



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
2016-2020 PROPOSED CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 7, 2015

RECOMMENDATION

The Planning Commission unanimously recommends that the City Council adopt the 2016-2020 Proposed Capital Improvement Program (CIP).

OUTCOME

Adoption of the 2016-2020 Proposed CIP will provide funding for programs and investments the City Council has established as priorities. The CIP guides the planning, scheduling, and budgeting of capital improvement projects during the next five-year period.

BACKGROUND

The San José City Charter prescribes that the Planning Commission consider the City's Proposed CIP and submit its findings and recommendations to the City Council at least ten days prior to the public hearing of the City Council on the CIP. The CIP implements the goals and policies of the Envision San José 2040 General Plan, and determination of General Plan consistency is an important criterion in the Commission's review of the document.

Based on last year's discussion of the CIP, the Commission requested that the City Manager's Budget Office and supporting departments focus their presentation in 2015 on the new projects over \$1 million. Even with this focus, the Commission acknowledged that the Charter requires a statement of the entire CIP's consistency with the General Plan. The Commission agreed that an overall finding would still be discussed and determined, and that specific comments to the City Council would focus on the new projects to ensure that those investments furthered the goals and policies of the General Plan.

ANALYSIS

On May 6, 2015, the Planning Commission conducted its annual public hearing on the City's 2016-2020 Proposed CIP. The public hearing included a presentation by staff that included a budget overview, highlights of the various capital programs, and General fund operating and maintenance impact. As requested, the summary spreadsheet included 18 new projects over \$1 million appearing in the Capital Improvement Program for the first time. The new projects total

approximately \$51.1 million over the five-year period and represent 2.1% of the \$2.4 billion program.

City Service Area Planning Commission Comments

The Planning Commission considered various City Service Areas (CSAs) and Capital Programs of the CIP. The Commission's major discussions with respect to these CSAs are captured below. There was no public comment during the hearing.

Traffic Capital Program

Pavement Maintenance: As in previous CIP reviews, the Planning Commission emphasized the importance of addressing deferred pavement maintenance. The roadway network is considered one of the largest assets for the city; thus, the Planning Commission urged that City Council identify pavement maintenance as one of its highest priorities. The Planning Commission noted that deterioration of the network will only worsen without proper funding and maintenance, which would be a disservice to the residents of the city who rely on its roadways.

Staff shared a strategic approach (i.e., ballot measures) to address pavement maintenance; however, the various funding measures would only be applied to priority streets. The Commission questioned if staff had considered reallocating funds earmarked for projects that were seen as optional (i.e., public art) to the City's continued improvement of all streets, priority and non-priority. The Commission also inquired if rate of return analyses were conducted as part of project prioritization.

Staff noted that re-allocating funds from one project to another may not be possible. Certain projects rely on grant funding or funding with a limited scope, and those funds cannot be applied to other projects. Staff further noted that rate of return analyses are critical components in evaluating the prioritization and cost benefit of a project.

Traffic Calming Measures: The Planning Commission asked what projects address traffic calming measures in the CIP. The Commission noted that there has been an influx of infill development resulting in increased traffic in local neighborhoods; traffic safety concerns have been raised by residents at public hearings. Staff noted that the City has completed *Vision Zero San Jose*, a street safety policy and plan that strives for the elimination of traffic fatalities for all modes of transportation. Through the plan, \$80 million in safety improvements will be implemented. It was further clarified that traffic calming measures were included as part of the safety improvements. The Planning Commission emphasized that the City Council should identify traffic calming measures as a priority to address resident concerns. The City has a responsibility to ensure that pedestrians feel safe walking along streets.

LED Lighting Conversion Project: The Planning Commission requested a status update from staff on the LED street light conversion project. Staff noted that by the end of the calendar year, 23,000 of the 63,000 street lights will be converted to LED. It was further clarified that staff is investigating alternative funding sources to complete the conversion project.

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Other Programs

Drought Management: The Planning Commission inquired as to what the City's plan is for addressing the drought. Staff identified several measures such as water meter replacements and development of a citywide conservation plan. The CIP includes funding in 2015-2016 to implement these measures.

Public Art at Water Pollution Control Facilities: As in last year's CIP, the Planning Commission commented that installation of public art at the Waste Water Treatment facility is an ineffective use of funds. The City should re-appropriate the use of these funds to other programs that could help with the continued improvement of the city (i.e., pavement maintenance).

COORDINATION

This memorandum was coordinated with the City's Manager Budget Office and the City Attorney's Office.

CONCLUSION

Based on information contained in the 2016-2020 Proposed Capital Improvement Program and discussed at the Study Session, the Planning Commission found the CIP is consistent with the Envision San Jose 2040 General Plan. The Planning Commission recommends that City Council adopt the 2016-2020 Proposed Capital Improvement Program.

CEQA

Not a project, City Organizational & Activities, PP10-069.

/s/

HARRY FREITAS, SECRETARY
Planning Commission

For questions please contact Assistant Director Rosalynn Hughey at 408-535-7911.