

TO: City Council

FROM: James L. App, City Manager

SUBJECT: **Community Expectations & Choices:
Public Service & Infrastructure Requirements**

DATE: May 16, 2006

NEEDS: For the City Council to continue examination of, and dialogue with residents concerning, future public service and infrastructure requirements.

- FACTS:**
1. Paso Robles City government was formed by residents to provide a wide range of services and facilities in support of community life [Exhibit A].
 2. The costs of these services and facilities are paid by fees and taxes [Exhibit B].
 3. The City has been diligent in managing its fiscal affairs as evidenced by the last eight years operating results [Exhibit C].
 4. Even with a history of, and continuing commitment to, prudent fiscal management, revenue will not keep pace with community demands [Exhibit D].
 5. Prudence dictates soliciting citizen direction concerning future service and facility priorities and funding.

ANALYSIS &

CONCLUSION: A community's public services, educational opportunities, and cultural amenities play an essential role in creating a sense of place and being – a quality of life - that can be attractive to business and investment, as well as residents and visitors. Likewise, the quality of the built environment, the condition of road networks, public facilities, and utility infrastructure, are fundamental to daily living and economic competitiveness.

If a community is to maintain its quality of life, it must generate adequate resources to sustain public services and facilities (infrastructure). Yet, looking forward, growth in demand for public service and infrastructure is predicted to outpace revenue growth. Satisfaction of the demands will require choices and sustained effort.

Exhibit D provides an overview of some of the more significant demands. Collectively, they exceed community means. The community will need to set priorities for the future. And, in so doing, determine whether the priorities are sufficiently vital and time critical as to warrant modification of the local tax structure.

This is not a simple task. The City Council has, and continues to, grapple with these issues. Over the past two years, their consideration led to contemplation of a sales tax ballot measure to seek citizen direction regarding future challenges. However, refinement of the community's priorities is still under way, so asking citizens to set priorities of, and between, service, infrastructure, and finance via a November 2006 sales tax ballot measure may be premature.

POLICY

REFERENCE: City Fiscal Policy

FISCAL

IMPACT: See Exhibit D.

- OPTIONS:**
- A. Defer Consideration of A Revenue Ballot Measure Pending Further Strategic Community Service and Facility Discussion and Determination.**
 - B. Direct Preparation and Placement of a ½ Cent Sales Tax Measure on the November 2006 Ballot.**
 - C. Amend, Modify or Reject the Options Above.**

Attachments: Exhibit A – General Services
Exhibit B – City Revenue Sources
Exhibit C – General Fund Results FY 98-05
Exhibit D – Community Expectations & Choices – 2010 and Beyond

CITY OF PASO ROBLES
General Services & Facilities

Public Safety

- Protection of life & property
- Emergency medical & paramedic service
- Building/construction plan review and inspection
- Fire suppression, prevention, inspection, & education
- Special enforcement, narcotics, & gang task units
- Police patrol & traffic enforcement
- Criminal & accident investigation
- Hazardous materials response
- Sex offender monitoring
- Public education/involvement (Neighborhood Watch, D.A.R.E. & Police Activities League)

Community Development

- Long-range community planning
- Private development environmental analysis & review
- Housing & urban development
- Economic development

Community Services

- Library
- Recreation
 - Youth sports
 - Adult sports
 - Youth after school programs
 - Senior Center & Programs
 - Classes
 - Swimming
- Parks, trails & open space
- Veteran's Memorial Building
- Maintenance of roads, parks, & public buildings
- Trash & recycling pick-up & disposal
- Landfill operation
- Public information
- Public transportation (Dial-A-Ride & Fixed Route Bus Service)

CITY OF PASO ROBLES
Revenue Sources for General Services

Taxes

• Retail Sales	\$7,400,000
• Property	\$4,850,000
• Vehicle License	\$2,200,000
• Transient Occupancy	<u>\$1,850,000</u>
	<u>\$16,300,000</u>

Fees

• Franchise	\$2,350,000
• Charges for Services	\$1,600,000
• Building Permits	\$ 750,000
• Interest Earnings, Rentals, Etc.	\$ 500,000
• Business Licenses	<u>\$ 325,000</u>
	<u>\$5,525,000</u>

Other

\$ 542,500

TOTAL (Fiscal year 2006)

\$22,367,500

CITY OF PASO ROBLES
General Fund Results F.Y. 1998 – 2005

Fiscal Year Ended June 30

• 1998	+ \$1,908,992
• 1999	+ \$ 726,255
• 2000	+ \$ 561,803
• 2001	+ \$ 957,161
• 2002	+ \$1,366,351
• 2003	+ \$ 616,843
• 2004*	(\$ 87,326)
• 2005	+ \$ <u>340,000</u>
	+ <u>\$6,590,279</u>

* Results were impacted by unanticipated \$1,000,000 emergency response costs for San Simeon earthquake.

