



Capital Improvement Program Needs Assessment

*City Council Workshop
April 3, 2018*

Overview

Objective

- Evaluate, prioritize and identify funding options for the repair, replacement and expansion of the City's physical infrastructure, facilities, parks and fleet.

CIP Categories

- Infrastructure – streets, sidewalks and pedestrian curb ramps for Americans with Disabilities Act (ADA) compliance; street lights, traffic signals and communications; sewer and storm water systems
- Facilities - City offices, public works yard and support facilities, police and fire stations, community center, public library and information technology (public safety cameras, data storage and communications)
- Parks & Recreation – Community parks and amenities such as ball fields, restrooms, lighting, landscaping, walking paths and information technology; health and quality of life facilities such as recreation centers, municipal swimming pool and aquatic center
- Vehicle Fleet – consists of 225 vehicles and equipment, valued at over \$10 million; fleet management, replacement and modernization is required to provide essential services for the Community

Overview

Major Maintenance (Deferred & Ongoing)

- Capital improvement projects that provide major maintenance and/or upgrades to existing infrastructure and/or facilities required to provide essential public services and maintain health and safety
- Examples – roadway rehab, roof replacement, HVAC system upgrades, removal and replacement of deteriorated metal storm drain pipes

New Public Improvements

- Capital improvement projects that expand existing infrastructure and/or facilities, or construct new facilities, to address present and future needs of the Community
- Examples – skate park, multi-purpose athletic field, municipal swimming pool, aquatic center, community corridors

Overview

Project Prioritization

- Annual - Annual project to address infrastructure needs
- Tier 1 - Urgent project based on public health and safety
- Tier 2 - Near-Term project (1 to 2 years)
- Tier 3 - Near-Term project (3 to 5 years)
- Tier 4 - Long-Term project (6 to 10 years)

Evaluation Criteria

- Health and safety
- Community support
- Project costs and schedule
- Available funding
- Consistency with City General Plan and other long-range planning documents
- Ongoing maintenance costs

Infrastructure Needs

Streets – Roadway Rehab and Complete Streets (Traffic Calming, Pedestrian and Bike Enhancements, ADA)

Completed pavement condition assessment for all City-maintained streets (103 miles) and alleys (7 miles) in 2011

- City needs to invest approximately \$2 million annually to maintain a pavement condition index (PCI) of 75 (which ranks as “very good” on a scale of 0 to 100) for AC (asphalt concrete) streets (estimate includes an adjustment factor for an increase in materials costs since 2011)
- Additional funds are required to address alleys, most of which require full reconstruction with PCC (Portland cement concrete)
- National City is required to invest approximately \$2 million annually in discretionary funds (General Fund) for local roadway projects to meet its maintenance of effort requirements to receive local Prop A TransNet funding and State Gas Tax Road Maintenance and Rehabilitation Account (RMRA) funding
- Completed Citywide Walk Audits in 2011 and 2017 to identify opportunities to enhance access and safety for pedestrians and bicyclists
- Staff will continue to leverage local funds as a match for competitive grants to construct new bike facilities and provide pedestrian enhancements for safety and ADA compliance

Infrastructure Needs

Streets – Roadway Rehab and Complete Streets (Traffic Calming, Pedestrian and Bike Enhancements, ADA)

- At the City Council Meeting of October 4, 2016, City Council adopted an Ordinance and supporting Resolution adding Chapter 2.62 to the NCMC adopting informal bidding procedures under the California Uniform Public Construction Cost Accounting Act (CUPCAA), which allows City Public Works crews to bid on projects up to \$45,000.



Infrastructure Needs

Streets – Traffic Signals, Street Lights and Communications

- National City maintains 75 traffic signals and a variety of traffic safety devices such as flashing beacons and radar speed feedback signs
- National City maintains approximately 800 street lights
- SDG&E maintains approximately 1,200 street lights; SDG&E will install new luminaries on existing utility poles in residential neighborhoods, when warranted, at no cost to the City
- Staff will continue to leverage local funds as a match for competitive grants to install / upgrade traffic signals, street lights and communications infrastructure

Infrastructure Needs

CIP Category	Cost Estimate	Funding Plan			
Streets - Roadway Rehab, Sidewalks & Curb Ramps (ADA)	Total	General Fund	Prop A TransNet	Gas Tax (RMRA)	Grants
FY 2019	\$2,000,000	\$300,000	\$100,000	\$1,000,000	\$600,000
FY 2020	\$2,000,000	\$600,000	\$400,000	\$1,000,000	\$0
FY 2021	\$2,000,000	\$600,000	\$400,000	\$1,000,000	\$0
FY 2022	\$2,000,000	\$600,000	\$400,000	\$1,000,000	\$0
FY 2023	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
FY 2024	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
FY 2025	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
FY 2026	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
FY 2027	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
FY 2028	\$3,000,000	\$800,000	\$1,200,000	\$1,000,000	\$0
Total	\$26,000,000	\$6,900,000	\$8,500,000	\$10,000,000	\$600,000

Infrastructure Needs

CIP Category	Cost Estimate	Funding Plan			
		General Fund	Prop A TransNet	Gas Tax (RMRA)	Grants
Streets - Traffic Calming, Ped and Bike Enhancements (ADA)	Total				
FY 2019	\$7,000,000	\$500,000	\$100,000	\$200,000	\$6,200,000
FY 2020	\$3,000,000	\$200,000	\$200,000	\$0	\$2,600,000
FY 2021	\$2,000,000	\$200,000	\$200,000	\$0	\$1,600,000
FY 2022	\$2,000,000	\$200,000	\$200,000	\$0	\$1,600,000
FY 2023	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
FY 2024	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
FY 2025	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
FY 2026	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
FY 2027	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
FY 2028	\$2,000,000	\$200,000	\$300,000	\$0	\$1,500,000
Total	\$26,000,000	\$2,300,000	\$2,500,000	\$200,000	\$21,000,000

