



CITY COUNCIL STAFF REPORT

MEETING DATE: April 29, 2025

ITEM TITLE: Receive a Presentation and Provide Direction on the Recommended Capital Improvement Program for the Fiscal Years 2025-30.

RECOMMENDATION:

Staff recommend that the City Council review staff recommendations for the fiscal years (FY) 2025-30 Capital Improvement Program (CIP) Budget and provide policy direction with respect to the preparation of a capital budget document for consideration at the June 9, 2025 City Council meeting.

FISCAL IMPLICATIONS:

The proposed FY 2025-30 CIP is funded with capital project funds, as outlined in the CIP Fund Summary (Attachment 1). If approved by the City Council, the CIP will draw against capital fund balances throughout the duration of the projects. The total proposed CIP budget will fund the following project categories over the next five years.

PROJECTED SPENDING OVER NEXT FIVE YEARS (FY 2025 - FY 2030)						
Project Category	Wastewater Fund	Gas Tax Fund	General Capital Fund	Child Care Fund	Parks in Lieu	Housing Funds
Sewage Improvements and Replacements	\$ 60,025,000					
Storm Drainage System			\$ 5,150,000			
Street Improvements		\$ 42,140,000	\$ 2,241,000			
Safe Routes to School			\$ 7,400,000			
Traffic and Transit			\$ 18,338,083			
Parks and Recreation			\$ (350,000)		\$ 1,600,000	
Planning			\$ 16,489,900			
Facilities and Technology			\$ 3,208,200			
Child Care				\$ 8,000,000		
Housing						
TOTAL	\$ 60,025,000	\$ 42,140,000	\$ 52,477,183	\$ 8,000,000	\$ 1,600,000	\$ -

In addition to the direct funding received into the capital funds, the recommended CIP Budget includes transfers from various funds. The transfers include the closure of the Parking in Lieu Fund and the closure of the Library Improvement Fund. The Parking In Lieu Fund has been combined with the General Capital Fund and any future revenue will be restricted for parking projects. The Library Improvement Fund will be closed following the payoff of the Library General Obligation Bonds in FY 2024-25 and any future revenue will be restricted for library building maintenance or improvement projects.

BACKGROUND:

A study session to review the City's five-year capital budget recommendations, which are listed in the CIP Budget Detail Schedule (Attachment 2), is typically held before final adoption of the budget.

Sections 65400, 65401, and 65403 of the State Planning and Zoning Code require annual planning commission review of public works projects planned for the next fiscal year to determine conformity with the adopted General Plan. The City's Planning and Transportation Commission will review the Capital Improvement Program Budget at its June 2nd meeting to see if the proposed capital projects are in conformance with the goals, policies, and actions contained within the General Plan.

ANALYSIS:

THE CAPITAL BUDGET

The proposed FY 2025-30 Capital Improvement Program Appropriations Budget is provided in Attachments 1 and 2. Below is a summary highlighting the status of current projects that include recommended changes since the FY 2024-25 adopted budget update, and background of newly proposed projects grouped by fund and by category.

Wastewater Fund 06:

The Wastewater Fund is the City's only Enterprise Fund. An Enterprise Fund is used to account for operations that are financed and operated like a private business enterprise. The Wastewater Fund, therefore, has the rates and fees necessary to fund the sewage treatment, transmission, major capital replacements and improvements to the sewer system. Over the next five years, staff propose an investment of \$60.0 million in the City's wastewater system.

Staff request continued and additional funding for the following previously approved projects:

- **Shoreway Road Sewer Main Relocation Project (C2303).** \$605,000 was previously appropriated in FY 2023-24 for this project for planning and design for the relocation of the sewer main. The existing main is sagging and is at risk of overflows and backups, and continued repair and rehabilitation is no longer an option. Staff propose funding of \$3 million in FY 2025-26 for the construction phase of the sewer main relocation to the street
- **Capacity Improvements Project (C2305).** \$9.5 million in funding for FY 2025-28 was previously requested for improvements needed to address capacity deficiencies through upsizing or adding sewer mains, and to accommodate and convey peak wet weather flows without causing sanitary sewer overflows during a storm. Staff recommend reducing funding requested in FY 2025-26 from \$4.5 million to \$2 million, mainly due to a delay in the receipt of connection fees from development projects and to open up funding opportunities for other needed new projects in FY2025-26. This request also adds \$2 million to \$1.5 million that was previously requested for FY 2027-28, \$2.5 million to FY 2028-29, and \$1 million to FY 2029-30.

