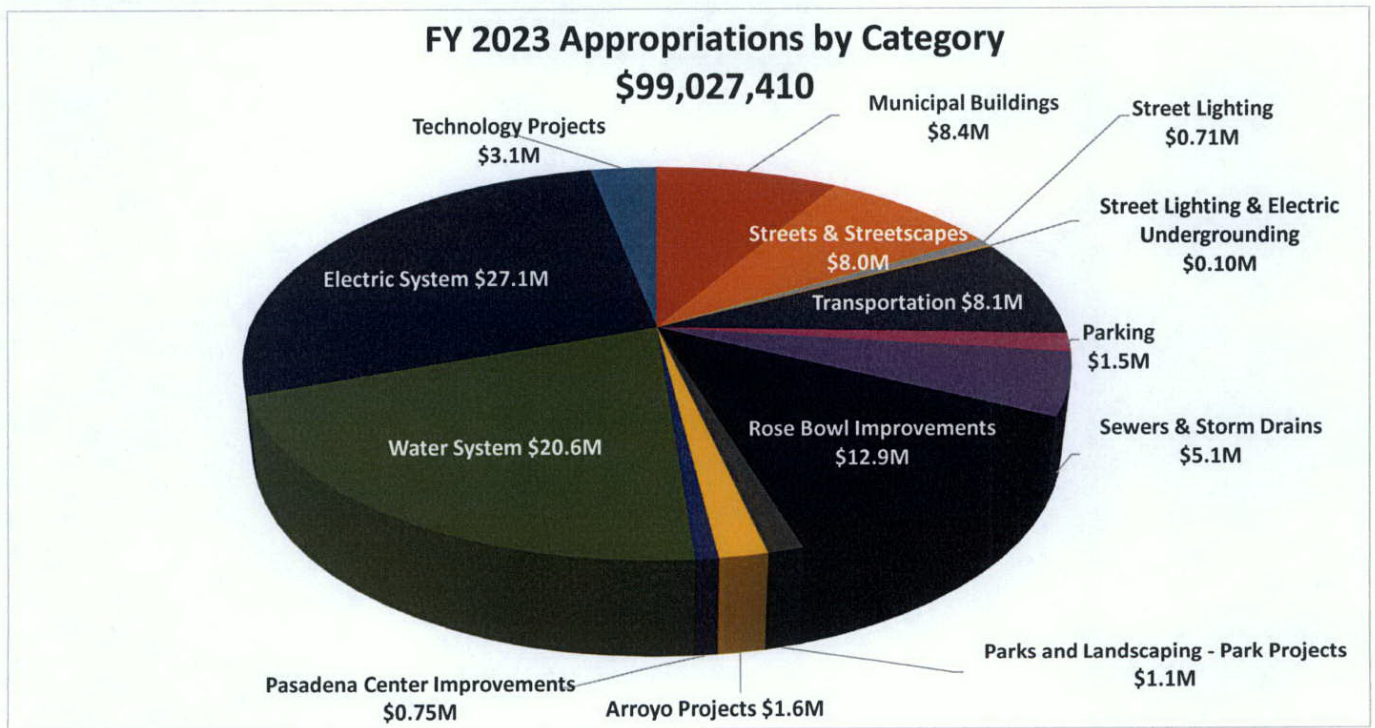
- Maintain fiscal responsibility and stability;
- Improve, maintain and enhance public facilities and infrastructure;
- Increase conservation and sustainability;
- Improve mobility and accessibility throughout the City;
- Support and promote the quality of life and local economy; and
- Ensure public 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 FY 2023 – 2027 CIP Budget contains 209 active projects with a total estimated cost of \$1.2 billion. The CIP Budget contains 27 new projects, and appropriates \$99 million to 120 projects in categories shown below:



Addressing major deferred maintenance and upgrades of infrastructure is one of the City's basic and core responsibilities. The \$99 million recommended appropriation this year represents a major investment by the City. 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 County, 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 *Central Library Renovation and Seismic Retrofit* and fire station renovations because these types of projects do not have a dedicated funding source.

