

Priority Projects Can Move Ahead

March 16, 2006

The Pleasanton City Council approved a plan that makes it possible to move forward with its five top priority capital improvement projects.

As part of the motion for approval, the council included a provision for staff to identify funding for Kottinger Creek and bring it back to the council for approval. Funding for four of the projects, the Veterans Building renovation, Phase I of the Bernal sports fields, The Firehouse Arts Center, and Alviso Adobe Park, were included in the council's unanimous vote. Plans for the restoration of Kottinger Creek have not yet been reviewed by the council.

The projected costs of the five projects is close to \$27 million. There was an identified \$8 million shortfall of available funding. Mayor Jennifer Hosterman commented, "This is phenomenal. Staff has figured out a way to move forward on five projects that are very important to the community."

The goal was to avoid any debt or borrowing from other city funds, as well as to retain funding for other priority CIP projects and avoid use of general funds.

Basically to fill the funding gaps for the five priority projects, money was transferred from CIP reserves attached to projects with a lower priority. Also included is a \$1.8 million one time transfer from the general fund approved by the council as part of the FY 2005 year end report. The money was earmarked for CIP projects. Also \$2 million set aside as a guaranty fund for the Vineyard Avenue improvements to be paid to the school district was no longer needed. It was moved to the capital project reserve fund. It has been determined that development would be able to reimburse the district for its share of the Vineyard improvements.

The final funding comes from the CIP reserve, with \$5.7 million transferred to the five projects.

The Firehouse Arts Center would still be \$2 million short of the estimated costs of construction. However, assistant city manager Steve Bocian said staff believes that the fund-raising effort undertaken by Pleasanton residents would make up the shortfall. "If the funding does not materialize, the council will have to look at modifying the funding plan." Another option to consider would be to build the center in phases.

Bocian said the caveat as to whether the projects will have all of the funding necessary is dependent on how the bids come in. There is a contingency included with each estimate that Bocian said could help "cushion" any unforeseen bid results.

Councilmember Cindy McGovern was particularly concerned that the estimates may not be correct. She said that if costs keep ballooning, there will be an impact on future CIP projects.

City Manager Nelson Fialho explained that the plan is to continue putting general fund transfers into a CIP reserve. However, as has been the practice in the past, the money would not be assigned to a specific project reserve. The CIP reserve will fund the master planning for projects. Once the cost is defined, based on factual information and engineer's estimates, the council would then transfer funds to the project.

Fialho told the council that this proposal will be coming back to the council as part of the midyear CIP review.

Members of Friends of Kottinger Creek were concerned that the restoration of the creek would not be fully funded.

Hosterman told staff she would like to see money identified for the creek restoration to ensure it moves forward.

Councilmember Jerry Thorne said of all of the projects, "I'd like to see them in a giddy-up mode and find the money to do them even if we have to use park in lieu fees to do so."

Fialho stated, "If we can find \$8 million to fill the gap on four projects, we can come up with money to fill the gap on the creek funding."