



2017-2018 CAPITAL BUDGET

**2018-2022 CAPITAL
IMPROVEMENT PROGRAM**



**COMMUNITY AND
ECONOMIC
DEVELOPMENT
CSA**

City Service Area Community & Economic Development

UNDERGROUNDING PROJECT

Before Undergrounding



After Undergrounding



Auzerais Avenue

(Delmas/Park 20A Underground Utility Project)

Mission: To manage the growth and change of the City of San José 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 to 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 value 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 regarding 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

- Expected completion of the Park/Naglee Rule 20A project in spring 2017 and Delmas/Park Rule 20A Undergrounding Project in summer 2017; only pole removal remains.

Program Highlights

Developer Assisted Projects

Capital Program

2018-2022 CIP: \$14.9 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
- Camden Ave. Rule 20A Underground Utility District
- Monterey Rd. Rule 20A Underground Utility District
- Tully Rd. Rule 20A Underground Utility District
- White 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

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		2015-2016 Actual ¹	2016-2017 Target	2016-2017 Estimate	2017-2018 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 ²	N/A	90%	N/A	90%	90%

1 The number of projects may vary from the 2015-2016 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 2015-2016 Actual not originally included in the estimate due to incomplete information at that time.

2 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

	<u>2017-2018 Budget</u>	<u>2018-2022 CIP Budget</u>	<u>Total Budget (All Years)</u>	<u>Start Date</u>	<u>End Date</u>
<u>Developer Assisted Projects</u>					
Capital Program and Public Works Department Support Service Costs	68,000	283,000	354,000	Ongoing	Ongoing
City Hall Debt Service Fund	14,000	74,000	89,000	Ongoing	Ongoing
Contingent Lien District Administration	27,000	115,000	*	Ongoing	Ongoing
Evergreen Creek District Reserve	880,148	880,148	880,148	N/A	N/A
Evergreen Specific Plan District Reserve	374,748	374,748	374,748	N/A	N/A
General Fund - Interest Income	17,000	85,000	*	Ongoing	Ongoing
PG&E/Private Electrical Service Panel Conversion Reimbursement	20,000	211,000	*	Ongoing	Ongoing
Quimby/Fowler Creek Riparian Restoration	430,000	430,000	482,181	3rd Qtr. 2014	2nd Qtr. 2018
Reimbursement to Developers for Center Strip Paving	300,000	900,000	*	Ongoing	Ongoing
Reimbursement to Developers for Landscaping	300,000	700,000	*	Ongoing	Ongoing
Residential Program Administration	25,000	140,000	*	Ongoing	Ongoing
Silicon Valley Bridge District Reserve	285,655	285,655	285,655	N/A	N/A
Silver Creek Development District 1A Reserve	278,535	278,535	278,535	N/A	N/A
Silver Creek Development District 1B Reserve	199,192	199,192	199,192	N/A	N/A
Street Improvements for New Development	55,000	275,000	*	Ongoing	Ongoing
Underground Utility Administration (20A)	300,000	1,620,000	*	Ongoing	Ongoing
Underground Utility Administration (20B)	84,000	448,000	*	Ongoing	Ongoing
Underground Utility Program (20B)	<u>250,000</u>	<u>5,425,000</u>	*	Ongoing	Ongoing
Total: Construction/Non-Construction	3,908,278	12,724,278			
Ending Fund Balance	<u>6,389,145</u>	<u>2,164,145</u>	**		
Total: Developer Assisted Projects	10,297,423	14,888,423	**		
CSA Total: Construction/Non-Construction	3,908,278	12,724,278	**		
Ending Fund Balance	<u>6,389,145</u>	<u>2,164,145</u>	**		
CSA Total:	<u><u>10,297,423</u></u>	<u><u>14,888,423</u></u>	**		

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

** The 2017-2018 through 2020-2021 Ending Balance are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting