



Agenda Item A.1
DISCUSSION/ACTION ITEM
Meeting Date: October 30, 2023

TO: Mayor and Councilmembers

FROM: Charles W. Ebeling, Public Works Director

CONTACT: Autumn Glaeser, Capital Improvement Program Manager

SUBJECT: Funding Project Connect and Hollister Old Town Interim Striping Projects

RECOMMENDATION:

- A. Receive a presentation on the preliminary five-year (2023/2024 - 2027/2028) Capital Improvement Program project delivery and preliminary cost estimates;
- B. Reject all bids for Hollister Old Town Interim Striping Project;
- C. Direct staff to return to City Council on December 5, 2023 to award Project Connect, and include the proposed funding strategy, and related budget adjustments and appropriations;
- D. Direct staff to negotiate a construction change order to Project Connect to construct the Hollister Old Town Interim Striping Project and return to City Council on December 19, 2023 to approve a change order for the Hollister Old Town Interim Striping Project;
- E. Authorize the City Manager or his designee to request an amendment to the Measure A Investment Plan by the Santa Barbara County Association of Governments to transfer the \$8.4 million in Measure A regional funds from the named Goleta US 101 Overcrossing project to the Goleta Transportation Circulation Improvements Project; and
- F. Direct staff to come back in April 2024 to further review the CIP project delivery and options for funding these projects.

BACKGROUND:

Beginning in December 2022, the City Manager worked with Department Directors and staff to develop a draft two-year budget plan that meets existing levels of service and addresses policy direction as provided in the City's updated 2023-2025 Strategic Plan, each department's Annual Work Program, and City Council's priorities from previous

discussions on the general transaction and use tax measure that will go into effect January 1, 2024.

This preliminary two-year budget was first presented to the City Council on May 2, 2023, at a budget workshop. During this workshop, staff provided the Council with an overview of the budget process and approach. Updated revenue and expenditure projections were reviewed, along with updates to the General Fund's projected fund balance and Five-Year Forecast. Staff received feedback from Council and made adjustments accordingly.

A second budget workshop, held on May 23, 2023, provided the City Council the opportunity to review and discuss the updated Comprehensive Capital Improvement Plan, and Capital Improvement Program (CIP) Budget for Fiscal Years (FY) 2023/24 and 2024/25. During this budget workshop, staff provided the Council with an overview of the Comprehensive CIP, and the three main components. The three components include a Comprehensive CIP Project List, the Five-Year CIP Project List and the CIP Budget for FY 2023/24 and 2024/25. Furthermore, the Council was briefed on the ongoing progress of key projects undertaken by the Public Works, Neighborhood Services, and General Services departments. The review also included updated project costs, new funding amounts and estimated unfunded amounts.

On June 6, 2023, a third budget workshop was held to provide the Council with an update on the Preliminary Operating and Capital Improvement Budgets for FY 2023/24 and 2024/25 and seek feedback on the direction given at the previous workshops. Specific budgetary issues were discussed, including Library Funding and Book Van, Creeks and Watershed Management Plan and Program and review of the new general transaction and use tax measure suggested funding table.

Based on feedback provided by the Council at the workshops, along with additional analysis and information provided by staff, updates were made to refine the overall budget estimates.

On June 20, 2023, Council adopted the FY 2023/24 and 2024/25 budget. The budget covered the Comprehensive CIP Work Program and noted projects with unfunded balances. Given the persistent volatility of the economy and the revelation of higher than anticipated CIP project costs from recent bids, staff expect that the FY 2023/24 and 2024/25 budgets will necessitate regular reviews and adjustments in the upcoming years.

DISCUSSION

The Public Works CIP Division is responsible for constructing, maintaining, and repairing City infrastructure such as roads, bridges, drainage facilities, and traffic signals. The City of Goleta owns over 100 parcels and approximately 85 centerline miles of right-of-way. Many of the City-owned properties are parks and open spaces with a total area of approximately 515 acres. Public Works manages or collaborates with other departments to maintain the 85 centerline miles of roadway traffic signals and 16 other traffic devices, 1,400 LED streetlights, 16 parks, and 14 open spaces, 14,000 city trees (approximately 8,000 street trees and 6,000 park trees), 12 creeks, 2 miles of coastline, and storm drain infrastructure including storm drainpipes, manholes, and drainage inlets. These assets

are improved, maintained, and prioritized through CIP projects, non-CIP projects, and maintenance projects.

CIP projects improve and enhance public safety, achieve sustainability, enhance livability, and expand economic development. The Comprehensive CIP Project List as adopted on June 20, 2023 and is a list of current, upcoming, and potential future projects that are developed from several sources including City Council direction, departmental recommendations, and policy documents. Additional sources include City Council-approved and adopted documents such as the Development Impact Fee (DIF) Program, Bicycle and Pedestrian Master Plan, UCSB Long Range Development Plan, and projects that address regulatory compliance requirements and meet several of the City's Goals and Policies

Public Works CIP projects are funded from various sources. The major sources of funds available for CIP projects are dedicated funds for the type of use. The use of dedicated funds is restricted by the limitations imposed by local, state or federal laws associated with the funding source. For the most part, funds for the CIP projects are accounted for in the City's special revenue funds and include various DIF funds, transportation related special revenue funds, and major federal and state grants that have been awarded.

Projects that are not completely supported by dedicated revenue or are partially supported by grant revenues in need of matching funds are generally supplemented by the General Fund when funds are available. The City may also receive direct funding for projects from other agencies, jurisdictions, or individuals through grants, loans, donations and/or other subsidies.

Public Works CIP Project Delivery Budget

Based on the latest bidding data and funding limitations known, Public Works has identified 12 projects that the City is obligated to deliver over the next 5 years as shown in Table 1. The obligated projects have been identified based on grant constraints, maintenance needs, or are required by regulatory agencies. The presentation (Attachment 1) will show the full project amounts required to fund the CIPs over the next 5 years, including the funded, grant, and unfunded amounts. The funding sources range from the General Fund to Special Revenue funds such as Measure A, DIF revenues, and various grants. Since DIF revenues are estimates based on the timing of development, it is important to note that these revenues will be revised on an annual basis as more current information regarding the timing of development projects becomes available.

