

Council Meeting of
September 26, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Subject: City Manager & Finance – Allocation of Funds for Capital Projects
Expenditure: \$4,475,000

RECOMMENDATION

The City Manager and the Finance Director recommend that the City Council appropriate funds to the Design and Study of the Realignment of Plaza Del Amo (\$350,000), the resurfacing of 190th Street (Hawthorne to west City boundary - \$1,650,000), provide additional funds for the Del Amo Boulevard extension (\$1,000,000), seismic retrofitting of shelves at branch libraries (\$450,000), Katy Geissert Civic Center Library main floor remodel (\$627,000), and the replacement of two heavy duty vehicle hoists (\$380,000).

Funding

Funding is available from deferring the acquisition or optioning Torrance Unified School District property for future roadway improvements and projected year carryover from the 2005-06 fiscal year.

BACKGROUND/ANALYSIS

On tonight's agenda, Council has been requested to concur with the Council's Citizen Development and Enrichment Committee to move away, for the short-term, from acquiring or optioning Torrance Unified School District (TUSD) land for future roadway improvements.

Should Council concur, this would allow the City to address some of its own infrastructure needs. At this time, the City Manager is recommending to reallocate the \$3 million set aside for optioning/acquisition of TUSD land and \$1.475 million of the 2005-06 fiscal year carryover to the following projects:

Plaza Del Amo – Design/Environmental Impact Report	\$ 350,000
190 th Street Resurfacing (Hawthorne Blvd to West City Boundary)	1,650,000
Additional contribution for the Del Amo Boulevard Extension	1,000,000
Seismic Retrofitting of Shelves at Branch Libraries	450,000
Katy Geissert Civic Center Library Main Floor Remodel/Retrofitting Bookshelves	627,000
Heavy Duty Vehicle Hoists	398,000

The Finance Department has almost completed closing out the 2005-06 fiscal year. Staff is projecting a higher than expected year-end carryover. Year-end carryover is essentially the combination of the amount of unused budget from operations and the revenues that

exceeded budget. The City relies on year-end carryover to fund expenditures that are one time in nature such as funding capital projects, equipment and funding of reserves. The allocation of year-end carryover usually occurs during the 1st Qtr Budget Review in November. However, due the urgency of three of the above projects, Staff is recommending to appropriate \$1.475 million immediately.

Plaza Del Amo – \$350,000

The City has envisioned the connection of Jefferson Avenue between Crenshaw Boulevard and Plaza Del Amo Boulevard to create a new east/west corridor just north of Charles Wilson Park. A newly aligned Plaza Del Amo would run from the Mills/Del Amo Fashion Center to Western Ave. This connection would eliminate the traffic signal at Plaza Del Amo and Crenshaw.

While a conceptual design exists, the City has not commenced with engineered drawings, the environmental review process, or negotiations with the Metropolitan Transportation Authority (MTA), of Burlington Northern and Santa Fe Railroad regarding the relocation of the railroad crossing. Cost estimates are as follows for the design of the road (\$150,000), design for railroad crossing modifications (\$100,000) and the preparation of an Environmental Impact Report (EIR - \$200,000). It would take about two years to get through the design and EIR process with an additional two to three years for land acquisition and construction.

190th Street Resurfacing - \$1,650,000

This project will provide for the rehabilitation of 190th Street from Hawthorne Boulevard to the west city limit. Improvements will consist of pavement rehabilitation and replacement of damaged curbs, gutters and sidewalks. This project can be constructed jointly with the City of Redondo Beach with each agency funding its jurisdictional share of improvements. CIP Project T-47 will also be included in this project which is an MTA grant project and includes traffic capacity enhancements at Anza and Inglewood Avenues. This project was one of the projects deferred to fund the set-aside for optioning/acquisition of TUSD land.

