

DATE: March 26, 2019

TO: Honorable Mayor and City Council

FROM: Nancy Doan, Administrative Analyst II
Joy Houghton, Associate Engineer
Jacqueline Andrews Solomon, Assistant Public
Works Director/City Engineer
Michael A. Fuller, Public Works Director

VIA: Daniel H. Rich, City Manager

TITLE: **Preliminary Review of the Fiscal Year 2019-20
through Fiscal Year 2023-24 Capital
Improvement Program**



PURPOSE

The purpose of this Study Session is to obtain City Council input to guide staff in the preparation of the Proposed Fiscal Year 2019-20 through Fiscal Year 2023-24 Capital Improvement Program (CIP). This is the first of two planned Study Sessions prior to adoption of the CIP. This report presents: (1) information about available funding; (2) status of existing projects; (3) projects that are scheduled to “roll forward” from existing CIP; and (4) staff’s initial thoughts on preparing a proposed Capital Improvement Program (CIP).

Staff is seeking Council’s input on: (1) projects scheduled to “roll forward” from the last adopted five-year plan to the first three years of the current plan; (2) some major projects that staff will propose for inclusion in the five-year CIP; and (3) additional projects Council would like to include. Staff will evaluate this input in light of available funding and return to Council in April with a Proposed Five-Year CIP. If funding is constrained, staff will also request that Council prioritize projects within available resources.

BACKGROUND

The Five-Year CIP is adopted biennially, with a full plan developed in odd-numbered years, and a focus only on the upcoming fiscal year in even years. In June, staff will request that the City Council appropriate funding for the Fiscal Year 2019-20 projects and adopt the plan for the four subsequent fiscal years.

Funding Sources

The City's CIP is funded through a variety of sources. Some, such as the Water and Wastewater Funds, are enterprise funds with revenues primarily from water and sewer paid by businesses and residents. These funds must be used exclusively on water- and wastewater-related activities, respectively. Other funds, such as the CIP Reserve and Construction/Conveyance Tax (C/C Tax) Funds, are less restricted and can be used on any capital project. CIP Reserve and C/C Tax are, therefore, usually the most competitive and generally receive the bulk of Council deliberation during the CIP development process. The City has approved a number of new fees such as the Water and Wastewater Capacity Fees, the North Bayshore Transportation and Utilities Impact Fees, and, most recently, the Citywide Transportation Impact Fee, each of which are now beginning to generate revenue that is, in turn, available to fund identified projects.

Since the end of the last downturn, the City has been fortunate to reap the benefits of a booming economy. Increases to funds that are most affected by economic conditions such as the C/C Tax, CIP Reserve, Park Land Dedication Fees, Community Benefit Funds, Capacity Fees, and Impact Fees, have provided funding to move forward on a large number of capital projects. Additionally, two new funding sources, Measure B from 2016, and the Road Repair and Accountability Act of 2017 (SB 1), have added significant ongoing funding to the types of projects and programs that, in the past, the City has had to reduce funding or cut back when economic downturns occur.

A brief status of some key funding sources follows.

C/C Tax and CIP Reserve

These are the "General Fund" sources that can be used on any capital projects. Both funds tend to be robust during good economic times, which has been the case the past few years. Staff estimates \$45.8 million in CIP Reserve and C/C Tax funds will be available to fund capital projects in the Five-Year CIP. However, funding for nondiscretionary annual and discretionary new projects already planned to "roll forward" in the Five-Year CIP total \$39 million, leaving approximately \$6.8 million to fund amendments to existing projects and/or new capital projects in the Five-Year CIP. Staff's initial thoughts on new projects are included later in this report.

Park Land Dedication Fund

With the recent large number of housing projects, the supply of, and demand for, the Park Land Dedication Fund has been extraordinary in recent years. As of December

2018, there was approximately \$20.3 million available in the Park Land Dedication Fund, though \$18.8 million of this amount is in the San Antonio Planning Area. There are seven new parks (three mini-parks, two neighborhood parks, one area park, and one community garden) currently in design or planned as well as a new Aquatics Center at Rengstorff Park. Staff expects park land dedication from five private development projects currently in the pipeline if approved.

