

CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE

RECOMMENDATIONS FOR FISCAL YEAR 2009-2010



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Chairman:

Vice-Chairman:

Committee Member:

Committee Member:

Committee Member:

Crista Binder

Chris Powell

A.J. Paz

David Atkinson

Scott Houston

**CAPITAL IMPROVEMENT PROGRAM ADVISORY COMMITTEE
RECOMMENDATIONS FOR FISCAL YEAR 2009-2010**

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Capital Improvement Project Recommendations for FY 2009-2010

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Capital Improvement Program Advisory Committee

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DATE: July 21, 2009
TO: Honorable Mayor and City Council Members
FROM: The Capital Improvement Program Advisory Committee (CIPAC)
SUBJECT: Capital Improvement Project Recommendations for FY 2009-2010

The City of El Segundo is a charming, 5.46 square mile beach community with a dynamic mix of residential and business districts. With a daytime population exceeding 70,000 and a nighttime residential population of approximately 17,000, the City is committed to maintaining the vital infrastructure needed to support this world-class community.

In order to maintain and grow economic development in our region as well as to continue to provide outstanding public services, it is critical that we continue to invest in our streets, sewers, street lighting, and emergency services. Such investment also directly benefits the quality of life of our residents through beautiful parks, youth and senior community activities, downtown revitalization and high property values. In order to continue providing exceptional services, it is projected that nearly \$87 million will be needed over the next decade to adequately maintain current facilities, provide new infrastructure where needed, implement new technologies for the health and welfare of our citizens, and prepare for a major disaster. Annually, these goals will be achieved through administration of the capital projects identified/recommended by staff and the Capital Improvement Program Advisory Committee (CIPAC) and approved by City Council.

2009/10 CIPAC

Sixteen (16) projects, worth a total of \$4,389,000, were submitted to CIPAC for funding consideration and evaluation for the upcoming 2009/10 fiscal year. However, it is estimated that only \$2,529,000 will be available from various funding sources for these programs, representing about 61% of the total amount requested. For this reason, CIPAC had to evaluate each project individually using well-developed criteria that was re-adopted this season and considered a myriad of complex issues to determine which projects should be recommended for funding. CIPAC ultimately discussed, scored and made funding recommendations for fourteen (14) of the sixteen (16) projects introduced this year. These 14 scored projects are being recommended for partial, full or no funding in FY 2009-2010. CIPAC recommends that four (4) projects be fully funded, six (6) projects receive partial funding, two (2) projects receive no funding and two (2) street projects be funded for more than requested due to the availability of dedicated funds for that purpose.

FUNDING SOURCES

Funding levels for the FY 2009-2010 Capital Improvement Program (CIP) include funds derived from the General Fund, Water Fund, Sewer Fund Proposition 1B, Proposition C, Gas Tax, Community Development Block Grant (CDBG), Surface Transportation Program – Local (STPL), Transportation Development Act Article 3 (TDA – 3), Proposition 42 and Measure R. Combined, they are expected to total \$2,529,000. This is less than the \$3,227,000 total funding level of last year's FY2008-2009 CIPAC season. Less money from the General, Water and Sewer Funds were budgeted this year and more "street" money was identified. There are scheduled increases for both the Water and Sewer Fund allotments on October 1, 2009, but they were not factored into this year's allocation. A breakdown of the estimated funding available for the FY2009-2010 CIP is as follows:

General Fund	\$350,000
Water Fund	\$500,000
Sewer Fund	\$500,000
Proposition 1B	\$200,000
Proposition C	\$220,000
Gas Tax	\$50,000
CDBG	\$65,000
STPL	\$400,000
TDA-3	\$9,000
Proposition 42	\$150,000
Measure R	\$85,000
Total	\$2,529,000

General Fund

The availability of General Fund dollars is pertinent to a majority of projects submitted. By spreading this resource over 4 of the 14 projects, CIPAC believes that the recommended projects truly represent the most significant community,

residential, business and municipal capital improvement needs of El Segundo.

Water and Sewer Fund

Water and Sewer rates are scheduled to increase again on October 1, 2009. The rate increases are consistent with the 2004 recommendations of the Water and Wastewater Rate Study Task Force as verified through a Proposition 218 protest ballot process conducted in December 2006. Five (5) of the fourteen (14) projects is recommended to use these enterprise funds for implementation.

