

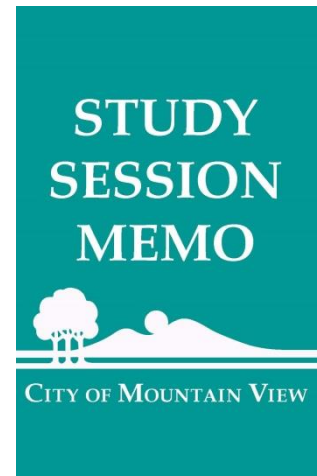
DATE: May 19, 2015

TO: Honorable Mayor and City Council

FROM: Jerry Burgess, Senior Administrative Analyst
Jacqueline Andrews Solomon, Assistant Public Works Director
Michael A. Fuller, Public Works Director

VIA: Daniel H. Rich, City Manager

TITLE: **Proposed Fiscal Year 2015-16 Through Fiscal Year 2019-20 Capital Improvement Program**



PURPOSE

The purpose of this Study Session is to present the Proposed Fiscal Year 2015-16 through Fiscal Year 2019-20 Capital Improvement Program (CIP) for City Council review, comment, and refinement.

Staff will incorporate Council-requested revisions and present the Five-Year CIP for adoption to the City Council on June 16, 2015.

BACKGROUND

The City Council provided initial guidance for the development of the Proposed Fiscal Year 2015-16 through Fiscal Year 2019-20 CIP during a March 24, 2015 Study Session.

The results of this Council discussion was shared with the City's Bicycle/Pedestrian Advisory Committee (B/PAC) and Parks and Recreation Commission (PRC). A summary of the input received from those two advisory bodies is included in the Discussion section below.

DISCUSSION

Proposed Fiscal Year 2015-16 Through Fiscal Year 2019-20 CIP

Based on the input received from the City Council at its March 24 Study Session, input provided by the B/PAC and PRC, as well as staff-initiated refinements, staff has developed a Proposed Fiscal Year 2015-16 through Fiscal Year 2019-20 CIP that is balanced and maintains reserves as required by Council policy for all funds.

At the March 24 CIP Study Session, staff noted that the funding capacity of the Wastewater Fund would be challenged for the next several years. However, as noted at the April 28 Narrative Budget Study Session, projected sewer capacity charges may be significant over the next several years, and this will allow for the funding of all new requested capital improvement projects that impact this fund. Staff will closely monitor the incoming sewer capacity charges and will provide an update during next year's CIP and budget processes.

At their April 30, 2015 meeting, the B/PAC reviewed the proposed capital projects that would enhance bicycle and pedestrian mobility, and was supportive of the projects in the recommended CIP.

Revenue/Funding Projection Updates

CIP Reserve and Construction/Conveyance Tax (C/C Tax) funds can be used for any capital project that does not have its own dedicated funding source. Consequently, these CIP funding sources are generally in the greatest demand and most constrained. Projected CIP Reserve and C/C Tax funding levels have been revised upward since the Council's March 24 Study Session discussion based on the following:

- Direction provided by the Council during its April 28 Narrative Budget Study Session that \$2.138 million of the Fiscal Year 2014-15 carryover be allocated to the CIP Reserve to fund capital projects.
- The Finance and Administrative Services Department (FASD) has updated its C/C Tax collection projections and now estimates an additional \$580,000 in C/C Tax revenue will be available during the next five years.
- Staff carefully reviewed the status of all active capital projects to determine which could be closed at the end of Fiscal Year 2014-15 so unspent balances could be reprogrammed to other capital projects. Staff estimates that closed projects will return approximately \$140,000 to the C/C Tax Fund.

These changes will provide an additional \$2.85 million of funding capacity for the CIP Reserve and C/C Tax Funds in the five-year plan. An additional \$1.35 million of this funding has been programmed into a number of different projects as discussed in the Planned Non-discretionary, Category 2 and Amendments to Existing Projects sections below. Council may wish to discuss whether to program the remaining \$1.5 million into additional projects, projects currently on the Unscheduled Project List (Attachment

5), or to leave those funds unspent and available to be used in next year's CIP and/or midyear capital projects during the next fiscal year.

