

CITY COUNCIL COMMITTEE

SPECIAL MEETING

INFRASTRUCTURE & FRANCHISE

Laura Hoffmeister, Chair
Edi Birsan, Committee Member

5:30 p.m.
Wednesday, April 22, 2015

Building A, Garden Conference Room
1950 Parkside Drive, Concord

AGENDA

ROLL CALL

PUBLIC COMMENT PERIOD

- 1. CONSIDERATION** – City of Concord Pavement Management Program – Lease Financing Expenditure Recommendations. Report by Jeff Rogers, Associate Civil Engineer.
- 2. ADJOURNMENT**

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**REPORT TO COUNCIL COMMITTEE ON
INFRASTRUCTURE & FRANCHISE****TO THE HONORABLE COMMITTEE MEMBERS:**

DATE: April 22, 2015

**SUBJECT: CITY OF CONCORD PAVEMENT MANAGEMENT PROGRAM - LEASE
FINANCING EXPENDITURE RECOMMENDATIONS****Report in Brief**

The City of Concord owns and maintains approximately 310 centerline miles of City streets. The City uses an asset management tool referred to as the Pavement Management Program (PMP) to catalog condition assessments, maintenance activities and project the pavement deterioration and repair cost of the City's street inventory. The PMP is also used to make recommendations regarding the most cost-effective use of available resources to maintain the City's streets. Street conditions are measured in the PMP using a standard Pavement Condition Index (PCI) which rates streets with scores that can range between 0 – 100. The current PCI for the City's streets is 61 (fair).

In March 2015, the City Council authorized the City to enter into a lease finance agreement, utilizing a portion of the anticipated revenues from the reauthorization of the Measure Q half cent sales tax. The purpose of the debt financing was to allow a quicker investment in addressing the City's street maintenance needs. \$22,435,000 in net proceeds has been made available through this mechanism to address infrastructure needs.

Engineering and Public Works staff have outlined an approach to address the City's street maintenance needs with the newly allocated funding. While staff is anxious to provide a list of recommended projects with individual street selections, staff is seeking support on the approach to be used in developing projects. As such, staff is presenting a three-pronged approach for allocating this funding over the next five years. If the Council Committee supports this approach, staff will develop a detailed investment plan which identifies individual roadway segments, consistent with the approach outlined in this report.

Background

The City of Concord owns and maintains approximately 310 centerline miles public streets and utilizes the Pavement Management Program (PMP) help manage the City's street inventory. The average PCI for the City's overall street inventory was recently rated 61 (fair). Unfortunately the PCI has declined over the past several years due to lack of sufficient funding to properly repair the street network.

The PMP utilizes a cost/benefit calculation to systematically recommend pavement maintenance and rehabilitation utilizing available funds. Street conditions are assessed on an annual to bi-annual basis for collectors and arterials, the most recent having been completed in November, 2014. Residential (local) streets

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are assessed at least once every 5 years, with approximately one-half of the residential streets assessed every two years. The results of the assessments are part of the base information in the PMP, and are also provided to the Metropolitan Transportation Commission (MTC). MTC periodically provides the City with grant funds to conduct the PCI evaluation, and requires a specific methodology be used. By compliance with this program, the City remains eligible for important grant opportunities. Reports and maps generated from the PMP are used as starting points for creating Pavement Maintenance and Rehabilitation projects.

Each year staff determines which pavement preservation strategy or combination of strategies should be implemented to preserve, rehabilitate, and extend the life of the City's streets, depending on available funds. Street maintenance is primarily funded with Measure J, Gas Tax and grant funds. Approximately \$1,200,000 in local funds (Measure J and Gas Tax) is programmed annually for preventative maintenance, slurry and cape seal projects. Because a slurry seal treatment lasts approximately 5-7 years, the City has been divided into five geographical areas (Zones 1-5) (Attachment 1) and pavement treatment projects are programmed in each zone on a 5 year rotational basis.

