



## Legislation Text

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**File #:** 23-0445, **Version:** 1

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Recommendation to receive and file an update on the Fiscal Year 2023 - Fiscal Year 2027 Infrastructure Investment Plan; and

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$52,750,000 to fund the various projects identified in the Fiscal Year 2023 Infrastructure Investment Plan, offset anticipated bond proceeds from the Measure A Bond program.  
(Citywide)

City Council approval is requested to increase appropriations by \$52,750,000 in the Capital Projects Fund Group in the Public Works Department to fund the Fiscal Year (FY) 23 bond funded projects identified in the FY 23-27 Infrastructure Investment Plan (IIP) (Attachment A), offset by anticipated bond proceeds from the Measure A Bond program.

### **Background**

On June 7, 2016 Long Beach voters approved Measure A, a Transactions and Use Tax for general purposes and to fund important City of Long Beach (City) services. On March 3, 2020 Long Beach voters approved an extension to the term of the Transactions and Use Tax.

Since Measure A's inception, over \$165 million has been allocated to infrastructure projects with over 100 infrastructure projects completed. This includes 38 playground, community center, and park projects, 640 lane miles of streets repaired, 7.5 miles of alleys paved, 1.3 million square feet of sidewalks repaired, 2,680 curb ramps installed, and 22 public facility projects completed, with additional projects being completed on an ongoing basis.

In the process of developing the next five-year infrastructure plan, on September 7, 2021, City staff presented a data driven study session on citywide infrastructure needs, funding strategies and prioritization criteria (Attachment B).

Updates were provided throughout 2022 and on August 2, 2022, the Proposed FY 23 - 27 IIP was released for review as part of the FY 23 CIP Proposed Budget (Attachment C). The proposed plan was brought to the City Council on August 16, 2022, and the Transaction's and Use Tax Citizens' Advisory Committee (CAC) on August 17, 2022. Since that time, the plan has been expanded to include an additional \$10,250,000 of Measure A Bond dollars to fund priority projects in FY 23.

### **FY 23 - 27 Infrastructure Investment Plan**

The five-year (FY 23 - 27) IIP includes the planning and development of 130 projects located

throughout the City (Attachment A). The investment plan has been modified from the proposed plan outlined in 2022 to a new total of \$532,968,718 spread across five funding categories:

- Mobility Improvements \$326,723,000
- Park Improvements \$54,656,000
- Public Facilities \$43,844,718
- Right-of-Way/ Water Quality/Climate Action and Adaption Plan \$81,750,000
- Critical Facilities and Grant Match Funding Reserve \$15,245,000
- Other Critical Needs Supporting City Infrastructure \$10,750,000

The plan is comprised of \$160,250,000 of Measure A Bond proceeds, \$88,939,718 of Measure A direct funding, and \$283,779,000 of anticipated grant and external transportation funding estimates that are expected over the next five years including Metro funds, Gas Tax, and SB-1. The Measure A Bond dollars are anticipated to be released in the following tranches: \$60.25 million in FY 23, \$50 million in FY 25, and \$50 million in FY 27.

This infrastructure investment plan is not an exhaustive listing of all expected infrastructure funding for FY 23 - FY 27 and does not include other infrastructure funding sources such as Tidelands, AB-32, Measure W, Park Impact Fees, and other miscellaneous Capital funding sources, or other external sources anticipated from the County, State, and the Biden Administration's Infrastructure Investment and Jobs Act of 2021. Any additional funding identified for FY 24 and beyond will be addressed annually during the City's budget development process.

This matter was reviewed by Deputy City Vanessa S. Ibarra on March 6, 2023 and by Budget Management Officer Nader Kaamouh on March 2, 2023.

City Council action is requested on May 2, 2023, to ensure timely completion of the projects identified in the Infrastructure Investment Plan for Fiscal Year 2023 and to meet the bond expenditure timeline. Public Works staff are prepared to begin expending these funds immediately and deliver projects shortly thereafter.

#### SUSTAINABILITY

Several projects identified in the FY 23 - FY 27 Infrastructure Investment Plan align with the Climate Action and Adaption Plan (CAAP) goals including habitat restoration, energy efficient systems, alternative transportation, urban forestry, livability, and water quality and control.

City Council has previously approved appropriations for the following projects: Artesia Great Boulevard Project, \$500,000 was previously appropriated on October 11, 2022; Davenport Park Improvements, \$3,500,000 was previously appropriated on March 7, 2023; and Studebaker Major Corridor Improvements, \$3,500,000 was previously appropriated on December 6, 2022. These prior City Council actions total \$7,500,000 of the overall \$60,250,000 FY 23 Measure A bond proceeds.

An appropriations increase in the amount of \$52,750,000 is requested in the Capital Project Fund Group in the Public Works Department for the remaining projects included in the FY 23 Measure A Bond program as outlined in Attachment D.

The Department of Financial Management has an item on the April 18, 2023 City Council agenda for authorization to issue lease revenue bonds in an amount sufficient to fund the \$60.25 million of projects described above. Due to the long useful lives of the capital assets to be financed, the Measure A bonds will carry a maturity of 30 years. For investors, the bonds will be backed by the entire General Fund, but internally the City will use Measure A sales tax revenue to pay the annual debt service, which will be \$3.5 million per year if tax-exempt interest rates on the date of sale are the same as they were on January 12.

This recommendation has a moderate staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. Staffing resource enhancements required to deliver these new capital projects, plus future projects anticipated to be funded by Federal Infrastructure dollars, will be considered during the development of the Fiscal Year 2024 Budget. Approval of this recommendation will provide support to the local economy. With such a large investment in the City's infrastructure, this action will have positive effects on local job creation and retention. The local jobs created and sustained by this investment will not be known until the projects have entered into active construction and the contractors have completed their hiring process. Construction contracts brought before City Council which are funded with the five-year infrastructure investment plan will disclose the amount of local jobs created and retained by each project when known.

Approve recommendation.

ERIC LOPEZ  
DIRECTOR OF PUBLIC WORKS

APPROVED:

THOMAS B. MODICA  
CITY MANAGER