



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
2012-2016 PROPOSED CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 12, 2011

RECOMMENDATION

The Planning Commission recommends (5-0-1-0, Abelite absent) that the City Council adopt the Proposed 2012-2016 Capital Improvement Program (CIP), give the highest priority to road maintenance and repair, and consider additional Planning Commission comments outlined herein.

OUTCOME

Adoption of the Proposed 2012-2016 Capital Improvement Program (CIP) will provide continued funding for programs and policies that the City Council has established as priorities. The CIP will guide the City in the planning, scheduling, and budgeting of capital improvement projects during the next five-year period.

BACKGROUND

The San Jose City Charter prescribes that the Planning Commission consider the City's Proposed Capital Improvement Program (CIP) and submit its findings and recommendations to the City Council at least ten (10) days prior to a public hearing of the City Council on the CIP. Since the CIP implements the goals and policies of the General Plan, a determination of consistency with the *San Jose 2020 General Plan* is an important criterion in the Commission's review of the document.

ANALYSIS

On May 4, 2011, the Planning Commission conducted its annual study session for review of the City's Proposed 2012-2016 Capital Improvement Program (CIP). The study session included a presentation by staff from the City Manager's Budget Office. Active Commission discussion occurred with representatives from many City Departments.

Following the study session, the Commission conducted a public hearing to provide comments on the proposed CIP, which are being forwarded to the Council in this memorandum. There were no public comments during the hearing.

The Planning Commission's discussion at the CIP study session considered the various City Service Areas (CSAs) and Capital Programs of the CIP, and how these relate to each other as well as to the City's General Fund. Among the fourteen Capital Programs, discussion focused on the following programs:

- Water Pollution Control Program (in the Environmental and Utility Services CSA)
- Water Utility System Program (in the Environmental and Utility Services CSA)
- Parks and Community Facilities Program (in the Neighborhood Services CSA)
- Public Safety Program (in the Public Safety CSA)
- Airport Program (in the Transportation and Aviation Services CSA)
- Traffic Program (in the Transportation and Aviation Services CSA)

The Commission focused its questions and comments on the CIP on six key themes, as outlined below.

1. Increase Roadway Maintenance and Repair

The Planning Commission observed the limited amount of funding being budgeted for roadway maintenance and repair (\$78.1 million over the next five years), and the ongoing, compound public and private costs associated with substandard and deteriorating roadway conditions. Staff indicated that in addition to the current annual (2011-2012) funding shortfall, which results in an increase in the existing backlog of streets in need of significant repair, there is a total one-time backlog of \$277.0 million. Thus, in their motion recommending adoption of the CIP, the Commission strongly encouraged that the City Council give high priority to funding these needs.

2. Acknowledge Full Costs of Deferred Openings and Explore Operations Alternatives

The Planning Commission expressed concern about the potential community impacts in proposed deferral of opening new City facilities due to operating and maintenance costs on the General Fund. The Bascom Community Center/Library and South San Jose Police Substation were cited as particular examples. In terms of the Substation, the Commission encouraged the City Council to consider the full costs of continued delay, including transportation costs, loss of patrol time, and the public's sense of safety. Similarly, the Commission encouraged exploration of opportunities for private-sector leasing of various City facilities.

3. Maximize Grant Opportunities

The Planning Commission inquired about current levels of grant funding, and the impact that personnel reductions may be having on the City's ability to compete successfully and obtain grant monies. Staff indicated that several programs are heavily reliant upon the ongoing obtainment of grants (e.g., Green Vision and transportation projects), and that while grant preparation has indeed been impacted by personnel reductions, in some cases grants provide funding for staff costs as well. It was noted that grant funding constraints are not limited to the application process itself, but also with the City's ability to meet specific fund-matching requirements. Given the general concern with roadway conditions as referenced in item #1 above, and specific appreciation for recent Downtown couplet improvements, the Commission encouraged the City to continue to seek grant funding aggressively, especially for transportation improvements.

4. Expand the Recycled Water System

The Planning Commission expressed interest in continued expansion of the City's recycled water system ("purple pipe") because of its environmental, water supply, cost, and other benefits. In response to the Commission's questioning, staff explained that system expansion by the private development community was welcome, particularly in instances where connection with the existing system could be fairly easily accomplished and/or large-scale projects could produce substantial water conservation benefits.

5. Promote Energy Conservation and Food Waste Composting

Aside from water conservation (mentioned above), the Planning Commission also encouraged the City to continue its innovations in energy conservation and food waste composting. On energy conservation, the Commission was supportive of existing City efforts to develop more sustainable and energy-efficient light-emitting diode (LED) streetlights. On food waste, the Commission was interested in an update on the food composting pilot program and, if successful, encouraged broad implementation.

6. Consider Public Art

The Planning Commission expressed interest in the subject of public art, specifically referencing the Water Pollution Control Plant (WPCP) and Norman Y. Mineta San Jose International Airport as excellent venues for the thoughtful application of public art. In the case of WPCP, the Commission explained that public art can leverage the growing community interest in the facility as demonstrated by the overwhelming success of recent educational tours of the facility for members of the general public and the ongoing preparation of the Plant Master Plan. The Commission encouraged consideration of art pieces that had a functional role at the Plant.

Conclusion

Based on information contained in the Proposed 2012-2016 Capital Improvement Program and discussed at the study session, the Planning Commission found that the CIP is consistent with the *San Jose 2020 General Plan*. The Planning Commission recommended that the City Council adopt the Proposed 2012-2016 Capital Improvement Program with high priority to roadway maintenance and repair.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

Notice of the Planning Commission CIP study session and public hearing on the CIP were posted on the City's website, and staff were available to answer questions from the public. No members of the public were present or chose to speak at the study session or the public hearing. The Commission's formal recommendation to the City Council on the CIP occurred as a public hearing item on the agenda of the Planning Commission's evening session on May 4, 2011. The Proposed 2012-2016 Capital Improvement Program has been available for public review on the City's website at <http://www.sanjoseca.gov/budget/FY1112/ProposedCapitalCIP20112012.asp>.

COORDINATION

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

CEQA

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

/s/
JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions, please contact Laurel Prevetti at (408) 535-7901.