


Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

**SUBJECT: RECOMMENDATION ON THE
PROPOSED 2010-2014 CAPITAL
IMPROVEMENT PROGRAM**

DATE: May 8, 2009

Approved: 

Date: 5/12/09

RECOMMENDATION

The Planning Commission recommends (7-0-0) that the City Council adopt the Proposed 2010-2014 Capital Improvement Program (CIP) and consider additional Planning Commission comments outlined herein.

OUTCOME

Adoption of the Proposed 2010-2014 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 6, 2009, the Planning Commission conducted its annual study session for review of the City's Proposed 2010-2014 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 for their consideration. 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:

- Developer Assisted Projects Program (in the Community and Economic Development CSA)
- Water Utility System Program (in the Environmental and Utility Services CSA)
- Library Program (in the Neighborhood Services CSA)
- Parks and Community Facilities Program (in the Neighborhood Services CSA), and
- Traffic Program (in the Transportation and Aviation Services CSA).

The Commission focused its questions and comments on the CIP on five key themes, and also provided suggestions for improving the CIP review process, as outlined below.

1. Consideration of Project Deferral Impacts

The Commission expressed concern about the possible social impacts, particularly upon the City's youth, related to certain proposed project deferrals, including, in particular, the Seven Trees Branch Library/Community Center. The Commission noted that the proposed three-month delay in opening of this facility would occur over the summer break from school (from May 2010 to August 2010), and given the perceived high needs for youth in the Seven Trees neighborhood, recommended reconsideration of this specific CIP proposal.

In a follow-up written response, the Department of Parks, Recreation & Neighborhood Services (PRNS) clarified that impacts associated with the Seven Trees Branch Library/Community Center delay would be lessened due to provision of daily youth programs at other neighborhood facilities during the affected timeframe, as follows:

- Recreation programs at the Tracy Wilson Youth Center (at Sylvandale Middle School).
- A summer day camp at Ramblewood Elementary School.
- A drop-in recreation program at Cry Out Christian Fellowship (CCF) Church.

2. Reduction of CIP Costs/Increase in Revenues

The Commission discussed opportunities to help reduce the costs of implementing the CIP and/or increase revenue sources that fund the CIP. Opportunities suggested for further evaluation included increasing development-related fees and capturing any potential project cost reductions (due to declining labor and materials costs) through rebid or renegotiation of construction contracts, wherever possible.

3. Expansion of Recycled Water Use

The Commission supported and encouraged expanding the use of recycled water throughout the City, and discussed various strategies to achieve that goal, including drafting an ordinance to

require installation of dual plumbing at specific locations, and seeking external funding to further expand the City's recycled water system. The Commission acknowledged staff comments that the objectives of the recycled water program have shifted over the years, from one aimed at reducing environmental impacts (on the San Francisco Bay) to one that more generally addresses an adequate potable water supply by using recycled water for non-potable uses.

4. Adequacy of Parklands

The Commission discussed the adequacy of parklands, and the City's progress towards achieving related General Plan level of service goals (i.e., parkland per capita). The Commission encouraged staff to investigate creative strategies, such as the use of rooftop gardens, to help close the persistent shortfall in meeting these parkland goals.

5. Advancement of Green Vision/Sustainability Goals

The Planning Commission emphasized the importance of using the CIP to advance the City's Green Vision, and ensure that capital projects meet sustainability objectives. In particular, the Commission indicated that given ongoing budgetary challenges, metrics of sustainability should be a critical factor in the CIP decision-making process.

CIP Review Procedures

In closing the study session and public hearing, the Planning Commission commended staff for the quality of presentation of the CIP; however, given the size and importance of the document, the Commission commented that it would be helpful to have more lead-time for review. The Commission suggested consideration of a revised schedule whereby the study session with the Budget Office would occur some time in advance of the public hearing date.

The Commission also encouraged staff preparation of a broader historical analysis of past performance of the capital budget, extending back beyond the prior fiscal year (as shown in the "performance measures" sections of the CIP), and suggested a separate evaluation of this information could be conducted outside the mandatory CIP review timeline.

Conclusion

Based on information contained in the Proposed 2010-2014 Capital Improvement Program and shared at the study session, the Planning Commission finds that the CIP is consistent with the *San Jose 2020 General Plan*. The Planning Commission recommends that the City Council adopt the Proposed 2010-2014 Capital Improvement Program.

ALTERNATIVES

Not applicable.

PUBLIC OUTREACH

Notice of the Planning Commission CIP study session and public hearing on the CIP were posted on the City website, and staff have been 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 6, 2009. The Proposed 2010-2014 Capital Improvement Program has been available for public review on the City's website at <http://www.sanjoseca.gov/budget/FY0910/ProposedCapitalProgram0910.asp>.

COORDINATION

The preparation of this report was coordinated with the City Manager's Budget Office; Department of Parks, Recreation & Neighborhood Services, and City Attorney's Office.

COST IMPLICATIONS

Not applicable.

CEQA

Not a project.


for JOSEPH HORWEDEL, SECRETARY
Planning Commission

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