



Legislation Text

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TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Carrie Tai, AICP, Acting Public Works Director
Prem Kumar, City Engineer
Anastasia Seims, Senior Civil Engineer
Anna Luke-Jones, Senior Management Analyst

SUBJECT:

Presentation of the Draft 5-Year Capital Improvement Program (CIP) for Fiscal Year 2021-2022 Through Fiscal Year 2025-2026 (Acting Public Works Director Tai).

APPROVE

RECOMMENDATION:

Staff recommends that City Council receive a presentation on the Proposed 5-Year Capital Improvement Program (CIP) for Fiscal Year (FY) 2021-2022 through FY 2025-2026 and:

1. Review the Draft 5-Year CIP projects listed in the attachment; and
2. Approve the Draft 5-Year CIP projects list as presented.

EXECUTIVE SUMMARY:

One of the City's primary functions is to ensure well-maintained facilities and physical infrastructure to meet the current and future needs of the community it serves. This is achieved by planning for and implementing a Capital Improvement Program to address physical assets throughout the City, including but not limited to, streets and other rights-of-way facilities, water and sewer infrastructure, public buildings, parks and open space, and community amenities.

Commensurate with the budget adoption cycle, Public Works staff initiates a review of the City's 5-Year CIP and recommends additions, alterations and adjustments based on changing priorities, funding availability, and updated information. This report includes an extensive summary of the proposed CIP for FY 2021-2022 through FY 2025-2026. Projects are grouped by funding sources and include prior, current, and future funding allocations. The Draft 5-Year CIP is ultimately presented to and reviewed by City Council and, pending any changes, becomes part of the adopted plan and operating budget for the fiscal year(s). Given the continued impacts of the Coronavirus pandemic on the City's revenues and expenditure, as well as its impacts and staffing resource limitations on how projects are planned, designed and constructed, staff is recommending moving forward with projects previously programmed for Fiscal Year 2021-2022, but delaying consideration of new CIP projects.

FISCAL IMPLICATIONS:

It is important to note that the figures in this report are approximations that will be further refined by the Finance Department as the budget process progresses toward the adoption of the budget and CIP in June 2021. The Draft 5-Year CIP includes 107 projects totaling \$145,122,239. This includes projects already underway as well as those to be initiated within the next five years. The majority of the planned expenditures are for projects approved in prior years, representing approximately \$88.9 million, while the remaining \$56.2 million represents projects planned for implementation in FY 2021-2022 through FY 2025-2026. Collectively, the Draft 5-Year CIP budget is comprised of:

- \$245,000 Street Lighting & Landscape Projects
- \$41.9 Million Streets, Sidewalks and Other Rights-of-Way Projects (ROW)
- \$12.0 Million Building, Park, Pedestrian and Signal Preemption Projects (CIP)
- \$59.2 Million Water Infrastructure Projects
- \$6.3 Million Stormwater Projects
- \$21.8 Million Wastewater Projects
- \$1.9 Million Parking Lot Projects
- \$1.8 Million State Pier and Lot Projects

This year, the Draft 5-Year CIP only includes budgetary changes, inclusive of:

- Programming for annual projects in FY 2025-2026;
- Inclusion of projects previously approved by City Council this past fiscal year outside of the 5-Year budget adoption process;
- Funding adjustments based on revised projects, revenues and grants received; and
- Reprogramming prior year appropriations into the fiscal year in which they are projected to begin implementation.

As part of the Proposed Budget presentation and Budget Study Sessions in May, City Council will review the CIP funding allocations proposed for FY 2021-2022 and make recommendations as may be desired. Funding for the FY 2021-2022 CIP will be appropriated as part of City Council's adoption of the City's Operational Budget in June.

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 and include the priorities of City Council, staff, user groups, and the community at large.

DISCUSSION:

The projects identified in the 5-Year CIP are grouped into eight categories based on their funding sources and project eligibility. These categories include:

1. Street Lighting & Landscape Projects
2. Streets, Sidewalks and Right-of-Way (ROW) Projects
With subcategories: Gas tax, Proposition C, Measure R, Measure M
3. CIP Projects (City Facilities, Buildings and Parks)
4. Water Infrastructure Projects

5. Wastewater Infrastructure Projects
6. Storm Drain Infrastructure Projects
7. Parking Facilities Projects
8. State Pier and Lot Projects

5-Year CIP List and Implementation Priorities (FY 2021-2022 - FY 2025-2026)

The body of this report highlights the 107 proposed projects listed in the 5-Year CIP by funding category. In all, they total \$145 million programmed for implementation over the next five years. It is worth noting that the majority of the eight categories listed above have very specific project eligibility criteria, negating the ability to move most projects from one category to another, unless they also meet specific eligibility criteria.