Proposition 1B

This November 2006 act makes safety improvements and repairs to state highways, upgrades freeways to reduce congestion, repairs local streets and roads, upgrades highways along major transportation corridors, improves seismic safety of local bridges, expands public transit, helps complete the state's network of car pool lanes, reduces air pollution, and improves anti-terrorism security at shipping ports by providing for a bond issue not to exceed nineteen billion nine hundred twenty-five million dollars (\$19,925,000,000 for the state). This fund is distributed to the jurisdictions of the state based on population with a minimum of \$400,000 going to each city. This allotment of funds is being directed to El Segundo's local street improvements this CIPAC season.

Proposition C

Proposition C Funds can be spent only on transit related improvements for roadways carrying fixed transit routes. The November 6, 1990 Los Angeles County Transportation Commission measure increased the sales tax in the county by one half cents to fund transit and buses. 20% of the fund is being returned to local jurisdictions for eligible transit, paratransit and related services. These funds (Prop C Local Return) are distributed on a per capita basis to each jurisdiction. This fund is being directed to El Segundo's arterial street improvements this CIPAC season.

Gas Tax

The gas tax has traditionally been used for residential street maintenance in El Segundo. This tax is collected at the pump when you buy a gallon of gas. Currently in California, we pay 63.9 cents per gallon on gasoline and 72 cents per gallon on diesel. Those rates include federal excise taxes. Gas tax revenues have traditionally paid for capacity expansions, maintenance and rehabilitation on highways and roads. This allotment of funds is being directed to El Segundo's local street improvements this CIPAC season.

Community Development Block Grant (CDBG)

This program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. In El Segundo, we have been using these funds for curb ramps and handicap accessibility which is allowed under this legislation. This allotment of funds is being directed to El Segundo's curb and

sidewalk replacement projects citywide this CIPAC season.

Surface Transportation Program Local (STPL)

The Surface Transportation Program-Local (STPL) provides flexible funding that may be used by states or local jurisdiction for any federal-aid highway, bridge, public road or other transit capital, or intracity or intercity bus terminals and facilities. MTA allocates federal STP-L funds to local jurisdictions annually based on a population formula. Eligible uses for STP-L funds are construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways (including interstate and bridges), capital costs for transit projects eligible for assistance under the Federal Transit Act and publicly owned intracity or intercity bus terminals and facilities, carpool projects, fringe and corridor parking facilities, bicycle and pedestrian walkways, highway and transit safety improvement and programs. This fund is being directed to El Segundo's arterial street improvements this CIPAC season.

Transportation Development Act (TDA-3)

Transportation Development Act Article 3 funds are used by cities within Los Angeles County for the planning and construction of bicycle and pedestrian facilities. This allotment of funds is being directed to El Segundo's curb and sidewalk replacement projects citywide this CIPAC season.

Proposition 42

Proposition 42 permanently dedicates revenues from the state's share of the sales tax on gasoline to transportation projects. 20% of this money can be spent on local city street repairs. This allotment of funds is being directed to El Segundo's local street improvements this CIPAC season.

Measure R

IN November 2008, Measure R passed by a two thirds vote and will be implemented beginning July 1, 2009. It is an additional half cent sales tax increase. A portion of this money can be spent for community traffic relief. This allotment of funds is being directed to El Segundo's local street improvements this CIPAC season.

Actual CIP funding levels will depend on final budget allocations adopted by the City Council for FY 2009-2010.

PROJECT EVALUATIONS and SCORING CRITERIA

CIPAC met on six (6) occasions in 2009 to discuss and evaluate projects. Included this year is the revision of the scoring criteria. Regular meetings were held on April 14, April 28, June 9, June 23 and July 8. Additionally, a Public Workshop was conducted on May 12, 2008. Staff from four City Departments (Fire, Public Works, Information Services and Recreation and Parks) presented 11 projects for consideration and evaluation, while one was introduced by a member of the public during the Public Workshop. That project was presented at the June 9th Regular Meeting but was not scored. There was

also a presentation made by representatives from Northrop Grumman during the review of three projects on June 23rd. The Chamber of Commerce presented one project on June 23rd as well but it was not scored.

