



**PUBLIC WORKS DEPARTMENT**

CITY HALL

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**CITY COUNCIL STAFF REPORT**

Meeting: October 16, 2018

Subject

Proposed revisions to the 2018-19 City Work Plan and the Capital Improvement Program (CIP) due to the New City Hall project, the Performing Arts Center (PAC) Market and Operations feasibility study, Regional Transformative Transit Initiatives, and other key initiatives

Recommended Action

Staff recommends Council take the following actions:

1. Revise the 2018-19 City Work Program to reprioritize certain staff efforts to allow for the meeting of schedules for several major new proposed initiatives; and
2. Amend the CIP by adding the New City Hall Project, the Interim City Hall and Relocation Project, and the Performing Arts Center Market and Operations Feasibility Study, and delaying certain projects to enable sufficient resources for these large priority projects; and
3. Adopt Resolution No. 18-XXX to approve the defunding of \$4,425,750 in budgeted Capital Funds for the Capital Improvement Projects listed in Table 1

Background

With the Vallco Town Center development agreement approved on September 19, 2018, the schedule for design and delivery for the New City Hall, the design and delivery of the Interim City Hall and Relocation Project, and the PAC will require a redirection of resources and reprioritization of several projects. With this major effort, it is recommended that the City Council consider additional updates and changes to the 2018-19 City Work Plan and the CIP so that staff has guidance on current City Council priorities.

Proposed Additions to Work Plan

The City has used the Work Plan process as a tool, at least back to 1982, to manage the efforts and the prioritization of resources for the organization to deliver services, support policy-making, and manage projects. The Work Plan identifies City Council priority projects and initiatives, and matches those with the capacity of City resources. This guidance allows the City organization to stay focused and efficient and meet the schedule expectations of the City Council and the community. When new projects or initiatives are

approved and are added to the Work Plan, it is appropriate for the City Council to re-visit the priorities of the remaining Work Plan.

The Council has typically approved the Work Plan around February each year, and then may have a mid-year status update, but not a discussion of amending the Work Plan to capture new initiatives that they may want to include, and removing or deferring other efforts to allow resources to be redirected. The attached Redlined 2018-19 City Work Plan has proposed new efforts added, some initiatives removed or deferred, and some items are simply updated. The new initiatives and the initiatives proposed to be removed are described below.

#### Proposed Additions to Current 2018-19 City Work Plan

##### Smart City

**5G Smart City Public Private Partnership Agreement with Verizon** – Verizon has had discussions with City staff to be an early provider of 5G technology with Small Cell Antennas to allow faster connections, lower latency, and to support the Internet of Things, which is the interconnection via the Internet of computing devices embedded in everyday objects, enabling them to send and receive data.

##### Community Livability and Sustainable Infrastructure

**New City Hall** - Following the effective date for the Vallco Town Center Specific Plan, the City has 21 months to deliver building permits for the New City Hall to Sandhill Property Company for them to demolish the current City Hall and construct a new warm shell building. Within this 21 months, staff will need to develop a complex scope of work and acquire an architectural consultant through a Request for Proposals process, work with City Hall staff to develop programming for the new space, conduct community outreach on public spaces and architecture, and with periodic check-ins with the City Council, complete construction drawings for the core and warm shell to be delivered to the Developer, and also complete tenant improvement plans for the follow-on construction to be completed by a City contractor.

**Interim City Hall and Relocation** - Staff will begin to monitor and assess the potential and likely cost to acquire sufficient building lease space for City Hall staff relocation for the potential 3-4 year period that the warm shell and tenant improvements are being constructed. However, in the event the sufficient lease space will not be available when the relocation is to occur, staff will need to begin to design and estimate the cost of locating portable buildings, providing temporary utilities, and constructing parking on Library Field. Library Field currently has a zoning for public building. This design will need to begin early in order to be able to implement without delay if necessary, but the

effort would be abandoned if offsite lease space is able to be acquired and the City Council directs staff to do so. More information and a cost comparison will be brought to the City Council by early spring 2019.

