



CITY OF COMMERCE AGENDA REPORT

TO: Measure AA Advisory Committee **Item No. _____**

FROM: City Manager

SUBJECT: Presentation of FY 2019-2020 Capital Improvement Projects (CIPs) Enhancements

MEETING DATE: July 9, 2019

RECOMMENDATION:

Staff will be making a presentation of upcoming Capital Improvement Projects (CIPs) for FY 2019-2020 enhancements. The recommended list of projects are to be funded as follows:

- Project Savings
- Re-programming of funds currently allocated

DISCUSSION:

In November 2012, Measure AA was approved by the voters to raise revenue to offset severe budget cuts and provide funding for such things as repair, maintenance and improvement of streets, sidewalks, public facilities, parks, libraries and other services in the city.

On May 7, 2013, Resolution 13-41 was adopted by the city council, establishing the composition of the committee, setting the terms of office of the members, and defining the scope of the committee's responsibilities, which at a minimum shall include reviewing the annual auditor's report and making recommendations to the City Council for use of the tax revenue consistent with the following criteria:

- 70% shall be used for one-time infrastructure / capital items
- 10% shall be maintained as reserves
- 10% shall be used for economic development activities / projects
- 5% shall be used to cover administrative costs
- 2.5% shall be used for City beautification activities / projects
- 2.5% shall be used for public safety activities

ANALYSIS:

Economic development is defined as the expansion of capacities that contribute to the advancement of society through the realization of individuals', firms' and communities' potential and is essential to creating the conditions for economic growth/prosperity, a high quality of life and ensuring the city's economic future. For economic development to succeed it requires collective action through government – this city council recognizes this and understands that better infrastructure is predicated on successful economic development.

With that said, staff is recommending the following modifications to the allocation criteria for the 2019/20 fiscal year:

	<u>Current</u>	<u>Proposed</u>	
Infrastructure	70%	0%	
Reserves	10%	10%	(No Change)
Economic Development	10%	85%	
Staff Allocation	5%	5%	(No Change)
Public Safety	2.5%	0%	
Beautification	2.5%	0%	

Premised on the aforementioned recommendation, a projected amount of **\$7,225,000** would be set-aside for economic development related projects and/or activities (land acquisition, incentives, etc.) for this fiscal year. Of note, this city council has reiterated on several occasions that housing will be a part of, rather than be a by-product, of its economic development process going forward.

In the event that something unforeseen occurs during the fiscal year, the committee and city council have access to approximately \$2.7 million in discretionary reserve funds.

FISCAL IMPACT:

As it relates to the ten (10) items being recommended outside the scope of economic development, Measure AA funds being requested for FY 2019-2020 is as follows:

➤ Pavement Management Program	\$4,300,000
➤ Public Facilities / Parks Mitigation	\$ 250,000
➤ Engineering Support Services	\$ 200,000
➤ Excursion Bus Lease	\$ 200,000
➤ Planning Support Services	\$ 150,000
➤ Key Card Security System	\$ 150,000
➤ Housing Support Services	\$ 100,000
➤ Baseball Dugouts – Structures	\$ 85,000
➤ Teen Center Floor Replacement	\$ 56,000
➤ Main / Bandini Libraries – RFID Solutions	\$ 48,167 (Lease)
Total	\$5,539,167

As mentioned earlier in the report, funding for the aforementioned projects will comprise of project savings and/or the reprogramming of funds from projects that have been placed on-hold.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to a specific 2016 Strategic Goal to “develop and implement a sustainable Capital Improvement Program to ensure the quality of the existing infrastructure and support future plans for the City.”

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