Infrastructure Needs

CIP Category	Cost Estimate	Funding Plan		
		General Fund	Prop A TransNet	Grants
Streets - Traffic Signals, Street Lights and Communications (ADA)	Total			
FY 2019	\$3,300,000	\$400,000	\$800,000	\$2,100,000
FY 2020	\$2,500,000	\$400,000	\$600,000	\$1,500,000
FY 2021	\$1,000,000	\$400,000	\$200,000	\$400,000
FY 2022	\$900,000	\$400,000	\$100,000	\$400,000
FY 2023	\$800,000	\$400,000	\$100,000	\$300,000
FY 2024	\$700,000	\$400,000	\$100,000	\$200,000
FY 2025	\$700,000	\$400,000	\$100,000	\$200,000
FY 2026	\$700,000	\$400,000	\$100,000	\$200,000
FY 2027	\$700,000	\$400,000	\$100,000	\$200,000
FY 2028	\$700,000	\$400,000	\$100,000	\$200,000
Total	\$12,000,000	\$4,000,000	\$2,300,000	\$5,700,000

Infrastructure Needs

Storm Water – Treatment and Transportation

- Completed inventory of Corrugated Metal Pipes (CMP) in 2016
- Identified approximately \$4 million in priority CMP replacement projects
- Remaining storm water conveyance system, which has a estimated replacement value of over \$50 million, needs to be re-evaluated
- New storm water regulations will have fiscal impact (unfunded mandates)
- Sustainable funding source has not been identified

Infrastructure Needs

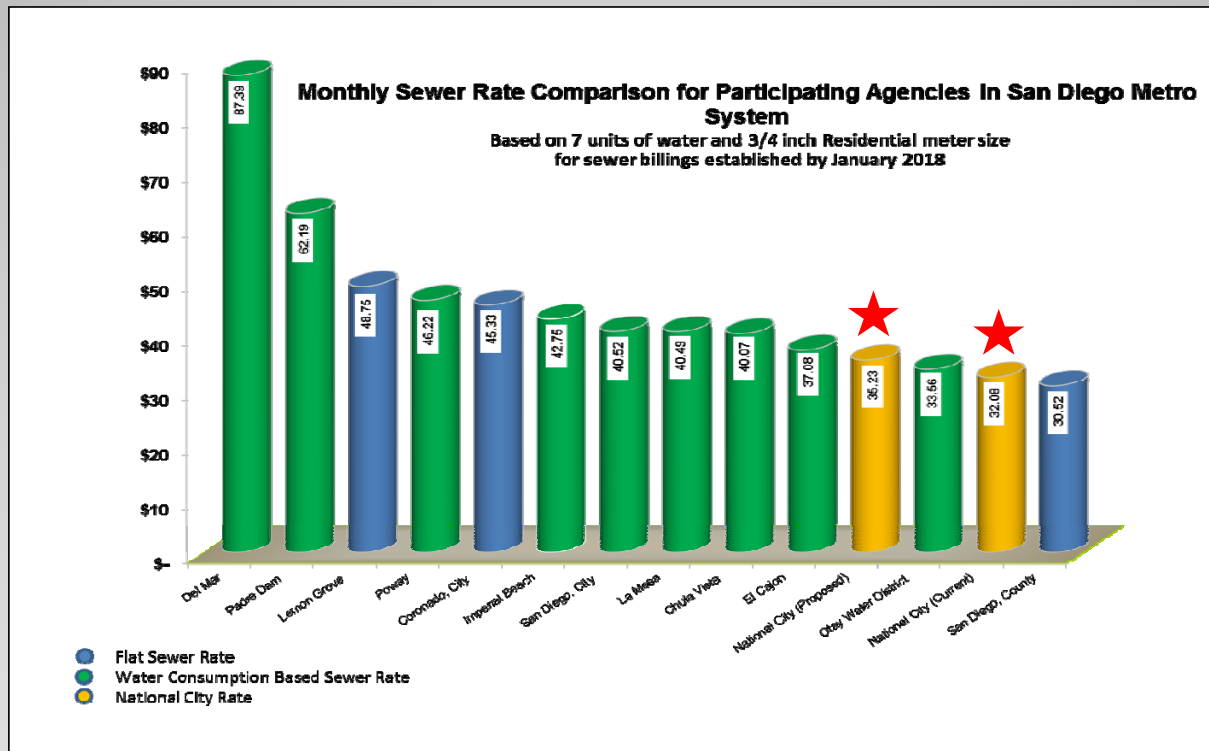
CIP Category	Cost Estimate	Funding Plan		
Storm Water - Treatment and Transportation	Total	General Fund	Grants	TBD
FY 2019	\$2,000,000	\$300,000	\$1,700,000	\$0
FY 2020	\$1,000,000	\$300,000	\$0	\$700,000
FY 2021	\$1,000,000	\$300,000	\$0	\$700,000
FY 2022	\$1,000,000	\$300,000	\$0	\$700,000
FY 2023	\$1,000,000	\$300,000	\$0	\$700,000
FY 2024	\$800,000	\$300,000	\$0	\$500,000
FY 2025	\$800,000	\$300,000	\$0	\$500,000
FY 2026	\$800,000	\$300,000	\$0	\$500,000
FY 2027	\$800,000	\$300,000	\$0	\$500,000
FY 2028	\$800,000	\$300,000	\$0	\$500,000
Total	\$10,000,000	\$3,000,000		\$5,300,000

