



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Neil Miller, Director of Public Works
Bruce Moe, Director of Finance
Dana Greenwood, City Engineer

DATE: January 17, 2006

SUBJECT: Discussion of Unfunded Capital Projects

RECOMMENDATION:

Staff recommends that City Council discuss the unfunded projects presented in this report and provide direction to staff to prepare a prioritized list for approval for the 2006/2007 budget process.

FISCAL IMPACT:

\$2.8 million is available for funding of CIP Projects. These funds are available from undesignated CIP funds and General Fund discretionary funds from last year's budget operating surplus. We are recommending postponing any approval of projects at this time for two reasons. One, with the four projects previously approved for 2005/2006 CIP it is highly unlikely that progress can be made on any other projects before the end of the 2005/2006 fiscal year. Two, although we believe we have budgeted adequately for the Police/Fire Facility project out of an abundance of caution we recommend waiting on any new CIP project approval in order to be sure nothing comes up between now and the end of the project.

These discretionary funds are also available for the City Council to consider using for a financing mechanism for lower income property owners in the recently approved utility underground districts.

BACKGROUND:

At the October 18, 2005 City Council meeting, the City Council received a presentation about unfunded and unprioritized proposed Capital Improvement Program projects. At the meeting the City Council accepted public input, approved four projects to be included in the 2005/2006 CIP, and directed staff to return to the City Council with a recommended list of projects to be included in the 2005/2006 CIP. The City Council also concurred with the staff's recommendation to include certain unfunded projects on a list to be considered with the Public Facilities Strategic Plan. The four projects approved by the City Council at the October 18, 2005 meeting were:

- Facilities Strategic Plan - \$250,000
- City Hall Fire Alarm - \$150,000
- Council Chambers Remodel – \$240,000
- City Hall Interior Carpet and Paint - \$70,000

Since the October 18 meeting Staff has reviewed the remaining projects on the Short Term Unfunded list and has developed a new prioritized list for the City Council’s consideration. It should be noted that item number 4, Streetscape Improvements has been added to the list since the last meeting. It should also be noted that the City Council has introduced the concept of setting up a financing mechanism to assist certain lower income property owners living in the recently approved Utility Underground Districts.

The new list follows:

| Short Term Projects | | | |
|----------------------------|---|----------------------|----------------------|
| Priority | Description | Cost Estimate | Running Total |
| 1. | Strand Stairs (Phase I) w/ \$1.5 Fed Grant and 20% City Match | \$300,000 | \$300,000 |
| 2. | Marine Avenue Park Play Equipment – two locations | \$450,000 | \$750,000 |
| 3. | Manhattan Height Park Play Equipment | \$200,000 | \$950,000 |
| 4. | Streetscape Improvements | \$200,000 | \$1,150,000 |
| 5. | Manhattan Heights Park Protective Netting for MBB | \$65,000 | \$1,215,000 |
| 6. | Creative Art Center Sound Baffling | \$40,000 | \$1,255,000 |
| 7. | Manhattan Village Field Artificial Turf | \$750,000 | \$2,005,000 |
| 8. | Polliwog Park (upper) Play Equipment | \$260,000 | \$2,265,000 |
| 9. | Live Oak Park and Manhattan Heights Fence Replacement | \$280,000 | \$2,545,000 |
| 10. | Polliwog Exercise Equipment and Mats | \$60,000 | \$2,605,000 |
| 11. | Manhattan Village Play Equipment | \$175,000 | \$2,780,000 |
| 12. | Live Oak Park Retaining Wall and Landscaping | \$75,000 | \$2,855,000 |
| 13. | Begg Pool Renovation | \$500,000 | \$3,355,000 |

Descriptions of the each of these projects are attached to this report.

DISCUSSION:

Also, at the October 18, 2005 City Council meeting two other lists of projects were presented for discussion. These lists were the Long Term Unfunded Projects (higher cost projects without an available funding source) and, projects designated to be included in the Facilities Strategic Plan. Both of these lists are attached to this report for reference.

Regarding the short term list staff has prioritized the list based on several factors including impact on residents using the facilities, the severity of the condition of the facility, and the ability to leverage City funds with grant funds (Strand Stairway, Phase 1 project).

Consider Approval during 06/07 Budget Hearings

Staff is recommending holding any approvals of CIP projects until the upcoming budget hearings for the 2006/2007 City budget. We are making this recommendation for a couple of reasons. One, with the number of capital projects already in progress and some not yet begun, it is unlikely progress could be made on any projects during the next few months. Second, although we believe we have adequately budgeted for the Police/Fire project out of an abundance of caution we recommend not committing any of available CIP funds until we are more certain of the financial picture for the project. At the time of budget hearings in May, 2006, we will be in a much better position to be certain of available funds. Therefore, it seems appropriate to combine the discussion of the unfunded capital projects together with the discussion of the balance of the City's financial picture in the upcoming 2006/2007 budget hearings.

