



Legislation Text

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TITLE:

FISCAL YEAR 2023-24 PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET AND FIVE-YEAR (2023-24 TO 2027-28) CIP STUDY SESSION

DEPARTMENT: PUBLIC WORKS DEPARTMENT/FINANCE DEPARTMENT

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

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RECOMMENDATION:

Staff requests the City Council provide general direction during the Study Session on the Fiscal Year (FY) 2023-24 Proposed Capital Improvement Program (CIP) Budget (Attachment 1) and the Five-Year (FY 2023-24 to FY 2027-28) CIP (Attachment 2). A final vote on the FY 2023-24 Proposed CIP Budget is not required until June 30, 2023.

BACKGROUND:

The Public Works Department has delivered and made progress on various 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.

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

- *Public Services Administration*
- *Facilities and Sustainability (New)*
- *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 Facilities and Sustainability Division will be 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 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 controls 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 of transportation CIP projects.

The City had numerous significant CIP accomplishments during the current Fiscal Year 2022-23. Some of the major accomplishments by the end of this fiscal year include:

- **Citywide Street Improvements** - Several streets in the Mesa Verde neighborhood north of Gisler Avenue were completed. A total of over 111,700 lineal feet of pavement was reconstructed or slurry sealed as part of these projects. In conjunction with pavement rehabilitation, damaged concrete parkways, such as curb and gutter, driveways, curb ramps, and sidewalks along these streets were also reconstructed, including Placentia Avenue from Wilson Street to West 16th Street. Moreover, a total of approximately 40 new trees were planted along the parkway of Placentia Avenue, in keeping with the City's commitment as a "Tree City USA."
- **Wilson Street (Newport Boulevard to Placentia Avenue) Improvements** - Major pavement rehabilitation and construction was completed along Wilson Street. Partially funded through federal Community Development and Block Grant (CDBG) funds, this significant street improvement included new street paving, curb and gutter, intersection bulb-outs, enhanced bicycle facilities, curb ramps, as well as other improvements. This project has improved mobility and Active Transportation aspects by interconnecting all modes of travel for motorists, bicyclists, and pedestrians with enhanced bicycle striping with conflict zone markings between Harbor Boulevard and Placentia Avenue.
- **Sidewalks and Parkways** - The Public Works Department places a high commitment to reconstruct and repair critical concrete infrastructure facilities consisting of concrete sidewalks, curbs and gutters, driveways, curb ramps, and cross gutters that facilitate mobility and transportation of pedestrians and bicyclists. In 2022, the City accomplished a robust program of reconstructing approximately 10,000 lineal feet of curb and gutter; 13,800 square feet of driveways; and 50 curb ramps installed. Representative locations of these improvements include Monrovia Avenue, Placentia Avenue and West 19th Street, and Newport Boulevard and Industrial Way.
- **HVAC Installations at Various Facilities** - The City replaced aging heating, ventilation, and air conditioning (HVAC) equipment at various City facilities, including the Costa Mesa Historical Society, Finance Department, Fire Station No. 6, and at the Downtown Recreation Center. These newly replaced equipment now provide better air circulation and comfort for those inside the buildings throughout the year, as well as controlling indoor air and moisture levels.
- **City Hall Elevator Project** - The existing elevators at City Hall underwent a complete "makeover" that exhibit both modernity and class. The elevator cabs have been upgraded, and a new controller, motors, hoist ropes, wiring, door operators, electrical circuits, and safety components have now been installed. New recessed lights and state-of-the-art equipment

now provide elevator passengers smooth passage to each floor at City Hall. Moreover, added safety features that adhere to stringent state guidelines and regulations ensure safety as well as comfort.