COMMUNITY CHOICES 2010 & BEYOND

Community revenue growth is positive and strong. It is evidenced in the current four-year financial & capital improvement plan that provides \$220,000,000 investment in public services and infrastructure. Notably, this investment, while constructive and substantial, represents partial catch up to earlier demands, not increased capacity.

The “earlier” demands result from fifteen years of population growth (44%), increased expectations for service (from 44% to over 100%), and infrastructure needs. The growth/demand trend shows no sign of diminishing; at the same time, revenue projections for the next four years are allocated (to partial catch up with “earlier” demands). “New” demands and growth estimated to 2010 and beyond will require some adjustment.

Continually increasing service and infrastructure expectations are projected to outpace revenue growth. The community faces a choice – either temper service and facility expectations, or determine to commit new resources for what is desired. The estimated impact of continued growth in demand trends to 2010 and beyond:

- **Service/Staffing**

In order to maintain current levels of service (as gauged by staff-to-population ratios) - 23 additional staff will be needed by 2010.

\$1,800,000/year

- **Infrastructure Maintenance**

- **Roads & Bridges**

In order to maintain existing road surfaces at approximately 80% of new condition, \$3,000,000/year is required; \$400,000/year is currently set aside.

\$2,600,000/year

- **Public Buildings**

In order to provide for predictable public building major repair needs, a reasonable set aside would be 1% of replacement value – currently estimated at \$80,000,000 - or \$800,000/year. \$300,000 is currently being set aside annually for this purpose.

\$500,000/year

- **Infrastructure Construction***

- To finance the existing community's share of construction of new roads & bridges (approximately \$130,000,000).

\$10,000,000/year

- To finance the existing community's share of construction of new public buildings (approx. \$38,000,000).

\$3,000,000/year

- To finance the existing community's share of construction of drainage facilities (approx. \$10,000,000).

\$800,000/year

- To finance the existing community's share of construction of park & recreation facilities (approx. \$8,000,000).

\$650,000/year

- **General Plan & Economic Development Strategy Initiatives**

In order to pursue and accomplish the objectives of both the General Plan and Economic Development Strategy, substantial investment will be required. It is not possible, at present, to provide an estimate.

Not Yet Determined

- *
 - > See attached "Table" - "Public Facilities Needs List"
 - > Once constructed, there will be additional costs incurred to operate and/or maintain new infrastructure.