Infrastructure Needs

Sewer - Pipe Repair / Replacement and Upsizing

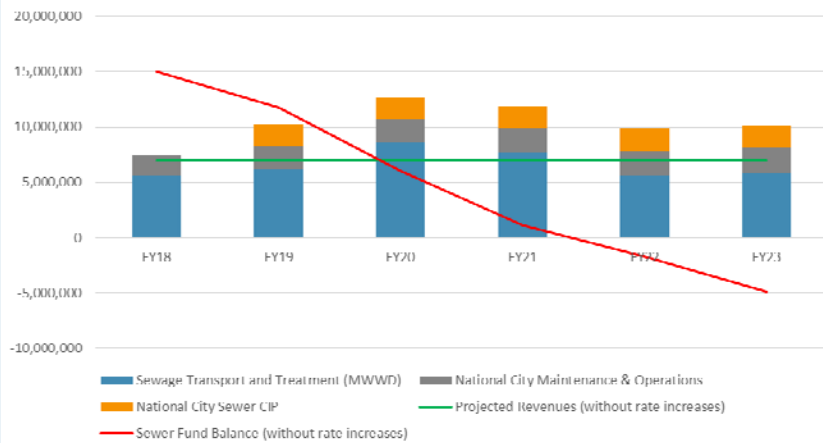
- Completed Citywide Sewer Master Plan in 2011
- Identified approximately \$30 million in sewer pipe repair / replacement and upsizing needs (estimate includes an adjustment factor for an increase in materials costs since 2011)
- At the City Council Meeting of December 19, 2017, City Council adopted an Ordinance establishing sewer service rate increases over the next five fiscal years to offset sewage transportation and treatment rate increases from San Diego Metropolitan Wastewater Department and address capital needs for sewer pipe repair / replacement and upsizing
- National City continues to maintain the lowest sewer service rates when compared to the remaining cities served by the San Diego Metro Wastewater System

Infrastructure Needs

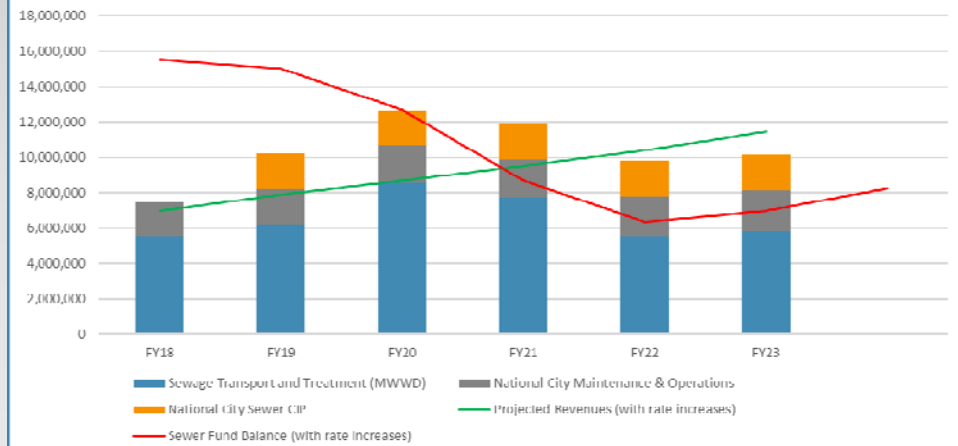


Infrastructure Needs

Sewer Service Fund Revenue Projections vs Expenses
Without Rate Increases (FY 2018 - FY 2023)



Sewer Service Fund Revenue Projections vs Expenses
With Rate Increases (FY 2018 - FY 2023)



Infrastructure Needs

CIP Category	Cost Estimate	Funding Plan
Sewer - Pipe Repair / Replacement and Upsizing	Total	Sewer Fund
FY 2019	\$2,000,000	\$2,000,000
FY 2020	\$2,000,000	\$2,000,000
FY 2021	\$2,000,000	\$2,000,000
FY 2022	\$2,000,000	\$2,000,000
FY 2023	\$2,000,000	\$2,000,000
FY 2024	\$2,000,000	\$2,000,000
FY 2025	\$2,000,000	\$2,000,000
FY 2026	\$2,000,000	\$2,000,000
FY 2027	\$2,000,000	\$2,000,000
FY 2028	\$2,000,000	\$2,000,000
Total	\$20,000,000	\$20,000,000

Infrastructure Needs Summary

CIP Category	Cost Estimate	Funding Plan					
		General Fund	Prop A TransNet	Gas Tax (RMRA)	Sewer Fund	Grants	TBD
Infrastructure - Streets, Storm Water, Sewer	Total						
FY 2019	\$16,300,000	\$1,500,000	\$1,000,000	\$1,200,000	\$2,000,000	\$10,600,000	\$0
FY 2020	\$10,500,000	\$1,500,000	\$1,200,000	\$1,000,000	\$2,000,000	\$4,100,000	\$700,000
FY 2021	\$8,000,000	\$1,500,000	\$800,000	\$1,000,000	\$2,000,000	\$2,000,000	\$700,000
FY 2022	\$7,900,000	\$1,500,000	\$700,000	\$1,000,000	\$2,000,000	\$2,000,000	\$700,000
FY 2023	\$8,800,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,800,000	\$700,000
FY 2024	\$8,500,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,700,000	\$500,000
FY 2025	\$8,500,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,700,000	\$500,000
FY 2026	\$8,500,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,700,000	\$500,000
FY 2027	\$8,500,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,700,000	\$500,000
FY 2028	\$8,500,000	\$1,700,000	\$1,600,000	\$1,000,000	\$2,000,000	\$1,700,000	\$500,000
Total	\$94,000,000	\$16,200,000	\$13,300,000	\$10,200,000	\$20,000,000	\$29,000,000	\$5,300,000

Facilities, Parks & Recreation Needs

Summary

- Completed comprehensive needs assessment of City-owned facilities (including historic properties) and parks in 2017; refinements were made in 2018
- Identified over \$13 million in needs for existing facilities and parks
- Supplemental evaluations, such as ADA, are needed for several facilities, which will lead to additional capital needs and costs
- Staff is currently evaluating construction of a multipurpose facility for NCFD, NCPD and public use in El Toyon Park to replace the existing El Toyon Recreation Center and Fire Station 33 Squad
- Staff estimates costs for demo, site preparation and construction of new multipurpose facility to range between \$5 to 7 million depending on size and scope of services; estimate will be refined upon completion of preliminary analysis and conceptual design

Facilities, Parks & Recreation Needs

Summary (continued)