A new potential demand on Park Land funding is renovation of play structure areas at many of the City's parks. The City began a program approximately 20 years ago to renovate all of the City's play areas to meet then-current standards, including compliance with the Americans with Disabilities Act (ADA). The program lasted for approximately 10 years, with one or more play areas being renovated each year. The projects generally included new play structures as well as poured-in-place surfacing around the structures. Many of these areas are beginning to need renovation, and staff anticipates the need for another cycle of projects. These renovations can be funded with Park Land funds or CIP Reserve and C/C Tax, and the Parks and Recreation Commission and Council will likely be asked to prioritize these against other projects competing for limited funds. A midyear update on the Park Land Fund is included as [Attachment 1](#).

Shoreline Regional Park Community Fund

Revenues to and demands for the Shoreline Regional Park Community Fund have also been significant in recent years. A major demand for funds has been transportation projects associated with the North Bayshore Precise Plan, which are also funded with a combination of developer Community Benefit funds and Transportation Impact fees.

To maintain the schedule on a number of significant projects, on November 13, 2018, the City Council authorized staff to issue and sell Mountain View Shoreline Regional Park Community Revenue Bonds for a total bond issue of up to \$72.0 million. The following projects were included in the bond issuance:

- Fire Station No. 5 – Fire/Police Training and Classroom Facility, Construction
- Sailing Lake Shoreline Improvements, Construction
- NB Shoreline/101 Off-Ramp Realignment, Construction
- Shoreline at 101 Ped/Bike Overcrossing, Construction

- Shoreline Boathouse Kitchen/Bathrooms Expansion
- Plymouth Street/Space Park Way Realignment and Shoreline Bus Extension

Wastewater Fund

In addition to routine annual sanitary sewer main replacements, a number of major trunk main and pump station projects are under way or planned. To maintain the schedule on these projects, on October 23, 2018, the City Council authorized staff to borrow funds via a structured loan of up to \$10.1 million to fund Wastewater Infrastructure Capital Projects. The following projects were included in that request.

- Middlefield Road Sewer Main Replacement
- Water and Sewer Main Replacement Crossing Highway 101 at South of Shoreline Boulevard and Macon Avenue, Construction
- Interceptor Force Trunk Main Rehabilitation, Construction, Phase II
- San Antonio Area Sewer Improvements, Construction, Phase II
- Long-Term Sewage Pump Station Repairs

2016 VTA Measure B

Santa Clara County voters approved the 2016 Measure B, a 30-year, half-cent Countywide sales tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and complete streets). A portion of the 2016 Measure B sales tax funding is allocated to provide ongoing funding to cities in Santa Clara County for street infrastructure improvements, including preventative maintenance and rehabilitation. These funds must be used to augment current efforts and not replace existing local funding. The estimated annual allocation (based on population) results in Mountain View expecting to receive approximately \$1.3 million per year for the 30-year term of the Sales Tax Measure. The estimated amount of Measure B dollars available for the five-year program is approximately \$8.5 million. The following projects are recommended to receive this additional funding.

- Annual Street Reconstruction Projects (TBD)

- Annual Bicycle/Pedestrian Improvements (TBD)
- Annual Street Resurfacing and Slurry Seal Program

Road Repair and Accountability Act of 2017

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1), which is known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation, and critical safety needs on both State and local roads, SB 1 increases the per-gallon fuel excise tax; diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years. Each year, the City will receive approximately \$1.3 million annually, and staff requests that Council adopt a list of projects that will receive this funding. Council has previously approved the projects noted below.

