

**DATE:** April 14, 2026  
**TO:** Honorable Mayor and City Council  
**FROM:** Nancy Doan, Senior Management Analyst  
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**VIA:** Kimbra McCarthy, City Manager  
**TITLE:** **Fiscal Year 2026-27 Capital Improvement Program**

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# STUDY SESSION MEMO

## **PURPOSE**

The purpose of this Study Session is to provide the City Council an overview of the Capital Improvement Program and obtain City Council input on the Draft Recommended Fiscal Year 2026-27 Capital Improvement Program.

## **BACKGROUND**

This Study Session memo presents:

1. An overview of the Capital Improvement Program (CIP) and second-year planning cycle;
2. The status of featured projects and Fiscal Year 2025-26 projects;
3. An update on the City's pavement management program and the Active Transportation Plan;
4. Information about CIP funding sources and staffing workload constraints;
5. Recommendations for prioritizing CIP unrestricted funds; and
6. Recommendations for Fiscal Year 2026-27 projects (including planned, amendments and new projects).

## **CIP Overview**

Fiscal Year 2026-27 is the second year of the biennial capital improvement planning cycle. During the second year of the cycle, review is focused on the following types of projects:

1. Projects that are scheduled to "roll forward" for funding in Fiscal Year 2026-27;

2. Modifications to some of the “roll forward” projects;
3. Amendments to existing projects;
4. A limited addition of new projects;

The Capital Improvement Program (CIP) is divided into Non-Discretionary and Discretionary Projects as described below:

- Non-Discretionary Projects are recurring, annual, or biennial initiatives focused on both ensuring regulatory compliance and preserving and maintaining City infrastructure and facilities to at least a fair status. While Council retains the authority to adjust funding, these projects generally receive consistent approval with minor inflationary adjustments.
- Discretionary Projects are those projects that do not fit the Non-Discretionary description and require approval of the City Council.

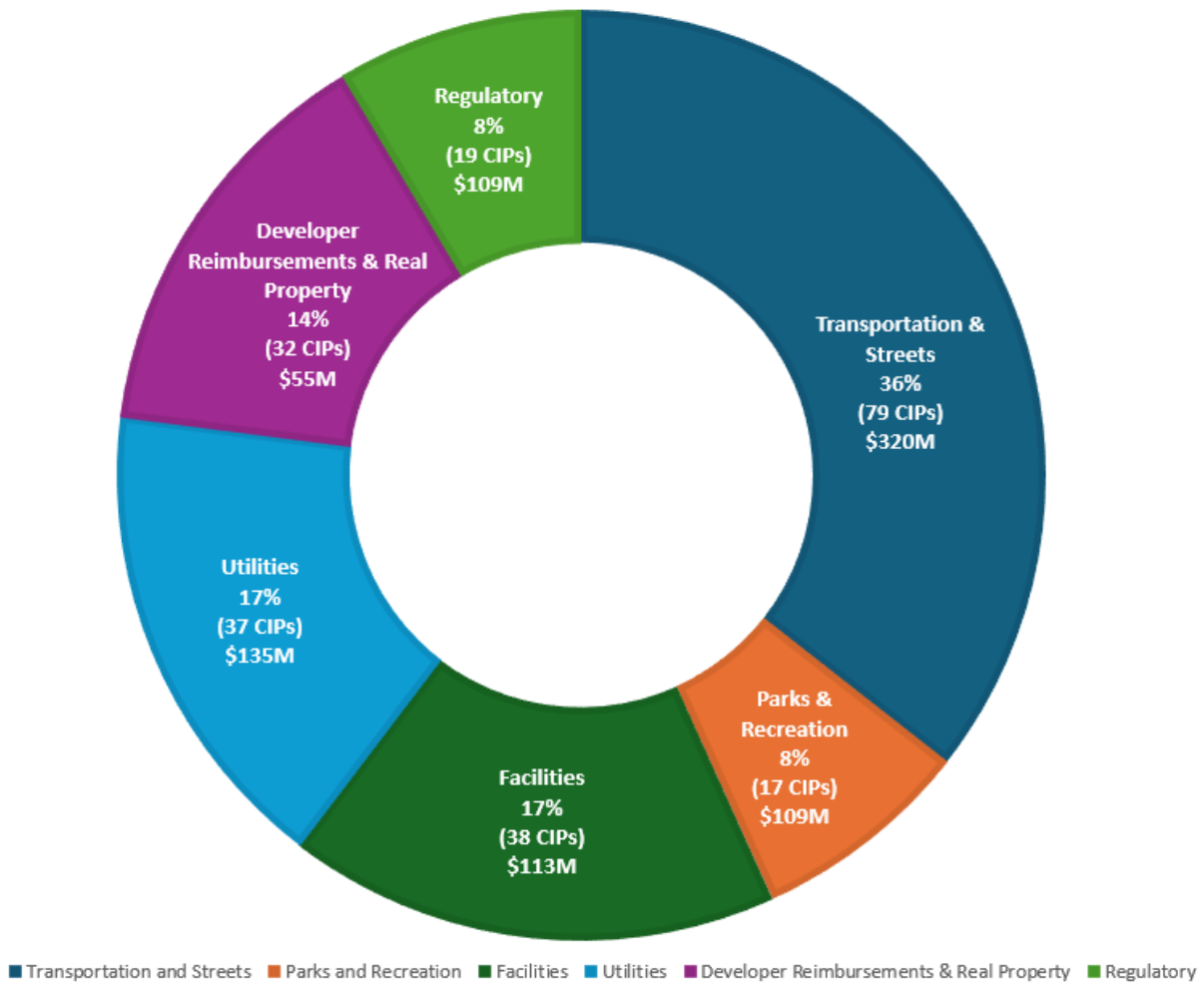
In 2026, the Finance and Administrative Services Department will recommend revisions to Council Policy A-11 (Financial and Budgetary Policy, Section 5.e) that limit Non-Discretionary projects to goods and services intended for the fiscal year they are created. The proposed update will also require non-discretionary projects to be closed-out at the end of the fiscal year or once all related expenditures have been paid, but no later than five years after the project adoption. This approach will help reduce the number of funded projects that may become outdated and will free up funding for higher-priority projects.

