

TO: Mayor and City Council
FROM: Don Blubaugh, Interim City Manager
PREPARED BY: Richard Pearson, Community Development Director
Tim Tucker, City Engineer
SUBJECT: Five-Year Capital Improvement Program (CIP)
DATE: January 30, 2007

RECOMMENDATION:

Adopt resolution:

- a. Adopting the Five-Year Capital Improvement Program (CIP) for Fiscal Years 2006/07 to 2010/11; and
- b. Amending the current year budget.

BACKGROUND:

The City reviews its five-year CIP every one to two years. The CIP contains descriptions and funding plans for all projects that the City intends to construct within the next five years. The attached update to the City's CIP has been prepared with input from Transportation, Construction Inspection, Engineering, Maintenance, Water and Recreation Services. The Budget subcommittee also reviewed the CIP at their December 12, 2006 meeting.

As required by Section 65401 of the Government Code, the Five-year CIP was reviewed by the City Planning Commission for conformity with the adopted General Plan at their June 22, 2004 meeting.

In order to receive our "local Share" or "return to source" Measure C funds each year, the City must submit an updated five-year CIP to the Contra Costa Transportation Authority demonstrating compliance with the Growth Management Program established by Measure C when it was adopted by voters in 1998.

DISCUSSION:

On January 17, 2007 the City held a Council workshop to discuss and review the proposed CIP. In response to Council comments some changes were made to the projects listed in Attachment 1. The projects proposed to be funded by Texaco Settlement money received last year are listed first. Two new projects were added to the list. The first one is to develop an Economic Development and Marketing Plan and the second is to construct improvements at the John Muir Amphitheater. It is also proposed to fully fund the Ferry Pier removal. The Fiscal Year of the General Fund and Texaco Settlement money proposed allocation is also noted in the project description of Attachment 1.

Staff recommends allocating \$200,000 of Cultural Fees to the Old Train Depot to fund program development and the project design only. Matching funds for the construction grant will be identified at a later time. In addition to the changes listed above staff found alternative funding sources for the Senior Center improvements and offset some general fund allocations on the General Plan Update project with Miscellaneous Revenue Account balance. Lastly, in response to Council comments the proposed Downtown Parking Study is proposed to be moved up into the current year budget.

The net affect of the changes is a slight reduction of proposed General Fund contribution than originally proposed at the workshop.

In addition to adopting the Capital Improvement Program staff is requesting Council amend the current year budget. The Current Year Budget Adjustments table (Attachment 3) details these changes. These projects include silt removal, creek bank repair, paving and water system projects.

The Five-year CIP is primarily funded through General Fund, Gas Tax, Impact Fees, Grants and Enterprise funds. Attached is a Fund Balance Report (Attachment 2) which identifies funding for each project. Impact Fees are required to be spent within a five years of receiving them. These fund revenues are estimates only and dependant on the rate of development within the City. Staff recommends holding Gas Tax Reserves higher than normal. The Alhambra Avenue Improvement Project will be bidding this winter. Should bids be received higher than expected these reserves will give the Council more flexibility in awarding a contract.

To assist the Council in reviewing the Program information is provided in three parts.

1. Council Workshop Projects: Attachment 1 has been modified to reflect comments received at the Council Workshop on January 17, 2007.

2. Fund Balance Report: Attachment 2 is a detailed summary of new and existing projects, estimated cost and funding source. The beginning fund balance is shown for the current year. Following year fund balances are estimated. Proposed expenditures are shown in parenthesis (\$\$\$). Projects not included in the previous CIP are **bolded**. **Bolded** dollar amounts indicate proposed new project allocations. The "Texaco CIP Reserve" column is the money set aside from the Texaco settlement. Enterprise funded projects including the Water system and Marina are listed separately.

3. CIP Project Summary: This document, on file in the City Clerk's Office, is a budget summary for each section of the proposed five-year CIP. Project summaries include a project description. In addition a cost estimate and funding source along with the year the project is anticipated to occur. Similar projects are grouped together such as Park projects or Street Maintenance projects. This document was provided to the City Council at the January 17th CIP Workshop.