Downtown Streetscape Improvements

During the past year, the City Council approved funding to make certain improvements to the Downtown Streetscape District. Specifically, \$78,000 of Gas Tax Funds was approved for slurry sealing of the downtown. In addition, \$60,000 was approved to paint traffic signal poles, install hanging flower baskets, and replant certain planters with new, colorful plantings. This work has been completed. The Downtown Business and Professional Association has recently submitted a new list (Phase II) for consideration by the City Council. This list includes: 1. Replacement of the current directories with vertical kiosk style directories including at least one directory to be located in the new Metlox area. 2. Improved lighting, especially on the north/south running streets in the District. 3. Improved plantings in the remainder of the planter areas including the removal of all older shrubbery (India Hawthorne). 4. Addition of colorful flags and banners to draw attention to all areas of the Streetscape shopping district. The cost estimate for these items is set at \$200,000. However, staff and the DBPA staff are currently researching more details of these options and will have better cost estimates available for the spring budget deliberations.

Village Soccer Field Artificial Turf Project

One of the larger projects on the list is the Manhattan Village Soccer Field Artificial Turf project. This project replaces the traditional natural grass turf with a synthetic grass material and mat composed of recycled rubber material. The project is estimated to cost \$750,000 to install. There are several operational benefits with this project. One, the project will require much less maintenance (mowing, fertilizing, irrigation maintenance) with a savings of approximately \$30,000 per year. Also, this field could be used year around as opposed to the nine months for grass fields. This is because the field would not need to be closed down for rehabilitation each year.

Parks and Recreation staff estimates that if the field were programmed for use the additional three months as the field typically is during the nine months of regular use, it would generate approximately \$36,000 of additional revenue per year. The \$30,000 savings in maintenance cost plus \$36,000 in additional revenue totals \$66,000 per year towards amortizing the cost of the field or about a 12 year payback. However, if the City were to program this field as a “premium use field” during these months when the field is usually down, staff believes we could generate at least an additional \$50,000 more than the \$36,000 for normal programming. This would result in an annual benefit of \$116,000 per year which reduces the payback to 7 years. Premium programming would require City Council approval of a rate structure and allocation of hours to the various groups who would be seeking to use this field. There is also the potential of off-setting a portion (up to \$100,000) of the capital cost with grants for use of recycled Tire Derived Product. The current warranty for the artificial turf is seven years. Therefore, without any grant funding, there is an approximate seven year payback of the project through operating cost savings and additional revenues received for use of the field if premium use rates are charged. If we assume the artificial surface will last several years more than the warranty, the City will have a financial advantage to move forward on this project. If the artificial turf material lasts only through the warranty period then the project will approximately breakeven.

There is also a benefit from user satisfaction of the artificial surface. Reports from other cities which have these installations are that soccer organizations prefer playing on the artificial surface fields. The reports are that these fields provide a consistent surface which is more comfortable than natural turf surfaces which many times have worn, bare dirt areas.

Staff recommends that the Village Soccer Field Artificial Turf Project remain on the list of projects for consideration. However, if the project is eventually approved, staff would not move forward on any aspect of the project until a complete revenue enhancement plan is approved by the City Council.

Staff Resources

The Civil Engineering Division of the Public Works Department has the bulk of the responsibility for completing capital projects. In the last few years, several large projects have consumed a large amount of time of the Engineering staff and have impacted staff’s ability to keep pace with the capital projects being approved. The projects that have impacted the staff are the utility underground districts, the Strand Rehabilitation, and the El Porto Parking lot improvements. Six months ago a new staff engineering position was approved by the City Council to manage the several utility underground districts. This has been a most valuable

addition and is working as designed. The utility underground program requires a great amount of staff time leaving little or no time for this staff member to work on other projects. Likewise, the Strand project has consumed at least 80% of the time of a staff engineer. This project is near the half way point of completion but still requires lots of staff time. This project will continue through the fall of 2006. The El Porto Parking Lot improvement project also consumed a lot of engineering staff time hours over the last year – and this project is now completed. In addition, one of our Sr. Civil Engineers is still working on completion of underground utility districts #1, #3, and #5.

Despite these time-consuming projects the list of approved projects not yet started is modest. (See attached list of projects in design and those not yet begun).