Accordingly, the Non-Discretionary project list has been refined to include only annual or biennial projects without a construction component to achieve the same-year service delivery and the five-year closeout period. For simplicity and consistency, projects previously classified as Non-Discretionary that include construction components will now be designated as Discretionary.

The number and types of projects recommended for inclusion in the Fiscal Year 2026–27 CIP reflect the proposed revisions to Council Policy A-11, as well as current staffing capacity and available funding. To provide context for the project discussion, this Study Session memorandum includes an update on the number of active projects, the status of resources available to deliver them, and current CIP funding levels.

### **Active Projects**

There are currently 290 active projects in the CIP (see Attachment 1), of which 222 are managed by the Public Works Department. Figure 1 illustrates the breakdown of active Public Works projects by category.



**Figure 1: Active Public Works CIP Projects by Category**

Notably, 36% of the active CIPs delivered by Public Works involve active transportation and street improvements, 17% involve facilities (approximately half of these are considered routine maintenance and improvements), and 8% involve park projects.

During CIP development efforts over the past several years, a concerted effort has been made to reduce the number of recommended new projects and to close out older projects in order to better align staff capacity with project delivery and respond to the reduction in available CIP funding sources. While several projects have been completed and closed and staffing levels have improved, staff continues to address a backlog of major capital projects, particularly in pavement, transportation, and larger facility projects. Transportation and large facility projects tend to be more complex, require significant public outreach, and are generally more demanding of staff time and resources for a prolonged period.

Featured and Fiscal Year 2025-26 Projects

The Public Works Department delivers a wide variety of capital projects such as City buildings, transportation and roadway improvements, parks and utilities. There are currently over 222 projects underway in various phases, from studies to planning through construction.

In an effort to promote transparency of project delivery status, Public Works has developed a list of 25 featured projects representing a select portion of the CIP and providing a general summary of each project, including noting if a project is part of the Council Work Plan, an active transportation project, and/or the project has grant funding. The [Featured Projects](#) are updated quarterly on the Public Works website and are available for public viewing.

Strategic Priorities and Council Work Plan

Progress towards Council workplan projects remains strong. Public Works has been progressing on many Council Work Plan projects and status of each one is detailed in Table 1 below.

**Table 1: Fiscal Years 2025-27 Council Work Plan Update**

Work Plan Fiscal Year	Project	Status and Next Steps
2025-27	Stevens Creek Trail Extension	In September 2025, the City issued a Request for Proposals (RFP) for a feasibility and trail alignment analysis, including preliminary design and concept drawings. Staff expects to bring the consultant services agreement to Council for approval in Q2 2026 along with the cost-sharing agreement with the City of Sunnyvale. Once the agreement is executed, the preliminary design phase is expected to take two years.
2025-27	Smart Water Meters	On June 10, 2025, the Council approved a cost-sharing agreement with Santa Clara Valley Water District and authorized a contract with a consultant to develop a project scope, procurement strategy, and outreach plan. The project team has been working to identify the assets and integration requirements of the existing technology and infrastructure. This project scope and procurement strategy were completed in Q1 2026, at which point the team will begin a procurement process for design and implementation of the new program.
2025-27	Pavement Condition Index (PCI) Increase	The City released an RFP in Q1 2026 to evaluate the current program, develop strategies for prioritizing arterial streets, and create budget scenarios to achieve the target PCI of 70. The evaluation is expected to be completed in Q4 2026 and will inform the prioritization of paving projects recommended for Council approval in Fiscal Year 2027-28.