FISCAL IMPACT:

1. The current year budget adjustments are detailed in Attachment 3. The project name, amount of transfer and source of funding is listed. The net affect of the Water Enterprise adjustments is returning \$1,774,120 to the Water Reserve Fund.
2. Staff is recommending budgeting \$483,000 of General Fund Reserves and utilizing the remaining \$550,000 of the un-allocated Texaco settlement money. These projects are listed in Attachment 1.

Other than the current year budget adjustments referenced in item 1 above the actual allocation of funds for the Capital Improvement Program will occur with the adoption of the overall City budget this spring.

Attachments:

- 1) Council workshop recommendations
- 2) Fund Balance Report (Fund Summary)
- 3) Current Year Budget Adjustments
- 4) Resolution

The Capital Improvement Program detail sheets are on file with the City Clerk

Attachment 1

Texaco funded Project

Comment

Economic Development
and Marketing Plan

Staff recommends allocating \$50,000 of the Texaco settlement money to develop a list of potential projects and programs to help vitalize Martinez's economy and economic development. One program would include a marketing plan to help transform the downtown to a tourist destination point. Another plan could evaluate the size, type and potential uses of downtown buildings to ensure optimum business diversity to meet the needs of daytime County employee/businesses and also attract Martinez and surrounding community residents to visit, shop and dine in the evening hours. (FY 2007-08)

John Muir Amphitheater
Improvements

Staff proposes to use \$50,000 of the Texaco settlement money to install permanent water and power hookups for the new restrooms, concessions stand and ticket booth, install security lighting, and run power to the Kenney building to meet basic needs. (FY 2006-07)

Highway 4 at Alhambra
Avenue Beautification
Project

The Committees recommended beautifying the area in the vicinity of Alhambra Avenue and Highway 4. Staff proposes allocating \$35,000 of the Texaco settlement money for this project. (FY 2008-09)

Downtown Street
Lighting

This project would enhance the existing downtown street lights with outlets to be used for street tree lighting. Staff proposes allocating \$100,000 of the Texaco settlement money. (FY 2008-09)

Main Street Preliminary
Streetscape Plan

This project consists of preparing a plan for future hardscape and landscape improvements along Main Street. Staff proposes allocating \$25,000 of the Texaco settlement money. (FY 2008-09)

Pier Removal

This project consists of removing the old Ferry Pier at the Marina. The City Council has previously allocated \$250,000 towards this project. Staff proposes allocating an additional \$290,000 of Texaco settlement money to complete the removal in the summer of 2007. (FY 2007-08)

General Fund Programs**Comments**

General Plan Update

This project consists of completing a comprehensive General Plan update. Staff proposes to fund this project over two years. The total cost of the update is \$600,000. Funding is proposed to be the \$92,339 current balance of the Miscellaneous Revenue Account; \$308,000 of General funds over two years and \$200,000 of Measure C funds. (\$108,000 G.F – 2007-08 and \$200,000 of G.F 2008-09)

Old Train Depot

This project consists of converting the old train depot to a museum or other uses. The City received a Federal FTA grant of \$1.2 million. The grant is for construction only and requires a 25% local match. Staff proposes allocating \$200,000 of Cultural Fees to fund program development and the project design.

Hillside Drive Emergency Access

This project would re-grade the existing dirt road and construct minor drainage improvements. The access would be available for use in emergency situations during the dry months of the year. Staff proposes allocating \$50,000 in General Fund money. If the neighborhood wants a permanent access road an additional \$150,000 would need to be raised through an assessment district. (2008-09 G.F.)

Railroad Quiet Zone

This project consists of creating a railroad quiet zone in the downtown area. Initial work includes a preliminary feasibility report. Project will be coordinated with parking lot improvements associated with the Intermodal project. Staff proposes allocating \$10,000 in General Fund money to complete the feasibility report. (2007-08 G.F.)