A complete list of the proposed 5-Year CIP projects and their recommended funding sources and amounts is provided as an attachment. Note that all of the projects on this list were identified in last year's CIP review or individually approved by City Council during FY 2020-2021. All project line item adjustments are highlighted in red and summarized below.

Street Lighting & Landscape Fund \$245,000 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.

Proposed Line Item Modification:

1. Annual Streetlight Replacement: Add \$35,000 in FY 2025-2026.

Staff Recommendation

Staff recommends that City Council approve the one project programmed in this section of the 5-Year CIP as proposed. Please note that while the fund will grow annually, actual pole replacements will occur on a five to ten-year cycle as a distinct CIP using accumulated funds.

Streets, Sidewalks and ROW Funds \$41,915,690 27 Projects

This category of projects primarily addresses the rehabilitation, improvement and enhancement needs of streets, sidewalks, curbs and gutters. Project 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 six individual grant-funded projects listed in these categories. The Local Return funding sources and the corresponding programmed revenues include:

\$8,876,750 Streets and Highways Fund (i.e., Gas Tax), inclusive of grants from South Bay Highway Program (SBHP)/ Los Angeles County Metropolitan Transportation

Authority (Metro) and the Federal highway programs. 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.

\$20,109,340 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.

\$4,172,700 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.

\$8,756,900 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.

Proposed Line Item Modifications - Streets and Highway Fund (gas tax)

1. Annual Curb, Gutter and Ramp Replacement: Add \$365,000 to FY 2025-2026.
2. Village Field & Senior Villas ADA Access: Revise budget programming to add \$100,000 to FY 2021-2022 for the construction phase of this multi-funded project.
3. Annual Street Resurfacing Program: Add \$650,000 to FY 2025-2026.

Proposed Line Item Modifications - Proposition C

There are no proposed changes to the Proposition C funding allocations. Annual Street Resurfacing Program funding is allocated biennially, on the even years, and thus additional funds will be programmed in FY 2026-2027 as part of next year's 5-CIP update.

Proposed Line Item Modifications - Measure R

Protected Left Turn Lanes: MBB at Peck: Add \$250,000 to FY 2021-2022 in addition to the prior year appropriations to improve the steep grade situation at the south leg of the intersection and upgrade the complete traffic signal system.

Proposed Line Item Modifications - Measure M

Annual Street Resurfacing Program: Add \$800,000 to FY 2025-2026.

Staff Recommendation

Staff recommends that City Council approve the 27 projects programmed in this section of the 5-Year CIP as proposed. The annual and biennial projects listed (i.e., curb/gutter, resurfacing, slurry) will be implemented based on roadway priorities established in the triennial Pavement Management Program report and in conformance with the City's biennial slurry seal cycle.

Water Fund

\$59,218,700

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/or 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.

Proposed Line Item Modifications

1. Annual Pipe Replacement Program: Add \$3 million in FY 2025-2026.
2. Block 35 Ground Level Reservoir Replacement: Reprogram the previous 5-Year CIP appropriation of \$1.2 million in FY 2022-2023 to FY 2025-2026.
3. The previous 5-Year CIP identified as Chloramination System at Wells 11 and 15 project is deleted since the new Peck Reservoir will incorporate the necessary treatment of the groundwater.
4. Redrill and Equip Well 15: Reprogram the previous 5-Year CIP appropriation of \$650,000 in FY 2023-2024 to FY 2022-2023.
5. Well 11A Variable Frequency Drive Installation: Reprogram the previous 5-Year CIP appropriation of \$125,000 in FY 2023-2024 to FY 2022-2023.
6. Well 15 Electrical Panel Replacement and VFD Installation: Reprogram the previous 5-Year CIP appropriation of \$300,000 in FY 2023-2024 to FY 2022-2023.

Staff Recommendation

Staff recommends that City Council approve the 18 projects programmed in this section of the 5-Year CIP. The majority of staff effort will be focused on the on-going construction for the Peck Reservoir, replacement of deteriorated sections of water mains, replacement of water meters with automated registers, and starting construction on the Larsson Street and 2nd Street Booster Stations construction.

Stormwater Fund

\$6,344,500

15 Projects

This category of projects addresses the infrastructure needs for both stormwater conveyance and national pollution discharge elimination system (NPDES) compliance 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.

Additionally, staff continues to seek various grant funding for the Strand Infiltration Project for the 28th Street storm drain outfall into the Bay.