Work Plan Fiscal Year	Project	Status and Next Steps
2025-27	Pickleball Solutions	In July 2025, staff added 13 pickleball hours per week at the dual-striped (tennis/pickleball) courts at Rengstorff Park. The City held a community meeting in August 2025 to share City-controlled site options for potential pickleball sites, which was attended by approximately 300 community members. Staff is currently negotiating with a private property owner to place public pickleball courts on private property. Staff shared a general update on the project with the Council and the community in January 2026 during the Parks and Recreation Strategic Plan Study Session, and expects to provide a more detailed update soon
2023-25	Holistic Citywide Review of Street Parking Regulations	The Holistic Citywide Review of Street Parking Regulations was completed in 2024.
2023-25	Adopt the Local Road Safety/Vision Zero Action Plan	On September 10, 2024, City Council adopted the Local Road Safety and Vision Zero Action Plan. On December 2, 2025, the Council Transportation Committee received a progress update on implementation of the plan. The Plan will need to be updated every 5 years and staff will return in the future to propose a CIP for the next update in 2029.
2023-25	Expand the Safe Routes to School Program	The SRTS program has significantly expanded over the past four years and now includes safe routes to school curriculum, safety education, communitywide encouragement events, walk audits and program evaluation. On December 2, 2025, the Council Transportation Committee received an update on the program's status. An RFP for consultant services to assist with further program development was released in February 2026 and contract execution is in progress with the selected consultant.
2023-25	Community Workforce Agreement	Complete.
2023-25	Citywide Transportation Demand Management Ordinance	This ordinance will create a citywide methodology for application and reporting of transportation demand management requirements placed upon development projects. Ordinance Language planned for EPC and CTC in Q2 2026, and City Council in Q2/Q3 2026.
2023-25	Active Transportation Plan	The Draft Active Transportation Plan will be presented to the BPAC in April 2026 and will be made available for public review and comment at the same time. The Plan is anticipated to come to Council for review in Q3 2026.

Work Plan Fiscal Year	Project	Status and Next Steps
2023-25	Castro Street Grade Separation	In January 2024, City Council prioritized Rengstorff Avenue Grade Separation and deferred the Castro Street Grade Separation Project as a future project and supported implementation of interim improvements (Castro and Evelyn Improvements) at the Castro rail crossing. The project has reached 65% design completion, with full design expected by the end of 2026.
2023-25	Citywide Travel Demand Model Update	This project will establish a travel demand model that will assist with planning efforts provide estimates of future travel needs, estimate travel behavior, and plan for future transportation needs. Consultant selection is complete. Appropriation of additional funds was approved by City Council in February 2026. Consultant agreement is being processed for execution and license agreement with VTA is being coordinated with VTA staff. Anticipated completion is in summer 2027.
2023-25	Micromobility Guidelines	Project under development. City staff have confirmed that multiple scooter share companies are interested in providing services within Mountain View. Work is underway to develop a strategy to legally lift the moratorium in order to start a pilot program approximately 12-18 months long.
2025-27	Objective Design Standards	An amount of \$54k is being proposed for a new FY 2026-27 project to capture Public Works staff time in updating standard details (attachment 5, Project 27-27) for roadways including street, sidewalk, bike lane, landscape strips, and green street infrastructure in the public right of way. This work is distinct from and complementary to the objective design standards Council Work Plan item being advanced by the Community Development Department.

*Pavement Management Program Update*

As shown in Table 2, 57% of the City’s roadway network are residential streets. Due to the majority of the roadways in the city being residential serving, the focus in the past has been on upkeep of the residential roadways. Pavement management systems prioritize a cost-effective “best-first” strategy, which focuses on applying lower-cost preventive maintenance treatments—such as slurry seals, micro surfacing, and crack sealing—before pavement conditions decline. This approach extends the life cycle of streets and helps avoid the need for more expensive rehabilitation or reconstruction. By prioritizing treatments that deliver the greatest overall benefit, the City continues to optimize its pavement investments.

**Table 2: Street Network Statistics and Average PCI by Functional Class**

Functional Class	Lane Miles	Percent	Average PCI
Arterial	101.8	31	63
Collector	42	13	64
Residential	187.6	57	70
Total	331.4	100	67

As part of the March 25, 2025 Study Session, Councilmembers expressed a desire for staff to evaluate prioritizing major corridors over residential streets in the pavement management program. The evaluation is scheduled to be completed in fall 2026 and will inform the prioritization of paving projects in 2028 (see Attachment 3 – Pavement Management Program Update). However, in advance of the study’s completion, several arterial/collector roadways are scheduled for pavement rehabilitation such as Moffett Boulevard from Middlefield Road to RT Jones Road, Middlefield Road from Moffett to Bernardo, and Shoreline Boulevard from Middlefield Road to Pear Avenue.

#### Active Transportation Plan Update

The Active Transportation Plan will provide a roadmap of programs, projects and policies to support walking, rolling, and biking in the City of Mountain View. The Active Transportation Plan builds upon existing planning documentation such as various precise plans, bicycle transportation plan, and pedestrian masterplan. The Draft Active Transportation Plan including priority projects, program and policies will be taken to the Bicycle and Pedestrian Advisory Committee in April 2026 and will be made available for public comment at the same time. The draft report will be presented to the Council Transportation Committee in June 2026 and City Council in September 2026. In parallel, the Public Works Department continues to evaluate and implement active transportation improvements through the pavement management program projects and developer frontage improvements.

#### CIP Funding Sources

The City’s Capital Improvement Program (CIP) is supported by multiple funding sources. Some—such as the Water, Wastewater, and Solid Waste Funds—are enterprise funds primarily financed through service fees paid by residents and businesses for water, sewer, and solid waste services. These funds are restricted and may only be used for activities related to their respective utilities.

In addition, certain fees generate revenue that can be used to support projects identified in each fee’s corresponding nexus study. The City also receives funding from regional, state, and federal sources, including both formula-based allocations and competitive grant programs.

Other funding sources, such as the CIP Reserve, Construction Tax, and Conveyance Tax funds, are less restricted and may be used for a broader range of capital projects. Because of this flexibility, these funds are often in the highest demand and typically receive the most City Council deliberation during the CIP development process. Attachment 4 provides additional detail on the various funding sources.

