



Legislation Details (With Text)

File #: 20-0223 **Version:** 1
Type: Consent - Staff Report **Status:** Agenda Ready
In control: City Council Regular Meeting
On agenda: 6/25/2020 **Final action:** 6/25/2020
Title: Conduct Public Hearing Regarding the Proposed 5-Year Capital Improvement Plan for Fiscal Years (FY) 2020-2021 Through FY 2024-2025 (Public Works Director Katsouleas).
a) CONDUCT PUBLIC HEARING
b) ADOPT RESOLUTION NO. 20-0077

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 20-0077, 2. 5-Year Capital Improvements Projects, 3. 5-Year CIP Plan (FY 2020-2021 Through FY 2024-2025)

Date	Ver.	Action By	Action	Result
6/25/2020	1	City Council Adjourned Regular Meeting	approved	Pass

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Bruce Moe, City Manager

FROM:
Stephanie Katsouleas, Public Works Director
Steve Charelian, Finance Director
Prem Kumar, City Engineer
Libby Bretthauer, Senior Financial Analyst
Anna Luke-Jones, Senior Management Analyst
Marcelo Serrano, Management Analyst

SUBJECT:
Conduct Public Hearing Regarding the Proposed 5-Year Capital Improvement Plan for Fiscal Years (FY) 2020-2021 Through FY 2024-2025 (Public Works Director Katsouleas).

a) CONDUCT PUBLIC HEARING
b) ADOPT RESOLUTION NO. 20-0077

RECOMMENDATION:
Staff recommends that City Council a) conduct a Public Hearing; and b) adopt Resolution No. 20-0077 approving the 5-Year Capital Improvement Plan (CIP) for Fiscal Years (FY) 2020-2021 through FY 2024-2025.

EXECUTIVE SUMMARY:

The City of Manhattan Beach is committed to ensuring a well-maintained and up-to-date physical infrastructure. This is achieved by planning for and implementing a robust Capital Improvement Program, one that addresses physical assets throughout the City, including streets and other rights-of-way facilities, water and sewer infrastructure, public buildings, parks and open space, and community amenities.

This staff report includes a comprehensive summary of 115 capital projects and studies included for final adoption in the upcoming 5-Year CIP, for a total FY 2020-2025 proposed budget of \$147,840,428. Notably, the proposed 5-Year CIP includes only one new project. The remaining 114 projects were either included in the 2019 5-Year CIP or added during FY 2019-2021 through City Council action. The attached document summarizes the planned expenditures for the CIP's 115 projects, and identifies a variety of budgetary changes proposed since the FY 2019-2020 CIP expenditure plan was adopted, inclusive of:

- Adding funding for annual projects in FY 2024-2025;
- Adding capital projects that were approved by City Council this past fiscal year after the last 5-Year budget was adopted;
- Adjusting funding levels based on revised project scopes as well as revenues and grants received; and
- Reprogramming prior year appropriations into the fiscal year in which they are projected to begin implementation so that implementation schedules and funding allocations are aligned.
- Including the MBATS (Manhattan Beach Automated Traffic Sync) Project as directed by City Council on May 19, 2020.

The proposed 5-Year CIP was presented to and reviewed by City Council on May 7, 2020. No modifications or changes were requested at that time. However, on May 19, 2020, the City accepted a \$5.44 million grant from Metro for the Manhattan Beach Advanced Traffic Signal System (MBATS) System Project (new), and a \$126,000 grant from the Highway Safety Improvement Program (HSIP) for the Sepulveda Boulevard (SR-1) at 8th Street Project (existing). Those grants have been added to the attached 5-Year CIP for final adoption.

FISCAL IMPLICATIONS:

Funding for FY 2020-2021 of the proposed 5-Year Capital Improvement Plan projects totals \$25,990,000 and is included in the City's Operational Budget for appropriation.

