



2011-2012 CAPITAL BUDGET

**2012-2016 CAPITAL
IMPROVEMENT PROGRAM**

**COMMUNITY AND
ECONOMIC
DEVELOPMENT
CSA**

**COMMUNITY AND ECONOMIC
DEVELOPMENT CSA**

City Service Area Community & Economic Development

UNDERGROUNDING PROJECT

Before Undergrounding



South side of Hedding Street, looking west,
east of Coleman Avenue

After Undergrounding



South side of Hedding Street, looking west,
east of Coleman Avenue

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 and encourages the undergrounding of existing overhead utilities. 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. 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 largest 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.

CSA CAPITAL PROGRAM

- Developer Assisted Projects

Recent Accomplishments

- The Guadalupe Gardens (bounded by Coleman Avenue, Route 880 and Guadalupe River) Rule 20A Underground Utility District was completed in fall 2010.
- The Market/Almaden Rule 20A (Reed Street, Pierce Avenue, Williams Road, Balbach Street, and Viola Avenue) and Jackson/Taylor Rule 20A/B (4th Street to 9th Street) Underground Utility Projects substructure installation is complete. Utility poles and wires are expected to be removed by fall 2011.
- Median island landscape and center strip paving improvements as part of the Hawthorne Place and Hampton Park projects have been completed.

Program Highlights

Developer Assisted Projects

Capital Program

2012-2016 Adopted CIP: \$7.2 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 (Naglee Avenue to Shasta Avenue and Park Avenue to Bascom Avenue) underground utility project is expected to start construction in fall 2011.
- Delmas/Park Rule 20A (San Fernando Street, Delmas Avenue, Cahill Street, Auzerais Avenue) underground utility project is expected to start construction in spring 2012.
- Projects that are currently in design and are expected to start construction in 2011-2012: Stevens Creek Boulevard (Stearns Avenue to Calvert Drive), Monterey Highway (Willow Street to Curtner Avenue, including Cadwallier Plaza) and Evergreen Park (Yerba Buena Road to San Felipe Road).

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).

- Jackson/Taylor (4th to 9th Street) Underground Utility District (combination Rule 20A and Rule 20B project) started construction in March 2009 and is expected to be completed by fall 2011.
- Delmas/Park Rule 20B (Delmas Avenue, San Fernando Street, and Park Avenue) underground utility project is expected to start construction in spring 2012.

Street Improvements

- Approximately \$650,000 is programmed to reimburse the Communications Hill project for median island and center strip paving improvements.

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		2009-2010 Actual	2010-2011 Target	2010-2011 Estimate	2011-2012 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 delivered* within 2 months of approved baseline schedule	100% (6/6)	85%	82% (9/11)	85%	85%
	2. % of CIP projects that are completed within the approved baseline budget**	100% (8/8)	90%	100% (11/11)	90%	90%

Changes to Performance Measures from 2010-2011 Adopted Budget: Yes¹

* Projects are considered to be "delivered" when they are available for their intended use.

** 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.

¹ Changes to performance measures from 2010-2011 Adopted Budget:

- ✘ "% of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use" and "% of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)" were deleted because the data for the surveys is often times limited or not applicable particularly if the project is not constructing or rehabilitating a facility, does not necessarily represent a sufficient sample size, or requires a substantial amount of staff time to gather data.

In 2010-2011, the Community and Economic Development CSA delivered an estimated 9 of 11 (82%) projects within two months of the approved baseline schedule, which is slightly below the one-year performance target of 85%. All projects delivered in this CSA during 2010-2011 were public art capital projects. Notable public art projects delivered in 2010-2011 include the artwork at Bascom Library and Community Center, the solar demonstration project, and the San Fernando Street Corridor project.

For the on budget performance measurement, eleven public art projects are projected to be delivered during 2010-2011 within the approved public art budget.

For the purposes of reporting performance measures, the Developer Assisted Projects (DAP) in the CIP are 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 lighting engineering staff.

Capital Program Summary by City Service Area
Community and Economic Development

	2011-2012 Budget	2012-2016 CIP Budget	Total Budget (All Years)	Start Date	End Date
<u>Developer Assisted Projects</u>					
Capital Program and Public Works Department Support Service Costs	58,000	298,000	*	Ongoing	Ongoing
PG&E/Private Electrical Service Panel Conversion Reimbursement	15,000	15,000	*	Ongoing	Ongoing
Reimbursement to Developers for Center Strip Paving	245,000	345,000	*	Ongoing	Ongoing
Reimbursement to Developers for Landscaping	570,000	670,000	*	Ongoing	Ongoing
Residential Program Administration	30,000	110,000	*	Ongoing	Ongoing
Street Improvements for New Development	25,000	125,000	*	Ongoing	Ongoing
Transfer to the City Hall Debt Service Fund	27,000	148,000	*	Ongoing	Ongoing
Transfer to the General Fund: Human Resources/Payroll System Upgrade	1,000	1,000	1,000	N/A	N/A
Transfer to the General Fund: Interest Income	2,000	17,000	*	Ongoing	Ongoing
Underground Utility Administration (20A)	332,000	1,299,000	*	Ongoing	Ongoing
Underground Utility Administration (20B)	70,000	370,000	*	Ongoing	Ongoing
Underground Utility Program (20B)	1,450,000	3,650,000	*	Ongoing	Ongoing
Total: Construction/Non-Construction	2,825,000	7,048,000			
Ending Fund Balance	787,291	149,291 **			
Total: Developer Assisted Projects	3,612,291	7,197,291 **			
CSA Total: Construction/Non-Construction	2,825,000	7,048,000 **			
Ending Fund Balance	787,291	149,291 **			
CSA Total:	3,612,291	7,197,291 **			

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

**The 2011-2012 through 2014-2015 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.