- The City established a Facilities Maintenance Reserve in FY 2016; current balance is approximately \$2.5 million
- A funding stream has not been established to replenish the Reserve; therefore, funds are proposed for urgent projects only (Tier 1) based on public health and safety
- Limited grant opportunities are available for facility upgrades and park improvements
- Development Impact Fees currently charged are insufficient to effectively fund eligible capital improvements
- Over 90% of the City's facilities and parks needs do not have a reliable funding source
- City Public Works Facilities Maintenance crews will continue to complete smaller projects and perform minor repairs in-house to save costs

Facilities, Parks & Recreation Needs

CIP Category	Cost Estimate					Funding Plan			
	Total	Tier 1 (Urgent)	Tier 2 (1-2 years)	Tier 3 (3-5 years)	Tier 4 (6-10 years)	General Fund	Facilities Maintenance Reserve	DIF, Grants and Other	TBD
Facilities, Parks & Recreation									
Civic Center / City Hall	\$1,810,000	\$200,000	\$0	\$600,000	\$1,010,000	\$0	\$200,000	\$0	\$1,610,000
MLK Jr Community Center*	\$730,000	\$0	\$80,000	\$130,000	\$520,000	\$0	\$0	\$0	\$730,000
Police Dept Building*	\$2,520,000	\$200,000	\$1,240,000	\$0	\$1,080,000	\$0	\$200,000	\$320,000	\$2,000,000
Fire Station 34	\$210,000	\$0	\$110,000	\$100,000	\$0	\$0	\$0	\$0	\$210,000
Fire Station 31*	\$80,000	\$0	\$0	\$0	\$80,000	\$0	\$0	\$0	\$80,000
Public Works (1726 Wilson Ave)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Works (726 W. 19th St)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aquatic Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Library	\$130,000	\$0	\$100,000	\$30,000	\$0	\$0	\$0	\$130,000	\$0
ARTS Center*	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Kimball Recreation Center	\$450,000	\$0	\$300,000	\$150,000	\$0	\$0	\$0	\$0	\$450,000
Kimball Senior Center	\$210,000	\$0	\$0	\$60,000	\$150,000	\$0	\$0	\$0	\$210,000
Casa de Salud Youth Center	\$390,000	\$0	\$90,000	\$250,000	\$50,000	\$0	\$0	\$0	\$390,000
Las Palmas Municipal Pool*	\$920,000	\$350,000	\$160,000	\$410,000	\$0	\$0	\$350,000	\$0	\$570,000
Camacho Recreation Center*	\$250,000	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
El Toyon Recreation Center (Option 1)*	\$430,000	\$30,000	\$0	\$400,000	\$0	\$0	\$30,000	\$0	\$400,000
Fire Station 33 (Option 1)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$0
Granger Music Hall	\$3,000,000	\$0	\$0	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
Kimball House	\$40,000	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000
Stein Farm (Option 1)	\$80,000	\$0	\$20,000	\$20,000	\$40,000	\$0	\$0	\$0	\$80,000
Santa Fe Rail Depot	\$40,000	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000
Kimball Park*	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Las Palmas Park*	\$800,000	\$0	\$0	\$800,000	\$0	\$0	\$0	\$100,000	\$700,000
El Toyon Park*	\$700,000	\$0	\$0	\$700,000	\$0	\$0	\$0	\$100,000	\$600,000
Total (Option 1)	\$13,540,000	\$780,000	\$3,100,000	\$6,650,000	\$3,010,000	\$0	\$780,000	\$700,000	\$12,060,000
El Toyon Multipurpose Facility	\$7,000,000	\$0	\$0	\$7,000,000	\$0	\$0	\$0	\$500,000	\$6,500,000
El Toyon Recreation Center (Option 1)*	(\$430,000)	(\$30,000)	\$0	(\$400,000)	\$0	\$0	(\$30,000)	\$0	(\$400,000)
El Toyon Recreation Center (Option 2)	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$30,000	\$0	\$0
Fire Station 33 (Option 1)	(\$50,000)	\$0	(\$50,000)	\$0	\$0	\$0	\$0	(\$50,000)	\$0
Stein Farm (Option 1)	(\$80,000)	\$0	(\$20,000)	(\$20,000)	(\$40,000)	\$0	\$0	\$0	(\$80,000)
Stein Farm (Option 2)	\$360,000	\$0	\$300,000	\$20,000	\$40,000	\$0	\$0	\$0	\$360,000
Total (Option 2)**	\$20,370,000	\$780,000	\$3,330,000	\$13,250,000	\$3,010,000	\$0	\$780,000	\$1,150,000	\$18,440,000

* Supplemental evaluations are needed, which will lead to additional capital needs and costs
** Option 2 considers replacing the El Toyon Recreation Center and Fire Station 33 Squad with a new multipurpose facility in El Toyon Park and reconstruction / rehabilitation of the barn and accessory structure at Stein Farm

Facilities, Parks & Recreation Needs

Civic Center / City Hall (1243 National City Blvd)

Tier 1 - \$200,000

- Replace roof - \$200,000

Tier 2 - None

Tier 3 - \$600,000

- Upgrade electrical room - \$200,000
- ADA upgrades - \$400,000

Tier 4 - \$1,010,000

- 1st Floor improvements (Building, Planning & Fire Admin - counter and breakroom remodels, workstation reconfigurations; Engineering - conference room remodel) - \$630,000
- Replace ceiling tiles - \$300,000
- Interior painting - \$80,000

Total - \$1,810,000

Facilities, Parks & Recreation Needs

MLK Jr Community Center (140 E. 12th St)

Tier 1 - None

Tier 2 - \$80,000*

- Replace electrical distribution panel - \$80,000
- Mitigate groundwater intrusion during heavy rain events - TBD*

Tier 3 - \$130,000*

- Replace carpet in community rooms with vinyl flooring - \$80,000
- Interior painting - \$50,000
- Fire suppression system upgrades - TBD*