Planned Non-discretionary Projects

The list of planned non-discretionary annual and periodic infrastructure maintenance projects proposed for inclusion in the Five-Year CIP is provided in Attachment 1. These projects preserve the City's significant investment in its infrastructure and facilities and/or are required for regulatory compliance. Changes to the planned non-discretionary projects not discussed at the March 24 Study Session include the following:

- **Annual Projects xx-01, Street Resurfacing Program, and xx-03, Slurry Seal Program**, have been combined into one project to be titled **Project xx-01, Street Resurfacing and Slurry Seal Program**. In recent years, these two projects have often been bid together, and staff has determined that it would be ideal to combine the two projects as one. As proposed in the March 24 Study Session report, recommended Fiscal Year 2015-16 funding for this combined project is \$1,509,000.
- **Annual Project xx-02, Traffic and Streetlight Improvements**, has been separated into two projects to be titled **Project xx-02, Traffic Infrastructure – Miscellaneous Replacements and Modifications**, and **Project xx-03, Street Light Pole Replacements**. These two projects are managed separately by different divisions in the Public Works Department, and separating them will improve management of project finances. Total funding is unchanged.
- The funding request for **Project 16-18, Information Technology (IT) Computer Projects**, has been refined and reduced by \$22,000 (from placeholder funding of \$527,000 to \$505,000) since the March 24 Study Session. This includes new project funding of \$455,000 (Project 16-18) and a \$50,000 amendment to an existing project (Project 15-18) (see Attachment 2 for details).
- An increase of \$40,000 is requested for **Project 16-20, Biennial Real Estate Technical and Legal Services**, for the reappraisal of two City-owned leased properties in North Bayshore. The leases provide for revaluation in 2016, and appraisals are planned to adjust the leases to be consistent with market conditions. Funding is recommended from the General Fund Property Management Reserve. This amendment is in addition to the \$60,000 amendment proposed to Project 16-20 at the March 24, 2015 CIP Study Session to contract for research of recorded real property documents (e.g., deeds, easements, etc.) of City-owned properties.

- As of May 15, 2015, the State Water Resources Control Board has prohibited the use of potable water to irrigate ornamental turf on public street medians. Additional one-time funding of \$200,000 is requested for **Project 16-19, Biennial Median Renovations and Roadway Landscape Renovations**, to install low-water-use plants on the Castro Street and Middlefield Road medians, and in other public areas. Funding is recommended from the CIP Reserve.

All other planned non-discretionary projects remain the same as proposed to Council at the March 24 Study Session.

Planned Discretionary Projects

The anticipated timing, scope, and/or cost of several discretionary capital projects previously scheduled during the five-year capital planning period have been updated since the March 24 Study Session.

- Total funding of \$2.38 million (a net increase of \$80,000 over the request in last year's CIP) is recommended for **Project 16-34, Regional Public Safety Communication System—Infrastructure Replacement**, for conversion of the City's public safety radio infrastructure in support of the Silicon Valley Regional Interoperability Authority's (SVRIA's) Regional Communications System (RCS) project. SVRIA's RCS project will provide Santa Clara County public safety agencies with a common police, fire, and emergency medical service radio system that is compliant with Project 25 interoperability standards as established by the Federal Communications Commission. This regional effort has been in the works for over a decade. This project will replace radios, consoles, and other related radio infrastructure for the Police Department (equipment for the Fire Department has already been purchased). This project combines and supersedes two projects totaling \$2.3 million planned in last year's CIP: (1) the \$1.7 million **Police/Fire Radio Replacement** project planned for Fiscal Year 2016-17; and (2) the \$600,000 **Regional Public Safety Communications System** project, which provided \$150,000 placeholders in each of the outer four years of the CIP. Ongoing operation and maintenance costs will increase when the new system is operational and will be funded in the General Operating Fund. Project funding sources include CIP Reserve (\$1.68 million) and Equipment Replacement Fund (\$700,000). The cost is based on current estimates but staff hopes that savings will be achieved through group discounts.