## **DISCUSSION**

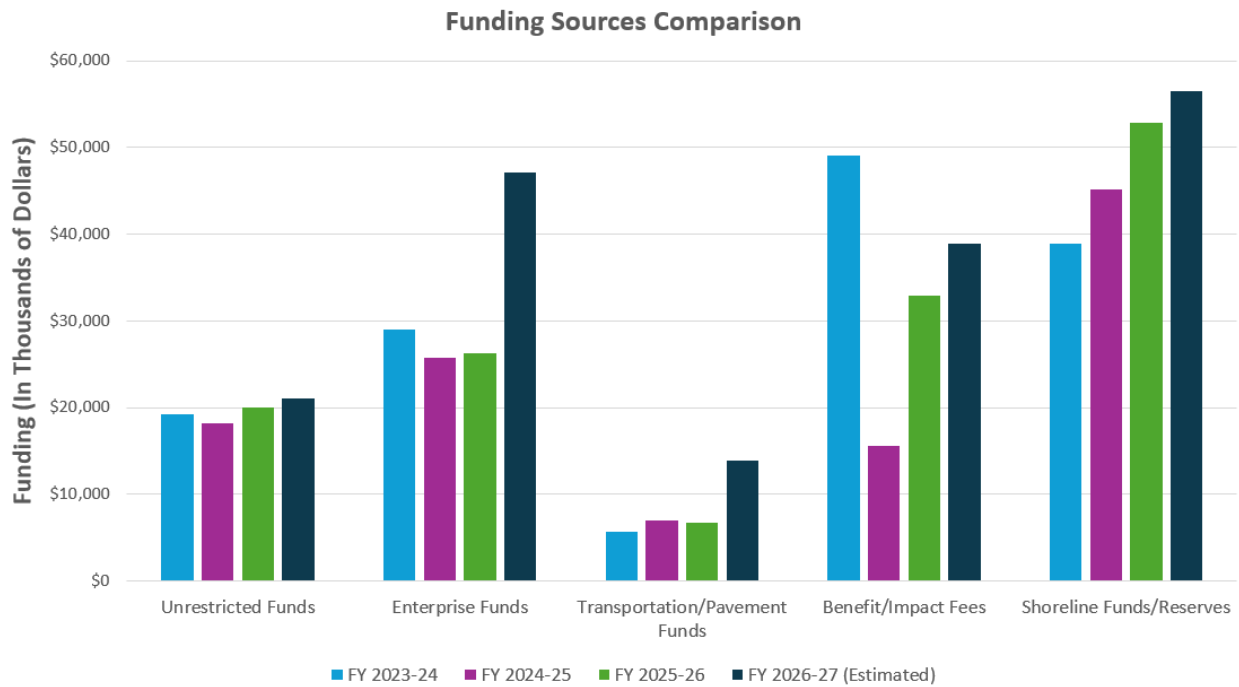
The number and types of projects included in the CIP are dependent on available staffing and funding resources. As noted in the Background section, the City continues to carry a high number of active CIP projects, and finite staffing capacity affects the City's ability to add and successfully deliver new projects. It will continue to take several more years of concentrated delivery effort to align to a ratio of 1:1 of new project needs against completed projects in a given year.

In May 2025, City Council supported staff's approach to right-size the CIP workload to better position the City for successful project delivery. As part of this effort, the Council approved the Recommended Fiscal Year 2025–26 through Fiscal Year 2029–30 CIP, which aligned project funding with available staffing resources.

Building on this approach, staff has evaluated available funding sources for projects, including unrestricted funds, and aligned them with current staffing capacity. This effort is intended to ensure that projects included in the CIP can be initiated in the fiscal year in which they are adopted and can be delivered successfully.

### **Status of Funding Sources**

Staff has been tracking the funding sources over the past few years and most funding sources have increased or remained flat. Figure 2 and Table 3 outline the five major funding sources that the CIP relies on.



Funding Sources

Figure 2: Funding Sources Status

Table 3: Funding Sources Status

Funding Balances (in thousands of dollars) Available for the CIP as of July 1st	2023-24	2024-25	2025-26	Estimated 2026-27
Unrestricted Funding (CIP Reserve, C/C Tax) 2026-27 includes Measure G funding	\$19,173	\$18,216	\$19,995	\$21,100
Enterprise Funds (Water, Sewer and Solid Waste), includes Capacity Charges	\$29,034	\$25,689	\$26,330	\$47,152
Transportation Funds (Gas Tax, SB1, VLF, and 2016 Measure B)	\$5,738	\$7,041	\$6,759	\$13,946
Development, Public Benefits and Impact Fees	\$49,053	\$15,568	\$32,943	\$38,941
Shoreline Regional Park Community (in 2025- 26 includes Shoreline CIP Reserve)	\$38,905	\$45,146	\$52,851	\$56,458

- Unrestricted Funds** – The unrestricted funds are highly affected by the City’s economy. In the past, these funds have relied on one-time increases, helping the CIP Reserve and fund necessary projects. In 2026-27 the introduction of revenue from Measure G helped these valuable funds increase. The estimated available funding of unrestricted funds in Fiscal Year 2026-27 is expected to be approximately 6% more than the previous year.