Tier 4 - \$520,000

- Replace remaining carpet - \$140,000
- Kitchen equipment upgrades - \$30,000
- ADA upgrades - \$250,000
- Replace roof - \$100,000

Total - \$730,000

Facilities, Parks & Recreation Needs

Police Department (1200 National City Blvd)

Tier 1 - \$200,000

- Replace roof - \$200,000

Tier 2 - \$540,000 to \$1,240,000

- Storage facility for PD specialty vehicles - \$500,000 to \$1.2 million
- Replace carpet with vinyl flooring - \$40,000

Tier 3 - None

Tier 4 - \$1,080,000*

- Replace generator - \$500,000
- Replace windows - \$250,000
- Replace lockers - \$250,000
- Interior painting - \$80,000
- ADA upgrades - TBD*

Total - \$1,820,000 to \$2,520,000*

Facilities, Parks & Recreation Needs

Fire Station 34 (343 E. 16th St)

Tier 1 - None

Tier 2 - \$110,000

- Replace tower doors - \$50,000
- Replace handrails - \$60,000

Tier 3 - \$100,000

- Interior painting - \$50,000
- Replace flooring - \$50,000

Tier 4 - None

Total - \$210,000

Facilities, Parks & Recreation Needs

Fire Station 31 (2333 Euclid Ave)

Tier 1 - None

Tier 2 - None

Tier 3 - None

Tier 4 - \$80,000*

- Replace roof - \$80,000
- ADA upgrades - TBD*

Total - \$80,000*

Facilities, Parks & Recreation Needs

Public Library (1401 National City Blvd)

Tier 1 - None

Tier 2 - \$100,000

- HVAC upgrades - \$100,000

Tier 3 - \$30,000

- Information kiosk, electronic bulletin board - \$30,000

Tier 4 - None

Total - \$130,000

Facilities, Parks & Recreation Needs

ARTS Center (200 E. 12th St)

Tier 1 - None

Tier 2 - \$500,000

- Basement improvements (replace three HVAC units / controls, windows and flooring; interior painting; lighting and ADA upgrades) - \$500,000

Tier 3 - None

Tier 4 - TBD*

- Remaining ADA upgrades - TBD*

Total - \$500,000*

Facilities, Parks & Recreation Needs

Kimball Recreation Center (148 E. 12th St)

Tier 1 - None

Tier 2 - \$300,000

- Replace roof, repair trusses and wood framing - \$220,000
- Replace two HVAC units / controls, electrical upgrades - \$80,000

Tier 3 - \$150,000

- ADA upgrades (bathrooms and facility access ramps) - \$150,000

Tier 4 - None

Total - \$450,000

Facilities, Parks & Recreation Needs

Kimball Senior Center (1221 "D" Ave)

Tier 1 - None

Tier 2 - None

Tier 3 - \$60,000

- Replace wood eaves and beams - \$60,000

Tier 4 - \$150,000

- Replace roof - \$150,000

Total - \$210,000

Facilities, Parks & Recreation Needs

Casa de Salud Youth Center (1408 Harding Ave)

Tier 1 - None

Tier 2 - \$90,000

- Electrical upgrades - \$30,000
- Install additional A/C unit and controls - \$20,000
- Replace windows - \$20,000
- Kitchen remodel - \$20,000

Tier 3 - \$250,000

- ADA upgrades - \$250,000

Tier 4 - \$50,000

- Replace roof - \$50,000

Total - \$390,000

Facilities, Parks & Recreation Needs

Las Palmas Municipal Pool (1800 E. 22nd St)

Tier 1 - \$350,000

- Replace electrical transformer, upgrade electrical room - \$350,000

Tier 2 - \$160,000

- Rebuild pool filters - \$50,000
- Replace pool deck drains, plumbing upgrades - \$30,000
- Pool support building improvements (replace toilets, urinals and sinks; replace flooring in showers and lobby) - \$80,000

Tier 3 - \$410,000*

- Pool support building improvements (replace roof and ceiling tiles; reconfigure changing rooms; replace windows and exterior doors; stucco exterior; install HVAC units / controls and fire suppression system) - TBD*
- Replaster pool - \$180,000
- Replace pool deck - \$200,000
- Replace boiler for activity pool - \$30,000
- Replace fencing - TBD*
- ADA upgrades - TBD*

Tier 4 - None

Total - \$920,000*

Facilities, Parks & Recreation Needs

Camacho Recreation Center (1810 E. 22nd St)

Tier 1 - None

Tier 2 - \$250,000

- Replace toilets, urinals and sinks - \$30,000
- Replace window blocks and exterior doors - \$40,000
- Replace roof - \$100,000
- Replace five HVAC units / controls - \$80,000

Tier 3 - TBD*

- Stucco exterior - TBD*

Tier 4 - None

Total - \$250,000*

Facilities, Parks & Recreation Needs

El Toyon Recreation Center and Fire Station 33 Squad (2005 E. 4th St)

Summary

- Fire Station 33 is a manufactured building with large carport that was constructed next to the El Toyon Recreation Center in Fall 2017 to pilot the Fire Department's Squad Program
- El Toyon Recreation Center needs major repairs to extend its useful life
- Two options for the site are being evaluated:
 - Option 1 - provide necessary repairs and facility upgrades to extend the useful life of El Toyon Recreation Center; NCFD Squad would continue to operate out of the existing facility
 - Option 2 - demo both facilities and prepare site to construct a new multipurpose facility for NCFD, NCPD and public use (e-Library, community room)

Facilities, Parks & Recreation Needs

El Toyon Recreation Center and Fire Station 33 Squad (2005 E. 4th St)

Option 1

Tier 1 - \$30,000

- Replace concrete columns - \$30,000

Tier 2 - \$50,000

- Terminate lease on manufactured building for Fire Station 33 (approx. \$2,300 per month) and exercise option to purchase

Tier 3 - \$400,000*

- Replace roof, wood eaves, beams and windows - \$220,000
- Install HVAC units and controls, electrical upgrades - \$120,000
- Replace flooring - \$60,000
- Stucco exterior - TBD*
- ADA upgrades - TBD*

