

CITY OF
PALO
ALTO

ADOPTED CAPITAL BUDGET

FISCAL YEAR 2026



CITY OF
PALO
ALTO

CITY OF PALO ALTO

Fiscal Year 2026 Adopted Capital Budget

City Council

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CITY OF PALO ALTO

The government of the City of Palo Alto exists to promote and sustain a superior quality of life in Palo Alto. In partnership with our community, our goal is to deliver cost-effective services in a personal, responsive and innovative manner.



OUR VALUES

Quality

Superior delivery of services

Courtesy

Providing service with respect and concern

Efficiency

Productive, effective use of resources

Integrity

Straight-forward, honest and fair relations

Innovation

Excellence in creative thought and implementation



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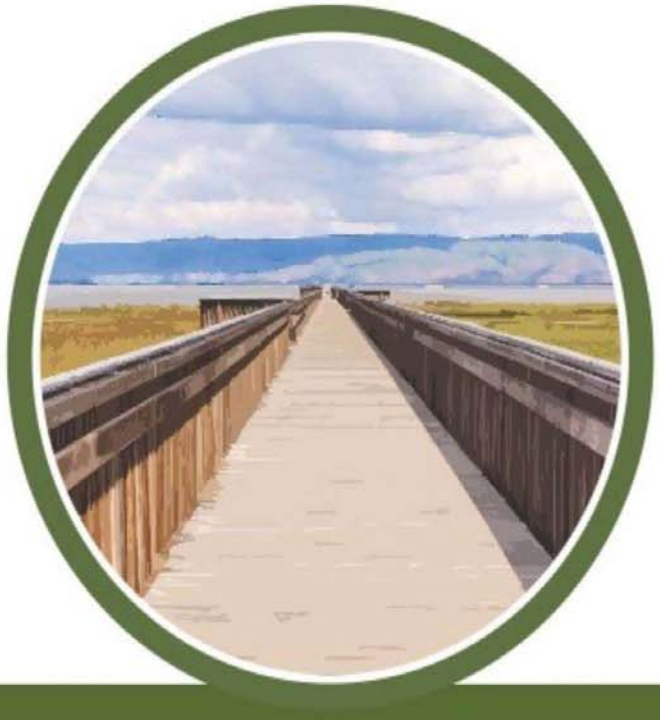
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OVERVIEW



CITY OF
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TRANSMITTAL LETTER

July 1, 2025

To the Honorable Mayor and City Council

2026 Fiscal Year Adopted Operating & Capital Budget Transmittal

Honorable Mayor and Council Members:

In accordance with the City Charter, I am presenting the City of Palo Alto's Fiscal Year 2026 Adopted Operating Budget and Fiscal Year 2026 Adopted Capital Budget along with the 2026-2030 Capital Improvement Plan (CIP). This budget represents a continuation of the investments made by the Council last year to provide innovative services, while reflecting the need to manage spending carefully and prepare for a range of economic conditions. The City's total budget is $1.0 billion including a FY 2026 Capital Budget of $312.9 million, and a Capital Plan of $1.1 billion over the five-year CIP. The City's General Fund Budget of $313.0 million further invests in high-quality services for the community and advances City Council priorities.

Reflecting on Key Milestones

Palo Alto has made significant strides in restoring services cut in 2020 due to the pandemic, reinvesting in community needs such as public safety, affordable housing and unhoused services, and libraries. This coming year, we will develop plans to acquire and renovate Cubberley community center; celebrate the opening of the new and seismically-resilient Public Safety Building; complete construction of Palo Alto Homekey innovative interim housing; implement critical elements of the City's Sustainability & Climate Action Plan; and, progress with major infrastructure investments at the Regional Water Quality Control Plant, Fire Station 4 replacement, and modernization of the City's electrical grid.

Setting the path forward through fiscal discipline and strategic preparation while preserving valued and innovative services

The budget balances continued positive momentum against unknowns that could impact the City's fiscal health such as economic uncertainty, tariffs, inflation, supply chain interruptions and Federal spending reductions, requiring that the City strategically prepare to adapt as needed. Through past challenges such as the pandemic, stagflation, economic uncertainty, and weather events, the City and community have adjusted and focused on advancing priorities and addressing changing community needs. This budget preserves valued services including but not limited to public safety, community services, libraries and parks. Generational investments in electrification, wastewater

treatment, transportation safety at railroad grade crossings, and fiber to the premises continue as key initiatives. This budget continues investments in services such as public safety, affordable housing and homeless services.

The FY 2026 budget reflects the second year of the two-year budget balancing strategy from FY 2025 and the use of one-time funds. Through this budget process, the City will need to reconcile service offerings to near- and mid-term revenue levels. We expect to continue facing deficits with the current Long-Range Financial Forecast ranging from $7.9 million in FY 2027 down to $7.6 million in FY 2029 and forecast surplus starting in FY 2030 of $2.0 million.

A conservative approach to ongoing costs is needed to ensure that current one-time surpluses are managed in a way that will not exacerbate future deficits and allow flexibility to pivot, as needed. With this approach in mind, the budget limits ongoing spending, sets aside reserve, fully funds anticipated legal liabilities, and maintains proactive investment in long-term liabilities. Moreover, as an additional measure, hiring requisitions are currently being reviewed on a case-by-case basis and contingency plans are being developed if needed to reduce expenditures beyond the recommendations provided in this budget, with the expectation that contingency plans may need to be finalized during FY 2026 in preparation for FY 2027.

During these moments, it's important to manage spending carefully and be prepared with a range of economic conditions ahead.

Continuing Services through One-time Funds While Continuing to Mitigate Risks

Investing in long-term service delivery and capital improvement while mitigating risk, through conservative fiscal strategies such as a prudent budget stabilization reserve, continues in this budget. Providing stability for the community and city organization remains a priority as we navigate the difficulty of financial forecasting in this environment.

Staff remains cautious and recommends a status quo budget and service level. To mitigate risks, this budget carries a Budget Stabilization Reserve (BSR) of $54.3 million at 17.7%. This is within the Council approved range of 15-20% of General Fund expenses while below the target level of 18.5%.

The Council proactively set aside funds in the FY 2023 Mid-Year Budget Review and established a Budget Uncertainty Reserve to provide bridge funding for community services in subsequent years. The FY 2025 adopted budget included a remaining Budget Uncertainty Reserve of $6.1 million and Council allocated $5.9 million as part of the FY 2025 Mid-Year Budget Review to set aside a total of $12.0 million for future the Budget Uncertainty Reserve. The FY 2026 General Fund budget relies on $6.0 million from the Budget Uncertainty Reserve, leaving $6.0 million one-time resource to address future deficits forecasted in the LRFF. To balance the FY 2026 General Fund budget, staff recommends placeholders totaling $6.0 million, with $2.7 million in operating budget reductions and a $3.2 million reduction in the transfer to the Capital Improvement Fund. Staff will return in August 2025 with specific reduction recommendations for Council to review and approve.

The budget mitigates risks by addressing long-term liabilities through a Retiree Benefit Policy that proactively funds pension liability at a lower 5.3% discount rate and retiree health liability at a lower 5.75% discount rate than anticipated by CalPERS to accelerate funding and reduce long-term liability.

Also, the FY 2026 budget includes the City Council's direction for a Gas Utility Equity Transfer of 18.0% (at limit) in FY 2026, which aligns with the voter approved Measure L to fund investments in services and capital improvements. The use of one-time funding and reserves supports near-term funding priorities, and preparation of contingency plans will enable adaptation in anticipation of an extended economic recovery.

FY 2026 Budget Highlights

The FY 2026 budget of $1.0 billion reflects a decrease of 8.5% ($95.3 million) compared to the FY 2025 Adopted Budget of $1.1 billion, driven by a 1.8% increase in General Fund operating expense, a 6.6% increase in Other Funds operating expenses while offset by a 28.4% decrease in the City's Capital Improvement Program. This decrease in capital spending is due to a couple of large projects being completed at the Regional Water Quality Control Plant (RWCCP) in FY 2025. Funding for the Capital Budget of $312.9 million includes $140.9 million in reappropriations from FY 2025 to FY 2026 to continue work on ongoing projects. This budget recommends Citywide staffing levels to increase by 18.25 (or 1.6%) FTE for a total authorized staffing of 1,110.25 FTE in FY 2026. Additional staffing recommended in FY 2026 will support high quality services across the City as well as limited expansion of programs and services for City Council priorities.

City Council Priority Objectives Investments

The budget advances the City Council's annual priorities and objectives by investing in key actionable and time bound efforts that deliver community services, look toward the future by addressing climate action goals, and further critical needs in the areas of housing, infrastructure, community health and safety. In January of this year, the City Council selected the following 2025 priorities: Economic Development & Retail Vibrancy, Climate Action and Adaptation & Natural Environment Protection, Implementing Housing Strategies for Social & Economic Balance, and Public Safety, Wellness & Belonging. The Council will soon be finalizing specific objectives to advance these 2025 priorities. The continuation of many 2024 objectives provide the foundation for the budget strategies contained in the FY 2026 budget.

Operating Budget Recommendations by City Service Area

In FY 2025, staffing levels increased by 29.00 FTE for a total authorized staffing of 1,092.10 FTE, while the FY 2026 budget recommends increasing staffing levels by 18.25 (or 1.6%) FTE for a total authorized staffing of 1,110.25. The FY 2026 budget funds these positions, especially enhances public safety and utility services, while balancing financial stability, as outlined by City Service Area:

- Public Safety: Create a Single Role Emergency Medical Services Division to serve as a 12-hour peak ambulance through the addition of seven Fire Department positions. Recognize revenue generated from ambulance transport fee increases and a new first responder fee. Upstaff Fire Engine 64 at Fire Station #4 through cross staffing and addition of three fire captain positions, bringing firefighting capacity from five stations to six, and allocating resources to improve response times. The FY 2025

budget upstaffed Fire Engine 62 at Fire Station #2, bringing firefighting capacity from four stations to five. Enhance organizational resilience with police recruit hire ahead programming and using Stanford University Medical Center (SUMC) funding for Psychiatric Emergency Response Team (PERT) program police officer. Add resources for police and fire equipment replacements and vehicles.

- Planning, Transportation & Infrastructure: Continue enhanced University Avenue and California Avenue pressure washing and cleaning services, limited funding for Palo Alto Link on-demand transportation and enhance resources for transportation engineering. Invest in Development Center staffing to support economic recovery efforts and implementing housing strategies for social and economic balance and on-call resources to support Council priorities. Increasing resources for traffic control, RWQCP System operations and maintenance, gas and water infrastructure maintenance, watershed protection, and crossbore program phase 4.
- Community & Library Services: Add resources to the Non-Profit Workplan Phase 1, support Art Center rentals, the Public Art Program, children and teen programs, therapeutic recreation resources and summer camps. Continue resources for extended hours at all 5 branches and open days per branch, per week at Mitchell Park (7 days), Rinconada (7 days), Children's (6 days), Downtown (5 days), and College Terrace (5 days) and replacing library furniture.
- Internal Support & Administration: Maintain proactive funding of long-term liabilities (pension and retiree medical) at a more conservative calculation in alignment with the revised Retiree Benefit Policy. Fund adopted labor agreements while planning accordingly for current/forthcoming labor negotiations. Reserve funds for Cubberley community center planning efforts. Continue customer service with City Hall lobby information services, organizational resilience with funding BayPass Commuter Program for employee benefit and transportation, and resources to support enterprise services and financing.

Capital Budget Recommendations

The proposed budget continues progress on the City Council 2014 Infrastructure Plan and additional projects that help advance continued infrastructure replacement, improvements and repairs. The FY 2026 capital budget advances critical projects that furthers innovative services and addresses critical infrastructure, while balancing financial uncertainty. As part of the effort to proactively plan for economic uncertainty, the General Fund base transfer to the Capital Improvement Fund was reduced by $3.2 million in FY 2026, along with a placeholder for capital expenditure reductions in the same amount. Upon approval by City Council in September 2025, the placeholder will be removed and replaced with reductions/deferrals assigned to specific capital projects.

Key investments include:

- 2014 Council Infrastructure Plan projects: begin construction of the Fire Station 4 replacement project and design of the New Downtown Parking Garage project in Summer 2025
- Regional Water Quality Control Plant (RWQCP) facility upgrades and infrastructure upgrades for stormwater systems drain pipes, wastewater collection main and treatment systems, water main
- Park improvements at Peers, Seale, Werry, Mitchell, Hoover, Johnson, Rinconada, Foothills Nature Preserve, and new dog parks and park restrooms

- Recognizing investments in grade separation projects (partially funded by Measure K Business Tax proceeds) including Meadow Drive, Charleston Road, and Churchill Avenue, and continuing quiet zone study at Palo Alto Avenue
- Planning for construction costs for train crossing safety improvements (partially funded by federal and state revenues)
- Improving traffic intersection accessibility and implementing the Automated Traffic Signal Performance Measures (ATSPM) at Embarcadero/E. Bayshore, San Antonio Road/Middle Field, Stanford/Escondido, and Meadow/Cowper.
- Improving 445 Bryant Street facility for activation
- Activating the renovated Roth Building (PF-23001) for shared City and public uses
- Continue City Council Chambers technology upgrade
- Planning for electric grid modernization and deploy phase 1 pilot of fiber to the premises/dark fiber rebuild
- Charging stations repair and maintenance
- Equipment and furniture replacements at City libraries
- Updating streetscapes on California Avenue, University Avenue, and Ramona Street

Stakeholder engagement

In May and June, several days of Finance Committee budget hearings, Council discussions, and a Community Budget Informational Session are scheduled to review, discuss, and consider revisions to the Proposed Budget documents before they are adopted by the Council. Community members are encouraged to be involved and join the discussions to help inform decisions that the City Council considers for adoption. A calendar of these meetings and discussions can be found in the Budget Process and Document section of this budget document as well as on the City's website at www.PaloAlto.gov/Budget.

Changes from the Proposed Budget document to the Adopted Budget document are summarized by department and by fund in the memorandum that recommends approval of the FY 2026 budget adoption ordinance (Staff Report #2503-4250). This report can be found on the City's website: www.paloalto.gov/City-Hall/City-Council/Council-Agendas-Minutes under the June 16, 2025 meeting agenda.

In Closing

With significant uncertainties ahead, the FY 2026 Proposed Budget provides the Council and the community a sense of fiscal discipline and precaution as we look towards 2026. This budget invests in community priorities and continues robust City services that the community expects through balanced conservative fiscal strategies. This budget makes incremental progress towards addressing Council's 2024 Priorities and priority objectives. It focuses on maintaining services and financial stability, while concurrently City Staff are proactively planning reserves, reviewing hiring and developing contingency plans. I look forward to the budget conversations with the City Council and our community over the next several months.

