

# City of Los Alamitos

## Agenda Report Discussion Items

July 21, 2015  
Item No: 9C

**To:** Mayor Richard D. Murphy & Members of the City Council  
**Via:** Bret M. Plumlee, City Manager  
**From:** Jason Al-Imam, Administrative Services Director  
**Subject:** Prioritization of Bond Funded Projects

**Summary:** Discuss the prioritization of projects the City Council desires to fund with bond proceeds.

**Recommendation:** Discuss the prioritization of projects the City Council desires to fund with bond proceeds.

### Background

At a special meeting on June 23, 2015, the City Council approved a tentative list of projects (**Attachment 1**) to fund with bond proceeds. On August 10, 2015 the City Council will be requested to approve the bond documents related to the refinancing of the 2006 Certificates of Participation. At that time, the City Council will be requested to make a final determination as to whether or not it desires to extend the amortization period from 21 years to 30 years and borrow an additional \$915,000 to be used on capital projects. The City Council will also need to finalize the list of projects on August 10, 2015.

At the meetings on July 21, 2015 and August 10, 2015, the City Council will have an opportunity to discuss the prioritization of projects. The bonds are expected to close in September 2015. The prioritization of projects will need to be completed once the bonds have closed in order to provide direction to Staff in terms of which projects to pursue and to ensure that the bond funds are spent within the prescribed 3-year timeframe.

### Discussion

The bond proceeds must be spent within three years of issuance on capital assets (such as land, buildings, and equipment) that the City owns which have an estimated useful life that matches the average life of the bonds. Eligible capital expenditures include costs to acquire, construct (including design and engineering costs) and/or improve the capital asset.

The tentative list of bond funded projects (**Attachment 1**) outlines other funding sources that are also available including potential grant funds. The City can leverage bond proceeds by using those funds as matching funds on those projects that are eligible for grant funding. Oftentimes grant applications are scored higher when agencies offer to provide matching funds, which in turn increases the odds of the grant being awarded to the City.

The City has received numerous grants over the years from the County of Orange, the State of California and the Federal Government including funds passed-through other governmental agencies such as the Rivers & Mountains Conservancy. Each Department is responsible for identifying and applying for grant funds. The City also works with a consultant to identify grant opportunities. Once a grant opportunity is identified, the Department works with the City Manager to determine whether or not the grant aligns with the City's strategic priorities as opposed to simply constituting additional funding. Accepting a grant that is not consistent with the City's overall strategic direction creates the risk that the City could spend its own funds supporting a grant that may be inconsistent with the City's overall mission and priorities.

Grant funding provides significant resources to the City. The City will continue to explore grant opportunities to fund projects, including those projects that may be financed with bond proceeds.

## **Fiscal Impact**

If the City extends the amortization period from 21 years to 30 years and borrows an additional \$915,000, the annual debt service (principal and interest) on the total bond issue would be approximately \$210,000 each year, which is on par with the current level of annual debt service on the original bond issue.

Submitted By:

  
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Jason Al-Imam  
Administrative Services Director

Approved By:

  
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Bret M. Plumlee  
City Manager

