



Legislation Details (With Text)

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On agenda: 6/20/2017 **Final action:**

Title: Conduct Public Hearing Regarding Resolution No. 17-0086 to Consider the Fiscal Years 2018-2022 Capital Improvement Plan (Public Works Katsouleas).
CONDUCT PUBLIC HEARING; ADOPT RESOLUTION NO. 17-0086

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 17-0086, 2. Proposed 5-Year CIP (FY 18-22), 3. Summary of Comments/Requests and Staff Responses from May 30, 2017 City Council Meeting

Date	Ver.	Action By	Action	Result
6/20/2017	1	City Council Regular Meeting	accept	Pass

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Mark Danaj, City Manager

FROM:

Stephanie Katsouleas, Public Works Director
Prem Kumar, City Engineer
Anna Luke-Jones, Senior Management Analyst

SUBJECT:

Conduct Public Hearing Regarding Resolution No. 17-0086 to Consider the Fiscal Years 2018-2022 Capital Improvement Plan (Public Works Katsouleas).

CONDUCT PUBLIC HEARING; ADOPT RESOLUTION NO. 17-0086

RECOMMENDATION:

Staff recommends that City Council adopt resolution no. 17-0086, approving Fiscal Years 2018-2022 Capital Improvement Plan (CIP) projects (Attachment 1).

EXECUTIVE SUMMARY:

This staff report includes a comprehensive summary of the 137 capital projects and studies proposed in the upcoming 5-Year CIP. They are grouped into eight categories based on their unique sources of funding, with emphasis given to which projects have already been initiated, those which have yet to commence, and an additional 23 projects for which funding has yet to be identified. Following presentations and review of the proposed CIP on May 4, 2017 and May 30, 2017, staff is seeking approval from City Council on the 5-Year CIP as presented.

FISCAL IMPLICATIONS:

The proposed 5-Year Capital Improvement Program (CIP) includes 137 individual projects totaling \$125,030,698, which is comprised of \$76,890,000 in current and future funding requests and \$48,140,698 in prior year appropriations. The funding appropriation request for this current year, FY2017-2018, includes CIP projects totaling \$14,695,000 from various funding sources as identified in the body of this staff report.

BACKGROUND:

The 5-Year Capital Improvement Program (CIP) is the City's planning document that guides the selection and implementation of near and mid-term capital improvement projects. It is presented to by City Council annually each spring as part of the budget adoption process. Projects listed in the 5-Year plan are aligned with the 6 City-wide Strategic Plan Pillars, with a focus on Effective Physical Asset Management - Infrastructure, Facilities and Amenities. They are also aligned with available funding resources and the established priorities of City Council, staff, user groups and the community at large.

Over the course of planning for the proposed 5-Year CIP, several presentations were given and study sessions and commission meetings as follows:

April 10, 2017 City Council Study Session

At the April 10, 2017 Study Session, staff presented an overview of the total number of projects listed in the previously adopted CIP and correlated the CIP workload with existing staff resources. Staff proposed that in order to accomplish the current and future CIP, an additional four engineers would need to be hired.

April 26, 2017 Planning Commission Meeting

On April 26, 2017, staff presented to the Planning Commission the newly proposed projects submitted by various department and community members and organizations and asked the Commission to confirm that the projects were consistent with the General Plan. The Commission determined that the proposed Capital Improvement Plan is consistent with the City of Manhattan Beach General Plan in accordance with Government Code Section 65401.

April 27, 2017 Parking and Public Improvements Commission (PPIC) Meeting

On April 27, 2017, staff presented to the Parking and Public Improvements Commission the list of new projects proposed and provided a budget summary of the previously adopted 5-Year CIP.