Alhambra Creek Silt Removal

This project consists of silt removal from Alhambra Creek between Marina Vista and the railroad. The 2006 storms deposited several feet of silt on the flood terrace near the train station that needs to be removed in order to restore the channel capacity. Staff proposes allocating \$115,000 of General funds, \$50,000 of NPDES funds and \$35,000 of Zone 5 Drainage funds for this project. (2007-08 G.F.)

Special Funds**Comments**

Virginia Hill Medians

This project would remove and replace the eucalyptus trees in the Virginia Hills medians and replace with a more appropriate tree and landscaping. Staff proposes to use the previously allocated beautification fund balance of approximately \$61,000.

Senior Center Roof and Floor

This project consists of replacing the roof and floor at the Senior Center. Staff proposes allocating \$35,000 from the Designated Reserve, Deferred Maintenance Account.

Parking Study

This project consists of allocating \$25,000 of Traffic Fund revenues to review recent parking studies (LSA's Specific Plan, R.A.M. Parking / Meter), proposed and potential downtown projects to determine need, location and timing for future additional parking facilities in the downtown.

RESOLUTION NO. -07

ADOPTING FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FOR
FISCAL YEARS 2006/07 TO 2010/11 AND AMENDING THE BUDGET FOR
FISCAL YEAR 2006/07

WHEREAS, City staff has prepared the updated Capital Improvement Program (CIP); and

WHEREAS, the Planning Commission has found the CIP is consistent with the City's General Plan; and

WHEREAS, additional funding allocations are proposed in the current (2006/07) fiscal year budget in the updated Capital Improvement Program (CIP); and

WHEREAS, it is deemed in the best interest of the public and the City to implement the proposed projects and allocate the proposed funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez that the Five-year CIP, which is on file in the City Clerk's Office is hereby adopted.

BE IT FURTHER RESOLVED by the City Council of the City of Martinez that the Fiscal Year 2006/07 Budget is hereby amended in accordance with "Attachment 3", Current Year Budget Adjustments.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 7th day of February, 2007 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

**ATTACHMENT 2
FUND BALANCE REPORT**

	Page No. in CIP Report		NPDES Fund #21	MEASURE C Fund #22	GAS TAX Fund #23	TRAFFIC CONG RELIEF Fund #24	TRAFFIC #3431	PARK IN LIEU #3432	CHILD CARE #3233	ZONE 5 DRAINAGE #3434	CULTURAL FACILITIES #3435	POLICE FACILITY #3436	PARK & REC #3437	TEXACO CIP RESERVE	GENERAL FUND	Grant Funds	
CURRENT YEAR 2006-07		FUND BALANCE 6/30/06	151755	412630	333232	90814	491830	345293	125468	117294	123586	12722	50302	650000			
		FY 06/07 BUDGETED INCOME	540000	486000	724500	273061	50000	30000	8500	12000	45000	5000	15000				
		FY 06/07 BUDGETED EXPENSE	(604088)	(124144)	(509749)	0											
		TRANSFERS OUT PER BUDGET		(187494)		(90814)											
		Trsf for Lighting & Landscape	(650)														
		Mtg 7/24/06: park surveillance camera						(3400)									
		Mtg 10/4/06: fence at the library							(15000)								
		Mtg 7/5/06: drainage study								(5700)							
		Mtg 11/27/06: loan to Willows Theatre												(100000)			
		Str. pg. 2	Annual Pavement Management (1)		(300000)	(200000)	(273061)										
		Dra. pg 3	Annual Storm Drain Maintenance (1)	(50000)							(60000)						
		Str. pg 22	Alhambra Pavement Overlay (2)		(50000)												
		Dra. pg 5	Alhambra Creek Silt Removal (2)								(20000)						
		Dra. pg 6	Alhambra Way Creek Bank Repair (2)			(60000)					(10000)						
		Str. Pg. 5	Alhambra Ave. Improvements														(5586013)
	Bike pg. 2	Bay Trail Phase 2														(213188)	
	Int. pg. 3	Site Acquisition														(5900000)	
	Mar. pg. 10	Ferry Shelter														(237735)	
	Park pg. 1	Hidden Valley/Hidden Lakes Park (1)						(200000)									
	Park pg. 6	Rankin Park Pool (2)														(220000)	
	Park pg. 7	Nancy Boyd Park (2)						(50000)									
	P.Bldg pg. 5	Old Train Depot (2)								(100000)							
	Parks pg. 12	John Muir Ampitheater (2)												(50000)			
		EST. FY 06/07 BALANCE	37017	236992	287983	0	541830	121893	118968	33594	68586	17722	65302	500000		(12156936)	
FY 2007-08		FY 07/08 PROJECTED INCOME	540000	500000	724500	0	50000	30000	8500	12000	45000	5000	15000				
		FY 07/08 PROJECTED EXPENSE	(470000)	(180000)	(510000)	0											
		Dra. pg. 2	Alhambra Creek Channel Maintenance	(25000)													
		Dra. pg. 5	Alhambra Creek Silt Removal (2)	(50000)							(15000)						(115000)
		Park pg. 7	Nancy Boyd Park (2)					(150000)						(50000)			
		P. Bldg pg 5	Old Train Depot (2)								(100000)						
		N/A	Econ. Devel and Marketing Plan (2)												(50000)		
		Mar. pg. 5	Marina Pier Removal (1)												(290000)		
		Str. pg. 2	Annual Pavement Management		(200000)	(200000)											
		Str. pg. 22	Alhambra Pavement Overlay (2)		(150000)												(540000)
		Str. pg. 6	Downtown Utility Undergrinding														(153750)
		Str. pg. 27	Railroad Quiet Zone (2)														(10000)
		Str. pg. 26	General Plan Update (2)(3)		(100000)												(200000)
		Str. Pg. 30	Street Light Study (2)			(18000)											
		Tra. pg. 11	Traffic Signal-Arnold dr. @ Pacheco (2)					(45000)									
	P. Bldg. pg. 6	Senior Center Roof/Floor (2)(4)														(35000)	
		EST. FY 07/08 BALANCE	32017	106992	284483	0	546830	1893	127468	30594	13586	22722	30302	160000	(360000)	(693750)	

