



PUBLIC WORKS DEPARTMENT

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PARKS AND RECREATION COMMISSION STAFF REPORT

Date: May 7, 2026

Subject

Capital Improvement Programs Fiscal Year 2026-2027 and Five-year Plan.

Recommended Action

Receive presentation and provide input on the development of the proposed Capital Improvement Programs Fiscal Year 2026-2027 and Five-year Plan as related to Parks and Recreation.

Executive Summary

As part of the City of Cupertino's annual budget process, Staff develops proposals for new Capital Improvement Programs (CIP) projects for City Council and Commissions review and feedback. This input confirms the proposed CIP before it is presented alongside the annual budget in May/June of 2026.

The Fiscal Year (FY) 2026–2027 CIP advances previously approved, strategically-aligned projects and prioritizes safety through the repair and revitalization of existing infrastructure to preserve City assets.

Background

As part of the City of Cupertino's annual budget process, Staff gathers and develops proposals for new Capital Improvement Programs (CIP) projects. The City Council and Commissions review these proposals, providing feedback. This process helps Staff to refine and fully develop the annual CIP before presenting the proposal with the annual budget to City Council.

Development of the annual CIP is a multi-step process, as detailed briefly here:

- **Annually** *Proposals compiled:* Staff compiles the needs identified through internal proposals from City departments and divisions, and reviews planning documents (e.g., master plans, and existing facility assessments) to connect the CIP with the City's strategic plans and priorities.

- March 3 *Initial CIP Proposal to Council:* City Council was presented with a draft CIP proposal and provided input on the proposed CIP and the five-year plan.
- April 15, 16, 28 and May 7 *CIP to Commissions:* Staff reviews the CIP with commissions that align with the projects. This year the Bicycle and Pedestrian Commission (4/15), Sustainability Commission (4/16) and Parks and Recreation Commission (5/07) received/will receive an update on the FY 25-26 CIP projects as well as information on the FY 26-27 CIP proposal and 5-year plan. Planning Commission verified the proposed CIP recommendations are in conformance with the General Plan on April 28th.
- May/June *Annual Budget Adoption:* The proposed FY 26-27 CIP returns to the City Council as part of the adoption of the annual Operating Budget.

The proposed CIP generally includes proposals for new projects, requests for additional funding for current FY projects, and program support for the five-year plan. It is important to note that years two through five are included for planning purposes to identify potential future expenditures and workloads. These future projects are not funded with the approval of the FY 26-27 CIP.

A capital improvement project enhances, restores, extends the useful life of, or adapts a City asset to a new or different use. The Public Works CIP Division manages the planning, design, procurement, and construction of CIP projects, including streets, sidewalks, storm drainage, buildings, and parks. The Division ensures projects meet community expectations and comply with applicable City and State standards, with public health and safety as the top priority.

CIP projects are distinguished from maintenance, Special Projects, and City Work Program (CWP) efforts by the need for professional design and/or project management services requiring specialized expertise and documentation. While most CIP projects involve design and construction, planning efforts—such as feasibility studies or technical analyses—may also qualify when they require engineering or design services. These guidelines are applied based on the specifics of each project.

Project Priorities

Project prioritization is used to guide funding decisions and resource scheduling. The prioritization of CIP projects and proposals was enhanced as part of this year’s process.

The highest priority is given to projects that address public health and safety. Other factors, including available funding and resources to complete a project, are then considered within the context of other City goals. The list of criteria considered in the Prioritization Process is:

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Category	Weight	Description
Health & Safety	30%	Improves public safety, emergency response, and safety for all transportation users
Regulatory / Legal Mandate	15%	Required to meet federal, state, or local regulations, permits, or legal agreements
Asset Condition & Infrastructure Risk	15%	Addresses failing or near-end-of-life physical or digital infrastructure
Climate Resilience & Sustainability	5%	Reduces greenhouse gas emissions, improves energy efficiency, or enhances resilience to heat, drought, flooding, or power outages
Strategic Alignment	10%	Advances City Council goals, General Plan, Climate Action Plan, or adopted Master Plans
Community Benefit & Equity	5%	Improves access, quality of life, or services, including benefits to underserved populations
Financial Leverage & Cost Effectiveness	15%	Maximizes grants, partnerships, lifecycle savings, or operational efficiencies
Project Readiness & Deliverability	5%	Level of design, environmental clearance, and ability to deliver within the CIP window

Projects are reviewed for completeness and prioritized according to the factors listed above. Projects are then reviewed in the context of fiscal responsibility and capacity to confirm that initiating and/or continuing the project is the best course of action.

Reasons for Recommendation and Available Options

A summary report on the FY 25-26 CIP, as well as information on the proposal for the FY 26-27 CIP and 5-year plan, can be found in Attachment A. Project narratives for the new CIP projects can be found in Attachment B.

In summary, the FY 26-27 CIP proposal reflects two major projects previously approved by City Council, along with long-deferred improvements to existing City facilities. The proposed five-year plan prioritizes rehabilitation of aging infrastructure, investments that extend asset life cycles, and capital improvements that support public health, safety, and overall community well-being.

Sustainability Impact

Future projects will be evaluated for sustainability impacts as they are developed.

Fiscal Impact

The FY 26-27 proposal for the new and additionally-funded CIP projects will require an allocation of \$6,730,000 from Capital Reserve and General Fund, and \$600,000 from Developer In-Lieu fees previously collected. The annual transfer from the General Fund is planned at \$2,000,000. The remaining \$4,730,000 can be accommodated by the Capital Reserve.

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Fund/Description	Amount
FY 26-27 CIP proposal	\$7,330,000
FY 26-27 Developer In-Lieu funds	(\$600,000)
City Funds requested	\$6,730,000
General Fund Annual Transfer to CIP	(\$2,000,000)
Capital Reserve Required	\$4,730,000

Capital Reserve Accounting	Amount
Capital Reserve (2/21/26)	\$10,243,497
Capital Reserve Required	\$4,730,000
Required Minimum Reserve maintained	\$5,000,000
Capital Reserve Available (beyond min.)	\$513,497

City Work Program (CWP) Item/Description:

None

Council Goal:

Quality of Life

California Environmental Quality Act (CEQA)

No California Environmental Quality Act impact.

Prepared by: Susan Michael, CIP Manager

Reviewed by: Chad Mosley, Director of Public Works

Approved for Submission by: Carolyn McDowell, Assistant Director of Parks and Recreation

Attachments:

A – FY 25-26 CIP Parks Projects Status and FY 26-27 Proposal

B – FY 26-27 CIP New Project Narratives