May 4, 2017 Budget Study Session

On May 4, 2017 staff presented a proposed \$125 million 5-year CIP (FY 17/18 - FY 2021/22) to City Council for consideration. The presentation included a list of 137 unique CIP projects listed within 94 line items (Attachment 2), which were grouped into eight basic categories (listed below). The report also highlighted 23 proposed but unfunded projects valued at an estimated \$60 million. Project categories included:

1. Streets and Sidewalks Projects
2. City Facilities and Buildings Infrastructure Projects
3. Water Infrastructure Projects
4. Wastewater Infrastructure Projects
5. Storm Drain Infrastructure Projects

6. Refuse and Solid Waste Collection Projects
7. City Parking Facilities Projects
8. State Pier and Parking Lots Projects

At that meeting, City Council indicated that, in addition to considering the new projects proposed, they would also like to revisit the previously approved list of CIP projects and evaluate whether new priorities should be established for the entire CIP. Shortly thereafter, staff provided City Council a complete detail summary of all 94 CIP project types contained in the 5-Year CIP via a weblink due to its size.

May 30, 2017 Budget Study Session

On May 30, 2017, a second Budget Study Session was held to continue reviewing the proposed 5-Year CIP. City Council had several comments and provided direction to staff on several projects listed in Capital Improvement Plan. The list of City Council comments and/or changes as well as the staff response can be found in Attachment 3 of this report. At the conclusion of the discussion on May 30, 2017 the City Council approved the draft Capital Improvement Plan (with the adjustments) in preparation for the June 20, 2017 Public Hearing.

DISCUSSION:

As mentioned above, the proposed five-year CIP for Council adoption is provided as Attachment 2 of this report and Resolution 17-0086 for Council adoption is provided as Attachment 1. Please recall that the City has adopted a two-year budget cycle process. Therefore, City Council is being asked to evaluate and approve funding for CIP projects for both the upcoming FY 2017/18 as well as FY 2018/19. Only minor changes to the 5-year CIP are expected in FY 2018/19, and would include funding adjustments or the addition of new projects should additional revenues become available.

5-Year CIP List and Priorities (FY 2017/18 - FY 2021/22)

The body of this report highlights the 137 new and previously approved projects listed in the proposed 5-Year CIP and includes their funding sources, examples of the types of projects eligible for each funding within each source, and specific changes and additions to the proposed 5-Year CIP that differ from last year's adopted list. It is worth noting that the majority of the eight (8) categories listed have very specific project eligibility criteria, making it difficult move projects from one category to another unless they meet that criteria. Those projects that were included in prior 5-Year CIP lists are identified in black, while those projects that are either new this year or have been modified are listed in red.

1. Streets and Sidewalks Projects

This category includes street resurfacing, slurry seal applications, replacement of damaged curbs, gutters and sidewalks, intersection and turn movement improvements, capacity enhancements and lane widening, pedestrian safety projects and Americans with Disabilities Act (ADA) access improvements. The following summary is provided:

- 44 unique projects in this category within 29 line items
- 16 projects are active
- 28 have yet to be initiated
- \$39,668,323 in total value for all 44 projects
 - \$27,908,323 in total value from prior years' appropriations for 22 projects
 - **\$2,250,000 proposed for appropriation in FY 2017/18**

- \$11,760,000 in *total value* for 22 projects proposed in five-year plan (FY 2017/18 - 2021/22)

The schedule and priority of projects proposed is based on a variety of factors, including the documented condition of local and arterial roadways, public safety, community needs, traffic volumes, grant awards, and legal concerns.

2. Water Infrastructure Projects

This category of projects addresses the infrastructure needs that support operations and maintenance of the City's water distribution system and includes water main and valve replacements, pump station refurbishments, reservoir replacements, well pumping and treatment activities, meter upgrades and automation, and all required studies and master plans. All projects in this category are fully funded through the Water Enterprise Fund using revenues collected through fixed and variable water rates. The most significant water project is the replacement of Peck Reservoir, which accounts for more than half of the total funding allocation. The following summary is provided:

- 17 unique projects in this category within 12 line items
- 5 projects are active
- 12 have yet to be initiated
- \$42,215,946 in total value for all 17 projects
 - \$7,095,946 in total value from prior years' appropriations for 8 projects
 - **\$4,570,000 proposed for appropriation in FY 2017/18**
 - \$35,120,000 in *total value* for 9 projects proposed in five-year plan (FY 2017/18 - 2021/22)
- \$13,250,000 needed for two unfunded projects

The schedule and priority of projects proposed is based on a variety of factors, including the need to address the structural defects of Peck Reservoir for the reliability of our water distribution system, the desire to coordinate water-related pier upgrades with other planned pier work to minimize the impact on the community, to upgrade electronic systems that will minimize water loss, and to arrest further deterioration of the elevated tank.

