



F.1 Presentation of the 2018-2020 Capital Improvement Plan and finding in conformance with the General Plan – from Public Works Director Fajeau.

(MOTION)

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Background/Discussion – The Capital Improvement Plan (CIP) is prepared as part of the City’s Biennial Budget as a policy statement of plans to fund proposed capital improvement projects. Capital improvements are major physical improvements throughout the community that involve significant resources above and beyond the City’s operating budget. Planning for a CIP project allows the City to anticipate ongoing operating and maintenance costs for a project. Proposed CIP projects typically include all projects with expenditures of more than \$5,000, except for ongoing maintenance projects, the replacement of equipment, or operating programs. Pursuant to Government Code Section 65401, a finding of CIP conformity with the General Plan by the Planning Commission is required.

The CIP process began in November 2017 with an initial call for projects. The submitted projects were reviewed in relation to the Critical Issues previously identified by the Executive Team. As in past years, projects were also evaluated based on the availability of various funding sources and potential maintenance impacts. During the previous 2016-2018 CIP review process, the City Council approved modifications to the City’s approach to project selection methodology and projects are now categorized into three priority levels, as follows:

Priority Level 1 (Mandatory): Projects that meet a federal, State, or local legal or regulatory requirement, satisfy a critical risk management issue to ensure citizen safety, or serve to preserve and protect the City’s existing assets and public infrastructure.

Priority Level 2 (Necessary): Projects that are considered necessary but not mandatory as they would not clearly address a critical legal, safety, or asset-protection need. Projects at this level could be funded by a consensus priority opinion of the City Council for the benefit of the community. This can also include projects that would provide a local funding matching for outside funding sources, provide a definitive service level increase, or would complete the final phase of a multi-phased project. Feasibility studies and Master Plans are also categorized as Priority Level 2.

Priority Level 3 (Desirable): All other projects that do not satisfy Level 1 or Level 2 criteria.

Ongoing Maintenance Projects to Operating Budget. For the past five budget cycles, many ongoing general maintenance needs were funded through the CIP as projects in order to minimize impacts on the operating budget. This included projects such as “Citywide Building Roof Repairs,” “Citywide Playground Surfacing,” and “Citywide Street Signs.” These and many other similar general maintenance projects did not have a specific scope of work identified, but were essentially placeholders to ensure that there was a minimum amount of funding to maintain the City’s infrastructure. Funding was commonly saved over a period of two years or more in a given project category to address maintenance needs as those needs developed. Over time, this became cumbersome in terms of the number of project listings. Given the improved economy and overall budget conditions, staff is now recommending that the Maintenance Division operating budget be increased to accommodate most of these general maintenance needs. Street pavement maintenance, sidewalk repair, and street tree maintenance will remain in the CIP. Other maintenance projects included in the CIP will now have an identified scope of work to address a specific street, building, or park need.

Gas Tax funded projects. The estimated budget for the City’s various gas tax funds in the 2018-2020 biennial budget period is approximately \$9.12 million. Staff is recommending \$4.71 million for ongoing street pavement, concrete repair, street tree maintenance, and other ongoing street maintenance programs that are funded with outside gas tax resources. The Lindsay Tract Street and Storm Drainage Improvements project is estimated at \$3.5 million. The remaining funds are recommended for street and landscape projects. The total list of projects recommended for funding are as follows:

<u>Project Title</u>	<u>Estimated Cost</u>
Street Asphalt Concrete Overlay Program (2019 and 2020)	\$ 3,000,000
Curb, Gutter and Sidewalk Replacement (2019 and 2020)	\$ 800,000
Street Tree Maintenance (2019 and 2020)	\$ 600,000
Citywide Accessible Pedestrian Ramps (2019 and 2020)	\$ 120,000
Traffic Calming Measures (2019 and 2020)	\$ 100,000
Traffic Signals – LED Lamp/Accessory Replacement (2019 and 2020)	\$ 60,000
Thermoplastic Street Striping (2019 and 2020)	\$ 30,000
Lindsay Tract Street and Storm Drainage Improvements	\$ 3,500,000
Thornton Avenue Pavement Overlay (Federal funding = \$592,000)	\$ 308,000
Citywide Traffic Signal Street Name Signs	\$ 75,000
Mowry Avenue Median Landscaping	\$ 260,000
Cedar Boulevard Landscape Improvements	<u>\$ 120,000</u>
Total	\$ 8,973,000

This project list for gas tax funded projects would total approximately \$8,973,000. This would leave a balance of \$150,000.

