

Attachment A



TO: Honorable Mayor and Members of the City Council

FROM: Miguel Márquez, City Manager

DATE: May 5, 2025

SUBJECT: Recommended Fiscal Year 2026 to 2030 Capital Improvement Program

I am pleased to present this Recommended Fiscal Year (FY) 2026 to 2030 Capital Improvement Program (CIP), which aims to support infrastructure and maintenance projects that expand, enhance, and/or preserve the foundation of Pasadena. This five-year planning document contains 218 active projects with a total estimated cost of \$2.5 billion. The Recommended FY 2026 – 2030 CIP budget contains 14 new projects and recommends appropriating \$446 million to 119 projects.

While the \$446 million recommended for appropriation this year represents a major investment by the City, this level of investment is not sufficient to keep pace with growing maintenance requirements of the City extensive infrastructure. This budget recognizes a \$1.1 billion need. Identifying funding to meet these needs is a significant challenge. Pasadena's capital projects are primarily funded through local revenues, long-term debt financing, special revenue sources, and when available, grants from Los Angeles County, and 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 for funding some of the larger 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 2024 Pasadena voters approved Measure PL for \$195 million to fund the seismic retrofit and renovations necessary to reopen the historical Central Library. In addition, this budget includes \$37.6 million in grant funds to various street improvements and stormwater capture projects.

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Addressing major maintenance, capacity needs, and upgrading aging infrastructure continues to be one of the City's top priorities. As part of the Recommended FY 2026 – 2030 CIP Budget, \$5.9 million has been identified to fund the *Annual Citywide Street Resurfacing and ADA Improvement Program FY 2026*. This annual project strives to improve the citywide pavement condition and stop further deterioration to levels that are much more expensive to address. New and additional funding must be identified for the city to tackle the large backlog of street repairs. In addition, the budget recommends appropriating \$1.5 million in the *Annual Sewer System Improvements and Capacity Upgrades* project and \$2.35 million in the *Modernization of Busch Garden and Rosemont Pump Stations* project, which allows construction to begin in FY 2026. These investments will allow the City's 100+ year old sewer system to be brought up to modern standards.

The Recommended FY 2026 – 2030 CIP also demonstrates the City's ongoing efforts to prioritize transportation safety projects. Staff analyzes traffic collision data for motorists, bicyclists, and pedestrians during and after the program or project's development process. The recommended CIP contains several continuing safety improvement projects, including *North Lake Ave Traffic and Pedestrian Safety Enhancements from Mountain Street to Maple Street*, *Pedestrian Crossing Enhancements Program FY 2021-2028*, and *Citywide Continental Crosswalk Implementation*. The CIP also contains projects focused on reducing greenhouse gas emissions, such as the *Purchase of Zero-Emission Pasadena Transit and Dial-A-Ride Vehicles and Supporting Infrastructure*. Staff will continue prioritizing community outreach on all initiatives and will conduct outreach on the following CIP projects: *North Lake Ave Traffic and Pedestrian Safety Enhancements*, *Greenways Implementation*, *Columbia Street Multimodal Improvements*, and *Pasadena Ave and St. John Ave Street Improvements*. These projects will be completed with funding appropriated in previous fiscal years.

FY 2026 continues to be a critical year for investment in Pasadena's water system infrastructure. The water system infrastructure contributes to the City's economic stability, public safety, and public health. The strategic reinvestment in the water system ensures adequate production of local water supply and reliable distribution of water. 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 2026 include plans for further replenishment of the groundwater basin, investment in a new water well (funded by NASA), booster stations, distribution lines, and water storage facilities. In addition, the *Eaton Windstorm and Fire Recovery – Water* project will support the recovery and strengthening of damaged infrastructure, which aims to make communities more resilient to the increasing frequency and intensity of wildfires and other natural disasters.

Capital outlay for Pasadena's electric system infrastructure in FY 2026 focuses on investments to expand and strengthen existing facilities, which is a cornerstone to Pasadena's quality of life and thriving economy. The City is enhancing its local power resource portfolio by adding energy storage systems as recommended by the adopted Power Integrated Resources Plan to reinforce grid resiliency, efficiency, and support the City's carbon free power goals. The Power Delivery Master Plan guides the modernization and upgrade of the City's power distribution system including the Subtransmission Path 2 upgrade.

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This project will help overcome the limitation in the subtransmission system required to meet carbon free power goals. Improvements and replacement of distribution assets will strengthen service delivery dependability, which remains a high priority. The City continues to use Underground Surtax revenues for the construction and repair of new and existing underground electric distribution and fiber optic communications systems during the year. Investments in the electric system transformation continue with the construction of electric vehicle charging infrastructure and implementation of advanced metering infrastructure and an enterprise asset management system.

The Recommended FY 2026 – 2030 CIP also shows the City's new commitment to improving its network of parks. City residents can now enjoy three new pickleball courts and expanded parking at the recently completed Viña Vieja Park. Residents can also enjoy a shade structure at Washington Park. Construction of shade structures at McDonald Park and Victory Park will commence in FY 2026. The Recommended FY 2026 – 2030 CIP Budget recommends appropriating over \$1 million to four more projects, including the *Citywide Parks Playground Shade Structure Installations – Phase I*, *Brenner Park Playground Improvements*, *Citywide Parks Improvement Program FY 2025 – 2029*, and *Villa Parke Pool and Pool Area Upgrades - Concept Study*.

This document represents the delivery of high-quality municipal services to our entire community, while acknowledging ongoing challenges and unmet needs. As the City recovers from the Eaton Fire and January 2025 Windstorm, I would like to thank our staff for their selfless, dedicated, and instrumental work in navigating this recovery. Their unwavering commitment to the Pasadena community is nothing short of remarkable.

Respectfully Submitted,

MIGUEL MÁRQUEZ
City Manager