



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Community Development Director

BY: Patrick Holub, Associate Planner

SUBJECT: Consideration of a Capital Improvement Program for Fiscal Years 2022-23 through 2026-27 Consistent with General Plan

DATE: June 7, 2022

SUMMARY OF ACTION:

Finding the Capital Improvement Program (CIP) consistent with the General Plan will meet statutory requirements of the Government Code and allow the City Council to approve the CIP budget.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Implementation of the Capital Improvement Program will require staff and financial resources in conformance with the City Council approved CIP budget.

RECOMMENDATION:

It is recommended the Planning Commission adopt a Resolution finding that the Capital Improvement Program is consistent with the General Plan.

BACKGROUND:

Government Code Section 65103(c) requires each planning agency to annually review a Capital Improvement Program (CIP) for consistency with the agency's General Plan. Section 65103 states as follows:

Each planning agency shall perform all of the following functions:

- (a) *Prepare, periodically review, and revise, as necessary, the general plan.*
- (b) *Implement the general plan through actions including, but not limited to, the administration of specific plans and zoning and subdivision ordinances.*
- (c) *Annually review the capital improvement program of the city or county and the local public works projects of other local agencies for their consistency with the general plan, pursuant to Article 7 (commencing with Section 65400).*

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- (d) *Endeavor to promote public interest in, comment on, and understanding of the general plan, and regulations relating to it.*
- (e) *Consult and advise with public officials and agencies, public utility companies, civic, educational, professional, and other organizations, and citizens generally concerning implementation of the general plan.*
- (f) *Promote the coordination of local plans and programs with the plans and programs of other public agencies.*
- (g) *Perform other functions as the legislative body provides, including conducting studies and preparing plans other than those required or authorized by this title.*

Consistent with the Government Code, the Planning Commission is responsible for advising on the CIP's consistency with the General Plan. Other aspects of the CIP, such as evaluation of project scheduling or cost, is the responsibility of the City Council.

The CIP budgeting document is the local agency's financial planning process for multiyear public infrastructure improvements. Local agencies typically leverage general funds, enterprise funds, debt financing or bonding, special funds, and State and Federal grants to implement a sustainable maintenance and improvement program. The City's General Plan includes the seven mandatory elements: Land Use, Circulation, Housing, Conservation, Open Space, Noise and Safety; as well as three optional elements; Economic Development, Agriculture and Recreation. The CIP includes public improvements that help implement policies and development as well as maintaining existing infrastructure to support continued use.

In the past, the City has prepared a two-year budget along with a list of capital investment and capital maintenance projects over a 5-year planning horizon. The City Council considered this draft FY 2022-23 CIP budget with a 5-year planning horizon at the meeting on May 24, 2022. Final budget recommendations, including those pertaining to the Capital Improvement Program, will be considered by the City Council on June 14, 2022.

ANALYSIS OF ISSUES:

Capital Projects Overview

The following table provides a summary of proposed funding by source for the 5-year CIP.

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| Funding Sources | 2021-22 Anticipated | | Budget FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | FY 2026-27 | 5-Year Total |
|--------------------------|----------------------|-----------------------------|----------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | Budget FY 2021-22 | to Complete or Carryover | | | | | | |
| Park Improvement | 161,057 | 161,057 | 60,000 | 140,000 | 62,000 | 62,000 | 62,000 | 386,000 |
| Sales Tax | 3,402,688 | 2,261,208 | 5,116,187 | 2,416,875 | 2,925,649 | 1,436,335 | 2,007,800 | 13,902,846 |
| Streets Fund (SB 1) | 468,072 | 468,072 | 307,200 | 307,200 | 307,200 | 307,200 | 307,200 | 1,536,000 |
| Sewer | 100,940 | 91,789 | 217,040 | 162,500 | 269,315 | 45,000 | 15,000 | 708,855 |
| Water | 1,953,818 | 1,944,667 | 882,372 | 162,500 | 788,500 | 45,000 | 15,000 | 1,893,372 |
| ARPA | 1,673,250 | 1,041,180 | 1,645,770 | 1,018,900 | - | - | - | 2,664,670 |
| Highway Bridge Program | 1,059,707 | 1,059,707 | 48,628 | 707,291 | 9,683,879 | 48,628 | - | 10,488,426 |
| State Transp Improv Prog | - | - | - | - | - | 3,312,000 | 3,312,000 | 6,624,000 |
| MPDG Grant | - | - | - | 1,848,100 | 2,411,100 | 11,068,400 | 11,068,400 | 26,396,000 |
| Other | 4,579,009 | 3,334,224 | 2,354,468 | 2,363,787 | 83,685 | 472,500 | 20,000 | 5,294,440 |
| Total | 13,398,541 | 10,361,904 | 10,631,665 | 9,127,153 | 16,531,328 | 16,797,063 | 16,807,400 | 69,894,609 |

