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CITY OF OAKLAND 2019 MAY -2 PM 3: 15

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Jason Mitchell
Director, Public Works

Ryan Russo
Director, Dept. of
Transportation

SUBJECT: Recommended Fiscal Year (FY)
2019-21 Capital Improvement
Program

DATE: April 29, 2019

City Administrator Approval

Date:

5/2/19

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report On The Recommended Capital Improvement Program (CIP) For Fiscal Years 2019-2021.

EXECUTIVE SUMMARY

The City of Oakland's Capital Improvement Program (CIP) guides the City's decisions regarding the construction, repair and/or replacement of many of the City's assets such as libraries, public safety facilities, recreation centers and swimming pools, parks, street improvements, and sewers. The CIP budget represents a major investment in Oakland's infrastructure and assets, and reflects the overall priorities of the City.

The proposed fiscal year (FY) 2019 - 2021 CIP (see **Attachment A**) seeks to balance the need to repair and replace existing assets and deliver new assets where they are most needed. This CIP is the first to incorporate a new Prioritization Process (adopted by City Council Resolution No. 87376 C.M.S.) that considers nine priority factors in prioritizing CIP projects. These nine factors, in rank order are 1) Equity 2) Health and Safety, 3) Economy, 4) Environment, 5) Improvement, 6) Existing Conditions, 7) Shovel Ready, 8) Collaboration and 9) Required Work. This CIP also allowed the public to directly submit CIP project ideas to the City for consideration.

This is the second CIP budget that incorporates Measure KK Infrastructure Bond funds, which comprises \$133 million dollars of the total \$186 million dollar proposed CIP budget. The remaining \$53 million dollars of this proposed CIP budget is comprised of Measure B and BB transportation sales tax funds, the Sewer Service Fund, and various other minor sources.

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BACKGROUND / LEGISLATIVE HISTORY

The CIP is adopted every two years as a component of the City's two-year budget process. The Proposed FY2019-21 CIP budget succeeds the FY2017-19 CIP budget, which was the first to incorporate the 2016 Infrastructure Bond, Measure KK, as a funding source.

City Council passed Resolution No. 87376 C.M.S. in October 2018, establishing a new prioritization method for the City of Oakland's capital improvements. This followed the requirements set with the passage of the Measure KK Infrastructure Bond, which specified that capital improvement projects selected for funding and implementation are to address elements of 1) social and geographic equity, 2) improvements to City's existing core capital assets, 3) maintaining or decreasing the City's existing operations and maintenance costs and 4) improvements to energy consumption, resiliency and mobility.

The prior CIP process historically allowed for public input through public City Council meetings and hearings. There was not a consistent method for public input among departments unless an advisory committee or similar group was contacted. The passage of Measure KK elevated public engagement and advocacy around capital investment in the City. The proposed FY2019-20 CIP Budget is the first to include a formal process for the public to propose CIP projects for consideration.

ANALYSIS / POLICY ALTERNATIVES

The proposed FY2019-20 Budget programs funding for projects in the following categories: Transportation, Buildings and Facilities, Parks and Open Space, Sanitary Sewers & Wastewater, Storm Drains and Watershed, and Technology. Oakland Public Works (OPW) and the Department of Transportation (OakDOT) received over 500 submissions from staff and the public. Within each category, proposed projects were evaluated and ranked according to the nine factors which are summarized in Figure 1, below:

Figure 1. Citywide Capital Prioritization Factors and Weighting

Citywide Prioritization Factors & Proposed Weighting System

Citywide Capital Prioritization Factors & Weighting			
Equity: Investment in Underserved Oakland (16 pts.)			
Health & Safety Improves Safety & Encourages Healthy Living (16 pts.)	Existing Conditions Renovate or Replace Broken or Outdated City Properties (13 pts.)	Economy: Community Investment and Economic Prosperity (13 pts.)	Environment: Sustainability (11 pts.)
Required Work: Regulatory Mandate (10 pts.)	Improvement: Level and Quality of Service (8 pts.)	Collaboration: Multiple Asset Category Benefits/ Collaborative Opportunities (8 pts.)	Shovel Ready: Project Readiness (5 pts.)