- Fiscal Year 2019-20 – Resurfacing and Slurry Sealing (approximately 13 streets)
- Fiscal Year 2020-21 – Castro Street Accessibility

Over the five-year plan, additional funding sources will become available for certain types of projects as noted below. Staff will propose projects as listed or other eligible projects in the later years of the five-year plan in anticipation of projected revenues:

City Business License Tax Funds (Measure P)

The restructured business license tax was approved on the November 6, 2018 election by City of Mountain View voters; Council directed that 80 percent of this new funding source be allocated to transportation; when fully implemented in 2022, this tax is estimated to generate approximately \$4.8 million per year for transportation and could be used to fund projects such as:

- Automated Guideway Transit
- Castro Street Grade Separation
- Rengstorff Avenue Grade Separation
- Transit Center Improvements
- New Charleston Road Undercrossing

- Bernardo Avenue Undercrossing
- Community Shuttle Expansion
- Connecting the NASA Light Rail Station to North Bayshore

Transportation Impact Fee (Multi-Modal Improvement Plan)

This new fee was adopted by Council on September 11, 2018 to be paid by private developers to mitigate the transportation congestion due to new developments. The estimated revenue is approximately \$100 million over 25 years. Fees collected can be used to fund the following projects:

- Transit Center Master Plan, Construction
- Central Expressway Bicycle Underpass Construction
- Stevens Creek Trail Extension
- Rengstorff Grade Separation, Construction

Non-Discretionary versus Discretionary Projects

Projects are categorized as Non-Discretionary or Discretionary to provide some measure of consistency for funding of critical infrastructure maintenance. Non-Discretionary Projects are primarily annual and periodic infrastructure maintenance projects to preserve the City's significant investment in its infrastructure and facilities and projects required for regulatory compliance. While Council can alter funding, these projects are generally approved with few changes on a consistent cycle (annual or biennial) with small inflationary adjustments. Discretionary Projects are all of those that do not fit the Non-Discretionary category.

Existing Projects

Staff is currently managing an extraordinary number (approximately 234) and wide variety of capital projects. As shown in Table 1, both the number of projects and total value of projects have increased significantly in the past five years.

Table 1: Capital Improvement Program Workload

Fiscal Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Non-Discretionary										
Number of CIPs	26	27	27	28	26	28	28	30	30	30
CIP Budget	\$7.9M	\$7.9M	\$8.4M	\$8.3M	\$9.9M	\$10.6M	\$11.2M	\$12.6M	\$13.9M	\$14.2M
Discretionary										
Number of CIPs	12	15	8	26	23	36	25	36	28	31
CIP Budget	\$11.3M	\$7.4M	\$3.2M	\$10.2M	\$11.1M	\$32.3M	\$34.7M	\$44.3M	\$38.5M	\$81.0M
TOTAL										
Number of CIPs	38	42	35	54	49	64	53	66	58	61
	Average of first five years: 44					Average of last five years: 60				
CIP Budget	\$19.1M	\$15.3M	\$11.5M	\$18.5M	\$20.9M	\$42.9M	\$45.8M	\$57.0M	\$52.4M	\$95.3M
	Average of first five years: \$17 M					Average of last five years: \$58.7 M				

In the past, most projects were managed in the Capital Projects Section of the Engineering Division in Public Works. To keep pace with the number of projects, staffing has increased in the Capital Projects Section, and projects are also now being managed in the Traffic Engineering Section (Engineering), the Transportation Section (Transportation and Business Services), and the Engineering and Environmental Compliance Section (Public Services).

While not all-inclusive, the following is a summary of the projects currently under way. Minor projects, most non-discretionary projects, and those that are complete or nearly complete have been omitted:

Table 2: Active Capital Improvement Program Projects

PROJECTS	NOTES/STATUS
Facilities Projects	
Fire Station 4 Restroom Remodel (17-38)	In design.
CPA MainStage Sound System (18-33)	In design.
CPA MainStage Catwalk and Balcony Rail Fall Protection (18-40)	In design.
Fire/Police Training and Classroom Facility at Fire Station 5, Design (18-41)	In design.
FS No. 4 Fire Training Tower Rehabilitation (18-50)	Construction scheduled to begin spring 2019.
City Hall Remodel – Fourth Floor IT and Fire (18-66)	In construction.
City Hall Remodel – Second Floor (19-37)	Construction scheduled to begin summer 2019.
Mountain View Center for the Performing Arts SecondStage Addition and Seating Improvements, Construction (19-52)	In design.
Deer Hollow Farm Barn Renovation (19-53)	Under way.
Police/Fire Administration Building Expansion, Study (19-60)	Under way.
Information Technology Projects	
Regional Public Safety Automated Information Systems (12-45)	Under way.
Fire Station Alerting System (14-50)	In construction.
Police Department/Library CCTV Replacement (15-49)	Under way.
Regional Public Safety Communications System – Infrastructure Replacement (16-34)	Under way.
MOC Security Upgrades (18-51)	Under way.
Miscellaneous Projects	
East Whisman Precise Plan, EIR and Infrastructure Study (15-47)	Under way.
Parks Projects	
Improvements to Open Space at Bonny and Beatrice Streets (11-36)	In design/permitting.
Fayette Park (13-36, 16-32)	In design/permitting. Construction scheduled to begin fall 2019.
Shoreline Park Irrigation Replacement (16-31)	In construction.
Graham Athletic Field Synthetic Turf Replacement (16-37)	Construction scheduled to begin summer 2019.
South Whisman Area Park, Design (17-34)	In design.
Wyandotte Park Design (17-40, 18-34)	In design. Construction scheduled to begin summer 2019.
Community Garden at Shoreline and Latham (17-44)*	In construction.

PROJECTS	NOTES/STATUS
Evandale Mini-Park (17-45)	In design.
Mora/Ortega Park, Design and Construction (17-46)	In design.
Sailing Lake Shoreline Improvements – Design (17-52)	In design.
All-Inclusive Playground (18-36)	Waiting for fundraising to be completed.
Shoreline Golf Turf Improvements (18-37)	Under way.
Rengstorff Park – Aquatics Center Replacement, Design (18-38)	In design.
Stevens Creek Trail Extension from Dale Avenue/Heatherstone Way to West Remington Drive, Four-City Discussion (18-39)	Coordinating with Sunnyvale to obtain design funding.
Colony Connection to Permanente Creek Trail (18-48)	In design.
Slater School Field, Restroom and Traffic Signal (19-55)	Portions in design and in construction by School District.
Regulatory Projects	
Sea Level Rise Flood Protection Coordination (14-47)	Under way.
Lower Stevens Creek Levee Improvements Study (15-36, 18-52)	Concept design under way.
Sailing Lake Access Road (15-38)	In design.
South Bay Salt Pond Restoration Project – Mountain View Ponds Components (18-53)*	Under way.
Streets and Sidewalks	
Permanente Creek Trail – Charleston Road (14-38)	In design.
Street Lighting from California/Escuela/Shoreline Study (18-46)	In progress.
Street Resurfacing and Slurry Seal Program (19-01)	In design.
Street Reconstruction Project (Park Drive/Sonia Wat) (19-48)	In design.
Crosswalk Improvements (19-50)	In design.
Traffic, Parking and Transportation	
Pedestrian/Bicycle Safety Improvements (14-40)	In design.
Caltrain Modernization Program – Environmental Review (14-46)	Under way.
Modifications to Grant/Phyllis/Martens Intersection (15-31)	In construction.
Street Lighting Downtown, Assessment and Possible Construction (15-34)	In design.
Shoreline Boulevard 101 Off-Ramp Modification (15-39, 19-59)	In design/permitting.
Castro/Moffett/Central Intersection Near-Term Improvements (16-40)*	In design.
Transit Center Master Plan (16-41, 18-65)*	Under way.
East Whisman Area Transportation-Oriented Development (TOD) Improvements (16-48)*	Phase I in construction. Phase II in design.
Shoreline Corridor Study Transportation Improvements – Coordination and Implementation (16-57)	Under way.