Given the multitude of projects and cost increases over the years, the City is faced with a growing funding gap. The funding gap in the current Five-Year CIP Budget can possibly be addressed by various financing options and strategies, including deferring projects, use of one-time available fund balance, or debt financing. Financing a project with debt without going to voters will require an ongoing commitment of the City's current limited revenue sources unless a project itself is able to generate sufficient revenues over time.

Table 1 shows the CIP Project Delivery Schedule and how the listed 12 project meets City goals and policies.

Table 1 CIP Project Delivery Schedule and City Goals and Policies

Project Delivery Schedule and City Goals and Policies		Work Started	Fiscal Year/Work Program Year					Creek and Watershed Management Prog (CWMP)	Bicycle Ped Master Plan BPMP	Maintenance	Regulatory Requirements	Facilities	Traffic Circulation
			23/24	24/25	25/26	26/27	27/28						
Project Name	Project Phase		1	2	3	4	5						
Project Connect	Construction							X	X	X	X		X
San Jose Creek Bike Path - Northern & Southern Segments	Design							X	X				
Traffic Signal Upgrades	Conceptual Design								X	X	X	X	X
Ellwood Mesa/Sperling Preserve Butterfly Management Plan	Design							X	X	X	X		
Hollister Class I Bike Path Lighting	Design/Construction												
Hollister Avenue Old Town Interim Striping	Construction								X	X			X
Storke/Hollister Transit, Bike/Ped, and Median Imp.	Design								X	X			X
MAINTENANCE/REGULATORY													
San Jose Creek Channel Fish-Passage Modification Project	Design							X		X	X		
Cathedral Oaks Crib Wall Repair	Conceptual Design									X			
Ellwood Beach Drive Drainage Repair	Conceptual Design							X		X	X		
Evergreen Park Drainage Repair	Design							X		X	X		
Full Trash Capture Project	Conceptual Design							X			X		

Hollister Old Town Interim Striping Project

The Hollister Avenue Old Town Interim Striping Project received two (2) bids that were received on August 10, 2023. The engineer's estimate and bid are as follows:

Table 2 Bid Results

Engineer's Estimate	\$1,840,943.75
Granite Construction	\$4,015,848.00
Toro Enterprise	\$4,499,221.25

The engineer's estimate for construction costs was \$1,840,943.75. Granite was the lowest responsible bidder at \$4,015,848. However, Granite's bid amount was over 118% more than the engineer's estimate. Toro's bid amount was 144% more than the engineer's estimate. Public Works staff typically recommend an award of a project if the bid is within the engineer's estimate of plus or minus 20%, this bid has come in approximately 5.9 times over that amount. Due to the significant variance between available budget and bid amounts, Public Works staff is recommending that Council reject all bids for the Hollister Old Town Interim Striping Project.

Upon awarding Project Connect, staff recommends negotiating a construction change order with Security Paving for the Hollister Old Town Interim Striping Project. Staff will

collaborate with Security Paving to have this be the first order of work. It is projected that this approach will potentially include a cost savings between \$500,000 and \$1,000,000. Staff anticipates that it can bring an item back to the City Council on December 19, 2023 for approval of the change order to Project Connect for the construction of the Hollister Old Town Interim Striping Project. The work on this Change order will start December 20, 2023 with construction anticipated to start April 2024 due to material procurement lead times.

Project Connect

Project Connect received two (2) bids that were received on October 9, 2023. The engineer's estimate and bid are as follows:

Table 3 Bid Results

Engineer's Estimate	\$55,021,811.70
Security Paving	\$62,746,273.60
Granite Construction	\$73,788,412.00

The engineer's estimate for construction costs was \$55,021,811.70. Security Pavement was the apparent lowest responsible bidder at \$62,746,273.60. The bid amount was over 14% more than the engineer's estimate (within industry standard variances). Granite's bid amount was over 34% more than the engineer's estimate. Public Works staff will return to Council on December 5, 2023 to award Project Connect to the lowest responsible bidder, Security Paving, in the amount of \$62,746,273.60 with authorization for staff to exceed by 16% as a contingency.

Proposed Funding Strategy for Project Connect and Hollister Old Town Interim Striping Projects

Public Works staff have elevated alternative funding options to fund the above listed projects. The following finding strategies are for councils considerations:

- Defer 7 Proposed Projects from FY2023/24 Work program
- General Fund - Temporarily reassign Measure B Public Works Appropriations
- Transfer the \$8.4 million in Measure A regional funds from the named Goleta US 101 Overcrossing project to the Goleta Transportation Circulation Improvements Project
- General Fund – Transfer unassigned balance to above listed projects
- Development Impact Fee – Transfer unassigned balance to above listed projects

Table 4 Proposed Funding Strategy

Categories	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28
(all numbers in thousands)					
Defer Proposed Projects	\$2,305	\$1,026	\$2,856	\$1,746	\$1,026
General Fund – Reassign Measure B (PW)	\$3,107	-	-	-	-

Measure A Named Project – Reassigned	-	\$8,414	-	-	-
General Fund – Unassigned Balance	\$5,000	-	-	-	-
DIF Fund – Unassigned Balance	-	\$2,200	-	-	-
Estimated Total	\$10,411	\$11,640	\$2,856	\$1,746	\$1,026

Future CIP Workshops

Public Works will return to City Council in April 2024 to discuss Committed CIP project funding and delivery strategies including the use of debt financing.

FISCAL IMPACTS:

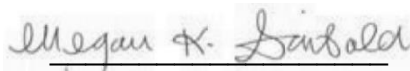
The fiscal impact will depend on City Council action. Staff's proposed funding strategy for Project Connect and Hollister Old Town Interim Striping Projects, will temporarily reduce budget supported by the General Fund and other special revenue funds, and the additional appropriation from the General Fund's unassigned fund balance of \$5 million will go towards closing the funding gap. Approximately \$5.5 million is estimated to be available of one-time fund balance. Should the City Council move forward with staff's proposed funding strategy or alternatives, budget adjustments and appropriations will be as part of the staff report related to Project Connect.

