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TITLE:

FISCAL YEAR 2024-25 PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET AND FIVE-YEAR (2024-25 TO 2028-29) CIP STUDY SESSION

DEPARTMENT: PUBLIC WORKS DEPARTMENT/FINANCE DEPARTMENT

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR AND CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR (714) 754-5343

RECOMMENDATION:

Staff requests the City Council provide general direction during the Study Session on the Fiscal Year (FY) 2024-25 Proposed Capital Improvement Program (CIP) Budget and the Five-Year (FY 2024-25 to FY 2028-29) CIP. A final vote on the FY 2024-25 Proposed CIP Budget is required by June 30, 2024.

BACKGROUND:

The Public Works Department has delivered and made progress on numerous Capital Improvement Program (CIP) projects over the past year. Several major projects were completed and continue to receive awards and recognitions by agencies such as the American Society of Civil Engineers (ASCE) and Institute of Transportation Engineers (ITE), recognizing the Department's best practices. More importantly, our City projects are well received by the community and our City partners.

The Public Works Department is organized into five (5) divisions as follows:

- *Administration*
- *General Services*

- *Engineering*
- *Transportation Services*
- *Maintenance Services*

CIP projects are implemented by all of the divisions depending on the nature of the improvement. It should be noted that while CIP implementation is the most visible function of the Public Works Department, it represents about a third of the actual workload. The maintenance of the City's infrastructure and parks is the major function of our Maintenance Services Division, in addition to park development projects in the CIP. The new General Services Division is responsible for the maintenance of the City's facilities and vehicle fleet, along with the implementation of building modification projects and facilities projects in the CIP. A significant share of Engineering's workload is devoted to development reviews and inspection of private and public projects and water quality/National Pollution Discharge Elimination System (NPDES) compliance. The CIP projects related to streets, parks and storm drains are implemented by the Engineering Division. The Transportation Services staff maintains the City's traffic signal system and related infrastructure, provides development reviews for building and planning, reviews and approves traffic control plans for private and public developments, supports the Active Transportation and Traffic Impact Fee Committees, addresses various neighborhood issues, and administers the City's residential permit parking program, in addition to the design and implementation of transportation CIP projects.

The City had numerous significant CIP accomplishments during the current Fiscal Year 2023-24. Some of the major accomplishments by the end of this fiscal year include:

- **West 19th Street Active Transportation Improvements and Raised Crosswalks** - West 19th Street from Sundance Drive to Pomona Avenue underwent street improvements, including, new bicycle facilities, high-visibility striping and markings, and pavement rehabilitation. Green bike boxes and conflict zones provide enhanced features for the safe mobility of bicyclists and motor vehicles in this highly traveled corridor. Moreover, new sidewalks were installed west of Placentia Avenue, along with new driveways, which enables accessible pedestrian traffic along this portion of West 19th Street.

New raised crosswalks equipped with Rectangular Rapid Flashing Beacons (RRFBs) that are pedestrian actuated were installed at Pomona Avenue and Sterling Avenue, as well as at Meyer Place and Bay Street. The raised crosswalks serve as traffic calming measures by extending the sidewalk across the road and bringing motor vehicles up to the pedestrian level, thereby reducing the speeds of vehicles approaching these crosswalks.

- **West 19th Street and Wallace Avenue Traffic Signal and HAWK Signals at Wilson Park and Lions Park** - A new traffic signal at the intersection of West 19th Street and Wallace Avenue, and new high-intensity activated crosswalks (HAWKs) on Wilson Street adjacent to Wilson Park and West 18th Street adjacent to Lions Park were installed. This project improved pedestrian connectivity adjacent to parks and for residents accessing commercial areas adjacent to West 19th Street.
- **Placentia Avenue Street Rehabilitation, Active Transportation and Bicycle Facility Improvements** - Significant upgrades have been implemented along Placentia Avenue between Adams Avenue and West 16th Street that consisted of street pavement rehabilitation and active transportation improvements. The street improvements involved a combination of

grind and overlay rehabilitation along with slurry seal. Active transportation improvements included enhanced striping, improved bicycle facilities, and upgraded crosswalks. From Adams Avenue to Wilson Street, a new Class IV cycle track was installed with green K-71 delineators forming a vertical separation between bicyclists and motorists.

