

DATE: May 9, 2023

TO: Honorable Mayor and City Council

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TITLE: **Recommended Fiscal Year 2023-24 through Fiscal Year 2027-28 Capital Improvement Program**



STUDY SESSION MEMO

PURPOSE

The purpose of this Study Session is to present the Recommended Fiscal Year 2023-24 through Fiscal Year 2027-28 Capital Improvement Program for City Council review, comment, and refinement.

BACKGROUND

At a Council Study Session on [April 3, 2023](#), staff presented an overview of the Capital Improvement Program (CIP), which included the following:

- Status of active CIP projects;
- Information about CIP funding sources and financial constraints;
- Projects scheduled to “roll forward” from the existing CIP;
- Emerging new and amended project needs; and
- Approach and criteria for prioritizing projects requiring unrestricted CIP funding sources.

The Council Study Session memo and direction received from Council were shared with the Bicycle/Pedestrian Advisory Committee (BPAC) on April 27, 2023, for review and comment on the list of recommended active transportation capital projects and priorities. The BPAC feedback is summarized in this report.

The projects recommended for Park Land Dedication funds in the five-year CIP will be presented to the Parks and Recreation Commission/Urban Forestry Board (PRC/UFB) on May 10, 2023. The PRC/URB feedback from the May 10 meeting will be shared with Council when the Council considers the adoption of the CIP on June 27, 2023.

Based on input received from Council and BPAC, staff has prepared the recommended five-year CIP described in this report for Council review and direction.

DISCUSSION

Council Direction on April 3, 2023

Summarized below is the Council direction from the April 3, 2023 Study Session and how it is reflected in the recommended five-year CIP.

Prioritizing Unrestricted Funds

Council supported staff's recommended approach and criteria to determine which projects to prioritize for the CIP's two unrestricted funding sources: the CIP Reserve and the Construction/Conveyance Tax (C/C Tax). All the roll-forward and new projects receiving priority for these unrestricted funds in the recommended five-year CIP meet one or more of the following criteria:

- Public and/or personnel safety;
- Compliance with regulatory requirements;
- Keeping City facilities in a state of good repair;
- Local match or cost-sharing to secure grants or other funding;
- Pavement rehabilitation/reconstruction and preventative maintenance as needed to maintain the City's PCI rating (including incorporating bicycle and pedestrian improvements where feasible); and
- City Council Strategic Priorities and Work Plan Projects.

Another criterion for prioritizing the use of unrestricted CIP funds was incorporating the use of an "equity lens" that focused on projects that benefit and/or do not burden communities of color and/or low-income residents. Staff reviewed all projects, regardless of funding source, in terms of benefit and/or burden to communities of color and/or low-income residents. Staff did not identify any CIP projects that would burden communities of color and/or low-income residents

but did identify several projects that directly benefitted communities with low-income residents. More information about this is provided later in this Study Session memo.

Roll-Forward, Unscheduled, and New Projects

City Council provided direction on nine projects to include in the five-year CIP. These projects, and how they have been incorporated into the recommended CIP, are listed below:

- California Green Complete Street—Council indicated support for “green complete streets” and directed staff to prioritize green street improvements for the California Complete Streets project. Staff is currently completing design for California Complete Streets Pilot (Project 21-40), taking into consideration the BPAC’s feedback on the pilot project and opportunities to include temporary or portable green street elements. Staff is also recommending \$25 million for the design and construction of permanent improvements in Year 3 of the five-year CIP after the evaluation period for the pilot project is concluded to help inform the design for the permanent improvements. The permanent improvements will include pavement reconstruction between Mariposa Avenue and Shoreline Boulevard, extending the scope to San Antonio Road, at least four protected intersections (Showers Drive, Ortega Avenue, Rengstorff Avenue, and Escuela Avenue), permanent protected bike lanes, an additional mid-block crossing, and permanent landscaping/green streets treatments.
- Rengstorff Avenue Green Complete Street—Council directed staff to elevate the Rengstorff Streetscape and Bikeway Improvements from the Unscheduled Proposed Projects to the recommended five-year CIP. The Rengstorff Avenue Green Complete Street Improvements, Study and Preliminary Design, is recommended to be included in Year 4 of the five-year CIP at a cost of \$1 million. The construction phase, which is expected to cost in the same range as the permanent improvements for the California Street project, is recommended to be included in the Unscheduled Proposed Projects for funding allocation in a future five-year CIP.
- Pickleball Preliminary Study and Design—Council directed staff to amend the title and scope of the active Pickleball Court Preliminary Study and Design, Project 23-36, to include construction and increase project funding; \$1 million is recommended to be amended into the project budget for construction.
- Fire Station No. 3—Acknowledging the current condition of Fire Station No. 3 and to indicate intent to design and construct a new Fire Station No. 3, Council directed staff to modify the title and scope to include “Design” and “Construction” and to increase planned funding. Staff will be recommending to include “Preliminary Design” in the title and scope and increase funding to \$1 million in Year 1, which will also be appropriated as part of

adopting the Fiscal Year 2023-24 CIP on June 27, 2023. Staff added the construction phase for \$30 million in Year 4 of the planned five-year CIP.