Updated fund balance information will be provided in the Q1 Financial Review and may be adjusted as the City closes its books and completes their audit. In addition revenue sources are continuing to be evaluated, and staff is working on an updated 5-year forecast as part of the FY 24/25 Mid-Cycle budget update.

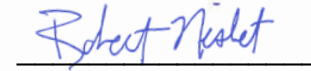
Reviewed By:


Kristine Schmidt
Assistant City Manager

Legal Review By:


Megan Garibaldi
City Attorney

Approved By:


Robert Nisbet
City Manager

ATTACHMENTS:

1. Five-Year CIP Project Delivery Presentation

ATTACHMENT 1

Five-Year CIP Project Delivery Presentation

Five-Year CIP Project Delivery

Monday, October 30, 2023

Special City Council Meeting



Objectives

- Discuss funding/schedule of **Obligated** CIP Projects
 - To be delivered over next 5 years
- Funding Project Connect and Hollister Avenue Old Town Interim Striping Project
- CIP Project Planning Cycle –
 - Return to City Council April 2024



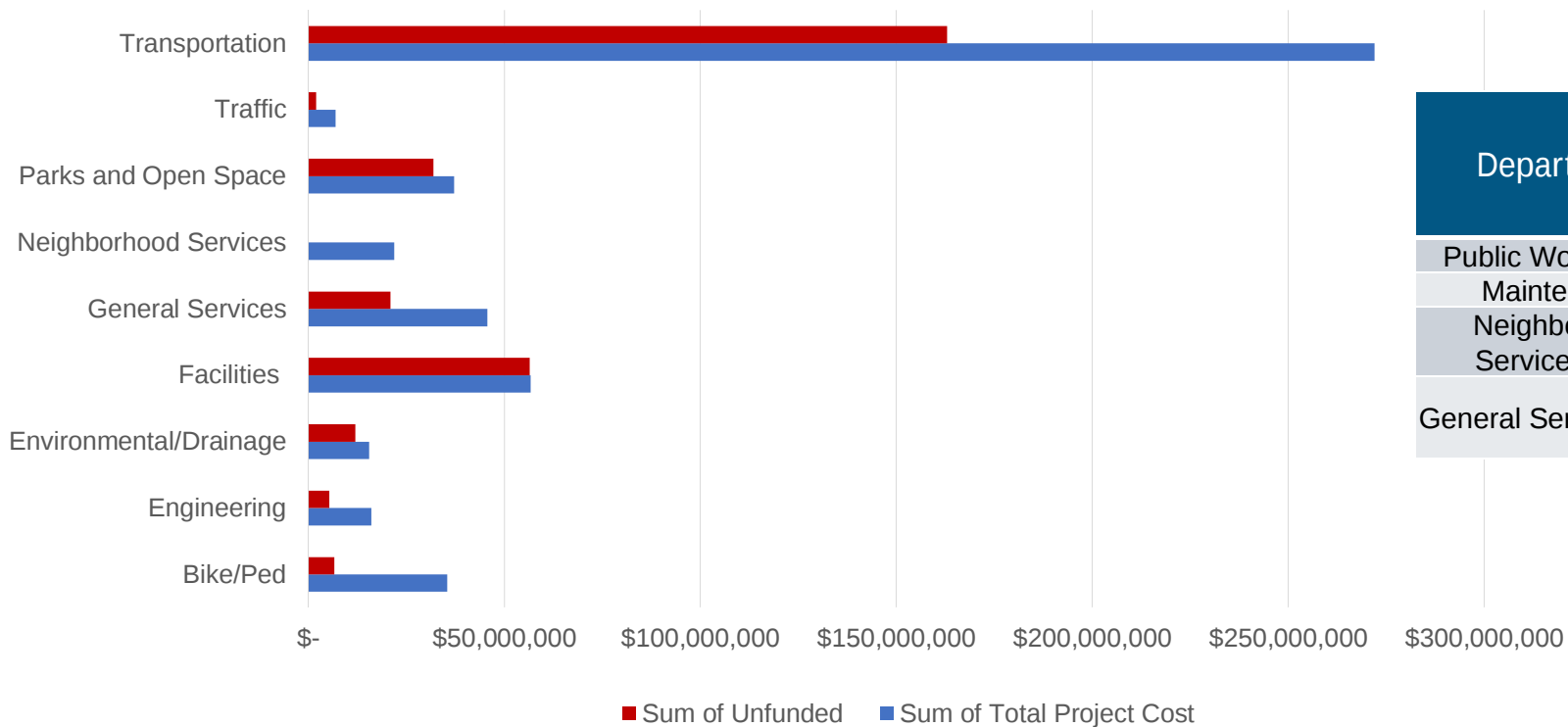
Comprehensive CIP Project List

Department	Total Projects	Active Projects	Delayed Projects	Future Projects
Public Works (PW)	105+	22	16	62+
Maintenance	15	4	N/A	10
Neighborhood Services (NS)	21	19	3	-
General Services (GS)	9	6	3	-