- Enterprise Funds – These funds are generated by fees charged to residential and business customers and are used to fund utility (storm, sanitary sewer, water and solid waste/landfill) projects. Following the recently completed rate study, the estimated available funding is expected to be approximately 79% higher than the previous year.
- Transportation Funds – Funding received from the Vehicle Registration Fee, Measure B Sales Tax, and SB-1 for road infrastructure maintenance and repair is expected to double compared to the previous year, primarily due to a resurgence in gas tax revenues and the release of funds from completed or older projects.
- Shoreline Regional Park Community – At this time, this revenue source has not been affected by the economy. Although the balance appears high again this fiscal year, staff is setting aside a majority of the balance for several future year CIP projects in the North Bayshore Area that will require funding within the next 1-3 years, such as construction of the North Bayshore Recycled Water Reservoir, estimated at \$22 million and a portion of funding for the Rengstorff Avenue Grade Separation Project, estimated at \$25 million. Recently, staff created two Shoreline Reserves to help fund Sea level Rise projects as well as standard Shoreline Park maintenance.
- Developer Fees and Charges – Developer fees show a steady increase, primarily because there are no active projects planned in those areas.

The projected available funding will be used to fund nondiscretionary roll-forward projects, amendments to existing projects and discretionary projects. At this time, there is sufficient funding available to fund the recommended Fiscal Year 2026-27 CIP.

### **Staff Workload**

Staff continues to address the backlog of active CIP projects, including major capital efforts—particularly those related to pavement, transportation, parks and open spaces, and large facility improvements. In recent years, many projects added to the CIP have also become more complex, requiring significant public outreach and coordination with outside agencies. These factors contribute to an elongated project delivery schedule and a continued high workload for the Public Works project management sections responsible for delivering pavement, transportation, and park/facility projects.

### **Transportation Division Reorganization**

As part of the organization's continuous improvements efforts to position the City for successful project delivery, on [February 24, 2026](#), City Council approved the reorganization of the Transportation and Business Services Division and the Engineering Division within Public Works to create a new division focused solely on transportation and traffic. This new division will combine the Transportation Planning and Traffic Engineering sections and will be led by a new

Chief Transportation Officer. The position will guide implementation of major policy initiatives such as the Active Transportation Plan, Vision Zero, and Transportation Demand Management plan. Recruitment of the Chief Transportation Officer will start in late spring and is anticipated to continue through the fall.

Bringing Transportation planning and Traffic Engineering together is expected to improve communication, coordination, and collaboration as the combined team works to advance the City's transportation goals. In addition, moving Traffic Engineering out of the Engineering Division will reduce the overall workload for the City Engineer, allowing greater focus on the delivery of capital projects.

### **Other Workload**

In addition to delivering CIP projects, Public Works staff is often tasked with support efforts for non-CIP items. These include responding to public inquiries and gathering information for claims and Public Records Act requests. Additionally, as the City positions itself for modernization and further technology improvements over the next decade, supporting citywide projects with other departments, and collaborating on initiatives such as new software implementation or long-range planning documents becomes equally important. Examples include the Parks and Recreation Strategic Plan, Biodiversity and Urban Forest Plan, Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan, Downtown Precise Plan, Moffett Boulevard Precise Plan, Google Middlefield Park Master Plan, Google North Bayshore Master Plan, and the Broadband Needs Assessment and Gap Analysis. These other workload efforts, combined with an already heavy CIP project workload, means that staff continuously carries a high volume of assignments year-round.

### **Prioritizing CIP Unrestricted Funds**

The CIP Reserve, Construction Tax, and Conveyance Tax are highly valuable funding sources for the CIP because they are not restricted by project type or location, allowing the City to have flexibility in addressing a wide range of infrastructure needs. Consistent with the City's approach over the past five years, staff recommends prioritizing the use of these unrestricted funds in the following order:

1. Non-Discretionary Projects – Staff recommends that the Non-Discretionary Projects with no or insufficient dedicated fundings sources continue to be funded first from available CIP Reserve, Construction Tax, and Conveyance Tax funds. These projects are critical to maintaining City infrastructure, supporting City operations, and preserving current citywide service levels. Funding these projects first ensures that essential infrastructure rehabilitation and operational needs are addressed.
2. Amendments to existing projects – Some projects currently underway have no or insufficient dedicated funding sources and require additional resources due to

unforeseen scope changes, cost increases, or the need to move into the next project phase (such as design or construction). Providing additional unrestricted funding allows these active projects to continue progressing toward completion. Many of these projects are already well into design and approaching construction; delaying or deferring funding could result in lost time, reduced progress, and higher costs to restart them later.

3. Roll-Forward and New Discretionary Projects – Remaining unrestricted funds would be prioritized for roll-forward and new discretionary projects that meet previously approved Council-supported criteria, including:

- Public and personnel safety
- Compliance with regulatory requirements
- Maintaining City facilities and infrastructure in a state of good repair
- Providing local match or cost-sharing to secure grants or other external funding
- Pavement rehabilitation, reconstruction, and preventive maintenance to maintain the City's current PCI rating (including integration of bicycle and pedestrian improvements)
- Alignment with Council Strategic Priorities and work plan initiatives

Staff recommends maximizing the use of unrestricted CIP Reserve, Construction Tax, and Conveyance Tax funds for projects without dedicated funding sources. Under this approach, non-discretionary projects would be funded first, followed by amendments to existing projects, with any remaining funds allocated to roll-forward and new discretionary projects based on the Council-supported prioritization criteria listed above.

