

MEMORANDUM

Date: May 24, 2015
To: Mayor and City Council
From: Nelson Fialho, City Manager
Subject: Capital Improvement Program for Fiscal Years 2015-16 to Fiscal Years 2018-19

I. INTRODUCTION AND OVERVIEW

This Capital Improvement Program (CIP) has been prepared to provide the City Council, and the community, with information outlining capital improvement projects and revenues for the next four years. Consistent with the City's two-year Budget, it is recommended that the first two years of the CIP be adopted and that funds be appropriated to cover the projects included in these two years. The projects included in the final two years of the CIP are tentative based on currently identified needs and are subject to revision to accommodate changes in priorities and/or expected funding levels. As part of the ongoing budget-monitoring program, staff will conduct a thorough review of the Capital Improvement Program at the end of fiscal year 2015-16 as part of the Mid-Term Budget process and will provide the City Council with any recommended changes to projects and revenues for FY 2016-17.

Because a portion of the total revenue available to the CIP is derived from development related fees assessed on new development, and federal/state related revenue such as gas taxes, and grant funding not directly related to ongoing City revenue, the status of the economy, state and federal programs and policies and the amount of local development activity during the next several years will play a major role in the City's ability to finance projects included in this program. While most revenues such as gas taxes, Measure B, grants etc., are programmed in the year they are expected to be received, the variability of development related revenues is mitigated to some extent by the fact that the total annual project expenditures for each individual category of Streets, Parks, Miscellaneous, Water and Sewer, are less than the amount of development related programmed for each specific year. As such, estimated FY 2015-16 development fee revenue is not allocated to FY 2015-16 expenditures. Rather, these fees are moved to FY 2015-16 ending fund balance and are available for programing in FY 2016-17. If development revenues fall short of estimates, then adjustments will be made as part of the FY 2016-17 Mid-Term CIP to address this shortfall. The sole exception to this approach concerns the FY 2016-17 construction of Lions Wayside and Delucchi Parks which is funded in part with a portion of the In Lieu Park Dedication fee revenue anticipated to be received during FY 2016-17. By utilizing this conservative approach the City avoids project funding shortfalls resulting from less than anticipated revenues and minimizes the impact of having to stop a project due to lack of funding.

Program Organization

This document is arranged by project category (i.e., Streets, Parks, Miscellaneous, Water, and Sewer). Project description sheets, which provide a project description and project justification as well as cost and funding information, are included for each funded project in all five project categories in the sections highlighted by project tabs. Summary financial tables detailing expenditures for each CIP project category and a consolidation of funded projects in an alternative view showing funding by purpose is also included in this section. Detailed financial tables showing the specific funding sources for all projects are included in Appendix A.

Project identification numbers are included on project description sheets and financial tables. The first two digits of these numbers reflect the fiscal year the project was first funded and the additional digits reflect City account numbers. Page numbers identifying each project are included in the table of contents and on the summary financial tables.

Development of CIP Recommendations

As Council is aware, the CIP is presented to address the City's priority capital improvement needs over the next four years. When making decisions regarding project recommendations, staff relies on numerous sources of information. Some of this information, such as data generated through the City's Pavement Management System, is relied upon heavily to develop cost estimates needed to adequately maintain City streets. Also, staff's technical expertise is often utilized to develop the more technically oriented projects such as sewer and water telemetry equipment, water tank maintenance, data processing and other technical areas. In addition, staff considers the priority projects included in the City Council Annual Work Plan. The table below presents the status of all Council priority projects subject to CIP funding.

STATUS SUMMARY OF CITY COUNCIL CIP PRIORITY PROJECTS

City Council CIP Priority	Funding Status
Acquisition of the Vacant City and County of San Francisco Site Adjacent to the City Library Cemetery	This project is not specifically funded in the CIP. However, the CIP does include the City Hall Office Building and Civic Center Site Improvement Reserve with a balance of \$1,927,859 that would be available for the purchase should a purchase agreement be reached.
Bernal Community Park Phase II Lighted Multi-Purpose Sports Fields (Including the Oak Woodlands Area)	This project is fully funded in previous CIP's and construction has begun. Estimated project cost is \$16,000,000.
Bernal Property – Community Farm Master Plan	The CIP includes \$100,000 in FY 2015-16 to fully fund the completion of the Master Plan.
Bernal Property- Increase Native Tree Plantings along the Marilyn Kane Trail	This CIP includes \$25,000 for project design in FY 2015-16 and \$175,000 in FY 2016-17 for project construction to fully fund the project
Bernal Property- Off Leash Dog Park	This project was approved by the City Council and the CIP included \$400,000 in FY 2015-16 for park construction.
Bike/Ped/Trail Master Plan	The Master Plan has been completed and this CIP included \$400,000 annually for trail improvements.
Cemetery Master Plan Implementation	FY 2015-16 of this CIP includes \$350,000 for Cemetery improvements, included the Veteran's Memorial.
Civic Center/Library Master Plan	This project is not specifically funded in the CIP. However, the CIP does include the City Hall Office Building and Civic Center Site Improvement Reserve with a balance of \$1,927,859.
Conversion of Callippe Trail to Multi Use	This project is not specifically funded in this CIP but will be included as part of the City's General Trail Improvement and Development Reserve which has a current balance of \$827,60.
Downtown Wi-Fi	A total of \$75,000 is included in FY 2015-16 to complete this update.
Fire Stations 2 & 3 Assessment	\$100,000 is funded in FY 2015-16 to complete this assessment.
Lions Wayside and Delucchi Park Redevelopment	Included in this CIP is \$200,000 in FY 2015-16 for design services and \$4,300,000 in FY 2015-16 for project construction.
Old Vineyard Trail	The City has a current reserve of \$649,000 for this trail.
Phase I Recycled Water	Previously funded is \$3,000,000 for smart water meters and the planning (\$1.032M) and funding for the recycled water pipeline that will be funded with a state CW loan (\$20M loan amount available).
Pleasanton Tennis and Community Park – Two Additional Tennis Courts	The design of these courts is about to begin and the CIP includes \$350,000 in FY 2016-17 to cover the cost of construction.
Second Bernal Bridge	This CIP includes funding for the painting of the existing bridge. Design of the second bridge is not currently programmed.
Soundwall Repair and Replacement	This project has been changed from "biannual" to annual and the annual amount has been increased from \$50,000 to \$100,000.
Stanley Boulevard Resurfacing	This CIP includes an additional \$500,000 toward fully funding the project. Final cost will be determined once project bids are received. Estimated project cost is \$6,400,000.

