

May 3, 2021

TO: The Honorable Mayor and City Council Members of the City of Pasadena
FROM: Steve Mermell, City Manager
SUBJECT: Recommended Fiscal Year 2022 to 2026 Capital Improvement Program

It is my privilege to submit the Recommended Fiscal Year (FY) 2022 to 2026 Capital Improvement Program (CIP) Budget. Despite the current level of economic uncertainty brought about by the COVID-19 pandemic, it is vital that the City continue to invest in its infrastructure and capital assets. The Capital Improvement Program is the vehicle for that investment.

Given the current environment, this year's recommendations focus on furthering previously approved projects, with relatively few new projects being recommended for addition. Overall, the City has faced significant revenue reductions, including the General Fund. While a portion of the General Fund Measure I dollars were intended to fund capital improvement projects, these funds are being recommended to maintain essential City services provided for in the Operating Budget.

Nevertheless, with recommended appropriations of approximately \$91.9 million the Recommended Fiscal Year (FY) 2022 to 2026 Capital Improvement Program (CIP) Budget represents a significant investment in infrastructure and major maintenance projects designed to expand, enhance, and/or preserve the foundations of this great City. The FY 2022 CIP Budget furthers the City Council's Strategic Plan Goals to:

- Maintain fiscal responsibility and stability;
- Improve, maintain and enhance public facilities and infrastructure;

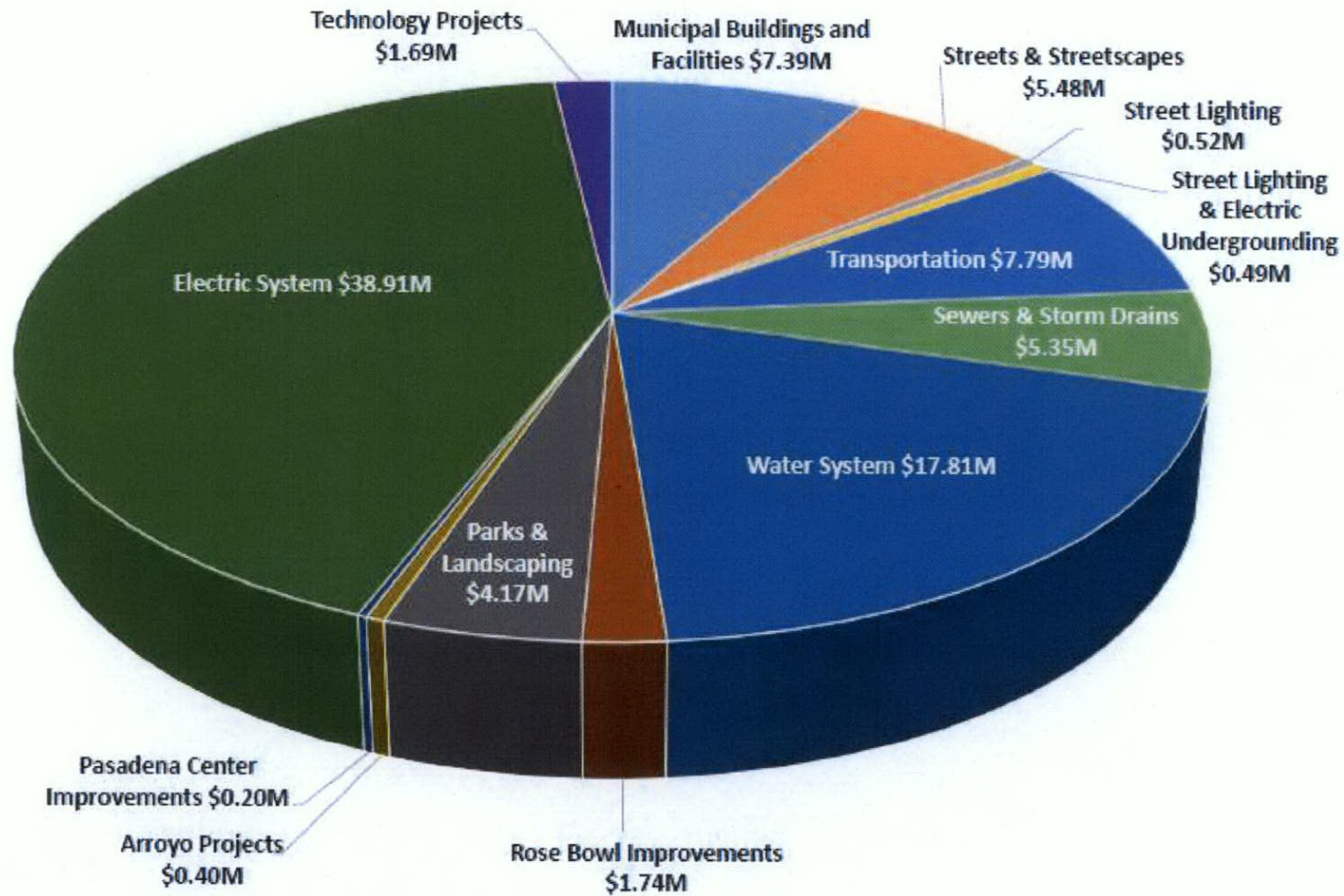
- Increase conservation and sustainability;
- Improve mobility and accessibility throughout the City;
- Support and promote the quality of life and local economy; and
- Ensure public safety.