TABLE 2
DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH BUILDOUT

Facility Name	{1}	{2}	{3}	{4}	{5}
	Total Cost for Facility	Off-setting Revenues	Net Cost to City	Percent of cost allocated to new development	Cost allocated to new development
A. TRANSPORTATION					
CITY-WIDE FACILITIES					
<u>1. Bridge and Interchange Construction</u>					
1 4th Street Underpass	\$12,000,000	\$0	\$12,000,000	39.41%	\$4,729,446
2 24th Street over Railroad	\$16,000,000	\$0	\$16,000,000	39.41%	\$6,305,928
3 Highway 46West - Highway 101	\$50,000,000	\$0	\$50,000,000	39.41%	\$19,706,025
4 Highway 101/46East-Dual Left- 16th Street Ramps	\$9,000,000	\$0	\$9,000,000	39.41%	\$3,547,085
5 Highway 46East - Golden Hill Road	\$2,500,000	\$0	\$2,500,000	39.41%	\$985,301
6 Airport Road - Highway 46 to Airport Entrance	\$9,700,000	\$0	\$9,700,000	39.41%	\$3,822,969
7 Dry Creek Road - Airport Rd to Aero Tech Way	\$8,000,000	\$0	\$8,000,000	39.41%	\$3,152,964
8 Dry Creek Road over Huer Huero	\$14,000,000	\$0	\$14,000,000	39.41%	\$5,517,687
TOTAL - CITY WIDE FACILITIES	\$121,200,000	\$0	\$121,200,000		\$47,767,405
EAST OF SALINAS RIVER FACILITIES					
1. Intersection Improvements					
1 Niblick Road	\$720,000	\$0	\$720,000	45.15%	\$325,071
2 Creston Road	\$300,000	\$0	\$300,000	45.15%	\$135,446
3 Union Road	\$1,500,000	\$0	\$1,500,000	45.15%	\$677,232
4 Creston Road	\$1,000,000	\$0	\$1,000,000	45.15%	\$451,488
5 Charolais Road	\$1,000,000	\$0	\$1,000,000	45.15%	\$451,488
6 Charolais Road	\$300,000	\$0	\$300,000	45.15%	\$135,446
7 Creston Road	\$1,500,000	\$0	\$1,500,000	45.15%	\$677,232
8 Golden Hill Road	\$1,000,000	\$0	\$1,000,000	45.15%	\$451,488
9 LED crosswalks at various locations	\$500,000	\$0	\$500,000	45.15%	\$225,744
Subtotal East of Salinas River Intersection Improvements	\$7,820,000	\$0	\$7,820,000		\$3,530,636
2. Bridge and Interchange Construction					
1 13th Street over Salinas River	\$12,900,000	\$0	\$12,900,000	45.15%	\$5,824,196
2 Southern Salinas River Crossing	\$41,000,000	\$0	\$41,000,000	45.15%	\$18,511,010
Subtotal Bridge and Interchange Construction	\$53,900,000	\$0	\$53,900,000		\$24,335,205
3. Road Improvements/Widenings					
1 North River Road - Navajo Ave to Creston Road	\$4,100,000	\$0	\$4,100,000	45.15%	\$1,851,101
2 Creston Road - River Road to Lana Street	\$25,000,000	\$0	\$25,000,000	45.15%	\$11,287,201
3 Union Road - Golden Hill Road to East City Limits	\$2,600,000	\$0	\$2,600,000	45.15%	\$1,173,869
4 Union Road - Kleck Road to Golden Hill Road	\$3,500,000	\$0	\$3,500,000	45.15%	\$1,580,208
5 City-wide Traffic Calming Master Plan	\$500,000	\$0	\$500,000	45.15%	\$225,744
Subtotal Road Improvements/Widenings	\$35,700,000	\$0	\$35,700,000		\$16,118,123
TOTAL EAST OF SALINAS RIVER FACILITIES	\$97,420,000	\$0	\$97,420,000		\$43,983,965
WEST OF SALINAS RIVER FACILITIES					
1. Intersection Improvements					
1 Spring Street	\$300,000	\$0	\$300,000	30.12%	\$90,356
2 Spring Street	\$300,000	\$0	\$300,000	30.12%	\$90,356
3 Riverside Avenue	\$300,000	\$0	\$300,000	30.12%	\$90,356
4 Spring Street	\$300,000	\$0	\$300,000	30.12%	\$90,356
5 24th Street	\$1,000,000	\$0	\$1,000,000	30.12%	\$301,188
6 10th Street	\$100,000	\$0	\$100,000	30.12%	\$30,119