- (1) Additional funding for existing project. (\$000)
- (2) New project. (\$000)
- (3) Includes \$92k balance of Misc. Revenue Acct.
- (4) From Deferred Maint. Acct.
- (5) \$300k grant match unfunded

**ATTACHMENT 2
FUND BALANCE REPORT**

	Page No. in CIP Report		NPDES Fund #21	MEASURE C Fund #22	GAS TAX Fund #23	TRAFFIC CONG RELIEF Fund #24	TRAFFIC #3431	PARK IN LIEU #3432	CHILD CARE #3233	ZONE 5 DRAINAGE #3434	CULTURAL FACILITIES #3435	POLICE FACILITY #3436	PARK & REC #3437	TEXACO CIP RESERVE	GENERAL FUND	Grant Funds	
FY 2008-09		<i>FY 08/09 PROJECTED INCOME</i>	540000	500000	724500		50000	30000	8500	12000	45000	5000	15000				
		<i>FY 08/09 PROJECTED EXPENSE</i>	(470000)	(180000)	(510000)	0											
		Dra. pg. 2	Alhambra Creek Channel Maintenance	(25000)													
		Dra. pg. 4	Annual Storm Drain Maintenance	(50000)													
		Str. pg. 2	Annual Pavement Management		(300000)	(200000)											
		Str. pg. 6	Downtown Utility Undergrounding														(2230000)
		P. Bldg pg 5	Old Train Depot (2)(5)														(1200000)
		Str. pg. 26	General Plan Update (2)		(100000)											(200000)	
		Str. pg. 24	Main Street Streetscape (2)												(25000)		
		Str. pg. 25	Downtown Tree Lighting (2)												(100000)		
		Str. pg. 28	Hwy 4/Alhambra Ave. Beautification(2)												(35000)		
		Str. pg. 29	Hillside Drive Emergency Access (2)													(50000)	
		Tra. pg. 11	Traffic Signal-Arnold dr. @ Pacheco (2)					(255000)									
			EST. FY 08/09 BALANCE	27017	26992	298983	0	341830	31893	135968	42594	58586	27722	45302	0	(610000)	(3430000)
FY 2009-10		<i>FY 09/10 PROJECTED INCOME</i>	540000	500000	724500		50000	30000	8500	12000	45000	5000	15000				
		<i>FY 09/10 PROJECTED EXPENSE</i>	(470000)	(180000)	(510000)	0											
		Dra. pg. 2	Alhambra Creek Channel Maintenance	(25000)													
		Dra. pg. 3	Annual Storm Drain Maintenance	(50000)													
		Dra. pg. 7	Arreba Street Storm Drain (2)								(25000)						
		Str. pg. 2	Annual Pavement Management		(300000)	(200000)											
		EST. FY 09/10 BALANCE	22017	46992	313483	0	391830	61893	144468	29594	103586	32722	60302	0			
FY 2010-11		<i>FY 10/11 PROJECTED INCOME</i>	540000	500000	724500		50000	30000	8500	12000	45000	5000	15000				
		<i>FY 10/11 PROJECTED EXPENSE</i>	(470000)	(180000)	(510000)	0											
		Dra. pg. 2	Alhambra Creek Channel Maintenance	(25000)													
		Dra. pg. 3	Annual Storm Drain Maintenance	(50000)													
		Str. pg. 2	Annual Pavement Management		(300000)	(200000)											
		EST. FY 10/11 BALANCE	17017	66992	327983	0	441830	91893	152968	41594	148586	37722	75302	0			