### **Fiscal Year 2025-26 CIP Project Lists**

#### **Non-Discretionary Projects**

The list of 21 planned Non-Discretionary Projects scheduled to roll forward for funding in Fiscal Year 2026-27 is shown in Table 4 (see Attachment 5 for project descriptions). These projects are essential in maintaining and preserving the City's infrastructure and facilities and are recommended for funding. In addition, these projects reflect the proposed revisions to Council Policy A-11 ensuring these projects can be closed within 5 years of adoption.

**Table 4: Fiscal Year 2026-27 Non-Discretionary Roll-Forward Projects**

Project No.	Non-Discretionary Projects	Budget (in thousands of dollars)
27-01	Annual Public Services Street Section Maintenance	\$ 613*
27-02	Annual Maintenance Agreement for JPB/VTA Transit Center	72
27-03	Annual Shoreline Landfill Gas, Cap and Leachate Maintenance	537
27-04	Annual Water System Improvements and Recycled Water System Improvements	825
27-05	Annual Wastewater System Improvements	211
27-06	Annual Facilities Maintenance	944*
27-07	Annual Planned and Emergency Facilities Projects	738*
27-08	Annual New Energy Conservation Measures	125*
27-09	Biennial ADA Improvements to City Facilities	113*
27-10	Annual Traffic Infrastructure Maintenance/NTMP Improvements	756*
27-11	Annual Parks Renovations/Improvements	391*
27-12	Annual Forestry Maintenance Program and Street Tree Replanting	770*
27-13	Biennial Good Neighbor Fence Replacements	46*
27-14	Biennial Tennis Court Resurfacing	106*
27-15	Biennial Turf and Bunker Improvements	742
27-16	Developer Reimbursements	152*
27-17	Annual North Bayshore Semi-Annual Traffic Counts	193
27-18	Annual Regional Public Safety	180*
27-19	Annual Real Estate Technical and Legal Services	110*
27-20	Annual Capital Improvement Program Development	84*
27-21	Annual Information Technology Projects (1-5 Separate Projects Per Fiscal Year)	500*

\*Project funded wholly or partially using unrestricted funding.

Staff recommends modifications to two roll-forward Non-Discretionary Projects:

- Annual Parks Renovations/Improvements (27-11) – An ongoing funding increase in the amount of \$90,000 is needed to support the Castro Pedestrian Mall’s ongoing improvements, operations and maintenance of downtown amenities including games, seating tables, umbrellas, plantings, and patios, bringing the total planned funding to \$391,000.
- Biennial Turf and Bunker Improvements (27-15) – A one-time funding increase in the amount of \$390,000 is needed to replace the 15 outdated analog irrigation controllers around Shoreline Golf Links with new digital controllers for water conservation and efficiency, and upgrade the antennae at the Shoreline Maintenance Facility, bringing the total planned funding to \$742,000.

There is sufficient funding for Non-Discretionary Projects, including the recommended modifications for the two projects above.

#### Amendments to Active Projects

Several projects currently in development have approved funding but include proposed changes to project scope and/or funding levels. The recommended amendments consist of the following:

- Increase in funding – Several projects include changes in scope that require an increase in funding from various funding sources.
- Transfer of funding – Some projects requiring additional funding are recommended to receive funding through transfers from older completing projects or from planned Fiscal Year 2026–27 roll-forward projects that do not need the full increment of funding.
- Decrease in funding – Staff reviewed projects scheduled for completion in early Fiscal Year 2026–27 and recommends adjusting funding to only the amount necessary to complete the work. This will allow excess funds to be released and made available for other projects.

Table 5 lists the recommended amendments and provides detailed descriptions of each amendment.

**Table 5: Fiscal Year 2025-26 Amendments to Existing Projects**

Project	Amendment	Justification
Information Technology Computer Projects (13-18)	Decrease funding by \$16,637 (Various Funds)	Closing multiple subprojects that have been completed.
Information Technology Computer Projects (16-18)	Decrease funding by \$155,000 (Various Funds)	Closing multiple subprojects that have been completed.
Replacement of Utility Billing/Cash Receipting/Business License System (16-51)	Increase funding by \$500,000 (Various Funds)	Funding covers Phase II: Business License and Miscellaneous Cash receipts as well as integration cost increases.
Information Technology Computer Projects (17-18)	Decrease funding by \$57,000 (Various Funds)	Closing multiple subprojects that have been completed.
Rengstorff Park Aquatic Center, Design and Construction (18-38)	Appropriate \$36,493 in PG&E rebates	Accept and appropriate PG&E rebates.
NB Shoreline/101 Offramp Realignment, Construction (20-37)	Increase funding by \$9,804,000 (Various Funds)	Cost rise due to contaminated soil and regulatory compliance issues.
Public Safety Building, Design (20-49)	Increase funding by \$2,000,000 (CIP Reserve)	Transfer of reserve funds to reduce the funding gap.
Sustainability (20-99)	Increase funding by \$291,000 (Conveyance Tax and General Nonoperating Funds)	Two actions – 1) transferring \$300,000 out to Public Works CIP 26-31: Fleet EV Charging and 2) add \$591,000 for Limited Term Analyst and consultant help for Sustainability
SB1 Streets Project (21-30)	Decrease funding by \$300,000 (2016 Measure B Funds)	Project construction is complete, release funding for other projects.
IT Project (IT Infrastructure and Telecommunication Support) (21-33)	Transfer \$595,000 of funding by closing older projects. (Various Funds)	Funding transferred from older projects to improve efficiency.
Shoreline Blvd Pathway Improvements (21-37)	Decrease funding by \$700,000 (CIP reserve)	Project construction contract is executed, release surplus funding for other projects.
Project Management Database (21-42)	Increase funding by \$200,000 (Various Funds)	Add funding to complete eBuilder implementation.

