



AGENDA REPORT

City Council

MEETING DATE: February 28, 2024

PREPARED BY: Jill Bankston, P.E.
Director

DEPARTMENT DIRECTOR: Jill Bankston, P.E.

DEPARTMENT: Engineering

CITY MANAGER: Pamela Antil

SUBJECT:

Receive Infrastructure Task Force Final Report and Recommendations, Receive Ballot Measure Polling Results Presentation, and Amend the TeamCivX Agreement for Ballot Measure Formation and Outreach

RECOMMENDED ACTIONS:

- 1) Receive Infrastructure Task Force Final Report (Attachment 1) and Approve its Recommendations to:
 - a. Approve the Project Ranking Rubric
- 2) Receive Presentation on Voter Survey Results
- 3) Authorize the City Manager or designee, in coordination with the City Attorney, to execute Agreement Amendment No. 1 in substantial form as contained in Attachment 2, to the Agreement for TeamCivX to conduct Phase 2 of the agreement to Conduct Outreach and Ballot Writing Services for an increase of \$90,000 plus 15 percent contingency for a total increase of \$103,500, from the original not-to-exceed amount of \$70,000 to a new not-to-exceed amount of \$173,500.

ENVIRONMENTAL CONSIDERATIONS:

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" under Section 15378(b)(5) of CEQA Guidelines. The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment.

This item does not relate to the Climate Action Plan.

STRATEGIC PLAN:

These actions align with the Engagement & Education focus area of the FY 2023-24 Strategic Plan by conducting outreach to listen and learn from the community.

FISCAL CONSIDERATIONS:

If approved, the recommended action would authorize an increase of \$90,000 plus 15 percent contingency of \$13,500 to the TeamCivX agreement for Polling, Outreach, and Ballot Writing Services resulting in a new not-to-exceed amount of \$173,500. There is sufficient funding in the approved Engineering Department budget to cover this increased cost.

BACKGROUND:

The City of Encinitas (“City”) encompasses 20.0 square miles, and approximately 61,000 residents in five (5) communities: Cardiff-by-the-Sea, Leucadia, New Encinitas, Old Encinitas and Olivenhain. The City is tasked with providing adequate infrastructure where needed and upgrading older infrastructure. The City’s Capital Improvement Program (CIP) includes any project over \$100,000 that has a useful life of five (5) years or more. Examples of infrastructure include roads and sidewalks, drainage culverts, bike lanes, and civic buildings such as the library, marine safety center, city hall, and fire stations. All of this infrastructure impacts the quality of life in Encinitas.

The City currently maintains 172 centerline miles of streets, 66 miles of storm drains, 152 acres of land at 20 parks, 6 beaches and 10 buildings. For FY 2023-24, the total City revenue was \$126.4M, with an expenditure budget of \$119.3M, which included \$14.2M for the Capital Improvement Program (CIP). The \$14.2M CIP included \$4.2M for Wastewater Projects (funded by rate payer fees), and \$2.9M for Annual Maintenance/Improvement projects, leaving approximately \$7.1M for street paving and other new capital projects.

In managing City infrastructure, the City has routinely transferred General Fund dollars to supplement the Capital Improvement Program to address and fund critical infrastructure needs in the City. Unfortunately, as is true for most cities across the nation, the amount available each year is insufficient to cover the costs of new infrastructure projects and updates to older, failing infrastructure (roads, bridges, drainage culverts, facilities, etc.). The City Council discussed this issue during FY 2022-23 budget deliberations and created a subcommittee tasked with outlining a meeting structure for a Task Force to address the gap between CIP needs and estimated funding available over the next 10 years.

On November 16, 2022, City Council approved the formation of a one-year community task force to evaluate the City’s infrastructure backlog, prioritization, and anticipated financial needs and opportunities for funding future infrastructure. The City Council established the following goals for the Infrastructure Task Force (ITF):

- 1) Identify the City’s capital improvement backlog and future needs for 2025 through 2035.
- 2) Define criteria and clarify processes for identifying and prioritizing future city CIP needs, projects, and funding opportunities.
- 3) Ensure that the CIP program and prioritization is linked to the City’s policies and planning priorities.
- 4) Ensure transparency in communications about infrastructure needs, challenges, and the work of the ITF.

- 5) Make recommendations regarding funding the City's infrastructure backlog at the conclusion task force work.

On January 25, 2023, City Council appointed seven (7) community members to the ITF.

Between February 27, 2023 and February 20, 2024, the ITF held 19 meetings. Agendas, meeting recordings and meeting materials were posted to the ITF webpage.

On November 13, 2023, a Special Joint City Council/Infrastructure Task Force Meeting was held for the ITF to obtain input from the City Council on the Project Ranking Rubric, Infrastructure Needs Project List and the ITF Final Report.