Acknowledgments

I would like to thank the City Council for your leadership and our Executive Leadership Team and the entire staff of the City for providing outstanding services to our community. The Palo Alto community should be proud of your leadership and commitment to service.

A citywide budget requires countless hours of teamwork, collaboration, and patience to produce. I would like to offer special thanks to the dedicated Office of Management and Budget Team - Paul Harper, Kayla Shapiro, Naomi Hsu, Katie Lee, Rene Escobar-Mena, and Chaitali Paliwal (administrative support by Alyssa Ching, and Joshua Martinez). This team's dedication, expertise, and willingness to continue to adapt to evolving circumstances is a testament to their commitment to this organization and to the community. I also thank our Executive Leadership Team especially our Department Directors and their teams who worked on the recommendations and materials to respond to the City Council and community priorities and the leadership they have demonstrated in the information contained in these policy documents

Respectfully Submitted,



Ed Shikada

City Manager

Online Resource to Learn More About the City Budget

Learn about City Council Priorities and Objectives at

www.paloalto.gov/councilpriorities

Join the Budget Conversation at www.paloalto.gov/budget

ATTACHMENT A: CAPITAL IMPROVEMENT FUNDS

The capital improvement funds category includes two funds, the Capital Improvement Fund and the Cubberley Property Infrastructure Fund. At $335.3 million, this fund category is the second largest section (31.0%) of the 2026-2030 Capital Improvement Plan (CIP) in terms of cost, and the largest with regard to the of number of projects (108 out of 200, or 54.0%). The 102 projects in the Capital Improvement Fund support repairs and replacements of, and improvements to, the City's roads and sidewalks, traffic and transportation systems, parks and open space, public safety technologies, and most City facilities. The six projects in the Cubberley Property Infrastructure Fund support repair and renovation of facilities at the Cubberley Community Center.

SOURCES OF FUNDING

A majority of projects in the Capital Improvement Fund rely on two categories of transfer from the General Fund: a base transfer and dedicated funding from Transient Occupancy Tax (TOT) revenue. In a typical year since 2013, the base transfer is increased annually by an amount equal to the change in the Consumer Price Index (CPI). Additionally, two voter-approved TOT rate increases totaling 3.5 percent (the first 2.0 percent in 2014 and the second 1.5 percent in 2018) were designated by City Council policy to fund the Infrastructure Plan, and TOT revenue from new hotels built after January 2015 is also transferred annually to support capital investments. Prior to the impacts of the COVID-19 pandemic, these categories of transfer from the General Fund, together with interest earnings, totaled approximately $27.0 million. However, as the pandemic unfolded, efforts were made to mitigate the economic impacts and the combined amount in FY 2021 was reduced to a low of $8.5 million. The economy has slowly recovered over the past several years, and current estimates indicate that these sources of funding, including midyear adjustments, will increase to $32.5 million by the end of FY 2025. Of this amount, $17.5 million is the base transfer, $1.1 million is interest earnings, and $13.9 million is from dedicated TOT revenue.

In January 2025, the City Council adopted the 2026-2035 Long-Range Financial Forecast (LRFF) and the financial balancing policies for staff to use in development of this budget. The LRFF continued the prior-year direction to gradually restore the base General Fund transfer to pre-pandemic levels by FY 2026. However, due to economic uncertainty--including a recent slowdown in the growth of TOT revenue after rebounding in FY 2022 and growing rapidly in the following years--the Adopted 2026-2030 CIP included an amendment to the Proposed 2026-2030 CIP that reduced the base transfer by $3.2 million in FY 2026, and $1.0 million annually in FY 2027 and FY 2028. The goal of restoring the base transfer to pre-pandemic levels consequently has been delayed until FY 2027, when the base transfer is estimated to be $16.1 million. In FY 2026, the estimates are $14.0 million for the base transfer, $1.1 million for interest earnings, and $14.3 million for dedicated TOT funding, for a

total of $29.4 million. Over the five-year CIP, the annual combined amount is planned to gradually increase to $37.1 million by FY 2030.

In addition to transfers from the General Fund at the fund level, some projects in the Capital Improvement Fund receive direct transfers from the General Fund. Annually, a combined $1.0 million of Utility User Tax (UUT) is transferred into the Sidewalk Repairs (PO-89003) ($0.6 million) and Street Maintenance (PE-86070) ($0.4 million) projects. In the 2026-2030 CIP, two rail grade separation projects, Meadow Drive and Charleston Road (PL-24000) and Churchill Avenue (PL-24001), will receive Measure K Business Tax revenue through transfers from the General Fund, with a combined $1.0 million in FY 2026 and $8.0 million over the five years of the CIP. The Bicycle and Pedestrian Transportation Plan Implementation (PL-04010) project will also receive Measure K funding, with transfers of $0.9 million in FY 2026 and $2.9 million over five years. Including these project-level transfers of UUT and Measure K, support provided by the General Fund to the Capital Improvement Fund totals $32.3 million in FY 2026 and $183.9 million in the 2026-2030 CIP

Other major sources of funding for the Capital Improvement Fund include grants from federal, state, and local agencies, and transfers from the Gas Tax Fund, the parking funds, and various impact fee funds and enterprise funds. Further discussion of these revenue sources can be found in the Summary of CIP Program Revenue section of this document.

The Cubberley Property Infrastructure Fund is supported by a $1.8 million annual transfer of UUT revenue from the General Fund, as well as reimbursement for roof work from the Palo Alto Unified School District (PAUSD). The Cubberley agreement between the City and PAUSD, and details about the history of the General Fund transfer, will be discussed in the Cubberley Property Infrastructure Fund section at the end of this attachment.

EXPENDITURES

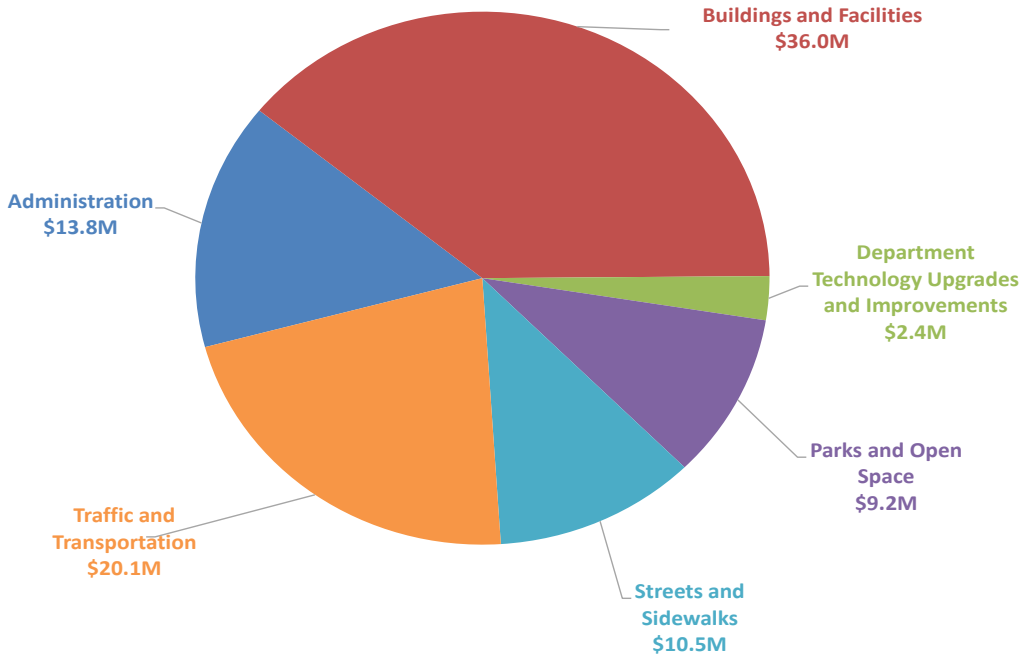
Expenditures programmed in the Capital Improvement Fund in the 2026-2030 CIP total $331.4 million, including $37.1 million for debt payments, transfers to other funds, and centrally-determined charges, and $294.3 million budgeted directly within 102 projects. Of the $92.2 million appropriated in FY 2026, $84.7 million is budgeted directly within projects, with $42.3 million coming from previously-allocated funds reappropriated from FY 2025 for projects continuing into FY 2026. Placeholder expenditure reductions of $3.2 million in FY 2026, and $1.0 million annually in FY 2027 and FY 2028, are included in the Capital Improvement Fund Administration (AS-10000) project in order to offset the amendment to the Proposed 2026-2030 CIP that reduced the base transfer from the General Fund by those amounts. The placeholders will be removed when City Council approves a FY 2026 budget ordinance amendment that assigns expenditure reductions and deferrals to specific projects in the Capital Improvement Fund in September 2025.

When developing the five-year CIP for the Capital Improvement Fund, the main goals are 1) to keep a positive Infrastructure Reserve (available fund balance) above $3.0 million annually in order to be able to address emergency needs; 2) to ensure that projects that address health and safety issues are programmed and funded as early in the CIP as possible; and 3) to balance projects and staff workload capacity across the five-year plan in order to ensure that projects are able to be completed as planned. Due to funding reductions in this fund in prior fiscal years, several projects were deferred or had their scope

reduced, contributing to a backlog of work for the City's infrastructure. The 2026-2030 CIP continues to remediate the backlog, however, doing so becomes increasingly expensive as labor and material costs continue to rise. Within this context, the City's commitment to addressing previously-deferred as well as in-progress infrastructure needs is estimated to cause the Infrastructure Reserve to fall below the target balance of $3.0 million in FY 2026. However, the fund balance is anticipated to return to the recommended level in FY 2027.

The Capital Improvement Fund budget is divided into six categories: Administration, Buildings and Facilities, Department Technology Upgrades and Improvements, Parks and Open Space, Streets and Sidewalks, and Traffic and Transportation. Additional details on each of these categories can be found in their respective Capital Improvement Fund overview sections. Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in the Capital Improvement Fund Administration (AS-10000) project in the Administration category rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects.

2026 CAPITAL IMPROVEMENT FUND EXPENDITURES BY CATEGORY
$92.2 MILLION



CITY COUNCIL INFRASTRUCTURE PLAN

In 2013, the City Council established the Council Infrastructure Committee and tasked the Committee with identifying a funding plan for infrastructure projects requiring funding above the base annual General Fund

transfer to the Capital Improvement Fund. After meeting regularly for more than a year, the Committee arrived at a list of nine recommended projects and an associated funding plan which was approved by the City Council in June 2014. At the time the plan was adopted, the total cost of Infrastructure Plan (IP) projects was estimated at $125.8 million and did not include staff salary and benefit costs. It is important to note that project costs for two of the projects only included the amounts that were unfunded in June 2014. As part of the 2020-2024 CIP, a tenth project was approved to be added to the Infrastructure Plan: the Downtown Automated Parking Guidance Systems (PL-15002) project.

Based on known estimates and including the tenth project, the total cost of the Infrastructure Plan is currently $293.4 million with $23.3 million (7.9%) programmed in the 2026-2030 CIP. These costs are detailed by project in the table below. The $20.5 million increase in total cost from last year's estimate of $272.8 million is driven by the following: 1) additional scope and higher construction costs needed to implement the New Public Safety Building (PE-15001) and Fire Station 4 Replacement (PE-18004) projects; 2) additional appropriation supported by $10.1 million of University In-Lieu Parking Fund Fees for resumption of the New Downtown Parking Garage (PE-15007) project which had been on hold; and 3) funding added to outyears in the Bicycle and Pedestrian Transportation Plan Implementation (PL-04010) project, supported by $2.9 million of Measure K business tax revenue, in anticipation of plan updates being completed early in calendar year 2026.

Project Name (Number)	2026-2030 CIP Budget	Total Project Budget
New Public Safety Building (PE-15001)	$0.0M	**$125.1M**
New California Avenue Area Parking Garage (PE-18000)	$1.0M	**$50.5M**
Highway 101 Pedestrian/Bicycle Overpass (PE-11011)	$0.0M	**$23.7M**
Charleston/Arastradero Corridor Project (PE-13011)	$0.0M	**$21.3M**
Fire Station 4 Replacement (PE-18004)	$1.6M	**$20.0M**
New Downtown Parking Garage (PE-15007)	$13.1M	**$17.3M**
Bicycle and Pedestrian Plan Implementation (PL-04010)	$4.8M	**$16.2M**
Fire Station 3 Replacement (PE-15003)	$0.0M	**$10.6M**
Downtown Automated Parking Guidance Systems (PL-15002)	$0.0M	**$5.4M**
Byxbee Park Completion (PE-18006)	$2.8M	**$3.2M**
Total	**$23.3M**	**$293.4M**

Nine of the ten IP projects are scheduled to be completed within the 2026-2030 CIP. Six projects have been or are scheduled to be completed by the end of FY 2026, and two others will be in process.

- Fire Station #3 (PE-15003) was opened in Spring 2020.
- The New California Avenue Area Parking Garage (PE-18000) was opened in December 2020.
- Highway 101 Pedestrian/Bicycle Overpass (PE-11011) was opened in Fall 2021.

- Construction on phases 1 and 2 of the Charleston/Arastradero Corridor (PE-13011) was completed in December 2019. The final phase was completed in Summer 2024.
- The construction contract for the New Public Safety Building (PE-15001) was awarded in early 2021 with completion anticipated in Summer 2025.
- Downtown Automated Parking Guidance Systems (PL-15002) started design in Summer 2023 and is expected to be completed in Summer 2025.
- Fire Station #4 (PE-18004) started design in June 2022 with anticipated construction contract award in Summer 2025 and completion in early 2027.
- The New Downtown Parking Garage (PE-15007) concept option was approved in April 2025 and design is anticipated to be completed in Fall 2026.
- Byxbee Park (PE-18006) will start design once the Baylands Comprehensive Conservation Plan is completed in Winter 2027.
- Bicycle and Pedestrian Transportation Plan Implementation (PL-04010) is a recurring project that will progress upon completion of plan updates early in calendar year 2026.

Additional information on the status of all IP projects can be found on the City's website: https://www.infrastructure.cityofpaloalto.org/.