- **Project 16-29, Interceptor Force Main Rehabilitation, Construction** (\$3.9 million), is recommended to be phased over the first two years of the five-year plan because of first-year Wastewater Fund limitations. The resulting two projects will be **Project 16-29, Interceptor Force Main Rehabilitation, Construction, Phase I** (\$2.4 million) and **Project 17-29, Interceptor Force Main Rehabilitation, Construction, Phase II**. Staff does not anticipate that phasing the funding will affect the schedule for the work.
- Two other previously planned discretionary projects, **Project 17-34, South Whisman Area Park, Design**, and **Project 18-32, South Whisman Area Park, Construction**, are recommended for one-year deferrals (to Fiscal Years 2016-17 and 2017-18, respectively) to coincide with the developers' current schedules.
- **Project 17-35, Police/Fire Administration Building Expansion, Design**, is recommended for a one-year deferral, from Fiscal Years 2015-16 to 2016-17 to coincide with the anticipated schedule for funding construction through Certificates of Participation tied to the revenue from the Moffett Gateway lease. While a final decision on this funding strategy has not yet been made by the City Council, this is the current assumption being made for the purpose of scheduling the design. The schedule can be adjusted as appropriate if a different funding strategy is approved by Council.
- Staff Recommends **Project 17-32, Rengstorff Park Community Center, Construction**, be moved ahead one year, from Fiscal Years 2017-18 to 2016-17, to coincide with the current design schedule.

All other planned discretionary projects remain the same as proposed to Council at the March 24 Study Session. The complete list of planned discretionary projects proposed for inclusion in the Five-Year CIP is included in Attachment 3.

Proposed New Non-discretionary and Discretionary Projects

Category 1

The Proposed Five-Year CIP funds all of the recommended Category 1¹ amendments to existing annual non-discretionary projects, including an additional \$500,000 per year for street maintenance, \$150,000 per year for facilities maintenance, and \$50,000 per year for

¹ Category 1—Non-discretionary Projects required to repair/replace/maintain infrastructure or equipment, or funding amendments to existing projects for these purposes. These projects require full or partial C/C Tax funding.

tree planting. With these increases, total first-year funding for street maintenance is \$1,509,000, for facilities maintenance is \$677,000, and for tree planting is \$355,000. The funding for these projects is increased in each of the five years by an inflation factor of two percent.

An additional Category 1 project, **Project 18-29, Quadrennial City Bridges and Culverts Structural Inspection** (\$150,000), has been added since the March 24 Study Session. While performed regularly in the past, this activity has been funded with a discretionary project added periodically to the CIP. Because this activity is required for compliance with the National Bridge Inspection Standards (NBIS) established by the Federal Highway Act, staff recommends including a quadrennial non-discretionary project. Funding is proposed from C/C Tax (\$100,000) and Shoreline Community (\$50,000).

The complete list of planned non-discretionary annual and periodic infrastructure maintenance projects proposed for inclusion in the Five-Year CIP is provided in Attachment 1.

Category 2

Based on revised CIP Reserve and C/C Tax funding estimates that have provided the additional \$650,000 needed to fund all but two of the proposed Category 2² projects, the Proposed Five-Year CIP funds the projects and amendments to existing projects directed by Council at the March 24 Study Session. The two Category 2 projects not funded, as directed by Council, are the **Library Remodel, Construction** (\$1.5 million), which may receive Community Benefit funding from a North Bayshore development, and **Downtown Parking Lot 11 Reconfiguration and Repaving** (\$1.163 million). The Library Remodel project will remain on, and the Parking Lot 11 project will be moved to the Unscheduled Project list, included as Attachment 5.

Staff recommends the funding of **Project 16-65, Downtown Street Sign Program – El Camino Signs** (\$63,000), to install five remaining directional signs from Project 06-37, Downtown Street Sign Program. The signs were manufactured as part of the original

² Category 2—Discretionary Projects (either new or funding amendments to existing projects) that (1) support Council major goals pertaining to environmental sustainability, transportation, and housing; (2) support essential operational functions; or (3) are desirable and would enhance City operations and facilities. However, they do not meet the prioritization criteria for Category 1 projects as outlined in Footnote 1. All of these projects require full or partial funding from the C/C Tax or CIP Reserve Funds, or from contributions from other local funding sources.

project but have not been installed. This project is currently Project US-29 on the Unscheduled Project List. Funding is recommended from the CIP Reserve.

A complete list of discretionary projects proposed for inclusion in the Five-Year CIP, which includes the Category 2 projects, is provided in Attachment 3. One exception to this is the amendment to **Project 16-20, Biennial Real Estate Technical and Legal Services**, discussed above, which can be found in Attachment 1.

Category 3

Category 3³ includes priority transportation and utility capacity projects related to the North Bayshore Precise Plan and are shown on Attachment 3. Funding for these projects is primarily from the Shoreline Regional Park Community Fund, though some are expected to be funded (partially or completely) or constructed by developers. The timing and funding of these projects will be adjusted as North Bayshore developments proceed through the entitlement and permitting process.