- **Adams Avenue Rehabilitation** -Adams Avenue between Royal Palm Drive and Santa Ana River significantly deteriorated requiring significant pavement rehabilitation. Three inches of deteriorated asphalt was ground and replaced with new pavement. There were additional localized digouts in several areas where the pavement deterioration was more severe. Buffered bicycle lanes were implemented as part of this project in advance of major active transportation improvements on this major corridor planned in the upcoming fiscal years.
- **Active Transportation Improvement Projects** - The design and implementation of several Active Transportation projects were completed in the 2023-24 fiscal year which include:
 - 80,000 linear feet of new or improved bicycle facilities
 - Placentia Avenue Class II and IV bicycle facility project
 - West 19th Street Bicycle Facility Improvements
 - Improved and new bicycle facilities in the city along the following streets: Golf Course Drive, Orange Avenue, Santa Ana Avenue, and Wilson Street
 - Pedestrian signal at West 19th Street and Wallace Avenue
 - Pedestrian Hybrid Beacon (HAWK) on Wilson Street near Wilson Park/Fordham and West 18th Street near Lions Park Playground
 - Rectangular Rapid Flashing Beacons for pedestrian crossings on Santa Ana Avenue at Esther Street and Meyer Place at Bay Street
 - Raised pedestrian crosswalks on Pomona Avenue at Sterling Avenue and Meyer Place at Bay Street
 - Bicycle rack installations at City facilities and in commercial corridors
 - Design of Fairview Road Class II and IV bicycle facility from Fair Drive to Newport Boulevard
 - Development of a Bicycle Safety Education Program project
- **Citywide Residential Permit Parking Program** - Completed the implementation of the revised Residential Permit Parking (RPP) Program. The goal of the revised RPP Program is to implement equitable, sustainable, and efficient parking management strategies. The RPP Program implementation included:
 - Development of an online portal for managing permits including guest permits and special event permits.
 - Procurement and installation of mobile license plate recognition (LPR) cameras on Police Department vehicles for enforcement which eliminates the need for physical permits and improves efficiency.

- Completion of residential parking permit renewals for streets from the previous residential permit program with a phased approach to the requalification process.
- Evaluation and implementation of new neighborhood permit zones that meet the requirements of the revised residential parking program guidelines. Staff will provide another update to Council in the near future.
- **Police Department Range Remodel** - Construction began in late 2022 to install a new targeting and baffle system, implement a new closed-circuit camera system, improve the air supply structures, and construct building modifications to the existing fire and safety systems. The project also incorporated a new Range Master's office, a cleaning facility, and a larger storage area. In addition, a new elevator has been installed to replace the existing one that was outdated and inoperable. The new elevator will increase accessibility for all three floors at the Police Department and is compliant with the current Americans with Disabilities Act (ADA) standards.
- **Fire Station 6 Roof Replacement** - The new 30-year Title 24 energy efficient roofing system incorporated recycled rubber and is bright white in color. The new roof also included new energy-efficient skylights which utilizes daylight to light the apparatus bay during the day.
- **Civic Center Facility Projects** - Several Civic Center facility projects were completed including Police Department Foundation Stabilization, Underground Storage Tank abandonment and Information Technology Office Remodel.
- **Tennis Center LED Upgrade** - The City received \$10 million in grants through State Senator David Min. Upgrading Tennis Center lights was one of the projects identified as part of that funding. In addition, the City Council approved funding for additional improvements at the Tennis Center. As first phase of the project, energy efficient Light Emitting Diode (LED) lights were installed at the Tennis Center. Installation of these lights required new poles and foundations, as the existing light poles were rusted and could not be retrofitted.

ANALYSIS:

The CIP budget for FY 2024-25, which starts on July 1, 2024, was developed based on input from various departments, community needs identified over the past year, as well as consideration of City Council priorities. The budget document will include a narrative section of the CIP process, incorporating visual elements for recommended projects, listing of ongoing capital improvement projects with updated balances, and a five-year CIP. The City Council Study Session will provide overall highlights of the Proposed CIP Budget with the detailed CIP soon to follow.

ALL FUNDS: The FY 2024-25 Proposed CIP Budget is approximately \$47.9 million, across all funding sources, approximately \$16.8 million more than the previous fiscal year. A significant share of this increase is due to an estimated \$20.0 million in future funding that will be secured with bond financing. The projects proposed with bond financing include Fire Station 2 reconstruction and the Fire Station 4 Living Quarters upgrade. Leasing options will be considered for funding back-up generators for the Civic Center and Senior Center in order to ensure continuity of operations in emergencies.

GENERAL FUND TRANSFER & CAPITAL PROJECTS FUND (401): The City's Capital Asset

Needs (CAN) Ordinance requires that five percent (5%) of General Fund revenues be budgeted for Capital projects. For Fiscal Year 2024-25, this amount represents approximately \$9.7 million. Similar to previous years, approximately \$2.8 million of the CAN obligation is met by debt service payments on the bonded debt for the Lions Park projects. The remaining approximately \$6.9 million General Fund CAN contribution, which is performed annually as a General Fund (101) transfer into the Capital Projects Fund (401), is allocated for various projects.