PROJECTS	NOTES/STATUS
Shoreline Boulevard Interim Bus Lane and Utility Improvements, Design (16-58, 18-43, 18-47)*	In design/permitting. Construction scheduled to begin summer 2019.
Shoreline Boulevard at Highway 101 Bicycle/Pedestrian Bridge, Preliminary Design (16-60)*	In design.
El Camino Real Streetscape Plan (16-67)*	Under way.
Automated Gateway Transit Feasibility Study (17-36)*	Under way.
Rengstorff Grade Separation Environmental Clearance (17-37)*	Under way.
Stierlin Road Bicycle and Pedestrian Improvements, Design (17-41)	In design.
Castro Street Bike Lane, El Camino Real to California Street, Facility Study (17-53)*	Under way.
Rengstorff Avenue and Leghorn Street Traffic Signal and Geometric Modifications (18-44)	In design.
San Antonio and Bayshore Traffic Signal and Geometric Modifications (18-45)	In design.
Bike Lane Improvement Project (Location TBD) (18-67)	In design.
Grant Road and Sleeper Intersection Study (18-68)	Under way.
Bernardo Pedestrian/Bike Undercrossing, Feasibility Study (18-69)	Under way.
Acquisition Plymouth Realignment (18-70)	Under way.
Charleston Road Improvements, Design (19-34)	Design Phases II and III under way.
Middlefield Road Improvements, between Rengstorff Avenue and Shoreline Boulevard (19-35)	In design.
Traffic Operations Center Feasibility Study (19-51)	Under way.
Circulation Feasibility Study from NBSPP II (Charleston Road Underpass and SC Transit Bridge) (19-54)	Under way.
Metal Beam Guardrail Installation (19-58)	In design.
El Monte Corridor Study (19-61)	Under way.
Comprehensive Modal Plan (19-63)*	Under way.
237/Middlefield Road Interchange Improvements (19-65)	Under way.
Utilities Projects	
California Street Rule 20A Underground Utility District No. 40 (10-28)	In design.
McKelvey Park Detention Basin SCVWD Coordination (14-54)	Near completion.
Park Irrigation Pump Installation (16-45)	In construction.
Water and Sewer Main Replacement Crossing Highway 101, Design (16-61)	In design.
Charleston Slough Improvement – Feasibility Study (17-31)	Under way.
Immediate Repairs to Sewage Pump Station (17-48)	In design.

PROJECTS	NOTES/STATUS
San Antonio Area Sewer Improvements – Design (17-50)	In design.
Shorebird Way and Charleston Road Recycled Water Extension and Water System Improvements, Design (18-42, 19-38)	In design. Construction scheduled to begin winter 2020.
Recycled Water Feasibility Study (18-71)	Under way.
Well Abandonment (10 and 17) and Well Siting Study (19-39)	Under way.
Leong Drive Water and Sewer Main Replacement, Construction (19-41)	Construction scheduled to begin summer 2019.

* Denotes 2017-2019 Council Major Goals Projects.

Updates on the major CIP projects are provided in Attachment 2. Not reflected on this list is a number of Google-initiated projects, including the Charleston Corridor Phase I, the Crittenden Trailhead Improvements, Recycled Water Connection to Bay View, the Rails Bike Improvements, and others that have been handled outside of the CIP process because they are funded and managed out by Google.

“Roll Forward” Projects

In June 2017, Council approved a full five-year CIP (for Fiscal Years 2017-18 through 2021-22). The outer years of that plan have “rolled forward” and provide the basis for the first three years of the current proposed CIP (see Tables 3 through 5). Most new projects are generally targeted for Years 4 and 5 of the new five-year CIP, though projects can be added to the first three years, workload and funding permitting.