Approved list as of 6/30/23 City of Goleta Budget



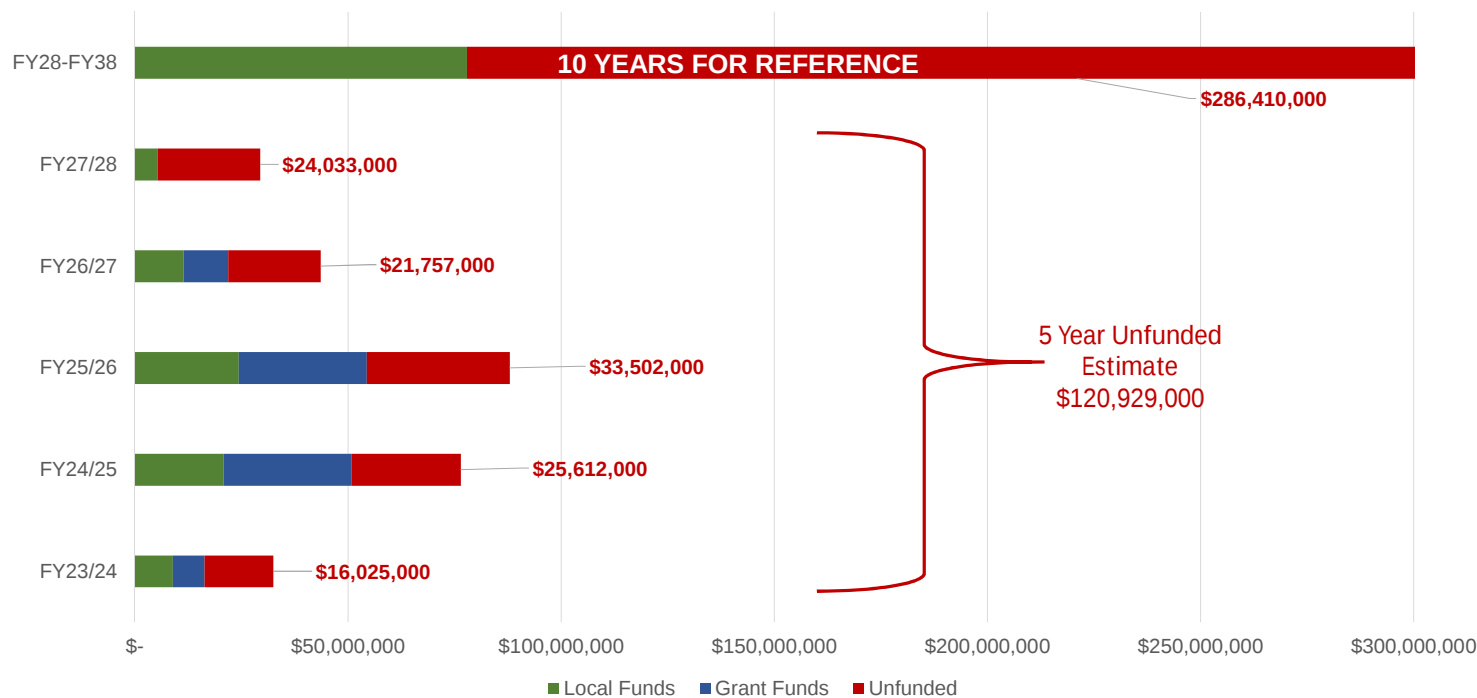
Comprehensive CIP List – By Category (5-Year)



Department	Comprehensive CIP List Active Projects
Public Works (PW)	22
Maintenance	4
Neighborhood Services (NS)	19
General Services (GS)	6



Comprehensive CIP Projects – Funding Gap (Public Works Only)



Department	Comprehensive CIP List Active Projects
Public Works (PW)	22
Maintenance /Non- CIP	2

Notes:

1. Local funds beyond FY24/25 are preliminary estimates and are not budgeted
2. Local Funds + Grant Funds + Unfunded = Estimated Project Costs and are subject to change



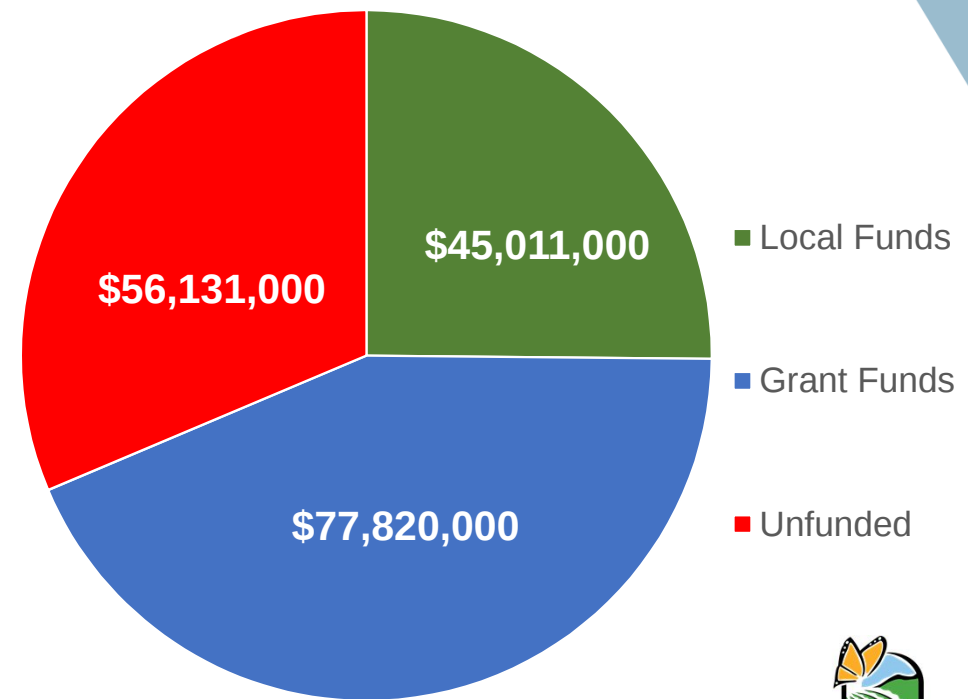
Committed CIP Projects – (Estimated Public Works Project Cost Only)