**TABLE 2
DEVELOPMENT IMPACT FEE PROGRAM
CITY OF PASO ROBLES
PUBLIC FACILITIES NEEDS LIST THROUGH BUILDOUT**

Facility Name	{1} Total Cost for Facility	{2} Off-setting Revenues	{3} Net Cost to City	{4} Percent of cost allocated to new development	{5} Cost allocated to new development
Subtotal Intersection Improvements	\$2,300,000	\$0	\$2,300,000		\$692,732
2. Road Improvements/Widenings					
1 Vine Street - 32nd Street to 36th Street	\$700,000	\$0	\$700,000	30.12%	\$210,831
2 Vine Street - 1st Street to Highway 46W	\$1,000,000	\$0	\$1,000,000	100.00%	\$1,000,000
3 24th Street - Vine Street to West City Limits	\$1,000,000	\$0	\$1,000,000	30.12%	\$301,188
Subtotal Improvements/Widenings	\$2,700,000	\$0	\$2,700,000		\$1,512,019
TOTAL WEST OF SALINAS RIVER	\$5,000,000	\$0	\$5,000,000		\$2,204,751
TOTAL TRANSPORTATION	\$223,620,000	\$0	\$223,620,000		\$93,956,122
B. DRAINAGE FACILITIES					
1 4th Street - Spring Street Crossing	\$500,000	\$0	\$500,000	36.62%	\$183,117
2 Downtown SD System Improvements (new drain inlets and pipelines)	\$2,000,000	\$0	\$2,000,000	36.62%	\$732,468
3 Pacific Ave. SD Improvements	\$500,000	\$0	\$500,000	36.62%	\$183,117
4 Mountain Springs Road SD Improvements	\$600,000	\$0	\$600,000	36.62%	\$219,740
5 17th Street and Locust SD Improvements	\$500,000	\$0	\$500,000	36.62%	\$183,117
6 21st Street/Villa SD Improvements	\$500,000	\$0	\$500,000	36.62%	\$183,117
7 7th Street, Spring Street / Southern	\$600,000	\$0	\$600,000	36.62%	\$219,740
8 7th Street, Olive Street/Spring Street	\$500,000	\$0	\$500,000	36.62%	\$183,117
9 S/o 13th Street, Southern Pacific	\$800,000	\$0	\$800,000	36.62%	\$292,987
10 S/o 13th Street, Spring & 12th/Southern	\$900,000	\$0	\$900,000	36.62%	\$329,610
11 S/o 13th Street, 12th - from Chestnut/Spring	\$800,000	\$0	\$800,000	36.62%	\$292,987
12 N/o 13th St., along 15th St. - Spring/Salinas River	\$900,000	\$0	\$900,000	36.62%	\$329,610
13 N/o 13th St., along 14th - Vine/Spring, Spring -15th	\$500,000	\$0	\$500,000	36.62%	\$183,117
14 Along 21st St., Spring to the Salinas River	\$3,000,000	\$0	\$3,000,000	36.62%	\$1,098,701
15 Vine Street/Spring Street, 23rd, Oak and 22nd	\$1,000,000	\$0	\$1,000,000	36.62%	\$366,234
16 Spring Street, 32nd Street/36th Street	\$800,000	\$0	\$800,000	36.62%	\$292,987
17 Spring Street, 28th Street/32nd Street	\$600,000	\$0	\$600,000	36.62%	\$219,740
18 Storm Drainage Master Plan	\$350,000	\$0	\$350,000	36.62%	\$128,182
TOTAL DRAINAGE FACILITIES	\$15,350,000	\$0	\$15,350,000		\$5,621,688.31
C. BIKE AND PEDESTRIAN PATH FACILITIES					
1 Creston Road from Lana Street to Charolais Road	\$100,000	\$0	\$100,000	100.00%	\$100,000
2 Charolais Road from South River Road to 300' East of South	\$23,400	\$0	\$23,400	100.00%	\$23,400
3 St. Ann Drive from North along Creek to Toward Snead Street	\$2,000	\$0	\$2,000	100.00%	\$2,000
4 Vine Street from 1st Street to 4th Street	\$52,800	\$0	\$52,800	100.00%	\$52,800
5 16th Street from Riverside Avenue to Vine Street	\$30,000	\$0	\$30,000	100.00%	\$30,000
6 10th Street from Riverside Avenue to Vine Street	\$10,000	\$0	\$10,000	100.00%	\$10,000
7 Connection between Creekside Bike Path and Tract 1771	\$82,400	\$0	\$82,400	100.00%	\$82,400
8 Southeast Corner of Snead Street and Rambouillet Road	\$41,200	\$0	\$41,200	100.00%	\$41,200
9 South Vine Street from Hwy 46 West to 1st Street	\$475,200	\$0	\$475,200	100.00%	\$475,200
10 Airport Road from Linne Road to Meadowlark Road	\$132,000	\$0	\$132,000	100.00%	\$132,000
11 Airport Road from Tower Road to Hwy 46 East	\$375,000	\$0	\$375,000	100.00%	\$375,000
12 Dry Creek Road from Airport Road to Aerotch Center Way	\$145,000	\$0	\$145,000	100.00%	\$145,000
13 Tower Road from Airport Road to Jardine Road	\$280,500	\$0	\$280,500	100.00%	\$280,500
14 Union/46 Specific Plan	\$535,400	\$0	\$535,400	100.00%	\$535,400
15 Dallons Drive from Buena Vista Road to Golden Hill Road	\$617,800	\$0	\$617,800	100.00%	\$617,800
16 City-wide Stripping and Signing along Bike Routes	\$20,000	\$0	\$20,000	100.00%	\$20,000
17 Golden Hill Road from Dallons Drive to HWY 46 East	\$52,800	\$0	\$52,800	100.00%	\$52,800