As indicated above, all of the City Council priority projects, with the exception of the Second Bernal Bridge, have either an existing reserve, are fully funded in this CIP or previous CIP's, or will have other sources allocated to them. As the economy improves, and the City Council and staff further define project parameters, staff anticipates additional funding for the priority projects that are not yet fully funded.

Based on project funding/status described above, staff is confident that this CIP addresses current infrastructure maintenance needs as well as new projects that will be an amenity to the community.

II. PROGRAM FINANCIAL OVERVIEW

A summary of available annual financial resources (including beginning balances) and recommended annual expenditures is listed in the tables below. Summary financial tables showing all recommended projects and available funding are included at the end of this section. All project expenditures and revenues segregated by source are included in the detailed financial tables located in the Appendix.

Development fee revenue including the Public Facilities, Traffic Impact, In-Lieu Park Dedication and Water and Sewer Connection Fees, are recorded on a calendar year basis since the Community Development Department has historically tracked development activity on a calendar year basis. However, this process is contrary to other portions of this CIP, including all expenditures, and the City Budget that are tracked on a fiscal year basis. Other revenues, such as gas taxes, grants, and General Fund, are projected based on staff estimates in the year they are expected to be received. As indicated previously, staff utilizes the Mid-Term CIP to make any adjustments necessary to address fluctuations in estimated revenues or project expenditures that assures the CIP accurately reflects project development.

The three tables listed below provide a general summary of revenues and expenditures by project category and major funding sources.

PROJECTED AVAILABLE ANNUAL FINANCIAL RESOURCES*

CATEGORY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL
STREETS	\$20,448,706	\$19,816,347	\$19,463,390	\$18,747,490	\$40,135,768
PARKS	\$6,394,958	\$10,115,761	\$5,712,552	\$3,066,923	\$16,753,835
MISCELLANEOUS	\$9,382,516	\$11,503,955	\$9,223,104	\$6,265,695	\$19,614,362
WATER	\$13,729,992	\$14,017,685	\$12,967,967	\$13,304,267	\$20,829,267
SEWER	\$5,110,609	\$5,654,703	\$6,133,680	\$6,529,180	\$9,379,180
TOTAL	\$55,066,781	\$61,108,451	\$53,500,693	\$47,913,555	\$106,712,412

* To accurately reflect the amount of financial resources available each year by category, the above annual dollar amounts include all available resources for each year including beginning and recurring fund balances. However, the "Total" column has been adjusted to reflect removal of the recurring fund balances. As a result, the "Total" column does not equal the sum of the individual years.

RECOMMENDED EXPENDITURES

CATEGORY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL
STREETS	\$10,562,397	\$6,046,351	\$4,779,530	\$4,166,679	\$25,554,957
PARKS	\$3,748,370	\$7,174,964	\$2,763,578	\$2,771,355	\$16,458,267
MISCELLANEOUS	\$4,217,487	\$4,650,254	\$4,480,926	\$2,458,403	\$15,807,070
WATER	\$2,370,000	\$3,290,000	\$1,865,000	\$2,490,000	\$10,015,000
SEWER	\$1,075,000	\$900,000	\$875,000	\$900,000	\$3,750,000
TOTAL	\$21,973,254	\$22,061,569	\$14,764,034	\$12,786,437	\$71,585,294

The table below lists revenues by source, expenditures and balances by year.

