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TITLE:

FISCAL YEAR 2022-23 PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET AND FIVE-YEAR (2022-23 TO 2026-27) CIP STUDY SESSION

DEPARTMENT: PUBLIC SERVICES DEPARTMENT/FINANCE DEPARTMENT

PRESENTED BY: RAJA SETHURAMAN, PUBLIC SERVICES DIRECTOR
CAROL MOLINA, FINANCE DIRECTOR

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

RECOMMENDATION:

Staff requests the City Council provide general direction during the Study Session on the Fiscal Year (FY) 2022-23 Proposed Capital Improvement Program (CIP) Budget and the Five-Year (FY 2022-23 to FY 2026-27) CIP. A final vote on the FY 2022-23 Proposed CIP Budget is not required until June 30, 2022.

BACKGROUND:

The Public Services Department has delivered and made progress on many Capital Improvement Program (CIP) projects despite the ongoing global COVID-19 pandemic and associated economic impacts. Multiple major projects were completed and are receiving awards by agencies such as the American Society of Civil Engineers and Engineering News Record, recognizing the City's best practices. More importantly, our City projects are well received by the community and our City partners.

The Public Services Department is organized in four divisions as follows:

- *Public Services Administration / Energy & Sustainability*
- *Engineering*
- *Transportation Services*
- *Maintenance Services*

CIP projects are implemented by all 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 Services Department, it represents about a third of the actual workload. Maintenance of the City's facilities, infrastructure, fleet, and parks is the major function of our Maintenance Services Division, in addition to implementation of several building modification and park development 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. 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 Committee, and addresses various neighborhood issues, in addition to the implementation of CIP projects.

The City had numerous significant CIP accomplishments during the current fiscal year. Some of the major accomplishments include:

- **Citywide Street Improvements** - Several streets in the Westside and Mesa Verde neighborhoods in Costa Mesa were improved as part of this project. Major streets improved in the current fiscal year include Fairview Road, Merrimac Way, and Bristol Street. A total of 3,743,427 square feet of pavement was reconstructed or slurry sealed as part of these projects. In conjunction with pavement rehabilitation, damaged parkways and sidewalks along these streets were also reconstructed.
- **Citywide Alley Improvements** - Citywide alley improvements are an integral part of the City's annual maintenance program. There are a total of 130 public alleys in the City. Over the past 13 years, 100 alleys have been improved. As part of the current budget, a total of seven (7) alleys were reconstructed, representing approximately 115,000 square-feet of new concrete pavement.
- **Sidewalks and Parkway** - The City reconstructed several damaged parkways and sidewalks, and installed new parkways and sidewalks in many areas of the City. During the current fiscal year, new sidewalk and parkway improvements were constructed along Mesa Drive, Charle Street, and Bernard Street.
- **Fairview Road (Adams Avenue to Baker Street)** - Improvements to Fairview Road along this segment included enhanced bicycle lanes with green conflict zone striping, new traffic signals at Village Way with a new crosswalk, new medians, and landscaping. The pavement of Fairview Road in this segment was also rehabilitated as part of the project. The City received Highway Safety Improvement Program (HSIP) grant funds for a portion of this project.
- **Jack Hammett Sports Complex Improvements** - Jack Hammett Sports Complex is a multi-use field for many youth athletic programs, including soccer, football, and lacrosse. The sports complex underwent significant improvements that include accessibility to the fields, improved circulation, new storage buildings, increased parking, lighting, and drought-tolerant landscape and irrigation.

- **Randolph Avenue Parking and Pedestrian Improvements** - This project creates approximately seventy (70) new on-street parking spaces along Randolph Avenue and St. Clair Street, in addition to street calming with a variety of enhancements. These include a new landscaped roundabout at the Randolph Avenue and St. Clair Street intersection with pedestrian crosswalks, raised mid-block crosswalk on Randolph Avenue with a Rapid Rectangular Flashing Beacons (RRFB) to alert motorists of the midblock crosswalk, and speed cushions.
- **Active Transportation Improvements** - Design of numerous Active Transportation projects and implementation of bicycle facilities on multiple streets were completed in the current fiscal year. These include:
 - Construction of the Merrimac Way Active Transportation Project
 - Class III bicycle facilities along El Camino Drive and Country Club Drive
 - Improved Class II bicycle facilities along Baker Street
 - Class IV cycle tracks along Bristol Street
 - West 19th Street Bicycle Facility (Design)
 - Adams Avenue & Pinecreek Drive Intersection (Design)
 - Adams Avenue Bicycle Facility from Harbor Boulevard to Fairview Road (Design)
 - West 18th Street HAWK Signal (Design)
 - West 19th Street at Wallace Pedestrian Signal (Design)
 - Bike rack installations at various locations
- **Transportation Studies** - The following citywide transportation-focused planning studies were completed. These studies included significant outreach with the community through public meetings, the Active Transportation Committee, and social media. Projects from these studies will be included in future fiscal years.
 - Pedestrian Master Plan
 - Local Road Safety Plan
 - Citywide Residential Permit Parking Study
 - Berkeley SafeTREC Complete Streets Safety Assessment
- **Park Improvements** - Design of several park projects, as well as improvements to several parks were completed. These include:
 - Tanager Park Playground Equipment
 - Tanager Park Pickleball Courts
 - Jordan Park Playground Equipment
 - Wilson Park and Tewinkle Park bridges (Design)

ANALYSIS:

The CIP budget for FY 2022-23, which starts on July 1, 2022, 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 to follow.