- Apparatus/Trailer Shelters for Fire Stations 1 and 4—Council directed staff to prioritize the unscheduled Apparatus/Trailer Shelters for Fire Stations 1 and 4 for inclusion in the five-year CIP. The project has been included in Year 4 of the five-year CIP for \$570,000.
- Center for the Performing Arts Roof Repair and Replacement—Council directed staff to prioritize the unscheduled CPA Roof Repair and Replacement for inclusion in the five-year CIP. The project has been included in Year 2 of the five-year CIP for \$1.8 million.
- Public Safety Building, Construction—Council directed staff to prioritize the construction phase of the Public Safety Building for inclusion in the five-year CIP. The construction cost for the project has been included in Year 3 of the five-year CIP for \$132 million.
- East Whisman Area Transit-Oriented Development Improvements, Phase III—Council indicated interest in improving access to the NASA Ames Bayshore Light Rail Station located on Manila Drive north of U.S. 101 and directed staff to prioritize East Whisman Area Transit-Oriented Development Improvements, Phase III, from the Unscheduled Proposed Projects to the five-year CIP. Phase II of this project is currently in the final design phase and will construct a multi-use pathway on the west side of Ellis Street from Fairchild Drive to Manila Drive to improve bicycle and pedestrian access between the NASA Ames Bayshore Light Rail Station and Ellis Street south of U.S. 101. Construction of Phase II is anticipated to begin in summer 2024. Staff recommends scheduling Phase III of the project in Year 4 of the five-year CIP in the amount of \$4.94 million to allow staff to evaluate the Phase II improvements to determine if Phase III is needed.
- North Bayshore Branding and Wayfinding Signage Installation—Council indicated that the North Bayshore Branding and Wayfinding Signage Installation is lower in priority in comparison with other projects and directed staff to defer the project. The project has been deferred to Year 3 in the recommended five-year CIP.

In addition, the Underground Utilities at 1020 Terra Bella Project is included in Year 1 of the CIP for \$1 million as directed by Council on March 14, 2023.

New and Amended Project Needs

In the April 3 Study Session memo, staff provided a list of major new projects and current projects requiring additional funding based on approved plans and studies, requests from City departments, and Council priorities. Council supported continuing to move forward on these projects as funding and staffing resources allow. Some of these projects are discussed above.

The remaining projects identified in the April 3 Study Session memo are listed below along with how they have been incorporated into the recommended CIP:

- One Bay Area Grant Projects—The City has been awarded Federal grant funds for three active transportation projects:
 - Middlefield Road Complete Streets Project (Moffett Boulevard to Whisman Road)—The \$2.55 million in One Bay Area Grant (OBAG) funding is recommended to be added to Annual Street Maintenance, Project 22-01, increasing the project total to \$5,294,000 and amending the project title to “Annual Street Maintenance-Middlefield Complete Streets.”
 - Moffett Boulevard Complete Streets Project (Middlefield Road to Clark Road)—The \$3.5 million in OBAG funding is recommended to be added to the Fiscal Year 2024-25 SB 1 Streets Project (25-03), increasing the project total to \$5.5 million.
 - El Camino Real/Escuela Avenue/El Monte Avenue Intersection Improvements—The \$2.4 million in OBAG funding is recommended to be added to El Camino Real Bicycle and Pedestrian Improvements, Project 22-29, increasing the project total to \$8.8 million. Project 22-29 is also being used to provide the City’s share of funding for bike and pedestrian improvements that Caltrans is including in its upcoming repaving project.
- Castro Pedestrian Mall—Planning and preliminary design for the permanent improvements has been included in Year 3 of the CIP for a total of \$4 million. The final design and construction of the permanent mall is shown in Year 5 for \$25 million.
- Grade Separation Projects—There are three active projects for grade separations across the Caltrain tracks and Central Expressway that will require more funding than currently available. Staff has continued to apply for grants to help fill the funding gaps, but for the time being, the additional funding needed for construction is being shown in the five-year CIP as follows:
 - Rengstorff Avenue Grade Separation—This project is currently in the final design and right-of-way acquisition phase, which is funded with a combination of City funds (\$900,000 from the Transportation Reserve Fund, \$5 million from the Shoreline Regional Park Community Fund, \$2.1 million from the San Antonio Public Benefit Fund, and \$42 million from the 2016 VTA Measure B (Measure B) Rail Grade Separation Program). An additional \$103 million in Measure B funds is expected to be available for construction; however, based on the latest construction cost estimate, there remains a funding need of \$105 million. Of the \$105 million, \$15 million is planned to be funded by the Citywide Transportation Impact Fee, and

\$25 million is planned to be funded by the Shoreline Regional Park Community Fund, **leaving a \$65 million shortfall.** The City, Santa Clara Valley Transportation Authority (VTA), and Caltrain have applied for \$60 million from two different Federal grants and \$20 million from a State grant. The grant awards are expected to be announced this summer. The project is also eligible for \$5 million in California Public Utilities Commission (CPUC) grade separation grant funding.

- Transit Center (Castro Street) Grade Separation Project—The Transit Center Grade Separation and Access Project is currently in the final design phase, which is funded with a combination of City funds (\$1.2 million from the Transportation Reserve Fund) and \$17 million in Measure B Funds. This project is recommended to be amended to include construction in the scope and increase project budget funding in the amount of \$5 million (Transportation Reserve Fund) to allow early construction work to begin in summer 2024. An additional \$77 million in Measure B funds is expected to be available for construction; however, based on the latest construction cost estimate, **there remains a funding shortfall of \$33 million.** The City, VTA, and Caltrain have applied for a total of \$30 million from two different State grants, and the grant awards are expected to be announced soon. The project is also eligible for \$5 million in CPUC grade separation grant funding.
- Bernardo Pedestrian/Bicycle Undercrossing—An additional \$2,462,000 is recommended to be added to the current project (Project 18-69) for a total of \$6,650,000. The total estimated project cost is still a wide range from \$40 million to \$60 million, with \$21 million in Federal and State grant funding already secured. The remaining costs would be split with the City of Sunnyvale. Once a more definitive cost estimate is available, staff can determine how much additional funding may be required from Mountain View to construct the project.
- Stevens Creek Trail Extension (Dale/Heatherstone to Remington and Mountain View High School)—The design of the Stevens Creek Trail Extension has not yet begun, and the construction cost estimate is unknown at this time. To show intent to fund the construction phase, a placeholder is included in the five-year CIP with the amount of \$35 million. The funding source of the construction phase for the Stevens Creek Trail Extension is currently unidentified. Stevens Creek Trail Extension Design, Project 20-50, is recommended to be amended to increase funding to include \$4.8 million in VTA Measure B funds and City of Sunnyvale’s contribution of \$600,000. Construction of the project is shown in Year 5 of the CIP for a placeholder amount of \$35 million.
- New Parks Projects—The design and construction for the following new parks are included in the recommended CIP: (1) San Rafael Avenue Park for \$6 million in Year 1; (2) 711 Calderon Park for \$2 million in Year 2; (3) California and Pacchetti Park for \$5.2 million in Year 4; and (4) 555 West Middlefield Park for \$4 million in Year 4.