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Facility Name	{1} Total Cost for Facility	{2} Off-setting Revenues	{3} Net Cost to City	{4} Percent of cost allocated to new development	{5} Cost allocated to new development
18 Fairgrounds Perimeter 24th Street Riverside Avenue	\$400,000	\$0	\$400,000	100.00%	\$400,000
19 South River Road Creston Road to Niblick Road	\$2,000,000	\$0	\$2,000,000	100.00%	\$2,000,000
TOTAL BIKE AND PEDESTRIAN PATH FACILITIES	\$5,375,500	\$0	\$5,375,500		\$5,375,500

D. PUBLIC SAFETY FACILITIES

1. Police Facilities

1 Patrol/Detective/Specialty Vehicles	\$420,900	\$0	\$420,900	100.00%	\$420,900
2 Assigned (Additional) Officer Equipment	\$100,200	\$0	\$100,200	100.00%	\$100,200
3 Computers and Communication Equipment	\$225,000	\$0	\$225,000	100.00%	\$225,000
4 Multi-channel Portable Radios	\$36,000	\$0	\$36,000	100.00%	\$36,000
<i>subtotal</i>	\$782,100		\$782,100		\$782,100

2. Fire Facilities

1 Station (3,200 SF Apparatus Bay/3,460 SF Living Quarters)	\$4,422,500	\$0	\$4,422,500	69.14%	\$3,057,499
2 Fire Training Facility - Project No. FD-04	\$5,069,700	\$0	\$5,069,700	69.14%	\$3,504,941
3 Fire Fighter Equipment	\$159,500	\$0	\$159,500	69.14%	\$110,270
4 Fire Engine	\$375,000	\$0	\$375,000	69.14%	\$259,257
<i>subtotal</i>	\$10,026,700		\$10,026,700		\$6,931,967
TOTAL PUBLIC SAFETY FACILITIES	\$11,590,900	\$0	\$10,808,800		\$7,714,067

E. GENERAL GOVERNMENT FACILITIES

1 City Hall - Project No. GF-01	\$27,430,500	\$0	\$27,430,500	51.95%	\$14,249,215
2 Public Use Facility - Project No. CC-01	\$3,085,000	\$0	\$3,085,000	51.95%	\$1,602,553
3 Performing Arts Center	\$32,500,000	\$0	\$32,500,000	51.95%	\$16,882,648
4 300 Space Parking Structure -1000 Spring St.	\$11,044,400	\$0	\$11,044,400	51.95%	\$5,737,191
5 Replace City Yard - Project No. GF-03	\$4,634,200	\$0	\$4,634,200	51.95%	\$2,407,310
TOTAL GENERAL GOVERNMENT FACILITIES	\$78,694,100	\$0	\$78,694,100		\$40,878,917

F. PARK AND RECREATION FACILITIES

1 Centennial Park Improvements	\$1,000,000	\$0	\$1,000,000	80.65%	\$806,455
2 Sherwood Park Land Improvements	\$10,000,000	\$0	\$10,000,000	80.65%	\$8,064,548
3 Salinas Corridor Open Space Land Acquisition 71 ac	\$9,700,000	\$0	\$9,700,000	80.65%	\$7,822,611
4 Salinas Corridor Open Space Land Improvements 15 ac	\$497,400	\$0	\$497,400	80.65%	\$401,131
5 Montebello Park Land Acquisition 3 ac	\$750,000	\$0	\$750,000	80.65%	\$604,841
6 Montebello Park Land Improvements 10 ac	\$4,250,000	\$0	\$4,250,000	80.65%	\$3,427,433
7 Aquatic Facility	\$12,000,000	\$0	\$12,000,000	80.65%	\$9,677,457
TOTAL PARKS AND RECREATION FACILITIES	\$38,197,400	\$0	\$38,197,400		\$30,804,475

G. LIBRARY FACILITIES

1 Remodel Existing Library Upstairs	\$4,200,000	\$0	\$4,200,000	100.00%	\$4,200,000
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Facility Name	{1} Total Cost for Facility	{2} Off-setting Revenues	{3} Net Cost to City	{4} Percent of cost allocated to new development	{5} Cost allocated to new development
2 Library Books	\$1,196,000	\$0	\$1,196,000	100.00%	\$1,196,000
3 Library Study Center	\$250,000	\$0	\$250,000	100.00%	\$250,000
TOTAL LIBRARY FACILITIES	\$5,646,000	\$0	\$5,646,000		\$5,646,000
Total all Facilities	\$378,473,900	\$0	\$377,691,800		\$189,996,769