The complete 5-Year CIP includes 115 individual projects totaling \$147,840,428, which is comprised of \$73.1 million in current and future years funding requests and \$74.7 million in prior year appropriations. The 5-Year CIP Plan include the following expenditures:

\$210,000	Street Lighting & Landscape Projects
\$43,966,339	Streets, Sidewalks and Other Rights-of-Way Projects (ROW)
\$11,984,256	Building, Park, Pedestrian and Signal Preemption Projects (CIP)
\$61,031,668	Water Infrastructure Projects
\$6,074,798	Stormwater Projects
\$21,083,741	Wastewater Projects
\$1,939,542	Parking Lot Projects
\$1,550,084	State Pier and Lot Projects

Given the unknown impacts that the COVID-19 pandemic will ultimately have on the City's revenues

and expenditures, as well as the limitations that were associated with gathering public input during the Governor's "Safer at Home" declaration, staff recommended and City Council approved delaying consideration of new CIP projects to a future date. This will provide the Finance Department time to evaluate the financial impacts of the pandemic on the CIP program revenues and recommend programmatic adjustments as may be needed. In the interim, there are more than 30 active projects already underway, and more planned that will continue well into the next few years, thus there is no workload impact on CIP implementation in delaying consideration of new projects for one year.

BACKGROUND:

The 5-Year CIP is the City's planning tool that guides the selection and implementation of near and mid-term capital improvement projects. It is presented to and approved by City Council annually as part of the budget adoption process. Projects listed in the CIP are aligned with the City's General Plan elements as well as include the priorities of City Council, staff, user groups, and the community at large.

As part of the approval process, City Council reviewed and approved the proposed FY 2020-2021 CIP projects and planned expenditures on May 7, 2020 and made no modifications or adjustments. However, as mentioned above, on May 19, 2020, City Council approved a \$5.44 million grant from Metro for MBATS, and another \$126,000 in highway grant funds for the Sepulveda/8th Street signal project. Both of these funding allocations have been included in the updated 5-Year CIP summary attached. Proposed funding for the FY 2020-2021 CIP will be appropriated as part of City Council's adoption of the City's overall FY 2020-2021 Operational Budget.

DISCUSSION:

The body of this report highlights the 115 new and previously approved projects listed in the proposed 5-Year CIP. Note that the projects highlighted in red font in the 5-Year CIP attachment highlight the alterations made from last year's adopted CIP, while those highlighted with a blue background are projects which have grant funding covering some or all of the project costs.

Street Lighting & Landscape Fund

\$210,000

1 Project

This category addresses the repair and replacement of the City's streetlights. Recall that in 2019, the City purchased 825 streetlights from Southern California Edison (SCE). Transitioning from utility owned poles to customer owned poles was projected to save the City nearly \$90,000 annually. A portion of this annual savings has been allocated to future pole maintenance and pole replacement needs in the Street Lighting & Landscape Fund. Aggregated (planned) pole replacements will occur on a five to ten-year cycle as a distinct CIP using these accumulated funds. Additionally, occasional single poles replacements will occur as needed using these funds.

Streets, Sidewalks and ROW Funds

\$43,966,339

29 Projects

This category of projects primarily addresses the rehabilitation, improvement and enhancement needs of streets, sidewalks, curbs, and gutters. Projects types include street resurfacing, slurry seal applications, replacement of damaged curbs, gutters and sidewalks, intersection and turn movement improvements, capacity enhancements such as lane widening, pedestrian safety projects, and Americans with Disabilities Act (ADA) access improvements. There are four Local Return funding sources that support the projects listed in the Streets, Sidewalks and ROW category, and they are commonly combined in any given fiscal year to implement one or two larger roadway projects. In addition, there are seven individual grant-funded projects listed in this category. The Local Return funding sources and the corresponding programmed revenues include:

- \$8,604,360 Streets and Highways Fund (i.e., Gas Tax), inclusive of grants from South Bay Highway Program (SBHP) and the federal Highway Safety Improvement Program (HSIP): This fund can be used for a broad array of street-and sidewalk-related projects. Both local and arterial roadway projects are eligible. This Fund also includes the voter-affirmed Senate Bill1 tax on gasoline.
- \$23,466,979 Proposition C Fund, inclusive of grants from SBHP and Metro: This fund is limited to arterial and collector transportation corridors and can be used for street rehabilitation, maintenance and access improvements on these corridors.
- \$3,935,000 Measure R Fund: This fund can be used for a broad array of street-and sidewalk-related projects throughout the City. Both local and arterial roadway projects are eligible.
- \$7,960,000 Measure M Fund: This fund can be used for a broad array of street-and sidewalk-related projects throughout the City, as well as Stormwater pollution control projects. Both local and arterial roadway projects are eligible.