The following new Wastewater Fund capital projects are recommended. Detailed descriptions can be found in the attachments that follow:

- **Replacement of Combination Sewer Truck (C2501).** The current Vactor 2100 Plus is over 13 years old with nearly 9,000 hours of operation (equivalent to approximately 360,000 miles) and has become increasingly prone to breakdowns. Staff propose funding of \$900,000 in FY 2025-26 to purchase a new combination sewer truck that will provide more reliable and consistent performance, minimize service interruptions, lower operational costs, reduce downtime, and improve overall service efficiency.
- **Upgrade Existing SCADA Hardware at all Sewer and Storm Pump Stations (C2502).** Staff propose funding of \$450,000 in FY 2025-26 to replace the current Supervisory Control and Data Acquisition (SCADA) hardware which is outdated and no longer supported by manufacturers, leaving it vulnerable to security risks. An updated system will ensure continuous communication with pump stations, reducing the risk of costly sewer spills and flooding.
- **Wastewater Rate and Capacity Charge Study (C2503).** \$100,000 is being requested in FY 2025-26 for a wastewater rate study to evaluate the current operating costs, evaluate the upcoming capital cost impacts, and develop sewer rate recommendations to ensure long-term financial sustainability of the City's sewer fund and system. The last rate study completed in 2024 set rates for FY 2024-25, FY 2025-26, and FY 2026-27.

Gas Tax Fund 16

The Gas Tax Fund is used to account for revenue received and expended under the State of California, Street and Highways Code Sections 2106, 2107, and 2107.5. The revenues received must be expended for maintenance and construction related to streets.

SB 1. In April 2017, the Governor signed into law the Road Repair and Accountability Act of 2017 (Senate Bill "SB" 1). SB 1 provides \$5.2 billion annually statewide and is a significant investment in California's transportation infrastructure. The law provides approximately \$800,000 for the City's local streets and roads. This revenue has been incorporated into the five-year capital project proposal. Total Local Street Rehabilitation (LSR) revenues are projected at \$1.68 million in FY 2025-26 and \$1.73 million in FY 2026-27.

Measure A/K. Measure A was passed originally in 1988 and then extended by voters in 2017 as Measure K (to 2043) to improve transit and relieve traffic congestion and includes funds for local community shuttle services, railroad/street grade separations, and a major infusion of tax dollars for pedestrian and bicycle projects and some operating funds that can be channeled to Caltrans.

Measure W. Measure W was passed in 2018, and went into effect in July 2019, approving a half-cent sales tax to provide the county with additional resources to improve transit and relieve traffic congestion. This tax measure is generating funds for a period of 30 years, from July 2019 to June 30, 2048. Measure W contains the Congestion Relief Plan, which establishes five investment categories for these funds: Highway/Interchange; Local Safety/Pothole; Bicycle/Pedestrian; Regional Connections; and Public Transit.

The transfer from Fund 14 (Measure A/K) and Fund 18 (Measure W) into Fund 16 (Gas Tax Fund)

is recommended to be \$2.14 million in FY 2025-26 and \$1.74 million in FY 2026-27.

To raise the streets' pavement condition index (PCI) from 57 to 65 in the next five years, staff recommend an investment in the street resurfacing project of \$39.5 million over the next five years. This includes funding from the General Capital Fund in the amount of \$3.28 million in FY 2025-26 and \$2.85 million in FY 2026-27 and FY 2027-28.

Staff propose continued and additional funding where applicable for the following previously approved programs:

- **Annual Street Resurfacing Project (C9416).** \$8.5 million was previously appropriated for this project in FY 2024-25. Over the next five years, staff propose an investment of \$39.5 million which includes \$2.85 million in funding from the Facility/Infrastructure Reserve. Timely and regular maintenance and rehabilitation will prevent costly reconstruction, and spending at this level will raise the PCI from its current level of 57 "at risk" to a level of 65, or "fair" condition, over the next five years. To achieve this, approximately 17% of City streets will be under construction per fiscal year or 80% of the City's total streets over the five-year period.
- **Annual Sidewalk Replacement/Reconstruction (C9465).** \$180,000 was originally requested in FY 2025-26 and FY 2026-27. Staff proposed additional funding of \$120,000 in both fiscal years and \$180,000 in each of the following three years. The City performs sidewalk repair projects annually and then bills property owners for their cost of the work. The sidewalk program continues to grow as more property owners are participating and this additional funding will help to clear the current approximate one-year backlog. In addition, this project includes repairs along sidewalk, curb, gutter, and driveway approaches around City-owned buildings and parks.

General Fund Capital Projects Fund 25

The General Fund Capital Projects Fund accounts for general capital improvements and replacements, including building construction, technology, and other infrastructure improvements. Over the next five-year period, staff propose \$52.48 million in infrastructure improvements and one-time projects.