*Attachment: 1. Tentative List of Bond Funded Projects*

CITY OF LOS ALAMITOS  
TENTATIVE LIST OF BOND FUNDED PROJECTS

ATTACHMENT 1

Project	Project Description	Amount
Los Alamitos Boulevard Revitalization Project	<p>Design and construct raised curb median island, landscaping, irrigation system, plant lighting, center median street lights, slurry sealing of street and restriping of lanes on Los Alamitos Blvd from Katella Ave to Cerritos Ave.</p> <p><b>Current Funding Source:</b> \$200,000 set aside in General Fund; balance is unfunded</p> <p><b>Potential Grant Funding Sources:</b>            CMAQ (Congestion Mitigation and Air Quality) up to 88.53% of the total cost of selected transportation projects that will improve air quality.</p> <p>HSIP (Highway Safety Improvement Program) up to 88.53% of the total cost of selected transportation projects that improve safety</p> <p>OCTA, Regional Capacity Program (RCP) – Arterial Capacity Enhancements (ACE) up to 50%</p>	\$700,000
ADA Curb Ramps & Sidewalks	<p>This project provides for repair and replacement of public curbs, gutters and sidewalks that do not meet current ADA standards.</p> <p><b>Current Funding Source:</b> Measure M/ Gas Tax</p>	\$300,000
Parks Playground Replacement & Rubberized Ground Cover Project	<p>Install new rubberized ground cover and new playground equipment at Orville Lewis, Labourdette, Sterns, Soroptimist and Little Cottonwood Park.</p> <p><b>Current Funding Source:</b> Park Fees</p>	\$227,500
Little Cottonwood Park Septic Tank Project	<p>Construct 8 inch sewer from Little Cottonwood Park restroom to the sewer in Kelly Lane.</p> <p><b>Current Funding Source:</b> Park Fees</p>	\$110,000
Old Dutch Haven Street Rehabilitation	<p>Grind and overlay asphalt or slurry seal in the streets in the Old Dutch Haven Neighborhood on Pine Street, Reagan Street, Cherry Street, Thor Avenue and Snark Street south of Farquhar Avenue.</p> <p><b>Current Funding Source:</b> Future Measure M/ Gas Tax Revenues Not Available Until 2017/18</p>	\$292,000
Alley Improvements - Between Pine and Reagan and Kyle and Bloomfield	<p>This project replaces asphalt or broken sections of concrete with new concrete.</p> <p><b>Current Funding Source:</b> Unfunded</p>	\$150,000
Alley Improvements - Between Katella and Green and Reagan and Los Alamitos	<p>This project replaces asphalt or broken sections of concrete with new concrete.</p> <p><b>Current Funding Source:</b> Unfunded</p>	\$100,000
Cerritos Ave @ High School Intersection	<p>Striping dual left turns into school.</p> <p><b>Current Funding Source:</b> Unfunded</p>	\$5,000

CITY OF LOS ALAMITOS  
TENTATIVE LIST OF BOND FUNDED PROJECTS

ATTACHMENT 1

Project	Project Description	Amount
Cerritos Ave @ High School Intersection	<p>Modify signal and widen school entrance and exit.</p> <p><b>Current Funding Source:</b> Unfunded</p> <p><b>Potential Grant Funding Sources:</b>            OCTA, Regional Capacity Program (RCP) - Intersection Capacity Enhancements (ICE) 50%</p> <p>CMAQ (Congestion Mitigation and Air Quality) up to 88.53% of the total cost of selected transportation projects that will improve air quality.</p> <p>HSIP (Highway Safety Improvement Program) up to 88.53% of the total cost of selected transportation projects that improve safety</p>	\$92,000
Cerritos Ave @ Los Alamitos Boulevard Intersection Improvements	<p>Cerritos Ave @ Los Alamitos Boulevard Intersection Improvements</p> <p><b>Current Funding Source:</b> Unfunded</p> <p><b>Potential Grant Funding Sources:</b>            OCTA, Regional Capacity Program (RCP) - Intersection Capacity Enhancements (ICE) 50%</p> <p>CMAQ (Congestion Mitigation and Air Quality) up to 88.53% of the total cost of selected transportation projects that will improve air quality.</p> <p>HSIP (Highway Safety Improvement Program) up to 88.53% of the total cost of selected transportation projects that improve safety</p>	\$131,000
Old Dutch Haven Block Wall	<p>Old Dutch Haven Block Wall</p> <p><b>Current Funding Source:</b> Unfunded</p>	\$30,000
Purple Pipe Project	<p>Purple Pipe Project</p> <p><b>Current Funding Source:</b> Unfunded</p> <p><b>Potential Grant Funding Sources:</b> Proposition 1B (State)</p>	\$250,000
	<b>TOTAL</b>	<b>\$2,387,500</b>