Proposed Line Item Modifications

1. Storm Drain Repairs: Add \$500,000 to FY 2025-2026.
2. Storm Drain Capital BMPs Add \$210,000 to FY 2025-2026.

Staff Recommendation

Staff recommends that City Council approve the 15 projects programmed in this section of the 5-Year CIP. The majority of staff effort in the coming year will be to complete the storm drain improvements/repairs and incorporate designs of the best management practices (BMPs) such as bio-swales, infiltration galleries, etc. to mitigate localized flooding.

Wastewater Fund

\$21,785,609

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% addresses lift stations 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.

Proposed Line Item Modifications

1. Annual Rehabilitation of Gravity Sewer Mains: Add \$1.5 million in FY 2025-2026.
2. Meadows Lift Station Upgrade: Reprogram the previous 5-Year CIP appropriation of \$1.6 million in FY 2022-2023 to FY 2023-2024.
3. Palm Lift Station Upgrade: Reprogram the previous 5-Year CIP appropriation of \$1.4 million in FY 2022-2023 to FY 2023-2024.
4. City Hall Lift Station Upgrade: Reprogram the previous 5-Year CIP appropriation of \$1 million in FY 2024-2025 to FY 2025-2026.

Staff Recommendation

Staff recommends that City Council approve the 13 projects listed in this section of the 5-Year CIP. Staff prioritizes sewer infrastructure repairs and replacements based on the age and condition of the pipes, useful life of operational equipment, and problematic areas of the system.

Parking Fund

\$1,887,950

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.

Due to the concrete spalling issue at Parking Lot 3 that potentially could damage the vehicles parked in the street, the immediate surface and concrete spall repairs are proposed for FY 2021-2022 and the analysis for future seismic structural upgrades or complete replacement of the structure is deferred until FY 2025-2026.

Proposed Line Item Modifications

1. Parking Lot 3: Reprogram the previous 5-Year CIP appropriation in FY 2022-2023 for \$150,000 and FY 2023-2024 for \$800,000 to FY 2021-2022 in the amount of \$490,000 for immediate surface and concrete spall repairs and defer the analysis for future seismic structural upgrades or complete replacement to FY 2025-2026 for \$300,000.

Staff Recommendation

Staff recommends that City Council approve the 3 projects listed in this section of the 5-Year CIP.

State Pier and Lot Fund

\$1,753,000

1 Project

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/or 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.

Proposed Line Item Modification

1. No modifications are proposed as the City Council on February 16, 2021, added \$250,000 to the FY 2021-2022 previously appropriated amount of \$1.4 million for the Pier Railing project.

Staff Recommendation

Staff recommends that City Council approve the single project identified in this section, which is the complete replacement of the pier's railing system. No other projects are programmed in this category.

CIP Fund

\$11,971,790

29 Projects

This category of projects addresses all of the projects that do not typically qualify for funding from the seven other groups 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 partial funding from grants and special project funds from Proposition A, the Public Art Trust Fund, Community Development Block Grant (CDBG) program, and Manhattan Village Mall. The funding for the Fire Station 2 replacement project will be discussed as a separate item at the March 2, 2021 City Council Meeting.

Proposed Line Item Modifications

1. Begg Field Improvements: Reprogram the previous 5-Year CIP appropriation in FY 2021-2022 of \$500,000 to FY 2022-2023 for \$400,000 and the remaining \$100,000 is being proposed to be reprogrammed to Polliwog Park Playground. The \$400,000 will be used to replace the existing fencing and completely secure the field and install new baseball backstops. Half of Begg Field is currently being used by the Peck Reservoir Project contractor until Spring 2022. The contractor will be converting all of the field lighting to LED in accordance with the requirements of the Department of State Architects (DSA) and re-turfing the field after modifying the irrigation system.
2. The Historic Document Repository: The previous 5-Year CIP appropriation of \$250,000 in FY 2021-2022 is proposed to be eliminated from the CIP as the document archiving and digitizing is anticipated to be done by the County utilizing Surplus Property Tax for Library

