



CITY OF POMONA COUNCIL REPORT

March 6, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Acting Public Works Director

Subject: **Adopt a Resolution Amending the FY 2016-17 Capital Improvement Program (CIP) Budget by Creating a New CIP Project “Mission Boulevard Reconstruction,” Project No. 428-2590-XXXXX-71046 or “Holt Avenue Reconstruction,” Project No. 428-2590-XXXXX-71047, Appropriating Excess RDA Bond Proceeds in the Amount of \$7,517,970, and Reappropriating \$141,000 of CDBG Funds from “Street Improvements – Citywide (CDBG) (FY 2015-16/2017-18),” Project No. 428-2590-XXXXX-64807 to “Street Rehabilitation – District 2 and 3,” Project No. 428-2590-XXXXX-67914**

OVERVIEW

Recommendation – That the City Council adopt a resolution:

1. That EITHER:

- a. Amends the FY 2016-17 CIP Budget to create “Mission Boulevard Reconstruction,” Project No. 428-2590-xxxxx-71046; and appropriates \$7,164,970 of Excess RDA Series “AX” (formerly Series “AI”) Bond Proceeds to said project; OR
- b. Amends the FY 2016-17 CIP Budget to create “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxx-71047; and appropriates \$7,164,970 of Excess RDA Series “AX” (formerly Series “AI”) Bond Proceeds to said project;

2. Amends the FY 2016-17 CIP Budget by appropriating \$353,000 of Excess RDA Series “AX” (formerly Series “AI”) Bond Proceeds to “Street Improvements – Citywide (CDBG) (FY 2015-16/2017-18),” Project No. 428-2590-xxxxx-64807; and
3. Unappropriating \$141,000 of CDBG funds (\$90,000 of District 3 and \$51,000 of Mayoral CDBG Funds) from “Street Improvements – Citywide (CDBG) (FY 2015-16/2017-18),” Project No. 428-2590-xxxxx-64807; and

4. Appropriating \$141,000 of CDBG Funds (\$90,000 of District 3 and \$51,000 of Mayoral CDBG Funds) to “Street Rehabilitation – District 2 and 3,” Project No. 428-2590-xxxxx-67914.

Fiscal Impact – The Excess RDA bond proceeds available are summarized in the table that follows:

Area	Bond Series Funding Source	Amount Remaining for Recommended Projects
Citywide Merged RDA	“AX” (which refunded Series “AI”)	\$ 6,025,479
Citywide Merged RDA	“AX” (which refunded Series “AI”)	\$ 1,492,491
Total		\$ 7,517,970

The first amount of \$6M includes all proceeds and interest income from the foreclosure of Garey Village. On January 17, 2017, the Department of Finance (DOF) issued a letter approving these funds to be used as excess bond proceeds consistent with all applicable bond covenants.

The additional amount of \$1.4M are funds received from the original sale of Garey Village in February 2011. Those monies were being held in the bond fund to pay out any potential fees, tax obligations, legal costs, etc. related to the sale/foreclosure of Garey Village. There is no longer a need to retain these fees now that the foreclosure is complete and Bond Counsel has advised the City that the original sale that occurred in 2011 did not create a tax obligation.

The CDBG funds recommended for reappropriation are a combination of \$90,000 of District 3 CDBG funds and \$51,000 of Mayoral CDBG funds.

Previous Related Action – On June 6, 2016, City Council adopted the FY 2016-17 Capital Improvement Program (CIP) Budget, including the “Excess RDA Bond Proceeds Allocation,” Project No. 428-2590-xxxxx-71041 (Excess RDA Project). Prior to this date, Council discussed the use of former Redevelopment Agency excess bond proceeds numerous times over the past few years. On December 19, 2016, City Council adopted a resolution amending the FY 2016-17 CIP budget by creating a new project, “Street Improvements – District 5,” Project No. 428-2590-xxxxx-71045, and reappropriating \$547,034 of Series “W” Bond Proceeds and \$1,177,026 of District 5 Series “AX” Bond Proceeds to “Street Improvements – District 5,” Project No. 428-2590-xxxxx-71045; and reappropriating \$45,000 of Series “W” Bond Proceeds to “Phillips Ranch Park - Dog Park,” Project No. 428-2590-xxxxx-71033. On January 23, 2017, \$2,000,000 of District 2 Series “AX” Bond Proceeds was appropriated to the “Downtown Parking Structure,” Project No. 441-6725-xxxxx-73368 from “Excess RDA Bond Proceeds,” CIP Project No. 428-2590-xxxxx-71041.

In addition to the Excess RDA Bond Proceeds tracked in CIP Project No. 428-2590-xxxxx-71041, Excess RDA Bond Proceeds from the Garey Village foreclosure sale have become available for appropriation. At the same meeting, City Council directed Staff to return with an item to appropriate Excess Bond Proceeds to main corridor street improvements. On February 6, 2016, an item was presented for City Council consideration for use of the Bond Proceeds for portions of Mission Boulevard or Holt Avenue. No final action was taken. On February 27, 2017, \$2,000,000 of Mayoral Series “AX” Bond Proceeds and \$500,000 of District 1 Series “AX” Bond Proceeds from “Excess RDA Bond Proceeds Allocation,” CIP Project No. 428-2590-xxxxx-71041 were allocated to “Downtown Parking Structures,” CIP Project No. 441-6725-XXXXX-73368.