The major sources of revenue for this fund are the franchise fee revenue received from the Shoreway Transfer Station, estimated at \$2.68 million in FY 2025-26 and \$2.76 million in FY 2026-27 with estimated increases of \$80,000 per year in the next three fiscal years; and the Educational Revenue Augmentation Fund (ERAF) rebate, which reflects property taxes previously taken from the City by the state, estimated at \$3 million per year.

Staff recommend a transfer of \$10.25 million from the General Fund Facility/Infrastructure "Assigned" Reserve balance in FY 2025-26, another \$7 million in FY 2026-27, \$2 million in FY 2027-28, and \$1.5 million in FY 2028-29 and FY 2029-30. The transfers will go towards funding the Downtown Renovation Plan project, the Holly St/101 Interchange and Pedestrian Overcrossing project, storm drain improvements, and various other infrastructure projects.

Staff also propose a transfer of \$3.28 million in FY 2025-26 and \$2.85 million in both FY 2026-27 and FY 2027-28 from the General Capital Fund to the Gas Tax Fund to help offset the increasing annual street resurfacing costs, and a transfer of \$400,000 in FY 2025-26 to the Parks-in-Lieu

fund to help fund the Parks Master Plan and related improvements.

Completed projects in FY 2024-25:

- Guardrail Installation at Torino/Winding Way Intersection (1744)
- Installation of New Sports Field Lighting at Flanagan and Stadium Fields (C1818)
- Wheeler Plaza Garage Wayfinding Signage Installation (C2003)
- Standards of Cover Study (C2110)
- Drone Unmanned Aerial Vehicle (UAV) Program (C2111)
- 2nd Floor Library Remodel (Old Chamber Area Suite 206) (C2202)
- 447 Hillcrest Wall Replacement (C2203)
- Website and Intranet Refreshment (C2217)
- Greater East San Carlos Neighborhood Slow Street (C2219)
- Greenhouse Gas In-Lieu Fee Study (C2220)
- Arguello Scoreboard (C2308)

Projects nearing completion in FY 2024-25:

- Roof Repairs at Various Buildings (C1721)
- GIS Sign Inventory (C1808)
- Wheeler Plaza Garage Extra Lighting, Painting and EV Stations (C1904)
- Storm Water Motor Control Center and Pump Replacements (Holly Street/Old County and Brittan/Old County) (C2108)
- Objective Design and Development Standards for Single-Family, Multi-Family and Mixed-Use Residential Projects (C2115)
- City Facility Cameras (C2205)
- East Side Innovation District Pulgas Creek Watershed Study (C2208)
- 2030 General Plan Amendment - Resetting Buildout to Allow Continued Improvements to 2030 (C2311)
- OnBase Upgrade (SaaS) (C2314)
- Phone System Replacement (C2315)
- 2nd Floor Library Remodel (Phase II) (C2316)
- 2nd Floor City Hall Remodel Design (C2317)
- Big Canyon Park Landslide Repair (Behind 995 Crestview Drive) (C2318)
- Big Canyon Park Landslide Repair (Above 3144 Brittan Avenue) (C2319)
- Big Canyon Park Landslide Repair (Behind 3141-3161 Melendy Drive) (2320)
- Dartmouth Road Landslide Repair (Between Garden Lane & Northam Ave) (C2321)
- Industrial Equipment and new vehicle Purchases for Corp Yard (C2323)
- Landslide Review and Inspection (Geotech Engineer) (C2335)
- Construct and Install Wooden Planters Over Orange Water Wall Barriers (C2338)
- AED Installment (C2339)
- Highlands Park Snack Shack Repairs (C2406)
- Fire Station 16 Replacement (C9823)

The following paragraphs describe proposed projects by general categories.

Storm Drainage System

Total requested net funding for storm drainage improvements for the five-year plan period is \$5.15 million.

The following projects reflect the changes within this category since the FY 2024-25 adopted budget update:

- **Storm Drain Improvements (C9531).** \$3.1 million of additional funding was initially requested for this project to further address the drainage issues in San Carlos identified in the 2016 Citywide Storm Drain System Master Plan. However, to free up fund balance for other high priority projects, it is recommended that this funding request be moved to the Unfunded List for now.
- **Storm Channel Sediment Removal (C9828).** \$500,000 for each year from FY 2025-26 to FY 2027-28 had previously been requested for this project in the FY 2024-25 adopted budget update. Since there is still significant previously adopted budget available to be spent, staff have proposed moving the requested funding, which included an additional \$150,000 for FY 2028-29 and FY 2029-30, to the Unfunded List to free up fund balance for other priority projects. A total of \$1.8 million has been added to the Unfunded List.