Most of the projects on the Short Term Unfunded list which are up for consideration this evening are smaller projects which will not be that time consuming. However, park equipment projects generally require some community meetings which extends the design schedule considerably. If several of the park play equipment projects are approved, staff would propose combining them as a single project to be designed by one architect and constructed under a single contract. Other projects such as the air conditioning baffling at the Cultural Arts Center and the fencing projects are straight forward projects that should not require great amounts of time. The Strand Stairway project is sizable and will require at least two and one half years (one and one half year for design and one year for construction) to complete.

If most or all of the projects on the Short Term Unfunded list are eventually approved staff believes these projects can be completed with two years with the exception of the Strand Stairs which will require approximately two and one half years.

CONCLUSION:

Staff recommends that City Council review the Unfunded CIP Projects List, identify any projects for funding, and direct staff to prepare a revised 2005-2010 Capital Improvement Budget.

- Attachments:
1. List of Long Term Unfunded Projects
 2. List of Projects Proposed for the Facilities Master Plan
 3. Project Descriptions for Unfunded List
 4. List of CIP Projects Currently Approved and in Progress or Not Yet Started

Exhibit 1
List of Long Term Unfunded Projects

| | Long Term | Cost |
|---|-----------------------------------|----------------------|
| | | |
| 1 | Strand Stairs Phase II | \$2,200,000 |
| 2 | Polliwog Park Improvements Ph. 2 | \$3,800,000 |
| 3 | Downtown Streetscape Improvements | \$2,500,000 |
| 4 | Pier Plaza and Entrance | \$1,400,000 |
| 5 | Sepulveda Blvd. Trees | \$1,600,000 |
| 6 | Fire Station 2 Remodel | TBD |
| | Total | \$11,500,000+ |

Exhibit 2
List of Projects Proposed for the Facilities Master Plan

| | Facilities Strategic Plan | Cost |
|----|--|----------------------|
| 1 | Skateboard Park | \$550,000 |
| 2 | Scout House Reconstruction | \$2,000,000 |
| 3 | Scout House Modular (if not reconstructed) | \$250,000 |
| 4 | MBUSD Maint. Facility Acquisition | TBD |
| 5 | Begg Pool Reconstruction | \$10,000,000 |
| 6 | Joslyn Hall Reconstruction | TBD |
| 7 | Live Oak Park Hall Reconstruction | \$3,500,000 |
| 8 | Manhattan Heights Comm. Center | TBD |
| 9 | Live Oak Park Basketball Courts | \$250,000 |
| 10 | School Basket Ball Courts Lighted | \$900,000 |
| 11 | Library Land and Building Purchase | TBD |
| 12 | City Yard Improvements | \$2,000,000 |
| 13 | City Hall Replacement | TBD |
| | Total | \$19,450,000+ |

Exhibit 3

Unfunded Project Descriptions
FY 2005-06

| SHORT TERM PROJECTS | | | |
|----------------------------|---|---|---------------------------|
| | PROJECT TITLE | CURRENT DESCRIPTION | COST ESTIMATE |
| 1 | Strand stairways (Phase I) | Improvements to multiple stairwells along The Strand. The City's grant application (\$1.5 million) was approved in the latest Federal Transportation Act. There is a 20% local match requirement and the earliest the grant funds would be available is October 2006. This project will repair damaged stairs and bring them into ADA compliance. The project will be designed to be completed in phases as funds become available. | \$300,000 (City Match) |
| 2 | Marine Avenue Park Play Equipment | Replace existing Tot Lot & 6 to 12 year old play equipment to include new theme-related equipment (Aviation/Space Travel etc)..and landing surface material. Enlarge areas, new landscaping and signs. These improvements will bring the play equipment up to current code. | \$450,000 |
| 3 | Manhattan Heights Tot Lot | Removal and replacement of play equipment. Creative Space Exploration Theme etc. This work will bring the play equipment to current code requirements. | \$200,000 |
| 4 | Downtown Streetscape Improvements | This phase of improvements includes: replacing the three directories with vertical, kiosk style directories; further improvements to planter areas to remove older shrubs and replace with new colorful plantings; improve lighting; add colorful flags and banners to help draw attention to all areas of the streetscape commercial district. | \$200,000 |
| 5 | Manhattan Heights Baseball Field Protective Netting | Install support poles and netting along the outfield fence at Manhattan Heights Baseball Field to prevent errant balls from Manhattan Beach Blvd. and the tennis courts. | \$65,000 |
| 6 | Creative Arts Center Sound Baffling | Install sound attenuators in air ducts, on condenser fans, and exhaust fan discharge air. Insulate inside walls and ceiling of Mechanical fan room. These improvements will correct uncomfortable background noise present since the system was installed. | \$65,000 |