3. Storm Water Infrastructure Projects

This category of projects addresses infrastructure needs for both storm water conveyance and national pollution discharge elimination system (NPDES) compliance requirements. Projects include storm drain repairs and upgrades, capacity enhancements, trash capture devices, storm water master plans and enhanced watershed management plan (EWMP) infrastructure needs (e.g., infiltration projects). The storm water fund is supported by storm water assessment fees and transfers from the general fund. It is worth noting, however, that staff expects a significant increase in funding will be needed within the next five years to address NPDES permit requirements outlined the Enhanced Watershed Management Program (EWMP) implementation plan. Staff has included a placeholder of \$8 million in the Unfunded Projects list in FY 2020/21 for Manhattan Beach's share of the total project costs, although the actual amount has yet to be determined. The following summary is provided:

- 12 unique projects in this category within 4 line items
- 2 projects are active
- 10 have yet to be initiated

- \$5,000,591 in total value for all 12 projects
 - \$1,200,591 in total value from prior years' appropriations for 2 projects
 - **\$460,000 proposed for appropriation in FY 2017/18**
 - \$3,800,000 in total value for 10 projects proposed in five-year plan (FY 2017/18 - 2021/22)

The schedule and priority of projects proposed is based on maintaining and repairing the storm water infrastructure to ensure its proper operation, complying with NPDES permit requirements, developing a plan for future upgrades and providing matching funds for grant awards.

4. Wastewater Infrastructure Projects

This category of projects addresses the infrastructure needs that support operation and maintenance of the City's wastewater system, and includes sewer main replacements, lift station refurbishments, radio telemetry, and all required studies and master plans. Notably, several of projects listed are for lift station upgrades. Lift stations are the backbone of an otherwise gravity flow system, and their proper care is paramount to the safe and effective operation of the entire wastewater system. All projects in this category are fully funded through the Wastewater Enterprise Fund using revenues collected through sewer fees. The following summary is provided:

- 13 unique projects in this category within 9 line items
- 3 projects are active
- 10 have yet to be initiated
- \$18,773,366 in total value for all 13 projects
 - \$1,523,366 in total value from prior years' appropriations for 3 projects
 - **\$4,100,000 proposed for appropriation in FY 2017/18**
 - \$17,250,000 in total value for 10 projects proposed in five-year plan (FY 2017/18 - 2021/22)

The schedule and priority of projects proposed is based on maintaining, refurbishing and/or replacing wastewater infrastructure to ensure their proper operation. Please note that replacement of sewer mains is prioritized according to closed circuit TV inspections that assess the quality and deterioration of each sewer line segment. Those with the worst ratings are prioritized for replacement first on an annual basis, with a goal of repairing and replacing a minimum of one mile per year.

5. Refuse and Solid Waste Collection Projects

This category of projects addresses the need for City trash enclosure improvements. Revenues for Refuse and Solid Waste Collection are generated through trash collection user fees. There is only one (1) project listed in this category for \$150,000, which represents 18 locations at City facilities where trash enclosures need to be connected to the sanitary sewer system and enclosures need to be reconstructed to better accommodate waste containers. This project is scheduled for implementation in FY 2019/20 due to the extensive list of other CIP priorities listed in the 5-Year CIP.