EXECUTIVE SUMMARY

Authorization of these recommendations by City Council on the use of Excess RDA Bond funds will result in the creation and funding of a new CIP project. The newly created CIP project will be for either Mission Boulevard or Holt Avenue improvements as the Council may decide. There is a recommended total of \$7,517,970 of former Redevelopment Agency excess bond proceeds available for appropriation with this report.

However, \$353,000 of the Excess RDA funds is recommended to be appropriated for Olive Street (Garey Ave. to Palomares St.) in “Street Improvements – Citywide (CDBG) (FY 2015-16/2017-18),” Project No. 428-2590-xxxxx-64807, leaving \$7,164,970 for Mission Boulevard or Holt Avenue.

The \$141,000 reappropriation of CDBG funds is recommended to be appropriated for Lexington Ave. (San Antonio Avenue to Towne Avenue, as funds allow) in “Street Rehabilitation – District 2 and 3,” Project No. 428-2590-xxxxx-67914.

DISCUSSION

The former Redevelopment Agency issued bonds; the proceeds of which can be used on certain projects in certain geographic areas to perform improvements. These bond proceeds are to be utilized in a manner that encourages economic development and growth. As directed at the January 23, 2017 City Council meeting, discussed at the February 6, 2017 City Council meeting, and per other recent discussions with various Council Members, Staff is presenting options for the Council to consider performing street improvements on the major corridors of the City – Mission Boulevard and Holt Avenue, as well as the area surrounding former Garey Village.

Garey Village

It should be noted that Garey Avenue, fronting Garey Village, was repaved approximately two years ago and is not recommended for additional improvements. Although Olive Street fronting Garey Village does require improvements, it is currently in design with Federal CDBG funding. It is

generally not recommended to replace this current CDBG appropriation with bond funding to avoid any loss of Federal funding due to potential delays in project implementation. However, there is another street, Lexington Avenue, with a completed design that is a CDBG-eligible project. Since Olive Street and Lexington Avenue are both designed, reappropriating the recommended CDBG funds between these streets should not be an issue. The following chart provides segment costs of the affected streets:

I.D.	Street	Segment Cost
	Lexington Ave.:	
L1	Lexington Ave., one-third of the distance between San Antonio Ave. and Towne Ave. (No CSP)	\$141,000 (CDBG funded per this action)
	Olive St.:	
O1	Olive St. (Garey to Palomares) (No CSP)	\$353,000 (Funded with RDA Excess Bond Proceeds)

Mission and Holt Corridor Improvements

Based on the above information, Staff is recommending that Council consider the following projects:

***Note:** Street segments estimated with Corridors Specific Plan (CSP) improvements are noted as such, and street improvements without CSP improvements, as noted, are street paving rehabilitation and sidewalk only.*

I.D.	Street	Segment Cost
	Mission Blvd.:	
M1	Reservoir St. to East City Limit (w/ CSP)	6,923,218
	Additive alternates in adjacent areas/Utility costs*	241,752
		7,164,970
M2	White Ave. to Garey Ave. (w/ CSP)	5,151,307
	Additive alternates in adjacent areas/Utility costs*	2,013,663
		7,164,970
M3	Garey Ave. to Towne Ave. (w/ CSP)	5,133,898
	Additive alternates in adjacent areas/Utility costs*	2,031,072
		7,164,970
M4	Easterly City Limit to Palomares Ave. (No CSP)	7,164,970
	Additive alternates in adjacent areas/Utility costs*	0
		7,164,970

	Holt Ave.:	
H1	Note: Valley Blvd. - Temple Ave. to Humane Way	(Separate Grant Award)
H2	Humane Way to Dudley St. (w/ CSP)	6,400,000
	Additive alternates in adjacent areas/Utility costs*	764,970
		7,164,970
H3	Dudley St. to White Ave. (No CSP) & White Ave. to Garey Ave. (w/ CSP)	6,802,000
	Additive alternates in adjacent areas/Utility costs*	362,970
		7,164,970
H4	Garey Ave. to Towne Ave. (w/CSP)	4,780,196
	Additive alternates in adjacent areas/Utility costs*	2,384,774
		7,164,970

*Unless City Council directs otherwise, additive alternate work on immediately adjacent portions of Mission Boulevard or Holt Avenue (per the street chosen by City Council) will be included in the design and bidding of the project to maximize use of the appropriated funds. The above costs are preliminary estimates and do not reflect potentially substantial utility costs (for utility relocations to eliminate possible conflicts with plantings/tree roots/medians/etc.) that require design work to identify and estimate.

It should also be noted that CSP improvements on some streets, such as Mission Boulevard and Holt Avenue and others, are very limited in their flexibility with respect to the addition of medians/islands and the elimination of parking, and adjacent property driveway access. Once these streets are designed, changes to allow any on-street parking or property access will be nearly impossible without major re-design and re-work of bidding documents (plans, specifications, etc.) with schedule extensions for these improvements.

Upon Council direction, Staff will move forward with implementing the recommended project.

- Attachments:
1. Resolution – Mission Blvd. or Holt Ave. and CDBG Reappropriation
 2. Map – Mission Blvd., Holt Ave., Olive St., and Lexington Ave.
 3. Mission CSP Exhibit
 4. Holt CSP Exhibit