The FY 2022-23 Proposed CIP Budget is approximately \$25 million, across all funding sources, which is close to the adopted CIP for FY 2021-22. The General Fund component (Fund 401) of the budget is approximately \$11 million, representing an increase of approximately \$4 million compared to the prior fiscal year. The proposed CIP meets the Capital Asset Needs (CAN) Ordinance that requires five (5) percent of General Fund revenues be budgeted for Capital projects.

Following discussions with all departments, the City Manager is recommending 41 projects for FY 2022-23. A sampling of major projects that are proposed for FY 2022-23 are briefly described below:

- **Fire Station No. 4 Training Tower and Grounds Reconstruction** - The Fire Station No. 4 training tower is a regional training facility that is experiencing structural issues due to its long-term use. The City secured state grant funding through Assembly Member Cottie Petrie-Norris in the amount of \$2.5 million. In addition, Fire Station No. 4 requires improvements to the layout of the grounds, as well as its living quarters. The facility needs to be upgraded to meet operational needs, including multi-gender operations, Americans with Disabilities Act (ADA) requirements, structural stability, and occupational health. The design is proposed to commence in the upcoming fiscal year followed by construction in future years.
- **Police Department Range Remodel and Upgrades** - The Police Department indoor firearms range is in significant need of repair with aged equipment. The FY2021-22 Budget includes \$1.5m for this project. The proposed FY2022-23 CIP requests an additional \$600,000 for necessary ADA upgrades. The range is required to ensure firearms training mandates for 137 sworn officers, 4 reserve officers and 6 Fire Department arson investigators. Design of the project is now complete and construction will start in FY 2022-23.
- **Ketchum-Libolt Park Expansion** - Several community meetings were held to discuss the potential expansion of Ketchum-Libolt Park. Design of the park expansion along with recommended amenities will be initiated followed by construction in the next fiscal year.
- **Shalimar Park Improvements** - Staff will initiate community meetings for consideration of additional improvements to Shalimar Park, as well as Shalimar Drive to consider potential recreational amenities. Following community engagement, final design of recommended improvements will be initiated.
- **Brentwood Park** - Brentwood Park was expanded upon the acquisition of Park School. This project aims to revitalize the park after the expansion to include added and improved amenities. New park features may include playground equipment, landscaping, tree planting, walkways, and ancillary park facilities.
- **Citywide Street Improvements** - A total of approximately \$9.8 million is proposed for street improvements using various funding sources, including restricted funds from Measure M2 Fairshare, Gas Tax Highway User Tax Account (HUTA) and Road Maintenance and Rehabilitation Account (RMRA), and the Capital Improvement Fund. With this investment, the City will continue to maintain the majority of streets at a high quality. Some of the projects in the upcoming fiscal year include Wilson Street, Sunflower Avenue, Fairview Road, and several streets in residential neighborhoods throughout the City.
- **Adams Avenue Active Transportation Project** - This project will result in complete street improvements to Adams Avenue from the Santa Ana River to Royal Palm Drive with protected

bicycle lanes, undergrounding of overhead utilities, new multi-use paths on both sides of Adams Avenue, narrowed travel lanes and landscaped medians and parkways. The project will be implemented in several phases over the next few fiscal years. Southern California Edison (SCE) will be the lead agency for undergrounding utilities using both Rule 20A (underground district funds) and Rule 20B (city furnished) funds. Staff is also soliciting other federal, state and local grants for the project.

- **Active Transportation Improvements** - Several Active Transportation projects are proposed as part of the FY 2022-23 CIP. These include:
 - Bicycle and Pedestrian Infrastructure Improvements
 - Bicycle Safety Education - 16 schools
 - Citywide Class II, III, and IV Bicycle Projects including Placentia Avenue and Del Mar Avenue
 - Fairview Road Improvements (Newport Boulevard to Fair Drive)
 - Citywide Bicycle Rack Improvements

In addition to the above improvements, Staff will be advancing the implementation of two projects to replace backup generators at City Hall and communications buildings to the current fiscal year using available funds. These generators serve a critical need to ensure the continuity of operations during power outages. The total cost of these improvements is estimated to be \$830,000. Staff will return to City Council for formal approval of funding at the time of project award. These purchases can be made with current Citywide vacancy savings.

In addition, 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 84 projects with a total remaining balance of approximately \$41.1 million from all funding sources as previously approved by the City Council.

The CIP is scheduled for presentations at the following committees and commissions:

- Planning Commission - May 9, 2022
- Finance and Pension Advisory Committee - May 11, 2022
- Parks, Arts, and Community Services Commission - May 26, 2022

All comments received from the aforementioned committees 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 City Council for formal adoption of the CIP Budget in June 2022.

FISCAL REVIEW:

The CIP budget was prepared based on actual and estimated revenues from various funding sources to maintain essential and key projects funded to the maximum extent possible. Various funding sources including City, County, State and Federal funding sources, many of which are restricted, are used to fund the City's Capital Projects. There are sufficient fund balances and estimated revenues to

support the projects recommended for the FY2022-23 CIP.

LEGAL REVIEW:

The City Attorney has reviewed and approved this report 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 and improve the quality of life.
- Achieve long-term fiscal sustainability.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

The attached FY2022-23 Proposed CIP Budget utilizes anticipated revenues from various funding sources in the General Fund and various Restricted Funds to program essential and key projects in accordance with City Council adopted goals and priorities. Staff requests preliminary City Council direction on the FY2022-23 Proposed CIP Budget in order to finalize recommendations for final budget adoption by June 30, 2022.