The City has been able to augment its local funds with various grants which help address some of the needs along arterial and collector streets. The following Pavement Rehabilitation Projects are scheduled for construction sometime during the 2015 or 2016 construction seasons, and most have been primarily funded with grant funds:

- Farm Bureau Road Safe Route to School (SR2S) Improvements (PJ 2251): This complete streets project includes resurfacing of the pavement and restriping to include bike lanes on Farm Bureau Road between Willow Pass Road and Wren Avenue and is currently under construction.
- Detroit Avenue Pedestrian and Bicycle Improvements (PJ 2276): This complete streets project will, among other things, resurface the pavement on Detroit Avenue between Monument Boulevard and Laguna Street and repair and slurry between Laguna Street and Clayton Road. Construction is scheduled to begin in the Summer/Fall 2015, (Funded by Congestion Management and Air Quality [CMAQ] and City Off-Site Improvement Program [OSIP])
- FY 14-15 Pavement Rehabilitation (PJ 2331): This complete streets project will construct improvements and resurface the pavement on Oak Grove Road from Monument Boulevard to Whitman Road, and on Salvio Street from Port Chicago Highway to Parkside Drive. Construction is scheduled for the Summer/Fall of 2015 (Funded by traditional Measure J funds and a Measure J - 511 Contra Costa Grant.)
- Central Concord Pedestrian Improvements and Streetscape Project (PJ 2239): This complete streets project will, among other things, include the resurfacing of the pavement on Willow Pass Road between Galindo Street and Market Street. Construction is scheduled for the Spring of 2016 (Funded by a Transportation for Livable Communities [TLC] Measure J Grant).
- City of Concord Pavement Rehabilitation (PJ 2292): This project will resurface the pavement on Concord Blvd between Sixth Street and Port Chicago Highway, and on Arnold Industrial Way between Port Chicago Highway and Pike Lane. Construction is scheduled to begin in the Spring 2016 (Funded by State Transportation Improvement Program [STIP]).
- FY 14-15 Pavement Maintenance (PJ2329): This project, which is in design, will slurry seal and cape seal select residential streets in Zone 3, has an estimated construction cost of \$900,000 and is funded by Measure J. It is scheduled for construction later this year.

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- FY 15-16 Pavement Maintenance (PJ2332): This project will slurry seal and cape seal select residential streets in Zone 4, is proposed with an estimated construction cost of \$900,000 and funded by Measure J. It is scheduled for construction in Spring/Summer 2016.
- FY 15-16 Pavement Rehabilitation (PJ 2333): This project will resurface neighborhood (local) streets in Spring/Summer 2016. The streets selected for this project are conditional on the Committee's support of the approach outlined in this report.

Staff will also apply for grants to fund the following projects which will include pavement repair/resurfacing components:

- Farm Bureau Road Complete Streets - Phase II, from Wren Avenue to Walnut Avenue
- Farm Bureau Road Complete Streets - Phase III, from Walnut Avenue to Clayton Road
- Oak Grove Road Complete Streets – Phase II, from Whitman Road to Treat Boulevard

In March 2015, the City Council authorized the City to enter into a lease finance agreement, utilizing a portion of the anticipated revenues from the reauthorization of Measure Q. The purpose of the debt financing was to allow a quicker investment in addressing the City's street maintenance needs. \$22,435,000 has been made available through this mechanism to address infrastructure needs.

Discussion

While staff is anxious to develop and provide a list of recommended projects with individual street selections, it is important that the Council support the approach in development of the projects and street selections. As such, staff recommends using a three pronged approach in utilizing the available funds to address street maintenance needs as follows:

1. Allocate \$4 to \$7 million of the funds towards localized pavement repairs (potholes and base failures.)

One of the most prevalent issues related to the deterioration of our streets are potholes and other localized pavement failures. These potholes generate a significant number of complaints, and the longer they remain unaddressed, the more serious the failures become, which can significantly increase the future cost of repair. Allocating additional resources to address these localized areas will help the City keep up with maintaining our pavements with lower cost surface treatments and improve ride-ability on our local streets. Public works staff currently addresses potholes by applying a thin layer of new asphalt atop the failed surface, filling holes and preventing water from causing further damage. Though this is a good stop gap measure, it does not address the underlying failure. Staff recommends:

- a. Increase the Public Works Department Infrastructure Maintenance Program capacity for addressing potholes

To increase in-house capacity to repair potholes and failed pavement areas, additional equipment is needed to more efficiently remove the existing asphalt and allow for a deeper and more effective pothole repair. After investigation, Public Works staff recommends the purchase of an Asphalt Zipper machine (Attachment 2) at a cost of approximately \$200,000. In addition, due to the increased

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efficiency, the Public Works asphalt and material budget should be increased by \$50,000 – \$75,000 annually for the next five years (the targeted time for spending the lease revenue funds).

b. Contract the work for larger repair areas and in heavily trafficked areas

As there are many areas that are located in high-traffic areas that will require significant traffic control or that may be too large to efficiently complete by the Public Works Infrastructure Maintenance Program, it is recommended that the repair program be augmented with work conducted by private contractors. It is recommended that approximately \$600,000 - \$700,000 be allocated annually over the 5 year period to cover the costs of the contract work as well as project and construction management.