A full list of all projects with funding in the 5-year cycle is included as Attachment 2. Significant projects are discussed below.

- **Brisco Road/US 101 Interchange**

This capital project is expected to address existing congestion on Brisco Road at the Highway 101 Undercrossing and the predicted growth occurring in accordance with the City's General Plan. The Final Project Report and environmental documents for this project were approved and signed by Caltrans on April 27, 2021. This report estimates a total project cost for all phases of the project, including project approval and environmental determination, design, right of way, construction, construction support, and cost escalation of \$38.2M. This total, however, includes not only the roundabout construction, but also an estimated \$6.1 million for the proposed sound walls and the East Grand Avenue/US 101 southbound ramp. On March 26, 2019, Council directed staff to phase in, defer, or remove these two elements of the project in order to reduce the overall cost. As a result, the FY 2021-26 CIP reflected a total project cost of \$32.1 million. On April 26, 2022, Council received an update regarding the project and consideration of design services proposals and provided direction to staff to pursue a funding from the United States Department of Transportation's Multimodal Project Discretionary Grant program. In preparation of that grant application, staff proposes to seek funding for the entire project, including the proposed sound walls, the East Grand Avenue/US 101 southbound ramp and expenditures to date of \$2.6M for project approval and environmental determination. Therefore, the revised 5-Year CIP presented in Attachment 1 reflects a total project cost of \$35.6 million to complete the project (\$38.2M total cost - \$2.6M work completed = \$35.6M to complete. Additionally, the revised CIP removes the previously identified local sales tax revenue allocated to the project, as the intent of the grant application is to fully fund the project through grants and otherwise-identified impact fee revenue.

- **Traffic Way Bridge**

The Traffic Way Bridge was built in 1932 and has been evaluated for structural and functional integrity. It has been determined that the bridge is in need of replacement. The City has secured grant funding that will pay 88.53% of the project

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costs. Nevertheless, over \$1.4 million is required from the City to pay for the remainder of the costs. The design, environmental determination, and permitting is expected to be completed in fiscal year 2023-24, and construction is expected to begin in 2024-25.

- **Swinging Bridge Retrofit Project**

This capital project will remove and replace the existing cables and helical anchors, reinforce the existing concrete abutments, clean and paint the existing towers, replace deteriorated wood members, replace wood planks, and tighten and/or install bolts at the suspension bridge wood connections. The projected cost of this item is \$1.2 million and is currently budgeted with Local Sales Tax Funds. City staff submitted a FY23 Community Project Funding Request to Congressman Salud Carbajal's office on April 14, 2022, seeking funding for this project from the federal government.

- **Active Transportation Plan**

This capital project is a comprehensive collection of policies, programs, and infrastructure recommendations aiming to increase the number of people bicycling and walking in the City. By improving sustainable transportation such as walking and bicycling, the City can reduce vehicle use and place the City on a better path to achieving climate neutrality. The Active Transportation Plan takes a new approach to implementing projects, supporting a more resilient economy, equity, and using resources more effectively. Completion of the Plan will increase the likelihood that the City may receive grant funding from other agencies to complete projects identified in the Plan. The projected cost of this item is \$250,000. The City has secured grant funding that will pay approximately 88.53% of the Plan costs, with the Local Sales Tax Fund paying the remaining amount of approximately \$28,675.