GRANT FUNDED

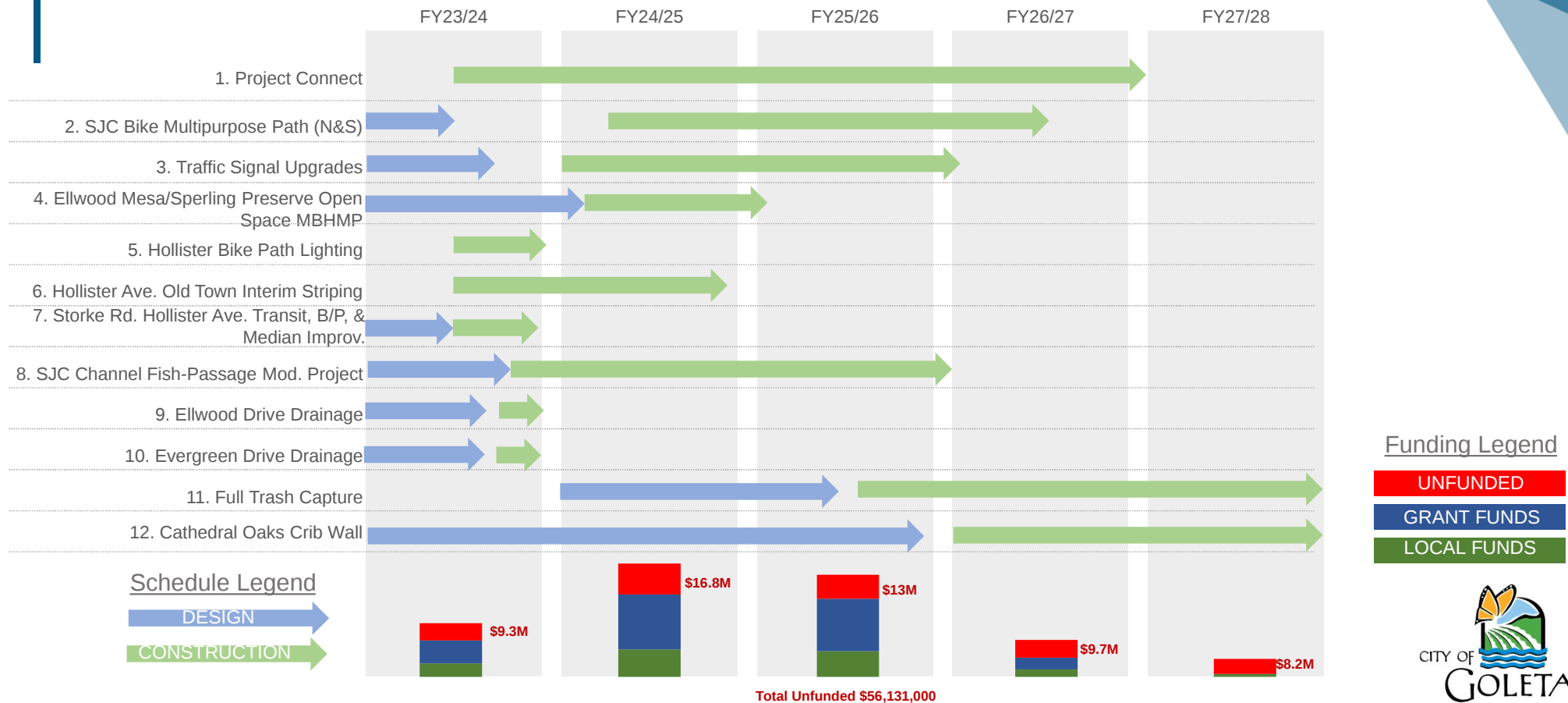
Project Connect
San Jose Creek Multipurpose Path (N & S Segments)
Traffic Signal Upgrades
Ellwood Mesa/Sperling Preserve Open Space Monarch Butterfly Habitat Management Plan
Hollister Avenue Class I Bike Path Lighting
Hollister Avenue Old Town Interim Striping
Storke Rd/Hollister Ave. Transit, Bike/Ped & Median Improv.

MAINTENANCE/REGULATORY

San Jose Creek Channel Fish-Passage Modification
Cathedral Oaks Crib Wall
Ellwood Beach Drive Drainage
Evergreen Park Drive Drainage
Full Trash Capture



Committed CIP Projects - Schedule

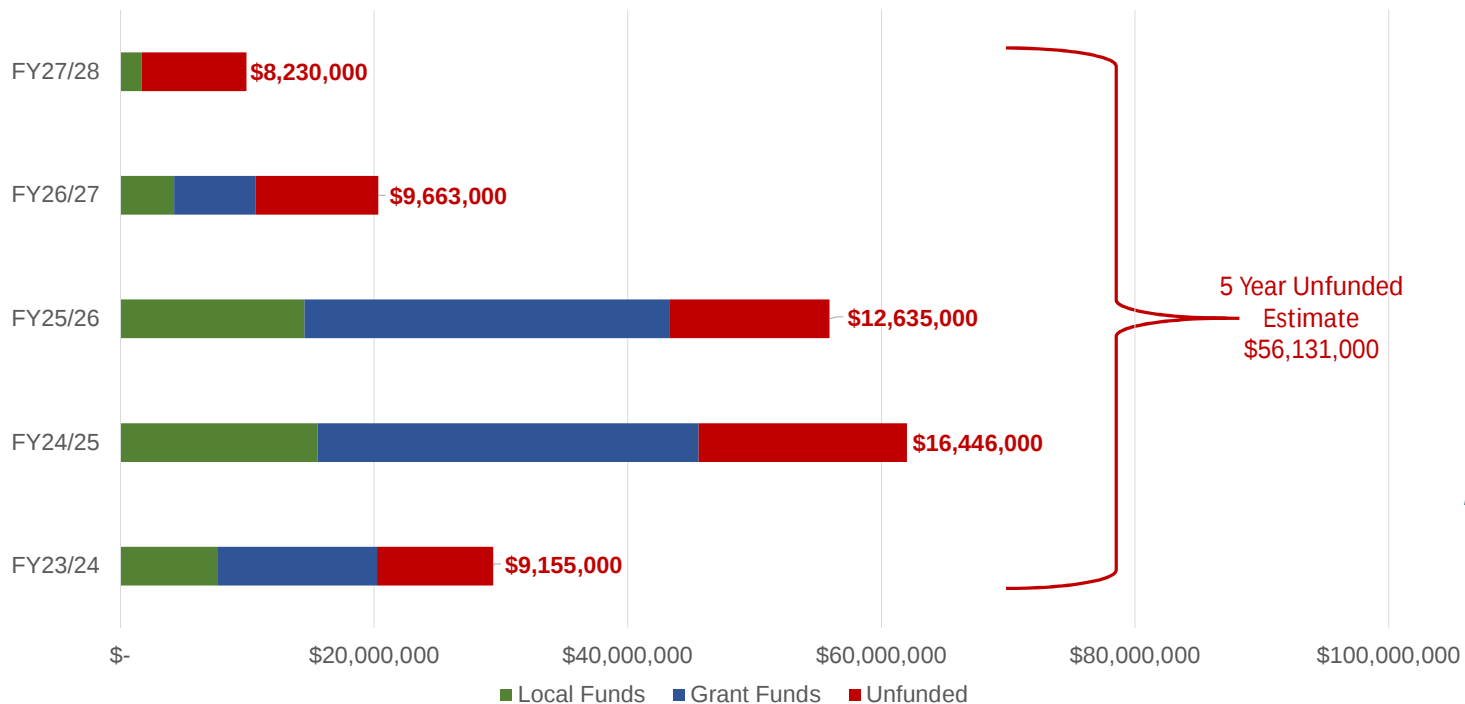


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Committed PW CIP Projects – Funding Gap



