



CITY OF LARKSPUR
Staff Report

August 14, 2019 City Council Meeting

DATE: August 5, 2019
TO: Honorable Mayor Morrison and the Larkspur City Council
FROM: Julian Skinner, Public Works Director
SUBJECT: WORKSHOP ON UNFUNDED CAPITAL PROJECTS

ACTION REQUESTED

Council receive report on the City's unfunded capital projects.

SUMMARY AND BACKGROUND

Each year, staff presents to the City Council a five-year plan of capital improvements known as the Capital Improvement Program (CIP). The CIP is developed from numerous sources, including a review of on-going projects, active grant applications and opportunities, requests from Council and the community, regulatory mandates, and the numerous conditions reports, studies and workgroups that include evaluations and prioritizations of infrastructure needs. The needs are balanced with available funding to develop the CIP, with priority projects funded as early in the five-year program as available monies allow.

The list of projects/needs far exceeds the available funding in the five-year span, and as such staff maintains a list of projects that do not make it into the CIP; this list is labeled as 'unfunded projects' for consideration in subsequent years. There are also projects in the CIP for which the complete funding plan has not been developed, but some phases of the work have been completed or funded. These projects are included in the CIP and labeled 'partially funded,' and are evaluated each year for additional funding along with the unfunded projects.

DISCUSSION

The City of Larkspur owns and maintains a variety of infrastructure including:

- 33 centerline miles of roads
- 8 vehicular bridges/roadway culverts
- 4 pedestrian bridges
- 7 miles of bicycle/multi-use paths
- 11 neighborhood parks
- 1 regional park/sports complex

- 3 boat docks
- City Hall
- 2 fire stations
- A storage building
- 5 storm drain pump stations
- 15 miles of storm drains
- 1,000 catch basins and outfall structures

To maintain the infrastructure and identify upgrades, major repairs and replacement, the Engineering Division of Public Works undertakes or commissions various studies, condition assessments and plans of the majority of the City's infrastructure. These reports include:

- Storm Drain Master Plan
- Pavement Management Plan
- Measure B Pavement Repair Plan
- Bicycle and Pedestrian Master Plan
- Mini Parks Action Plan, Parks
- Trails and Storm Water Utilities 5-Year CIP Evaluation (2014)
- Public Works Facilities 5-Year CIP Evaluation (2014)
- Caltrans biannual bridge inspections
- Non-Caltrans bridge conditions report

In addition to the above conditions reports, the City recently updated the 2050 Plan. The 2050 Plan is a vision document for capital planning, including financing strategies. The 2050 Plan includes some of the larger items in the above studies, such as City Hall and fire stations renovations, a new library and storm drain repairs.

The current (Fiscal Years 2019/20 through 2023/24) CIP includes 24 active projects and 11 future projects to address improvements to a portion of the City's infrastructure listed above. Some, if not all, funding is identified for the 35 projects in the CIP.

The list of "unfunded projects" is provided along with the CIP. This list is generated from many of the same sources as projects in the CIP. Projects on the unfunded list either have not yet risen to the same priority level or have no identified funding sources compared with projects in the CIP. Some unfunded projects may be added into the CIP as needs, conditions, and/or funding change, while others may never be implemented.

Very little work to date has been undertaken on defining the scopes of the unfunded projects and as such, estimated project costs should be considered very preliminary in nature. No priority ranking has been developed for the unfunded projects, however, both the Trails and Storm Water Utilities 5-Year CIP Evaluation and the Public Works Facilities 5-Year CIP Evaluation mapped projects to fiscal years. Many of those projects have not yet been completed and appear on the current 'unfunded projects' list. The Storm Drain Master Plan (yet to be finalized) will include a draft 10-year implementation plan, but as with the 2014 evaluation reports, the forecast is a priority ranking among the assets included in the report only and does not account for other City needs and available funding.

In addition to the different types of assets that have improvement needs, there are different types of needs. In developing the 2014 'Evaluation' reports, CIP criteria were used that were based on the County of Marin CIP. The County criteria include:

- Health and safety
- Meets legal mandate

- Operational Requirement
- Minimize Major Repairs
- Saves Energy
- Meets County Goals
- Aesthetic Benefit
- Functional Benefit

These criteria can be used to prioritize projects, including across different assets (i.e. a storm drain improvement vs. adding new park equipment). The City of Larkspur has no adopted CIP criteria, and although the County criteria were listed in the 2014 'Evaluation' reports, they do not state nor is it apparent that these criteria were used to develop the priority year ranking for each project in those reports.

The below table includes unfunded projects compiled during development of the 2019/20 CIP.