The following new storm drainage capital project is recommended. Detailed descriptions can be found in the attachments that follow:

- **Industrial Road Bridge and Culvert Repair (C2514).** \$100,000 is being requested in FY 2025-26 and \$500,000 in FY 2026-27 to repair the culvert located on Industrial Road above Cordilleras Creek in accordance with recommendations from Caltrans who inspects the bridge and culvert annually and provide recommendations for general upkeep and maintenance.

The following new storm drainage project was proposed but not recommended at this time and has been added to the Unfunded List:

- **Pulgas Creek Watershed Native Planting Pilot project.** The project involves installing and replacing native plants, treating topsoil, irrigation, and monitoring runoff in the Pulgas Creek Watershed region of San Carlos at Big Canyon Park. The replacement and planting of native plants would help stabilize the soil through natural means and lessen the effects of erosion and soil transportation to further points downstream in the watershed. This project is expected to cost \$500,000 and take one year to complete.

Streets and Sidewalks

Total requested net funding in the Streets and Sidewalks category for the five-year plan period is \$2.24 million.

In addition to the street and sidewalk projects in the Gas Tax Fund, staff proposed the following changes for previously approved street and sidewalk projects paid from the General Capital Fund:

- **San Carlos Avenue Asphalt Pathway Replacement (Alameda de las Pulgas to Cordilleras Ave) (C1722).** \$1.3 million was previously appropriated for this project. In

September 2024, the City applied for San Mateo County Transit Authority (SMCTA) Cycle 7 Pedestrian and Bicycle Grant funding in the amount of \$2 million for this project and C2106 (Brittan Avenue Sidewalk Improvements) and received notification of approval in December 2024. Staff recommend applying \$500,000 of the grant to this project in FY 2025-26.

- **ECR/Rail Corridor Tree Planting and Irrigation Installation (C1746).** \$610,000 was previously appropriated to plant new street trees and install irrigation from Arroyo Avenue to the southern City limits. It is partially funded by \$150,000 received as part of the San Mateo Transit Village development project. Staff recommend moving the remaining budget balance (\$434,000) to the Unfunded List as the project is on hold pending final tree selection and the Grande Boulevard Initiative vision.
- **Brittan Avenue Sidewalk Improvements (Between Rogers Ave & Sunset Drive) (C2106).** \$2,025,000 was appropriated previously for this project to improve safety for pedestrians between Milano Way and Alameda de las Pulgas along Brittan Avenue. \$2 million of Traffic Impact Fee funding was also approved to offset the costs. Staff request an additional \$975,000 in appropriations in FY 2025-26 for the next stage of the project and also recommending reducing Traffic Impact Fee funding by \$500,000 to a total of \$1.5 million funded in FY 2025-26 with the remaining project expenditures offset by the remaining \$1.5 million of San Mateo County Transit Authority (SMCTA) Cycle 7 Pedestrian and Bicycle Grant funding, also in FY 2025-26.
- **Tree Well Replacement on Industrial Road (C2212).** \$400,000 was previously appropriated for this project to expand 17 tree wells along Industrial Road, from Taylor Way to Holly Street, to accommodate new trees, and to construct a new irrigation system for the trees. Of the total costs, \$27,000 has been paid as part of the development agreement at 405 Industrial to offset the costs of the trees and planting.
- **San Carlos Avenue Pedestrian Safety Improvement Phase IV (C2325).** \$1.2 million in appropriations and \$1.15 million in Traffic Impact Fee funding for this project was previously approved. Staff recommend pushing out the appropriation and funding, at the same level, to FY 2028-29, since Phase III of the project is still underway, and this timing more closely aligns with projected inflow of Traffic Impact Fees related to developments.

Safe Routes to School

Total requested net funding in the Safe Routes to School category for the five-year plan period is \$7.4 million.

For the budget study session, projects related to the Safe Routes to School plan have been categorized separately from other Streets and Sidewalks projects. Amounts requested for the different projects have been staggered across the CIP plan period to align with funding availability.

The following new Safe Routes to School projects are recommended. Detailed descriptions can be found in the attachments that follow:

- **Traffic Safe Routes to School & Pavement Project - Clifford Street (C2508).** Staff

request \$100,000 in FY 2026-27 and \$300,000 in FY 2027-28 to design and construct Safe Routes to School improvements and perform pavement rehabilitation along Clifford Street, which serves Clifford School. Improvements include American with Disabilities Act compliant curb extensions with ramps, high visibility crosswalks, raised crosswalk and rectangular rapid flashing beacons. Grant funding will be sourced where possible.