Department	Committed Project List
Public Works (PW)	12

Committed Projects Only - Does not include the maintenance or emergency projects

Notes:

1. Local funds beyond FY24/25 are preliminary estimates and are not budgeted
2. Local Funds + Grant Funds + Unfunded = Estimated Project Costs and are subject to change



Project Connect Bid Results

Engineers Estimate	Security Paving	Granite
\$55,021,811	\$62,746,273	\$73,788,412

Low bid is within 14% of Engineers Estimate (*within industry standards*)



Project Connect Funding

Funding Source	<i>Ekwill-Fowler Extensions</i>	<i>Hollister Avenue Bridge</i>	Total Project Connect
Total Project Cost	\$65,821,310	\$34,807,685	\$100,628,995
Local Funds	\$23,724,570	\$4,093,030	\$27,817,600
Grant Funding	\$21,506,990	\$29,000,000	\$50,506,990
Unfunded	\$20,589,750	\$1,714,655	\$22,304,405



Project Connect & Hollister Old Town Interim Striping Project Funding

Funding Source	Total Project Connect	Hollister Old Town Int. Striping
Total Project Cost	\$100,630,000	\$5,144,315
Local Funds	\$27,818,000	\$1,154,000
Grant Funding	\$50,507,000	\$365,315
Unfunded	\$22,305,000	\$3,625,000

~\$27,000,000 Unfunded



Potential Sources for Funding

The following is a list of short-term solutions, available to the City

Funding Options	Estimated Amount	Notes
General Fund – Unassigned Fund Balance	\$5,000,000	Available for one-time use.
General Fund – Contingency Borrowing	\$4,233,484	Repayment plan needed within 5 years.
General Fund – Temporary Reprogramming of Measure B	TBD	Further discussion below
Measure A Named Project – Rename and reprogram	\$8,414,000	Value based on 2020 evaluation by SBCAG. One-time use.
Defer Projects in Work program	Various	Further discussion below
Other – Financing, etc.*	TBD	

**Any type of debt financing considered is staff's "last resort" option and will need to be made in accordance with the City's Debt Management Policy*



General Fund – Measure B Proposed PW Appropriations

Proposed Categories <i><u>Deferred</u></i> (all numbers in thousands)	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28
Increase Annual Pavement Program (ongoing)	\$1,666	\$3,331	\$3,331	\$3,331	\$3,331
Increase maintenance of concrete, trees, signals, ADA (ongoing)	\$381	\$691	\$691	\$691	\$691
Funding reserve for Creeks and Watershed (ongoing)	N/A	\$150	\$150	\$150	\$150
Increase funding for maintenance of open spaces, storm drains (ongoing)	\$530	\$541	\$541	\$541	\$541
Increase funding for Ellwood/Butterfly management (ongoing)	\$200	\$200	\$200	\$200	\$200
Design Lake Los Carneros Footbridge replacement (one-time)	\$330	N/A	N/A	N/A	N/A
Estimated Total	\$3,107	\$4,913	\$4,913	\$4,913	\$4,913

Notes:

1. Local funds beyond FY24/25 are preliminary estimates and are not budgeted



General Fund – Measure B Proposed Other Appropriations

Proposed Categories <i>Deferred</i> (all numbers in thousands)	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28
Funding to implement Economic Development plan (ongoing)	\$75	\$100	\$100	\$100	\$100
Funding for Childcare Programs (ongoing)	\$50	\$250	\$250	\$250	\$250
Funding for Old Town projects and priorities (ongoing)		\$150	\$150	\$150	\$150
Estimated Total	\$125	\$500	\$500	\$500	\$500

Notes:

1. Local funds beyond FY24/25 are preliminary estimates and are not budgeted



Goleta US 101 Overcrossing – Measure A Named Project

Categories (all numbers in thousands)	Conceptual Design	Envir. Phase	Final Design	Const. (FY27/28)	Total
Measure A (named project)				\$8,414	\$8,414
Local Dev (AB 1600)					-
Other Future* (STIP, RSTP, etc.)				\$11,741	\$11,741
<i>Unfunded</i>	<i>\$1,620</i>	<i>\$2,700</i>	<i>\$10,260</i>	<i>\$43,565</i>	<i>\$58,145</i>
Total	\$1,620	\$2,700	\$10,260	\$63,720	\$78,300

\$11.7 will be given to next project in line most likely a northern Santa Barbara County project

*Other Future available after FY27-28



Deferred Projects Proposed -

Potential Changes to Budget for Proposed CIP Projects

Categories (all numbers in thousands)	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28
Cathedral Oaks Crib Wall	\$1,100				
Public Works Corp Yard	\$250		\$714		
Goleta Storm Drain Master Plan	\$200				
City-Wide Open Space Management and Maintenance			\$100		
Lake Los Carneros Master Plan			\$250		
Fairview & Stow Canyon Traffic Signal & Intersection Improvements			\$532	\$720	
Vision Zero			\$234		
Annual Pavement Rehabilitation	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Annual Misc. Concrete & ADA Project	\$755	\$1,026	\$1,026	\$1,026	\$1,026
Estimated Total	\$6,305	\$5,026	\$6,856	\$5,746	\$5,026