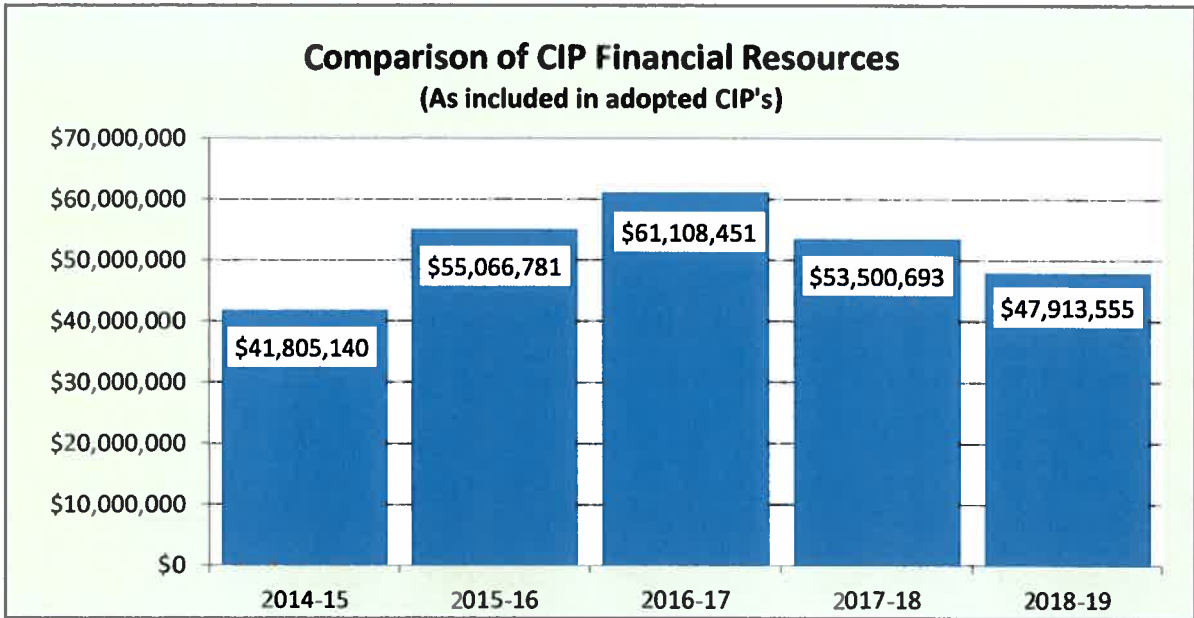
SOURCES OF FINANCIAL RESOURCES, EXPENDITURES AND FUND BALANCES

CATEGORY	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	TOTAL
Beginning Balances*	\$33,221,573	\$33,093,527	\$39,046,882	\$38,736,659	\$33,221,573
Gas Tax, Measure B and Highway Funds	\$3,810,488	\$3,808,660	\$3,808,660	\$3,808,660	\$15,236,468
City Development Fees	\$6,434,678	\$15,587,576	\$4,251,862	\$160,757	\$26,434,873
City Utility Connection Fees*	\$722,050	\$870,287	\$162,759	\$15,300	\$1,770,396
Non City Development Fees	\$203,192	\$671,601	\$224,530	\$16,179	\$1,115,502
Grants and Miscellaneous	\$4,008,000	\$350,000	\$1,230,000	\$400,000	\$5,988,000
Annual General Fund Contribution to CIP	\$3,160,000	\$3,240,000	\$1,300,000	\$1,300,000	\$9,000,000
Transfers from Other Funds	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$12,000,000
Interest Earnings	\$506,800	\$486,800	\$476,000	\$476,000	\$1,945,600
Total Financial Resources	\$55,066,781	\$61,108,451	\$53,500,693	\$47,913,555	\$106,712,412
Recommended Expenditures	\$15,539,205	\$14,284,750	\$7,240,000	\$7,385,500	\$44,449,455
Recommended Reserves	\$6,434,049	\$7,776,819	\$7,524,034	\$5,400,937	\$27,135,839
Total Recommended Expenditures and Reserves	\$21,973,254	\$22,061,569	\$14,764,034	\$12,786,437	\$71,585,294
Ending Balance	\$33,093,527	\$39,046,882	\$38,736,659	\$35,127,118	\$35,127,118

* Represents the beginning unappropriated amount.

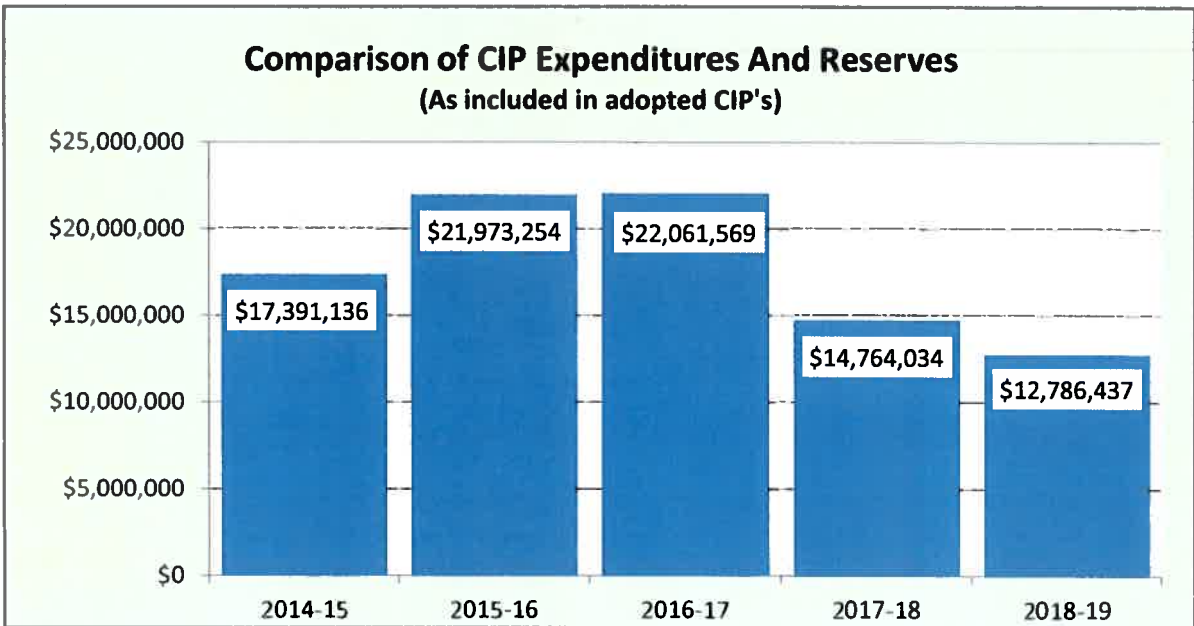
Total available financial resources, including unappropriated beginning fund balances and transfers, projected in the first two funded years of this CIP are \$55,066,781 for FY 2015-16 and \$61,108,451 for FY 2016-17 for a total of \$116,175,232 over the two funded years of this program. Of this amount, as noted above, a total of \$33,221,573 is in the beginning fund balance from previous CIP's which as discussed later in this introduction comes from various sources. The following chart provides a graphic

representation of a comparison between the first two years of this CIP with the budgets from the two previously approved programs.



* The above represents the original budget amounts. Actual revenues and adjustments may have amended the-totals.

Total expenditures and reserves recommended in the first two years of this CIP are \$21,973,254 for FY 2015-16 and \$22,061,569 for FY 2016-17 for a total of \$44,034,823 over the two funded years of the CIP and a total of \$71,585,294 over all four years. The following chart provides a graphic representation of a comparison between the first two years of this CIP with the budgets for the two previously approved CIP's.



* The above represents the original budget amounts. Actual expenditures and reserves may have amended the totals.

III. SUMMARY OF THE MAJOR REVENUE SOURCES

Beginning Balances

Beginning balances are developed based on revenue estimated to be available effective July 1, 2015 based on the City Council's recent approval of the FY 2014-15 Mid-Year CIP Budget. The estimated beginning balance, representing the unappropriated amount not counting existing project reserves, for all project categories for this CIP is \$33,221,573. While the beginning balances represent funds that have not been specifically appropriated, each beginning fund balance is a reflection of individual funds within each CIP project category and as such, a portion for the fund balances are earmarked for specific future uses. An example of some of these larger individual funds and their anticipated uses is as follows:

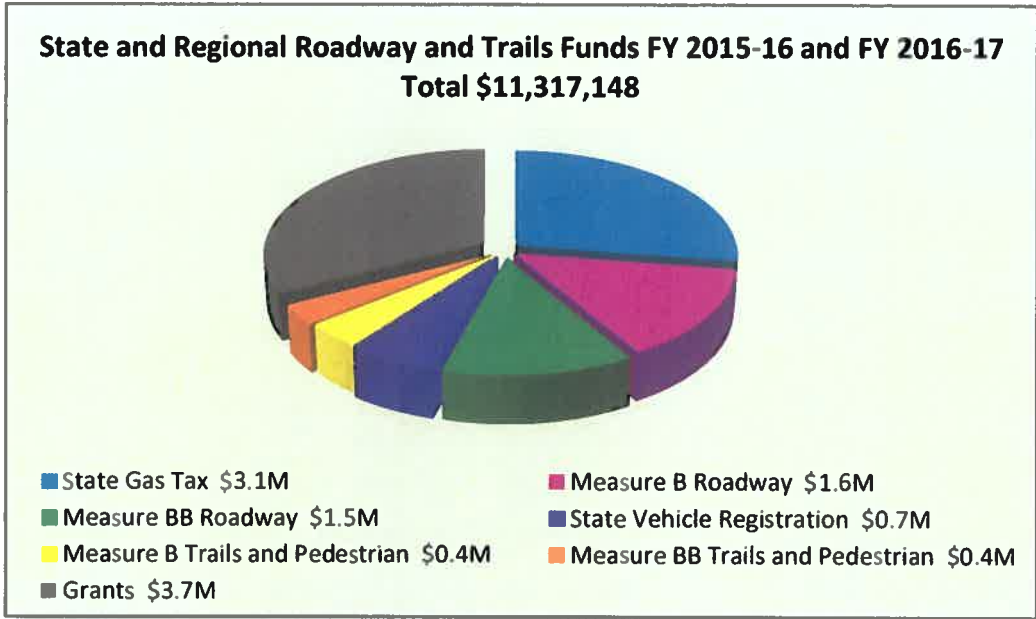
SUMMARY OF SPECIFIC FUNDS INCLUDED IN OVERALL CIP FUND BALANCE

CIP Category	Fund Name	Amount	Summary
Streets	Traffic Impact Fees	\$3,375,312	Fees collected for future city-wide traffic improvements.
Streets	Bernal Developer Fees	\$2,726,201	Revenue collected for anticipated roadway and freeway interchange improvements anticipated near Valley Avenue and Bernal.
Streets	Assessment Districts	\$1,424,670	Funding reserved for future assessment district obligations.
Miscellaneous	Downtown and North Pleasanton	3,587,666	Funds earmarked to meet future payments to Alameda County for purchase of the Downtown Rail Corridor.
Water	Water Replacement Fund	\$8,036,650	Water maintenance and improvement funds required for long term maintenance and improvements of the water system
Sewer Fund	Sewer Replacement Fund	\$2,046,192	Sewer maintenance and improvement funds required for long term maintenance and improvements of the sewer system

Beginning balances for each CIP section are included in the detailed financial tables located in the Appendix A.

State and Local Gas Tax and Highway Related Revenue

Gas taxes and Highway revenue is used for street repairs and improvements and placed in the Streets section of the CIP. In addition to the Gas Tax collected annually from the state gas taxes, this CIP includes funding from Measure B, State vehicle registration fees, and grants. New for FY 2015-16 is Measure BB funding which like Measure B, includes separate Local Streets and Roads and Bicycle and Pedestrian funding components. Gas tax revenues are allocated annually to cities on a statewide allocation formula which is based primarily on a population. These funds, which can be used for new construction or repair and maintenance of existing street systems or street lighting, are determined by the amount of gas sold in the state. A summary of Street related revenue anticipated during the first two years of this CIP is detailed below.



In general, ongoing street maintenance revenues including Gas Tax, Measure B and BB, and State vehicle Registration Fees, revenues will be increasing from the \$3,024,599 anticipated in FY 2014-15 to \$3,810,488 (+\$785,889) projected for FY 2015-16. The primary differences are the inclusion of Measure BB funds which are estimated at \$906,547. However, this increase is somewhat offset by a reduction in Gas Tax revenue which was \$1,786,899 in FY 2014-15 and is projected to be \$1,546,660 (-\$240,239) in FY 2015-16. This CIP also includes \$1,662,000 in grant funds from the One Bay Area Grant program that will be applied to the Valley Avenue resurfacing project in FY 2015-16 and FY 2017-18 and \$1,916,000 from the State's Highway Bridge Grant program (HBP) that will be applied to various bridge maintenance projects included in the CIP. The table below details all street maintenance and improvement funds, less development fees and beginning balances included in the CIP.

SUMMARY OF HIGHWAY MAINTENANCE AND IMPROVEMENT FUNDS
Recurring Highway Maintenance Funds

Source	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Gas Tax	\$1,546,660	\$1,546,660	\$1,546,660	\$1,546,660	\$6,186,640
Measure B Roadway	\$800,403	\$800,000	\$800,000	\$800,000	\$3,200,403
Measure BB Roadway	\$726,110	\$726,000	\$726,000	\$726,000	\$2,904,110
State Vehicle Registration	\$338,116	\$338,000	\$338,000	\$338,000	\$1,352,116
Measure B Trails & Pedestrian	\$218,762	\$218,000	\$218,000	\$218,000	\$872,762
Measure BB Trails & Pedestrian	\$180,437	\$180,000	\$180,000	\$180,000	\$720,437
Grants	\$3,698,000	\$0	\$830,000	\$0	\$4,528,000
Total	\$7,508,488	\$3,808,660	\$4,638,660	\$3,808,660	\$19,764,468

In addition to the above state and regional revenues, the CIP includes development related revenue from the Tri-Valley Transportation Fee, the Dougherty Valley Mitigation Fees and City Transportation Improvement Fees. Staff estimates that the City's 20% share of the Tri-Valley Transportation

Development Fee will generate approximately \$1,083,502 during the next four years of this program and this total amount is being placed in the Tri-Valley Transportation Development Fee Reserve for use on future not yet funded streets projects. This Reserve has an existing beginning balance of \$330,173. Dougherty Valley Mitigation Fees are estimated at \$32,000 over the four years of the CIP. This funding is being placed in the Dougherty Valley Mitigation Reserve Fund which has a current existing beginning balance of \$112,574 which will also be applied to future allowable street projects.

As noted below, the Streets category also included City Transportation Improvement Fees (TIF) estimated to be \$8,312,732 over the four years of the CIP. However, as noted previously, the receipt of these funds is dependent upon the construction of anticipated new projects and therefore, it will be monitored as part of the Mid-Year and Mid-Term CIP's when appropriate adjustments will be made to reflect funds actually received. This fee revenue is applied only to projects allowed as part of or TIF Traffic Fee Study. Some of the more notable projects funded with this revenue source included Traffic Signals at Amador High School (440,000), I-680 Sunol Blvd. Improvements Phase I (\$650,000), Hopyard and Owens Intersection Improvements (\$465,000).