Given the total \$4,389,000 in project requests and the anticipated amount of \$2,529,000 available, it was clear that not all projects could be funded this year. Thus, projects were evaluated and scored based on new criteria that were developed in this CIPAC session. The scoring criteria was discussed throughout the CIPAC session and was adopted at the June 23rd Regular Meeting. All projects evaluated previous to this meeting were evaluated at this meeting using the new adopted criteria. The new adopted criterion is as follows:

- **Health and Safety (0-10 points):** Degree to which the improvement would mitigate harm to the community (catastrophic, personal injury, property).
- **System Condition (0-5 points):** Degree to which improvement maintains the useful life of the system (sidewalks, streets, sewer, water, storm drain, and communications).
- **Return on Investment (0-5 points):** Degree to which improvement results in savings, efficiencies or mitigates significant future costs.
- **Joint Agreement/Legal Requirement (0-5 points):** Degree to which the City is required to implement the project by law.
- **Coordination Opportunity (0-5 points):** Degree to which improvement can be completed with another project to generate savings or efficiencies in the use of time, labor and materials.
- **Community Interest (Range):** This score is used when the project is given special consideration based upon substantial community interest where the other project categories do not apply. The project will include a community impact statement to justify the project score. This score was not implemented on any project in FY 2009/2010.

10-YEAR PLAN PURPOSE

The extent of current infrastructure needs indicated in the CIPAC 2007/2008 10-year plan and the escalating cost of sewage treatment is cause for the City to consider non-traditional methods in an effort to reduce costs. Additionally, and perhaps most importantly, environmental impacts of the City's infrastructure should be considered as we make decisions regarding our future infrastructure and municipal operations. As the City's infrastructure ages, operational costs will increase as efforts are diverted to repairing system failures. Significant additional capital investment in our infrastructure is needed to maintain the system in serviceable condition and to avoid system breakdown. It is in the public's best interest that we do this.

The FY 2007/2008 CIPAC Committee recommended and the City Council adopted a 10-Year Infrastructure and Maintenance Program. This guide was useful in benchmarking the infrastructure needs of El Segundo and was used as an initial framework for the FY 2008/2009 CIPAC selection process. It was somewhat referred to in FY 2009/2010. Noting that approximately \$87 million is needed over the next ten years just to maintain existing infrastructure, long term financial planning is critical if we are to meet that objective. Methods such as bond issues, user fees, direct borrowing, pay as you go, etc. can be considered.

Management of our infrastructure can be improved by setting policies and incorporating private sector and non-profit organizations. An example of a Public-Private partnership experienced this season was the proposed 118th and 120th Street Improvement Project, Hornet Way Slurry-Seal Project and the Douglas Street at Maple Avenue Crosswalk Projects where Northrop-Grumman, BNSF Railways, the Metropolitan Transportation Authority and the County of Los Angeles are now working together with the City towards improving the badly needed street repairs.

The 10-Year Plan is a first step in managing El Segundo's infrastructure needs. Even if funds are not available currently to meet the demands of our aging infrastructure, the 10-Year Plan can indicate quantitatively how much we should be spending annually to keep up with replacement and maintenance of our streets, sewers, storm drains, signals, water, and building facilities.

PUBLIC INPUT

In an effort to solicit public input, CIPAC conducted a Public Workshop on May 12, 2009 in the City Council Chambers. During the Workshop, CIPAC presented a summary of the project submittals, a brief explanation of the scoring process, on-going projects previously submitted in FY 2008-09 that are now being executed, and then evaluated a project to demonstrate the evaluation process. Four persons attended the workshop and one person requested that CIPAC consider one additional project for funding this season, and that was to provide a shade structure above the benches for the mothers next to the new upper playground next to the George E. Gordon Clubhouse. The project was ultimately reviewed at the June 9th Regular Meeting but was not scored. Alternate recommendations by Park staff were considered and the discussion would continue outside of the CIPAC forum.

As mentioned above, representatives of Northrop Grumman Corporation provided community input for the 118th and 120th Street Rehabilitation Project, Hornet Way Resurfacing Project and the Douglas Street at Maple Avenue Crosswalk Project at the June 23 Regular CIPAC Meeting. These projects represent a partnership between Northrop Grumman, BNSF Railway, Los Angeles County and the City to improve street infrastructure to better accommodate public safety and eliminate pedestrian hazards. Funding is recommended for all three projects to move them forward.

The Chamber of Commerce recommended a Civic Plaza Enhancement Study at the June 23, 2009 Regular Meeting. This project has a history in El Segundo from past

efforts and the discussion eventually revealed that more grassroots efforts should be accomplished before bringing the issue back to CIPAC.

The Fire Department and the Information Technology Division jointly recommended two projects and CIPAC recommends not funding one of those projects and partially funding the other. Recreation and Parks introduced one project. The project was to replace the trees and fix the sidewalks on Richmond Street. CIPAC recommends full funding of this project.