City Hall Retaining Wall	\$ 250,000
City Hall Seismic Retrofit & General Improvements	\$ 8,000,000
Fire Station 15 Improvements	\$ 500,000
Fire Station 15 Improvements Phase 2	\$ 3,000,000
Fire Station 16 Improvements Phase 2	\$ 10,000,000
Railroad Building Improvements	\$ 60,000
Library and Community Center	\$ 30,000,000
Piper Park Master Plan implementation	\$ 7,000,000
Creekside Fence Replacement	\$ 100,000
College Ave/ Woodland Intersection	\$ 250,000
Magnolia Corridor Study	\$ 50,000
Doherty Drive Bike and Ped - Rose to Magnolia	\$ 300,000
Storm Drain Repairs, Replacements & Upgrades	\$ 20,000,000
Projects Total	\$ 79,510,000

The above is not a complete list of all projects that have been identified in the numerous studies, plans and condition reports, but represents those that are deemed more likely to be undertaken when funding becomes available.

Funding for CIP projects typically comes from special revenue sources including local, regional, state and federal sources. Some funds are allocated to the City by formula, some are derived from adopted fees, and some are attained through competitive grant applications. A detailed listing of these funds is found in the Special Revenue section of the City's budget document.

Projects on the unfunded list have been deemed to be viable and have some community benefit to be listed. The primary reason the unfunded projects are not in the adopted CIP is a lack of funding at the time the CIP is adopted. At some point, a funding source was identified for projects in the CIP and 'reserved' for that project.

STUDY SESSION PART I

The bulk of funding for projects in the CIP is for roadway and bridge maintenance. The City annually receives funds from state gas tax, TAM Measure A/AA transportation sales tax, and a City refuse vehicle street impact fee for street maintenance, which includes repaving and work on associated improvements such as storm drains. In addition, the City plans to spend approximately \$24 million in local sales tax backed Measure B bond revenue over the next five years to repave 25 miles of City streets.

The City received a \$32 million grant from the Federal Highway Administration’s Highway Bridge Program for replacing the Bon Air Bridge. Other CIP funding includes reimbursements from the Larkspur Marina HOA and Marin County Flood Control for specific storm drain improvements, County Parks Measure A and approximately \$600,000 in smaller grants for bicycle and pedestrian projects.

Some of these funds, to the extent that they continue in the future, may be sources for smaller scale projects on the unfunded list; however, there are no currently available fund sources for much of the larger projects on the list. As was discussed in the 2050 Plan, some of the larger scale infrastructure projects may only be possible with general obligation bonds. A recent change in state law allows for utility fee collection for storm drains; however, this has not been tested by any other agencies.

Given the larger scale projects also have the most funding challenges, the below table summarizes the largest unfunded capital challenges the City anticipates facing in foreseeable future, along with their anticipated costs and priority ranking per the County of Marin CIP criteria, barring immediate failure of any of these assets.

Project	A	B	C	D	E	F	G	H	Estimated Cost
City Hall Seismic Retrofit & General Improvements	X	X	X	X	X	X	X	X	\$ 8,000,000
Fire Station 15 Improvements Phase 2	X		X	X		X	X	X	\$ 3,000,000
Fire Station 16 Improvements Phase 2	X		X	X		X		X	\$ 10,000,000
Storm Drain Repairs, Replacements & Upgrades	X	X	X	X		X		X	\$ 20,000,000
Library and Community Center		X				X		X	\$ 30,000,000
Piper Park Master Plan implementation	X		X	X		X	X	X	\$ 7,000,000
Projects Total									\$ 78,000,000

- A Health and safety
- B Meets legal mandate
- C Operational Requirement
- D Minimize Major Repairs
- E Saves Energy
- F Meets City Goals
- G Aesthetic Benefit
- H Functional Benefit

ENVIRONMENTAL STATUS

Discussion of Unfunded Projects in the CIP is categorically exempt under the California Environmental Quality Act (CEQA) Guidelines S 15061(b)(3) as the action does not commit the undertaking of any project and has no potential for causing a significant effect on the environment. Each individual project, should it be implemented is subject to its own CEQA analysis as part of its project development.

STAFF RECOMMENDATIONS

Receive report.

Respectfully submitted,

Julian Skinner, Public Works Director/ City Engineer

Reference Documents (available online or from the City Clerk)

1. 2050 Plan summary slideshow
<http://www.cityoflarkspur.org/DocumentCenter/View/9165/101718-Update-of-2050-Plan?bidId=>
2. Bicycle and Pedestrian Master Plan projects list
www.cityoflarkspur.org/DocumentCenter/View/9487/Larkspur_BikePedPlan_20170223
3. Trails and Storm Water Utilities 5-Year CIP Evaluation (2014)
<https://www.ci.larkspur.ca.us/DocumentCenter/View/10579/CIP-Evaluation-Report-Parks-Trails-and-Storm-Water-Utilities-ATI-Architects-2014-May>
4. Public Works Facilities 5-Year CIP Evaluation (2014)
<https://www.cityoflarkspur.org/DocumentCenter/View/10578/CIP-Evaluation-Report-5-Yr-PW-Facilities-2014-April->
5. Larkspur 2018-19 Budget
<http://www.cityoflarkspur.org/ArchiveCenter/ViewFile/Item/2243>
6. California Debt Issuance Primer Handbook (2005)
<https://www.treasurer.ca.gov/cdiac/debtpubs/handbook.pdf>