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| 7 | Manhattan Village Soccer Field Artificial Turf | Removal and replacement of field surface with synthetic material and drainage system to allow for year round play. Parks and Rec estimates a 9-10 year payback based on additional revenue from adult soccer groups. | \$750,000 |
| 8 | Polliwog Park East Tot Lot | Removal of existing east play equipment and replace with new equipment complementary to use by visitors to the Park (Water Play Theme, etc.) to meet current code. | \$260,000 |
| 9 | Park Fence Replacements (Manhattan Heights and Live Oak South) | Replace fencing with new heavy-duty vinyl covered fabric at Manhattan Heights Park and Live Oak South Backstop/Bull Pens. The current fencing is rusted, sagging and requires frequent maintenance | \$280,000 |
| 10 | Polliwog Park Exercise Equipment & Matting | . Removal and replacement of exercise area equipment and matting. This will include weather-suitable material for equipment and surface such as stainless steel columns and wood chips to replace rubberized surface. The current equipment is weather beaten and worn. | \$60,000 |
| 11 | Manhattan Village Play Equipment | Removal and replacement of play equipment to bring the equipment up to current code requirements | \$175,000 |
| 12 | Live Oak Park Retaining Wall | Raise existing wall 1-2 feet along the west and north sides of tennis court #4 and stairway. Landscape hillside of the same area with plants that will help reduce erosion. | \$75,000 |
| 13 | Begg Pool Renovation | Will include cosmetic and hardware replacement (i.e. locker replacements, new showers, flooring, restrooms). | \$500,000 |
| Total Cost Estimate for Short Term Unfunded Projects | | | \$3,355,000 |

| LONG TERM PROJECTS | | | |
|---------------------------|---|---|----------------------|
| | PROJECT TITLE | CURRENT DESCRIPTION | COST ESTIMATE |
| 1 | Strand stairways (Phase II) | Improvements to multiple stairwells along The Strand. The City's grant application (\$1.5 million) was approved in the latest Federal Transportation Act. There is a 20% local match requirement and the earliest the grant funds would be available is October 2006. This project will repair damaged stairs and bring them into ADA compliance. The project will be designed to be completed in phases as funds become available. | \$2,200,000 |
| 2 | Polliwog Park Improvements - Unfunded Portion | Phase II of Masterplan which includes the Southeast portion of the park's picnic pads, play equipment, sidewalks, irrigation and signage. The Masterplan identified infrastructure needs for the successful operation of the park. | \$3,800,000 |
| 3 | Downtown Streetscape Improvements | Replace all of the blue tile sidewalks in the downtown area with stamped concrete; replace existing directories with kiosk style; and complete landscaping enhancements. | \$2,500,000 |

| | | | |
|---|-------------------------|---|----------------------|
| 4 | Pier Plaza and Entrance | The base of the pier, including the pier parking lot area is an underutilized area that could be modified to create an inviting community space that would create an anchor for the downtown. Options include moving the lower pier parking lots under the upper pier parking lots (creating a two-level structure) and perhaps relocating the bike path/Strand in that area. Hardscape, landscape and art could work together to create an enhanced environment for the community. | \$1,400,000 |
| 5 | Sepulveda Blvd. Trees | Plant trees and install irrigation system for uniform tree scape on Sepulveda Blvd. from Rosecrans Avenue to Artesia Blvd. | \$1,600,000 |
| 6 | Fire Station 2 Remodel | Remodel and enlargement of apparatus bays and living quarters at Fire Station 2 (1400 Manhattan Beach Blvd.). Fire Station 2 is over 50 years old. Our Fire Engines, which are equipped with aerial ladders, are unable to fit into the apparatus bays. Also, there are no living facilities for female firefighters. Expansion of the bays and living quarters is also needed for an ambulance or rescue unit to be placed in service at Fire Station 2. | \$TBD |
| Total Cost Estimate for Long Term Projects | | | \$11,500,000+ |

