

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DAN HENNESSEY, DIRECTOR, TRANSPORTATION AND
PUBLIC WORKS DEPARTMENT
SUBJECT: CAPITAL IMPROVEMENT PROGRAM UPDATE

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council hold a Study Session to receive an update on the Capital Improvement Program and discuss prioritization criteria for future Capital Improvement Program investments. This item is provided for Council's information and no action is required to be taken except for possible direction to staff.

EXECUTIVE SUMMARY

The Transportation and Public Works Department (TPW) has reviewed the Capital Improvement Program (CIP) spending from the last five fiscal years as well as City Council comments and priorities to create a proposed Capital Improvement spending plan on transportation improvements. The proposal focuses on maintaining and improving the infrastructure that the City currently owns and provides additional flexibility to spending on specific improvements as conditions change. The proposed spending plan would prioritize the equitable investment of public health and safety improvements while decreasing the City's maintenance burden.

BACKGROUND

City of Santa Rosa planning documents include more than \$1,000,000,000 of transportation infrastructure improvements, which does not include annual maintenance and operations needs of more than \$25,000,000. Over the last ten years, TPW has received an average of \$18,000,000 annually from development fees, gas taxes, Sonoma County ballot measures, impacts from utilities on our roadways, and the General Fund for ADA and annexation-related improvements. These funds are insufficient to fulfill all identified needs, requiring a prioritization process.

Additionally, some of the projects are from planning documents that are more than 20 years old and are no longer consistent with our priorities around fiscal sustainability,

CAPITAL IMPROVEMENT PROGRAM UPDATE

PAGE 2 OF 5

resiliency, climate change, and safety. This process has allowed all projects to be reviewed through that lens. Lastly, there are additional burdens on CIP funds due to reduced General Fund availability, both current and anticipated in the future.

PRIOR CITY COUNCIL REVIEW

On May 8, 2024, the Santa Rosa City Council received a presentation about the proposed FY24-25 Capital Improvement Program budget, during which a proposed prioritization program was discussed. Direction was provided to come back in the summer of 2024 with an outline of what such a program would look like, with follow up before the end of 2024 to share a draft prioritization program for use in the FY25-26 budget cycle. The proposed budget was adopted by a 7-0 vote on June 18, 2023.

On August 20, 2024, the Santa Rosa City Council received a presentation updating them on the Capital Improvement Program. The presentation included an overview of the different documents that have identified capital improvement needs, as well as the anticipated cost for those improvements and the funding that will be available. Potential prioritization criteria and metrics were presented that aligned with City Council goals, with an opportunity for feedback from Council members about the foremost priorities. That feedback has been summarized and processed by TPW staff to organize future spending to prioritize projects as desired by the City Council.

ANALYSIS

In the last five years, TPW has proposed annual funding allocation plans for the \$108.4M it has received through gas taxes, County tax measures, impact fees, and interdepartmental transfers. More than \$44M has been spent on three projects (Fulton Road widening, US-101 Bicycle Pedestrian Overcrossing, and US-101/Hearn Avenue interchange), each of which have added to the maintenance burden of TPW crews. Additionally, we have invested \$34.6M over those five years in pavement maintenance, while knowing that roughly \$25M is needed annually to improve pavement conditions to our goals.

By taking a year-by-year approach, it has been difficult for staff to both plan for the future and provide a consistent system of projects for the improvement of the lives of Santa Rosans. This annual approach also adds to uncertainty about the delivery timeline and creates convoluted discussions when new needs are identified. Occasionally, newly identified needs are prioritized above the needs that have already been identified, creating confusion about priorities and construction dates. It has led to overcommitting to improvements beyond our resources, and projects have been delayed as costs escalate.

CAPITAL IMPROVEMENT PROGRAM UPDATE
PAGE 3 OF 5

This prioritization process eliminates projects that are not in line with current City goals and focuses on deliverability and fiscal sustainability. There are three main points to achieve these objectives:

- Provide funds to complete projects to which we have previously committed.
- Commit funds over a two-year period, with a five-year outlook, to the following categories of spending:
 - Transportation and Public Works Operations
 - Stormwater Improvements
 - Pavement Maintenance
 - Bridge Maintenance
 - Transportation Safety Improvements
 - Intersection Improvements
 - Pedestrian Improvements
 - Bicycle Improvements
 - Transit Upgrades
- Eliminate projects that are difficult to deliver and not supportive of our climate, safety, equity, fiscal responsibility, and multimodal goals.
 - New roadways
 - Roadway widenings

The table below summarizes funding allocation for the past five years versus the proposed funding for the next five years based on a hypothetical \$20M annual budget.