***Performing Arts Center Market and Operations Feasibility Study*** - This effort will need to begin immediately in order to select a consultant by January and then bring the study results to the City Council for consideration in June 2019. The study will analyze the market demand for a 60,000 square foot facility, a cost estimate of tenant improvements, and a cost estimate of ongoing annual operations of the facility.

***Regional Transformative Transit Projects Initiative*** - With adoption of the 2018-19 CIP, the City Council approved funding of \$150,000 to conduct an Automated Transit Guideway Project that would connect Mountain View's Transit Center to the I-280/Wolfe Road area. In September, the City Council directed staff to submit several projects to the MTC in response to their call for Transformative Transportation Projects. These projects are:

- Stevens Creek Corridor High Capacity Transit
- Automated Fixed Guideway to Mountain View
- Cupertino Station at I-280/Wolfe Road
- Highway 85 Transit Guideway
- Silicon Valley High Capacity Transit Loop

Meeting with private businesses and regional partners, along with supporting any efforts with the VTA and the Highway 85 Project Advisory Board, will require a significant investment of staff resources, so this item is proposed to be included in the amended work plan.

***Public Infrastructure Financing Strategy*** - An initiative is proposed to be added to the Work Plan to hire a finance consultant that can provide options to the City on financing some of the large infrastructure projects that the City will likely be considering in the near future, such as those described below.

The obligations of the City for the delivery of the New City Hall is very roughly estimated to be approximately \$26-31 million. This estimate includes architectural design for either the construction of the Interim City Hall on Library Field or lease space, the relocation of City Hall staff from the existing City Hall and then later into the New City Hall, and all of the tenant improvements.

If the City Council decides to move forward with the PAC project upon receiving the Performing Arts Center Market and Operations Feasibility Study, the City's obligation will be to fund and construct the tenant improvements, which could likely be at least another \$25-30 million.

Other costly infrastructure investments will be necessary into the future, resulting from the all city-wide building facility asset and the nearly-completed Storm Drain Master Plan. Also anticipated are park upgrades as a result of the completion of the City Wide Parks and Recreation Master Plan.

***Dog Off Leash Area Trial at Jollyman Park*** – Complete public engagement and work with neighbors to complete a six month trial of an off leash area at Jollyman Park.

***All Inclusive Playground*** – Study, fund-raise and design an all-inclusive playground in a neighborhood park. A grant application has been submitted to Santa Clara County.

***Amend Municipal Code to Change construction hour start time from 7:00 am to 8:00 am.***  
– This would be to allow City Council to consider addressing neighbor concerns related to construction noise and disturbance.

***Recreation and Community Services Strategic Plan*** – This effort would be to complete a three year strategic plan that serves to align the Recreation and Community Services Department with common vision and values. The plan will be measurable, with specific goals, objectives and actions. The goals will revolve around action items in the Master Plan, department culture and tools for successful implementation.

#### Proposed Reprioritizations and Deferrals to Current 2018-19 City Work Plan

The following changes are proposed to be reprioritized and deferred within the current 2018-19 City Work Plan:

##### Operational Efficiency

- American Public Works Association (APWA) Accreditation – this item is proposed to be removed from the Work Plan and brought back at a future date.
- Civic Center Master Plan – Renovation – this item will be dropped in favor of the current effort to construct a New City Hall
- Staffing Level Evaluation (Public Works) – This Item is proposed to be removed from the Work Plan and brought back at a future date.
- Civic Center Master Plan – Renovation – This item was brought to the Council in spring 2018, however the City Council directed staff to continue to look for ways to build the preferred alternative New City Hall from the Civic Center Master Plan,

but more affordable. This renovation is being substituted with the New City Hall design.