LRDP Projects to be Deferred

Proj No.	Project Name	Proj No.	Project Name
9001	Complete Streets (Hollister)	9062	Hollister/Storke Intersection
9097	South Fairview Avenue Project	I-08 (GTIP)	Patterson/US 101 SB-Ramp
I-01 (GTIP)	Fairview/Calle Real Intersection	I-09 (GTIP)	Patterson/US 101 NB-Ramp
I-02 (GTIP)	Fairview/US 101 SB-Ramp	9002	Hollister/SR-217 NB-Ramp
I-03 (GTIP)	Fairview/US 101 NB-Ramp	I-12 (GTIP)	Hollister/Canon Green Intersection
I-10 (GTIP)	Hollister/Patterson Intersection	9072	La Patera Overcrossing
9045	Los Carneros/US 101 SB-Ramp	9027	Ellwood Station Overcrossing

Proposed Funding Strategy

Fund Project Connect & Hollister Old Town Interim Striping

Categories (all numbers in thousands)	FY 23/24	FY24/25	FY25/26	FY26/27	FY27/28
Defer Proposed Projects	\$2,305	\$1,026	\$2,856	\$1,746	\$1,026
General Fund – Reassign Measure B (PW)	\$3,107				
Measure A Named Project - Reassigned		\$8,414			
General Fund – Unassigned Balance	\$5,000				
DIF Fund – Unassigned Balance		\$2,200			
Estimated Total	\$10,411	\$11,640	\$2,856	\$1,746	\$1,026

~\$27M



Funding Gap Summary

- Project Connect & Hollister Interim Striping – Unfunded \$27M
- Committed CIP Projects - \$56M
- Staff developed an interactive 5-year funding and cash flow worksheet to be used to develop further funding strategies



Unfunded Funding Scenarios

Potential Budget Changes to Fund Proposed CIP Projects

Interactive Model for scenario
discussions



Looking Forward

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Potential Funding Sources - Borrowing

The following is a list of other short-term solutions, available to the City

Funding Options	Estimated Amount	Notes
General Fund – Contingency Borrowing	\$4,233,484	Repayment plan needed within 5 years.
General Fund – CIP Reserve Funding Policy for future Pay-Go	TBD	Ongoing funding policy set aside into a CIP reserve account (e.g., 50% of excess net revenues), instead of focusing in on the unassigned fund balance.
Interfund Borrowing – Other Special Revenue Funds	TBD	Ideal for 1-2 years, until special revenue fund needs their funds
Short-Term Debt – Bank Loans / Lines of Credit	TBD	Most expensive due to rate environment. Benchmark rate + 200bps.
Lease Financing (COPs)	TBD	City will need to make capacity.
IBank Financing	TBD	Dependent on revenue stream and capacity. Up to \$25 million for Infrastructure Projects, utilizing the State's credit (State recently increased up to \$65 million)

Any type of debt financing considered is staff “last resort” option and will need to be made in accordance with the City’s Debt Management Policy



Potential Funding Sources – Borrowing Costs

Estimated borrowing costs:

- Market volatility, interest rates could be between 4% to 6%
- Increased fed funds rate, influences treasury rates, which influences borrowing rates
- City would need to make ongoing revenue source available to make debt payments
- Recent IBank financing at \$40m, 20 years, @ 4.04% and \$21m, 30 years @ 4.36%
- City would need to demonstrate long-term net operating revenue, debt capacity, and debt service coverage

\$10,000,000				\$25,000,000			
10 years	15 years	20 years	30 years	10 years	15 years	20 years	30 years
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
\$1,172,305	\$837,666	\$672,157	\$510,193	\$2,930,763	\$2,094,165	\$1,680,393	\$1,275,482
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
\$1,202,414	\$868,251	\$703,611	\$543,713	\$3,006,034	\$2,170,627	\$1,759,027	\$1,359,283
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
\$1,232,909	\$899,411	\$735,818	\$578,301	\$3,082,274	\$2,248,528	\$1,839,544	\$1,445,752
4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
\$1,263,788	\$931,138	\$770,428	\$613,915	\$3,159,471	\$2,327,845	\$1,926,070	\$1,534,789
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
\$1,295,046	\$963,423	\$802,426	\$650,514	\$3,237,614	\$2,408,557	\$2,006,065	\$1,626,286
6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
\$1,358,680	\$1,029,628	\$871,846	\$726,490	\$3,396,700	\$2,574,069	\$2,179,614	\$1,816,225



Other Potential Funding Sources

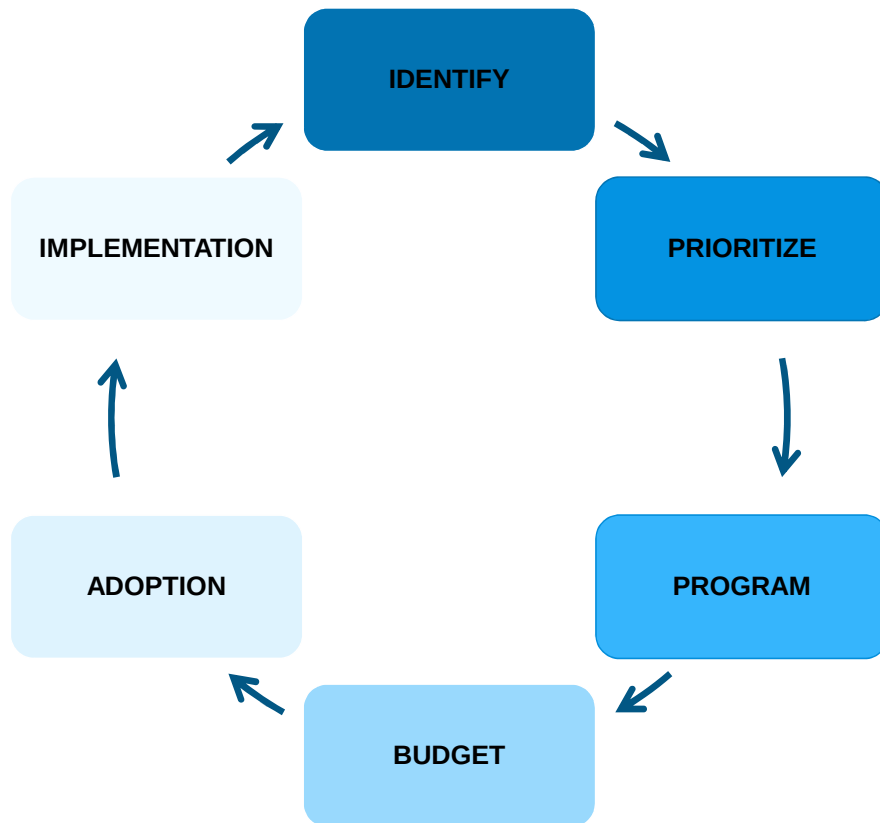
The following is a list of long-term solutions