- City Facilities—Several new and amended CIP projects are recommended to address the City facilities’ major maintenance, rehabilitation, and renovation needs. This includes amending the Whisman Sports Center and Mountain View Sports Pavilion Renovations (Project 23-35) to add \$2 million for a total of \$3 million to help provide for new roofs, HVAC systems, and other major maintenance needs.

Bicycle/Pedestrian Advisory Committee

The BPAC reviewed the April 3 Study Session memo list and Council’s direction received at their meeting on [April 27, 2023](#). Staff’s memo to the BPAC also noted that in addition to the active transportation projects already listed above, the following new projects were being included in the recommended five-year CIP for Council’s consideration:

- Study, design, and construct cycle tracks on Evelyn Avenue from Franklin Street to the Sunnyvale City limit at Bernardo Avenue.
- Design and construct protected intersections along El Camino Real, including at Castro Street, to build on the bicycle and pedestrian improvement to be constructed as part of Caltrans’ repaving project later this year.

The BPAC memo also noted that staff is recommending the Central Expressway Bicycle and Pedestrian Crossing, Villa Undercrossing, Feasibility Study, be moved into the “Unscheduled List.” This undercrossing project will have to be delivered by Caltrain due to their policy that only Caltrain may design and construct projects across its operating railroad right-of-way. Caltrain staff is fully engaged in the Transit Center, Rengstorff Avenue, and Bernardo Avenue grade separation and undercrossing projects along with several other grade separation projects along the Peninsula. Staff does not expect that Caltrain will be able or willing to start this bicycle/pedestrian undercrossing until some of these other projects are completed, especially since this project will cost at least \$35 million, and the City does not yet have funding identified for the project.

The BPAC supported staff recommendations on the roll-forward and new active transportation projects.

Projects to Close and Active Projects

Staff carefully reviewed the status of all active capital projects to determine which could be closed at the end of Fiscal Year 2022-23 so that unspent balances can be returned to the appropriate funds and be made available for other capital projects. Attachment 1 lists the projects recommended to be closed at the end of this fiscal year. The list of projects being closed is much larger than in the past and reflects a concerted effort by staff to close and/or consolidate

as many projects as possible to reduce the overall number of active projects. Staff estimates that once closed, these projects will return approximately \$8 million to various funding sources, including approximately \$600,000 to the CIP Reserve Fund and \$800,000 to the C/C Tax Fund.

While most of the projects to be closed have been completed, the following projects are recommended to be closed and defunded so that the funds can be allocated to other projects:

- Mayfield/San Antonio Bike/Ped Tunnel, Preliminary Design, Project 19-36, is recommended to be closed and the project funding reallocated to the California Green Complete Streets permanent improvements planned for Year 3 of the CIP. The Mayfield Avenue/San Antonio Road crossing currently consists of an undercrossing at the Caltrain tracks and an at-grade crossing on Central Expressway. The purpose of the Mayfield/San Antonio Bike/Ped Tunnel project is to extend the existing undercrossing of the train tracks through to the other side of Central Expressway. While this project was funded in Fiscal Year 2018-19, no work has been started due to staffing constraints. Staff recommends moving this project to the Unscheduled List for the following reasons:
 - Similar to the other grade separation projects, Caltrain may determine that it must deliver this project because a portion of it will be within the operating railroad right-of-way. As noted previously, Caltrain staff is fully engaged in the Transit Center, Rengstorff Avenue, and Bernardo Avenue grade separation and undercrossings projects along with several other grade separation projects along the Peninsula, and staff expects it will be a few years before Caltrain is ready to add another grade separation project.
 - The segment of the railroad through the San Antonio Caltrain Station is a candidate for a four-track expansion to facilitate passing tracks. Should this segment be selected, Caltrain will need to reconstruct the existing undercrossing and could extend the undercrossing under Central Expressway at that time.
 - There is an existing at-grade signalized crossing of Central Expressway.

Mayfield/San Antonio Bike/Ped Tunnel, Preliminary Design, Project 19-36, is funded with \$3.81 million from San Antonio Public Benefit, and a \$300,000 Google contribution provided to support pedestrian/bicycle safety projects. Staff recommends reallocating this \$4.1 million to the California Green Complete Streets Permanent Improvements, which will need approximately \$25 million to construct. This funding could be used as matching funds to help secure grants.

- Several annual nondiscretionary water main and water system projects with existing balances are recommended to be closed and defunded in order to consolidate over \$4 million in funding to be reallocated to new water projects.

- Active Transportation Project, 23-30, in the amount of \$600,000 is recommended to be closed and defunded to reallocate the funding to Grant Road/Sleeper Avenue and Other Intersections, Project 21-39, to help cover the costs for adding pedestrian crossing enhancements at the nine other intersections added to the project scope.

There are 288 active projects scheduled to remain open as shown in Attachment 2.