Local Development Related Fees

This category of revenue consists of fees collected by the City to offset the impact of new development. The major sources and expected revenue from these sources are as follows:

CITY DEVELOPMENT RELATED FEES

Fee Type	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	Total
Traffic Impact Fees	\$2,661,460	\$5,082,277	\$522,704	\$46,291	\$8,312,732
In-Lieu Park Dedication Fees	\$2,339,964	\$7,410,373	\$2,721,755	\$67,949	\$12,540,041
Public Facilities Fees	\$1,433,254	\$3,094,926	\$1,007,403	\$46,517	\$5,582,100
Water Utility Connection Fees	\$546,598	\$517,193	\$49,782	\$10,800	\$1,124,373
Sewer Connection Fees	\$175,452	\$353,094	\$112,977	\$4,500	\$646,023
Tri-Valley Transportation Fees	\$195,192	\$663,601	\$216,530	\$8,179	\$1,083,502
Dougherty Valley Mitigation Fees	\$8,000	\$8,000	\$8,000	\$8,000	\$32,000
TOTAL	\$7,359,920	\$17,129,464	\$4,639,151	\$192,236	\$29,320,771

As indicated previously, to avoid programming these fees until collected, the CIP is presented so that the fees anticipated in FY 2015-16 are not programmed in that year but rather are presented in the ending fund balances as reserves. As an example the \$1,433,254 of Public Facility Fee revenue anticipated for FY 2015-16 is not programmed to a specific project until FY 2016-17 which allows for adjustments, if necessary, as part of the Mid-Term CIP to assure that recommended projects are aligned with available revenues. The sole exception to this approach concerns the FY 2016-17 construction of Lions Wayside and Delucchi Parks which is funded in part with a portion of the In Lieu Park Dedication fee revenue anticipated to be received during FY 2016-17. However, if these fees don't materialize, there is adequate funding in the Community Park Improvement and Acquisition Reserve to meet project costs.

Also, note that development fee revenue included in this CIP reflects those new residential and commercial projects that have received all necessary City Council approvals, including approved PUD's. Projects that are currently under review or those that are in the early planning stages are not included in the CIP. Notwithstanding the above, because the City does not control the timeline for these developments, the development fee projections are staff's best estimate of anticipated development activity and as can be expected; even approved projects may be affected by the economy and the health of the housing and construction industry that is generally beyond the City's control. A summary of the most major projects and estimated development impact fee revenue included in this CIP is listed below.

SUMMARY OF ANTICIPATED FEE REVENUE FROM RECENTLY APPROVED PROJECTS

Project	Years Fees are Anticipated	Total Fees
Pleasanton Gateway Commons	FY 2015-16/FY 2016-17	\$3,123,540
Auf der Maur	FY 2016-17	\$5,673,351
Essex	FY 2015-16	\$2,949,427
Rosewood Commons	FY 2017-18	\$3,688,304
Pacific Pearl	FY 2016-17	\$1,642,054
CarMax	FY 2015-16	\$890,000

Utility User's Fees

The City has historically adjusted sewer and water rates to assure adequate funding of Sewer and Water replacement and improvement projects. To show the availability of Sewer and Water replacement funds, the water and sewer program is divided into expansion and replacement/improvement projects. Expansion projects are those funded by utility connection fees from development activities while replacement/ improvement projects are funded by utility user fees, and other sources, that are transferred from the Water and Sewer Maintenance and Operation Funds (M & O) to the CIP for replacement/improvement projects. While these two funding sources are generally nontransferable, from time to time, the City Council has approved loans or other financing tools that allows this exchange. However, there are no such transfers included in this CIP. The CIP also includes a new Recycled Water Projects Reserve which is funded in part, from fines collected for not meeting recycled water requirements. All details regarding the use of this funding are included in the Water and Sewer detailed financial sheets located in the Appendix. Revenue anticipated from the Water and Sewer Maintenance and Operation Funds are as follows on the next page.

**SUMMARY OF ANTICIPATED NEW REVENUE AND TRANSFERS FOR
UTILITY MAINTENANCE AND IMPROVEMENT PROJECTS CIP**

Source	2015-16	2016-17	2017-18	2018-19	Total
Water					
Vineyard Corridor 4 th Tier Water Fee	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Replacement Accrual	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$6,400,000
Recycled Water Revenues	\$310,000	\$350,000	\$400,000	\$400,000	\$1,460,000
Water Connection Fees	\$546,598	\$517,193	\$49,782	\$10,800	\$0
Interest Earning	\$90,500	\$90,500	\$90,500	\$90,500	\$362,000
Subtotal Water Revenue	\$2,647,098	\$2,657,693	\$2,240,282	\$2,201,300	\$8,622,000
Sewer					
Replacement Accrual	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$4,800,000
Sewer Connection Fees	\$175,452	\$353,094	\$112,977	\$4,500	\$0
Interest Earning	\$66,000	\$66,000	\$66,000	\$66,000	\$264,000
Subtotal Sewer Revenue	\$1,441,452	\$1,619,094	\$1,378,977	\$1,270,500	\$5,064,000
Total Utility Revenues	4,088,550	4,276,787	3,619,259	3,471,800	13,686,000

Transfers from the General Fund

As detailed in the current Mid-Term CIP, General Fund contributions to the CIP have been projected as \$1,300,000 annually. However, due to an improving economy and modifications to the City's operating budget, the contribution has been increased as follows:

GENERAL FUND CONTRIBUTIONS TO THE CIP

2015-16	2016-17	2017-18	2018-19	Total
\$3,160,000	\$3,240,000	\$1,300,000	\$1,300,000	\$9,000,000

Historically, the General Fund Contribution has been used for a full range of Streets, Parks and Miscellaneous projects. For FY 2015-16 a total of \$1,175,000 is being transferred to the Streets category to provide funding for a number of projects including, \$500,000 in additional funding for the Stanley Boulevard Reconstruction and Utility Undergrounding project, \$238,000 for the Valley Avenue Reconstruction and Hopyard Road Resurfacing projects funded primarily with OBAG funds, and \$130,000 for Phase II of the Black Avenue Traffic Calming project. The remaining fund will be used generally as part of funding for various streets projects. The allocation of General Funds to the various streets projects is identified in the Streets Financial Sheets included in Appendix A. Of the remaining \$1,985,000 FY 2015-16 General Fund contribution, a total of \$1,710,864 is allocated to the Capital Improvement Program Reserve which will be used as needed to address a range of miscellaneous projects deemed to be a future priority to the City Council and various smaller projects including \$100,000 for the Downtown Parking Feasibility Study. For FY 2016-17, a total of \$175,000 is transferred to the Streets category to meet a portion of the Annual Street Resurfacing project and of the remaining \$3,065,000, a total of \$3,011,000 is being place in the Capital Improvement Program Reserve and \$50,000 is being used for the Annual Soundwall Repair and Replacement program.

It is important to note, that the General Fund contributions projected in the CIP are tentative and subject to adjustment based on the overall condition of the economy and the corresponding need to provide ongoing services and, therefore they can be adjusted in order to meet other higher City Council priorities. However, staff has continued to make adjustments to the operating budget with the goal of resuming the contributions and the City's operating budget is presented assuming this transfer.