6. City Parking Facilities Projects

This category of projects addresses the maintenance, repair and rehabilitation of the City's public parking lots and surrounding landscaped areas, including Metlox, other downtown parking structures, the North End parking lot and business district, and several beach parking lots owned by Los Angeles County. Funding for projects in this category come from the meter fees collected at city and county

parking lots and curbside parking stalls. However, it is worth noting that the revenues currently generated from the City's parking meters only cover maintenance and operations, leaving virtually no funding for parking lot infrastructure rehabilitation. Staff expects that a significant increase in funding will be needed within the next five years to implement the three unfunded projects, which include addressing the structural deterioration of the City's elevated parking structures, up to and including full replacement if needed. Staff has included a placeholder of \$13.3 million in the Unfunded Projects list in FY 2019/20 for parking structure rehab, although the actual amount has yet to be determined. The following summary is provided:

- 3 unique projects in this category
- 1 project is active
- 2 have yet to be initiated
- \$735,944 in total value for all 3 projects
 - \$135,944 in total value from prior years' appropriations for 2 projects
 - **\$600,000 proposed for appropriation in FY 2017/18**
 - \$600,000 in total value for 1 carryover project and 1 project proposed in five-year plan (FY 2017/18 - 2021/22)

7. State Pier and Parking Lots Projects

This category of projects addresses the maintenance, repair and rehabilitation of the State's public parking lots and Manhattan Beach Pier. Eligible projects include Roundhouse building upgrades, pier railing and lighting replacement/rehab, installation of safety devices and deck repairs. Funding for projects in this category come from the meter fees collected by visitors and patrons at the State parking lots adjacent to the pier. The following summary is provided:

- 5 unique projects in this category
- 3 projects are active
- 2 have yet to be initiated
- \$1983964 in total value for all 5 projects
 - \$1,333,964 in total value from prior years' appropriations for 3 projects
 - **\$1,333,964 proposed for appropriation in FY 2017/18**
 - \$650,000 total value for 2 projects proposed in five -year plan (FY 2020/21 - 2021/22)

8. City Facilities and Buildings Infrastructure Projects (the CIP Fund):

This category of projects addresses all of the projects that do not otherwise qualify for funding from the seven other special revenue sources listed above. The CIP fund is generated from a combination of the transient occupancy tax (TOT), parking citations and parking meter revenues. It has also received General Fund support on occasion. CIP projects primarily include building and other facility improvements, parks facility upgrades, studies and master plans, landscaping enhancements, signage, and other right-of-way and public property improvements. The 43 planned and 16 unfunded projects address a variety of building and outdoor facilities improvements for seniors, community user groups and city staff. The following summary is provided:

- 43 unique projects in this category within 30 line items. 1 was eliminated (Strand Bikeway Undercrossing)
- 16 projects are active
- 27 have yet to be initiated

- \$16,502,564 in total value for all 43 projects
 - \$8,942,564 in total value from prior years' appropriations for 29 projects
 - **\$2,715,000 proposed for appropriation in FY 2017/18**
 - \$7,560,000 in total value for 14 projects proposed in five-year plan (FY 2017/18 - 2021/22)

The 43 planned projects are further broken down into the following groupings:

- 13 Building improvements valued at \$6,446,623
- 4 Park facility Improvements valued at \$2,193,681
- 9 Traffic-related and other ROW improvements \$4,077,171
- 13 Pedestrian and non-motorized transportation improvements \$3,405,089
- 4 Studies and masterplans valued at \$380,000

PUBLIC OUTREACH/INTEREST:

This report was prepared after an 8 month process of staff coordination and public meetings, including City Council study sessions, a Planning Commission meeting and a Parking and Public Improvements Commission meeting - all of which allow opportunities for public comment. The proposed projects included in the 5-Year CIP are the result of year-long public input through phone calls, go-reach submittals, electronic communications and user group input.

ENVIRONMENTAL REVIEW

Receiving this report is not considered a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. Resolution No. 17-0086
2. Proposed 5-Year CIP (FY18-22)
3. Summary of Comments/Requests and Staff Responses from May 30, 2017 City Council Meeting