



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 26, 2008 REPORT NO: 08-042
ATTENTION: Council President and City Council
Agenda of April 1, 2008
SUBJECT: Deferred Maintenance Projects
REFERENCE: General Fund Deferred Maintenance Capital Improvements Projects
Financing

REQUESTED ACTION: Accept this report

STAFF RECOMMENDATION: Accept this report

SUMMARY: Proceeds from the sale of privately financed lease revenue bonds are needed in order to fund street, sidewalk, storm drain and facility deferred maintenance projects as outlined in the Mayor's *Five-Year Financial Outlook*. Details of the financing are discussed in a companion staff report from the Debt Management Department.

FISCAL CONSIDERATIONS: For the fiscal impact of privately financed lease revenue bonds, refer to companion report - General Fund Deferred Maintenance Capital Improvements Projects Financing. There will not be any operations and maintenance cost increases associated with the deferred maintenance projects.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Residents of the City of San Diego will see continued improvements to City Facility, Street and Storm Drain infrastructure to address the deferred maintenance needs in these areas.

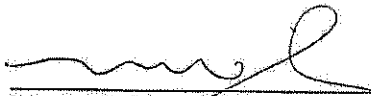
BACKGROUND:

On November 29, 2006, the Mayor released the *City of San Diego Five-Year Financial Outlook - Fiscal Years 2008 - 2012* which addressed eight (8) significant areas in order to provide the City with short and long term stability. One significant area identified was "Funding Deferred Maintenance and Capital Improvement Needs." The Deferred Maintenance portion of this area is the responsibility of the General Services Department and includes four major components; street, sidewalk, storm drain and facility deferred maintenance.

In Fiscal Year 2008, the Five-Year Financial Outlook provided for \$5.3 Million (100% cash funded) to be spent on facility deferred maintenance and \$33.0 Million (75% financed / 25% cash) to be spent on street and storm drain deferred maintenance. For Fiscal Year 2009, \$31.8 Million (\$25 Million financed / \$6.8 Million cash) is outlined for facility deferred maintenance and \$70.0 Million (75% financed / 25% cash) for street and storm drain deferred maintenance. For this two-year period, the total cash portion amounts to \$37.85 Million and the total financed portion amounts to \$102.25 Million. The specific projects to be funded from the financed portion are listed in Attachment A.

DISCUSSION:

The financed portion for these capital deferred maintenance projects was originally scheduled to be provided for by public revenue bonds. As of current, the City of San Diego has not been able to access the public debt market and has been utilizing cash to initiate these capital projects. As available cash is limited, the General Services Department is requesting private bond financing in order to complete these needed capital projects. The estimated bond proceeds, expected to be available in June 2008, are approximately \$102.25 Million and will be used to fund various street, storm drain and facility deferred maintenance projects in Fiscal Year's 2008 and 2009. Part of the bond proceeds will be used to reimburse the City for any eligible project expenditures funded by the City in anticipation of receiving the proceeds of the bond funding with the remaining proceeds being used to fund the remaining capital projects.