Funding Options	Estimated Amount	Notes
Create a Stormwater Utility Fee		Subject to voter approval, pursuant to Proposition 218
General Obligation Bonds:		Subject to voter approval, 2/3 super-majority
\$30.00 per \$100,000 AV @ 30 years	\$83,500,000	
\$45.00 per \$100,000 AV @ 30 years	\$125,300,000	
\$60.00 per \$100,000 AV @30 years	\$167,000,000	
Consider Future Revenue Enhancement Options Dedicated to CIP	TBD	

Any debt financing considered will need to be made in accordance with the City's Debt Management Policy



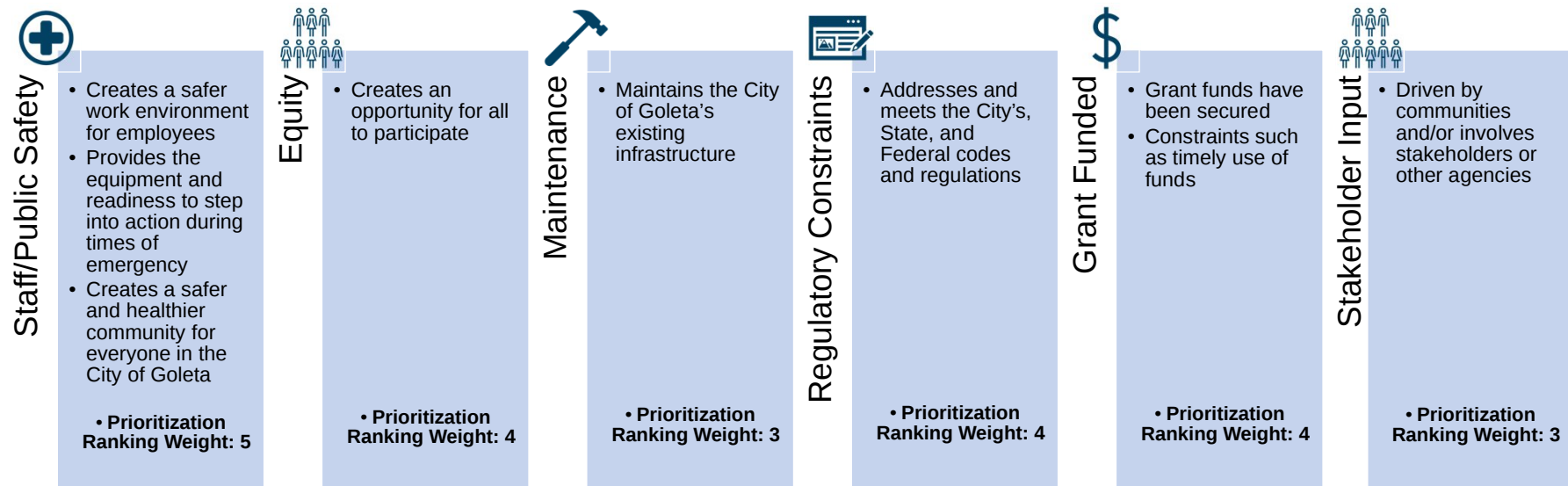
CIP Project Planning Cycle



- **IDENTIFY** project needs and scope
 - Ongoing
 - Master plans
 - Stakeholder input (annual public workshops)
- **PRIORITIZE** project needs and develop Long Range CIP Strategic Plan
- **PROGRAM** projects
 - Staff programs based on funding, project development phase, project needs, etc.
- CIP projects are incorporated into the 5-year CIP and **BUDGET**
 - Available funding is distributed to projects programmed
- City Council **ADOPTS** budget
 - 2-year budget
 - Mid-Cycle budget review
- CIP projects move towards design and **IMPLEMENTATION**



Project Prioritization Proposed Goals



Project Connect Summary

- Project Connect Award - \$62,746,273
- If Council does not take this action:
 - City likely to pay back up to \$9,9M to State and Federal grant agencies
 - City to give up \$50.5M+ in State and Federal grant funding
 - Defer removal of 100-year flood plain in eastern Old Town Goleta
 - Impacts disadvantaged communities and potential redevelopment
 - Potential impacts or damage of the 25-year storm
 - Determine legal and funding issues regarding property acquisitions
 - Risk not receiving any future grants from many agencies



Council Actions

- Receive a presentation on the preliminary five-year (2023/2024 - 2027/2028) Capital Improvement Program project delivery and preliminary cost estimates;
- Reject all bids for Hollister Old Town Interim Striping Project;
- Direct staff to return to City Council on December 5, 2023 to award Project Connect, and include the proposed funding strategy, and related budget adjustments and appropriations;
- Direct staff to negotiate a construction change order to Project Connect to construct the Hollister Old Town Interim Striping Project and return to City Council on December 19, 2023 to approve a change order for the Hollister Old Town Interim Striping Project;
- Authorize the City Manager or his designee to request an amendment to the Measure A Investment Plan by the Santa Barbara County Association of Governments to transfer the \$8.4 million in Measure A regional funds from the named Goleta US 101 Overcrossing project to the Goleta Transportation Circulation Improvements Project; and
- Direct staff to come back in April 2024 to further review the CIP project delivery and options for funding these projects.



Questions/Comments

October 30, 2023, Special City Council Meeting

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