Project	Amendment	Justification
El Camino Real Bike and Ped Improvements, Construction (22-29)	Decrease funding by \$1,700,000 (Construction Tax and Measure P)	Project construction is complete, release funding for other projects.
Citywide Trash Capture, Phase II and III (22-40)	Transfer \$330,000 of funding from 2026-27 roll forward project (Storm Drain Fund)	Change Title and add Phase III to the existing project to increase efficiency.
Historic Preservation Ordinance Implementation (22-45)	Increase funding by \$90,000 (Land Use Funds)	Funding to implement various actions from the Historic Preservation Ordinance process.
SB-1 Streets Project (23-03)	Decrease funding by \$1,000,000 (CIP Reserve and Construction Tax)	Project construction is complete, release funding for other projects.
Biodiversity Strategy (23-37)	Increase funding by \$160,000 (CIP Reserve)	Add funds for consultant to develop interactive web-based tree selection tool.
Castro/Dana and Castro/Villa Intersection Improvements (23-49)	Increase funding by \$2,700,000 (CIP reserve) and amend title.	Add construction phase funding to project.
Moffett Blvd Complete Streets (24-03)	Increase funding by \$1,500,000 (SB1 Funds)	Add funding to design and construction of green stormwater infrastructure and anticipated night- time work requirements by Caltrans.
Miramonte Reservoir Site Improvements (24-41)	Transfer \$6,450,000 of funding from 2026-27 roll forward project (Water Funds) and increase funding by \$500,000 (Water Funds)	Amend title, add construction phase to project and increase funding.
Water Main/Service Line Replacement (25-08)	Transfer \$6,723,000 of funding from 2026-27 roll forward and closing older project (Water Funds)	Add funding from two active water projects to improve efficiency and add construction phase to project.
Sanitary Sewer Main Replacement (25-09)	Transfer \$4,206,000 of funding from 2026-27 roll forward and closing older project (Wastewater Funds)	Add funding from two active sewer projects to improve efficiency and add construction phase to project.

Project	Amendment	Justification
Facilities Maintenance - Child Care Center 25-1202 (25-12)	Increase funding by \$170,000 (CIP Reserve)	Replace the existing childcare center playground's rubber surfacing.
Miramonte Complete Streets, D&C (25-28)	Transfer \$5,248,000 of funding by closing three older projects. (Various Funds)	Add funding from three active street projects to improve efficiency and add construction phase to project.
ADA Curb Ramp and Sidewalk Repairs (26-02)	Transfer \$1,180,000 of funding from two 2026-27 roll forward projects (Construction Tax)	Add funding from two active curb and sidewalk projects to improve efficiency and add construction phase to project.
Shoreline Closed Landfill Facility Improvements (26-11)	Transfer \$879,000 of funding from 2026-27 roll forward and closing older project (Shoreline Funds)	Change Title and Scope to better align project with future Shoreline Closed Landfill needs.
Fleet EV Charging Infrastructure and Equipment (26-31)	Transfer \$300,000 of funding from CIP 20-99 (General Nonoperating Funds)	Change Title and Scope to better align project with future Fleet EV Charging needs. Transfer funds from 20-9903: Sustainability

### Discretionary Projects

As part of the ongoing effort to right-size the CIP and support modifications to Council policies and the Council Work Plan, staff reviewed the planned FY 2026–27 “roll forward” projects and made adjustments to ensure they can be initiated in that fiscal year. These adjustments include reclassifying certain previously non-discretionary projects with construction components as discretionary, deferring some projects to later years, and prioritizing CIP projects that support the Council Work Plan.

### Newly Classified Discretionary Projects

As discussed previously, several projects that have construction components have been reclassified as discretionary projects to support the upcoming modification to Council Policy A-11. The following projects have been reclassified as Discretionary Projects:

- Annual Street Maintenance (Location - TBD)
- ADA Curb Ramps and Sidewalk Repair (Location – TBD)

- SB-1 Streets Project (Grant Road/Sylvan Park Neighborhood)
- Annual Water Main/Service Line Replacement
- Annual Sanitary Sewer Main Replacement

### Project Deferrals

To better align staffing resources with higher-priority projects and allow for the completion of earlier phases that will inform future work, the following projects are recommended for deferral to FY 2027–28:

- 711 Calderon Park – Defer due to lack of funding in planning area.
- LASD School Site Facilities – Defer due to timing with the School District project.
- Senior Center Social Hall Floor Replacement - Defer to allow staff to reassess the flooring condition.
- El Camino Real Median Landscaping Project - Defer until after the adoption of the Biodiversity Plan to inform the plant palette/plan for this location.
- ECR/Castro Protected Intersection (Phase II), Construction – Defer construction to allow design activities in fiscal year 2026-27.
- Purchase EV Buses and Design/Construct EV Bus Storage Facility – Defer until grant funding is secured. Project may be implemented in phases.
- Street Parking and Policy Study – Defer due to staffing resources.
- Fire Station No. 4 Modular Classroom, Design – Trade this project’s schedule with the Fire Station Facilities Master Plan Project.
- Water and Sewer Main Crossing 101 n/o Rengstorff, Design – Defer due to staffing resources
- Highway 101 Stormwater Pipe Improvements – Defer due to staffing resources.
- Shoreline Area Irrigation Main Imp, Construction (Phase II) - Defer construction to allow completion of design.