Question No. 1: Does the City Council support the staff recommendation to close, defund, and defer Mayfield/San Antonio Bike/Ped, Tunnel, Preliminary Design, and reallocate the \$4.1 million to the California Green Complete Streets Permanent Improvements?

State Water Project Tax Funds

Several communities in north Santa Clara County that receive less than 15% of their water supplies from the Santa Clara Valley Water District (Valley Water), including property owners within the City, have been paying property taxes used to support the State Water Project (SWP) through Valley Water. In 2017, the Valley Water Board of Directors adopted a resolution that calls for returning a portion of these funds to these communities through a grant program to be used for eligible water conservation programs and recycled water infrastructure (also called Guiding Principle 5 or GP5). The City of Mountain View’s share of these funds for Fiscal Year 2018-19 through Fiscal Year 2024-25 is approximately \$9.3 million (see Table 1 below). Funds are available to the City after they are received by Valley Water from the State after each fiscal year. The City must apply for the funding by June 30, 2024.

Table 1: Projected Available Guiding Principle 5 Funds Per Fiscal Year

FY 22 Budget Available	FY 23 Available Funds Projection	FY 24 Available Funds Projection	FY 25 Available Funds Projection	Total Estimate
\$4,115,102	\$1,693,739	\$1,758,883	\$1,824,026	\$9,391,750

The GP5 specifies that eligible projects include water conservation, potable, and nonpotable water reuse, wastewater purchase options, treatment plant upgrades supporting reuse, Advanced Metering Infrastructure (AMI), or environmentally focused activities that will be completed by June 30, 2033.

Staff recommends using the majority of the GP5 funds for the City’s AMI capital project, which will install water meters and communication networks that streamline meter reading and will improve water conservation efforts by providing usage data to customers. Staff proposes to upgrade all water meter systems for customers throughout the City in a phased approach at an approximate 2023 cost of \$10 million. The estimated time to complete the AMI project is five years, which correlates well with the anticipated GP5 amount and availability schedule.

In addition, Valley Water is launching another funding program for water retailers like the City to install AMI. This funding will pay for a percentage of AMI costs based on the number of water metered services, and staff plans to apply for this funding. If the City were to obtain this funding source, the City will have remaining funds available from the GP5 after AMI costs. Since final applications for the GP5 funds are due to Valley Water before June 30, 2024, staff is also seeking Council approval to include recycled water capital projects in the grant application for GP5 funding.

Question No. 2: Does the City Council support staff recommendation to use State Water Project Tax Funds (GP5) for the Advanced Metering Infrastructure Project and other recycled water capital projects?

Recommended Projects

As presented at the April 3 Study Session, higher-than-average inflation continues to be a trend in the local building economy, and in response, staff has applied a 10% increase to all Nondiscretionary and Discretionary Projects with construction planned in Fiscal Year 2023-24 (Year 1 of the CIP).

Recommended projects, including nondiscretionary and discretionary, are discussed below.

Nondiscretionary Projects

Nondiscretionary projects are primarily annual and periodic maintenance projects that 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 and biennial) with small inflationary adjustments.

The recommended nondiscretionary projects for the five-year CIP are shown in Attachment 3. Highlighted below are the major recommended changes to nondiscretionary projects based on requests from the City departments using these nondiscretionary projects.

- Public Services Street Section Maintenance (xx-05)—This project was originally focused on streetlight replacements only. Staff recommends adding \$100,000 annually, changing the name, and adding a scope to include street sign and pavement markings replacement and maintenance to handle the increasing volume of pedestrian- and bicyclist-related signs and pavement markings.
- Annual Parks Renovations/Improvements (xx-17)—Staff recommends increasing the funding in the amount of \$100,000 annually for pour-in-place surfaces at playgrounds, which have a recommended life span of 10 years. This additional ongoing funding will allow

staff to catch up to the replacement schedule and replace one to two playground surfaces annually.

- Forestry Maintenance Program and Street Tree Replanting (xx-18)—Staff recommends a one-time increase of \$97,000 to continue funding for the Outreach and Education Contractor for a pilot program partnering with a nonprofit organization to improve tree planting and environmental education programs.
- Biennial Median Renovations and Roadway Landscape Renovations (xx-20)—Staff recommends adding \$200,000 annually and creating a biennial subproject in order to relandscape areas throughout the City with biodiverse methods, including upgraded irrigation systems and new plant palettes.
- Annual Regional Public Safety (xx-25)—Staff recommends adding \$30,000 annually to this project as the project has seen significant cost increases as it continues to convert the City’s Public Safety radio infrastructure in support of the Silicon Valley Regional Interoperability Authority’s (SVRIA’s) Regional Communications System (RCS) project.
- Annual Real Estate Technical and Legal Services (xx-26)—Staff recommends changing the Biennial Real Estate project to an annual project starting with a base budget of \$100,000 to cover the increased costs of funding for appraisals, environmental reports, surveys, and lease preparation/review services for City real estate activity.

Discretionary Projects

Discretionary projects are those that do not fit the nondiscretionary description and require approval of the City Council. Recommended discretionary projects for each year of the five-year CIP plan are listed below (see Attachment 4 for project descriptions).