- (1) Additional funding for existing project. (\$000)
- (2) New project. (\$000)
- (3) Includes \$92k balance of Misc. Revenue Acct.
- (4) From Deferred Maint. Acct.
- (5) \$300k grant match unfunded

**ATTACHMENT 2
ENTERPRISE FUNDS**

Page No. in CIP Report		WATER SYSTEM		MARINA	PARKING SERVICES
		WATER Reserve	WATER Bond		
	FUND BALANCE 6/30/06	5,108,239		0	426,003
	FY 06/07 BUDGETED INCOME	9,580,225		166,747	483,800
	FY 06/07 BUDGETED EXPENSE	(8,314,908)		(176,580)	(483,795)
	DEBT SERVICE	(892,661)			
	TRANSFERS PER BUDGET:	(110,632)			
	<u>TRANSFERS TO CIP, PER BUDGET</u>				
Wat. pg. 2	Water Meter Replacement C7002	(500,000)			
	Filter Control Replacement C7003	(500,000)			
Wat. pg. 8	Harborview Reservoir C7008	(1,000,000)			
Wat. pg. 15	SCADA System C7015	(500,000)			
Wat. pg. 16	Water Main 05/06 C7016	(250,000)			
	<u>PROPOSED PROJECTS</u>				
Wat. pg. 2	Water Meter Replacement C7002	1,499,120			
	Filter Control Replacement C7003	500,000			
Wat. pg. 15	SCADA System C7015	200,000			
Wat. pg. 14	Cathodic Protection C7014	(25,000)			
Wat. pg. 17	Annual Water Main Replacement	(350,000)			
Wat. pg. 18	Flouridation System Replacement	(25,000)			
Wat. pg. 26	Harborview Reservoir to Vista Way Water Line	(25,000)			
Str. Pg. 23	Parking Study				(25,000)
	EST. FY 06/07 BALANCE	4,394,383		(9,833)	401,008
	FY 07/08 BUDGETED INCOME	9,600,860		265,000	483,800
	FY 07/08 BUDGETED EXPENSE	(8,431,204)		(182,000)	(498,309)
	DEBT SERVICE	(890,099)		(80,000)	
Wat. pg. 8	Harborview Reservoir C7008	(1,300,000)			
Wat. pg. 25	Water Treatment Plant Master Plan	(225,000)			
Wat. pg. 17	Annual Water Main Replacement	(350,000)			
Wat. pg. 18	Flouridation System Replacement	(275,000)			
Wat. pg. 19	Replacement of Raw Water Supply Line	(75,000)			
Wat. pg. 26	Harborview Reservoir to Vista Way Water Line	(325,000)			
Wat. pg. 13	Maintenance Service Center		6,800,000		
Mar. pg. 5	Marina Pier Removal				
Mar. pg. 6	Marina 2008 Dredging			(20,000)	
	EST. FY 07/08 BALANCE	2,123,940		(26,833)	386,499