Additional contribution for the Del Amo Boulevard Extension - \$1,000,000

The project would extend Del Amo Boulevard between Crenshaw Boulevard and Maple Avenue, and it would also widen an existing segment of Del Amo Blvd between Maple Avenue and Prairie Avenue. Improvements include the construction of a new four lane roadway, a new bridge over the Burlington Northern Santa Fe railroad tracks, realignment of a portion of a branch railroad, construction of retaining walls, traffic signal and drainage improvements, relocation of utilities and relocation/reconstruction of affected off-site facilities.

The Del Amo Boulevard Extension is currently funded at approximately \$19 million (\$13.1M State grant; \$3M from ExxonMobil; \$2.9M of City funds). Sufficient funds are on hand to cover design and right-of-way acquisition costs. However, due to rising construction costs, it is estimated that an additional \$8 – \$10M is needed for construction.

Staff will be seeking additional funds from the Metropolitan Transit Authority (MTA) "Supplemental Call for Projects". The additional \$1 million could be used as matching funds should MTA award additional funds. Another source of funds could be from Proposition 1A/1B should it be approved by the voters in November 2006.

Staff has until April 30, 2007 to identify additional funding sources for construction. Otherwise, the City can complete the design and right-of-way acquisition and postpone construction, should construction bids exceed the available budget. The City would, however, lose all unexpended State grant funds. At completion of design and right-of-way acquisition, the unexpended balance of State grant funds is estimated to be \$10.5M.

Seismic Retrofitting of Shelves at Branch Libraries - \$450,000

The current stacks/book shelves for the five branch libraries do not meet current seismic safety standards. The cost of shelving, replacement of carpet and design would cost approximately \$90,000 per branch. It is expected that the City would move out on two of the branches as soon as possible and then continue the retrofit process to the other branches.

Katy Geissert Civic Center Library Main Floor Remodel and Seismic Retrofitting Bookshelves- \$627,000 (net funding request)

The City's main library was constructed over 30 years ago. Both the upper floor and the basement have been remodeled. The main floor is dated and book shelves have not been braced for earthquakes. The cost to remodel the main floor is estimated at \$1.8 million which includes the cost to install earthquake braced shelves and new carpeting of \$335,000. Currently, the project has resources of \$452,790 and could re-allocate funds of \$720,000 from the project to remodel the Henderson Library Branch. The Henderson Library project relied on State Grant funds of at least \$1.2 million. Staff felt that the Henderson Branch Library had some advantage over other projects due to the branch being located next to Victor Elementary School. This would leave a funding gap of \$627,000. Staff believes that it is much more cost effective to seismic retrofit the book shelves be done in conjunction with the main floor remodel.

Heavy Duty Vehicle Hoists - \$398,500 (net funding request)

During late 2005, two (2) of the heavy-duty vehicle hoists located in Fleet Services were found to be leaking hydraulic oil. A significant quantity of this oil was discovered to have migrated into the soil beneath the hoists over an undetermined period of time. Staff originally planned to replace only the portions of the hoists that had been leaking and to mitigate the contaminated soil that surrounds the hoists. Shortly after this project got underway it was determined that removal of the contaminated soil was going to be more involved than originally thought.

This, coupled with concerns that staff began to have about the possibility of future leakage of the remaining portions of the original hoists, resulted in a decision to replace both of the old hoist systems in their entirety with a newer, more environmentally-friendly system. The new system will be comprised of a self-contained "drop-in" hoist that is housed within a large sealed container so that if any leakage ever occurs, it is captured inside the hoist container system and cannot migrate into the surrounding soil. The Transit Department installed a system like this in 2004. Preliminary cost estimates for the two hoists are \$372,000 and soil clean up costs is estimated at \$70,000. The department has \$43,500 available from the original project to replace and repair the existing hoists.

In addition to the above projects, there are other notable projects that could be considered at this time or at the 1st Quarter 2006-07 budget review when the allocation of the 2005-06 fiscal year-end carryover is discussed.

