



Legislation Text

File #: 21-0183, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Erick Lee, Interim Public Works Director
Prem Kumar, City Engineer
Anastasia Seims, Senior Civil Engineer
Anna Luke-Jones, Senior Management Analyst

SUBJECT:

Conduct Public Hearing Regarding the Proposed 5-Year Capital Improvement Plan for Fiscal Years 2021-2022 Through FY 2025-2026 (Interim Public Works Director Lee).

a) CONDUCT PUBLIC HEARING

b) ADOPT RESOLUTION NO. 21-0051

RECOMMENDATION:

Staff recommends that City Council: a) conduct a Public Hearing; and b) adopt Resolution No. 21-0051 approving the 5-Year Capital Improvement Plan (CIP) for Fiscal Years (FY) 2021-2022 through FY 2025-2026.

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 108 capital projects and studies included for final adoption in the upcoming 5-Year CIP, for a total FY 2022-2026 proposed budget of \$145,172,239. 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, the proposed 5-Year CIP includes only carryover projects from the previous year with additional sufficient funding to ensure continuity of progress and successful completion. The attached document summarizes the planned expenditures for the CIP's 108 projects, and identifies a variety of budgetary changes proposed since the FY 2020-2021 CIP expenditure plan was adopted, inclusive of:

- Adding funding for annual projects in FY 2025-2026;

- 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.

The draft 5-Year CIP project list was presented to and reviewed by City Council on April 6, 2021. No modifications or changes were made at that time. On April 22, 2021, the Parking and Public Improvement Commission (PPIC) reviewed the 5-Year CIP Project List and expressed support as presented. The proposed 5-Year CIP was presented to and reviewed by City Council on May 25, 2021. No modifications or changes were made at that time. City Council directed staff to designate a \$250,000 project to the school district for FY 2021-2022 at the June 1, 2021, City Council meeting. The school district project is reflected in this report. At the time of publication of this report, the Planning Commission, on June 9th, is scheduled to review the 5-Year CIP Project List to make a finding that all projects listed are in conformance with the General Plan. Staff can provide an update on this action at the June 15th Council meeting.

FISCAL IMPLICATIONS:

Funding for FY 2021-2022 of the proposed 5-Year Capital Improvement Plan projects totals \$14,870,000 and is included in the City's Operational Budget for appropriation.

The complete 5-Year CIP includes 108 individual projects totaling \$145,172,239, which is comprised of \$56,235,609 in current and future years funding requests and \$88,936,630 in prior year appropriations. The 5-Year CIP Plan include the following expenditures:

\$245,000	Street Lighting & Landscape Projects
\$41.9 Million	Streets, Sidewalks and Other Rights-of-Way Projects (ROW)
\$12 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
\$145.1 Million	Total

Given the continued impacts of the Coronavirus pandemic on the City's revenues and expenditures, 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 FY 2021-2022, but delaying consideration of new CIP projects with the exception of the school district project. 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 either at the mid-year budget review or as part of the next fiscal year CIP budget.

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.

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DISCUSSION:

The body of this report highlights the 108 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. The projects identified in the 5-Year CIP are grouped into eight categories based on their funding sources and project eligibility. 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. 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

Street Lighting & Landscape Fund \$245,000 (Attachment 2) 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.

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

This category of projects primarily addresses the rehabilitation, improvement and/or 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	<u>Streets and Highways Fund</u> (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 Bill 1 tax on gasoline.
\$20,109,340	<u>Proposition C Fund</u> , 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	<u>Measure R Fund</u> : 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	<u>Measure M Fund</u> : 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.

Water Fund	\$59,218,700	18 Projects
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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.

Stormwater Fund	\$6,344,500	15 Projects
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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.

Wastewater Fund	\$21,785,609	13 Projects
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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.

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.

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 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.

CIP Fund**\$12,021,790****30 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 can be used to fund specialty projects like the school district project. The CIP Fund also utilizes 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 was discussed as a separate item at the March 2, 2021, City Council Meeting.

RECOMMENDATION:

Staff recommends that City Council conduct a Public Hearing and adopt Resolution No. 21-0051, approving the 5-Year Capital Improvement Plan (CIP) for FY 2021-2022 through FY 2025-2026. Appropriation of funds for projects in FY 2021-2022 will occur during the Council's adoption of the City's FY 2021-2022 Operating Budget.

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:

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. 21-0051
2. 5-Year CIP FY 2021-2022 Through FY 2025-2026
3. Final 5-Year CIP FY 2021-2022 Through FY 2025-2026 Including Project Summary Sheets
4. PowerPoint Presentation