Funding Source	2026-2030 CIP Funding	Total Project Funding
Certificates of Participation (COP) Bond Proceeds	$0.0M	**$144.0M**
Stanford University Medical Center (SUMC) Development Agreeement	$0.0M	**$34.9M**
Grant Funding from Other Local Agencies	$0.0M	**$17.1M**
Downtown Parking In-Lieu Fees	$13.1M	**$16.9M**
Parks Dedication Fees	$1.6M	**$3.3M**
Measure K Business Tax	$2.9M	**$2.9M**
SB1 Gas Tax Funding	$0.0M	**$2.5M**
Reimbursement from Google	$0.0M	**$1.0M**
Charleston/Arastradero Impact Fees	$0.0M	**$0.9M**
Stormwater Management Fund	$0.0M	**$0.7M**
Public Safety Facility Impact Fees	$0.0M	**$0.6M**
General Government Facility Impact Fees	$0.0M	**$0.2M**
Community Development Block Grant (CDBG)	$0.1M	**$0.1M**
Utility Funds	$0.0M	**$0.1M**
Total	**$17.6M**	**$225.0M**

The IP relies on the two ballot measures approved by voters to increase the Transient Occupancy Tax (TOT) by a total of 3.5 percent in November 2014 and November 2018 which the City Council identified as a funding source to aid in infrastructure needs. The City Council also identified TOT funding from new hotels built after January 2015 for infrastructure needs. In addition to the TOT funding, there are other funding sources dedicated towards IP projects as outlined in the table above. In March 2019, COPs were issued for the California Avenue Garage, with an annual debt service cost of $2.4 million; and in April 2021, COPs were issued for the Public Safety Building, with an annual debt service cost of $5.0 million, bringing the total annual debt service for both projects to $7.4 million. A portion of the TOT revenues will be allocated to pay for the debt service. A reserve for debt service was established starting in FY 2022 at $2.4

million and increases to $7.4 million by FY 2027. This will enable the Capital Improvement Fund to better withstand revenue fluctuations in the future while maintaining funds to pay the current debt service costs.

For more information regarding the funding sources for each IP project, please see the individual project pages in this document.

In addition to the Council Infrastructure Plan, there are several other potentially necessary and significant capital projects that do not have a funding source identified. While successful completion of the Council Infrastructure Plan has been identified as the highest infrastructure priority, the following are some other potential competing community asset projects that currently are not fully funded as part of the 2026-2030 CIP:

- Junior Museum and Zoo Phase II
- Fire Training Center
- Parks Master Plan Implementation

NEW PROJECTS

There are eight new projects in the Capital Improvement Fund for the 2026-2030 CIP, with four projects under the Buildings and Facilities category:

- Charging Stations Repair and Maintenance (PF-26001): FY 2026: $0.1 million; 5-Year CIP: $0.5 million
- Library Furniture Replacements (LB-26001): FY 2026: $0.1 million; 5-Year CIP: $0.4 million
- Lucie Stern Community Center Irrigation Main Lines Replacement (PG-28000): 5-Year CIP: $0.2 million
- PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System (AC-26001): FY 2026 and 5-Year CIP: $0.2 million

Two projects are under the Parks and Open Space category:

- Baylands Golf Links Sand Topdressing (PG-26001): FY 2026 and 5-Year CIP: $0.1 million
- West Las Trampas Valley Access and Grassland Restoration (OS-30001): 5-Year CIP: $0.1 million

One project is under the Streets and Sidewalks category:

- Tree Grate Alternatives (PF-26000): FY 2026 and 5-Year CIP: $0.1 million

One project is under the Traffic and Transportation category:

- Ramona Street Streetscape Update (PE-26002): FY 2026 and 5-Year CIP: $0.2 million

More information about these projects and others in the Capital Improvement Fund can be found in the project pages under the Capital Improvement Fund section in this document.

INFRASTRUCTURE RESERVE

The ending fund balance in the Capital Improvement Fund is referred to as the Infrastructure Reserve (IR). The IR is used to provide cash flow for reimbursable grants, address unanticipated cost increases, and pro-

vide funding for urgent and unanticipated projects. As seen in the Source and Use table in the Capital Improvement Fund section of this document, the projected IR balance at the end of FY 2026 is estimated to be $1.8 million, which is below the recommended level of $3.0 million. As discussed above, this is due to rising costs for backlogged and in-progress projects, and although it will limit the ability to address emergencies and accommodate major changes in FY 2026, the fund balance is projected to remain above the recommended level in the other years of the 2026-2030 CIP.

It is important to note that the City Council only approves the FY 2026 portion of the five-year CIP as part of the FY 2026 budget development process. The assumptions for future years will continue to be evaluated throughout FY 2026 and will be reviewed as part of the development and ultimate adoption of the 2027-2031 CIP through the FY 2027 budget process.

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

A change to the lease with the Palo Alto Unified School District (PAUSD) in November 2014 reallocated an annual $1.8 million "Covenant Not to Develop" payment benefiting the school district to infrastructure repair and renovation for the Cubberley Community Center. On December 2, 2024, the City's lease with PAUSD was amended and extended through December 31, 2029 (Report # 2410-3651).

In October 2024, the City and PAUSD approved a Memorandum of Understanding (MOU) outlining terms and conditions for the City to purchase from PAUSD seven acres of land at the Cubberley site in addition to the eight it already owns with the intent of redeveloping the combined 15-acre site as a new community center, contingent on voter approval of a bond measure in November 2026. In preparation for the bond measure and redevelopment, $1.0 million was transferred in FY 2025 from the Real Property Investment Reserve into the Cubberley Community Center Redevelopment (CB-26000) project, as approved in Reports #2410-3634, #2411-3813, and #2501-4039.

In the 2026-2030 CIP, funding has been allocated to other existing projects in the Cubberley Property Infrastructure Fund for maintenance and repair on an as-needed basis to address safety concerns. Future capital investments will be determined as policy direction for the site evolves.

NEW PROJECTS

There is one new project under a new Administration category in the Cubberley Property Infrastructure Fund for the 2026-2030 CIP:

- Cubberley Fund Administration (CB-26001): FY 2026: $0.1 million; 5-Year CIP: $0.3 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects.

More information about this project and others can be found in the project pages under the Cubberley Property Infrastructure Fund section in this document

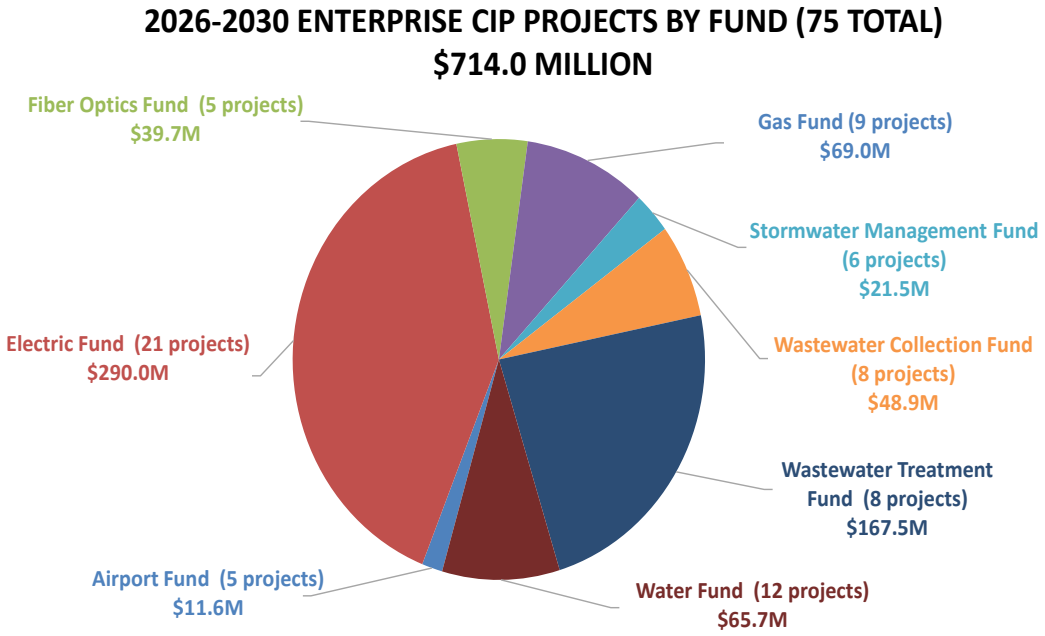


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ATTACHMENT B: ENTERPRISE & INTERNAL SERVICE FUNDS

ENTERPRISE FUND CAPITAL IMPROVEMENT PROJECTS

Each year, a significant investment in the Capital Improvement Plan (CIP) is made from eight of the City's nine enterprise funds: Airport, Electric, Fiber Optics, Gas, Stormwater Management, Wastewater Collection, Wastewater Treatment, and Water. In FY 2026, a total of $203.7 million is allocated towards the CIP in the enterprise funds, of which $87.7 million is funding previously approved by the City Council and recommended to be reappropriated from FY 2025 to FY 2026 for continuation of the projects. The enterprise funds have an allocation of $714.0 million in 75 projects over the five-year CIP, representing the largest portion of CIP expenditures (65.9%) among fund categories, and the second largest portion in terms of number of projects (75 out of 200, or 37.5%). The Utilities Department manages the Electric, Fiber Optics, Gas, Wastewater Collection, and Water Funds, while the Public Works Department manages the Airport, Stormwater Management, and Wastewater Treatment Funds. Following is a brief discussion of the City's largest capital improvement programs in the enterprise funds. Additional information on each of these funds can be found in the fund summary sections of this document.



Electric Fund

The City of Palo Alto provides electricity from a 100% carbon-neutral portfolio and has been at the forefront of efforts to design programs allowing customers to use clean energy. The Grid Modernization for Electrification (EL-24000) project was developed to enhance grid resiliency and the reliability of the electric distribution system, and to continue to accelerate the City's clean energy and decarbonization goals. Over the next several fiscal years, the Electric Utility will continue to execute its regular maintenance, repair, and replacement plan for the distribution system, and complete the rollout of the advanced metering infrastructure and advanced smart grid technologies. A total of $290.0 million is allocated towards capital infrastructure over the 2026-2030 CIP, with $94.4 million allocated in FY 2026. Projects include work in the following areas:

- Electric grid modernization including 4/12kV conversions, overhead, and underground rebuilds
- Substation physical security upgrades
- Deteriorated wood pole replacements
- Distribution system upgrades
- Foothills electric rebuild for fire mitigation
- Smart grid installation
- Colorado power station equipment upgrades
- Electric intertie
- Electric customer connections

As the City ramps up efforts to meet its goal of 100% electrification and 80% carbon emissions reduction from 1990 by the year 2030, there must be rapid infrastructure development to shift from natural gas to electric appliances and from gasoline to electric vehicles. The Electric Utility has completed overhead infrastructure upgrades in the pilot area upgrading the distribution system in parallel with fiber-to-the-premises. The goal of the pilot is to determine the most efficient, least disruptive, and most cost-effective way to implement residential electrification and provide fiber-speed internet services in residential neighborhoods.

There is one new project programmed in the Electric Fund for the 2026-2030 CIP under the category of Administration:

- Electric Fund Administration (EL-26000): FY 2026: $9.1 million; 5-Year CIP: $47.9 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about this project and other projects in the Electric Fund can be found in the Electric Fund section of this document.

Fiber Optics Fund

In December 2022, Council approved the fiber expansion plan to rebuild the dark fiber backbone, and a phased approach to build fiber-to-the-premises (FTTP). The new fiber backbone will provide high-capacity fiber to City departments, enabling the deployment of advanced systems, such as the advanced metering infrastructure (AMI) system, and provide new commercial dark fiber leasing opportunities. In phase 1, FTTP will offer Palo Alto Fiber internet to residents in neighborhoods. Major efforts to rebuild the dark fiber backbone and coordinate this work with the rollout of FTTP and the Electric Fund Electric Grid Modernization project began in the fourth quarter of FY 2024. The pilot area has been finalized which will serve about 1,200 customers. At the completion of phase 1, FTTP may reach up to 6,000 customers. A total of $39.7 million is allocated towards capital infrastructure over the 2026-2030 CIP, with $17.5 million allocated in FY 2026. Funding in FY 2026 may be spread and reallocated based on planned work, which will be aligned later when requests for proposals have been received.

There is one new project programmed in the Fiber Optics Fund for the 2026-2030 CIP under the category of Administration:

- Fiber Optics Fund Administration (FO-26000): FY 2026: $0.4 million; 5-Year CIP: $2.0 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about this project and other projects in the Fiber Optics Fund can be found in the Fiber Optics Fund section of this document.

Water, Gas, and Wastewater Collection (WGW) Program

Construction costs have risen drastically in the last few years, with fewer bidders and higher prices stemming from inflation in the economy and increased demand for construction services. This has drastically impacted project costs as the incremental costs per foot for main replacements have increased substantially. Since there has been no indication that the higher construction costs will abate in the near future, planning for future CIP spending assumes inflationary increases, thereby significantly increasing overall CIP costs in the forecast period. Additionally, to meet the City's goal of 100% electrification and 80% carbon emissions reduction from 1990 by the year 2030, gas main replacements will need to balance current needs with anticipated future needs as the City transitions away from gas-based residential end uses while undergoing the retirement of the gas distribution infrastructure. Due to unforseen reductions in revenue and further increases in operating expenses and treatment costs, the current five-year plan required a reduction in wastewater collection project scopes and project deferrals.

A total of $183.7 million is allocated towards capital infrastructure across these three utilities over the 2026-2030 CIP, with $40.9 million allocated in FY 2026, including a $16.5 million grant from Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) for Gas Main Replacement Project 25 (GS-15000). During COVID-19, austerity measures were implemented to avoid rate increases from capital needs, resulting in prior CIPs trimming projects down to a minimum of replacement and emergency needs. Although WGW CIP investment is necessary to maintain the existing 40-50-year main replacement schedule, due to

the need to limit the overall rate increases for 2026, the scope has been reduced for the next wastewater collection and water main replacement projects, including a two-year deferral of seismic improvements for Park and Dahl Reservoirs. To help mitigate the impact of some of these increasing costs, the City is pursuing alternative financing strategies, such as applying for federal grants or debt financing.

There are five new projects programmed in the WGW Program for the 2026-2030 CIP, with three under the category of Administration, one under the category of Gas Main Replacements, and one under the category of System Improvements:

- Gas Fund Administration (GS-26000): FY 2026: $3.2 million; 5-Year CIP: $16.5 million
- Gas Main Replacement-Project 28 (GS-30000): 5-Year CIP: $5.2 million
- Closed Circuit Television (CCTV) Sewer Main Inspection (WC-26001): FY 2026: $0.3 million; 5-Year CIP: $1.9 million
- Wastewater Collection Fund Administration (WC-26002): FY 2026: $2.5 million; 5-Year CIP: $13.2 million
- Water Fund Administration (WS-26000): FY 2026: $1.6 million; 5-Year CIP: $8.2 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in each fund's new Administration project rather than distributed across projects in the fund as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about these new projects and other projects in the WGW Program can be found in the Gas Fund, Wastewater Collection Fund, and Water Fund sections of this document.