Table 2: Discretionary Projects

Discretionary Fiscal Year 2023-24 (Year 1)		
Project	Funding Sources	Funding Amount
Street Reconstruction Project	Construction/Conveyance Tax and 2016 Measure B	\$1,000,000
2023/24 City Bridges and Culverts Structural Inspection and Repairs	CIP Reserve	\$300,000
Cross-Culvert Removal and Storm Drain Extension	Wastewater Fund	\$710,000
Capital Improvement Program Development	CIP Reserve, Water Fund, and Wastewater Fund	\$150,000
Fire Station No. 3, Feasibility Study and Preliminary Design	CIP Reserve	\$1,000,000

Discretionary Fiscal Year 2023-24 (Year 1)		
Project	Funding Sources	Funding Amount
Firefighter Personal Protective Equipment Storage at Fire Stations, 1, 3, and 4	CIP Reserve	\$1,250,000
Civic Center Infrastructure, Phase III	CIP Reserve	\$600,000
Generator Project, Planning	CIP Reserve	\$200,000
Security Badge System, Phases 2 and 3	CIP Reserve	\$120,000
Callahan (Crittenden) Field Lighting Upgrade	Parkland	\$470,000
San Rafael Avenue Park, Design and Construction	Parkland	\$6,000,000
Shoreline Lake Cove and Hill Landscaping	Shoreline Community	\$240,000
Underground Utilities at 1020 Terra Bella Avenue	Citywide Public Benefit	\$1,000,000
East Sewage Trunk Main, Inspection, and Cleaning	Wastewater Fund	\$310,000
Sondgroth Way/Showers Drive/Martens Avenue Sewer Main Realignment, Construction	Wastewater Fund	\$3,910,000
Miramonte Reservoir Roof Seismic Upgrade	Water Fund	\$200,000
Landfill Gas Collection System Replacement Back 9, Design	Shoreline Community	\$650,000
Creek Assessment and Erosion Repair/Rehabilitation	CIP Reserve and Storm Drain Fund	\$400,000
Coast-Casey Area Improvement Plan	Shoreline Community	\$1,500,000

Discretionary Fiscal Year 2024-25 (Year 2)		
Project	Funding Sources	Funding Amount
Active Transportation Improvements	Construction/Conveyance Tax and Measure P Transportation Fund	\$1,000,000
Evelyn Avenue Bikeway (Franklin to Bernardo), Study and Design	CIP Reserve	\$2,000,000
Middlefield Road Sidewalk Across SR-85, Feasibility Study and Preliminary Design	Construction/Conveyance Tax	\$500,000
Shoreline Blvd Cycle Track and Bus Lane Extension from Plymouth to Charleston, Design and Construction	Shoreline Community	\$6,000,000
ECR/Castro Protected Intersection and Castro Bikeway Imp (Yosemite/High School) and ECR, Design and Construction	CIP Reserve and El Camino Public Benefit	\$3,710,000
Transit Center Grade Separation, Additional Construction (Placeholder)	Funding To Be Determined	\$33,000,000
Street Reconstruction	Construction/Conveyance Tax and 2016 Measure B	\$1,000,000
Cross-Culvert Removal and Storm Drain Extensions	Wastewater Fund and Gas Tax	\$680,000

Discretionary Fiscal Year 2024-25 (Year 2)		
Project	Funding Sources	Funding Amount
Rengstorff Grade Separation, Construction	Citywide Transportation Impact, Shoreline Community and Funding To Be Determined	\$105,000,000
Rengstorff Avenue Adaptive Signal System	CIP Reserve and Landings Community Benefit	\$3,110,000
Citywide Traffic Signal and Traffic Center Operations, Planning and Design	CIP Reserve	\$1,000,000
El Camino Real Median Landscaping Project	Construction/Conveyance Tax	\$195,000
Rengstorff House Restoration, Interior and Outdoor, Construction	Shoreline Community	\$720,000
711 Calderon Park, Design and Construction	CIP Reserve and Park Land	\$2,000,000
2024/25 City Bridges and Culverts Structural Inspection and Repairs	Construction/Conveyance Tax	\$290,000
CPA Roof Repair and Replacement	CIP Reserve	\$1,800,000
MOC-Confined Space/Trench, Construction	Construction/Conveyance Tax, Water and Wastewater Funds	\$390,000
Middlefield and Moffett Sewer Replacement, Construction	Wastewater Fund	\$9,690,000
Shoreline Area Irrigation Main Improvements, Construction (Phase 1)	Shoreline Community	\$4,060,000
Upgrades to the Irrigation Pump Station, Phase 1, Construction	Shoreline Community	\$2,160,000
Shoreline PVC Landfill Gas Header Replacement, Construction	Shoreline Community	\$2,010,000
Shoreline Landfill Master Plan Study Update	Shoreline Community	\$720,000

Discretionary Fiscal Year 2025-26 (Year 3)		
Project	Funding Sources	Funding Amount
Rengstorff Connector from Landings to Plymouth, Design and Right-of-Way	Shoreline Community	\$19,000,000
California Green Complete Street—Showers to Shoreline, Permanent Design and Construction (Placeholder)	San Antonio Public Benefit and Funding To Be Determined	\$25,000,000
Castro Pedestrian Mall Permanent Improvements, Evelyn to California, Planning and Preliminary Design	CIP Reserve	\$4,000,000
Battery Electric Bus Storage and Charging Facility, Design and Construction	CIP Reserve and Grant Funding	\$600,000
Zero-Emission Battery Electric Buses, Purchase	CIP Reserve and Grant Funding	\$4,800,000

