



2014-2015 CAPITAL BUDGET

2015-2019 CAPITAL IMPROVEMENT PROGRAM



COMMUNITY AND ECONOMIC DEVELOPMENT CSA

City Service Area Community & Economic Development

UNDERGROUNDING PROJECT

Before Undergrounding



Naglee at Bascom Avenue

After Undergrounding



Naglee at Bascom Avenue

(Park/Naglee 20A Underground Utility Project)

Mission: To manage the growth and change of the City of San José in order to encourage a strong economy, create and preserve healthy neighborhoods, ensure a diverse range of employment and housing opportunities, and encourage a diverse range of arts, cultural, and entertainment offerings.

The Developer Assisted Projects Capital Program reimburses developers for the construction of street improvements throughout the City, encourages the undergrounding of existing overhead utilities, and facilitates funding of development-related public improvement construction through special districts. As part of the Community and Economic Development City Service Area (CSA), the major objective of the capital program is to ensure that residential developments within San José include the construction of public improvements necessary to maintain or improve the infrastructure of the City.

Developers who construct residential dwelling units pay contributions to the Residential Construction Tax Contribution Fund (RCTCF). In turn, payments from the fund are made to developers who construct eligible improvements on major City streets in connection with new residential developments.

Underground Utility Districts are established using fees collected from developers. Undergrounding projects are prioritized within a five-year plan based on several criteria, the most important of which is the

amount of fees collected within the proposed Underground District. Other criteria include whether or not the underground work can be coordinated with other capital improvement work, such as street widening, and equity in the amount of undergrounding proposed among City Council Districts.

The Contingent Lien District Fund is used to facilitate cost-sharing agreements through special districts between private parties in regards to the construction of significant public improvements as required by the City for development projects. As funds are collected, projects are constructed as specified by the original district agreements.

CSA CAPITAL PROGRAM

- Developer Assisted Projects

City Service Area Community & Economic Development

Recent Accomplishments

- Communications Hill Phase I final reimbursements completed in summer 2013
- Expected completion of the Park/Naglee Rule 20A project (Park Ave./Naglee Ave. – Shasta Ave. and Park Ave. – Bascom Ave.) in summer 2014
- Expected completion of the Evergreen Park Rule 20A project (San Felipe Rd./Yerba Buena Rd. – George Blaucer Pl. and Yerba Buena/San Felipe Rd. – 320 ft west of Villa Vista Rd.) in summer 2014

Program Highlights

Developer Assisted Projects

Capital Program

2015-2019 CIP: \$13.6 million

Undergrounding Projects – Rule 20A (Through Rule 20A, the California Public Utilities Commission requires Pacific Gas and Electric (PG&E) to set aside funds annually to finance the undergrounding of overhead electrical facilities located on public streets within the City of San José.)

- Park/Naglee Rule 20A Underground Utility District
- Delmas/Park Rule 20A Underground Utility District
- Evergreen Park Rule 20A Underground Utility District
- Aborn Rd. Rule 20A Underground Utility District
- Camden Ave. Rule 20A Underground Utility District
- Tully Rd. Rule 20A Underground Utility District

Undergrounding Projects – Rule 20B (Rule 20B Underground Utility Districts are funded by developer fees and combine several smaller undergrounding projects into one large project so as to minimize the undesirable result of piecemeal undergrounding of utility facilities throughout the City.)

- Delmas/Park Rule 20B Underground Utility District

RCTCF Street Improvement Projects

- The Communications Hill Phase II project is currently in the planning phase and reimbursement eligibility for improvements is being evaluated.

Contingent Lien District Projects

- Quimby/Fowler Creek Riparian

CSA OUTCOME

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive, and Vital Community

City Service Area Community & Economic Development

Performance Measures

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program and adopted for each individual CSA. Measures focus on schedule (cycle time) and project delivery cost. Please see Budget Guide section narrative for additional information on capital performance measures.

Outcome: Quality CIP Projects Delivered On-Time and On-Budget

5 Year Strategic Goals			2012-2013 Actual*	2013-2014 Target	2013-2014 Estimate	2014-2015 Target	5-Year Goal
Community and Economic Development CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget	1.	% of CIP projects that are completed within the approved baseline budget**	N/A	90%	N/A	90%	90%

Changes to Performance Measures from 2013-2014 Adopted Budget: No

* The number of projects may vary from the 2012-2013 Adopted Budget Estimate as a result of the date of the estimated beneficial use of the project being revised with the project expected to be delivered in the following fiscal year as well as the inclusion of projects in the 2012-2013 Actual not originally included in the estimate due to incomplete information at that time.

** Projects are considered "completed" when final cost accounting has occurred and the project has been accepted; projects are considered "on budget" when the total expenditures do not exceed 101% of the baseline budget.

For the purposes of reporting performance measures, Developer Assisted Projects (DAP) in the CIP are generally captured in the Transportation and Aviation (TAS) CSA performance measures. These projects were moved to the TAS CSA as the work performed to deliver the DAP is done by the roadway and street light engineering staff. However, projects related to the Contingent Lien District will be tracked within this CSA and will be reported on when they are completed.

Capital Program Summary by City Service Area

Community and Economic Development

	2014-2015 Budget	2015-2019 CIP Budget	Total Budget (All Years)	Start Date	End Date
<u>Developer Assisted</u>					
<u>Projects</u>					
Capital Program and Public Works Department Support Service Costs	53,000	265,000		*	Ongoing
Contingent Lien District Administration	15,000	75,000		*	Ongoing
Evergreen Creek District Reserve	2,470,942	2,470,942	2,470,942	N/A	N/A
Evergreen Specific Plan District Reserve	32,684	32,684	32,684	N/A	N/A
Quimby/Fowler Creek Riparian Restoration	400,000	400,000	500,000	3rd Qtr. 2013	2nd Qtr. 2015
Reimbursement to Developers for Center Strip Paving	95,000	295,000		*	Ongoing
Reimbursement to Developers for Landscaping	85,000	285,000		*	Ongoing
Residential Program Administration	20,000	100,000		*	Ongoing
Silicon Valley Bridge District Reserve	280,202	280,202	280,202	N/A	N/A
Silver Creek Development District 1A Reserve	270,280	270,280	270,280	N/A	N/A
Silver Creek Development District 1B Reserve	195,183	195,183	195,183	N/A	N/A
Street Improvements for New Development	30,000	150,000		*	Ongoing
Transfer to the City Hall Debt Service Fund	17,000	95,000		*	Ongoing
Transfer to the General Fund: Interest Income	4,000	25,000		*	Ongoing
Underground Utility Administration (20A)	355,000	1,825,000		*	Ongoing
Underground Utility Administration (20B)	78,000	430,000		*	Ongoing
Underground Utility Program (20B)	1,600,000	4,800,000		*	Ongoing
Total: Construction/Non-Construction	6,001,291	11,994,291			
Ending Fund Balance	3,080,006	1,564,006 **			
Total: Developer Assisted Projects	9,081,297	13,558,297 **			
CSA Total: Construction/Non-Construction	6,001,291	11,994,291 **			
Ending Fund Balance	3,080,006	1,564,006 **			
CSA Total:	9,081,297	13,558,297 **			

* Total Budget information is not provided due to the ongoing nature of this project.

**The 2014-2015 through 2017-2018 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.