Airport Fund

The Airport receives most of its funding through grants from the Federal Aviation Administration (FAA) and the City is required to match ten percent of the award. A total of $11.6 million is allocated towards capital infrastructure over the 2026-2030 CIP, with $1.6 million allocated in FY 2025. Major projects in the 2026-2030 CIP include:

- Airfield Electrical Improvements (AP-19001)
- Airport Access Road Reconstruction (AP-24000)
- Automated Weather Observation System (AWOS) (AP-19000)
- Runway and Taxiway Reconstruction and Drainage Improvements (AP-22000)

There is one new project programmed in the Airport Fund for the 2026-2030 CIP under the category of Administration:

- Airport Fund Administration (AP-26000): FY 2026: $0.2 million; 5-Year CIP: $1.1 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about this project and other projects in the Airport can be found in the Airport Fund section of this document.

Stormwater Management Fund

The Stormwater Management Fee ballot measure was approved by voters in April 2017, providing funding for the Storm Drain Blue Ribbon Committee's recommendations for capital projects related to maintenance and upgrades to the City's stormwater management system. The Committee recommended a total of 13 projects in the 15 years following the passage of the ballot measure. The first of the 13 projects was completed in 2020, and seven more projects are anticipated to be completed within the five-year CIP. The 2026-2030 CIP includes expenditures of $21.5 million, with $10.8 million allocated in FY 2026. Major projects in the 2026-2030 CIP include:

- Center Drive Capacity Upgrades (SD-26001)
- Hamilton Avenue System Upgrades (SD-25000)
- Louis Road System Upgrades (SD-24000)

There is one new project programmed in the Stormwater Management Fund for the 2026-2030 CIP under the category of Administration:

- Stormwater Management Fund Administration (SD-26002): FY 2026: $0.7 million; 5-Year CIP: $3.5 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about this project and other projects in the Stormwater Management Fund can be found in the Stormwater Management section of this document.

Wastewater Treatment Fund

The Wastewater Treatment Fund accounts for activities to the replace and rehabilitate the Regional Water Quality Control Plant (RWQCP) infrastructure. The 2026-2030 CIP includes expenditures of $167.5 million, with $38.6 million allocated in FY 2026. Approximately 64% of expenditures within this fund are reimbursed by five contributing partner agencies (Cities of Mountain View and Los Altos, Town of Los Altos Hills, Stanford University, and East Palo Alto Sanitary District). Many of the RWQCP's major systems are reaching the end of their useful life, and new technology for systems such as advanced water purification and secondary treatment upgrades are available and need to be integrated into the plant while older systems are phased out. Staff has been exploring funding options for low-interest state revolving fund loans and/or revenue bonds to mitigate the costs to the City and partner agencies for these large infrastructure investments. Major projects in the 2026-2030 CIP include:

- Headworks Facility Replacement (WQ-16002)
- New Laboratory and Environmental Services Building (WQ-14002)
- Outfall Line Construction (WQ-19000)
- Secondary Treatment Upgrades (WQ-19001)

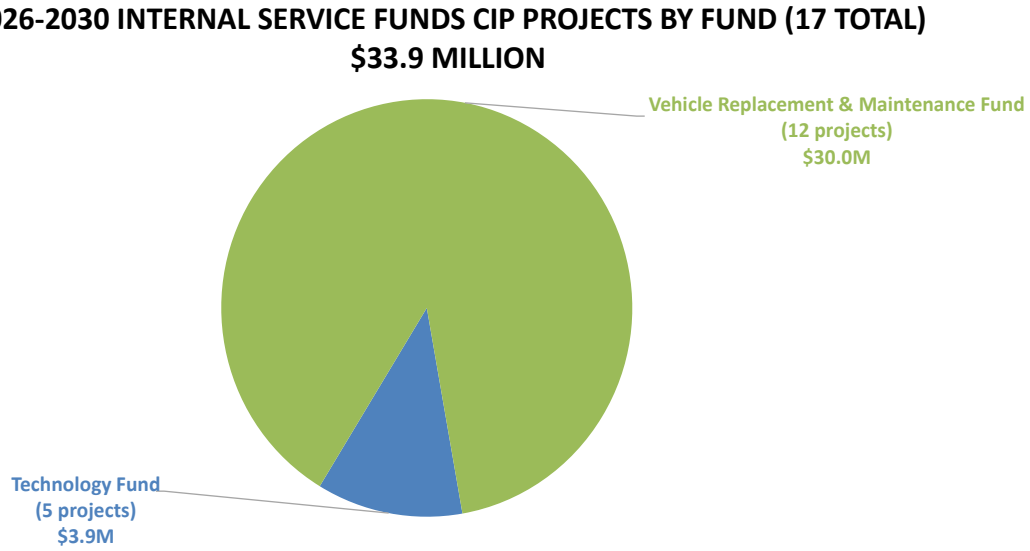
There is one new project programmed in the Wastewater Treatment Fund for the 2026-2030 CIP under the category of Administration:

- Wastewater Treatment Fund Administration (WQ-26000): FY 2026: $0.5 million; 5-Year CIP: $2.8 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in this new project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about this project and other projects in the Wastewater Treatment Fund can be found in the Wastewater Treatment Fund section of this document.

INTERNAL SERVICE FUND CAPITAL IMPROVEMENT PROJECTS

Internal Service Funds account for activity that provides goods or services to other funds, departments, or agencies within the City. Of the City's Internal Service Funds, the Technology Fund and Vehicle Replacement and Maintenance Fund have capital projects programmed in the 2026-2030 CIP. The 2026-2030 CIP expenditures in the Technology Fund total $3.9 million, with $3.8 million allocated in FY 2026. The 2026-2030 CIP expenditures in the Vehicle Replacement Fund total $30.0 million, with $11.9 million allocated in FY 2026.



Technology Fund

Technology Fund projects enhance service delivery to the community and City staff through efficient and effective implementation of information technology solutions. Of the $3.8 million in funding for FY 2026, $3.2 million is recommended to be reappropriated from FY 2025 for continuation of the projects in FY 2026. Major projects in the 2026-2030 CIP include:

- City Council Chambers Upgrade (TE-19001)
- Enterprise Resource Planning Upgrade (TE-19000)
- IT Data Center Upgrade (TE-25000)

More information about these and other technology-related projects can be found in the Technology Fund section of this document.

Vehicle Replacement Fund

Vehicle Replacement and Maintenance Projects provide funding for the maintenance and replacement of City vehicles and heavy equipment to ensure safe, reliable, and efficient use of resources. Of the $11.9 million in funding for FY 2026, $7.6 million is recommended to be reappropriated from FY 2025 for continuation of the projects in FY 2026. To maintain a regular replacement schedule efficiently, staff has been standardizing the process for determining the replacement value and timing.

There are two new projects programmed in the Vehicle Replacement Fund for the 2026-2030 CIP, one under the category of Administration and one under the category of Vehicle and Equipment Replacement:

- Scheduled Vehicle and Equipment Replacement-Fiscal Year 2030 (VR-30000): 5-Year CIP: $4.1 million
- Vehicle Fund Administration (VR-26001): FY 2026: $0.6 million; 5-Year CIP: 3.1 million

Effective with the FY 2026 Capital Budget, staff salary and benefit estimates will be budgeted in the new Administration project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs will continue to be charged to and reflected in projects. More information about the two new projects and other projects in the Vehicle Replacement Fund can be found in the Vehicle Replacement Fund section of this document.



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INTRODUCTION



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Budget Acknowledgments

Department Budget Coordinator

Community Services
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Fire
Amber Cameron

Information Technology
Sherrie Wong

Library
Sarah Wilson

Office of Transportation
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Julia Wright (Special Assistance)
Ripon Bhatia (Special Assistance)
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Kyle Anderson (Special Assistance)
Rebecca Chan (Special Assistance)

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Capital Improvement Plan Review Committee

Ed Shikada
Kiely Nose
Lauren Lai
Brad Eggleston
Holly Boyd
Kristen O'Kane
Naomi Hsu
Paul Harper

CIP ORGANIZATIONAL CHART

Public Works
Managed Projects

CUBBERLEY—0.15
0.05-Project Manager
0.10-Senior Engineer

STREETS — 5.75
0.25-Administrative Associate III
0.12-Assistant Director
1.00-Associate Engineer
0.25-Engineer
0.68- Inspector, Field Services
0.40-Management Analyst
1.20-Project Engineer
0.15-Project Manager
0.70-Senior Engineer
0.45-Supv Inspector/Surveyor PW
0.55-Surveyor

PARKS AND LANDSCAPE — 3.22
0.25-Administrative Associate III
0.12-Assistant Director
0.40-Engineer
0.90-Lanscape Architect/Park Planner
0.20-Management Analyst
0.40-Project Engineer
0.15-Project Manager
0.80-Senior Engineer

SIDEWALK— 3.89
0.12-Assistant Director
0.74-Cement Finisher-Lead
1.15-Engineer
0.53-Inspector, Field Services
0.50-Manager Maintenance Operations
0.25-Project Engineer
0.20-Project Manager
0.20-Senior Engineer
0.20-Supv Inspector/Surveyor PW

STRUCTURES AND GROUNDS —9.52
0.50-Administrative Assistant
0.30-Administrative Associate III
0.36-Assistant Director
0.70-Engineer
0.50-Engineering Technician III
0.10-Facilities Manager
0.30-Management Analyst
0.15-Manager Maintenance Operations
4.32-Project Engineer
0.85-Project Manager
1.44-Senior Engineer

STORMWATER MANAGEMENT — 2.17
0.20 Administrative Associate III
0.80-Engineer
0.10-Management Analyst
0.65-Project Engineer
0.30-Senior Engineer
0.12-Surveyor

VEHICLE REPLACEMNT — 2.60
0.15-Assistant Fleet Manager
0.25-Fleet Manager
0.60-Fleet Service Coordinator
0.50-Management Assistant
0.10-Motor Equipment Mechanic–Lead
0.50-Motor Equipment Mechanic II
0.50-Project Manager

WASTEWATER TREATMENT— 1.30
0.10-Assistant Manager, WQCP
1.20-Senior Engineer

AIRPORT — 0.75
0.25-Airport Specialist II
0.50-Manager Maintenance Operations

Total: 29.35FTE

Utilities
Managed Projects

0.40-Asst Director Util Engineering
0.10-Cathodic Protection Tech. Asst
0.10-Cathodic Technician
0.35-Contracts Administrator
0.60-Coordinator Utilities Projects
1.50-Electric Assistant I
0.19-Electric Heavy Equipment Operator
5.03-Electric Project Engineer
1.00- Electrician Lead
1.37-Electric Underground Inspector
0.18-Elec Underground Inspector-Lead
2.89-Engineer
0.60-Engineering Technician III
0.54-Equipment Operator
0.25-Gas and Water Meter Measurements Control Technician
2.52-Heavy Equip Oper/Install Rep
2.67-Inspector, Field Services
4.19-Lineperson/Cable Specialist
2.54-Lineperson/Cable Specialist-Lead
0.03-Metering Technician
0.05-Metering Technician-Lead
1.00-Overhead/Undergrd Troubleman
2.63-Project Engineer
1.00-Senior Buyer
4.12-Senior Electrical Engineer
2.42-Senior Engineer
0.20-St Light/Traffic/Fiber Tech
0.10-St Light/Traffic/Fiber-Lead
1.32-Substation Electrician
0.56-Substation Electrician-Lead
3.59-Utility Engineer Estimator
0.66-Utility Engineer Estimator-Lead
0.59-Utility Install Repair-Lead-Welding Certified
0.54-Utility Install Repair-Welding Certified
3.75 Utility Install/Repair
1.06-Utility Install Repair-Lead
0.76-Utility Locator
2.82-Utility Supervisor
0.40-Utility System Analyst
0.62-Water System Operator II
1.42 WGW Heavy Equipment Operator

Total: 56.66 FTE

Office of Transportation
Managed Projects

0.15-Administrative Assistant
0.35-Associate Planner
0.65-Associate Engineer
0.30-Chief Transportation Official
0.30-Coordinator Public Works Projects
0.60-Engineer
0.30-Parking Operations-Lead
0.60-Planner
2.65-Project Engineer
0.05-Project Manager
1.40-Senior Engineer
0.15-Senior Management Analyst
2.30-Senior Planner
0.45-Transportation Planning Manager

Total: 10.25 FTE

Community Services
Managed Projects

1.00-Coordinator Public Works Projects

Total: 1.00 FTE

Administrative Services
Managed Projects

0.60-Contracts Administrator
0.60-Senior Management Analyst

Total: 1.20 FTE

FY 2026 POSITION TOTALS
Administrative Services - 1.20
Community Services - 1.00
Office of Transportation - 10.25
Public Works - 29.35
Utilities - 56.66
Total Full-Time - 98.46

Capital Budget and Five-Year Capital Improvement Plan

The annual capital budget and five-year Capital Improvement Plan (CIP) is a spending plan for the City's infrastructure needs, which is based on the City Council priorities listed below. The City Council approved multi-year funding plans, such as the infrastructure keep-up and catch-up plan recommended by the Infrastructure Blue Ribbon Commission (December 2011), as well as the City Council 2014 Infrastructure Plan (June 2014). The review of the capital budget and five-year CIP is structured around public hearings conducted prior to City Council adoption.

City Council Top Priorities

At the start of the City's budget process, the City Council determines its main priorities for the upcoming budget period. The priorities guide both budget development and department priority-setting. The public has the opportunity to provide input into this process as well as during the budget review by the Finance Committee and City Council. The following are the City Council's Top Priorities for 2025, adopted in January 2025:

- Implementing Housing Strategies for Social and Economic Balance
- Climate Action & Adaptation, and Natural Environment Protection
- Economic Development & Retail Vibrancy
- Public Safety, Wellness & Belonging

Budget Preparation

The City's annual budget process begins in September with the development of the base budget and concludes in August with the release of the adopted budget. The operating and capital budgets are developed on behalf of the City Manager, in consultation with senior management and the Director of Administrative Services, by the Administrative Services Department's Office of Management and Budget (OMB) utilizing the following main sources of information:

- The City Council's top priorities and other City Council directives, such as the 2014 Infrastructure Plan
- Organizational financial status and budgetary guidelines
- Service level and infrastructure prioritization, as identified by the City Manager
- Community input (e.g. Infrastructure Blue Ribbon Commission)
- The City's policies regarding land use and community design, transportation, housing, natural environment, business, and economics, as outlined in the Comprehensive Plan.