The Capital Projects Fund (401) Proposed Budget for Fiscal Year 2024-25 is approximately \$9 million. This reflects the appropriation per CAN Ordinance into Fund 401 as well as \$2.1 million of unassigned balances/reserves remaining in the Fund.

PROPOSED FY 2024-25 CAPITAL IMPROVEMENT PROGRAM: Following discussions with all departments, staff is recommending projects for FY 2024-25 as reflected in Attachment 1. For the fiscal year starting July 1, 2024, the intent is to prioritize the CIP as follows:

1. Complete ongoing grant-funded projects to ensure the timely expenditure of funds
2. Complete critical facility maintenance projects, such as roof replacements and Heating, Venting and Air Conditioning (HVAC)
3. Projects needed to meet Maintenance of Effort (MOE) requirements in order to receive State and County funding

Major projects that are proposed for FY 2024-25 are briefly described below:

- **Fire Station Reconstruction Projects - Stations 2 and 4** - Fire Station 2 has served the community for several decades and has exceeded its useful life. This Fire Station is no longer effective for current operational needs due to mechanical, electrical, and plumbing deficiencies. The design of Fire Station 2 is ongoing. Funding is requested for the construction phase of this project.

Fire Station 4 was opened in 1967 and has exceeded its useful life span. The current facility has multiple defects and is no longer sufficient for current operational needs, including multi-gender operations, privacy, ADA guidelines, seismic stability and occupational health. There are numerous electrical and plumbing needs, security concerns and infrastructure defects, including ventilation for firefighter sleeping quarters.

- **Facility Needs and Assessment Study** - City of Costa Mesa owns twenty-three facilities including all Civic Center buildings, six fire stations, the Corporation Yard, Historical Society, Police westside Substation, Mesa Verde Library, Donald Dungan Library, Balearic Center, Downtown Recreation Center, Senior Center, Permanent Bridge Shelter and the Costa Mesa Tennis Club.

This project is to initiate a Facilities Needs and Assessment Study and develop a phased implementation plan.

- **Communications Facility Remodel** - The existing emergency communications facility serves

as a vital communication link to the public and first responders. The current facility requires a redesign and expansion to increase its functionality. This includes space for a future real time crime center, expanded locker rooms, additional shower areas and a reconfiguration and expansion of office spaces. These improvements will increase the working conditions for personnel and create a modernized communications center to increase our public safety capabilities.

- **Senior Center Improvements** - This is an aging facility that is in need of critical infrastructure improvements such as HVAC and roof replacement, generator and aesthetic improvements including paint, new flooring and renovated restrooms.
 - The current HVAC equipment is failing and is approaching life expectancy. Due to the critical nature of the facility as it serves seniors and is also a cooling center, the equipment needs to be replaced as soon as possible prior to a major breakdown.
 - The roof at the Senior Center is showing signs of deterioration throughout the perimeter. During the last recent rains, there have been multiple leaks throughout the building causing damage to equipment and ceiling tiles. It has been recommended by professional roofing repair companies that the roof be replaced.
 - The Senior Center is not equipped with an emergency generator. In order to provide for safety in the event of power failure, a generator is needed for the facility.
- **Citywide Street and Alley Improvements** - This annual program provides major rehabilitation to streets and is implemented in accordance with the Pavement Management System to meet the City Council goal to reach and maintain an average Citywide Pavement Condition Index (PCI) of 85.

Citywide project to repair and rehabilitate all of the City's alleys with concrete surfacing. Funding is requested this fiscal year to reconstruct additional alleys.

- **Adams Avenue Bicycle Facility Project Fairview to Harbor** - This project will implement Class II bike lanes with buffers and Class IV cycle tracks along Adams Avenue from Harbor Boulevard to Fairview Road. This project includes a Class 1 multi-use path segment on the north side of Adams, median modifications, pavement slurry seal, and intersection and traffic signal modifications at Fairview/Adams. The project will complement and tie into the Adams Avenue and Pinecreek Drive Intersection Project. The City received a competitive federal grant for construction funds of this project. This project is in accordance with the City's General Plan and the Active Transportation Plan.

The project is in the final design phase. The project will improve pedestrian and bicycle mobility and access in the area.