- **Safe Routes to School Improvements near Tierra Linda & Mariposa Schools (C2509).** \$200,000 is requested for FY 2025-26 to construct Safe Routes to School improvements around the Mariposa, Tierra Linda, and San Carlos schools campuses. The improvements on the roadway will provide safer routes for pedestrians and cyclists while alleviating vehicular congestion.
- **Safe Routes to School Improvements near Brittan Acres and Heather (C2510).** Staff request \$300,000 for FY 2028-29 and \$800,000 for FY 2029-30 to make improvements around Brittan Acres Elementary School to include installation of two radar feedback signs on Melendy Drive and refreshing crosswalk striping and extending sidewalks along Cordilleras Avenue between San Carlos Avenue and Carmelita Drive.
- **Safe Routes to School Improvements near Arundel (C2511).** \$250,000 is requested for FY 2028-29 and \$1.2 million for FY 2029-30 to design and construct the closure sidewalk gaps along Phelps Road from San Carlos Avenue to Palm Avenue towards Arundel Elementary School. The improvements on Phelps Road are identified in the Safe Routes to School Plan due to the close proximity to the school. The project encourages use of pedestrian pathways.
- **Complete Streets & Corridor Studies (C2512).** Staff request \$350,000 in FY 2027-28 and \$400,000 in FY 2029-30 to fund various complete streets studies along major corridors throughout the city to identify opportunities for improvements that would make it safer and more accessible for all users. The corridors and major streets to be evaluated in order of prioritization are: Crestview Drive, Brittan Avenue (including Big Canyon Midblock Crossing), Arroyo Avenue, Cedar Street, and Alameda de las Pulgas.

Traffic and Transit

Total requested net funding in the Traffic and Transit category for the five-year plan period is \$18.34 million.

Staff request the following changes to previously approved projects within this category:

- **Holly St/US 101 Interchange Modifications (C9459).** This project to re-configure the Holly St/US 101 interchange has been on hold for a number of years due to funding issues. While staff have explored renewed grant funding opportunities, the community has expressed the desire to explore near-term options that can be implemented prior to the longer-term scope of interchange modification and pedestrian/bicycle overcrossing construction. Staff request \$5 million in FY 2025-26 and \$5 million in FY 2026-27 as matching funds for three grants the City is currently pursuing, two through the San Mateo County Transportation Authority (SMCTA) and one directly with the US Department of Transportation (USDOT) – Safe Streets for All (SS4A) grant. All grants require local

matching which is currently estimated to be \$10 million.

- **Brittan Ave Widening at Industrial Road (C9461).** \$846,000 in appropriations and \$300,000 in Traffic Impact Fee funding was previously approved for this project. Staff recommend moving the remaining budget of \$497,000 to the unfunded due to pending right-of-way issues.
- **Four Corners Traffic Improvements (C9838).** \$250,000 was previously appropriated for this project, with \$250,000 requested for FY 2025-26 for further design work and \$1.75 million in FY 27-28 for construction. Delays have been experienced due to the project's inherent complexity involving multiple agencies. Staff determined that the initial requested \$250,000 for FY 2025-26 for further design work will not be needed as Belmont will be able to complete the design requirement without additional funding. Staff also recommend moving the \$1.75 million of aforementioned funding anticipated construction funding to the Unfunded List until such time as the project is ready to begin.
- **Brittan Ave & Alameda de las Pulgas Widening (C1803).** \$1.1 million was previously appropriated for this project to design and construct a separate northbound right turn lane on Alameda de las Pulgas, as well as conduct a feasibility study of an additional, dedicated left turn pocket to east and westbound Brittan Avenue at the existing signal. A commensurate \$100,000 of Traffic Impact Fee funds was also approved to offset the project costs. Staff now recommend moving the project to the Unfunded List and removing the Traffic Impact Fee funding due to pending right-of-way acquisition opportunities.
- **Traffic Circle and Midblock Crossing (Alameda de las Pulgas (ADLP), Industrial, Crestview, and Morse) (C1807).** \$2,755,000 was appropriated previously, with an additional \$51,000 appropriated at the April 14, 2025 City Council meeting, to fund various traffic calming improvements throughout the city to address community safety concerns. Staff recommend \$650,000 in additional funds for FY 2025-26 for design and construction of a high visibility crosswalk and a rectangular rapid flashing beacon system at the intersection of Industrial Road and Tanklage Road.
- **Pilot Roundabout at Crestview and Edmonds (C2402).** \$316,000 was previously appropriated for this project to fund a traffic calming pilot improvement at the intersection of Crestview Drive and Edmonds Road to address community safety concerns. Staff request \$250,000 in FY 2025-26 to study the pilot improvements in preparation for potential permanent improvements. An additional \$150,000 in FY 2027-28 and \$450,000 in FY 2028-29 was originally requested but, since the need for this funding is dependent on the outcome of the pilot improvement study, this was moved to the Unfunded List and will be brought back to the Council at a later date as appropriate.
- **Traffic Signal Masterplan Implementation (C2405).** \$250,000 was previously appropriated for this project, with an additional \$150,000 appropriated at the February 24, 2025 City Council meeting, to begin implementing the Traffic Signal Master Plan approved by City Council in April 2024. Staff request \$450,000 in FY 2025-26, \$500,000 in both FY 2026-27 and FY 2027-28, and \$600,000 in FY 2028-29 and FY 2029-30, totaling \$2.65

million, to continue implementing the different phases of the project.