Capital Budget Calendar

SEPTEMBER

The capital budget process begins with the preparation of the capital budget guidelines and calendar by the Administrative Services Department's Office of Management and Budget (OMB). The budget guidelines are then distributed to all departments.

OCTOBER/NOVEMBER

Departments review the prior year five-year CIP. Based on the previously outlined information sources, changes to the prior year budgets are developed by the respective departments managing the City's infrastructure assets: Utilities, Information Technology, Community Services, Public Works, Office of Transportation, and Administrative Services. Changes to the CIP might include: addition of new projects, deletion of planned projects, reprioritization of planned projects, alternative funding strategies, and revision of project costs or timelines. Revisions of project costs reflect a review of potential variables such as, but not limited to, revised construction estimates, annual Consumer Price Index (CPI) increases, and known contractual increased costs.

DECEMBER/JANUARY

Departments submit capital infrastructure funding requests to the OMB. For General Fund funded project requests, OMB, in conjunction with Public Works, prepares an initial prioritization of requests based on the previously outlined information sources for consideration by the General Fund CIP Review Committee consisting of senior managers in Public Works, Community Services, Administrative Services, City Manager's Office and the Office of Transportation.

JANUARY/FEBRUARY

The General Fund CIP Committee reviews the General Fund capital budget submissions to ensure that the proposed projects align with the City Council's Top Priorities and other City Council directives, can be funded with available resources, and are aligned in the five-year plan to maximize City resources.

MARCH

The City Manager reviews and makes final decisions on the proposed capital budget and five-year Capital Improvement Program.

APRIL/MAY

Staff solicits input from the Planning and Transportation Commission on the proposed CIP, which reviews the CIP as it relates to the Comprehensive Plan. Comments from the PTC and staff response to comments from the PTC are reported during the public budget hearings.

MAY/JUNE

The City Manager releases and presents the proposed CIP to the City Council and posts the budget documents on the City's website. Through a series of public hearings the budget is discussed and amendments are proposed. Final adoption occurs at a public hearing in June. All changes made during the public hearings are incorporated into the adopted budget document, which is distributed to City libraries and posted on the City's website.

Capital Project Criteria

The following are criteria for qualification as a capital project:

- Must have a minimum cost of $50,000 for each stand-alone unit or combined project.
- Must have a useful life of at least five to seven years (the purchase or project will still be functioning and not be obsolete at least five to seven years after implementation).
- Must extend the life of an existing asset or provide a new functional use for an existing asset for at least five years, for example extensive roof rehabilitations. These improvements are distinguished from ongoing maintenance work that may extend the life of the asset but is done on a routine basis.

Project Prioritization Selection Criteria

As part of developing the capital budget, staff must prioritize how to allocate limited resources over a variety of competing needs and demands. Projects and funding levels are prioritized utilizing several criteria, including:

- City Council priorities;
- Alignment with the City's Infrastructure Blue Ribbon Commission (IBRC) report and Infrastructure Plan;
- Health and safety implications;
- Historical spending levels; and
- Certainty over the feasibility, scope, and level of resources required.

In addition to the criteria outlined above, the prioritization of Enterprise Fund CIP projects is determined by the department that manages the Enterprise Fund, and planned using several more factors such as the department's operational needs, funding availability, CIP strategic plan, oversight committee direction, and specific City Council direction.

Continuing Projects

The City Council approved an amendment to Municipal Code Section 2.28.090, effective Fiscal Year 2016, that states City Council authorization is required for Capital funds to be carried forward from one fiscal year to the next, in a process called reappropriation. There are several opportunities for departments to make these requests. First, departments can request reappropriatons through the budget process. By estimating lower than budgeted expenditures in the current year, funds not anticipated to be spent in the current year but still required for the completion of the project are reflected in the first year of the five-year CIP. The Fund Narrative for each fund indicates the total amount of reappropriations included in this budget. Additionally, as part of the year-end closing actions, anticipated to be brought forward for City Council approval in the Fall, all projects will be reviewed to determine if additional adjustments to reappropriations are required.

Operating Budget Impact

The City uses the life cycle costing principle in planning for capital projects. All costs associated with a capital project, including operations and maintenance, will be included in the operating budget at the time of release of the applicable annual operating budget. Where and applicable, the CIP budget document identifies the amount of operating expense associated with the project.

Changes to the Adopted Budget

Administrative policies and the Palo Alto Municipal Code provide guidelines on budget transfers, the authorization necessary to implement transfers, and appropriations after the budget is adopted.

Budget Amendment

This is an adjustment to the total project appropriated amount which was not included in the original adopted budget. These supplemental appropriations are presented to City Council in an agenda report and must be approved by the City Council with a 2/3 majority.

Reasons for initiating a Budget Amendment include:

- Recognizing unanticipated revenue, which was not projected in the budget, and appropriating related expenditure in the year received.
- Changes in scope of work
- Higher than estimated costs
- Adding new projects to the budget due to an urgent need or City Council direction

Budgetary Basis

The budget is prepared in accordance with Generally Accepted Accounting Principles. The budget for governmental funds has been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures when the related fund liability is incurred. Revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Fund Structure and Accounting Basis

The accounts of the City are made up of funds that help organize and account for restricted resources. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts (comprised of assets, liabilities, fund equity, revenues, and expenditures), which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with regulatory requirements. The City has the following fund type categories:

Governmental Fund Types

The Governmental Funds include the General, Special Revenue, Debt Service, and Capital Project Funds. Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Proprietary Fund Types

The Proprietary Funds, which include the Enterprise and Internal Service Funds, are used to account for the City's business-type activities. Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fiduciary Fund Types

The Fiduciary Funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The City budget process does not include fiduciary funds.

Agency Fund Types

The Agency Funds are custodial in nature and do not involve measurement of results of operations. The City maintains three agency funds. The City budget process does not include agency funds.

Document Layout

The Capital Budget document provides readers with cost estimates, methods of financing, and project schedules for the City of Palo Alto's CIP for the next five years as well as estimates for current year activity.

The document is organized by fund with each fund section containing the following elements:

- Capital Projects Fund Overview: A narrative for every fund is included in this document, which includes historical expenditure levels, budget comparisons to prior years, a summary of the infrastructure related to that particular fund, and a discussion of major capital projects grouped by category. Additionally, this section includes statistical information regarding the program such as miles of gas mains or number of vehicles in the City fleet.
- Project Detail Pages: After each fund summary, the reader finds information for each capital project, both recurring and non-recurring projects. The project pages include information regarding the project completion schedules (initial and revised), descriptions, justifications, a summary of significant changes to the cost or schedule of a project, revenue and expense information by fiscal year, and operating budget impacts for each project. This allows for the total cost of a project to be detailed. The information in the project detail pages is discussed further below.
- Project Maps: For the Adopted Capital Improvement Fund and the various Enterprise Funds, a map is included which shows the location of projects, for projects that have a singular defined location.

At the end of the document, the reader will find a Glossary which defines frequently used terms.

Understanding the Details

Project Numbering Sequence

The project number contains seven characters. The first two are letters related to the managing department or fund. The next two digits relate to the fiscal year in which the project first received funding or was identified. The final three numbers are system-generated. For example, with project PE-17006, the "PE" denotes Public Works Engineering, the "17" indicates Fiscal Year 2017 funding, and the "006" is the sequential project number. The "Managing Department or Fund" table can be used as a reference for the two-character alpha portion of the project number.

Project Code	Managing Department or Fund
AC	Arts & Culture
AP	Airport Fund
AS	Administrative Services
CB	Cubberley Fund
EL	Electric Fund
FD	Fire Department
FO	Fiber Optics Fund
GS	Gas Fund
LB	Library Department
OS	Open Space
PD	Police Department
PE	Public Works Engineering
PF	Public Works Facilities
PG	Parks & Golf Course
PL	Office of Transportation
PO	Public Works Operations
SD	Stormwater Management-Fund
TE	Technology Fund
VR	Vehicle Fund
WC	Wastewater Collection Fund
WQ	Wastewater Treatment Fund
WS	Water Fund

Project Information

The project detail pages include the following information:

- Fund – refers to the fund where the project is budgeted.
- Category – describes the type of activity that the project aligns to within the fund. A table at the end of this section provides a summary of the categories assigned to the various funds.
- Project Location – describes the location or area that will be improved as a result of the project.
- Managing Department – refers to the department or office that is responsible for the delivery of the project.
- IBRC Reference – refers to nomenclature devised by the Infrastructure Blue Ribbon Commission (IBRC) for certain General Fund projects; "keep-up" refers to projects which address the annual maintenance of existing infrastructure; "catch-up" refers to projects which address deferred maintenance needs; "new" refers to projects which address needs not identified by "keep-up" or "catch-up." This category only applies to General Fund projects after the release of the Final IBRC report in 2011.
- Initial/Revised Project Start/Completion – indicates what the initial schedule for the project was, as well as any subsequent changes.
- Project Description – provides the scope of work for the project.
- Project Justification – outlines the reasons why funding is required.
- Supplemental Information – provides additional information that may enhance the project description and justification.
- Significant Changes – provides an explanation of the changes to the initial schedule or budget for a project.

- Funding Sources Schedule – outlines the sources of funding for the project by fiscal year. Generally projects are not funded by a particular grant, fee, or transfer, but in instances where they are, these sources are indicated. In most cases, this section indicates the amount that the fund where the project is budgeted will contribute towards the project. This table also includes prior year revenues, a current year estimate, anticipated revenue beyond the five years of the CIP, and total revenue for the project.
- Expenditure Schedule – outlines the projected costs, by year for each project. Costs are broken into phases, such as design and construction, to indicate how the funds will be spent each year. This table also includes prior year expenditures, a current year estimate, anticipated expenditures beyond the five years of the CIP, and the total cost of the project. Effective with the FY 2026 Capital Budget, salary and benefit estimates for each fund will be held in the fund's Administration project rather than distributed across projects as was the practice from FY 2016 through FY 2025. However, actual salary and benefit costs, as charged to projects, will continue to be reflected in each project's prior year expenditures.
- Operating Impacts – describes estimated annual maintenance and operating costs associated with the project. Efforts have been made to include the operating cost impacts wherever possible. Maintenance costs include utilities, equipment maintenance or service, facilities maintenance or service, grounds/ landscape maintenance or service, custodial maintenance and others.
- Relationship to Comprehensive Plan – indicates how the project furthers the implementation of the Comprehensive Plan, citing specific Comprehensive Plan policies and programs. In instances where a secondary relationship to the Comprehensive Plan exists, this is notated as well.
- Potential Board/Commission Review – City Council-appointed advisory board, commission or ad hoc committee that has oversight responsibility on a project. A project may be reviewed by more than one board or commission. This body (bodies) provides the City Council input as to the merits of a project.
- Environmental Impact Analysis – indicates the California Environmental Quality Act (CEQA) status of the project and LEED status, if applicable.

CAPITAL FUNDS

CAPITAL IMPROVEMENT FUND

- Administration
- Building and Facilities
- Department Technology Upgrades
- Parks and Open Space
- Streets and Sidewalks
- Traffic and Transportation

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

- Administration
- Buildings and Facilities
- Parks and Open Space

ENTERPRISE FUNDS

AIRPORT FUND

- Administration
- Airport Apron, Runways, and Taxiways
- Airport Facilities

ELECTRIC FUND

- Administration
- Customer Connections
- System Improvements
- Underground Projects

FIBER OPTICS FUND

- Administration
- Capacity Improvements
- Customer Connections

GAS FUND

- Administration
- Customer Connections
- Gas Main Replacements
- System Improvements

STORMWATER MANAGEMENT FUND

- Administration
- Capacity Improvements
- System Improvements
- System Rehabilitation

WASTEWATER COLLECTION FUND

- Administration
- Customer Connections
- System Improvements

WASTEWATER TREATMENT FUND

- Administration
- Buildings and Facilities
- System Improvements

WATER FUND

- Administration
- Customer Connections
- System Improvements
- Water Main Replacements

INTERNAL SERVICE FUNDS

TECHNOLOGY FUND	VEHICLE REPLACEMENT FUND
• Citywide Technology Upgrades and Improvements • Department Technology Upgrades and Improvements	• Administration • Fleet Infrastructure Improvements • Vehicle and Equipment Replacement

BUDGET AWARD



California Society of Municipal Finance Officers

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Fiscal Year 2024-2025

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February 7, 2025

Ernie Reyna
2024 CSMFO President

James Russell-Field, Chair
Recognition Committee

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FINANCIAL SUMMARY



CITY OF
PALO
ALTO

Summary of CIP Revenue

Revenue Source ($000s)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
Capital Improvement Funds						
Transfer from General Fund	34,189	36,588	38,820	41,121	42,483	193,201
Gas Tax	3,478	3,478	3,478	3,478	3,478	17,392
Impact Fees/In-Lieu Fees	14,582	845	2,304	395	1,125	19,252
Federal, State, and Local Agencies	12,745	15,277	23,023	21,989	21,596	94,630
Transfer from Parking Funds	147	175	280	260	210	1,072
Transfer from Other Funds	149	-	-	-	-	149
Total Capital Improvement Funds	**$65,290**	**$56,364**	**$67,906**	**$67,244**	**$68,892**	**$325,695**
Enterprise Funds						
Utility User Fees and Charges	17,025	9,090	3,918	3,918	3,967	37,918
Debt Financing	38,500	26,495	22,200	148,000	11,000	246,195
Federal, State, and Local Agencies	10,507	8,500	1,235	1,350	5,615	27,206
Transfer from Other Funds	362	373	6,888	6,900	422	14,944
Total Enterprise Funds	**$66,394**	**$44,458**	**$34,241**	**$160,168**	**$21,003**	**$326,264**
Internal Service Funds						
Transfer from General Fund	2,442	2,442	2,442	2,442	2,442	12,209
Transfer from Other Funds	1,830	1,720	1,720	1,685	1,660	8,617
Total Internal Services Funds	**$4,272**	**$4,162**	**$4,162**	**$4,127**	**$4,102**	**$20,826**
Total Capital Improvement Program	**$135,956**	**$104,984**	**$106,309**	**$231,539**	**$93,997**	**$672,786**

Capital Improvement Funds

Transfer From General Fund

The capital improvement funds category includes two funds: the Capital Improvement Fund and the Cubberley Property Infrastructure Fund. To support essential infrastructure such as repairs to the City's roads, parks and open space, and facilities, the Capital Improvement Fund receives an annual base General Fund transfer and revenue from Transient Occupancy Taxes (TOT). Two voter-approved increases to TOT, in November 2014 and November 2018, totaling 3.5 percent of TOT revenue, were identified by the City Council as a funding source to support infrastructure needs, as was TOT funding from new hotels built after January 2015. Revenue generated from TOT is transferred to support budgeted Infrastructure Plan projects and repayment of debt financing used to fund two of the Infrastructure Plan projects, the California Avenue Parking Garage (PE-18000) and the New Public Safety Building (PE-15001).