Table 3: Fiscal Year 2019-20 Roll-Forward Projects

Project Title	Category
Fire Station No. 5 Classroom/Training Facility, Construction	Facilities
Police/Fire Administration Building Expansion, Design	Facilities
400 San Antonio Road Mini-Park	Parks and Recreation
South Whisman Park, Construction	Parks and Recreation
Street Reconstruction Project (TBD)	Streets and Sidewalks
NB Shoreline/101 Off-Ramp Realignment, Construction	Traffic, Parking and Transportation
Shoreline at 101 Bike/Ped Overcrossing, Construction	Traffic, Parking and Transportation
Bicycle/Pedestrian Improvements (TBD)	Traffic, Parking and Transportation

Project Title	Category
Calderon Avenue Bike Lane – Phase II	Traffic, Parking and Transportation
Middlefield Road Sewer Main Replacement	Utilities
Water and Sewer Replacement 101 at Two Locations, Construction	Utilities
Interceptor Force Trunk Main Rehabilitation, Construction, Phase II	Utilities
San Antonio Area Sewer Improvements, Construction, Phase II	Utilities
Long-Term Sewage Pump Station Repairs	Utilities
Sewer Master Plan Update	Utilities
Water Master Plan Update	Utilities
Charleston Pump Station Realignment	Utilities
Cross-Culvert Removal and Storm Drain Extensions	Utilities

Table 4: Fiscal Year 2020-21 Roll-Forward Projects

Project Title	Categories
Project Management Database	Information Technology and Communications
Rengstorff Park – Aquatics Center Replacement, Construction	Parks and Recreation
Stevens Creek Trail Extension from Dale Avenue/Heatherstone Way to West Remington Drive, Design	Parks and Recreation
Signage Program for Shoreline at Mountain View – Implementation of Shoreline Master Plan	Parks and Recreation
2020-21 City Bridges and Culverts Structural Inspection and Repairs	Regulatory
Citywide Trash Capture, Phase II	Regulatory
Charleston Road Improvements, Construction	Streets and Sidewalks
Street Reconstruction Project (Street TBD)	Streets and Sidewalks
Shoreline Boulevard Pathway (Villa Street to Wright Avenue), Construction	Traffic, Parking and Transportation
Pedestrian Master Plan Update	Traffic, Parking and Transportation
El Monte Corridor Improvements – Design and Construction	Traffic, Parking and Transportation
Bicycle/Pedestrian Improvements	Traffic, Parking and Transportation
Stierlin Road Bicycle and Pedestrian Improvements, Construction	Traffic, Parking and Transportation
Coast-Casey Pump Station, Evaluation and Repair	Utilities
Moffett Boulevard – Sewer Main Flow Reversal, Construction	Utilities
Central Sewage Trunk Main Rehabilitation	Utilities
Cross-Culvert Removal and Storm Drain Extensions	Utilities
New Potable Water Well	Utilities

Table 5: Fiscal Year 2021-22 Roll-Forward Projects

Project Title	Category
Rengstorff Park – Maintenance and Tennis Buildings Replacement, Design	Parks and Recreation
Citywide Trash Capture, Phase III	Regulatory
Street Reconstruction Project (Street TBD)	Streets and Sidewalks
Bicycle/Pedestrian Improvements	Traffic, Parking, and Transportation
Ada Avenue and Sylvan Avenue Sewer Main Replacement	Utilities
High-Level Ditch, Evaluation and Repair	Utilities
Cross-Culvert Removal and Storm Drain Extensions	Utilities

Question 1 for the City Council: Are there any “roll forward” projects in the first three years of the plan that the City Council would like to eliminate, defer, or move up?

Staff-Initiated New Project Requests

Staff from various departments proposed projects as part of the CIP adoption cycle. Below is a preliminary list of major projects that staff has proposed for inclusion in the next five-year plan.

1. Civic Center Infrastructure Update/Upgrade

City Hall and the Center for the Performing Arts opened in 1991, and the Mountain View Public Library opened in 1997. While many improvements have been made to these buildings over the years, additional repairs and improvements are needed. Staff performed a comprehensive evaluation and compiled a list of high-, medium-, and low-priority projects. High-priority projects include roof repairs, mechanical equipment replacement, ADA accessibility improvements, and completing some deferred maintenance and replacements of original fixtures, while lower-priority items include repurposing spaces for more efficient use and to meet current codes and standards. The total potential cost of these projects is estimated to be approximately \$11 million. Staff plans to include a number of these projects in the five-year CIP.