Discretionary Fiscal Year 2025-26 (Year 3)		
Project	Funding Sources	Funding Amount
Street Reconstruction	Construction/Conveyance Tax and 2016 Measure B	\$1,000,000
Capital Improvement Program Development	CIP Reserve and Water and Wastewater Funds	\$150,000
Cross-Culvert Removal and Storm Drain Extensions	Wastewater and Gas Tax	\$700,000
2025/26 City Bridges and Culverts Structural Inspection and Repairs	CIP Reserve	\$310,000
North Bayshore Stevens Creek Trail Connections	Shoreline Community	\$1,190,000
Citywide Trash Capture—Phase III	Wastewater Fund	\$330,000
Civic Center Infrastructure, Phase IV	Construction/Conveyance Tax	\$3,000,000
Fire Station No. 4 Modular Classroom, Design	CIP Reserve	\$720,000
Public Safety Vehicle Dash Cameras for Police Fleet	CIP Reserve	\$730,000
Public Safety Security Gates/Fencing	CIP Reserve	\$750,000
Public Safety Building, Construction	Funding To Be Determined	\$132,000,000
North Bayshore Branding and Wayfinding Signage Installation	Shoreline Community	\$270,000
Eagle Pool Improvements	CIP Reserve and Park Land	\$1,000,000
Rengstorff House West Grass & Brick Patio Stabilization Project	Shoreline Community	\$560,000
Turf Replacement—Shoreline Athletic Field	Shoreline Community	\$2,400,000
Turf Replacement—Crittenden Field	Park Land	\$860,000
Rengstorff House Outdoor Venue Improvements	Shoreline Community	\$500,000
North Bayshore Recycled Water Reservoir, Construction	Water, NBS Development Impact—Water, Shoreline Community	\$26,000,000
SCADA Master Plan	Water and Wastewater Funds	\$350,000
SRPC Water Control Imp and Shoreline Bird Island, Construction	Shoreline Community	\$2,500,000
Amphitheatre Pump Station—Construction	Shoreline Community	\$4,700,000
Whisman Pump Station Improvements, Construction	Water Fund	\$3,100,000
Shoreline Area Irrigation Main Replacements, Construction (Phase 2)	Shoreline Community	\$4,060,000

Discretionary Fiscal Year 2026-27 (Year 4)		
Project	Funding Sources	Funding Amount
Rengstorff Avenue Green Complete Street Improvements, Study and Preliminary Design	CIP Reserve	\$1,000,000
El Camino Real Protected Intersections, Design and Construction (Phase 2)	CIP Reserve	\$3,000,000
Evelyn Class IV Protected Bikeway (Franklin to Bernardo), Construction (Placeholder)	CIP Reserve	\$10,000,000
East Whisman Area Transit Oriented Dev Improvements, Phase III	CIP Reserve and East Whisman Public Benefit	\$4,940,000
Transit Center Financial Feasibility and Conceptual Plan	CIP Reserve	\$170,000
Bike Counters	CIP Reserve	\$270,000
Active Transportation Improvements	Measure P Transportation Fund	\$600,000
Cross-Culvert Removal and Storm Drain Extensions	Wastewater and Gas Tax	\$750,000
City Bridges and Culverts Structural Inspection and Repairs	CIP Reserve	\$330,000
Street Reconstruction Project	Construction/Conveyance Tax and 2016 Measure B	\$1,000,000
Signage Program for Shoreline at Mountain View—Implementation of Shoreline Master Plan	Shoreline Community	\$1,080,000
California and Pacchetti Park, Design and Construction	Park Land	\$5,200,000
Turf Replacement—Graham School	Park Land	\$890,000
LASD School Site Facilities	Park Land	\$1,500,000
555 West Middlefield Park, Design and Construction	Park Land	\$4,000,000
Apparatus/Trailer Shelters for Fire Stations 1 and 4	Construction/Conveyance Tax	\$570,000
Fire Station No. 3, Construction (Placeholder)	Funding To Be Determined	\$30,000,000
Senior Center Social Hall Floor Replacement	CIP Reserve	\$140,000
Landfill Gas Collection System Replacement at Golf Course Back 9 Area, Construction	Shoreline Community	\$4,640,000
Shoreline Area Irrigation Main Replacements, Construction (Phase 3)	Shoreline Community	\$4,060,000
Graham Reservoir Vertical Turbine Pump Evaluation	Water Fund	\$100,000

Discretionary Fiscal Year 2027-28 (Year 5)		
Project	Funding Sources	Funding Amount
Update of North Bayshore Circulation Study (NBCS)	Shoreline Community	\$500,000
Citywide Bike Route Program	CIP Reserve	\$1,670,000
Citywide Traffic Signal Infrastructure and Traffic Operations Center, Implementation	Funding To Be Determined	\$25,000,000
Castro Pedestrian Mall, Permanent Improvements Evelyn to California, Design and Construction (Placeholder)	Funding To Be Determined	\$25,000,000
El Camino Real Protected Intersections, Design and Construction (Phase 3)	CIP Reserve	\$3,000,000
Moffett Boulevard Streetscape Plan, Central Expressway to Middlefield	CIP Reserve	\$170,000
Stevens Creek Trail Extension Dale/Heatherstone to Remington, Construction (Placeholder)	Funding To Be Determined	\$35,000,000
Rengstorff Interchange Ramp Realignment, Local Match	Shoreline Community	\$22,000,000
City Bridges and Culverts Structural Inspection and Repairs	CIP Reserve	\$350,000
Cross-Culvert Removal and Storm Drain Extensions	Wastewater and Gas Tax	\$750,000
Capital Improvement Program Development	CIP Reserve, Water, and Wastewater Funds	\$150,000
Street Reconstruction Project	Construction/Conveyance Tax and 2016 Measure B	\$1,000,000
Fire Station No. 4 Modular Classroom, Construction (Placeholder)	CIP Reserve	\$2,000,000
Shoreline Area Irrigation Main Replacements, Construction (Phase 4)	Shoreline Community	\$4,060,000
Coast-Casey Pump Station, Evaluation and Repair	Shoreline Community	\$1,000,000
High Level Ditch, Evaluation and Repair	Shoreline Community	\$790,000
Replace Landfill Gas System Microturbines	Shoreline Community	\$3,500,000

Question No. 3: Does the City Council support the recommended nondiscretionary and discretionary projects for the five-year CIP? (The nondiscretionary projects are shown in Attachment 3, including the modifications described in this report. The discretionary projects are listed in Table 2.)