All projects recommended for funding in the proposed FY 2019-21 CIP Budget are ranked by the score received. The City will fund as many projects for which funding is available. The projects included in the CIP reflect these priority policies and the constraints of existing funding sources. As such, preserving the City's significant investment in existing infrastructure assets is prioritized. The remaining request, unfunded projects, are also included for reference in the CIP Budget document.

The Proposed FY 2019-21 CIP Budget requests over \$186 million in funding for a wide variety of projects. Seventy-two percent, or \$133 million, is funded by the Measure KK Infrastructure Bond, illustrating the importance of this source in enabling the City to restore essential Oakland infrastructure.

Table 1: Proposed CIP Budget by Asset Category

Asset Category	Budget		
	2109-20	2020-21	Total
Buildings and Facilities	\$20,256,730	\$16,439,280	\$36,696,010
Parks and Open Space	\$886,300	\$0	\$886,300
Sanitary Sewer/Wastewater	\$18,350,263	\$19,647,646	\$37,997,909
Transportation	\$53,824,000	\$56,774,000	\$110,598,000
TOTAL	\$93,317,293	\$92,860,926	\$186,178,219

The proposed FY2019-21 CIP Budget is a 60 percent increase over the previous CIP and will require a rapid ramp-up of construction activity. In order to accomplish this effort, streamlining measures, such as increasing the City Administrator's contract authority, should be undertaken to reduce contracting time. Large-scale investments include the tripling of the paving program with \$75 million in proposed funding, as well as continuing existing projects from the previous CIP cycle, such as the new Fire Station 29, Mosswood Community Center, West Oakland Branch Library Improvements and developing new facilities projects such as the Lincoln Recreation Center expansion. The full list of recommended projects is listed in the Proposed Capital Improvement Program Draft FY 2019-2021.

FISCAL IMPACT

There is no direct fiscal impact of this informational report. However, the proposed FY 2019-21 CIP Budget seeks to ensure that the Oakland constituents receive the greatest benefit from its investment of dollars and allow the City to leverage its funding to compete for grants and other sources of funding for project implementation.

PUBLIC OUTREACH/INTEREST

Recognizing the City's commitment to inclusive public engagement, the City dedicated a Community Outreach Coordinator to work closely with the CIP Working Group (CIPWG), the Department of Transportation and Oakland Public Works, and the Department of Race and Equity, to foster and encourage public outreach and involvement with the formation of the CIP Prioritization Process. The City of Oakland's website includes a webpage dedicated to CIP, and provides information about the program, as well as meeting dates, surveys or reports, and the Project Intake Form. Over 700 people participated directly in the CIP Prioritization Process, and over 1300 surveys were received. In the project intake phase, over 300 public submissions were received and evaluated by staff.

COORDINATION

The formulation of the proposed FY2019-21 CIP Budget is a culmination of lessons realized from other agencies and resources, developed and coordinated with the CIPWG, CIP Advisory Committee (CIPAC), with department representatives from across the City, CIPAC Asset Owner subcommittees, and with input from the residents of Oakland. In addition, OPW and OakDOT have reviewed this report.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed CIP will improve or deliver new, City owned assets, while providing resources and opportunities to increase job opportunities for low income and minority populations, and support neighborhood revitalization.

Environmental: The proposed CIP prioritizes projects which improve resources or opportunities to promote urban greening, improve the natural environment, and promote resiliency.

Social Equity: The proposed CIP is aligned with the Oakland Equity Dashboard and the 2018 Oakland Equity Indicators report and allows the City to prioritize projects which promote safety and public health in communities of concern. Equity is represented both by a standalone prioritization factor and as a sub-factor identifying disparities within other prioritization factors including Health and Safety, Existing Conditions, Environment, and Improvement.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council receive an informational report on the proposed Capital Improvement Program Budget (CIP) For Fiscal Years 2019-2021.

For questions regarding this report, please contact Matthew Lee, P.E., OPW Project Delivery Division Manager at (510) 238-7039 or Ariel Espiritu Santo, OakDOT Administrative Services Manager at (510) 238-2098.

Respectfully submitted,



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Attachment (1):

A. Proposed Capital Improvement Program Draft FY 2019-2021

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