Tier 4 - None

Total - \$480,000*

Facilities, Parks & Recreation Needs

El Toyon Recreation Center and Fire Station 33 Squad (2005 E. 4th St)

Option 2

Tier 1 - \$30,000

- Replace concrete columns - \$30,000

Tier 2 - None

Tier 3 - \$5 to 7 million

- Demo structures, site preparation and construction of new multipurpose facility for NCFD, NCPD and public use (e-Library, community room)
- Note: estimate will be refined upon completion of preliminary analysis and conceptual design

Tier 4 - None

Total - \$5 to 7 million

Facilities, Parks & Recreation Needs

Granger Music Hall (1615 E. 4th Street)

Tier 1 - None

Tier 2 - None

Tier 3 - \$2.4 to 3 million

- Relocation, site preparation and rehabilitation of Granger Music Hall to the Marina District as part of Pepper Park Expansion project
- At the City Council Meeting of February 20, 2018, City Council directed staff to submit a proposal to the San Diego Unified Port District (SDUPD) for relocation, site preparation and rehabilitation of Granger Music Hall to the Marina District; National City would contribute the net proceeds from the existing site's land sale to assist the SDUPD with funding the project

Tier 4 - None

Total - \$2.4 to 3 million

Facilities, Parks & Recreation Needs

Kimball House (921 "A" Ave)

Tier 1 - None

Tier 2 - None

Tier 3 - None

Tier 4 - \$40,000

- Replace roof - \$40,000

Total - \$40,000

Facilities, Parks & Recreation Needs

Stein Family Farm (1808 "F" Ave)

Option 1

Tier 1 - None

Tier 2 - \$20,000

- Demo barn - \$20,000

Tier 3 - \$20,000

- Foundation repair - \$20,000

Tier 4 - \$40,000

- Replace roof - \$40,000

Total - \$80,000

Option 2

Tier 1 - None

Tier 2 - \$300,000

- Reconstruct / rehabilitate barn and accessory structure - \$300,000

Tier 3 - \$20,000

- Foundation repair - \$20,000

Tier 4 - \$40,000

- Replace roof - \$40,000

Total - \$360,000

Facilities, Parks & Recreation Needs

Santa Fe Rail Depot (922 W. 23rd St)

Tier 1 - None

Tier 2 - None

Tier 3 - None

Tier 4 - \$40,000

- Replace roof - \$40,000

Total - \$40,000

Facilities, Parks & Recreation Needs

Kimball Park

Tier 1 - None

Tier 2 - \$200,000

- Replace playground equipment - \$200,000

Tier 3 - TBD*

- Enhancements to Kimball Bowl - TBD*
- ADA upgrades - TBD*

Tier 4 - TBD*

- Develop Park Master Plan for future park facilities and amenities

Total - \$200,000*

Facilities, Parks & Recreation Needs

Las Palmas Park

Tier 1 - None

Tier 2 - None

Tier 3 - \$800,000*

- Replace park restrooms - \$700,000
- Install public safety cameras and associated infrastructure - \$100,000
- ADA upgrades - TBD*

Tier 4 - TBD*

- Develop Park Master Plan for future park facilities and amenities

Total - \$800,000*

Facilities, Parks & Recreation Needs

El Toyon Park

Tier 1 - None

Tier 2 - None

Tier 3 - \$700,000*

- Replace lighting, electrical upgrades for multipurpose athletic field - \$700,000
- New pedestrian pathways, lighting and ADA upgrades - TBD*

Tier 4 - TBD*

- Develop Park Master Plan for future park facilities and amenities

Total - \$700,000*

Vehicle Fleet Needs

- Existing City fleet consists of 225 vehicles and associated equipment, valued at over \$10 million
- Fleet replacement/modernization is funded by the Vehicle Replacement Reserve through a combination of purchases and leases; Reserve is replenished over time through internal service charges
- City started Lease Program with Enterprise Fleet Management in FY 2015 as a financing tool to replace/modernize a portion of the City's light-duty fleet
- Approximately 40% of the City's fleet has been replaced/modernized since FY 2015
- Remainder of fleet is scheduled to be replaced/modernized over the next 5 years, pending available funds



Vehicle Fleet Needs

- General Fund (GF) is the primary funding source for fleet replacement / modernization
- GF payments are projected to increase from approximately \$800,000 in FY 2018 to \$1.5 million in FY 2023 in order to meet the fleet replacement schedule
- Replacement costs are partially offset by reductions in maintenance and operations expenses due to more energy efficient vehicles and equipment
- At the City Council Meeting of March 20, 2018, City Council authorized the Mayor to execute two separate Real Property License Agreements with San Diego Gas & Electric Company (SDG&E) for the installation of eight Electric Vehicle (EV) Charging Stations, associated equipment and infrastructure at City Hall and four EV Charging Stations, associated equipment and infrastructure at Public Works Yard to be used for City fleet vehicles and City employees' personal vehicles, at their own expense, as part of SDG&E's "Power Your Drive" Program
- The fleet replacement schedule proposes to phase in electric vehicles beginning in FY 2019

Funding Overview

- Funding Sources
- Project Funding Options
 - Pay-as-you-Go
 - Project Financing and Debt Types
- Recommended Policy Approach
- Next Steps

Funding Sources

- State/Federal Grants
- Regional Matching Funds
- Subsidized Loan Programs (State/Federal, Housing)

"Free / Subsidized Funds"

City Reserves

- General Fund
- Enterprise Fund
- Transportation Funds
- Replacement Funds

- General Fund Operating Surplus
- Enterprise Fund Net Revenues
- One-Time Revenue Windfalls

Existing Identified Revenues

Future Revenue Sources

- Increased Property Tax Base
- Residual Tax Increment (Successor Agency)
- Hotel/Sales Tax
- Voter-Approved Revenue Measures
- Impact Fees