Fund-level General Fund transfers to the Capital Improvement Fund total $29.4 million in FY 2026 and $167.8 million in the 2026-2030 CIP. The FY 2026 figure includes a General Fund base transfer of $14.0 million, revenue anticipated from the Council-directed TOT funding of $14.3 million, and estimated interest earnings in the Capital Improvement Fund of $1.1 million.

Additionally, some projects receive direct transfers from the General Fund. Annually, a combined $1 million of Utility User Tax is transferred into the Sidewalk Repairs (PO-89003) and Street Maintenance (PE-86070) projects. In the 2026-2030 CIP, two rail grade separation projects, Meadow Drive and Charleston Road (PL-24000) and Churchill Avenue (PL-24001), will receive direct transfers of Measure K Business Tax revenue from the General Fund, with a combined $1.0 million in FY 2026 and $8.0 million over the five years of the CIP. The Bicycle and Pedestrian Transportation Plan Implementation project (PL-04010) will also receive Measure K, with transfers of $0.9 million in FY 2026 and $2.9 million over five years.

The Cubberley Property Infrastructure Fund will continue to be supported by an annual $1.8 million transfer of Utility User Tax from the General Fund in FY 2026 and $9.3 million in the 2026-2030 CIP, negotiated with PAUSD and approved by the City Council as part of the new Cubberley Lease Agreement (Report #2410-3651).

Gas Tax

The Gas Tax Fund accounts for revenues received from the State gas tax and Federal and State grants earmarked for street improvements. Use of these funds is restricted to maintenance of the road network system of the City, including sidewalks. Transfers from the Gas Tax Fund support operating expenses for streets and sidewalks, as well as the Street Maintenance (PE-86070) project. While the majority of revenues in the Gas Tax Fund come from the State's Highway Users Tax Account (HUTA), the passage of S.B. 1 for Road Maintenance and Rehabilitation provides additional revenue averaging $1.4 million annually which is used to support the Street Maintenance (PE-86070) project.

Impact Fees/In-Lieu Fees

Community development funds are collected from developers and provide funding for the City's infrastructure related to community centers, libraries, parks, public facilities, and transportation. The City Attorney provides guidance on whether a project qualifies for these sources of funding. In the 2026-2030 CIP, Parkland Dedication Fees collected under the Quimby Act will support the Byxbee Park (PE-18006) and Rinconada Pool Family Changing Room (PE-24004) projects; and Parks Impact Fees collected to fund the acquisition of land and improvements for neighborhood and district parks will support the Dog Park Installation and Renovation (PG-18001) and Park Restroom Installation (PG-19000) projects. Traffic Impact Fees are programmed to support the Traffic Signal and Intelligent Transportation Systems (PL-05030) project, which maintains traffic safety and improves roadway operations including the reduction of roadway congestion with traffic signal retiming projects. Library Impact Fees are programmed to fund the Library Automated Material Handling (LB-21000) project. Lastly, transfers from the Downtown Parking In-Lieu Fund to the Capital Improvement Fund will support the costs associated with the Downtown Parking Garage (PE-15007) project.

Federal, State, & Local Agencies

The City partners with other agencies, including other government entities, to provide support to certain capital projects. This revenue is typically provided as reimbursement grants or direct transfer payments.

The City is expected to receive approximately $12.7 million from other agencies in support of projects in the capital improvement funds in FY 2026, and $94.6 million in the 2026-2030 CIP. A major portion of this revenue, $80.7 million, is for three of the four rail grade separation locations programmed into the Meadow Drive and Charleston Road (PL-24000) and Churchill Avenue (PL-24001) Railroad Grade Separation and Safety Improvement projects.

This revenue category includes discretionary Measure B Local Streets and Roads (LSR) funding from the Santa Clara Valley Transportation Authority (VTA). LSR is intended for road system maintenance and repair, but because the City of Palo Alto has a Pavement Condition Index (PCI) score of at least 70, it may also use the

funds for congestion relief projects and programs. In FY 2026, approximately $1.0 million of LSR is budgeted to support operating staff for the Safe Routes to School (SRTS) Secondary School Program as well as three capital projects: Traffic Signal and Intelligent Transportation Systems (PL-05030), Transportation and Parking Improvements (PL-12000), and Traffic Intersection Accessibility Improvement (PL-25001). An additional $1.7 million is programmed in the remaining four years of the CIP to support PL-05030 and operating SRTS staff.

Transfer from Parking Funds

Over the 2026-2030 CIP, $1.1 million is expected to be transferred from the City's parking funds for the University Avenue Parking Improvements (PF-14003) project and the Charging Stations Repair and Maintenance (PF-26001) project.

Transfer from Other Funds

Transfers to the capital improvement funds from other funds besides the ones discussed above may occur for a number of reasons. If enterprise or internal service funds benefit from a project in one of the capital improvement funds, those funds may be charged a proportional share of the project's costs. Additionally, some funds, such as the Community Development Block Grant (CDBG) and Stanford University Medical Center (SUMC) Funds, may serve as grantors for qualifying projects. For example, in the 2026-2030 CIP, the Fire Station 4 (PE-18004) project will receive CDBG funds for work on Americans with Disabilities Act (ADA) ramp improvement. For additional information about these funds, please refer to the Special Revenue Funds section of the FY 2026 operating budget document.

Enterprise Funds

The City of Palo Alto has nine enterprise funds that are managed by the Public Works and Utilities Departments. The Airport, Refuse, Stormwater Management, and Wastewater Treatment Funds are collectively referred to as the "Public Works Funds," while the Electric, Fiber Optics, Gas, Water, and Wastewater Collection Funds are collectively referred to as the "Utilities Funds." Enterprise funds operate on a full cost recovery basis. Accordingly, all costs related to operations and capital projects are recovered through utility rate charges. For additional information about the Fiscal Year 2026 utility rate increases, please refer to the Enterprise Funds Summary section of the FY 2026 operating budget document.

Utility User Fees and Charges

Certain CIP projects in the enterprise funds are supported by user fees. Included in this category are certain charges to telecommunication and cable television companies pertaining to undergrounding projects. The list of projects funded by user fees and the description of each user fee are summarized in the table below.

Enterprise Fund	Project Name	User Fee	CIP Plan Revenues	Description
Electric Fund	Electric Customer Connections (EL-89028)	Connection Fees	$8,500,000	Cover services for installation, transformers, meters for new customers, upgrading of existing customers and temporary service connection. For a list of other services refer to Utility Rate Schedule E-15.
Electric Fund	Wood Pole Replacement (EL-19004)	Telecommunication Rental Fees	$750,000	Shared cost for telecommunication access to utility poles.
Fiber Optics Fund	Fiber Optic Customer Connections (FO-10000)	Fiber Optic License Fees	$1,000,000	Cover installation of fiber optic infrastructure for new service connections. For a list of other services refer to Utility Rate Schedule EDF-1.

SUMMARY OF CIP PROGRAM REVENUE

Enterprise Fund	Project Name	User Fee	CIP Plan Revenues	Description
Gas Fund	Gas System, Customer Connections (GS-80017)	Connection Fees	$2,500,000	Cover services for distribution system extension, service connection, meter charges and relocation. For a list of other services refer to Utility Rate Schedule G-5.
Wastewater Collection Fund	Sewer System, Customer Connections (WC-80020)	Connection Fees	$10,665,400	Cover services for collection system extension, service connection, relocation of facilities and manholes. For a list of other services refer to Utility Rate Schedule S-5.
Water Fund	Water System, Customer Connections (WS-80013)	Connection Fees	$14,503,090	Cover services for distribution system extension, service connection, meter charges, capacity fees and fire hydrants. For a list of other services refer to Utility Rate Schedule W-5.

Debt Financing/Utility Revenue Bonds

In 2012, the Regional Water Quality Control Plant (RWQCP) created a Long-Range Facilities Plan to evaluate the infrastructure needs at the RWQCP with regards to future regulations, replacement and rehabilitation needs, site planning, and flow and load projections. Due to the large expense of the major projects included in the 2026-2030 CIP, the RWQCP will require debt financing. Some of these projects include the Headworks Facility Replacement (WQ-16002) with estimated financing needs of $101.6 million, a New Laboratory and Environmental Services Building (WQ-14002) with estimated financing needs of $16.5 million, and the Outfall Line Construction (WQ-19000) with estimated financing needs of $17.8 million. Staff received approval from the City Council to pursue revenue bonds for these projects (Report #10011) and will return to Council once the debt financing mechanism, State Revolving Fund (SRF) Loan, revenue bonds, or a blend of both, is determined.

In the Electric Fund, the Grid Modernization for Electrification project (EL-24000) will provide the City with an electric infrastructure adequate to support the City's goal of 100% electrification and 80% carbon emissions reduction by the year 2030. To attain the 100% electrification scenario, the electric system must be updated to meet the needs of electrification, and older components in the distribution infrastructure must be replaced to mitigate chances of overloading the system. This project is estimated to cost between $220 million and $300 million, with $139.0 million of the funding coming from debt financing and the remainder covered primarily by the Electric Fund through ratepayer revenue.

Federal, State, & Local Agencies

The City partners with other agencies, including other government entities, to provide support to certain capital projects. This revenue is typically provided as reimbursement grants or direct transfer payments, for example, funding from the Federal Aviation Administration (FAA) is recorded in the Airport Fund to offset 90% of the costs of Airport capital projects.

Transfer from Other Funds

Most of the enterprise funds are supported by rates, and the revenue is used for specific services provided by each fund. When a capital project supports multiple enterprise funds, the fund that manages the project is reimbursed through transfers from other funds to ensure that the project's costs are proportionally shared. An example of this type of project is the Water, Gas, Wastewater Utility GIS Data (WS-02014) project that benefits the Water, Gas, and Wastewater Collection Funds. The Water Fund manages the GIS project and the Gas and Wastewater Collection Funds reimburse the Water Fund for their share of the project cost.

Stormwater Management Fee

In April 2017, the Stormwater Management Fee was approved by a majority of property owners via a ballot-by mail process, establishing a base rate of $13.65 per Equivalent Residential Unit (ERU) per month along with a provision that the City Council could increase the rate on an annual basis by the local inflation rate, as measured by the Consumer Price Index (CPI), or six percent, whichever is less. Under the provisions of the ballot measure, the fee is recommended to increase by 2.4 percent, based on the local CPI increase, to $17.61 per ERU for Fiscal Year 2026. This fee is scheduled to sunset on June 1, 2032 unless extended through a subsequent ballot measure. Revenue from the fee is shown as Net Sales in the Stormwater Management Fund section of the operating budget document.

Partner Agencies

The Cities of Palo Alto, Mountain View, and Los Altos, along with the Town of Los Altos Hills, Stanford University, and the East Palo Alto Sanitary District (the partner agencies) participate jointly in the cost of maintaining and operating the City of Palo Alto Regional Water Quality Control Plant (RWQCP). The City of Palo Alto is the owner and the administrator of the RWQCP, and the partner agencies reimburse the City for their share of the cost of capital projects programmed to maintain or upgrade the RWQCP facilities. This reimbursement revenue from the partner agencies is shown as Net Sales in the Wastewater Treatment Fund section of the operating budget document.

Internal Service Funds

The General Fund, capital improvement funds, and enterprise funds provide funding for their share of capital projects in the internal service funds (ISF) through a cost allocation mechanism. Costs are allocated to the various funds based on proportional use of capital projects related to vehicle replacement and technology.

Transfer from General Fund

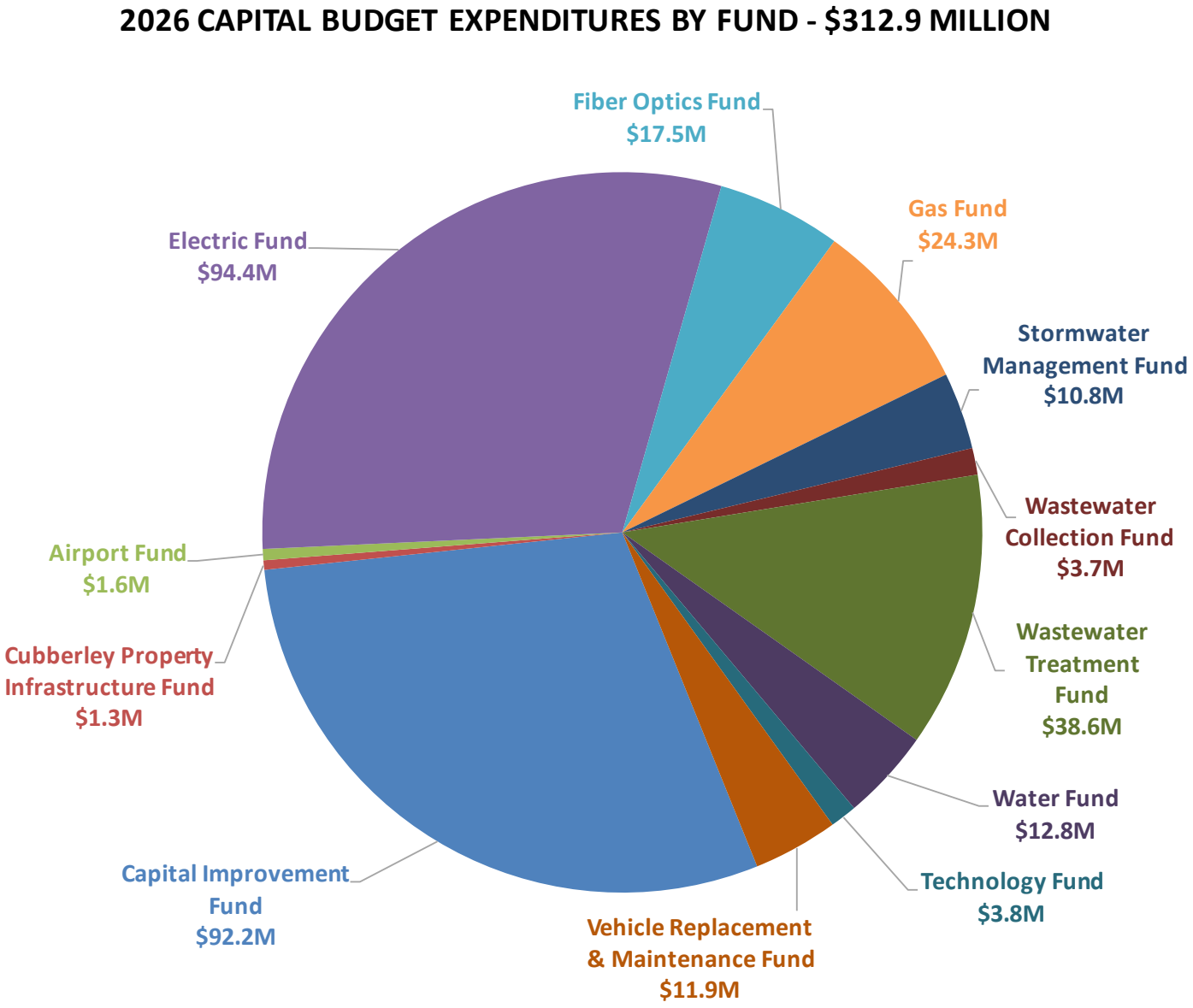
Transfers from the General Fund to the internal service funds are comprised mostly of funding for vehicle replacement costs in the Vehicle Replacement and Maintenance Fund. In the 2026-2030 CIP, the total General Fund transfer to the Vehicle Replacement and Maintenance fund is $12.2 million, or an average of $2.4 million annually.