2. Charleston Corridor Improvements – Design of Phases II and III

The Charleston Corridor Transit Boulevard improvements are identified as a Priority Transportation Improvement in the North Bayshore Precise Plan (original and as amended in 2017). Charleston Road is envisioned as an east-west corridor through the North Bayshore Area where transit, bicycles, and pedestrians are

prioritized over single-occupant vehicles. Improvements include transit stops at strategic locations to serve corporate and Transportation Management Agency (TMA) shuttles (MVgo) as well as off-street cycle tracks for pedestrians and bicyclists.

A predesign study, which included layout, right-of-way, and tree impacts along Charleston Road, was completed by Google as part of the Charleston East off-site improvement design, and was reviewed by Council on October 4, 2016.

Two segments are currently under construction by Google. The improvements on the frontage of the Charleston East development (north side of Charleston Road between Shoreline Boulevard and Joaquin Road) are part of Google's off-site improvements for Charleston East. Though not required to, Google also designed and is constructing the improvements on the north side of Charleston Road from Joaquin Road to Huff Avenue and on the south side between Shoreline Boulevard and Huff Avenue (called "Phase I").

The remaining phases (from Huff Avenue to Salado Drive) will likely be funded by a combination of Transportation Impact Fees and Shoreline Regional Park Community funds. Design and construction as part of the frontage improvements of a development, as was done with Charleston East, is not likely as staff does not anticipate near-term redevelopment of any of the large properties with frontage on Charleston Road.

Google has offered to continue design of the improvements and be reimbursed by the City. Google's request for reimbursement is only for out-of-pocket costs, including design, cost estimating/constructability, and project management. Contract and other administrative costs would be borne by Google. The total estimated cost of the design phase is approximately \$3.8 million. Staff recommends accepting Google's offer because:

- The Charleston Corridor improvements would support transit and active transportation today, and will become more important as development continues to occur in North Bayshore (both commercial and residential);
- Considering its large scale, this project will take a number of years to complete. Considering that the first phase is already under construction, staff recommends continuing design on the remainder. Construction can then be phased in accordance with available resources;

- Having Google manage the design is more efficient from a staff resource standpoint. While staff will continue to review plans and specifications, contract management will be performed by Google's contract project management staff. Considering the heavy capital project workload, this is a good strategy if the project is to continue; and
- Designing major projects during good economic times sometimes allows for construction during slower times, when prices are better.

If Council is supportive of this approach, staff will return with a reimbursement agreement for Council's consideration. The developer reimbursement process is a mechanism available to the City when there is a mutual desire for a private developer to design and/or construct public improvements which are dedicated to the City upon completion, for which the City reimburses the developer for the costs of the design and/or construction. To the extent a project involves the construction of public improvements, the reimbursement agreement contains terms which ensure compliance with competitive bidding, insurance, bonding, and prevailing wage requirements applicable to public projects.

3. **El Camino Real Bike Improvements, Design**

The General Plan and El Camino Precise Plan identify the corridor as a change area to be redesigned as a boulevard that connects rather than divides the City. This project will help achieve that vision. This project will design improvements on El Camino Real from Shoreline Boulevard/Miramonte Avenue to Rengstorff Avenue and Sylvan Avenue to Calderon Avenue. The project includes adding Class IV bikeway facilities (with Class II bike lanes in a constrained area), bike treatments at bus stops, and intersection improvements. The estimated project cost is \$1.3 million for traffic analysis, environmental review, design and preparation of permit documents for Caltrans.

Caltrans is scheduled to repave El Camino Real in Fiscal Year 2021-22. By carrying out this project soon, the City will have the opportunity to synchronize the project with Caltrans' repaving and restriping work and possibly yield savings.