Mario X. Sierra, Director
General Services Department



David Jarrell
Deputy Chief of Public Works

| FY08-09 Financed Deferred Maintenance Projects | Total Proj Estimate | |
|--|---------------------|---------------------|
| | FY 2008 | FY 2009 |
| STREETS AND STORM DRAINS | \$24,750,000 | \$52,500,000 |
| Street Projects | \$18,500,000 | \$35,000,000 |
| Street Resurfacing - 30.8 miles | \$18,500,000 | |
| Street Resurfacing - 46.0 miles | | \$27,500,000 |
| Concrete Street Projects | | \$7,500,000 |
| Sidewalk/Concrete Projects | \$2,050,000 | \$7,500,000 |
| Sidewalk Repair Projects - 1,016 locations | \$2,050,000 | |
| Sidewalk Repair Projects - 1,300 locations | | \$7,500,000 |
| Storm Drain Projects | \$4,200,000 | \$10,000,000 |
| Rowena 54" CMP Replacement | \$600,000 | |
| 6th Avenue 12" CMP Replacement | \$475,000 | |
| Ransom/Darwin 42" CMP Replacement | \$700,000 | |
| La Playa 30" RCP Outfall | \$450,000 | |
| Campus Point 18" CMP Replacement | \$800,000 | |
| Gien Curtis Surface Drain | \$825,000 | |
| Ingulf Place 36" CMP Replacement | \$350,000 | |
| Torrey Pines Road Slope | | \$950,000 |
| Riviera (3663) | | \$150,000 |
| Scripps Storm Drain | | \$50,000 |
| Via Rialto | | \$400,000 |
| Mission Bay Interceptor System | | \$1,400,000 |
| Fontaine | | \$750,000 |
| Wenrich | | \$400,000 |
| Boat Depot | | \$500,000 |
| Alvarado Creek/Fairmont | | \$500,000 |
| Carmel Country Road | | \$250,000 |
| Via Alicante | | \$200,000 |
| Beardsley Street | | \$600,000 |
| National Ave | | \$600,000 |
| Avocado Place | | \$500,000 |
| Neptune | | \$400,000 |
| Garnet Ave (2550) | | \$200,000 |
| Arcadia Dr. | | \$600,000 |
| Arista St | | \$400,000 |
| Talbot St | | \$500,000 |
| La Cresta Dr | | \$400,000 |
| Arden Way | | \$250,000 |
| FACILITIES | \$0 | \$25,000,000 |
| Roofing Projects | | \$3,925,000 |
| Fire Station 17 (Chamoun Ave) | | \$200,000 |
| Fire Station 09 (La Jolla) | | \$150,000 |
| Fire Station 38 (Mira Mesa) | | \$150,000 |
| Northeastern Police Station | | \$150,000 |
| Mid City Police Station | | \$150,000 |
| Southeastern Police Station | | \$150,000 |
| Western Police Station | | \$150,000 |
| Eastern Police Station | | \$150,000 |
| Southern Police Station | | \$150,000 |
| Traffic Division | | \$100,000 |
| Ocean Beach Library | | \$150,000 |
| Mission Hills Library | | \$75,000 |
| Casa Del Prado | | \$1,500,000 |
| SD Municipal Gym | | \$300,000 |
| North Clairemont Rec Center | | \$250,000 |
| La Jolla Senior Center | | \$75,000 |
| Mt. Hope Cemetary | | \$75,000 |

FY08-09 Financed Deferred Maintenance Projects

| | Total Proj Estimate | |
|--|---------------------|---------------------|
| | FY 2008 | FY 2009 |
| Public Safety Facilities | | \$8,600,000 |
| FS 5, Hillcrest - Design | | \$750,000 |
| Children's Pool LG Tower - Design & Construction | | \$2,800,000 |
| La Jolla Shores LG Tower - Construction | | \$3,800,000 |
| FS 22, Point Loma - Design | | \$100,000 |
| FS 17, City Heights - Design | | \$750,000 |
| Police Range Refurbishment - Design | | \$400,000 |
| Parking Lot Resurfacing (Overlay) | | \$4,530,000 |
| Fire Station 27 (Clairmont Drive) | | \$30,000 |
| Fire Station 32 (Paradise Hills) | | \$50,000 |
| Various Recreation Centers | | \$100,000 |
| Various Senior Centers | | \$300,000 |
| Western Police Station | | \$50,000 |
| Balboa Park Parking Lots | | \$2,500,000 |
| Mission Bay Parking Lots | | \$1,500,000 |
| HVAC Projects | | \$3,250,000 |
| Police Mid-City Communications Center | | \$200,000 |
| North Park Library | | \$250,000 |
| Casa del Prado | | \$150,000 |
| Museum of Man | | \$300,000 |
| Pacific Beach Library | | \$550,000 |
| Casa de Balboa | | \$1,300,000 |
| Fire Communications Center | | \$500,000 |
| Plumbing Projects | | \$1,360,000 |
| Police Headquarters | | \$200,000 |
| Spanish Village | | \$660,000 |
| Fire Station 25 (Bay Park) | | \$75,000 |
| Fire Station 36 (Clairemont) | | \$75,000 |
| Main Library | | \$350,000 |
| Electrical Projects | | \$950,000 |
| Fire Station 24 (Carmel Valley) | | \$25,000 |
| Lifeguard Headquarters | | \$75,000 |
| Police Headquarters | | \$650,000 |
| Southeastern Police Station | | \$200,000 |
| Elevator Modernization Projects | | \$1,385,000 |
| Casa de Balboa | | \$100,000 |
| Casa Del Prado | | \$100,000 |
| Old Globe Theater | | \$100,000 |
| Main Library | | \$560,000 |
| City Concourse | | \$200,000 |
| San Diego Aerospace Museum | | \$100,000 |
| Museum of Art | | \$50,000 |
| Museum of Man | | \$25,000 |
| Tierasanta Recreation Center | | \$25,000 |
| Rancho Bernardo Library | | \$25,000 |
| Development Review Center | | \$100,000 |
| Windows / Doors | | \$1,000,000 |
| Police Headquarters (reseal windows) | | \$750,000 |
| Police Headquarters (replace front doors) | | \$100,000 |
| Lifeguard Headquarters (replace garage doors) | | \$100,000 |
| Fire Station 16 La Jolla (apparatus door) | | \$50,000 |
| TOTAL | \$24,750,000 | \$77,500,000 |