Amendments to Existing Projects

There are several projects in development that have approved funding with recommended changes in project scope or funding. Some of the recommended amendments are to reduce funding for projects nearing completion but are not scheduled to be closed at the end of Fiscal Year 2022-23 so that excess funds can be returned to appropriate funds and be made available for other capital projects. Table 3 below is a list of recommended amendments with detailed descriptions of the amendments and Information Technology project amendments provided in Attachments 5 and 6, respectively.

Table 3: Amendments to Existing Projects

PROJECT	AMENDMENT	JUSTIFICATION
Police Radio System Improvements and Monopole (09-35)	Increase funding by \$250,000	Cost increase to resolve existing radio infrastructure problems
Regional Public Safety Automated Information Systems (12-45)	Increase funding by \$21,000	Revenue from cost share agreement
IT Computer Projects 01 Work Order Management System (15-18)	Increase funding by \$300,000	See IT memo (Attachment 6)
IT Computer Projects 04 Audio Visual Equipment in Conf Rooms (17-18)	Increase funding by \$100,000	See IT memo (Attachment 6)
Shoreline Bus Lane & Utility Improvements (18-43)	Increase funding by \$6 million	Increase construction costs
Bernardo Ped/Bike Undercrossing, Feasibility Study (18-69)	Increase funding by \$2.46 million	Adding the remaining funding from the Prometheus Community Benefit
Charleston Road Improvements, Design and Construction (19-34)	Increase funding by \$42 million and add "Construction" to project title	Add construction phase to project
NB Shoreline/101 Off-ramp Realignment (19-59)	Increase funding by \$6 million	Increase costs for acquisition
Water & Sewer Replacement 101 at Two Locations, Construction (20-41)	Modify funding sources	Replacing Water—NBS Dev Impact Fee with Water Fund and Water Capacity Charges
Calderon Bike Lane, Mercy to ECR (20-47)	Modify funding sources	Replacing 2016 Measure B fund with Measure P GF Transportation fund

PROJECT	AMENDMENT	JUSTIFICATION
Stevens Creek Trail Extension Dale/Heatherstone to Remington, Design (20-50)	Increase funding by \$5.4 million	Revenue of \$4.8 million from Measure B Grant and \$600,000 in Sunnyvale matching funds
Solar Panel Systems at City Facilities, Study (20-64)	Increase funding by \$96,000	Add funding from closing CIP 10-33: AB 2466 Renewable Energy Facility Evaluation
R3 Zone (20-67)	Increase funding by \$145,000	Revenue from State of California Housing Grant
Sustainability Projects (20-99)	Increase funding by \$1.1 million	Revenue from 2 County grants, 1 SV Energy grant and Council approve transfer from General Non-Operating fund
Street Resurfacing and Slurry Seal Program—Leong Drive and Fairchild Drive (21-01)	Decrease funding by \$800,000	Decrease funding
SB-1 Streets Project (21-30)	Increase funding by \$750,000	Increase construction costs
City Website Software Update/Content Migration (21-32)	Increase funding by \$75,000	See IT memo (Attachment 6)
IT Infrastructure and Telecommuting Support (21-33)	Increase funding by \$125,000	See IT memo (Attachment 6)
Transit Center Grade Separation and Access Point, Design & Construction (21-35)	Increase funding by \$5 million and add “construction” to project title	Add construction phase to project
Active Transportation Improvements-Shoreline Blvd Pathway (Wright-Villa)-Construction (21-37)	Increase funding by \$5 million and add “construction” to project title	Revenue from OBAG 2 grant and add construction phase to project
Grant/Sleeper and Other Intersections, Design and Construction (21-39)	Increase funding by \$2.85 million and changing the title	Increase scope and construction costs to include 9 other intersections
City Buildings Workspace Study and Modifications (21-50)	Increase funding by \$500,000	Increase scope of project to include more office area renovations in City Hall and other City buildings

PROJECT	AMENDMENT	JUSTIFICATION
Annual Street Maintenance-Middlefield Road Complete Streets Project (22-01)	Increase funding by \$2.55 million and change project title	Revenue from OBAG 3 grant and add matching City funds
Landings Frontage Road (Landings to Perm Creek) (22-28)	Increase funding by \$3 million	Increase construction costs
El Camino Real Bicycle and Pedestrian and Protected Intersection Improvements (22-29)	Include El Camino Real/El Monte/Escuela improvements and increase funding by \$2.4 million	Add scope and increase fund
Terra Bella Bikeway, Feasibility Study (22-30)	Modify funding sources	Replacing Construction and Conveyance Tax fund with Measure P GF Transportation fund
City Hall HVAC GHG Offsets, Phase I and II (22-34)	Increase funding by \$50,000 and change project title	Adding Phase II
Downtown Utility Improvements, Design & Construction (22-41)	Increase funding by \$4.15 million	Increase construction costs
Street Reconstruction Project (23-31)	Modify funding sources	Replacing 2016 Measure B fund with Measure P GF Transportation fund
Whisman Sports Center and Mountain View Sports Pavilion Renovations (23-35)	Increase funding by \$2 million	Increase costs of renovations
Pickleball Court, Study, Design and Construction (23-36)	Increase funding by \$1 million and add "Design and Construction" to project title	Adding Design and Construction phase to project as placeholder
Miramonte Pump Station Improvements, Construction (23-43)	Increase funding by \$2.4 million and add "construction" to project title	Adding construction phase to project
Advanced Metering Infrastructure (23-45)	Increase funding by \$9.3 million via Valley Water.	Adding GP5 funds consistent with Valley Water guidance
Interim Pedestrian Mall (23-49)	Increase funding by \$1 million	Increase funding

There is sufficient funding for the recommended amendments to the existing projects.