CIP Fund

\$11,984,256 35 Projects

This category of projects addresses all of the projects that do not typically qualify for funding from the seven other categories listed herein. The CIP Fund is generated from a combination of dedicated General Fund revenues, including transient occupancy tax (TOT), parking citations and parking meter revenues. It is used to support building and other facility improvements, park facility upgrades, studies and master plans, landscaping enhancements, signage, City-owned refuse enclosures and other right-of-way and public property improvements. The CIP Fund also includes \$1,850,000 in grants and special project funds from Proposition A, the Public Art Trust Fund, Community Development Block Grant (CDBG) program, and Manhattan Village Mall.

Water Fund

\$61,031,668

18 Projects

This category of projects addresses the infrastructure needs, operations and maintenance of the City's water system, and includes water main and valve replacements, pump station refurbishments, reservoir maintenance and replacement, well pumping and treatment activities, meter upgrades and automation, and all studies and master plans. The 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 underway is the replacement of Peck Reservoir, which accounts for over 60% of the total funding allocated over the next five years.

Stormwater Fund

\$6,074,798

15 Projects

This category of projects addresses the infrastructure needs for stormwater conveyance and compliance with national pollution discharge elimination system (NPDES) requirements. Projects include storm drain repairs and upgrades, capacity enhancements, trash capture devices, stormwater master plans and enhanced watershed management plan (EWMP) infrastructure needs (e.g., infiltration projects). The Stormwater Fund is supported by a combination of stormwater assessment fees, transfers from the General Fund, and local returns from Measure W. Note that staff plans to apply for a Measure W regional grant in FY20/21 for the Strand Infiltration Project once the feasibility analysis is completed.

Wastewater Fund

\$21,083,741

13 Projects

This category of projects addresses the infrastructure needs, 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. The projects in this category are fully funded through the Wastewater Enterprise Fund using revenues collected through sewer fees. Nearly one-half of the funding allocated in this category is for sewer main replacements and repairs, and another 45% is earmarked 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.

Parking Fund

\$1,939,542

3 Projects

This category of projects addresses the maintenance, repair, and rehabilitation of City-owned and managed public parking lots and their surrounding landscaped areas, including Metlox and three other downtown parking structures, the North Manhattan Beach parking structure and streetscape, and several beach parking lots owned by Los Angeles County. Funding for projects in this category is generated by meter fees collected at parking lots and curbside parking meters.

Notably, a structural review of Parking Lot 3 is scheduled for FY22/23 for \$150,000, with a placeholder of \$800,000 in FY23/24 for repairs based on the results and recommendations of that review. Additionally, City Council allocated \$347,184 for Phase 1 of the Wayfinding Program in December 2019. Much if that work will occur throughout the remainder of 2020.

State Pier and Lot Fund

\$1,550,084

1 Projects

This category of projects addresses the maintenance, repair and rehabilitation of state-owned upper and lower Pier parking lots as well as the Manhattan Beach Pier itself. Eligible projects include replacement and repair of the railing system, lighting, restrooms and deck, and installation of public safety devices. Funding for projects in this category come from the meter fees collected by visitors and patrons utilizing the upper and lower Pier parking lots. Notably, staff has initiated design efforts to replace the entire length of the Pier's railing system. The current rails were installed in the 1980s and are now beyond repair due to extensive corrosion from the salt air.

RECOMMENDATION:

Staff recommends that City Council conduct a Public Hearing and adopt Resolution No. 20-0077, approving the 5-Year Capital Improvement Plan (CIP) for FY2020-2021 through FY2024-2025. Appropriation of funds for projects in FY 2020-2021 will occur during the Council's adoption of the City's FY 2020-2021 Operating Budget.

PUBLIC OUTREACH:

No outreach was conducted in development of this 5-Year CIP due to the COVID-19 pandemic and staff's subsequent recommendation to defer discussion of adding any new projects to the 5-year CIP to a future date.

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. 20-0077
2. 5-Year CIP Spreadsheet
3. 5-Year CIP Plan (FY 2020-2021 Through FY 2024-2025)