

City Service Area Community & Economic Development

UNDERGROUNDING PROJECT

Before Undergrounding



After Undergrounding



Yerba Buena Road

(Evergreen 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

- Coleman Avenue Phase I Rule 20A Undergrounding Project (Devine Street between San Pedro and N. 1st Streets, Market Street between West Julian and West St. James Streets.) completed winter 2016.
- Expected completion of the Park/Naglee and Delmas/Park Rule 20A Undergrounding Projects in spring 2016

Program Highlights

Developer Assisted Projects

Capital Program

2017-2021 CIP: \$14.1 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.)

- Aborn Rd. Rule 20A Underground Utility District
- Tully Rd. Rule 20A Underground Utility District
- Camden Ave. Rule 20A Underground Utility District
- White Rd. Rule 20A Underground Utility District
- Monterey 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. (Flea Market Development, KB Homes)

Contingent Lien Projects

- Quimby/Fowler Creek Riparian Restoration

CSA OUTCOME

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive, and Vital Community

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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 | | 2014-2015 Actual* | 2015-2016 Target | 2015-2016 Estimate | 2016-2017 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% |

* The number of projects may vary from the 2014-2015 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 2014-2015 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 Services (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

| | 2016-2017 Budget | 2017-2021 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 | 71,000 | 302,000 | | * | Ongoing |
| Contingent Lien District Administration | 15,000 | 75,000 | | * | Ongoing |
| Evergreen Creek District Reserve | 903,063 | 903,063 | 903,063 | N/A | N/A |
| Evergreen Specific Plan District Reserve | 346,190 | 346,190 | 346,190 | N/A | N/A |
| PG&E/Private Electrical Service Panel Conversion Reimbursement | 20,000 | 211,000 | | * | Ongoing |
| Quimby/Fowler Creek Riparian Restoration | 434,000 | 434,000 | 434,000 | 3rd Qtr. 2014 | 2nd Qtr. 2017 |
| Reimbursement to Developers for Center Strip Paving | 150,000 | 500,000 | | * | Ongoing |
| Reimbursement to Developers for Landscaping | 85,000 | 250,000 | | * | Ongoing |
| Residential Program Administration | 20,000 | 100,000 | | * | Ongoing |
| Silicon Valley Bridge District Reserve | 284,039 | 284,039 | 284,039 | N/A | N/A |
| Silver Creek Development District 1A Reserve | 276,968 | 276,968 | 276,968 | N/A | N/A |
| Silver Creek Development District 1B Reserve | 198,175 | 198,175 | 198,175 | N/A | N/A |
| Street Improvements for New Development | 30,000 | 150,000 | | * | Ongoing |
| Transfer to the City Hall Debt Service Fund | 15,000 | 78,000 | | * | Ongoing |
| Transfer to the General Fund - Interest Income | 10,000 | 50,000 | | * | Ongoing |
| Underground Utility Administration (20A) | 300,000 | 1,620,000 | | * | Ongoing |
| Underground Utility Administration (20B) | 84,000 | 448,000 | | * | Ongoing |
| Underground Utility Program (20B) | 1,750,000 | 6,000,000 | | * | Ongoing |
| Total: Construction/Non-Construction | 4,992,435 | 12,226,435 | | | |
| Ending Fund Balance | 4,845,651 | 1,916,651 | ** | | |
| Total: Developer Assisted Projects | 9,838,086 | 14,143,086 | ** | | |
| CSA Total: Construction/Non-Construction | 4,992,435 | 12,226,435 | ** | | |
| Ending Fund Balance | 4,845,651 | 1,916,651 | ** | | |
| CSA Total: | 9,838,086 | 14,143,086 | ** | | |

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

**The 2016-2017 through 2019-2020 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.