



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 26, 2016

TO: Finance Committee

FROM: Transportation Division, Public Works Department
Finance Department

SUBJECT: Citywide Infrastructure Needs

RECOMMENDATION:

That the Finance Committee hear a presentation on alternatives to increase the amount of funding available to support investment in the Capital infrastructure, and make recommendations to Council.

DISCUSSION:

Background

At the Council meeting on February 2, 2016, Council directed staff to work with the Finance Committee to develop options for increasing the amount of funding available for streets, sidewalks, storm drains, streetlights, traffic signals, and other related infrastructure (Streets Infrastructure).

On March 1, 2016, the Finance Committee heard staff presentations related to the Streets Fund revenue projections and related expenditures. In Fiscal Year 2016, Utility Users Tax and Gas Tax revenues are expected to be below budget by approximately \$308,159. In Fiscal Year 2017, those same revenues are estimated to be approximately \$399,427 less than originally proposed. Measure A revenue has seen modest growth.

On March 15, 2016, the Finance Committee heard a staff presentation related to the LA Consulting report dated August 2015. The report highlighted current Street Section activities and the potential to achieve monetary savings through the implementation of improved field-level maintenance planning activities.

On April 12, 2016, the Finance Committee heard a staff presentation related to the City's Capital Improvement Program Streets Funds related projects. There are currently over 30 Capital projects in various stages of completion. The majority of these projects are funded primarily, and in some cases entirely, through grants. The amount of Capital funds available is far short of the amount of funding necessary to maintain the Streets

Infrastructure, and grants are not available for basic maintenance needs, including pavement and sidewalk maintenance. This presents a difficult choice between leveraging the limited City funds for grants, and allocating these funds for maintenance without leveraging grant funds.

On April 26, 2016, the Finance Committee heard a staff presentation related to the Streets Funds Operating Program. The Public Works Department's Transportation Division is currently reducing operating expenses by increasing the efficiencies associated with ongoing maintenance work. These operating expense savings will directly translate to future Capital fund increases, although these savings will not be sufficient to bridge the gap between current funding levels and maintenance needs.

On May 10, 2016, the Finance Committee heard a presentation from staff regarding the unfunded Capital needs for Streets and General Fund assets. The presentation highlighted the funding gap needed for the maintenance of City parks, buildings, fire stations, roads, sidewalks, and storm drains.

On June 7, 2016, the Finance Committee heard a presentation from staff regarding potential strategies to increase Capital funding to streets and related infrastructure. The presentation highlighted the Streets Section's budgetary cost savings and efficiencies completed or anticipated in the near term. It also showed potential cost shifts of activities and services from the Streets Fund to other funding sources.

On June 28, 2016, the Finance Committee heard a presentation from staff which summarized unfunded infrastructure needs and the increase to various tax rates that would be needed to achieve funding for these needs. The presentation highlighted previous City efforts to identify these capital funding needs, and compared those efforts with current capital needs assessment work. The Finance Committee requested staff to return with a comprehensive list of alternatives for new funding sources and an estimate of need for sidewalk infill.

At this July 26, 2016 meeting, staff will present follow up information to questions from the June 28 meeting on sidewalk infill needs, provide information related to brick sidewalk maintenance activities, and provide a planning-level cost estimate of City storm drain system capital needs.

The City's Pedestrian Master Plan (2006) identified approximately 116 miles of sidewalk infill work that is required to be completed citywide. Due to geographic limitations of hillside areas within the City, a focus has been placed upon central areas of the City, which involve approximately 15 miles of missing sidewalk sections. While several miles of work have been constructed in the past decade, much sidewalk infill work still needs to be addressed. A major challenge to completion of this important work involves a lack of funding, since many of these areas involve right-of-way complexities with adjacent private properties that will be expensive to remedy. Often the frontage of residential properties must be re-constructed due to existing private property encroachments into the public right-of-way. Some infill locations will require new retaining walls and existing

utilities' relocation prior to actual sidewalk construction. In these cases, construction of a sidewalk may require several hundred thousand dollars be spent first to re-establish the City's right-of-way between the street and the adjacent private properties.

Brick sidewalks that are similar to the State Street brick sidewalks, cost several times more to install than conventional concrete sidewalks. Permeable paver sidewalk construction can cost as much as ten times more to build than conventional sidewalks due to the substantial excavation required to create a rock-filled drainage field below the paver course needed for permeated water retention. On-going maintenance costs for brick sidewalks, whether permeable or not, also require more maintenance costs than do the conventional concrete sidewalks' maintenance. Several square feet of brick surfacing must be removed to correct a base material problem below. Once the base material problem has been corrected, the base must be re-compacted and leveled. Finally bricks must be hand placed to meet the existing surrounding bricks. The City has set aside no monies to provide for future maintenance requirements associated with existing brick sidewalk or roadway paver surfaces.

The City's storm drain system includes approximately 48 miles of pipe, of which 6.5 miles is composed of corrugated metal pipe or unknown material at 475 different locations. Rehabilitation of these pipes alone is estimated to be \$4 million. An initial system-wide structural/maintenance assessment of the entire storm drain system could cost more than \$1 million.

To initiate a comprehensive storm drain capital program, it is estimated that \$2 million would be needed in the initial year to perform the system-wide assessment work and to begin rehabilitation activities for corrugated metal pipe replacement or rehabilitation. Additional annual funding of \$1 million for four years would be required to replace all corrugated metal pipe in the system. System-wide hydraulic analyses and resulting capital projects would require significant additional funding that is estimated to be in excess of \$20 million.

At this July 26, 2016 meeting, staff will also present a comprehensive list of funding options that may be considered to address these unfunded capital needs.

BUDGET/FINANCIAL INFORMATION:

The City's infrastructure relies heavily on funds from special purpose or restricted funds. Funds for this infrastructure are flat or declining, while construction costs continue to rise. Deferral of the construction of these projects will result in continued deterioration of citywide assets and will ultimately accelerate the final construction costs needed for improvement of these assets.

SUSTAINABILITY IMPACT:

Well-maintained infrastructure supports a healthy environment by minimizing damage to vehicles. Well-functioning storm drains effectively convey water to creeks and the ocean, while decreasing the amount of transported debris, sediment, and litter.

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