4. **Precise Plan Updates**

Council has been discussing changes to the Downtown Precise Plan (up to \$1.75 million), and a formal Terra Bella Precise Plan (\$1.2 million), and the Community Development Department staff is seeking additional funding to complete the East

Whisman Precise Plan (\$90,000) in the first year of the Capital Improvement Program. This \$3 million is almost half of the currently available Capital Improvement Reserve Fund and C/C Tax Fund available for the first year of the CIP.

Staff seeks Council's questions or comments about the proposed projects. Staff will incorporate Council's direction on these projects into preparation of the proposed five-year CIP to be presented to Council in May.

Question No. 2 for the City Council: Does Council have comments or direction on the new projects?

Council-Initiated New Project Requests

Staff seeks Council direction on other projects to include in the five-year CIP. Based on Council's direction at this Study Session, staff will develop project proposals for Council-initiated projects and return at the second Study Session in May with a proposed CIP. Depending on funding and staff resources, staff may propose other projects be deferred to include new projects in the program.

Two projects discussed by Council over the course of the current fiscal year are the pedestrian/bicycle tunnel under the Caltrain tracks and Central Expressway connecting to Villa Street and the next extension of Stevens Creek Trail. Staff's initial thoughts on each are as follows:

1. Villa Street Bike/Pedestrian Tunnel

At the February 12, 2019 Study Session regarding the proposed Prometheus residential development at 1696 Villa Street, Council was supportive of the preparing for a future tunnel connecting Villa Street to Meridian Way under the Caltrain tracks and Central Expressway. The current plan is for Prometheus to construct the entrance to the tunnel connecting to Villa Street, with the remainder being completed as a City Capital Improvement Project. This is a major project that will require significant staff and financial resources. If Council wishes to proceed, staff recommends that Council consider replacing the current Mayfield tunnel effort, which is funded but has not yet begun, with the Villa Street tunnel.

2. Stevens Creek Trail Extension

A feasibility study prepared as a joint effort by the cities of Mountain View, Sunnyvale, Los Altos, and Cupertino to extend Stevens Creek Trail southerly beyond its current terminus at Heatherstone Way is complete. A capital project was approved for Fiscal Year 2017-18 to coordinate with neighboring cities in partnering on the development of the next section of the trail to West Remington Drive in Sunnyvale. Staff met with Sunnyvale and Los Altos staff but has been unable to secure financial support so far. Based on the preliminary construction cost estimates included in the study, staff planned to fund the design phase of the project with \$2 million from the Park Land Fund in hopes that Sunnyvale and Los Altos would partner with the City and contribute \$2 million each toward the estimated \$6 million design phase.

In the absence of financial support from Sunnyvale and Los Altos, staff recommends pursuing competitive 2016 VTA Measure B funds, ideally jointly with our neighbors. The grant application requires a minimum of 10 percent local funding as match.

Question No. 3 for the City Council: Staff seeks Council direction on these and any other Council-initiated new projects.

NEXT STEPS

Based on the direction provided by Council at the Study Session and considering resources and staffing availability, staff will present a revised list of capital projects for the Council's review when the draft Fiscal Years 2019-20 through 2023-24 CIP is presented to the Council at a Study Session in April.

Prior to the April Study Session, staff will present a list of proposed capital projects to the Bicycle/Pedestrian Advisory Committee for its review and input (March 2019). Staff will present a list of proposed capital projects and the Park Land Development Fee to the Parks and Recreation Commission for its review and input (April 2019).

PUBLIC NOTICING

Agenda posting, e-mail to neighborhood associations, and posts on social media and the City's website.

ND-JH-JAS-MAF/TS/2/CAM
943-03-26-19SS
18694

Attachments: 1. [Park Land Dedication Fund Midyear Update Memorandum](#)
2. Quarterly CIP Major Project Highlights

cc: AFASD, ACSD – Marchant, SMA – Ruebusch, APWD – Cameron, APWD – Hosfeldt, PCE – Arango, PCE – Au, PCE – Macaraeg, CTE, USM, SMA – Goedicke