IV. SUMMARY OF CIP EXPENDITURES

The CIP includes a total of 72 projects recommended for funding during the four years of this CIP. Expenditures, including project reserves for FY 2015-16 are estimated at \$21,973,254 and \$22,061,569 for FY 2016-17 for a total of \$44,034,823 for the first two funded years. Total expenditures and reserves for all four years of the CIP are estimated at \$71,585,294. A summary of the major funded projects is as follows:

Summary of Major Funded Projects

Streets

- Provides a total of \$8,655,000 over the four years of the CIP for street resurfacing. This includes \$2,600,000 for FY 2015-16 and \$2,700,000 for FY 2016-17. In FY 2014-15 Mid-Term CIP, funding for this project was \$2,700,000 and a total of \$1,900,000 was projected for FY 2015-16. However, over the past few years, funding for this project has generally ranged between \$2,600,000 and \$2,700,000 and therefore, this CIP amount is consistent with past years and meets the standard set by the City's Pavement Management System Index. The actual streets to be resurfaced will be determined following an update to the City's pavement management system. Notwithstanding this funding, staff anticipates that additional street maintenance funding will be needed in the future to meet ongoing street maintenance needs.
- Includes \$4,350,000 for various street related maintenance and improvement projects including sidewalk replacement (\$700,000), slurry sealing (\$2,250,000), installation of traffic buttons and line markers (\$200,000), sidewalk ramp installation (\$700,000), annual evaluation of City streets (\$100,000) and intersection improvements at various locations (\$400,000). These funded amounts are consistent with funding in recent previous years. These amounts are generally consistent with previous years except that the Slurry Seal funding of \$700,000 is generally twice the amount that has historically been allocated to this project. This increase is needed to meet ongoing slurry seal needs which helps maintain the City's streets and controls the amount that is required for street resurfacing.
- Includes \$100,000 annually for installation of traffic signals at various locations to be determined consistent with the General Plan and the City Traffic Improvement Fees. Signal locations will be presented to the City Council prior to awarding a contract to design and install.
- Consistent with the past few years, this CIP places emphasis on the ongoing maintenance of the 94 bridges located in the City and includes the following four projects.

SUMMARY OF FUNDED BRIDGE PROJECTS

Project	Funded	Amount	Description
Bi-Annual Bridge Evaluation Program	FY 2016-17 and 2018-19	\$100,000	Consultant inspection of the City's bridges and provides opportunity for bridge maintenance funding
Bridge Improvements as Various Locations (Additional Funding)	FY 2015-16	\$658,300	Provides preventative maintenance treatments to seven City bridges. The project was approved initially in FY 2014-15 and this project provides \$42,300 of additional matching funds and recognizes the anticipated receipt of a \$616,000 Highway Bridge Grant for a total of \$658,300. Total project cost is estimated at \$861,300.
Bridge Painting – Bernal Bridge at Arroyo De la Laguna	FY 2015-16	\$1,464,000	This project provides funds for the removal of existing lead paint, cleaning and painting all of the bridge's surfaces. The project was approved previously, and provides \$164,000 of additional matching funds and recognizes the anticipated receipt of a \$1,300,000 Highway Bridge Grant. Total project cost is estimated at \$1,825,400.
Bridge Approach Roadway Repairs	FY 2015-16	\$150,000	Provides repair to address ongoing roadway settlement of various bridge approaches.

- Includes two One Bay Area Grants (OBAG) totaling \$1,662,000 that will be used for Valley Avenue reconstruction from Bernal Avenue to Hopyard and Busch Road to Stanley Boulevard, Hopyard Road from Black to Del Valle Parkway, Stanley Boulevard from Old Stanley to California Street and Bernal Avenue from Kottinger Creek To Tawny. The Work will be performed in FY 2015-16 and FY 2017-18. Estimated cost for both projects is \$2,070,000.
- Includes a number of new streets projects including:
 - Installation of two new traffic signals on Santa Rita Road at Amador High School (FY 2015-16 / \$400,000)
 - Phase 2 Traffic Calming on Black Avenue (FY 2015-16 / \$130,000)
 - Preparation of a Project Study Report for Phase I of I-680/Sunol Boulevard interchange improvements (FY 2015-16 / \$650,000)
 - Intersection Improvements at Hopyard Road and Owens Drive involving a new southbound right turn lane along Hopyard Road (FY 2015-16 / \$530,000).
- Includes \$1,600,000 from Measure B fund for ongoing Bicycle and Pedestrian Improvements.
- Additional funding to address the street pavement sinking issues on West Las Positas between Hopyard Road and Stoneridge Boulevard (FY 2017-18).

Parks

- Includes \$400,000 to construct the previously approved Bernal Property Off-Leash Dog Park to be located near the Marilyn Murphy Kane Trail. Staff intends to bid the project during summer of 2015 and award the contract in early fall.
- Provides \$200,000 in FY 2015-16 for design of the Lions Wayside and Delucchi Parks and \$4,300,000 in FY 2016-17 for project construction for a total allocation of \$4,500,000. Actual

project schedule and scope will be finalized follow completing of the environmental review related to the Lions Wayside Park drainage ditch.

- A total of \$350,000 for improvements at the Pleasanton Pioneer Cemetery including the Veterans Memorial.
- Construction of two additional tennis courts at the Pleasanton Tennis and Community Park in FY 2016-17 estimated at \$350,000.
- A total of \$200,000 to plant additional trees along the Marilyn Murphy Kane Trail. The design phase (\$25,000) will occur in FY 2015-16 and tree installation (\$175,000) is programmed for FY 2016-17.
- Provides a total of \$10,558,267 to the Community Park and Acquisition Reserve for future park projects. As indicated previously, this allocation is based on the receipt of In-Lieu Park Dedication fees which are subject to the construction activity of previously approved commercial and residential developments. As a result, staff will monitor this activity and make the necessary adjustments as part of the Mid-Year and Mid-Term budgets.

Miscellaneous

- \$200,000 is included to perform maintenance on City parking lots. This funding is in addition to an existing project reserve of \$200,000.
- \$100,000 to conduct a parking feasibility study related to additional parking, including a new parking structure, in the Downtown. The study was requested by the Pleasanton Downtown Association to address the need for additional parking.
- \$75,000 to enhance and upgrade the Downtown Wi-Fi to assure reliability and improved performance of the existing system.
- \$50,000 to conduct the design/feasibility of converting existing light fixtures in City parking lots and decorative lighting to LED. Upon completion of the design, staff will have obtained conversion design and cost information that will allow it to recommend a conversion project.
- Provides a total of \$14,002,070 to the Capital Improvement Program Reserve (CIPR) for future capital projects. As indicated previously, this allocation is based on the receipt of Public Facility Fees which are subject to the construction activity of previously approved commercial and residential developments. This reserve fund is also funded from anticipated General Fund transfers that are dependent upon the overall state of the economy and the City Budget. As a result, staff will monitor this activity and make the necessary adjustments as part of the Mid-Year and Mid-Term budgets.