Despite the funding challenges, staff has funded the work plan in a way to maximize appropriations. As part of the FY 2023 – 2027 CIP Budget, 11 projects are being awarded grant funding totaling \$15.8 million for various transportation, park, technology, and building projects. Included in this budget is the award of \$4 million in California State Library Grant funds for the design phase of the *Central Library Seismic Retrofit and Renovations* project. The City also received approximately \$2 million in MTA Multi-Year Subregional Program grant funding towards the purchase of ten replacement renewable natural gas standard buses. The Department of Transportation also received \$2.8 million in an Affordable Housing and Sustainable Communities grant for three active transportation projects. The goal of this grant is a partnership with developers and local government to encourage development and active transportation projects in low income areas. Also, \$2 million in American Rescue Plan Act funds was appropriated for the major renovations at Fire Station 37.

FY 2023 is a critical year for investment in Pasadena's Water System infrastructure. Water System infrastructure is an important contributor to the City's economic stability, public safety, and public health. Adopted in FY 2022, the Water System and Resources Plan establishes the priorities and resource commitments for implementation of new operations and management strategies that provide focus on local resources and promote sustainability, consistent with State directives. Priorities and projects in FY 2023 include improving treatment of local water supply and investment in replacement of aging wells, boosters, distribution lines and water storage facilities. Additional projects including technology investments in advanced metering infrastructure will follow the launch of the new Customer Information System.

Capital outlay for Electric System infrastructure in FY 2023 focuses on investments in expansion and strengthening of existing facilities. Adoption of the Power Delivery Master Plan in FY 2023 will guide the modernization and upgrade of the City's Power Distribution System. Modernization of critical local generation facilities is essential to ensure that reliability and capacity requirements are met. Improvements and replacement of overhead and underground distribution assets will strengthen service delivery dependability. Investment in electric vehicle charging infrastructure and support programs will also continue through FY 2023. Underground Surtax revenues (Fund 206) will be utilized for the construction and repair of new and existing underground electric distribution and fiber optic communications systems during the year.

To ensure high quality standards are maintained throughout the City's infrastructure, the CIP budget has a number of annual projects that strategically optimize available funding in developing workplans to maintain and improve city streets, sidewalks, curb ramps, street lighting, guard rails, bridges, storm drains and sewer relining. These projects demonstrate the City's commitment to annually fund these important programs. In this year's budget, approximately \$10.9 million is recommended to be appropriated to these type of projects.

The CIP budget also demonstrates the City's ongoing effort 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 considers the potential risk for vulnerable pedestrians and bicyclists at high volume locations. In addition to these efforts, many safety enhancements are implemented outside of the capital budget process through operational modifications. A number of long standing projects will be in construction in FY 2023, including Complete Streets projects: *Union Street Cycle Track*, and *Cordova Street from Hill Avenue to Arroyo Parkway*.

This budget also includes new safety projects focusing on pedestrian, bicyclist, and motorist enhancements including the *Installation of a Pedestrian Hybrid Beacon at Washington Boulevard and Hudson Avenue* and a new traffic signal at Sierra Bonita Avenue and Orange Grove Boulevard. Grant funding will support the installation of a number of projects, including an Affordable Housing and Sustainable Communities grant for *the Craig Avenue Greenway Quickbuild* project and new traffic signal at Orange Grove Boulevard and Craig Avenue, and Highway Safety Improvement Program funding for *Installation of Leading Pedestrian Intervals and Audible Signals at Signalized Intersections*. Additionally, this budget includes funds to address deferred maintenance items in the City-owned parking structures as defined by a recent garage condition assessment. Initial work will focus on the replacement of elevators in eight garages.

In addition to the multitude of capital improvement efforts described above, this budget also demonstrates the City's commitment to improving its parks. In FY 2023, an appropriation of approximately \$1.08 million is being recommended to begin six park projects to improve sports activities throughout the City. The *Vina Vieja Pickleball Courts* project will receive \$300,000 to construct two pickleball courts with fencing and benches with shade. Also, sports courts improvements and site amenities will be completed at McKinley School, Brenner Park and McDonald Park. In FY 2022, a significant amount of park projects were completed: *Villa Parke Community Center Improvements; La Pintoresca Park Improvements; Annandale Canyon Open Space Trail Access; Improvements and Park Expansion; and the Playhouse District Park and Parking Lot*.

The fiscal year 2023 – 2027 Capital Improvement Program represents the City Council's commitment to maintaining and improving the City's infrastructure to preserve the quality of life in Pasadena. It is a testament to the City's continuous effort to improve the way city government does business and to assure that Pasadena continues to be a world class city.

Respectfully Submitted,

CYNTHIA KURTZ
Interim City Manager