“Competitive” Grant Awards

Grants	Amount
Smart Growth Incentive Program (SGIP) Grant – 8th St (Trolley Station to Highland Ave)	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Downtown-Westside Community Connections	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Westside Pedestrian & Bicycle Enhancements	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Downtown Specific Plan Update	\$320,000
Smart Growth Incentive Program (SGIP) Grant – Wayfinding Signage Program	\$825,000
San Diego Unified Port District CIP – Wayfinding Signage Program	\$250,000
San Diego Unified Port District CIP – National City Aquatic Center	\$4,633,110
Catalyst Grant – WI-TOD Project (Phase I)	\$500,000
EPA Grants (2 Total) – WI-TOD Project (Phase I)	\$400,000
Strategic Growth Council Affordable Housing and Sustainable Communities (AHSC) Program Grant – WI-TOD (Phase II) Transportation Infrastructure	\$930,271
Department of Housing and Community Development Housing-Related Parks Program (HRPP) Grant – WI-TOD (Phase II) Community Park	\$553,450
Prop 84 Storm Water Grant – “A” Ave “Green” Street (8th St through Kimball Park)	\$2,500,000
Prop 84 Storm Water Grant – Kimball Park LID / Paradise Creek Restoration	\$1,876,153
Prop 84 Urban Greening Grant – Paradise Creek Educational Park	\$840,000
Prop 1 Storm Water Grant – Sweetwater River Park Bioretention	\$1,344,425
Prop 1 Integrated Regional Water Management (IRWM) Grant – Paradise Creek Water Quality and Community Enhancement (Paradise Valley Rd)	\$365,000
CAL FIRE Urban & Community Forestry Greenhouse Gas Reduction Fund Grant – Urban Forest Management Plan	\$250,285
California Initiative to Reduce Carbon and Limit Emissions (CIRCLE) & Tree San Diego Grants (2 Total) - Tree Planting (Community Parks & Open Space)	\$30,000

“Competitive” Grant Awards

Grants	Amount
Highway Safety Improvement Program (HSIP) Grant – 8th St (Highland Ave to Palm Ave)	\$900,000
Highway Safety Improvement Program (HSIP) Grant – Highland Ave (Division St to 8th St)	\$900,000
Highway Safety Improvement Program (HSIP) Grant – 18th St (“D” Ave to Palm Ave)	\$192,200
Highway Safety Improvement Program (HSIP) Grant – Sweetwater Rd (Plaza Bonita Rd to Plaza Bonita Center Way)	\$680,940
Highway Safety Improvement Program (HSIP) Grants (10 Total) – Traffic Signal Upgrades, Lighting, Pedestrian / ADA Enhancements	\$4,255,630
Safe Routes to School (SRTS) Grant – Coolidge Ave	\$730,000
Safe Routes to School (SRTS) Grant – Roundabout at “D” Ave & 12th St	\$500,000
Safe Routes to School (SRTS) Grant – 8th St (“D” Ave to Highland Ave)	\$450,000
Safe Routes to School (SRTS) Grant – Paradise Valley Rd (8th St to Plaza Blvd)	\$225,000
Safe Routes to School (SRTS) Grant – Citywide SRTS Education & Encouragement Program	\$500,000
Active Transportation Program (ATP) Grant – 4th St (Roosevelt Ave to Harbison Ave)	\$450,000
Active Transportation Program (ATP) Grant – “D” Ave (Division St to 30th St)	\$600,000
Active Transportation Program (ATP) Grants (2 Total) – Citywide Bicycle Parking	\$100,000
Active Transportation Program (ATP) Grants (9 Total) – ADA, Pedestrian & Bicycle Enhancements (18th St, 30th St, Division St, Euclid Ave, I-805 Bike Corridor, Citywide SRTS)	\$9,883,000

“Competitive” Grant Awards

Grants	Amount
Bicycle Transportation Account (BTA) Grant – 4th St (Roosevelt Ave to Harbison Ave)	\$355,500
Rubberized Pavement Grant Program	\$252,882
Community Development Block Grant (CDBG) – Drainage Improvements	\$116,000
Community Development Block Grant (CDBG) – George H. Waters Nutrition Center	\$95,000
Greater San Diego City Tennis Council Grant – Resurface El Toyon Park Tennis Courts	\$12,000
Grants Awarded = 57	Total \$42,815,846

Project Funding Options

- “Pay-as-you-Go”
 - Revenues identified and received before Projects are funded
 - Typical funding approach for incremental repair projects or smaller lower-cost capital projects
- Project Financing
 - Project funded from bond proceeds in an amount sufficient to cover entire project (typically more than what can be received in revenues over the construction period)
 - Financing can be used to meet “matching funds” commitment if higher than what is available through budget process
 - Financing allocates repayment obligation across future users or rate payers that will benefit from project over time

Staff's ability to effectively manage more or higher-cost projects should also be considered