Spending Category	FY20-21 to FY24-25	FY25-26 to FY29-30	% Change
TPW Operations	\$2,882,602	\$2,500,000	-13%
Stormwater	\$3,053,096	\$3,500,000	+15%
Pavement Maintenance	\$34,609,844	\$55,000,000	+59%
Bridges	\$600,000	\$1,000,000	+67%
Safety Projects	\$2,240,000	\$8,000,000	+257%
Sidewalks/Curb Ramps	\$2,426,462	\$3,000,000	+24%
Intersection Improvements	\$3,006,000	\$5,000,000	+66%
Bike Facilities	\$1,994,586	\$5,000,000	+151%
Transit Upgrades	-	\$1,000,000	+INF
ADA Improvements	\$4,800,000	\$6,000,000	+25%
Facilities	\$250,000	-	-100%
Contingency	\$8,330,067	-	-100%
Past Promises	\$44,188,646	\$10,000,000	-77%
Total	\$108,381,303	\$100,000,000	

CAPITAL IMPROVEMENT PROGRAM UPDATE
PAGE 4 OF 5

The \$44.2M noted in the “Past Promises” category for the previous five years included the following projects:

- Hearn Avenue / US-101 Interchange Project - \$12.2M
- US-101 Bicycle / Pedestrian Overcrossing Project - \$14.4M
- Fulton Road Widening - \$17.1M
- Assorted planning studies for road widening projects - \$0.4M

The \$10M noted in the “Past Promises” category for the next five years includes funding the following projects to complete construction in FY25-26:

- US-101 Bicycle / Pedestrian Overcrossing Project - \$2.0M
- Coffey Park / Fountaingrove Roadway Rehabilitation - \$2.0M
- Calistoga Road Roadway Rehabilitation - \$1.5M
- Stony Point Low Impact Development Project - \$1.5M
- Stony Point Corridor Safety Enhancements - \$3.0M

More than half of our proposed spending will focus on pavement maintenance, showing a 59 percent increase in funds dedicated to improving the condition of our roadways. Spending for these improvements would focus on strategic improvements of arterial and collector streets that absorb the most significant vehicle volumes and rehabilitation of residential streets that have seen the longest periods of neglect. Additional resources would be dedicated to stormwater improvement and bridge maintenance needs, which have no other funding sources but have significant health and public safety implications for the City.

Similarly, we will increase investments in projects that most directly respond to public health, safety, and equity priorities with improvements for pedestrian pathways, bicycle facilities, and intersections receiving increased investment. We will also create a new funding stream for complimentary transit improvements to capital projects, allowing for easier implementation of improved bus stops and waiting areas for passengers.

By funding project categories instead of individual projects annually, TPW will be able to respond to needs during a fiscal year instead of having to wait until the next fiscal year to identify funds to meet that need. The proposed program allows TPW to make commitments to City Council and the public about the types of projects we’ll be investing in and what we know for certain we will do for the upcoming year, while allowing flexibility to meet urgent needs, match funds for grant opportunities, or find efficiencies based on project timing and contractor availability. Many TPW CIP funding allocations in recent budgets has been done programmatically; this would extend that to provide additional flexibility.

Due to the flexibility provided, upcoming proposed CIP budgets will be less prescriptive than current budgets, requiring both trust from Executive and elected leadership and accountability from TPW. Funds will be used as opportunities arise, whether that be from combining with pavement maintenance projects or other improvements or from leveraging

CAPITAL IMPROVEMENT PROGRAM UPDATE

PAGE 5 OF 5

available funding from County, state, and federal funds.

To that end, we propose quarterly reporting of the use of any unspecified funds in a written report to the City Manager and City Council. We also propose the establishment of a Mobility and Infrastructure City Council Subcommittee, in which TPW staff would have an opportunity to talk through some of the decisions we face about how to spend funds in more detail and receive feedback from members of City Council. The Subcommittee will be an opportunity for more meticulous reviews to ensure checks on the flexibility this program provides. This will also provide a forum for moving certain items to a review by the full City Council.

TPW will receive its anticipated revenue allocations for FY25-26 in January or February. We will develop a proposed budget for spending for review and feedback by City Council in May 2025, with a final budget presented for approval in June 2025.

FISCAL IMPACT

This study session does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

None.

PRESENTER

Dan Hennessey, Director, Transportation and Public Works Department