Project xx-28, North Bayshore Semi-Annual Traffic Counts (\$100,000 per year), was proposed at the March 24 Study Session to perform annual traffic counts in the North Bayshore Area to support the Transportation Demand Management (TDM) goals. Based on updated estimates, an additional \$50,000 per year is requested for this project, which will be proposed as an ongoing annual non-discretionary project. Funding is proposed from the Shoreline Community Fund (\$50,000 per year) and Development Impact Fees (\$100,000 per year).

Category 4⁴

At the March 24 Study Session, Council requested that park improvement projects associated with land dedication from developments currently in the pipeline (Evandale Avenue and 400 San Antonio Road) be removed from the Five-Year CIP to allow Council to review the proposed parks as part of the Development Review and approval Process. Therefore, staff is not proposing funding for these two development-related parks at this time. Projects associated with proposed parks in existing Council-approved Precise Plans (South Whisman and Mora-Ortega) remain in the proposed CIP.

³ Category 3—North Bayshore Precise Plan Projects. These projects include recommended next-step projects identified in the Shoreline Regional Park Community studies completed in 2013 related to transportation/circulation, landfill management requirements, and sea level rise. This list also includes projects required to support potential development in the North Bayshore Area.

⁴ Category 4—Park Land Dedication-funded projects.

Staff recommends the addition of one project not presented at the March 24 Study Session—**Project 16-47, Permanente Creek Trail—Rock Street to West Middlefield Road, Construction** (\$1.0 million). The City is partnering with the Mountain View Whisman School District (MVWSD) to integrate the extension of the Permanente Creek Trail extension from Rock Street to West Middlefield Road with the school site improvements at Crittenden Middle School currently under design. The MVWSD expects to be completed with design and to begin construction in summer 2016 and has agreed to construct the trail as part of that construction project. Funding is recommended from the Shoreline Community Fund (\$500,000) and the Park Land Dedication Fund (\$500,000).

At their May 6, 2015 meeting, the PRC approved the recommended CIP funding from the Park Land Fund with the following condition on the requested CIP 17-39, Park Restroom Renovation, Group A (Restrooms at School Sites). The PRC requested that staff work with the MVWSD to review the four restroom locations and determine if there was potential to renovate or relocate the restrooms in coordination with the School Bond Measure projects at the four schools. The funding can be used to fund those renovation projects if the restroom or school will not be renovated within five years.

Projects to be funded with Park Land Dedication funding can be found on the list of Discretionary Projects (Attachment 3).

Category 5

The Proposed Five-Year CIP funds all of the Category 5⁵ new discretionary projects discussed with the City Council on March 24, with modifications in funding for some projects as discussed in further detail below.

- The scope for **Project 16-54, Storm Drain Master Plan Update**, has changed, and the cost of the project has increased from \$331,000 to \$535,000. Additional services added to the project include a storm drain survey, a storm drain condition assessment, two-dimensional floodplain modeling, a stormwater fee analysis, and a City storm drain GIS data layer update. The additional funding is recommended from the Wastewater Fund.

⁵ Category 5— All remaining projects that do not need CIP Reserve, C/C Tax and Park Land Dedication funding, and are not identified as North Bayshore Precise Plan Projects. Funding sources for these projects include Transit-Oriented Development (TOD), Water, Wastewater, and North Bayshore (Shoreline Regional Park Community) funding.

- The amendment to **Project 15-22, Miscellaneous Storm/Sanitary Sewer Main Replacement**, has been increased from \$750,000 to \$930,000 due to additional emergency repair work needed at the Shoreline Sewage Lift Station this spring. All of the emergency repair work was funded out of Project 15-22. The additional funding is recommended from the Wastewater Fund.
- Total new funding needed for **Project 16-51, Replacement of Utility Billing/Cash Receipting/Business License System**, has been reduced from \$216,000 to \$191,000. More funding than originally thought will be available from existing **Project 07-18, Utility Billing System Replacement**, for transfer into Project 16-51. Funding sources for this project, including moneys transferred from Project 07-18, include C/C Tax (\$60,000), Water (\$162,000), Wastewater (\$162,000), Solid Waste (\$162,000), and Development Services (\$54,000).

One new project, **Project 16-55, Sewer Main Replacement Crossing Highway 85 at Stevens Creek Trail, Design** (\$200,000), has also been added. The sewer main at this location is the original trunk main and is in need of replacement. This project will design a new main crossing under both Stevens Creek and Highway 85 to connect to the existing main in San Leandro Avenue west of Highway 85.

