



## PUBLIC WORKS DEPARTMENT

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### PARKS AND RECREATION COMMISSION STAFF REPORT

Meeting: April 3, 2025

#### Subject

Capital Improvement Programs Fiscal Year 2025-2026 and Five-year Plan.

#### Recommended Action

Receive presentation and provide input on the development of the proposed Capital Improvement Programs Fiscal Year 2025-2026 and Five-year Plan as related to Parks and Recreation.

#### Executive Summary

As part of the City of Cupertino's annual budget process, staff gather and develop 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.

The Fiscal Year (FY) 25-26 CIP proposal is focused on providing safety through repair and revitalization of existing infrastructure to preserve existing facilities. In addition, the program aims to create future ongoing savings where possible. This approach aligns with the projected CIP funding of \$2 million annually and focuses those funds on existing critical infrastructure.

#### Reasons for Recommendation

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

- Annually 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.
- April 2 City Council is presented with a draft CIP proposal and provides input on the proposed CIP and the five-year plan.
- April 3, 16 and 17 Staff reviews the CIP proposals with commissions that have goals that align with the projects. This year the Parks and Recreation Commission (4/3), Bicycle and Pedestrian Commission (4/16), and

- Sustainability Commission (4/17) will have CIP preview proposals on their April agendas.

• April 22      Planning Commission verifies the proposed CIP recommendations are in conformance with the General Plan. The CIP discussion will go to the Planning Commission on April 22.
- May/June      The proposed CIP item returns to the City Council as part of the adoption of the annual Operating Budget.

The proposed CIP generally includes a request for funding for current FY projects, as well as 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 25-26 CIP.

### Background






A capital improvement project is a project that enhances a unit of property, restores, or prolongs the useful life of a unit of property, or adapts the unit of property to a new or different use. The CIP Division of Public Works provides planning, design, procurement, and construction administration for all CIP projects including streets, sidewalks, storm drainage, buildings, parks, bicycle and pedestrian improvements, and other public facilities. The division ensures that the design and construction of the public improvements occur in accordance with community expectations, and applicable City and State of California standards. The CIP division places public health and safety as the highest priority in the planning and delivery of CIP projects.

The City has several types of projects. A key factor that defines a CIP project, as opposed to maintenance projects, Special Projects, City Work Program (CWP) projects, or other capital initiatives, is the need for professional design services that require specialized expertise, analysis, or documentation. While CIP projects are typically focused on design and construction, there are instances where planning processes, such as feasibility studies or analysis projects, also require design and engineering services, classifying them as CIP projects. These general guidelines vary depending on the specifics of each project.

### *Project Priorities*

Project prioritization is used as a tool to inform decisions regarding funding and the scheduling of resources. Staff evaluate and rank new project proposals based on the factors listed below. The highest priority is given to projects that require repair of existing facilities to address public health and safety and to protect public and private property. Other factors, including available funding and resources to complete a project, are then considered within the context of other City goals. Below are the criteria used:

TABLE 1: PRIORITIES FOR CIP PROJECTS, LEGEND

LEGEND	
	Health and Safety Improvements
	Council, Commissions and/or Community Priority
	High Priorities established through City's Master Plans or Condition Assessment Reports
	Projects that are subsequent phases of existing projects; or projects in the queue that need to be activated
	Projects that have secured external funding, or which can result in positive fiscal impacts to the City

- Health and Safety:** assets that require repair or upgrading to protect public health and safety, including protection of public and private property, take highest priority.

*Example: Repair of Stormwater Drain Outfalls is a high priority to avoid further deterioration of public/private property.*
- Council, Commissions, and Community Priorities:** Incorporates Council priorities, suggestions from Commissions, and Community input.

*Example: Lawrence-Mitty Trail and Park project is prioritized by the City Council, Parks and Recreation Commission, and members of the public.*
- Master Plan Priorities:** The City's master plans have many stated goals and policies that affect the generation of CIP projects. Staff reviews the goals found in these documents, including stated priorities of commissions.

*Example: Projects to remove natural gas appliances from the City's facilities are prioritized by the Climate Action Plan as part of the City's decarbonization initiatives.*
- Ongoing phases:** some projects advance as subsequent phases of existing/completed projects.

*Example: Regnart Road Improvements, Phase 2 project is a subsequent phase of the overall Regnart Road Improvements project, initiated in FY16-17.*
- Fiscally Responsible:** Improvements or projects that enhance fiscally responsible use of City resources, including staff time and City funds. Projects that have secured (or could secure) outside funding, such as grants, are also given priority.

