THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: November 12, 2013 REPORT NO: 13-096

ATTENTION: Infrastructure Committee of November 18, 2013

SUBJECT: PROPOSED DEVELOPMENT OF THE MULTI-YEAR CAPITAL PLAN TO ADDRESS INFRASTRUCTURE NEEDS

Background:

The City owns a large and diverse group of infrastructure assets including streets, bike paths, sidewalks, fire stations, police stations, libraries, recreation centers, storm drains, water mains, sewer mains, water and wastewater treatments plants, pump stations, airports, golf courses, stadiums, streetlights, lifeguard towers, piers and energy efficiency improvements, etc. Collectively, the new installation, replacement or rehabilitation of this infrastructure is referred to as a Capital Improvements Program (CIP) and is critical to the health of our communities, the local economy and our quality of life. Our existing infrastructure is aging and several communities lack essential infrastructure.

To help address long-term infrastructure challenges, many Cities have developed multi-year capital improvement plans (multi-year capital plan). These plans serve as a guiding document for infrastructure investments. They identify the needed projects that encompass a wide variety of assets, priorities, and funding and also assess affordability.

Over a decade ago, the City of San Diego's Public Works Department along with several of the largest cities in California initiated a State-wide Benchmarking Committee in an effort to collaborate and exchange knowledge and experience with delivering a CIP and to develop a performance database to study project delivery costs. The State-wide Benchmarking Committee membership includes: the Cities of Oakland, Sacramento, San Francisco, San Jose, Los Angeles, Long Beach and San Diego. Recently these Cities were surveyed concerning their experiences with developing and maintaining a multi-year capital plan. Out of the 5 Cities that responded 4 have multi-year capital plans and when asked what benefits have resulted, the following responses were provided:

City of Oakland: *"Helped to allocate limited funding to most needed projects."*
City of Sacramento: *"They have a sustainable, reasonable and fiscally constrained plan that has approval from all of their Department Leadership and the City Council."*
City of San Francisco: *"Greatly. Obvious benefits include passage of 5 general obligation bond programs in the past 6 years totaling over $1.9 billion dollars. This has resulted in numerous capital projects and has been wonderful for the City's residents, having many new or renovated public facilities and infrastructure; an*

identifiable, balanced set of priorities going forward; and more satisfied politicians."

City of San Jose: *"A multi-year budget is preferred because it provides the projected budgetary needs for beyond the next fiscal year. This provides a better look at long-term needs in projects/programs."*

The full survey results are provided in Attachment B.

Proposal:

For the first time in the City's history, staff is proposing to develop and maintain a consolidated 5-year capital plan, covering FY2015 through FY2019. The plan shall include input from the Mayor, City Council, Community Planners Committee (CPC), and other stakeholders. The plan shall be used to assist in the development of the annual CIP Budget and shall guide the implementation of the overall CIP. The plan shall be renewed every two years and allow for amendments as necessary. The plan shall cover all City owned assets and include, but not be limited to, the following categories of infrastructure:

1. Airports - *Runways, taxiways, electrical systems, buildings*
2. Buildings/Facilities - *Roofs, HVAC systems, elevators, plumbing, windows, electrical systems*
    - *Civic Center Complex*
    - *Libraries*
    - *Fleet facilities*
    - *Park & Recreation facilities – Community, recreation, youth, and senior centers; museums; theaters*
    - *Public Utilities facilities*
    - *Transportation & Storm Water facilities*
3. Landfill - *Landfill liner, water storage tank, office buildings*
4. Park and Recreation - *Parks, playgrounds, open space, golf courses, paths, pools, athletic facilities*
5. Public Safety
    - *Fire Protection – Fire stations, dispatch systems*
    - *Law Enforcement – Police stations, shooting ranges, dispatch systems*
    - *Lifeguard – Lifeguard stations, dispatch systems*
6. Streets – *Streets, roads, alleys, bridges, bike lanes, sidewalks, channels, curbs and ramps, street bluffs, street lights and signals*
7. Bike Paths
8. Storm Drain Systems - *Storm drains, pump stations, outfalls, conveyance systems*
9. Water Treatment and Distribution System – *Water treatment plants, pump stations, reservoirs, distribution pipes/conveyance*
10. Wastewater Collections and Treatment System – *Wastewater treatment plants, pump stations, reservoirs, sewer pipes/conveyance*

11. City-owned facilities that are privately managed – *Petco Park*
12. Qualcomm Stadium

The plan shall cover numerous elements concerning the City's infrastructure needs. The plan shall identify the City's long-term CIP requirements to address existing and new infrastructure needs, discuss service levels, cover current and future financial capacity for the CIP, and provide a 5-year list of all capital projects including funding sources. The proposed list of topics to be covered in the Multi-Year Capital Plan shall include:

I. Background on the City's overall Capital Improvement Program
II. Service Levels
III. Federal and State Mandated Requirements
IV. Community Input
V. Needs Assessment:
    a. *Condition of Existing Assets*
    b. *New Facilities*
VI. City's Current and Future Financial Capacity for CIP:
    a. *Review City Fund Sources such as Water, Sewer, Deferred Capital Bond Programs. DIF, FBA*
    b. *Review of non-City Fund Sources such as TransNet, CDBG*
VII. 5-Year CIP Project List:
    a. *Funded Projects*
    b. *Potential Projects to be Funded*
    c. *Unfunded Projects*

Schedule:

The development of the City's first Multi-Year Capital Plan has five main phases. The first phase is the collection of input (data) concerning infrastructure needs. The sources of this data include the Asset Owning/Operating Departments, condition assessment reports/studies, Council, communities, and other stakeholders. The second phase seeks the approval from both the Mayor and the Infrastructure Committee on the proposed work plan for the development of the Multi-Year Capital Plan. The third phase will be the drafting of the plan, and the fourth phase will be comprised of presenting the draft to the Mayor, Council and the Community Planners Committee (CPC) for review and feedback. The fifth phase will be the release of the City's first Citywide Multi-Year Capital Plan.

To date staff and stakeholders have made significant progress on the first phase. Community Planning Groups through the Community Planners Committee and Asset Owning Departments have provided input concerning the City's backlog of infrastructure needs.

The full schedule for developing the City's first Multi-Year Capital Plan is listed below.

<u>Phase 1</u>. Data Gathering: July 2013 – November 2013
I. CIP/Infrastructure Needs:
    a. Review all existing City reports

i. Water Master Plan
ii. Wastewater Master Plans (Metro and Muni)
iii. Golf Five-Year Plan
iv. Airport Plans (Brown and Montgomery Fields)
v. AECOM Report (QUALCOMM Maintenance &Repair and Capital Needs)
vi. ADA Transition Plan
vii. ADA Accessibility Consultant Survey
viii. Branch Library Facilities Report (1998)
ix. 21st Century Library System/Library Facilities Improvements Program (2002)
x. CityGate (Fire Stations)
xi. Police Five-Year Maintenance &Repair and Capital Plan (1 page)
xii. RTIP (TransNet) (2012)
xiii. Five-year resurfacing plan (2012)
xiv. Buildings/Facilities (Def Cap identified in 2009 Parsons Report)
xv. Corrugated Metal Pipe Needs List
xvi. Park & Recreation Unfunded Park Improvements List (2010)
xvii. Transportation Unfunded Needs
xviii. Facility Financing Plans

b. CIPRAC and Asset Owning Department Input
c. Public Input
   i. CPC/CPGs Requests for FY2015 CIP Projects
   ii. Other Stakeholders
d. Assessment of Current and Future Financial Capacity
   i. Input from City Financial Departments

Phase 2. Mayoral and Infrastructure Committee Approval of the proposed work plan: November 2013

Phase 3. Draft Multi-Year Capital Plan: November 2013 to March 2014

Phase 4. Mayoral, Council and Stakeholder feedback on the Draft Multi-Year Improvement Plan: April 2014 to May 2014

Phase 5. Release of the City's first Multi-Year Capital Improvement Plan: First Quarter of FY15

Support:

The development of the City's first Citywide Multi-Year Capital Plan is beyond a single Department's ability to develop, and therefore will require the support of numerous stakeholders. It will also require the support of organizations beyond City Departments. Below is a list of the organizations to be involved in the development of the plan:

I. Departments:
   a. **Client Departments:** *Public Utilities, Transportation & Storm Water, Park & Recreation, Environmental Services, Disability Services, Real Estate Assets, Library, Police, and Fire & Life Safety.*
   b. **Service Providers:** *Public Works-Engineering & Capital Projects (E&CP), Financial Management, Debt Management, Development Services, and Comptrollers.*

II. City Organizations:
   a. CIPRAC
   b. Council Members

III. Community Organizations:
   a. Community Planners Committee (CPC)
   b. Community Planning Groups (CPGs)

IV. Other Stakeholders

Community Participation and Public Outreach Efforts:

During the months of July and August, a core group of staff from the Public Works- Engineering and Capital Projects Department, Financial Management Department and the Office of the Independent Budget Analyst (IBA) collaborated with the CPC and conducted nine separate training sessions, one in each Council District. These trainings provided an overview of the City's CIP processes, funding constraints and project identification for the CIP program to assist the Community Planning Groups (CPGs) in developing new/revised infrastructure needs lists for FY2015. During these forums, a high level overview of the IBA's "A Citizen's Guide to Infrastructure" was presented to provide a reference document that describes the intricacies and complexities of the City's infrastructure. Under the guidance of the CPC, the CPGs collected and submitted an extensive list of infrastructure needs to be considered in this process. Additionally, each Council office has reached out to their districts to collect feedback on what the communities deem as important infrastructure needs.

Conclusion:

The City's first ever Multi Year Capital Plan will help address long-term infrastructure challenges. This plan will serve as a guiding document for the capital improvement program and infrastructure investments. It will identify the needed projects that encompass a wide variety of assets, priorities, funding and assessment of affordability.

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