All of the Category 5 projects can be found on the list of Discretionary Projects (Attachment 3).

Amendments to Existing Projects

Funding amendments are proposed for 10 existing capital projects, most of which were presented at the March 24 Study Session or discussed above. These amendments require approximately \$1.07 million in additional funding. Amendments not proposed or discussed previously are as follows:

- **Project 15-23, TDA Projects—Crosswalk Improvements at West Middlefield/Independence/Thaddeus**, was funded with \$180,000 as part of last year's CIP process. Subsequently, the Fiscal Year 2014-15 Transportation Development Act (TDA) allocation, which included banked funds from the year before, was \$184,290. This amendment will appropriate the remaining \$4,290 of the City's TDA allocation to Project 15-23.
- Staff is recommending the current funding of \$250,000 for **Project 15-46, City Hall Security**, be supplemented with an additional \$151,000 to cover the design and

construction of the remodel of the Human Resources and City Clerk's offices. The original funding was a placeholder to fund design and development of a project scope and cost estimates. Funding is recommended from the CIP Reserve.

- An additional \$186,000 is recommended for **Project 15-48, Green Bike Lane Pilot Project**, to supplement existing Google funding of \$65,000. The additional funding will further improve public safety through the application of green paint to bike lanes at three intersections: (1) Sylvan Avenue/The Americana at El Camino Real, (2) Cuesta Drive/Miramonte Avenue, and (3) Bryant Avenue/Grant Road. Funding for the additional \$186,000 is recommended from the C/C Tax Fund.

All of the amendments and their various funding sources are more fully described in Attachment 4.

There is one amendment to an existing project that is not shown in Attachment 4, as the funds will not be coming from an existing project. Staff recommends that all interest earnings of approximately \$100,000 from the Shoreline Community Fund bond proceeds be transferred to **Project 11-33, Athletic Field Construction**, to fund any additional work needed for this project, or supplant existing Shoreline Regional Park Community (SRPC) funding. Once Project 11-33 is complete, any remaining unspent funding will be returned to the SRPC Fund.

Unscheduled Projects

Attachment 5 includes a listing of previously proposed projects that have not been recommended for funding during the Five-Year CIP planning horizon because of limited funding and/or the project's lower-priority status compared to other projects. This list includes the **Mountain View Center for the Performing Arts Second Stage Addition, Construction**. As requested by Council, a memorandum discussing the scope, background, and an updated cost estimate for this project is included in Attachment 6. The Unscheduled Projects list also includes **Rengstorff Aquatics Center—Building Design and Construction**, and **Rengstorff Aquatics Center—Pool Design and Construction**. A memorandum discussing these two projects is included as Attachment 7.

Projects to Close and Remaining Active Projects

Staff carefully reviewed the status of all active capital projects to determine which projects could be closed at the end of Fiscal Year 2014-15 so unspent balances could be reprogrammed to other capital projects. Attachment 8 lists the projects expected to

close at the end of this fiscal year. Staff estimates that, once closed, these projects will return approximately \$850,000 to various funding sources, including, as mentioned above, approximately \$140,000 to the C/C Tax Fund. Active projects scheduled to remain open are shown in Attachment 9.

RECOMMENDATION

Provide direction regarding the Proposed Fiscal Year 2015-16 through Fiscal Year 2019-20 CIP so that a final Proposed CIP document can be presented to the City Council for adoption at its June 23, 2015 meeting.

PUBLIC NOTICING – Agenda posting and copies to all advisory bodies.

JB-JAS-MAF/3/CAM
791-05-19-15SS-E

- Attachments:
1. Proposed Non-discretionary Fiscal Years 2015-16 Through 2019-20 Projects
 2. March 19, 2015 Memorandum – Information Technology Project Request
 3. Proposed Discretionary Fiscal Years 2015-16 Through 2019-20 Projects
 4. Proposed Amendments to Existing Capital Projects
 5. Unscheduled Projects
 6. May 19, 2015 Memorandum – SecondStage Support Space Addition Project
 7. May 19, 2015 Memorandum – Rengstorff Park Master Plan
 8. Projects to Close
 9. Active Projects

cc: APWD – Hosfeldt, APWD – Solomon, AFASD, PCE – Arango, PCE – Au, FFM, SAA – Kiner