Financing Structures/Revenue Sources

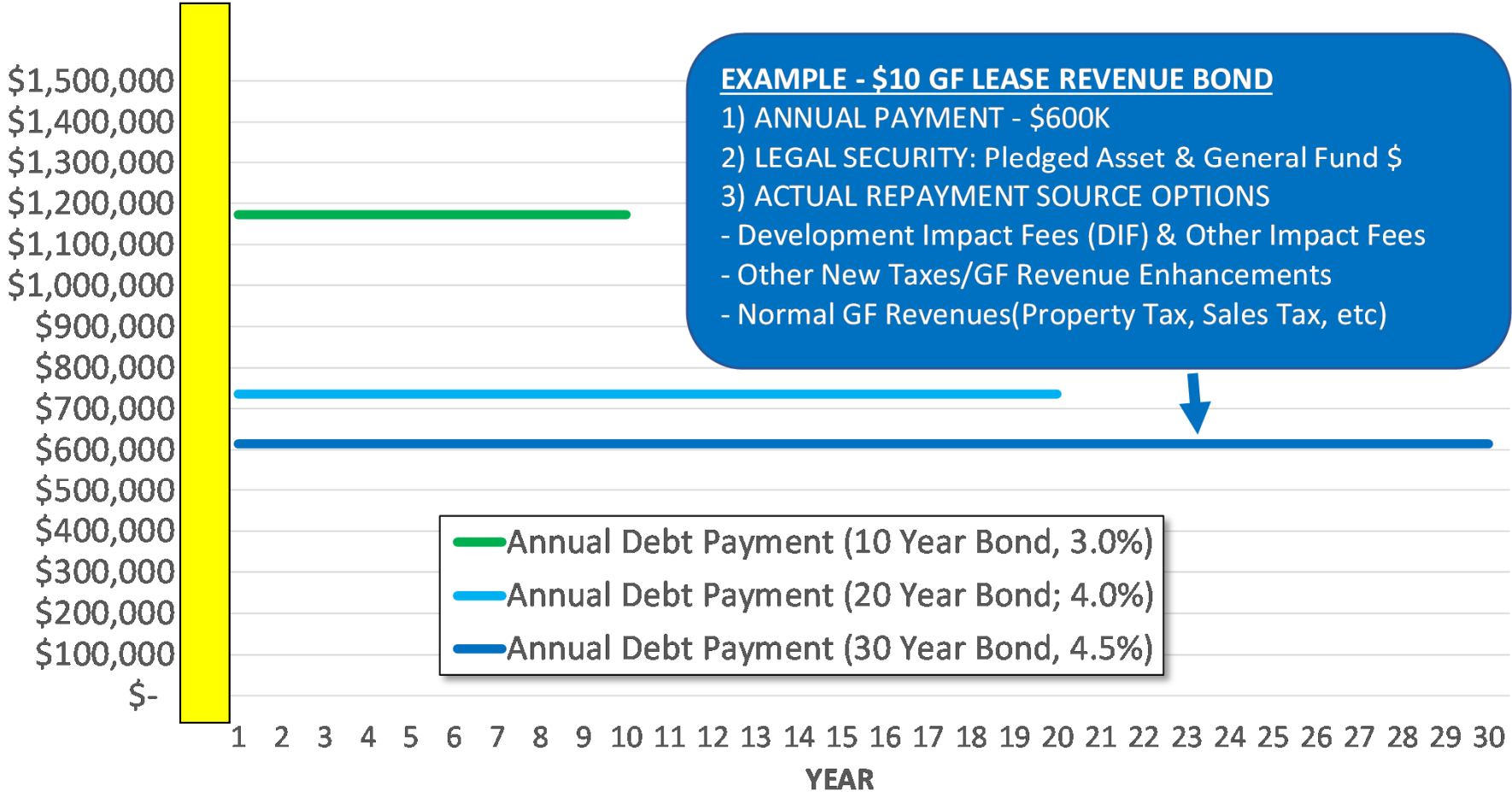
Payment Source	Bond Type	Eligible Projects	Repayment	Voter Approval	Notes
City Funds	Lease/COP Bond	Facilities, Parks, Infrastructure	General Fund	No	2017 Energy Financing (Police Station Pledged Asset)
City Funds	Sales Tax Bond	Facilities, Parks, Infrastructure	Sales Tax Revenues	Yes 50% Majority	Sunset date (2035)
City Enterprise Funds	Utility Revenue Bonds	Sewer	Utility Revenue	Prop 218	Net Revenues. City currently has no sewer debt.
Property Owners	General Obligation Bond	Facilities, Parks, Infrastructure	Property Tax	Yes 2/3	Existing Library; \$10M cost to average homeowner = \$59
Property Owners	Parcel Tax Bond	Facilities, Parks, Infrastructure	Parcel Tax	Yes Majority	\$10M cost to property owner = \$61
Property Owners	CFD/AD Bond	Facilities, Parks, Infrastructure	Special Tax/Assessment	Yes	Used for development-related improvements

*Items in **Bold** Represent Debt Types Previously Utilized By City*

\$10M Project Fund from Bond

Examples of Use of Financing

EXAMPLE - \$10 GF LEASE REVENUE BOND
1) ANNUAL PAYMENT - \$600K
2) LEGAL SECURITY: Pledged Asset & General Fund \$
3) ACTUAL REPAYMENT SOURCE OPTIONS
- Development Impact Fees (DIF) & Other Impact Fees
- Other New Taxes/GF Revenue Enhancements
- Normal GF Revenues(Property Tax, Sales Tax, etc)



Preliminary Assessment of Unfunded CIP

Tier 1 Needs: \$780K



Funded Through 2018/19 Budget Appropriation

Tier 2 Needs (1-2 Years): \$3.8M to \$4.0M



(1) Identify Preliminary Funding Options for Tier 2 and Tier 3 Projects

Tier 3 Needs (3-5 Years): \$8.8M to \$15.4M



(2) Initiate Impact Fee Study to quantify potential amount of NEW repayment sources (2018/19)
(3) Evaluate GF financial capacity for portion not covered by Impact Fees

Tier 4 Needs (6-10 Years): \$5.5M



Continue to monitor longer-term CIP Needs

Recommended Policy Approach

1. Prioritize Capital Projects
2. Identify Impact Fee Revenue Capacity
3. Identify Funding Sources and Amounts
4. Calculate Gap/Shortfall
5. Develop Financing Strategy to Fund Gap
6. Assess Cash Flow/Budget Impact
 - Consider Other Needs such as Pension/OPEB
 - 10-Year Projections
7. Implement Appropriate Strategy and Funding Solutions

Next Steps

- Present preliminary budget to City Council (**May 8, 2018**)
 - Balanced budget
 - Funding strategy for pension and OPEB
 - Preliminary Funding options for CIP
- Complete impact fee analysis to quantify repayment source and potential net impact to General Fund (**FY 2018/19**)
- Monitor new Storm Water legislation and funding opportunities (**ongoing**)
- Continue capital needs assessments (**ongoing**)
- Continue seeking grants and working on revenue enhancement/economic development (**ongoing**)



Questions

Public Comment

Discussion and Direction