- Rengstorff Avenue Grade Separation – Defer to allow completion of design (project is still underway).

### High Priority Projects

To support Council Strategic Priorities and Work Plan and address aging facilities, staff recommends advancing two projects planned for fiscal year 2027-28 to fiscal year 2026-27:

- Field Renovations – Crittenden Field – This project will be led and managed by the school district and funding proposed is the City cost share of the renovations.
- Fire Station Facilities Master Plan – This project will create a comprehensive blueprint for the Fire Department’s buildings and infrastructure, guiding future development and capital investments. This project will trade schedules with the Fire Station No. 4 Modular Classroom Design project.

In addition to the modifications to the Roll-Forward 2026-27 projects above, the following planned construction phases funding will be added to existing projects through amendments:

- Concrete Sidewalk/Curb Repairs (27-XX) – Planned funding of \$870,000 to be appropriated to ADA Curb Ramps and Sidewalk Repairs, Project 26-02.
- Biennial Installation of ADA Curb Ramps (27-XX) – Planned funding of \$85,000 to be appropriated to ADA Curb Ramps and Sidewalk Repairs, Project 26-02.
- Citywide Trash Capture – Phase III (27-XX) – Planned construction funding of \$330,000 to be appropriated to Citywide Trash Capture, Phases II and III, Project 22-40.

### New Discretionary Projects

During the roll-forward year of the CIP funding cycle, new projects are generally limited to projects that have more immediate needs and should not wait until the next five-year CIP planning process. In reviewing the new project requests, staff considered the Council’s Strategic Priorities, Council direction received over the last year, and the criteria for prioritizing unrestricted funds confirmed by Council during the Fiscal Year 2021-22 through Fiscal Year 2025-26 CIP process in 2021.

Incorporating the above modifications and new projects (denoted with a plus sign), Table 6 lists 22 discretionary Fiscal Year 2026-27 projects (see Attachment 5 for project descriptions).

**Table 6: Fiscal Year 2026-27 Discretionary Projects**

Project No.	Roll Forward Discretionary	Budget (in thousands of dollars)
27-22	Street Maintenance Project (TBD)	\$ 3,300*
27-23	SB-1 Streets Project (Grant Road/Sylvan Park Neighborhood)	1,775*
27-24	ATI - Evelyn Avenue Bikeway (Castro to Bernardo), Study	500*
27-25	ATI - ECR/Calderon Protected Intersection, Design (Phase II)	1,000*
27-26	City Bridges and Culverts Structural Inspection and Repairs	300*
27-27	Mountain View Roadway Standard Detail Updates+	54*
27-28	Field Renovations - Shoreline Athletic Field	2,500
27-29	Roof Safety, Construction+	240*
27-30	Downtown Parking Wayfinding+	320*
27-31	Library Automated Materials Handling System	600*
27-32	Fire Station Facilities Master Plan	400
27-33	Fire Station Flooring+	200
27-34	City Hall Master Plan+	300*
27-35	City Hall Remodels (various)+	2,200*
27-36	Library Renovation – Settlement+	1,160*
27-37	Callahan (Crittenden) Field Lighting Upgrade	470
27-38	Field Renovations - Crittenden Field	1,000
27-39	San Veron Park Renovations+	350
27-40	Sierra Vista Renovations+	436
27-41	Sewer Main Replacement Crossing 101 at Spring, Design	1,340
27-42	Digitize Planning and Building Permit Files+	150*
27-43	Police CCTV Replacement+	460*

\*Project funded wholly or partially using unrestricted funding.

**RECOMMENDATION**

Staff seeks Council input to allow staff to finalize the Recommended Fiscal Year 2026-27 CIP.

**Council Question: Does Council support the staff recommendations for projects in the Draft Fiscal Year 2026-27 CIP or have any suggested changes?**

### **Next Steps**

Staff will provide the list of recommended transportation projects to the Bicycle/Pedestrian Advisory Committee in April 2026 and the recommended Park Land Funded projects to the Parks and Recreation Commission in May 2026.

Based on the direction provided by Council at this Study Session, staff will prepare the final Recommended Fiscal Year 2026-27 CIP for Council adoption on June 23, 2026.

### **FISCAL IMPACT**

There is no fiscal impact associated with approving the Draft Recommended Fiscal Year 2026-27 Capital Improvement Program.

The City Council will be requested to appropriate the necessary funding for the Recommended Fiscal Year 2026-27 CIP in conjunction with the approval of the Fiscal Year 2026-27 Recommended Budget on June 23, 2026.

### **PUBLIC NOTICING**

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

- Attachments:
1. Active Capital Improvement Program Projects
  2. Status of Fiscal Year 2025-26 Projects Including Backlog
  3. Pavement Management Program Memo
  4. CIP Funding Sources
  5. Draft Recommended Fiscal Year 2026-27 Projects