

Agenda Report

May 4, 2026

TO: Honorable Mayor and Members of City Council

FROM: Department of Public Works

SUBJECT: ADOPTION OF FISCAL YEAR 2027 – 2031 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION:

It is recommended that the City Council, after closing the Public Hearing, take the following actions:

1. Find that the proposed actions are not “projects” as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review;
2. Adopt by resolution the City’s Fiscal Year (FY) 2027 – 2031 Capital Improvement Program (CIP) Budget as summarized in Attachment A - Exhibit B contained in the resolution and any changes passed by a motion of the City Council at the May 4, 2026 meeting.

ADVISORY COMMISSION RECOMMENDATIONS:

Recreation and Parks Commission

On March 3, 2026, the Recreation and Parks Commission voted unanimously to support the *Parks and Landscaping* and the *Arroyo Projects* sections of the Recommended FY 2027 – 2031 CIP Budget.

Northwest Commission

On March 10, 2026, the Northwest Commission voted unanimously to support projects located completely or partially in Northwest Pasadena in the Recommended FY 2027 – 2031 CIP Budget.

Transportation Advisory Commission

On March 26, 2026, the Transportation Advisory Commission voted unanimously

to support the *Streets and Streetscapes* and the *Transportation* sections of the Recommended FY 2027 – 2031 CIP Budget and recommends that City Council allocate additional funding for the citywide street resurfacing budget of at least \$6 Million.

Planning Commission

On April 8, 2026, the Planning Commission found the 28 recommended new projects in the Recommended FY 2027 - 2031 CIP budget to be consistent with the General Plan.

BACKGROUND:

On April 13, 2026, City Council opened the public hearing on the Recommended FY 2027 – 2031 CIP Budget. A copy of the Recommended FY 2027 – 2031 CIP was placed in the City Clerk's Office on March 30, 2025. An electronic version can also be found on the City's website at <https://www.cityofpasadena.net/public-works/engineering-and-construction/capital-improvement-program/>. On April 20, 2026, and May 4, 2026, the joint City Council/Finance Committee held workshops to review and discuss the Recommended FY 2027 – 2031 CIP Budget. The budget is being forwarded to the City Council for adoption.

Changes to Printed Recommended FY 2027 – 2031 CIP

Below are the adjustments to the printed Recommended FY 2027 – 2031 CIP which have been reviewed and discussed by the joint City Council/Finance Committee and are incorporated into the budget and reflected in Attachment A - Exhibit B.

1. **Annual Citywide Street Resurfacing and ADA Improvement Program FY 2027 (New Phase)** – The Department of Public Works recommends appropriating an additional \$1,600,000 in Gas Tax and \$1,125,000 in Community Development Block Grant Funds to this project. This action will increase the FY 27 appropriation from \$5,900,000 to \$8,625,000. Staff also identified an additional \$2.2 million of funding from FY 2026 completed or deferred projects that will be reallocated to this project on a future CIP Budget Amendment report bringing the total funding to approximately \$10.8 million. This additional funding will allow staff to resurface 11 center line miles including completing the Rose Bowl Loop paving work in FY 2027.
2. **Street Drainage Improvement Program FY 2027 – 2031 (New)** – The Department of Public Works recommends increasing the FY 2027 recommended appropriation to this project from \$440,000 to \$1,000,000 in Sewer Fund and increasing the budget by a like amount. This project will provide for the construction of new or repair of broken and raised concrete curbs and gutters for drainage improvements along several City streets. Staff is requesting this increase due to volume of locations that need to be repaired in FY 2027.
3. **Guardrail Program FY 2023 – 2027 (73941)** – The Department of Public Works recommends removing the requested FY 2027 appropriation of \$100,000 in Gas Tax and moving the funding to a higher priority project. There are sufficient funds on the project to cover anticipated guardrail repairs in FY 2027.

4. **Annual Sewer System Improvements and Capacity Upgrades FY 2027 – 2031 (New Phase)** – The Department of Public Works recommends increasing the FY 2027 recommended appropriation to this project from \$4,250,000 to \$5,250,000 in Sewer Fund. This additional appropriation will allow staff to expedite the televising and lining on this project. Work includes thorough cleaning of the sewer lines to eliminate debris and blockages, followed by closed-circuit television (CCTV) inspection to evaluate the structural and operational condition of the pipelines, and installation of a liner inside select sewer line segments.
5. **East Side Storm Drain (76540)** – The Department of Public Works recommends increasing the FY 2027 recommended appropriation to this project from \$1,000,000 to \$2,000,000 in Sewer Fund. This appropriation will fully fund Phase II of the project to address repairs of the East Side Storm Drain channel.
6. **Installation of Shade Structures at Citywide Parks Athletic Field Seating Areas (New)** - Staff recommends increasing the total estimated project cost from \$600,000 to \$900,000 based on estimates received. There are no recommended appropriations. This project will begin when funds are identified.
7. **Artificial Turf Replacement – Robinson Park and Villa Parke (New)** – Parks, Recreation and Community Services Department recommends increasing the FY 2027 recommended appropriation from \$975,000 to \$1,125,000 in Residential Impact Fees. This appropriation will fully fund the turf replacement at Villa Parke.
8. **Water and Power Office Consolidation (3285)** – The Department of Water and Power recommends removing the requested FY 2027 appropriation of \$650,000 in Power Fund from this project and moving the funding to a higher priority project. The goal of this project is to identify and purchase an existing facility to centralize PWP staff and to achieve cost savings associated with ownership and office space consolidation of multiple leased facilities. This project will begin when funds are identified.
9. **Installation of 4 MW Municipal-Owned Solar** – The Department of Water and Power recommends appropriating \$650,000 in Public Benefit Fund to begin this phase of the project. This program helps maintain affordable energy rates and ensures that the costs associated with transitioning to carbon free electricity are shared equitably among customers. The resulting energy and environmental benefits will feed directly into PWP’s electric system, providing collective value to all PWP customers.

In addition, PWP combined the four Municipal-Owned Solar projects under one master project. This reduced the total number of active and new projects in the FY 2027 CIP by three. The Municipal-Owned Solar project is now priority number 5 with four subprojects in the Electric Systems section.

With the above changes, the Recommended FY 2027 – 2031 CIP Budget showcases 225 active projects, with a total estimated cost of \$3,284,238,940. Attachment A lists the FY 2027 recommended appropriation of \$249,035,334 to 106 projects and Attachment B provides the total recommended appropriation by category. Individual project descriptions and funding plans can be found in the detailed project pages of the Recommended FY 2027 – 2031 CIP budget book. Attachment C lists a total of 49 future projects in the CIP without identified funding for the next five years.

The table below summarizes the Recommended FY 2027 – 2031 CIP:

Total Estimated Cost of Active Projects	Appropriated Through FY 2026	Recommended FY 2027	FY 2027 - 2031 Active Projects Outstanding Funding Need	Total Estimated Cost of Future Projects
\$3,284,238,940	\$1,325,782,651	\$249,035,334	\$1,709,420,955	\$437,465,200

Attachment D contains the City Manager’s Recommended FY 2027 – 2031 CIP Transmittal Letter. This letter highlights the achievements and goals of the recommended CIP budget.

COUNCIL POLICY CONSIDERATION:

All projects in the Recommended FY 2027 – 2031 CIP address the City Council's strategic goals to maintain fiscal responsibility; 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. All projects are consistent with the General Plan.

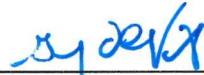
ENVIRONMENTAL ANALYSIS:

As work for each project moves through the City’s approval process, the appropriate environmental analysis will be conducted and brought to the City Council for approval.

FISCAL IMPACT:

Approval of the City Manager's Recommended CIP Budget will establish the FY 2027 - 2031 CIP with a total appropriation of \$249,035,334 to 108 projects. Details regarding the sources of funding are in Attachment A.

Respectfully submitted,



GREG DE VINCK, P.E.
Director of Public Works

Prepared by:



Phyllis Hallowell
Public Works Administrator

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager

Attachments:

Attachment A – Exhibit B - Recommended FY 2027 - 2031 Capital Improvement Program

Attachment B – FY 2027 - 2031 Capital Improvement Program - Totals by Category

Attachment C – FY 2027 - 2031 Capital Improvement Program - Future Projects

Attachment D – City Manager's Recommended Fiscal Year 2027 to 2031 Capital Improvement Program Transmittal Letter