Question No. 4: Does the City Council support staff's recommended amendments to existing projects as listed in Table 3?**Unscheduled Projects**

Projects identified during the planning process of past and current five-year CIPs that were excluded are identified as "Unscheduled." Attachment 7 lists the proposed projects that are not recommended for inclusion in the five-year CIP due to one or more of the following reasons: limited funding and/or staffing resources, lower-priority status compared to other projects, need for further development to better define scope and budget (including subsequent phases of active projects), or planned future replacement/maintenance of existing facilities beyond five years. These projects are evaluated during each CIP update to determine the need and opportunity to include in the recommended CIP.

Should Council decide to add any of these unscheduled projects to the five-year CIP, a project using equivalent, eligible funding and staffing effort would need to be moved to unscheduled.

Question No. 5: Are there any projects not included in the recommended five-year CIP or not on the Unscheduled Proposed Project list that Council would like staff to review for possible inclusion?**Equity Lens**

Staff reviewed the new discretionary projects and amendments recommended in the five-year CIP in terms of benefit and/or burden to communities of color and/or low-income residents. As noted above, staff did not identify any CIP projects that would burden communities of color and/or low-income residents.

Many projects were considered neutral in terms of burden or benefit and are prioritized based on preventative maintenance, replacing infrastructure at end of useful life or at risk of failure, regulatory requirements, and safety. Examples of these projects include water and sewer main replacements, Firefighter personnel protective equipment storage, and turf replacements of athletic fields.

Other projects serve the whole City, or large areas of the City, and would indirectly benefit communities of low-income residents through improved Citywide planning and services. Examples of these projects include Active Transportation Improvements throughout the City and Library and Center for the Performing Arts improvements through the Civic Center Infrastructure projects.

There are also several location-specific projects that directly benefit communities with low-income residents, including areas with affordable housing projects constructed or under way.

These projects include the Rengstorff Avenue Grade Separation Project, California Street Complete Streets Pilot, El Camino Real Bicycle and Pedestrian Improvements, Evelyn Avenue Bikeway, and Bernardo Avenue undercrossing of Caltrain and Central Expressway.

Funding Source to Be Determined

One significant trend is an increasing number of capital projects that exceed \$20 million in cost, especially related to major infrastructure projects to transform the City’s transportation system to support active transportation and for new City buildings. The City’s past five-year CIPs typically have only included projects that were reasonably expected to be funded with identified funding sources and would only include one or two high-cost projects. However, the City has several major projects already in design and several more planned to start design that the Council and community are interested in proceeding into construction as soon as possible. Listed in Table 4 below are the projects with construction costs over \$20 million that were included in the recommended five-year CIP for which funding sources are not yet identified. Many of these project costs are shown as placeholders because preliminary design work has not yet been completed to help develop an initial construction cost estimate.

Table 4: Major Projects with Unidentified Funding Sources

Fiscal Year	Project	Project Amount with Unidentified Funding Source
2024-25	Rengstorff Avenue Grade Separation, Construction	\$65,000,000
2024-25	Transit Center Grade Separation and Access Project, Construction	\$33,000,000
2025-26	California Green Complete Streets—Showers to Shoreline, Permanent Construction (Placeholder)	\$21,000,000
2025-26	Public Safety Building, Construction	\$132,000,000
2026-27	Fire Station No. 3, Construction (Placeholder)	\$30,000,000
2027-28	Citywide Traffic Signal and Traffic Operations, Implementation (Placeholder)	\$25,000,000
2027-28	Castro Pedestrian Mall Permanent Improvements, Construction (Placeholder)	\$25,000,000
2027-28	Stevens Creek Trail Extension, Dale/Heatherstone to Remington, Construction (Placeholder)	\$35,000,000
Total Amount with Unidentified Funding Source		\$367,000,000

Staff will continue to pursue grant opportunities to help close the funding gaps for these projects. Staff recommends considering projects including the Public Safety Building construction and Fire Station No. 3 construction for the potential 2024 revenue measure.

RECOMMENDATION

Staff seeks Council input regarding the following to allow staff to finalize the Recommended Fiscal Year 2023-24 through Fiscal Year 2027-28 CIP:

Question No. 1: Does the City Council support the staff recommendation to close, defund, and defer the Mayfield/San Antonio Bike/Ped, Tunnel, Preliminary Design and reallocate the \$4.1 million to the California Green Complete Street Permanent Improvements?

Question No. 2: Does the City Council support staff recommendation to use State Water Project Tax Funds (GP5) for the Advanced Metering Infrastructure Project and other recycled water capital projects?

Question No. 3: Does the City Council support the recommended nondiscretionary and discretionary projects for the five-year CIP? (The nondiscretionary projects are shown in Attachment 3, including the modifications described in this report. The discretionary projects are listed in Table 2.)

Question No. 4: Does the City Council support staff's recommended amendments to existing projects as listed in Table 3?

Question No. 5: Are there any projects not included in the recommended five-year CIP or not on the Unscheduled Proposed Project list that Council would like staff to review for possible inclusion?

NEXT STEPS

Based on direction provided by Council at the Study Session, staff will prepare the final Recommended Fiscal Year 2023-24 through Fiscal Year 2027-28 CIP for Council adoption on June 27, 2023. Funding for the Fiscal Year 2023-24 capital improvement projects is scheduled to be approved on June 27, 2023 with the Fiscal Year 2023-24 Recommended Budget.

PUBLIC NOTICING

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

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- Attachments:
1. Projects to Close
 2. Active Projects
 3. Recommended Nondiscretionary Projects
 4. Recommended Discretionary Projects
 5. Amendments to Existing Projects
 6. Information Technology Department CIP Project Amendment Requests
 7. Unscheduled Proposed Projects