- McMaster Park Redevelopment (North Torrance Library and Community Services Center)
- Master Plan Park Improvements for Columbia and Torrance Parks

McMaster Park Redevelopment (North Torrance Library and Community Services Center) - \$6,000,000 - \$7,000,000

The \$19 million project depended on a State Library Grant in the amount of \$5,049,158. Both Proposition 14, and subsequently Proposition 81, were anticipated sources of revenue for the McMaster Park Redevelopment, of which the North Torrance Library and Community Services Center is a major focus. In addition, construction costs continue to increase and is projected an additional \$1.0 to 2.0 million will be required to complete the project.

With the failure of Proposition 81, Staff is seeking other strategies to fund the project. One of which is the possibility of the redistribution of funds from the Library Construction Bond Act projects that were previously granted. In at least one instance a local agency is experiencing difficulty raising their local match. The project in question was awarded \$20,000,000. Staff will continue to communicate with the California State Library Bond Act Manager and monitor the progress of the present projects and any future legislation for library construction.

Master Plan Park Improvements Columbia \$1,320,000/Torrance Park \$982,000

The Columbia Park Conceptual Master Plan was completed with input from the Northwest Torrance Homeowners Association, and approved by the Parks and Recreation Commission in 2001. The plan consists of new landscaping, sports facility improvements, irrigation and drainage improvements, parking and restroom improvements and other related items for a projected construction cost total of \$925,000. Construction costs have risen approximately 5% per year over the past five years, and it is anticipated that the construction cost of this project in 2006 would be \$1,200,000. Architectural design costs are 8-10% of the overall project equating to \$120,000. Currently, the Columbia Park project is entering the Design/Cost estimate phase. In June 2006, the Parks and Recreation Commission approved using existing FEAP allocations of Open Space and Facilities funds totaling up to \$363,000 for the design phase, if needed, depending on the actual cost of the park.

The Torrance Park Master Plan update was completed by the consultant and approved by the Parks and Recreation Commission in 2002. The plan includes new play equipment, improved lighting, sports facility improvements, irrigation picnic and shade facilities, walkway improvements for a projected construction cost total of \$734,000. Construction costs have risen approximately 5% per year over the past four years, and it is anticipated that the construction cost of this project in 2006 would be \$892,000. Architectural planning costs are 8-10% of the overall project equating to \$90,000. Currently, the Torrance Park project is entering the Design/Cost estimate phase. In June 2006, the Parks and Recreation Commission approved using existing FEAP allocations of Open Space/Facilities funds along with a General Fund contribution totaling up to \$360,000 for the design phase depending on the actual cost of the park. Staff is working with the Torrance Historical Society to retain and integrate historical elements into the design of the park.

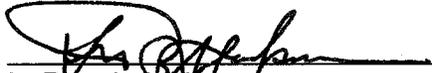
The Finance and Government Operations Committee is scheduled to hear the City's 1st Quarter Budget Review on Tuesday, November 14, 2006 at 5:30 p.m. in the Council Chambers. At that meeting, Staff will be presenting the status of both the Operating and Capital budgets, as well as a recommendation of the use of year end carryover from the 2005-06 fiscal year.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachment: Summary of Projects

Summary

	<u>Deferred</u>	<u>Commitment of Year-end Carryover</u>	<u>Recommendation</u>
Acquisition/Optioning TUSD Land			350,000
Plaza Del Amo - Design/EIR			1,650,000
190th St Resurfacing			1,000,000
Additional Contribution Del Amo Ext		(450,000)	450,000
Seismic Retrofit Shelving - Branch		(398,000)	398,000
Heavy Duty Hoists			
KGCCCL Main Floor Remodel		(627,000)	627,000
Sub Total	(3,000,000)	(1,475,000)	4,475,000
Deferral of Henderson Branch Expansion FEAP			
# 330 to KGCCCL Main Floor remodel	(720,000)		720,000
	(3,720,000)	(1,475,000)	5,195,000