Transfer from Other Funds

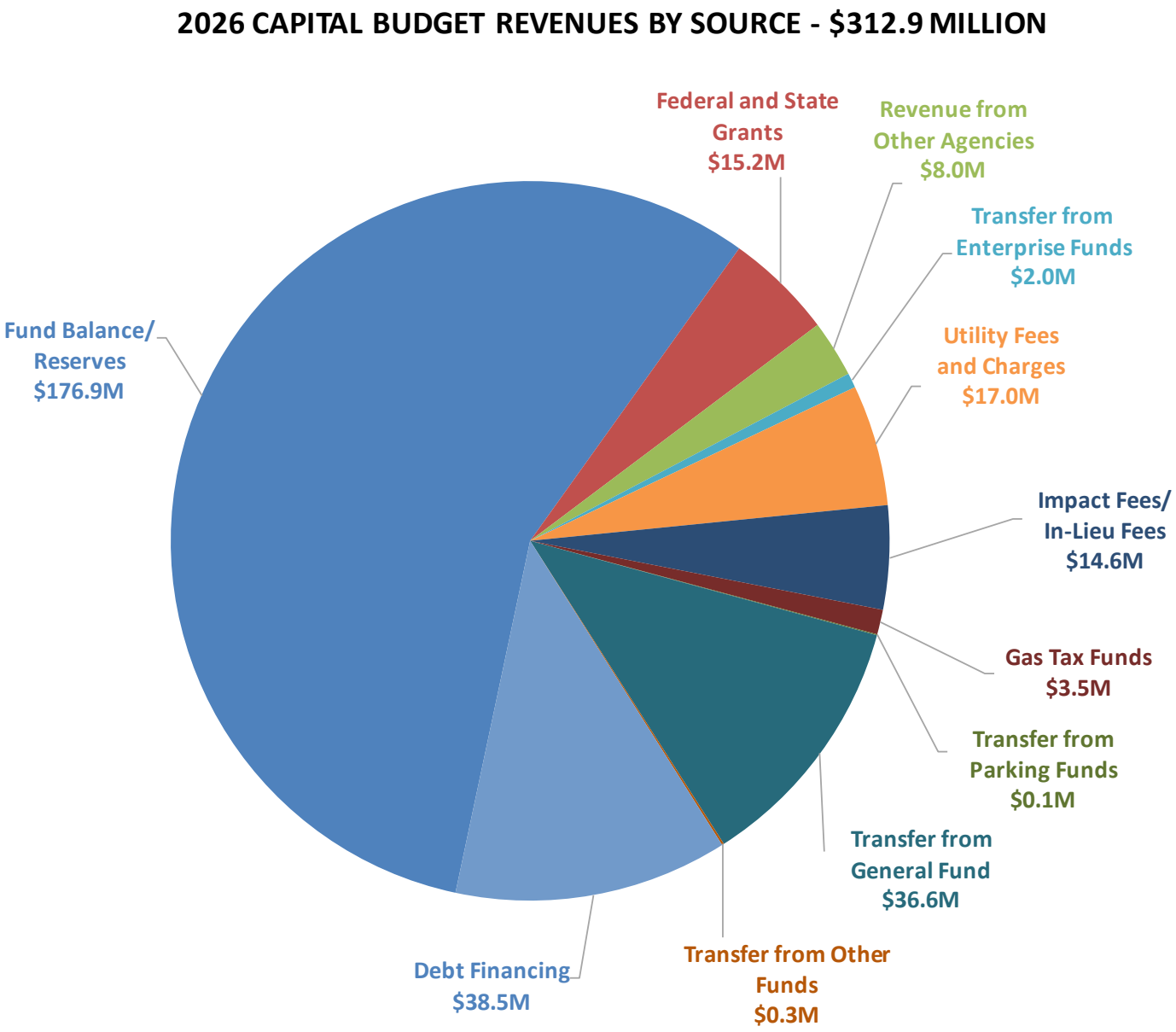
Transfers from other funds to the internal service funds are comprised mostly of funding for vehicle replacement costs in the Vehicle Replacement and Maintenance Fund. In the 2026-2030 CIP, the total transfer to the Vehicle Replacement and Maintenance fund is $8.4 million, or an average of $1.7 million annually.

Funding is also transferred to the Technology Fund for the Infrastructure Management System (TE-13004) project, with $0.2 million programmed over the five-year CIP.

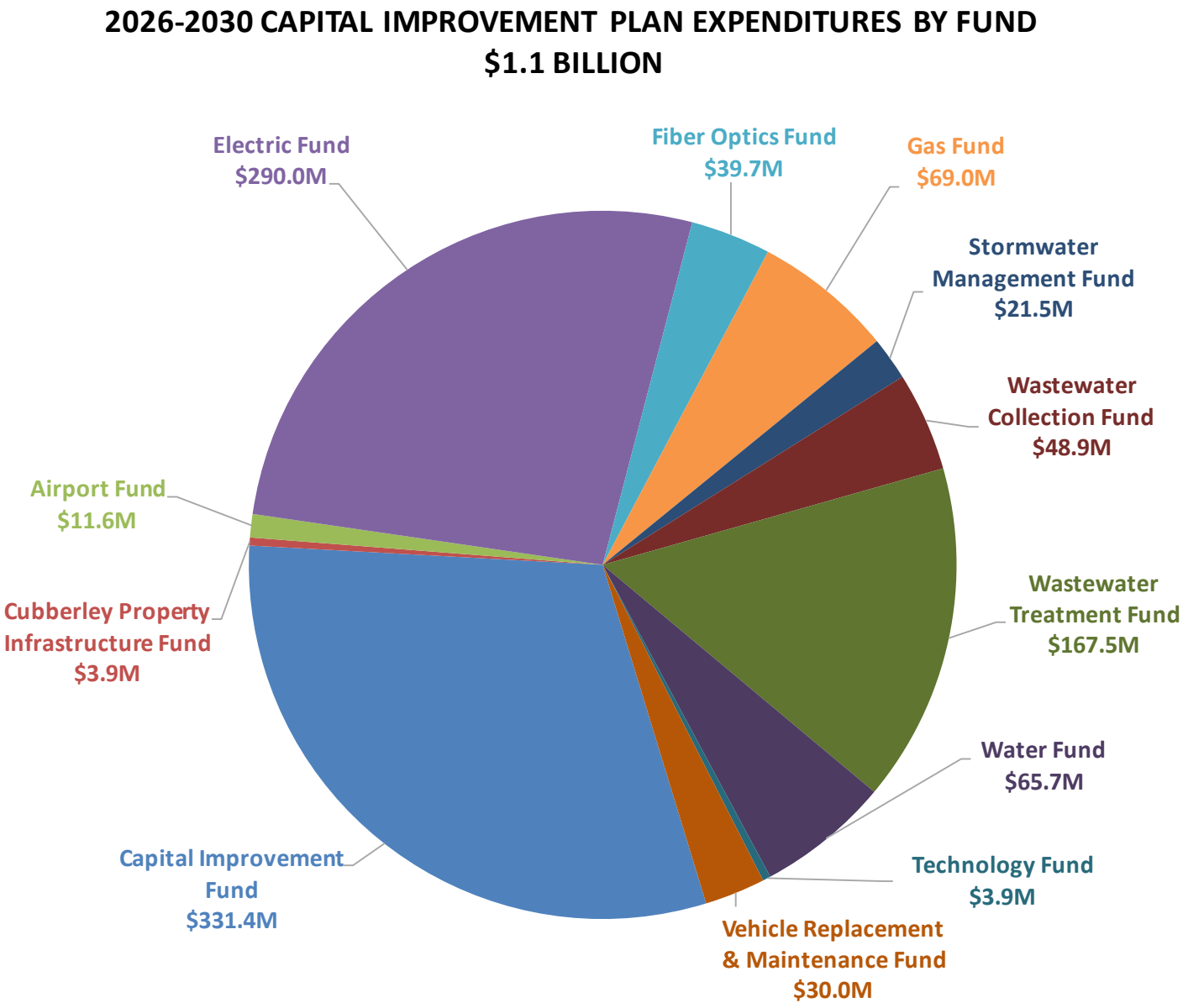
2026 Capital Budget Expenditures by Fund