The following new Traffic and Transit projects are recommended. Detailed descriptions can be found in the attachments that follow:

- **Traffic Studies & Pilot Improvements (C2504).** \$500,000 is requested per year for the five-year CIP plan period, totaling \$2.5 million, to fund various traffic improvements throughout the city. The project covers staff support for addressing community concerns more efficiently, intersection all way stop control and safety analyses, speed surveys, neighborhood cut-through studies, traffic signal operations concerns and traffic studies & policies. It will also include initial, quick-build, or pilot improvements arising from elevated community concerns before improvements are enhanced with a larger project.
- **Traffic Technology & Funding Development (C2505).** \$450,000 is requested for FY 2025-26 and \$250,000 per year for the remaining five-year CIP plan period, totaling \$1.45 million, to fund various traffic software platforms (including Synchro suite, Nearmaps, and AutoTURN) and support traffic maintenance and repair projects citywide. The project will support assessing, evaluating and implementing improvements throughout the city to address community traffic and safety concerns, and also support traffic equipment repairs and upgrades on an as-needed basis.
- **Traffic Signal Fiber Project (C2506).** \$250,000 is requested for this project for FY 2026-27, \$1.25 million in FY 2027-28, \$65,000 in FY 2028-29 and \$320,000 in FY 2029-30, totaling \$1,885,000 over the five-year CIP plan period. Following on from the approval of the Traffic Signal Master Plan in April 2024, this project will execute traffic signal fiber projects in multiple phases as part of that plan and will upgrade the City's 24 signalized intersections to utilize available technology, improve operations and reduce traffic congestion.
- **Traffic Impact Fee (TIF) Study and Update (C2507).** \$150,000 is requested in FY 2025-26 to re-evaluate the City's Traffic Impact Fee. The last study was conducted in 2020 under the 2009 General Plan. Since then, the City has approved a General Plan Reset initiating the need for a new nexus study and updating the Traffic Impact Fee structure.

The following new Traffic and Transit project was proposed but is not recommended at this time due to funding limitations. It has been added to the Unfunded List.

- **Data Management Updates.** This upgrade project would support the building and maintenance of the City's infrastructure database. Upgrades help the development of strategies to determine cost-effective approaches to asset management. The project explores more efficient processes between service requests, maintenance actions, and infrastructure inventory. This project is expected to cost \$1.3 million over a five-year period.

Parks & Recreation

Total requested net funding in the Park and Recreation category for the five-year plan period is \$350,000. The project below represents the only change in funding to existing projects. No new

projects were submitted in this category.

- **Madsen Scorebooth at Burton Park.** \$450,000 was previously appropriated for this project to refurbish the existing scorebooth at Madsen Field in Burton Park with \$25,000 of the costs funded by the Parks and Recreation Foundation. The total costs for this project are being modified as the structure will be part of the Parks Master Plan currently underway. Therefore, staff recommend moving \$350,000 to the Unfunded List and removing the Parks and Recreation Foundation contribution. The remaining budget of \$100,000 will be retained for general repair work.

Planning

Total requested net funding in the Planning category for the five-year plan period is \$16.49 million.

Staff request the following changes to previously approved projects within this category:

- **Downtown Planning Initiative (C2105).** \$1,445,000 was previously appropriated for this project to involve the broader community to develop a plan to understand and ensure the City's downtown meets the needs of the community and businesses now and into the future. Staff request an additional \$69,900 for FY 2025-26 for an additional six months of work to complete this project. A grant for \$120,000 has been obtained, due to be received in FY 2025-26, which will offset part of the project costs.
- **Comprehensive East Side Master Streetscape Plan (C2207).** \$200,000 was previously appropriated for this project. An additional \$150,000 was requested for FY 2025-26 to extend the scope of work, however staff recommend moving it to the Unfunded List as there are funding limitations at this time.
- **East Side Innovation District Zoning Code: Stream Development and Maintenance Overlay District Amendment (C2209).** \$30,000 was previously appropriated for this project for consultants to update the Zoning Code. Staff recommend moving this to the Unfunded List until other plans currently in process have been completed.
- **Downtown Renovation Plan Design/Implementation (C2215).** \$3.5 million was previously appropriated for this project for the conceptual planning, design, and construction of various improvements downtown, with a commensurate amount from developer contributions to offset the initial project costs. Following recent continued discussions and projections in the timing of development contributions, staff now recommend moving the \$3.5 million in developer contributions out to FY 2029-30 and increasing it to a total of \$10 million. Staff also request \$6.25 million in additional funding for FY 2025-26 which, combined with the existing approved funding, will fund the design and construction of Harrington Park and an election campaign consultant. Further funding of \$2,421,000 and \$7,829,000 in FY 2028-29 and FY 2029-30, respectively, is also requested to fund future downtown project phases, rounding out the total five-year plan funding requests at \$16.5 million.
- **General Plan Open Space Element Update (C2324).** \$300,000 was previously appropriated for this project with 100% of the funding coming from the General Plan

Update reserve. Staff have determined that this work will be covered by the Parks Master Plan. Since the projects are duplicative, it is recommended that this project be cancelled.

The following new Planning capital projects are recommended. Detailed descriptions can be found in the attachments that follow:

- **Climate Mitigation and Adaptation Plan Update (C2516).** Staff request \$250,000 in FY 2025-26 for this project to update the City's Climate Mitigation and Adaptation Plan (CMAP) following initiation of the General Plan Reset project to update the development projections to the year 2045. Per the required Environmental Impact Report (EIR), significant impacts to the City's greenhouse gas (GHG) emissions under the projected development are anticipated. As a mitigation measure, the City is required to update its CMAP.

Facilities, Technology, and Equipment

Total requested net funding in the Facilities, Technology and Equipment category for the five-year plan period is \$3.21 million.

Staff request the following changes to previously approved projects within this category:

- **Installation of New EV Stations in Public Parking Lots (Downtown) (C2336).** \$200,000 was previously appropriated for this project. to install new electric vehicle (EV) chargers in various public parking and downtown locations. Staff request \$658,131 in additional funding over FY 2025-26 and FY 2026-27, to install 18 chargers. Two grants have been awarded which will offset \$658,000 in costs - \$523,200 from the Metropolitan Transportation Commission (MTC) and \$135,000 from Peninsula Clean Energy.
- **Agenda Management Software Replacement (C2415).** \$150,000 in funding was previously requested for FY 2025-26 to replace the existing OneMeeting agenda and meeting management system. Staff recommend moving this funding out to FY 2027-28 to give more time to identify a suitable replacement.
- **Filing Cabinet System (C2310).** The \$200,000 in previously appropriated funds for this project to replace Finance and City Clerk filing cabinets is recommended to be moved to the Unfunded List to release funding for higher priority projects.

The following new Facilities, Technology and Equipment capital projects are recommended. Detailed descriptions can be found in the attachments that follow:

- **City Hall Roof Replacement (C2513).** Staff request \$450,000 in funding for FY 2026-27 for this project to replace the City Hall roof which has surpassed its expected lifespan and not undergone renovations in over 30 years. This project will be partially funded by \$107,225 from the Building and Maintenance reserve.
- **Adult Community Center Kitchen Remodel Design (C2515).** Staff request \$200,000 in FY 2025-26 for this project to remodel the kitchen at the Adult Community Center. The costs will be fully offset by the Parks and Recreation Donation reserve.

The following new Facilities, Technology and Equipment capital project was proposed but staff now recommend it be added to the Unfunded List. Detailed descriptions can be found in the attachments that follow:

- **Planning and Installation of New EV Stations in Public Parking Spaces.** This project is consistent with the Council's strategic goals to promote Climate Change Mitigation, Adaptation, and Resilience and the goal is to install more electric chargers throughout the city over and above the 10 that already exist and the additional 18 chargers that will be installed downtown through project C2336. Estimated cost is approximately \$100,000 per year to prepare for California's law requiring all new cars sold to be electric vehicles (EVs) by 2035. Since there is already a project underway, this project has not been recommended in the proposed CIP.

Child Care Development Fund 26

The Child Care Fund accounts for development fees collected and used to finance new childcare facility development and childcare space.

Total requested net funding in this category for the five-year plan period is \$8 million.

