

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: Kiran Bawa

SUBJECT: FY 2015-17 Proposed Capital
Improvements Program

DATE: May 7, 2015

City Administrator
Approval

Date

5/7/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council approve the FY 2015-17 Proposed Capital Improvement Program (CIP) to make investments in the City's infrastructure and assets.

REASON FOR REPLACEMENT

The prior Proposed CIP Book transmitted as *Attachment A* did not include some additional information regarding anticipated grant funding sources. The new attachment also includes some minor stylistic and formatting changes.

DIGEST

The FY 2015-17 Proposed City's Capital Improvement Program is a spending plan that appropriates City resources to make improvement to the City's infrastructure, assets, environment, and physical condition. The projects recommended in the proposed CIP are important to maintaining the City's infrastructure, encouraging continued economic growth, maintaining public health & safety, and supporting City operations.

BACKGROUND/LEGISLATIVE HISTORY

Oakland's Capital Improvement Program (CIP) is formally reviewed and approved every two years, as part of the biennial policy budget. The prior biennial CIP was adopted in June 2013 for the FY 2013-15 Biennial Budget cycle.

Like many older cities, Oakland has an aging infrastructure and a significant backlog of deferred maintenance. At this moment, Oakland has over \$430 million in deferred street maintenance, over \$30 million in needed sidewalk repairs and almost \$200 million in improvements to our storm drainage system. Key facilities, including aging facilities such as the Police Administration

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Building, Fire Stations, Recreation Facilities, Libraries and Parks, to name a few, are in need of rehabilitation or complete replacement.

Oakland currently has no source of truly dedicated discretionary funding to address overall capital investment needs. The proposed CIP includes funding for only a small portion of this backlog or need, reflecting the limits of existing fund sources, primarily for upgrades to the sanitary sewer system and limited funding for local streets and roads. The projects requested in the Proposed CIP based upon funding availability and Council adopted periodization policies.

ANALYSIS

The Proposed CIP contains new appropriations for \$71 million in Capital Improvements over the next two years. These include nearly \$34 million in improvements to the City's transportation infrastructure including, streets, sidewalks, pedestrian improvements, bike projects and traffic improvements; and nearly \$36 million in improvements to sewer & storm drain infrastructure. Additional information and analysis is provided in the attached Proposed CIP Book.

Category	FY 2015-16 Proposed Budget	FY 2016-17 Proposed Budget	FY 2015-17 Total Budget
Buildings and Facilities	\$1,252,000	\$252,000	\$1,504,000
Sewers & Storm Drains	17,873,000	18,001,000	35,874,000
Streets & Sidewalks	15,591,289	8,790,601	24,381,890
Traffic Improvements	4,969,986	4,629,476	9,599,462
Total	\$39,686,275	\$31,673,077	\$ 71,359,352

Likely Grant Funding in FY 2015-17

Staff has been working on numerous grant applications that are expected to be awarded in the next two-year budget. A list of those projects for which grants are highly likely to be received in the FY 2015-17 budget cycle is provided in the CIP Book for reference. There are a total of twelve projects, with anticipated grant funding of \$20.32 million expected to be received in the next two year cycle. Funds for these projects will not be appropriated through the CIP process, but rather will be accepted and appropriated upon formal receipt of the specific grant. Besides this list, there are other projects for which staff will continue to seek grant funding.

Major Unmet Requests

The City has significant needs that exceed the available capital funding, including projects that replace or renovate assets which are either structurally or functionally obsolete or have deferred maintenance issues that negatively value the asset. These requests include:

- Improvements for emergency services facilities such as the Police Administration Building and some fire stations that do not meet the criteria of essential service facilities (fully operational after an earthquake or similar disaster) or have significant deferred maintenance items that impact their operational status.

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- Street Resurfacing and sidewalk repairs, to address the backlog throughout the City in assets that must be maintained.
- Minor Capital Improvements - repairs or replacement of assets that are not planned but are of an urgent nature. These include urgent projects such as roof repairs and replacement; hot water heater, chiller and boiler replacement; appliance replacement; mold, asbestos and lead paint abatement; HVAC major repair and/or replacement; Fire Station apron replacement; electrical panel upgrades; sewer line/lateral replacements.

PUBLIC OUTREACH/INTEREST

No specific public outreach was conducted however the CIP is informed by public outreach associated with the budget process and various community meetings.

COORDINATION

The attached report was prepared in coordination between the City Administrator’s Budget Office, the Controller’s Office, Oakland Public Works and various departments.

COST SUMMARY/IMPLICATIONS

The CIP draws funding from a variety of City funds. Most of these funds have restriction on their usage and thus the City has limited flexibility in altering the types of CIP projects funded. A summary of the CIP by funding source is included below. More detail is provided in the attached Proposed CIP book.

Source	FY 2015-16 Proposed Budget	FY 2016-17 Proposed Budget	FY 2015-17 Total Budget
1010 - General Fund: General Purpose	\$1,252,000	\$252,000	\$1,504,000
2211 - Measure B: ACTIA	8,581,566	7,249,855	15,831,421
2212 - Measure B: Bicycle/Pedestrian Pass-Thru Funds	928,816	798,922	1,727,738
2216 - Measure BB - Alameda County Transportation Commission Sales Tax	10,900,893	5,221,300	16,122,193
2230 - State Gas Tax	150,000	150,000	300,000
3100 - Sewer Service Fund	17,873,000	18,001,000	35,874,000
Total	\$39,686,275	\$31,673,077	\$71,359,352

SUSTAINABLE OPPORTUNITIES

Economic: Improvements the City's assets and infrastructure can have a simulative effect on the local economy.

Environmental: Many CIP project address environmental concerns such as water quality, air pollution, and soil contamination.

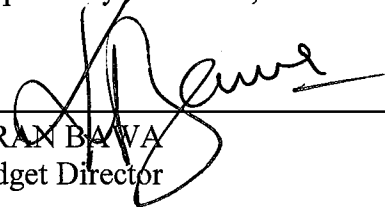
Social Equity: CIP projects add value to residents throughout Oakland's neighborhoods.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Council approve the Proposed Capital Improvement's Program to provide funding to investments in the City's infrastructure and assets and improve its the livability and physical condition.

For questions regarding this report, please contact Mike Neary, Assistant Public Works Director, at 238-6659.

Respectfully submitted,



KIRAN BAWA
Budget Director

Reviewed by:

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Prepared by:

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Attachments:

A: *FY 2015-17 Proposed CIP Book*

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