- **Stormwater Infrastructure**

The proposed 5-year CIP includes \$1.4 million for the continuation of replacing, rehabilitating, and maintaining the City's stormwater infrastructure. This includes rehabilitating deteriorating Corrugated Metal Pipes (CMPs), replacing the storm drain system in the vicinity of Oak Park Boulevard and El Camino Real, replacing, enlarging and installing Trash Capture Devices, and updating the Stormwater Master Plan. Approximately \$1.2 million of ARPA Funding has been allocated to these projects, with the remaining funds coming from the Local Sales Tax Fund.

- **Sewer and Water Infrastructure**

The proposed 5-year CIP includes \$3.6 million for the continuation of replacing, rehabilitating, and maintaining the City's water and sewer infrastructure. This includes rehabilitating deteriorating sewer manholes, rehabilitating sewer mains through trenchless lining techniques, replacing, enlarging and installing

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interconnect water mains, water reservoir recoating, and updating both the Water and Sewer System Master plans.

- **Central Coast Blue**

Central Coast Blue is a regional recycled water project that will purify wastewater and inject it into the groundwater basin in order to protect the basin against seawater intrusion and to provide a reliable supplemental water supply for the participating agencies. The total capital cost to the City for this project is estimated to be \$12.9 million (including pre-construction and construction costs). The pre-construction costs for this project are included in the CIP budget. However, because the construction costs will be debt-financed or grant-funded and are included in the water financial plan that is supported by the adopted rates that went into effect April 19, 2022, only the pre-construction costs are included in the CIP.

- **Public Safety Video Cameras**

This project will replace the current failed public safety video system with a system installed by a local vender in order to monitor City facilities, parks, open spaces, and certain intersections. The projected cost of this item is \$500,000 and would be funded by the Citizens Option for Public Safety (COPS) grant program and Local Sales Tax Funds.

- **Financial Management Software**

In order to improve staff efficiency, enhance financial transparency, and provide the community with more easily accessible financial data, staff is seeking to replace the City's current Financial Management Software. Transition of the general ledger, payroll, human resources, utility billing, accounts payable, accounts receivables, and cashiering functions is anticipated to cost \$450,000, which will be allocated between the Water, Sewer and Local Sales Tax Funds. Staff issued a Request For Proposals (RFP) for the software services on April 28, 2022, and it is anticipated that the City will select a vendor in the Fall.

- **Pavement Management Program**

The proposed 5-year CIP includes a total of \$11.5 million for maintaining the City's public streets, alleys, and parking lots. This includes maintenance applications such as digouts, slurry seals, mill and fill, and pavement overlays to the extent that funds are available. This program also includes providing Americans with Disabilities Act (ADA) compliant pedestrian facilities such as curb ramps when triggered by certain maintenance applications that are considered an alteration of a street (e.g., overlays).

- **Replace Generator at Fire Station 1**

This capital project will replace the emergency generator at the City-owned fire station. The current generator is unreliable and has cost thousands of dollars in

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repairs. Public safety facilities are required to have back-up power for continuity of operations. The projected cost of this item is approximately \$680,000, with the San Luis Obispo County Office of Emergency Services, CA Nuclear Power Preparedness (NPP) Program grant program anticipated to provide 50% of the project costs and Local Sales Tax Funds paying the remaining 50%.

Compliance with the General Plan

The CIP for FY 2022-23 through 2026-27 has been reviewed and projects evaluated for compliance with the General Plan. Applicable General Plan policies and objectives are included in the prepared Resolution. It has been determined that the CIP is consistent with the City's General Plan and programs available funding sources based on established priorities.

ALTERNATIVES:

1. Adopt the attached Resolution finding the Capital Improvement Program consistent with the General Plan;
2. Do not adopt the attached Resolution; or
3. Provide other direction to staff.

ADVANTAGES:

Finding the Capital Improvement Program consistent with the General Plan will allow the City Council to approve the budget and staff to implement the program. Capital Improvement Program implementation will allow continued use and maintenance of existing infrastructure as well as provide for community improvements.

DISADVANTAGES:

None identified.

ENVIRONMENTAL REVIEW:

The determination of conformity with the General Plan is Statutorily Exempt from environmental review pursuant to Section 15262 of the California Environmental Quality Act (CEQA) Guidelines regarding Feasibility and Planning Studies. Each project listed as part of the CIP will need future authorization and environmental review prior to actual funding and construction.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachments:

1. Proposed Resolution

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2. List of proposed projects