**ATTACHMENT 2
ENTERPRISE FUNDS**

	<i>FY 08/09 BUDGETED INCOME</i>	9,600,860	265,000	483,800
	<i>FY 08/09 BUDGETED EXPENSE</i>	(8,684,140)	(182,000)	(513,258)
	<i>DEBT SERVICE</i>	(891,326)	(80,000)	
	<i>New Debt Service for Maintenance Service Center</i>	(534,723)		
Wat. pg. 19	Replacement of Raw Water Supply Line	(500,000)		
Wat. pg. 21	Saint Mary's Pump Station Upgrades	(50,000)		
Wat. pg. 17	Annual Water Main Replacement	(350,000)		
Mar. pg. 6	Marina 2008 Dredging		(480,000)	
	EST. FY 08/09 BALANCE	714,611	(503,833)	357,041
	<i>FY 09/10 BUDGETED INCOME</i>	9,600,860	265,000	483,800
	<i>FY 09/10 BUDGETED EXPENSE</i>	(8,944,664)	(182,000)	(513,258)
	<i>DEBT SERVICE</i>	(889,642)	(80,000)	
	<i>New Debt Service for Maintenance Service Center</i>	(534,723)		
Wat. pg. 17	Annual Water Main Replacement	(350,000)		
Wat. pg. 19	Replacement of Raw Water Supply Line	(425,000)		
Wat. pg. 20	Alhambra Way Transmission Line	(25,000)		
Wat. pg. 21	Saint Mary's Pump Station Upgrades	(250,000)		
	EST. FY 09/10 BALANCE	(1,103,558)	(500,833)	327,582
	<i>FY 10/11 BUDGETED INCOME</i>	9,600,860	265,000	483,800
	<i>FY 10/11 BUDGETED EXPENSE</i>	(9,213,004)	(182,000)	(513,258)
	<i>DEBT SERVICE</i>	(891,092)	(80,000)	
	<i>New Debt Service for Maintenance Service Center</i>	(534,723)		
Wat. pg. 22	Muir Oaks Pump Station Upgrades	(150,000)		
Wat. pg. 20	Alhambra Way Transmission Line	(175,000)		
Wat. pg. 17	Annual Water Main Replacement	(350,000)		
	EST. FY 10/11 BALANCE	(2,816,517)	(497,833)	298,124

ATTACHMENT 3

CURRENT YEAR BUDGET ADJUSTMENTS

<u>PROJECT</u>	<u>Amount</u>	<u>Source</u>
Annual Pavement Management	\$273,061	Traffic Congestion Relief
Annual Pavement Management	\$300,000	Measure C
Alhambra Pavement Overlay	\$50,000	Measure C
Alhambra Way Creek Bank Repair	\$60,000	Gas Tax
Alhambra Way Creek Bank Repair	\$10,000	Zone 5 Drainage
Annual Storm Drain Maintenance	\$60,000	Zone 5 Drainage
Alhambra Creek Silt Removal	\$20,000	Zone 5 Drainage
Hidden Valley/Hidden Lakes Park	\$200,000	Park in lieu
Nancy Boyd Park	\$50,000	Park in lieu
Rankin Park Pool	\$220,000	State Park Bond
Old Train Depot	\$100,000	Cultural Facilities
John Muir Amphitheater	\$50,000	Texaco CIP Reserve
<u>ENTERPRISE FUNDS</u>		
Water Meter Replacement C7002	-\$1,499,120	Water System
Filter Control Replacement C7003	-\$500,000	Water System
SCADA System C7015	-\$200,000	Water System
Cathodic Protection C7014	\$25,000	Water System
Annual Water Main Replacement	\$350,000	Water System
Flouridation System Replacement	\$25,000	Water System
Harborview Reservoir to Vista Way Water Line	\$25,000	Water System
Parking Study	\$25,000	Parking Services