Staff request the following changes to previously approved projects:

- **New Child Care Facility Development (C2326).** \$5 million in funding in FY 2025-26 was previously requested as a placeholder to develop new childcare space in the City. Staff recommend moving this funding out to FY 2029-30 based on the estimated timing of development revenues to fund these improvements.
- **Child Care Space Reimbursement (C2327).** \$1 million in funding was previously appropriated and \$1 million requested for both FY 2025-26 and FY 2026-27 for this project to reimburse applicants who choose to meet the Childcare Impact Fee requirement by building child care onsite, rather than by paying the fee, and who oversize the child care space provided relative to the value of the impact fee. Staff recommend removing the originally appropriated \$1 million of funding and moving out the \$1 million from the two latter years to FY 2028-29 and FY 2029-30. This also better aligns with the estimated timing of development payments.
- **Family and Commercial Daycare Grant Program (C2333).** \$250,000 was previously appropriated in FY 2024-25 for this project to make childcare impact fee revenue available as grants to at-home and commercial day care providers to increase service capacity to accommodate more children. An additional \$250,000 was appropriated during FY 2024-25 to increase the dollar amount of grants available to applicants. Staff also request funding of \$250,000 in each of the four years from FY 2025-26 to 2028-29 to continue this program.

Park-in-Lieu Fund 27

The Park-in-Lieu Fund accounts for development fees collected and used to finance the acquisition, construction and major improvement of City parks.

The total requested net funding in this fund for the five-year plan period is \$1.6 million.

Completed projects in FY 2024-25:

- Chilton Park Improvements (C1905)

Staff request the following changes to previously approved Park-in-Lieu Fund projects:

- **Parks Master Plan (C2329).** \$650,000 was previously appropriated for this project. Staff recommend moving out \$200,000 from this appropriation to FY 2025-26 to better align with the project timelines. In addition, staff recommend applying \$150,000 of the General Plan Impact Fees to finance this project.
- **Chilton Park Pathway Modifications (C2417).** This project had \$150,000 previously appropriated to repair cracks in the pathway at the park. Due to competing funding requests of other high priority projects, staff recommend moving the existing funding out to FY 2026-27.
- **Burton and Harrington Park Maintenance (C2204).** \$200,000 was previously appropriated for this project which included replacing the turf at two enclosed playground areas at Burton Park. The project has been put on hold until completion of the Parks Master Plan and therefore, staff recommend moving this project to the Unfunded List.
- **Laureola Park Improvements (C1732).** \$600,000 was previously appropriated for this project to make various improvements to Laureola Park to enhance the safety and enjoyment of this community park. 100% of the project costs were approved to be covered by community benefits provided by the Transit Village development. Since the project has not progressed for a number of years and is pending the outcome of the Parks Master Plan, staff recommend placing this project on the Unfunded List.

The following new Park-in-Lieu capital project is recommended. Detailed descriptions can be found in the attachments that follow:

- **Parks Master Plan Improvements (C2517).** Staff request \$500,000 in both FY 2027-28 and FY 2028-29 for this project that will include the initial project design for improvements identified through the Parks Master Plan, which is scheduled to be adopted by the Council by the end of 2025. Staff expect \$25,000 funding from the Parks and Recreation Foundation towards the costs of this project in both FY 2027-28 and FY 2028-29.

The following new Park-in-Lieu Fund capital project was proposed but is not being recommended at this time due to funding constraints:

- **North Crestview Park Design and Construction.** Staff recommend placing this new project that will include the initial project design of recommended improvements to North Crestview Park, as identified in the master planning process, on the Unfunded List for now due to insufficient funding. Total estimated funding need is \$7.25 million.

Housing Funds 29 and 31

The Housing-in-Lieu Fund (Fund 29) accounts for development fees and the Low and Moderate Incoming (LMI) Housing Fund (Fund 31) accounts for LMI assets transferred from the dissolved San Carlos Redevelopment Agency. Both funds must be used to increase and improve the supply of housing affordable to moderate-, low-, very low-, and extremely low-income households. Monies may also be used to cover reasonable administrative or related expenses associated with the administration of this function. No amendments and new projects are recommended.

Completed projects in FY 2024-25:

- Study Land Use and Regulatory Options (C1906).

Unfunded List

The Unfunded List (Attachment 4) represents projects totaling approximately \$368 million across all capital funds that have been requested but have not been recommended for funding at this time. After the audit has been completed, if there are savings from FY 2024-25, the City Manager may bring forward a recommendation to possibly fund some of these projects.

ALTERNATIVES:

The alternatives available to the City Council include:

1. Review staff recommendations for the Fiscal Years ("FY") 2025-30 Capital Improvement Program ("CIP") Budget and provide policy direction with respect to the preparation of a capital budget document for consideration at the June 9, 2025 City Council meeting; or
2. Do not review staff recommendations; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Rebecca Mendenhall, Administrative Services Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. FY 2025-30 CIP Fund Summary
2. FY 2025-30 CIP Program Detail Schedule
3. Capital Project Detail Forms
4. Unfunded List