ANALYSIS:

Over the past year, the ITF met to discuss the City's infrastructure needs, identified and ranked the City's infrastructure projects, and explored different funding opportunities for the City's infrastructure backlog and future needs. Meetings covered a variety of topics including:

- City Budget, Revenue and Expenditures
- Infrastructure Needs from Fire; Public Works; Engineering; Modal Alternatives Priorities (Sidewalks and Bike Facilities); Parks, Recreation and Cultural Arts; Climate Action Plan; IT; and Coastal Program
- Project Ranking Criteria
- Potential New Revenue Sources
- Ballot Measure, Polling Results & Outreach

The attached ITF Final Report (Attachment 1) summarizes the work of the task force along with their recommendations.

Prioritization Rubric

The ITF reviewed project ranking rubrics from other agencies and worked to create a project ranking rubric tailored to Encinitas and the City's Strategic Plan and goals. The ITF rubric (Attachment 3) includes point values in five (5) categories: (1) Risk to Health and Safety, and Regulatory or Mandated Requirements, (2) Identified Infrastructure Need and Asset Longevity, (3) Sustainability, Environmental Conservation and Resilience, (4) Livability and Equitable Community Investment, and (5) Consistency with City Priorities.

Infrastructure Needs

Another goal of the ITF was to identify infrastructure needs throughout the City. The ITF Final Report includes a listing of 97 projects identified by City Departments between May 2023 and July 2023, supplemented by 16 projects identified by City Council during the November 13, 2023 meeting. The total cost of the 113 projects is approximately \$1.31B. A listing of all the projects sorted by rubric rank is included as Attachment 4. The ITF also separated the projects into rubric ranked lists for backlog projects (Attachment 5) and future needs/improvements (Attachment 6). The ITF final report includes information on how to use the rubric and how point values in each category are determined. The ITF recommends that the ranking rubric be used annually to assess new infrastructure projects. These rankings would be provided annually to City Council to help inform their funding priorities for the City budget.

New Funding Sources and Polling

In a typical year, the City has approximately \$5.5M - \$8M available in new funding for capital or

infrastructure projects. Approximately \$4M of that funding is typically used to maintain pavement on the City's roadways. The ITF reviewed the City's infrastructure needs and available funding and recommended new revenue sources be explored to fund the City's infrastructure needs. The ITF recommended pursuit of the following: grants, public-private partnerships, a two (2) percent increase to the Transit Occupancy Tax (TOT), and a one-cent sales tax measure.

A two (2) percent increase to the Transit Occupancy Tax (TOT) would generate approximately \$880,000 annually, and a one-cent sales tax measure would generate approximately \$15.4M annually; both require a majority vote on an upcoming ballot. To explore the feasibility of a ballot measure that would provide new revenue for infrastructure, staff solicited proposals for polling, outreach and ballot writing services and awarded a phased agreement (Attachment 7) to TeamCivX in partnership with True North Research. Phase 1 of the agreement included polling and determining ballot measure feasibility.

The polling consultant provided information to the ITF on ballot measures and recommended that only one ballot measure be pursued at a time. Staff directed the polling consultant to focus their evaluation on the one-cent sales tax measure as it would generate the most revenue for the City's infrastructure needs. Phase 1 of the TeamCivX agreement included a statistically reliable poll of 1,242 likely November voters to gauge whether a majority would support a one-cent sales tax measure.

A summary of the polling is included in Attachment 8, Voter Opinion Survey. The results of this survey indicate that a local sales tax measure that focuses on voters' priority projects is feasible for the November 2024 ballot. Voters in the poll were primarily interested in repairing aging infrastructure including storm drains, bridges, sidewalks, curbs, and public facilities (88% strongly or somewhat favor); keeping parks, beaches, recreation facilities, community centers, and public facilities safe, clean, and well-maintained (88%); keeping trash and pollution out of local lagoons, waterways, and off our beaches (86%); fixing potholes (85%); and protecting local public beaches, including restoring sand and protecting local reefs and marine habitat (85%).

Public Awareness and Outreach

If approved, Amendment 1 to the TeamCivX agreement (Attachment 2) would initiate Phase 2 of the agreement which would include Public Information and Engagement. During this time, the City and consultant would hold public meetings to share information about the City's infrastructure needs and a potential one-cent sales tax revenue measure. The meetings will provide the community an opportunity to learn about a potential ballot initiative, how much revenue could be generated and the types of projects that could be funded. It would provide staff an opportunity to get feedback from a greater cross section of the community.

At the end of this Outreach period, if the public engagement received aligns with the polling results, showing a generally favorable attitude toward a one-cent general sales tax that could be used for infrastructure improvements, staff will bring forward the ballot initiative to City Council in May 2024. City Council will then have the opportunity to place a ballot initiative on the November 2024 ballot for voters to decide whether they would like to implement a one-cent sales tax that could be used to fund infrastructure improvements.

ATTACHMENT(S):

- 1) Infrastructure Task Force Final Report
- 2) Amendment 1 to the TeamCivX Contract to Conduct Polling, Outreach and Ballot Writing Services

- 3) ITF Ranking Rubric
- 4) ITF Ranked Comprehensive Listing of Projects
- 5) ITF Ranked Listing of Backlog Projects
- 6) ITF Ranked Listing of Future Needs/Improvements
- 7) TeamCivX Contract to Conduct Polling, Outreach and Ballot Writing Services
- 8) Voter Opinion Survey