2. Allocate funds for major street repair and reconstruction projects

As noted above, the PMP uses a cost/benefit calculation to recommend selected streets for maintenance or repair. This calculation is based on the additional cost of deferring maintenance through the calculation period based on available funding. Several streets have deteriorated beyond the point where deferral of maintenance will increase costs significantly over the calculation period or have deteriorated sufficiently that they no longer trigger a repair recommendation out of the PMP. The condition of these streets is such that a repair is not as cost-effective as work on other streets. It is recommended that approximately \$5M-\$6M of the \$22M total be allocated to address streets in this category, including streets like Commerce Boulevard, as well as to use as local matching funds for streets that qualify for grant funds. Utilizing the funds as local match will allow the City to leverage the funds and provide for a greater return on its investment on City Streets.

3. Allocate funds for local neighborhood street resurfacing

Most streets recommended for repair through the PMP are local residential streets, but grant funds are typically only available for work on collector and arterial streets. Therefore, it is recommended that the bulk of available funds be dedicated to resurfacing neighborhood streets. It is recommended that approximately \$10M - \$12M of the \$22M total be allocated to resurface local neighborhood streets. The goal would be to establish a framework for identifying the streets to be addressed in each area of the five geographic areas of the City and to address residential streets area-by-area over five years.

If this three pronged approach is supported by the Council Committee, staff will partner with a specialist in pavement management to refine the proposed program and identify individual street selections. Staff will bring the refined project scopes and street selections to the Council Committee and then the Council for approval.

Because the financing for this program is tax-exempt there are requirements for speedy expenditure of the funds. Specifically, 10% of the funds must be expended within one year, 30% of the funds expended within two years, 60% of the funds be expended within three years and 85% of the funds must be expended within five years. Consequently, the program staff develops will be designed to meet or exceed these targets. However, to meet the year one and two expenditure targets, the City may need to expend some of the funds on currently programmed projects then use a reciprocal swap to return the funds for expenditure on roadways through this program.

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The expenditure plan will include a detailed street list for each program project including recommended repairs and surface treatments, and estimated project costs (including project management, design, construction and inspection), as well as a targeted delivery schedule. Staff will use this plan to program projects, generate and implement the various construction projects, as well as track expenditure progress. Staff anticipates returning to the Committee and Council with the plan in July. However, staff is recommending that if the Committee supports the purchase of the new piece of equipment and additional materials to enhance the City's pothole repair program, staff move this part of the program forward immediately.

Fiscal Impact

The costs associated with implementing the program recommendations will be funded by the proceeds generated through the lease financing mechanism recently implemented, in the amount of \$22,435,000.

Public Contact

The Council Agenda was posted.

Recommendation for Action

Staff recommends that the Infrastructure & Franchise Committee review the recommendations presented below and indicate support for the three-pronged approach to addressing street maintenance needs, and direct staff to return to the Committee and the Council in July with the specific street segments selected:

- Increase in-house capacity for addressing potholes: Allocate \$200,000 to purchase an asphalt Zipper and add \$50,000 to \$75,000 per year to supplement the Public Works asphalt and material budget. (Direct staff to begin this program immediately.)
- Contract the work for larger repair areas and in heavily trafficked areas: For those areas that are located in high-traffic areas and that may be too large to efficiently complete with in-house resources, allocate \$600,000 to \$700,000 per year over the next five years towards localized pavement repairs.
- Allocate \$5,000,000 to \$6,000,000 over the next five years for major street repair and reconstruction projects and as a local match for grant funding opportunities to allow the funds to go further
- Allocate \$10,000,000 to \$12,000,000 over the next five years to fund neighborhood (local) street repair. Streets would be chosen based on a framework approved by the Committee and Council and one geographic area of the City would be addressed each year for the next five years.

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- Attachment 1: Street Maintenance Zones Map
- Attachment 2: Asphalt Zipper Image