| FACILITIES PLANNING STUDY | | | |
|----------------------------------|--|--|----------------------|
| | PROJECT TITLE | CURRENT DESCRIPTION | COST ESTIMATE |
| 1 | Skateboard Park | Construction of a skate park at Marine Avenue Park or suitable location to meet the demand for a skateboard facility. | \$550,000 |
| 2 | Scout House Reconstruction | Demolish and rebuild the existing scout house. This is included in the 1996 Joslyn Space Study Masterplan. | \$2,000,000 (recon) |
| 3 | Scout House Modular (if not reconstructed) | | \$250,000 (modular) |
| 4 | School Maintenance Facility Acquisition | The school district maintenance yard is underutilized and in a prime location at the corner of Peck & Manhattan Beach Blvd. Options for utilization of that site include a recreation/community center, a performing arts center, or other use that would be synergistic with Polliwog Park and the Botanical Garden. | \$TBD |
| 5 | Begg Pool Reconstruction | Will provide a new state of the art aquatic facility with a 50 meter zero depth pool, teaching pool, play equipment and water features. | \$10,000,000 |
| 6 | Joslyn Hall Reconstruction | Reconstruction of the Joslyn Community Center. This is based on the 1996 Space Study Masterplan. Facility needs have changed since then. This plan needs to be revised to reflect growth in needs for facilities. | \$TBD |
| 7 | Live Oak Park Hall Reconstruction | Demolish existing building and construct a larger two story structure. Proposed facility would include two (2) meeting rooms, restrooms, youth sports concession stand, storage areas, dance & martial arts studio with mirrored walls, and partitions to separate rooms. Small kitchen with sinks and all amenities, A/C, heating and sound equipment. To include storage cabinets for activity supplies; approximate size is 80 feet by 50 feet. | \$3,500,000 |

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| 8 | Manhattan Heights Community Center Improvements | Reconstruction of the facility at the Manhattan Heights Community Center. The facility would include a full service kitchen, seven separate classrooms, a "Senior Club" area, a two room complex dedicated to teenage citizens, a large playground room, restrooms, a lobby and staff offices. New play area equipment, two volleyball and basketball outdoor lighted courts, climbing wall and rope course. This is based on the 1996 Space Study. Facility needs and new design concepts have changed. This plan would need to be updated. | \$TBD |
| 9 | Live Oak Park Basketball Courts | Remove existing blacktop (asphalt) of entire basketball courts and replace with concrete. New basketball poles, rims and pads. These improvements will result in a more durable surface requiring less preventive maintenance. | \$250,000 |
| 10 | School Basketball Courts Lighted | Complete renovation of existing Begg Basketball courts (4) and addition of canvas roof covering. With court and security lighting. Install court lighting and adjustable basketball hoops for outdoor basketball courts at the following school facilities: MBMS, Pennekamp and Robinson. Former Parks and Recreation Commission recommendation to address shortage of youth basketball courts. | \$900,000 |
| 11 | Library Land and Building Purchase | Purchase the Library building and land from Los Angeles County. The exact cost is not known at this time, however, when the cost is known, excess library tax revenue will be used for the purchase. Once purchased, the City may want to renovate or completely rebuild the existing library. | \$TBD |
| 12 | City Yard Improvements | Design and rebuild administrative offices and computer center; improve remaining outdoor materials storage areas behind General Services and utilities buildings; create permanent location for disaster/emergency operations supplies; ensure compliance with all applicable environmental and safety regulations. | \$2,000,000 |
| 13 | City Hall Replacement | Reconstruct City Hall to address space needs, new systems, and modern architecture. | \$TBD |
| Total Cost Estimate for Facilities Planning Study | | | \$19,450,000+ |

Exhibit 4
List of CIP Projects Currently Approved and in Progress or Not Yet Started
as of 1/17/06

Projects in Construction

Expected Completion Timeframe

- | | |
|---|---------------|
| 1. El Porto Retaining Wall | (Completed) |
| 2. Strand Improvement | December 2006 |
| 3. Utilities Undergrounding Districts 1,3,5 | February 2006 |
| 4. 15 th Street and Highland Storm Drain | (Completed) |
| 5. Utilities Undergrounding Districts 2,4,6 | December 2007 |

Projects In Design

1. Stair Replacement at 19th Street and Highland
2. Tree Section Street Improvements
3. 2003/04 Sewer Line Replacement
4. 2004/05 Water Main Replacement
5. Manhattan Beach Blvd Improvements
6. Highland Ave. Overlay Project
7. Water/Sewer System Controls
8. Peck Reservoir Blending Line
9. Sepulveda Utility Undergrounding
10. 2005/06 Annual Slurry Seal Project
11. Rosecrans Utility Undergrounding
12. Peck Reservoir Vault
13. 11th Place Resurfacing

Projects Not Yet Started

1. South Side Pier Utilities
2. Peck Reservoir Joint Sealant
3. 2005/06 Water Main Replacement
4. Yard Cover
5. 2005/06 Sewer Line Replacement