- **City Hall Exterior Paint Project** - The City Hall exterior underwent a transformation in appearance with the building's exterior treated with new paint and improvements. The work began with pressure washing and removal of peeling paint, followed by priming and application of new paint throughout the structure's exterior, including the masonry bricks. The project also included the painting of all the existing walkway canopies from City Hall to the Police Department and the application of a non-slip floor epoxy at the employee entrance.
- **Lions Park Improvements** - The area surrounding Lions Park underwent significant construction activity with the restoration of the Downtown Aquatic Center pool, the Norma Hertzog Community Center courtyard, and the Donald Dungan Library musical instruments.
 - The Downtown Aquatic Center (DAC) pool involved demolition and removal of all the existing plaster and tile inside and around the perimeter deck of the pool, the repair of rust spots in the bottom of the pool, and re-finishing of the pool with new plaster and tile. The new tile color scheme matches the latest pool facility upgrades and opened in mid-2022.
 - The Norma Hertzog Community Center (NHCC) courtyard features a concrete patio with seating and tables, enhanced landscaping, and new accent lighting. The courtyard is a new feature that can now be used for events at the NHCC.
 - The Donald Dungan Library musical instruments were a gift by the Friends of the Costa Mesa Libraries, and installed by the City's Public Works Maintenance staff. These creative instruments feature six musical implements consisting of a harp, pagoda bells, contrabass chimes, lily pad cymbals, manta ray, and the aria. A grand opening for these new instruments was held in September 2022.
- **Citywide Residential Permit Parking Program** - The project included the development of a revised Residential Permit Parking (RPP) Program including new guidelines and municipal code changes. The goal of the new RPP Program is to implement equitable, sustainable, and efficient parking management strategies. The RPP program includes:
 - An online portal for managing permits. The system will allow residents to self-manage and create an account, log in, apply for a permit, upload supporting documentation, purchase, add/change/remove vehicles, and make edits to contact information, etc.
 - Virtual parking permits, where the vehicle's license plate is the permit identifier. Mobile license plate recognition (LPR) cameras will be used to enforce permits, which will eliminate the need for physical hangtag or decal permits.
 - Expanded permit eligibility to all households living within an RPP Zone, aligning the program with the 2016 Attorney General's opinion (#14-304).
 - Expanded RPP Zone eligibility to all residential zoning districts.

- Re-focusing of the program on non-residential parking impacts. Permit parking may be utilized to safeguard parking for residents in neighborhoods impacted by commercial parking demand, schools, recreational facilities, the Orange County Fairgrounds, and impacts from neighboring cities (Newport Beach, Santa Ana, and Huntington Beach).
- Redefined permit allocations to one permit per eligible driver (maximum of four per household).
- **Active Transportation Improvement Projects** - The design and implementation of several Active Transportation projects were completed in the 2022-23 fiscal year, which include:
 - Pedestrian and Bicycle Improvements at the Adams Avenue at Pinecreek Intersection including community engagement during design.
 - Adams Avenue bicycle facility between Harbor Boulevard and Fairview Road.
 - Placentia Avenue Class II and IV bicycle facility project.
 - Fairview Road Class II and IV bicycle facility project.
 - Citywide Bicycle Wayfinding Signage.
 - Newport Boulevard at Industrial Way - pedestrian crosswalk, signal modifications, and leading pedestrian interval (LPI).
 - Tustin Avenue at Woodland Place pedestrian crossing with bulbouts and rectangular rapid flashing beacons.
 - Bicycle rack installations at City facilities and in commercial corridors.
 - Installation of improved and new bicycle lanes and facilities in the City along the following streets: California Street, Royal Palm Drive, Tustin Avenue, Wilson Street, and West 19th Street.
- **Baker Street, Placentia Avenue, Victoria Street, and West 19th Street Traffic Signal Synchronization Project** - This project improves multi-modal mobility and safety for all users. The design of multi-modal signal synchronization and active transportation improvements was completed on Baker Street, Placentia Avenue, Victoria Street, and West 19th Street.
 - Installed video detection systems to detect bicycles and improve bicycle timing at 19 signalized intersections.
 - Implemented leading pedestrian intervals (LPI's) at 26 signalized intersections.
 - Installed GPS emergency vehicle pre-emption systems at 6 intersections.

ANALYSIS:

The CIP budget for FY 2023-24, which starts on July 1, 2023, 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 2023-24 Proposed CIP Budget is approximately \$30.5 million, across all funding sources, approximately \$5 million more than the previous fiscal year. A significant share of the FY 2023-24 budget is the \$14.4 million in state and county grant funding through state Senator David Min, Assemblymember Cottie Petrie-Norris, and County of Orange Supervisor Katrina Foley.

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 2023-24, this amount represents approximately \$9.2 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 \$6.4 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. This proposed FY 2023-24 General Fund transfer is approximately \$1 million more than the previous year's transfer of \$5.4 million for Fiscal Year 2022-23.

The Capital Projects Fund (401) Proposed Budget for Fiscal Year 2023-24 is \$6.4 million reflecting the appropriation of the full General Fund Transfer into Fund 401 for various projects as detailed in Attachment 1. Please note that the previous year's budget for Fund 401 Fund was approximately \$11 million, well in excess of the \$5.4 million General Fund Transfer into Fund 401 for that year. This decision was approved by the City Council in order to allocate previously accrued yet unspent balances remaining in the Fund.