PROJECT RECOMMENDATIONS

CIPAC recommends the following:

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| <p>1. 3.1 MG Reservoir Seismic Retrofit
This project is necessary to strengthen the walls and replace the roof of the existing facility in order to better prepare the City for a significant seismic event.</p> | <p>Recommended for partial funding. \$500k from Water & \$134k from GF</p> |
| <p>2. Fire Station No. 2 Fiber Installation
This project installs a 4" conduit from Grand Avenue to El Segundo Blvd. and includes pull boxes and sweeps.</p> | <p>Recommended for partial funding. \$40k</p> |
| <p>3. Fire Station No. 2 Information Technology Upgrades
In coordination with the new Fire Station No. 2 on Mariposa Avenue, these upgrades were a separate consideration in the implementation of this new facility and were requested in conjunction with this construction to take advantage of the cost savings in implementing this coordination effort.</p> | <p>Recommended for no funding. Other sources are available for funding this project.</p> |
| <p>4. Pump Station No. 5 Upgrades
This project installs a "Dri-Prime" backup pump system that would be activated if the primary pump system should fail. This effort is in conjunction with the guidelines of the new California Waste Discharge Requirements (WDR) enacted in 2006.</p> | <p>Recommended for partial funding.</p> |
| <p>5. Sewer Video Taping
This project performs a video inspection and condition assessment of 25 miles of the City's sewer lines.</p> | <p>Recommended for full funding.</p> |
| <p>6. Pump Station No. 13 Upgrades
This project installs a "Dri-Prime" backup pump system that would be activated if the primary pump system should fail. This effort is in conjunction with the guidelines of the new California Waste Discharge Requirements (WDR) enacted in 2006.</p> | <p>Recommended for partial funding.</p> |
| <p>7. 118th and 120th Street Improvements
This project will repair degraded pavement and improve street lighting focused on 120th Street west of Aviation Blvd. Partially funding this project provides match dollars to Northrop-Grumman's contribution and allows the design to proceed.</p> | <p>Recommended for partial funding.</p> |
| <p>8. Arterial Streets Rehabilitation Program
This project is targeting Lairport Street (Mariposa to Maple) and</p> | <p>Recommended for more than</p> |

- Grand Avenue (Sepulveda to Nash). Since the Proposition C funds and STPL can only be used for these type streets, all of these available funds are being recommended for use on this project this CIPAC season. An additional \$70,000 was available from these dedicated funds over the requested amount.
9. **Local Streets Rehabilitation Program**
This project is targeting deteriorated local streets citywide. Since the Proposition 1B, Gas Tax, Proposition 42 and Measure R funds can only be used for these type streets, all of these available funds are being recommended for use on this project this CIPAC season. An additional \$11,000 was available from these dedicated funds over the requested amount.
10. **Curb and Sidewalk Replacement Citywide**
This project will replace sidewalks and curbs damaged by tree roots at various locations throughout the city. There was a shortfall in the dedicated funds so \$46,000 of the general fund allotment is recommended to be used.
11. **Richmond Street Trees and Sidewalk Replacement**
This project will replace sidewalks and curbs damaged by tree roots on Richmond Street.
12. **Douglas Street at Maple Avenue Crosswalk Upgrade**
This project will allow pedestrians to cross directly from Northrop Grumman to the commercial facilities on the west side of Douglas Street.
13. **Hornet Way Slurry Seal**
This project will slurry seal Hornet Way. Northrop Grumman will contribute for striping.
14. **Elevated Reservoir Painting**
This project will provide for recoating and maintenance of the City's elevated reservoir to extend its useful life. CIPAC recommends not funding this project this year. This project can be deferred one more year without any significant impact to the elevated reservoir.
- full funding to use dedicated available Proposition C and STPL money.
Recommended for more than full funding to use dedicated available Proposition 1B, Gas Tax, Proposition 42 and Measure R money.
Recommended for full funding using general fund, CDBG and TDA-3 funds.
Recommended for full funding.
Recommended for partial funding.
Recommended for partial funding.
Recommended for no funding.

CONCLUSION

CIPAC has completed its evaluation of capital improvement projects and respectfully submits its list of recommended for projects to be included in the FY 2009-2010 Capital Improvement Program (CIP).

It is recommended that City Council adopt the FY 2009-2010 CIP including the projects

identified in this report to be funded with General Fund, Proposition 1B, Gas Tax, Proposition C, CDBG, STPL, TDA-3, Proposition 42, Measure R and Sewer and Water enterprise funds. It is further recommended that projects using General Funds be included in the CIP as funding permits according to the priorities established in this report.

The following tables provide CIPAC's recommendations for FY 2009-2010.