Capital Fund projects. The estimated Capital Fund balance for the 2018-2020 Biennial Budget is \$8.2 million. Staff is recommending a variety of building, park and vehicle new purchase projects for funding. This includes a significant investment in the roof and mechanical

systems at the Community Center and Annex to ensure preservation of these existing assets. The complete recommended list of projects is as follows:

<u>Capital Fund Project Title</u>	<u>Estimated Cost</u>
Community Center/Annex Roof Replacement	\$ 1,660,000
Community Center Annex HVAC System	\$ 232,000
Community Center HVAC System Overhaul	\$ 800,000
Fire Station No. 27 Cherry Street – Painting	\$ 32,000
Fire Station No. 27 Cherry Street – Roofing	\$ 55,000
Fire Station No. 29 Ruschin Drive – Painting	\$ 23,000
Newark Community Park Restroom Restoration	\$ 60,000
Service Center – Rear Garage Overhang Repairs	\$ 75,000
Service Center Buildings – Painting	\$ 80,000
Silliman Activity Center – Carpet Replacement	\$ 45,000
Virtual History Museum	\$ 60,000
Citywide Work Station Replacement	\$ 20,000
Lakeshore Park Tree Project	\$ 50,000
Mayhews Landing Park and Bridgepoint Park Tree Project	\$ 50,000
Newark Boulevard Overpass Tree Project	\$ 48,000
Lakeshore Park Well Rehabilitation and Pump Replacement	\$ 75,000
Birch Grove Park Tennis Court Resurfacing	\$ 95,000
Jerry Raber Ash Street Park Basketball Court Resurfacing	\$ 40,000
Citywide Trash Capture Devices (Phase 3)	\$ 230,000
Community Development New Vehicle	\$ 25,000
Police Department Captain Vehicle	\$ 48,000
Police Department – Patrol Vehicles (3)	\$ 180,000
Public Works Service Center Vehicles (2)	\$ 68,000
Total	\$ 3,991,000

Park Impact Fees. The estimated fund balance beginning July 1, 2018 is approximately \$6.0M. The following park improvement projects are recommended:

<u>Project Title</u>	<u>Estimated Cost</u>
Skate Park at Sportsfield Park - Phase 2 (Construction)	\$ 1,141,000
Sportsfield Park All-Weather Turf Fields, etc. – Phase 2 (Construction)	\$ 4,791,000
Total	\$ 5,932,000

The Dog Park at Newark Community Park is currently under design and is anticipated to be funded entirely with Measure WW Grant Program Funds through the East Bay Regional Park District. The estimated cost is \$600,000.

The following large-scale projects, while listed in the CIP, are anticipated to be funded with alternative sources and should not impact Capital Fund resources:

<u>Project Title</u>	<u>Estimated Cost</u>
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Central Avenue Railroad Overpass (Measure B, Measure BB)	\$ 29.3M
New Civic Center (Measure GG)	\$ 74.0M
Bayside TOD Transit Station and Overcrossing, Design (Impact Fees)	\$ 0.7M

This approach for projects in the 2018-2020 Biennial Budget and Capital Improvement Plan would essentially utilize estimated available funding over the two-year period in both the Gas Tax and Park Impact Fee categories. The Capital Fund reserve would be approximately \$4.2M at the conclusion of the budget cycle.

There are 48 recommended projects for funding in the 2018-2020 CIP, at a total cost of approximately \$123,556,000. Projects recommended for funding are listed by Fiscal Year and organized alphabetically in the Draft CIP. Projects not recommended in the 2018-2020 Biennial Budget are listed on the chart summarizing the Estimate of Future Funding Needs. Detailed CIP descriptions for all projects are also provided.

As noted, State law requires that the Planning Commission review proposed CIP projects for conformance with the General Plan prior to formal adoption of the CIP by the City Council. The City Council has previously reviewed the projects proposed for funding and will review the full Draft CIP document in detail at the May 31, 2018 work session. The entire 2018-2020 Biennial Budget and Capital Improvement Plan is tentatively scheduled for recommended adoption by the City Council on June 14, 2018.

The CIP is exempt as a project per Section 15262, feasibility and planning studies, of the California Environmental Quality Act.

Action - It is recommended that the Planning Commission, by motion, find the 2018-2020 Capital Improvement Plan in conformance with the General Plan.

Attachment – Draft 2018-2020 Capital Improvement Plan