



2015-2016 CAPITAL BUDGET

**2016-2020 CAPITAL
IMPROVEMENT PROGRAM**

**COMMUNITY AND
ECONOMIC
DEVELOPMENT
CSA**

City Service Area Community & Economic Development

UNDERGROUNDING PROJECT

Before Undergrounding



Naglee Avenue at Dana Street

After Undergrounding



Naglee Avenue at Dana Street

(Park/Naglee Rule 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, 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

- Evergreen Park Rule 20A Undergrounding Project (San Felipe/Yerba Buena Rd. – George Blaucer Pl. and Yerba Buena/San Felipe Rd. – 320 ft west of Villa Vista Rd.) completed in spring 2015
- Park Ave./Naglee Ave. Rule 20A Undergrounding Projects completed in summer 2015

Program Highlights

Developer Assisted Projects

Capital Program

2016-2020 CIP: \$11.5 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.)

- Camden Ave. Rule 20A Underground Utility District
- Coleman Ave. Phase I Rule 20A Underground Utility District
- Delmas Ave./Park Ave. Rule 20A Underground Utility District
- Park Ave./Naglee Ave. Rule 20A Underground Utility District
- Tully Rd. Rule 20A Underground Utility District

Undergrounding Projects – Rule 20B (Rule 20B Underground Utility Districts 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 Ave./Park Ave. Rule 20B Underground Utility

RCTCF Street Improvement Projects

- Market Place development on Berryessa Rd.
- The Communications Hill Phase II project is currently in the planning phase with partial construction beginning in summer 2015.

Contingent Lien Projects

- Quimby/Fowler Creek Riparian Restoration

CSA OUTCOME

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive, and Viral 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			2013-2014 Actual*	2014-2015 Target	2014-2015 Estimate	2015-2016 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 2014-2015 Adopted Budget: No

* The number of projects may vary from the 2013-2014 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 2013-2014 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

	2015-2016 Budget	2016-2020 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	38,000	301,000		*	Ongoing
Contingent Lien District Administration	15,034	75,034		*	Ongoing
Evergreen Creek District Reserve	898,967	898,967	898,967	N/A	N/A
Evergreen Specific Plan District Reserve	329,838	329,838	329,838	N/A	N/A
Quimby/Fowler Creek Riparian Restoration	370,000	370,000	470,000	3rd Qtr. 2014	2nd Qtr. 2016
Reimbursement to Developers for Center Strip Paving	95,000	545,000		*	Ongoing
Reimbursement to Developers for Landscaping	135,000	370,000		*	Ongoing
Residential Program Administration	20,000	100,000		*	Ongoing
Silicon Valley Bridge District Reserve	280,987	280,987	280,987	N/A	N/A
Silver Creek Development District 1A Reserve	273,970	273,970	273,970	N/A	N/A
Silver Creek Development District 1B Reserve	195,743	195,743	195,743	N/A	N/A
Street Improvements for New Development	30,000	150,000		*	Ongoing
Transfer to the City Hall Debt Service Fund	14,000	78,000		*	Ongoing
Transfer to the General Fund - Human Resources/Payroll/ Budget Systems Upgrade	2,000	2,000	4,000	N/A	N/A
Transfer to the General Fund - Interest Income	5,000	25,000		*	Ongoing
Underground Utility Administration (20A)	310,000	1,650,000		*	Ongoing
Underground Utility Administration (20B)	82,000	450,000		*	Ongoing
Underground Utility Program (20B)	250,000	3,550,000		*	Ongoing
Total: Construction/Non-Construction	3,345,539	9,645,539			
Ending Fund Balance	4,120,842	1,887,842			**
Total: Developer Assisted Projects	7,466,381	11,533,381			**
CSA Total: Construction/Non-Construction	3,345,539	9,645,539			**
Ending Fund Balance	4,120,842	1,887,842			**
CSA Total:	7,466,381	11,533,381			**

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

**The 2015-2016 through 2018-2019 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.