*Example: The Bollinger Road Corridor Design project is included in the CIP because the majority of the study will be funded through a grant.*

Staff Recommendations

Using the priorities listed above, the following list identifies projects proposed for the FY 25-26 CIP:

TABLE 2: PROPOSED FY25-26 CIP PROJECTS

A. New Projects:

<b>Project name</b>	<b>Project Description</b>	<b>FY25-26 Funding</b>	<b>INTERNAL</b>	<b>EXTERNAL</b>
ADA (Americans with Disabilities Act) Improvements <i>(Annually funded)</i>	This is an ongoing program, funded annually, to improve accessibility of public facilities throughout the City.	\$110,000	\$110,000	\$0
Citywide Facilities Condition Assessment (FCA) Implementation	Implement priority recommendations identified in the Facility Condition Assessment reports. This is an ongoing initiative due to the extent of improvements needed throughout City buildings.	\$940,000	\$940,000	\$0
Outfall Repairs	Repair various storm drain outfalls following the recommendations of the 2024 Storm Drain Outfalls Assessment.	\$950,000	\$950,000	\$0
<b>subtotal</b>		<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$0</b>

Existing projects are reviewed annually in the context of fiscal responsibility to confirm that continuing the project is the best course of action. Attachment A has more detail on the existing projects related to Parks and Recreation, including a review to possibly defund projects. The review of existing projects this year has resulted in a recommendation to retain all existing projects and their current funding.

Project narratives for each of the projects can be found in Attachment B.

Projects completed in FY 24-25, or which are scheduled for completion this year include:

- Blackberry Farm Pool Improvements
- De Anza Boulevard Buffered Bike Lanes
- McClellan Road Separated Bike Corridor, Phase 3
- Vai Avenue Outfall - Repairs\*
- All-Inclusive Play Area & Adult-Assistive Bathroom Facility at Jollyman Park\*\*

*\*The existing outfall was temporarily repaired, but the larger project to replace the outfall has not yet occurred. Refer to Attachment A for a summary of the project status.*

*\*\*Project that is projected to be complete by July 2025*

Staff anticipate that these projects will underspend their respective budgets by approximately \$200,000. These underspent funds will be returned to the Capital Reserve (or other appropriate accounts based on the original source of any restricted funds). Public Works and Finance staff work together as part of the year-end process to close out completed projects, presenting this information as part of the first quarter report for the following fiscal year.

**Five-Year CIP Plan**

TABLE 3: PROPOSED FY 25-26 CIP FIVE-YEAR PLAN PROJECTS

*Note: Greyed text in Years 2-5 illustrates 5% escalation costs but are not proposed for implementation in that year and thus are not included in the totals below.*

<b>Project</b>	<b>FY25-26 Funding</b>	<b>Year 2 FY26-27 Projected Cost</b>	<b>Year 3 FY27-28 Projected Cost</b>	<b>Year 4 FY28-29 Projected Cost</b>	<b>Year 5 FY29-30 Projected Cost</b>
Americas with Disability Act (ADA) Improvements (Annually funded)	\$110,000	\$115,000	\$120,000	\$125,000	\$130,000
Citywide Facilities Condition Assessment (FCA) Implementation	\$940,000	\$2,300,000	\$1,000,000	\$1,000,000	\$1,000,000
Outfalls Repairs	\$950,000	\$600,000	\$600,000	\$600,000	\$600,000
BBF Golf Renovation: minimal repairs		\$1,433,250	\$1,504,880	\$1,580,150	\$1,659,158
<b>totals</b>	<b>\$2,000,000</b>	<b>\$3,015,000*</b>	<b>\$1,720,000</b>	<b>\$3,305,150*</b>	<b>\$1,730,000</b>

*\* Current annual CIP funding is \$2M/year. Project estimates may be refined prior to requested CIP funding. Proposed annual CIP funding that exceeds \$2M/year will require additional funds beyond the \$2M annual funding being allocated to the program. Where possible, staff will search for external funding to address funding requests of more than \$2M.*

In summary, the proposed FY 25-26 CIP includes ongoing funding for two existing facilities projects and funding for storm drain utility repairs. The projects proposed this year are a result of information from existing facility assessments, which show the need for extensive improvements and repairs to the City’s aging infrastructure. Due to the extensive nature of the work needed, staff envision some of these projects becoming regular or even annual requests for the foreseeable future. The program has 28 existing

projects that are a priority to close out. This year, the proposal for new projects was driven by the need to implement health and safety-driven projects and was further impacted by limited staffing resources and \$2 million in funding.

The proposed five-year plan focuses on rehabilitating critical infrastructure that has aged beyond its life cycle. This is a common theme throughout the country, and while the City has focused its rehabilitation efforts in recent years on revitalizing its pavement condition, the City must now shift some of this focus onto its buildings and storm drain system to address public health and safety issues.

Sustainability Impact

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

Fiscal Impact

The FY 25-26 proposal for CIP includes an allocation of \$2,000,000 for new and annually funded projects from the Capital Reserve. Should grant funds be awarded, staff will return to City Council to make the necessary budget adjustments. If the proposal for FY 25-26 CIP is approved, the Capital Reserve is estimated to be \$8.53 million in available fund balance for the CIP. The \$8.53 million balance includes the \$5 million minimum reserve balance for the fund.

California Environmental Quality Act (CEQA)

No CEQA impact.

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Prepared by: Susan Michael, Capital Improvement Programs Manager

Reviewed by: Chad Mosley, Director of Public Works

Approved for Submission by: Rachelle Sander, Director of Parks and Recreation

Attachments:

A – FY 24-25 CIP Status and FY 25-26 Proposal

B – FY 25-26 CIP Project Narratives