- **Fairview Road Improvements Project Fair Drive To Adams Avenue** - This project will close the gap for Active Transportation improvements on Fairview Road between Fair Drive to Adams Avenue. Class IV cycle tracks are proposed for Fairview Road south of Fair Drive and will be in construction in the upcoming fiscal year. Bicycle facility projects were implemented

on Merrimac Way, Arlington Drive and Fairview Road north of Adams to Baker Street. This project will design bicycle facility improvements between Fair Drive and Adams Avenue providing access to other bicycle facilities as well as Costa Mesa High School and Orange Coast College. The design will be implemented in coordination with adjacent stakeholders and the Active Transportation Committee.

- **Signal Modernization for Systemic Multi-Modal Safety Improvements** - This project will design and implement proven safety countermeasures for all users including implementing Leading Pedestrian Intervals at 49 intersections, installing countdown pedestrian signal heads at 43 intersections, installing new retro-reflective border signal backplates to enhance visibility and compliance, installing battery backup systems at major intersections to keep signals and pedestrian crossings active during unexpected power outages, and installing emergency vehicle preemption devices at 30 intersections to complete the network for City's emergency services. This is a competitive grant project awarded from the State of California's Highway Safety Improvement Program. The purpose of this grant project is to achieve a significant reduction in fatalities and serious injuries for all modes of travel on public roads.
- **Tree Planting and Small Tree Care Program** - The City of Costa Mesa received recognition as Tree City USA by Arbor Day Foundation. In order to continue to maintain the designation as well as to improve the tree canopy in areas of the City that are deficient, a Tree Planting and Young Tree Care program is proposed. The proposed funding will enable the planting and care for up to 250 new trees in the City.
- **Active Transportation Improvements** - Several Active Transportation projects are proposed as part of the FY 2023-24 CIP. These include:
 - Fairview Road Active Transportation Improvements from Fair Drive to Newport Boulevard
 - Safe Routes to School Action Plan
 - Bicycle and Pedestrian Infrastructure Improvements (ongoing)
 - Citywide Bicycle Rack Improvements (ongoing)
 - Citywide Class II, III and IV Bicycle Projects (ongoing)
 - Citywide Neighborhood Traffic Calming Improvements (ongoing)

Attachment 2 includes the proposed Five-Year CIP, which includes projects that were deferred from consideration in Fiscal Year 2024-25, and other future projects for consideration over the next five years and beyond.

There are several previously funded CIP projects that are in various stages of completion. A listing of ongoing CIP projects is included in Attachment 3. Staff will request continuing appropriations for a total of 103 projects with a total remaining balance of approximately \$79.2 million from all funding sources as previously approved by the City Council.

PARKS GRANT PROJECTS: The City secured grant funding through State Senator Min, Assembly Member Cottie Petrie-Norris and Supervisor Foley for various park projects. Staff initiated work on several projects and are in various stages. The lighting upgrade projects are already underway and

several park projects are under design. Community meetings are being scheduled for these projects in the coming months. Attachment 4 provides an update on these projects.

NEXT STEPS: As in previous years, the CIP is scheduled for presentations at the following committees and commissions:

- Finance and Pension Advisory Committee - April 18, 2024
- Parks and Community Services Commission - May 9, 2024
- Planning Commission - May 13, 2024

All comments received from the aforementioned committee and commissions will be presented to the City Council as part of budget deliberations.

ALTERNATIVES:

The City Council may consider changes to the proposed CIP budget and direct staff accordingly. Staff will evaluate and present to the Council for formal adoption in June 2024.

FISCAL REVIEW:

The FY 2024-25 proposed CIP budget is approximately \$47.9 million, across all funds. The CIP budget was prepared based on a variety of funding sources, which includes actuals, estimated revenues, and fund balances, to maximize the utilization of available funds to maintain, improve, and develop essential City's assets. Various funding sources also include City, County, State and Federal grants, many of which are reserved for CIP. There are sufficient fund balances and estimated revenues to support the projects recommended for the FY 2024-25 CIP across multiple funding streams as detailed in the FY 2024-25 Proposed CIP.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

The CIP budget strives to achieve City Council goals and objectives as listed below:

- Strengthen the public's safety, infrastructure and improve the quality of life.
- Achieve long-term fiscal sustainability.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

The attached FY 2024-25 Proposed CIP Budget utilizes anticipated revenues from various funding sources both General Fund and Restricted Funds to program essential and key projects in accordance with City Council adopted goals and priorities.

The proposed Five-Year CIP includes projects that were deferred and other future projects for

consideration over the next five years and beyond. Staff requests City Council direction on the FY 2024-25 Proposed CIP Budget in order to finalize recommendations for final budget adoption by June 30, 2024.