Following discussions with all departments, the City Manager is recommending projects for FY 2023-24 as reflected in Attachment 1. For the fiscal year starting July 1, 2023, the intent is to prioritize the CIP as follows:

1. Complete ongoing projects
2. Grant-funded projects
3. Projects needed to meet Maintenance of Effort (MOE) requirements of State and County

As projects are completed and additional staffing is hired, the next phase of projects can be implemented. High priority grant-funded projects that are proposed for FY 2023-24 are briefly described below:

- **Costa Mesa Skate Park** - The project will expand the current footprint of the popular skate park to provide additional features, including youth/beginner skate elements, pump tracks, etc. There will be community outreach and presentations during design phase to solicit feedback on proposed improvements.

- **Lions Park Café** - Lions Park Café is a stand-alone dining facility with a catering kitchen for serving meals to the community and park visitors. The approximately 1,000 square foot building will house a concession counter, food preparation room, commercial warming and cooling kitchen equipment, an employee restroom, full size storage room, telecommunications room, and a serving and snacking deck. Staff is currently reviewing the existing plans for current Building Code compliance.
- **Fairview Park Improvements** - Several projects are proposed in Fairview Park. The Mesa Restoration project, to be implemented in phases, will include removal of unsuitable fill material deposited over the site and restoring native habitat on the Fairview Park Mesa. The Bluff Stabilization and Restoration project focuses on the most impacted areas of bluff to repair and stabilize in order to control the erosion. Fairview ponds within the wetland and riparian habitat require improvements to the existing pumps as well as a recirculation system to ensure water supply.
- **Ketchum-Libolt Park Expansion** - Several community meetings were held to discuss 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 improvements to Shalimar Park as well as Shalimar Drive to consider potential recreational amenities. Following community engagement, design of recommended improvements will be initiated.
- **LED Field Lighting at Jack Hammett Sports Complex** - This project would remove the existing lighting at the Jack Hammett Sports Complex and replace it with energy efficient LED lighting. The new LED lighting would improve the lighting conditions on the fields, creating a safer environment for the athletes that use this site. The estimated energy savings over the 25 year life of the lighting is expected to be over \$615,000.
- **TeWinkle Athletic Complex Improvements** - The project removes existing lighting at the TeWinkle Athletic Complex and replaces it with energy efficient LED lighting. The project also includes improvements to the fields to address ongoing drainage issues and addition of batting cages. The project will be coordinated with user groups.
- **Citywide Street Improvements** - Street rehabilitation projects on various streets are using various funding sources, including restricted funds from Measure M2 Fairshare, Gas Tax Highway User Tax Account (HUTA), Road Maintenance and Rehabilitation Account (RMRA), and the Capital Improvements Fund.
- With this investment, the City will continue to maintain the majority of streets at a high quality Pavement Condition Index (PCI) of 83 (very good) or better. Some of the projects in the upcoming fiscal year include Adams Avenue, Sunflower Avenue, Wilson Street (Placentia Avenue to Pacific Avenue), Fairview Road (from Fair Drive to Newport Boulevard), 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.

- **Adams Avenue - Pinecreek Drive Intersection Improvements** - Design of the project is completed and is pending receiving authorization to proceed from California Department of Transportation (Caltrans) for federal funding. The final design of the project resulted in enhanced scope of the project due to the abandonment of free right-turn lane in the eastbound direction, as well as to allow for transition for future bicycle facility project on Adams Avenue. In addition, there have been substantial construction cost increases, as well as need for construction management services due to current workloads. This resulted in additional funding needs for the project in the Fiscal Year 2023-24.
- **Costa Mesa Country Club Improvements** - The Costa Mesa Country Club is in need of several improvements to the facilities as well as golf courses. The Coffee Shop and Bar have not been renovated in decades. Reconfiguration and refurbishment of indoor and outdoor spaces will provide additional public venues and opportunities to generate additional revenues. The golf courses need additional improvements to existing cart paths, construction of new cart paths, repair and refurbishment of bunkers and replacement of netting.
- **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 2023-24, and other future projects for consideration over the next five years and beyond. 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 90 projects with a total remaining balance of approximately \$55.6 million from all funding sources as previously approved by the City Council.

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

- Finance and Pension Advisory Committee - April 12, 2023
- Parks and Community Services Commission - May 11, 2023
- Planning Commission - May 22, 2023

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 Council for formal adoption in June 2023.

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 FY 2023-24 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, infrastructure and improve the quality of life.
- Achieve long-term fiscal sustainability.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

The attached FY 2023-24 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 2023-24 Proposed CIP Budget in order to finalize recommendations for final budget adoption by June 30, 2023.