



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
2013-2017 PROPOSED CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 9, 2012

RECOMMENDATION

The Planning Commission unanimously recommends (7-0-0-0) that the City Council adopt the Proposed 2013-2017 Capital Improvement Program (CIP), and consider additional Planning Commission comments outlined herein.

OUTCOME

Adoption of the Proposed 2013-2017 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 *Envision San Jose 2040 General Plan* is an important criterion in the Commission's review of the document.

ANALYSIS

On May 2, 2012, the Planning Commission conducted its annual public hearing on the City's Proposed 2013-2017 Capital Improvement Program (CIP). The hearing included a presentation by staff from the City Manager's Budget Office. Active Commission discussion occurred with representatives from several City Departments. There were no public comments during the hearing.

The Planning Commission 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, the Commission's discussion was primarily focused on various aspects of the Traffic Program, but also included the Parks and Community Facilities Program and Public Art Program, as described below.

In addition, the Planning Commission provided suggestions and feedback to staff as it relates to ongoing efforts to align the CIP with the *Envision San Jose 2040 General Plan* and the challenges of meaningful review with the release of the CIP one week in advance of the Planning Commission Meeting.

The Planning Commission's questions and comments on the CIP can be summarized as follows:

1. Attend to Critical Pavement Management Issue

Reiterating comments from last year, the Planning Commission once again emphasized the relatively limited amount of funding being budgeted for roadway maintenance and repair (\$101.6 million over the next five years), pointing to the negative consequences of deferred pavement maintenance on residents' quality of life as well as the City's economic development efforts. The Commission noted the substandard and deteriorating condition of many neighborhood streets not included in the recently designated "Priority Street Network", and one commissioner requested consideration of equity in the geographic distribution of maintenance/repair activities. However, overall, the Commission was pleased with continuing efforts to prioritize and align pavement management with the goals of the *Envision San Jose 2040 General Plan*.

2. Funding Sources Restrictions

The Planning Commission discussed that the majority of the \$1.6 billion 2013-2017 CIP is funded by revenues sources restricted for a certain activity such as Sewer Service and Use Charges that primarily fund the capital expenditures for the Water Pollution Control Capital Improvement Program. As a result of this discussion, the Commission suggested that the Capital Improvement Program be more explicit about the restricted funding sources. Further, the Commission recommended that each Capital Improvement Program include a description on how the CIP aligns with the *Envision San Jose 2040 General Plan*.

3. Consider Benefits of Regionalization

One commissioner endorsed the concept of regionalization in capital expenditures and the delivery of municipal services, while recognizing that the City supports neighboring jurisdictions with the treatment of wastewater and allocations for regional projects in the 2013-2017 CIP for VTA and BART joined projects. The cited benefits of such an approach were suggested to include slowing the rate of growth in expenditures, sharing of infrastructure costs, improving our financial stability, enhancing revenue-generating opportunities, and increasing access to State and Federal funds.

4. Support Alternate Modes of Transportation

Individual commissioners conveyed various sentiments that can be captured under the common theme of continuing support of alternate modes of transportation. For example, one commissioner urged the need to complete the San Jose BART extension in the near term, rather than in “piece meal” fashion over the next fifteen years. Another commissioner stressed the need for regular cleaning of bikeways, which have become cluttered with obstacles and debris such that it creates a safety hazard.

5. Park Facility Inquiries

The Planning Commission raised several questions related to park facilities, such as the reason for turf alteration of select parks (e.g., Mise Park) from natural grass to synthetic. Related to this, the Commission inquired about the cleaning of artificial turf. Also, the Commission was interested in dual use of some park facilities as a rainwater detention basin.

Staff responded that the City was pursuing a strategic and geographically distributed approach to the use of artificial turf, and that irrigation systems are installed to ensure a sanitary environment. As to the dual park/detention basin use, new parks on the Hitachi redevelopment site were cited as examples, where both the ten-acre softball park (outfield only) and five-acre linear park serve such a dual-purpose use.

6. Allocation of Public Art

One commissioner inquired about the possibility of a more strategic and flexible approach to the allocation of public art than the “one percent” funding requirement of Chapter 22.08 (Art in Public Places) of the San Jose Municipal Code. Specifically, it was suggested that certain CIP Programs (e.g., the Sanitary Sewer and Storm Sewer Systems) have facilities that are not frequently visited by members of the public, and therefore could be appropriately relieved of the public art funding requirement.

Conclusion

Based on information contained in the Proposed 2013-2017 Capital Improvement Program and discussed at the hearing, the Planning Commission found that the CIP is consistent with the *Envision San Jose 2040 General Plan*. The Planning Commission recommended that the City Council adopt the Proposed 2013-2017 Capital Improvement Program.

ALTERNATIVES

Not applicable.

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PUBLIC OUTREACH

Notice of the Planning Commission's public hearing on the CIP was posted on the City's website, and staff was available to answer questions from the public. No members of the public chose to speak at 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 2, 2012. The Proposed 2013-2017 Capital Improvement Program has been available for public review on the City's website at <http://www.sanjoseca.gov/budget/FY1213/ProposedCapitalCIP20122013.asp>.

COORDINATION

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

CEQA

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

/s/

JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions, please contact Joe Horwedel at (408) 535-7900.