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 Recommended FY 2022 – 2026 CIP Budget contains 207 active projects with a total estimated cost of \$1.08 billion. The CIP Budget contains 12 new projects, and appropriates \$91.94 million to 122 projects in the categories shown below:

FY 2022 Appropriations by Category \$91,941,232



Addressing major deferred maintenance and upgrades of infrastructure is one of the City's basic and core responsibilities. The \$91.94 million proposed 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 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.

Despite the funding challenges, staff has funded the work plan in a way to maximize appropriations. Though Measure I General Fund dollars will not be utilized, three projects will receive General Fund appropriations. FY 2021 Operating Budget savings in the amount of \$2.3 million will be utilized to fund the *Mobile Operations Center* and *Police Department Building Renovation* projects as there were critical public safety and workplace safety elements that needed to be addressed. Additionally, CIP project savings will be transferred from a closed project to fund the *Fire Station 31 Seismic Retrofit* as a local match to the FEMA Hazard Mitigation Grant.

As part of the FY 2022 – 2026 CIP Budget, nine projects are being awarded grant funding totaling \$11.3 million for various transportation, streets improvements, and building projects. The City was awarded \$3.77 million in Proposition 68 funds for two projects. The Arroyo Seco specifically was allotted \$3.5 million through this grant. The City, partnering with the City of South Pasadena to utilize the funding, as the area described by the granting agency overlaps city boundaries. This funding will be appropriated to the *NPDES Arroyo Seco Bacteria Load Reduction* project (76291). Proposition 68 funding was also allocated Per Capita funds for capital projects in parks. The allocation was evenly divided across all the cities in Los Angeles County. The City of Pasadena was given the Heavily Urbanized Counties allocation for having less than 200,000 residents in a county with over 500,000 residents. These Per Capita and Heavily Urbanized County Proposition 68 funds will be appropriated to the *Citywide Sports Facilities Improvements and Installations* project (78044) to transition two of the McKinley tennis courts into pickleball courts.

FY 2022 is an important year for the transition in the reinvestment strategies in Water System infrastructure to achieve the goals for improved reliability and resiliency of the City's water supply and delivery systems. The Water System and related infrastructure is an important contributor to the City's economic stability, public safety, and public health. The completion of life cycle and risk analyses performed in the development of the Water System Resource Plan is shaping the priorities and resource commitment to implementation of new operations and management strategies providing focus on local resources and promoting sustainability which is consistent with evolving State directives. Capital projects for the Water System are

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 is necessary to increase the overall level of funding.

Capital outlay for Electric System infrastructure for FY 2022 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 2022. 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) as appropriate 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 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 a FY 2015 inventory, an investment of approximately \$9 million remains to repair the balance of 600,000 square feet of identified damage. The City is also making strides in adding or upgrading its curb ramps to meet the current Americans with Disabilities Act (ADA) standards. The *Curb Ramp ADA Improvements FY 2022* will continue to improve this deficiency. This annual program will prioritize installation of 800 new curb ramps at street corners where none exist. Since the beginning of this program in FY 2021, 80 new curb ramps have been installed citywide.

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.

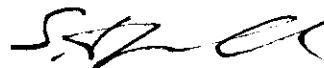
The CIP budget demonstrates the City's ongoing efforts to prioritize transportation projects based on safety needs. Staff reviews traffic collision history for motorists, bicyclists, and pedestrians during the CIP development process. High collision intersections are evaluated and safety enhancements 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 2022 - 2026 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. In FY 2021, the City received significantly fewer Residential Impact Fees (RIF) as a result of Covid-19 causing residential development to slow down throughout the City. In FY 2022 approximately \$3.3 million in RIFs is being appropriated to five park projects which will ensure implementation of improvements such as: *Villa Parke Community Center Improvements, Washington Park Community House and Restroom – Construction Phase, Citywide Sports Facilities Improvements and Installations, Lamanda Park Library Pocket Park – Construction, and Annandale Canyon Open Space Trail Access, Improvements and Park Expansion.*

Even through the challenges this past year has presented, staff has continued to improve our City infrastructure. In accordance with the City's mission, staff will continue to "deliver exemplary municipal services responsive to our entire community", even when confronted with challenging times.

Respectfully Submitted,



STEVE MERMELL
City Manager