- Services funds. The \$250,000 is being proposed to be reprogrammed for Polliwog Park.
3. Polliwog Park Playground was originally funded with \$600,000 in Proposition A Park funds and \$400,000 from the CIP Fund for resurfacing and replacement of the lower playground. Due to significant deterioration and risk exposure, the upper playground had to be resurfaced for \$44,214 and was completed in FY 2020-2021. For the lower playground, the play equipment product furnished by Kompan was selected after much public input. It was later discovered that Kompan's design services were very limited to the installation of their product only. Shortly thereafter, the City hired a park design consultant to prepare the design for all necessary work including replacement of the play surface area, ADA accessibility provisions, shade structures and bio swale drainage improvements. The cost of the overall park is estimated at \$2.6M as presented to City Council on September 15, 2020. Additional funding in Proposition A and Proposition 68 in the amount of \$760,890 has been identified and confirmation from the County of LA is pending. Based on reprogrammed funding for Begg Field in the amount of \$100,000 and Historic Document Repository in the amount of \$250,000, in addition to the originally budgeted funds and the additional Proposition A and Proposition 68 funds, there is a total funding of \$2,110,890. The remainder of \$490,000 is currently unfunded. Additional funding sources are being researched and further information will be provided with the Proposed Budget in May. Alternatively, the City Council may elect to defer the funding decision until the bids are received at the end of summer.
 4. Facility Improvements: \$600,000 is added in FY 2025-2026. This funding is typically used for miscellaneous repairs and other maintenance work for all the facilities Citywide. Most of the work items are small maintenance items that are less than \$50,000 and contractually done under the signature authority of the City Manager. Occasionally, larger work items such as HVAC replacement for City Hall or Security Cameras at City facilities are specifically presented to City Council for review and approval.
 5. Annual Non-Motorized Transport. Program. For Crosswalks and Bike Lanes: Add annual allocation of \$50,000 to FY 2021-2022 through FY 2025-2026.
 6. Annual ADA Improvements Program: Add \$100,000 funding stream from Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds to FY 2025-2026. The current approved allocation will be used specifically to construct a "zig-zag" pedestrian pathway with railings adjacent to the Senior Villas/Manhattan Village Soccer Field driveway entrance at Parkview Drive.
 7. Sepulveda/Oak Neighborhood Intrusion Study: Reprogram the current appropriation of FY 2021-2022 to FY 2022-2023 since this study will be conducted after the Mall is progressively developed.
 8. Annual City Owned Refuse Enclosure Sewer Connections: Add \$100,000 to FY 2025-2026
 9. Mariposa Fitness Center project is being retitled National Fitness Campaign (NFC) Equipment Installation, because there is consideration to install the equipment at a different location. There is no change in the funding appropriation for the project.

Staff Recommendation

Staff recommends that City Council approve the 29 projects programmed in this section of the Draft 5-Year CIP. Many of the projects identified have already begun, and the remaining projects will be prioritized according to grant funding deadlines, as well as City Council and departmental priorities. Notably the majority of staff effort in the coming year will be dedicated

to overseeing construction of the Sepulveda Bridge, Peck Reservoir, Polliwog Playground replacement, and construction of the Village Field pedestrian access pathway.

Completed Projects Over the Past Year

Public Works has completed or anticipates completing the following projects in the current fiscal year ending in June 2021:

1. Annual Curb, Gutter and Replacement Project
2. Citywide Streetlight LED Retrofit
3. Replacement: Fire Station 1 Diesel Exhaust Removal System
4. Street Resurfacing: Rosecrans, from Village Dr. to Aviation
5. Street Resurfacing: Cycle 1 Streets between Redondo and Sepulveda, south of Marine Ave.
6. Traffic Signal Battery Back-Up Installation
7. Various City Facilities Improvements
8. Traffic Signal Preemption Devices
9. Automatic License Plate Readers - Sepulveda at Rosecrans
10. Fiber Masterplan
11. Sepulveda & 8th Traffic Signal Improvements
12. Stormdrain Master Plan
13. Water Master Plan
14. Downtown Signal Upgrades
15. Scramble Crosswalk at two signalized intersections
16. Roof Replacements @ Marine Park/Live Oak/Rec. Hall
17. Upper Polliwog Playground Resurfacing

CONCLUSION:

Given the continued impacts of the Coronavirus pandemic on the City's revenues and expenditure, as well as its impacts and staffing resource limitations on how projects are planned, designed and constructed, staff is recommending delaying consideration of new CIP projects. The staffing impacts on project consultants, vendors and contractors are real and significant this past year, impacting production, operations and construction significantly.

Therefore, staff proposes that City Council consider new projects as part of the mid-year budget presentation in FY 2021-2022, or as part of next year's 5-year CIP review. This will provide staff time to continue to catch up on the existing budgeted projects, evaluate the financial impacts of the pandemic on the CIP program and make programmatic adjustments and recommendations as may be needed. There are many significant and complex active projects already underway, and more planned that will continue well into the next few years, thus there is no impact on CIP implementation in delaying consideration of new projects for one year.

Staff's recommendations for each funding category are provided throughout the staff report. Overall, staff seeks approval from City Council of the 107 projects listed in the Draft 5-Year CIP.

PUBLIC OUTREACH:

No outreach was conducted in development of this 5-Year CIP due to the Coronavirus pandemic deferring discussion of adding any new projects to the 5-Year CIP to a future date.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that adoption of the 5-Year CIP is not 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. Proposed 5-Year CIP Project List
2. CIP Project Summary Sheets
3. PowerPoint Presentation