Water and Sewer

- A total of \$2,000,000 is allocated for annual sanitary sewer main replacements and improvements and \$2,000,000 for annual water main replacements.
- \$200,000 in additional funding for construction of the Meadowlark Sewer Siphon project that will install a new double-barrel 8 inch sewer siphon from Regency Drive to Corte Mateo. The project is in addition to an existing project reserve of \$600,000.

- Provides \$1,000,000 over the next four years for replacement of water meters. This funding is in addition to the existing \$3,000,000 funded previously for the purchase and implementation of an automated meter reading system. This project has been in the design phase and once completed, it will result in considerable operational saving and improved data control.
- A total of \$350,000 for a new water chemical storage building at the Operations Services Center.
- This Water category also now includes a Reserve for Recycled Water projects. Anticipated funding over the next four years is \$1,460,000.

In addition, to the projects listed above, Appendix B includes a listing of existing CIP projects that are currently underway or in reserve in anticipation of future funding. By approving this budget, the City Council is also approving the carry-over of funding for these projects.

V. CONCLUSION

This CIP presents a wide range of street, parks, utility and public facility projects that will address many community interests and needs including maintenance of existing infrastructure and new projects. In many ways, this document continues to balance the need for ongoing infrastructure maintenance while addressing new needs and priorities.

Looking to the future, staff is working on or anticipates activity on a range of capital projects including:

- Staples Ranch Community Park
- Downtown Parking and Trail Improvements
- Civic Center development, including Library expansion and/or relocation
- Continued development of the Bernal Property including the Community Farm
- Increased facility rehabilitation to address some of the City's more aging buildings.
- Continued traffic improvements
- Rotary Park, Phase II
- On-going improvements to address the City's recently completed master plans related to trails, recreation facilities and arts programs.
- Amador Theater Improvements

To address ongoing capital needs, staff will continue to rely on the Council's comprehensive priority setting process that leads to the adoption of an Annual Work Plan that identifies and prioritizes key projects and programs. In addition, staff and the City Council will continue exploring opportunities for revenue enhancement from development impact fees that are needed to assure the City is well maintained with facilities that meet community needs.

Staff is confident that this plan addresses the City's current capital improvement requirements and through the collective efforts of the City Council and the community, these future challenges will be met in a way that maintains the high quality of existing streets, facility and utility infrastructure and allows for the development of new facilities in a cost efficient and effective manner.

PLANNING COMMISSION CITY OF PLEASANTON

ALAMEDA COUNTY, CALIFORNIA

RESOLUTION NO. PC-2015-__

RESOLUTION FINDING THE PROPOSED CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2015-2016 THROUGH 2018-2019 CONSISTENT WITH THE PLEASANTON GENERAL PLAN

WHEREAS, one of the duties of the Planning Commission is to investigate and make recommendations to the City Council regarding the means of implementing the General Plan so that it will serve as an effective guide for the efficient expenditure of public funds relating to the subjects addressed in the General Plan; and

WHEREAS, at its duly-noticed public hearing of June 10, 2015, the Planning Commission considered all public testimony, relevant exhibits, and recommendations of City staff concerning the proposed Capital Improvement Program for Fiscal Years 2015-2016 through 2018-2019.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF PLEASANTON RESOLVES THE FOLLOWING:

Section 1. The Capital Improvement Program for Fiscal Years 2015-2016 through 2018-2019, as a whole and as individual projects, is consistent with the Pleasanton General Plan.

Section 2: This resolution shall become effective immediately upon its passage and adoption.

THIS RESOLUTION ADOPTED BY THE PLANNING COMMISSION OF THE CITY OF PLEASANTON ON THE 10TH DAY OF June 2015 BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
RECUSED:
ABSENT:

Resolution No. PC-2015-____
Page Two

ATTEST:

Adam Weinstein
Secretary, Planning Commission

Nancy Allen
Chair

APPROVED AS TO FORM:

Julie Harryman
Assistant City Attorney

**CAPITAL IMPROVEMENT PROGRAM
SUMMARY OF FY 2015-16 and FY 2016-17 FUNDED PROJECTS BY VARIOUS CATEGORIES**

CITY COUNCIL PRIORITY		FY 2015-16	FY 2016-17	TOTAL
	City Council Priority - Parks			
Parks	Bernal Property Community Farm Master Plan	\$100,000	\$0	\$100,000
Parks	Bernal Property - Off-Leash Dog Park (Construction)	\$400,000	\$0	\$400,000
Parks	Marilyn Murphy Kane Trail Additional Tree Planting	\$25,000	\$175,000	\$200,000
Parks	Tennis and Community Park Expansion (Two Additional Courts)	\$0	\$350,000	\$350,000
	City Council Priority - Downtown			
Miscellaneous	Downton Wi-Fi Enhancements	\$75,000	\$0	\$75,000
Parks	Lions Wayside/ Delucchi Parks (Design and Construction)	\$200,000	\$4,300,000	\$4,500,000
	City Council Priority - General			
Water	Advanced Water Metering Infrastructure (Water Meter Replacements)	\$250,000	\$250,000	\$500,000
Miscellaneous	Annual Soundwall Repair & Replacement	\$100,000	\$100,000	\$200,000
Streets	Stanley Blvd Undergrounding/ Improvements	\$500,000	\$0	\$500,000
Parks	Pleasanton Pioneer Cemetery Improvements Including Veteran's Memorial	\$350,000	\$0	\$350,000
Water	Recycled Water Projects Reserve	\$310,000	\$350,000	\$660,000
	STREETS - ON-GOING MAINTENANCE	FY 2015-16	FY 2016-17	TOTAL
Streets	Annual Curb and Gutter for Street Resurfacing Projects	\$250,000	\$250,000	\$500,000
Streets	Annual Street Resurfacing and Reconstruction	\$2,600,000	\$2,700,000	\$5,300,000
Streets	Annual Sidewalk and Intersection Ramp Installations	\$200,000	\$200,000	\$400,000
Streets	Annual Sidewalk Maintenance	\$150,000	\$150,000	\$300,000
Streets	Annual Slurry Sealing of Various Streets	\$0	\$750,000	\$750,000
Streets	Annual Traffic Buttons and Line Marker Installation	\$50,000	\$50,000	\$100,000
Streets	Bi-Annual Bridge Evaluation Program	\$0	\$50,000	\$50,000
Streets	Bi-Annual Evaluation/Reclassification of Street Surfaces	\$0	\$50,000	\$50,000
Miscellaneous	Bi-Annual Fence Installation and Repair	\$50,000	\$0	\$50,000
Streets	Bi-Annual Neighborhood Traffic Calming Devices	\$0	\$50,000	\$50,000
Miscellaneous	Bi-Annual Storm Repairs and Improvements	\$50,000	\$0	\$50,000
Streets	Bi-Annual Traffic Signal Installations	\$250,000	\$0	\$250,000
Streets	Bridge Improvements at Various Locations (Addl. Funding)	\$658,300	\$0	\$658,300
Streets	Bridge Approach Sinking Repairs at Various Locations	\$150,000	\$0	\$150,000
Streets	Intersection Improvements at Various Locations	\$100,000	\$100,000	\$200,000
Miscellaneous	City Parking Lots Resurfacing	\$200,000	\$0	\$200,000
	STREETS - NEW AND MAJOR IMPROVEMENTS	FY 2015-16	FY 2016-17	TOTAL
Streets	Bernal Avenue Resurfacing (Foothill Road to Valley Avenue)	\$1,200,000	\$0	\$1,200,000
Streets	Black Avenue Traffic Calming Phase 2	\$130,000	\$0	\$130,000
Streets	Bridge Painting: Bernal Bridge Over Arroyo de la Laguna (Addl. Funding)	\$1,464,000	\$0	\$1,464,000
Streets	Hopyard and Owens Drive Intersection Improvements	\$65,000	\$465,000	\$530,000
Streets	I-680 Sunol Blvd., Improvement - Phase I	\$650,000	\$0	\$650,000
Streets	Old Stanley Blvd. Construction and Utility Undergrounding (Addl. Funding)	\$500,000	\$0	\$500,000
Streets	Right of Way Transfer to Caltrans (I-580 and I-680 Interchange Parcels)	\$0	\$85,000	\$85,000
Streets	Street Reconstruction -Valley Ave.. (Bernal to Hopyard) and Hopyard Road (Black to Del Valle Parkway) (OBAG Cycle I)	\$1,070,000	\$0	\$1,070,000
Streets	Traffic Signals Installation at Amador Valley High School	\$400,000		\$400,000

CAPITAL IMPROVEMENT PROGRAM
SUMMARY OF FY 2015-16 and FY 2016-17 FUNDED PROJECTS BY VARIOUS CATEGORIES

UTILITY MAINTENANCE - WATER		FY 2015-16	FY 2016-17	TOTAL
Water	Annual Replacement of Polybutylene Service Laterals	\$125,000	\$125,000	\$250,000
Water	Annual Replacement of Water Meters	\$250,000	\$250,000	\$500,000
Water	Annual Water Main Replacement	\$500,000	\$500,000	\$1,000,000
Water	Annual Water Pump and Motor Repairs	\$100,000	\$100,000	\$200,000
Water	Bi-Annual Control Valve Improvements	\$0	\$125,000	\$125,000
Water	Bi-Annual Pressure Reducing Station Improvements	\$0	\$50,000	\$50,000
Water	Bi-Annual Water Electrical Panel Improvements	\$0	\$50,000	\$50,000
Water	Bi-Annual Water Emergency Generator Improvements	\$0	\$50,000	\$50,000
Water	Bi-Annual Water Quality Improvements	\$100,000	\$0	\$100,000
Water	Bi-Annual Water Tank Corrosion Repairs	\$0	\$200,000	\$200,000
Water	Water Master Plan Update	\$100,000	\$0	\$100,000
Water	Water Pump and Motor Upsizing	\$0	\$250,000	\$250,000
UTILITY MAINTENANCE - SEWER		FY 2015-16	FY 2016-17	TOTAL
Sewer	Annual Sewer Main Replacement and Improvements	\$500,000	\$500,000	\$1,000,000
Sewer	Annual Sewer Pump and Motor Repairs	\$50,000	\$50,000	\$100,000
Sewer	Bi-Annual Sewer Electrical Panel Improvements	\$0	\$50,000	\$50,000
Sewer	Bi-Annual Sewer Emergency Generator Improvements	\$0	\$50,000	\$50,000
Sewer	Bi-Annual Sewer Maintenance Hole Improvements	\$75,000	\$0	\$75,000
UTILITY IMPROVEMENTS (WATER AND SEWER)		FY 2015-16	FY 2016-17	TOTAL
Sewer	Meadowlark Sewer Siphon (Additional Funding)	\$200,000		\$200,000
Water	Ruby Hill- Additional Water Storage	\$100,000	\$850,000	\$950,000
Water	Water Telemetry Upgrades	\$50,000	\$0	\$50,000
Water	Water Treatment Chemical Storage Building	\$350,000	\$0	\$350,000
CITY FACILITIES AND MISCELLANEOUS		FY 2015-16	FY 2016-17	TOTAL
Miscellaneous	LED Lighting Conversion-City Parking Lots, Park Pathways and Main Street Decorative Lights (Design)	\$50,000	\$0	\$50,000
Miscellaneous	East County Animal Shelter Debt Service	\$30,000	\$30,000	\$60,000
Miscellaneous	Livermore-Pleasanton Fire Station 2 & 3 - Assessment Study	\$100,000		\$100,000
Miscellaneous	Downtown Parking Feasibility Study	\$100,000		\$100,000
Miscellaneous	Police Department - Parking Lot Redesign and Construction	\$100,000		\$100,000
Miscellaneous	CEC LED Loan Repayment	\$115,000	\$115,000	\$230,000
TRAILS		FY 2015-16	FY 2016-17	TOTAL
Streets	Bicycle and Pedestrian Related Improvements	\$400,000	\$400,000	\$800,000
RESERVES		FY 2015-16	FY 2016-17	TOTAL
Miscellaneous	Capital Improvement Program Reserve	\$3,247,487	\$4,405,254	\$7,652,741
Parks	Community Park Improvement and Acquisition Reserve	\$2,673,370	\$2,349,964	\$5,023,334
Streets	Dougherty Valley Mitigation Revenue Reserve	\$8,000	\$8,000	\$16,000
Streets	Tri-Valley Transportation Development Fee Reserve	\$195,192	\$663,601	\$858,793