- Accreditation of the Recreation & Community Services Department - Accreditation has been removed to reprioritize staff capacity to complete the strategic plan. Important action items to meet national accreditation such as the master plan, strategic plan, marketing plan, policy development will continue.
- Weekend Work Program (Public Works) – This program was analyzed and determined to continue to add good value, with some procedural improvements. The Item will be shown as completed.

#### Proposed Changes to Current 2018-19 CIP

In order to make staff resources available and also make available some funding for the new efforts for the New City Hall, the Interim City Hall, the Performing Arts Center Study, and the various Regional Transit Projects, a number of projects in the Adopted 2018-19 CIP are proposed to be reprioritized and defunded and either moved into future budget years and moved to the Unfunded List. A potential additional benefit to deferring these projects is that the current bid market has seen rapid cost escalation, and so deferring the projects may provide an opportunity to move some of these projects forward in a future better construction market.

Table 1

Project Name and Recommended Action	Unencumbered FY 18/19 CIP Fund Budget Balance
<ul style="list-style-type: none"> <li>• <i>Blackberry Farm Entrance Road Improvements Feasibility Study</i> – Defer until after completion of Stevens Creek Corridor Park Chain Master Plan. – Defer and defund</li> </ul>	\$75,000
<ul style="list-style-type: none"> <li>• <i>Creek Infall/Outfall Restoration</i> – Defer until after completion and prioritization of the Storm Drain Master Plan – Defer and defund</li> </ul>	\$160,000
<ul style="list-style-type: none"> <li>• <i>De Anza Median Island Landscaping Phase II</i> – Complete design consistent with Phase I and then defer construction.</li> </ul>	\$1,470,900
<ul style="list-style-type: none"> <li>• <i>McClellan Ranch Preserve Community Garden Improvements – Construction</i> – Received bids in Sept. 2018, rejected due to costs far exceeding budget. Repackage to reduce costs and bring back to 2019-20 Budget discussions for prioritization. - Defer</li> </ul>	
<ul style="list-style-type: none"> <li>• <i>McClellan Ranch Preserve – EEC Aquatic Habitat</i> - Bring back to 2019-20 Budget discussions for prioritization. – Defer and defund</li> </ul>	\$125,000

<ul style="list-style-type: none"> <li>• <i>McClellan Ranch Preserve – Construct Trash Enclosure – Design completed with Community Garden Project. Bring back to 2019-20 Budget discussions for prioritization. – Defer</i></li> </ul>	
<ul style="list-style-type: none"> <li>• <i>Recreation Facilities Monument Signs – Defer and defund</i></li> </ul>	\$385,000
<ul style="list-style-type: none"> <li>• <i>Retaining Wall Repair – Cordova Road – Defer, monitor condition and defund</i></li> </ul>	\$298,300
<ul style="list-style-type: none"> <li>• <i>Service Center Shed No. 3 Improvement – Defer and seek alternate temporary solutions</i></li> </ul>	\$991,050
<ul style="list-style-type: none"> <li>• <i>Stevens Cr. Bank Repair – South of SCB – Concept Design – Defer</i></li> </ul>	
<ul style="list-style-type: none"> <li>• <i>Sports Center – Upgrades - Complete design consistent with Phase I and then defer construction until building condition assessment is complete and comprehensive structural and space requirements are known.</i></li> </ul>	\$920,500
<ul style="list-style-type: none"> <li>• <i>Storm Drain Master Plan Implementation - Defer</i></li> </ul>	
Proposed to Return Back to Capital Reserve Fund:	\$4,425,750

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#### Sustainability

No sustainability impact.

#### Fiscal Impact

If the recommendation changes to the CIP are approved, approximately \$4,425,750 would be returned to the Capital Reserve Fund.

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Prepared by: Timm Borden, Director of Public Works Department

Approved for Submission by: Amy Chan, Interim City Manager

#### Attachments:

A – Proposed Amended 2018-19 City Work Plan

B – CIP Budget Pages for New Projects and for Projects proposed to be Deferred and Defunded

C – Draft Resolution