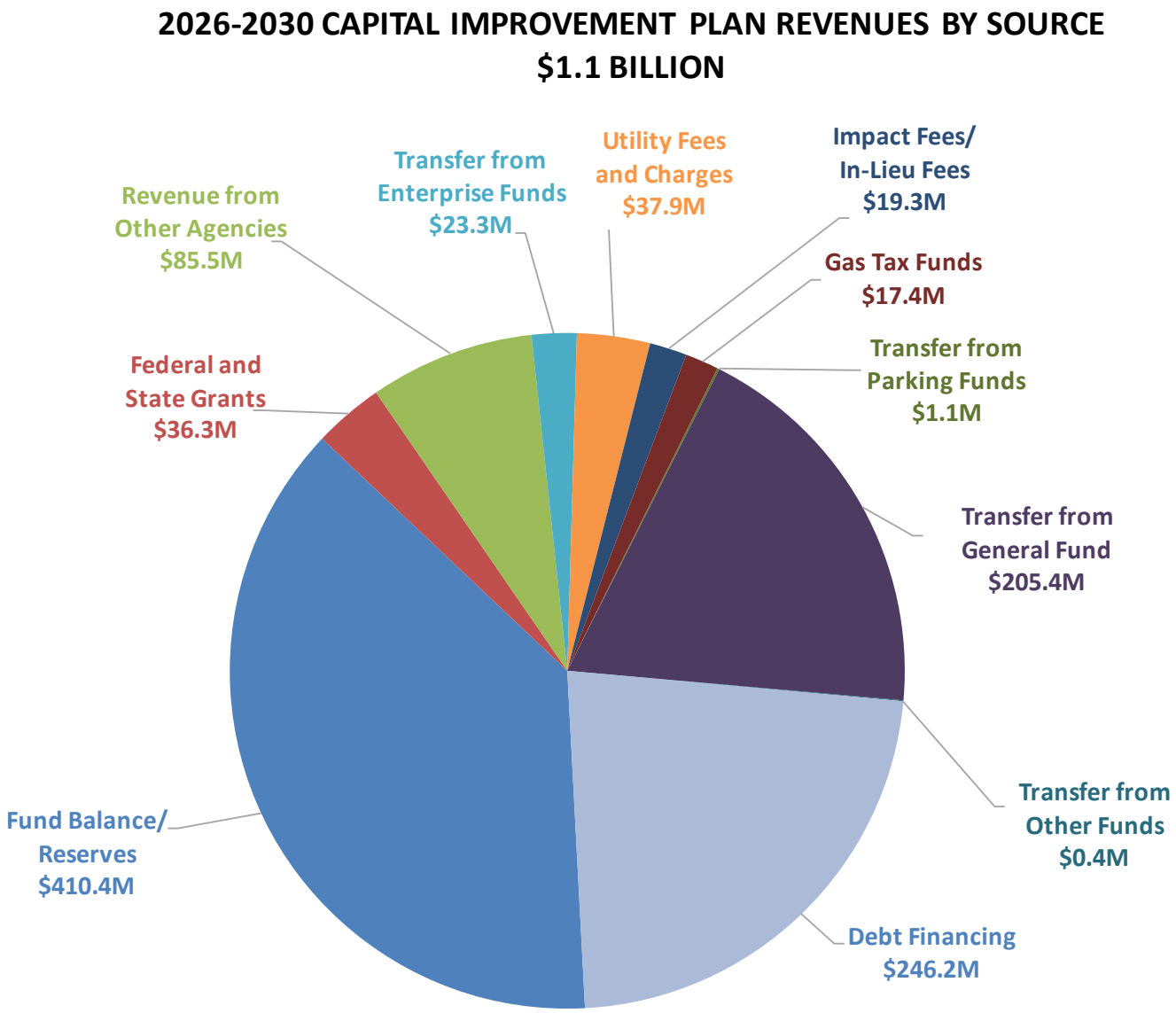
2026 Capital Budget Revenues by Source



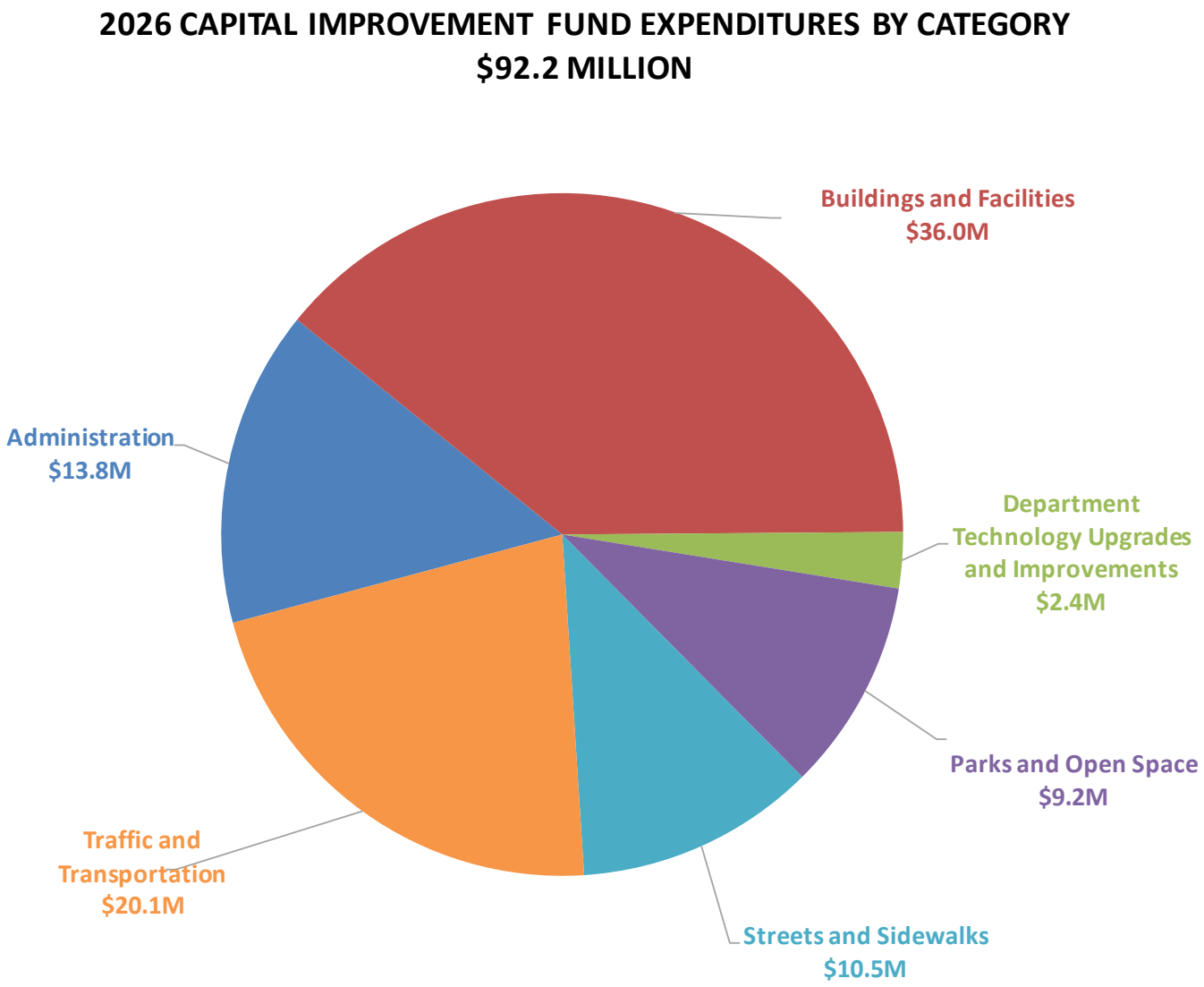
2026-2030 Capital Improvement Plan Expenditures by Fund



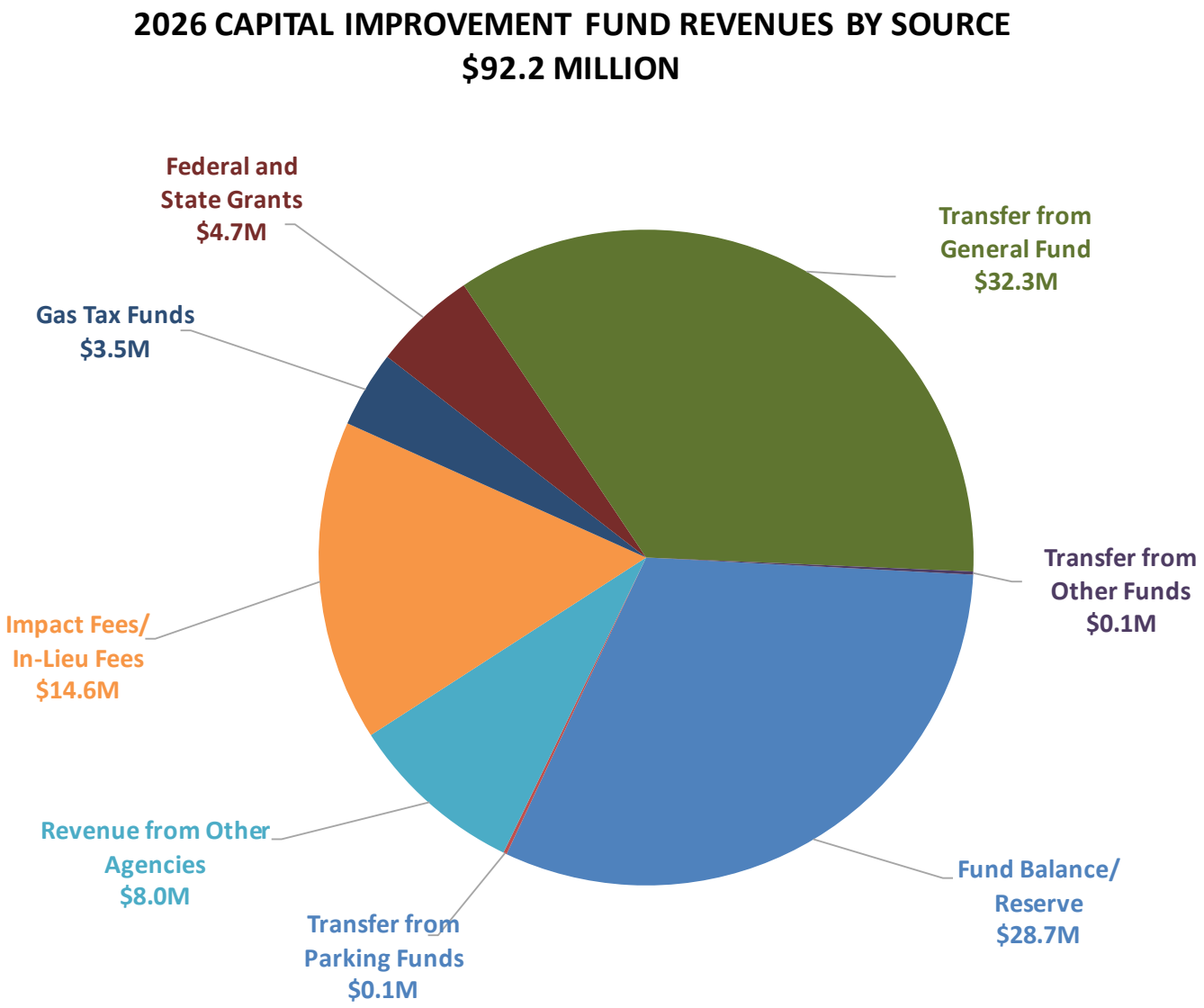
2026-2030 Capital Improvement Plan Revenues by Source



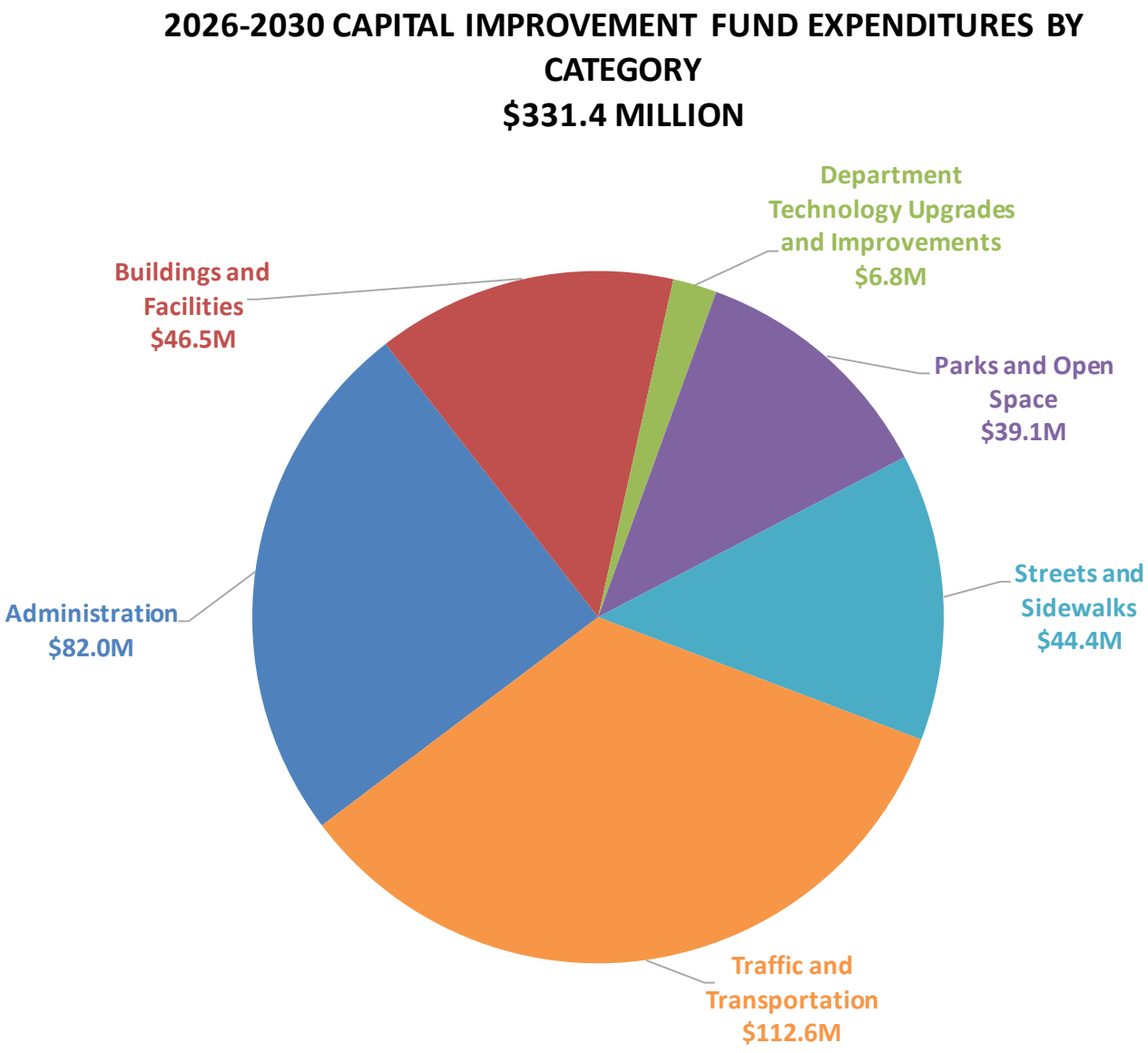
2026 Capital Improvement Fund Expenditures by Category



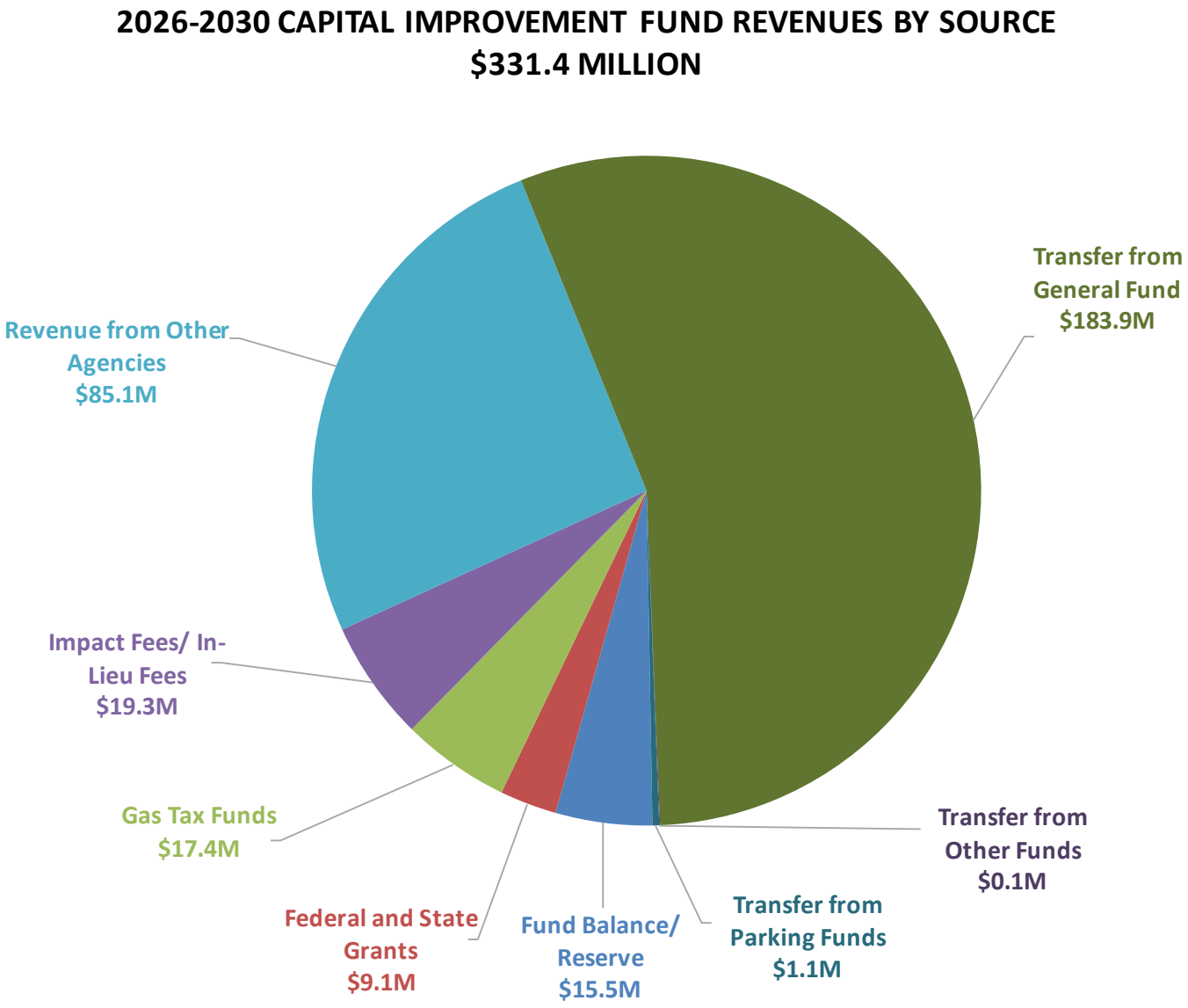
2026 Capital Improvement Fund Revenues by Source



2026-2030 Capital Improvement Fund Expenditures by Category



2026-2030 Capital Improvement Fund Revenues by Source



Summary of Debt Obligations

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
Governmental Activity Debt:						
General Long Term Obligations:						
2013A General Obligation Bonds						
2.00-5.00%, due 08/01/2041	20,695	11,180	-	525	10,655	-
Add: Unamortized Premium		539	-	31	508	31
2022A General Obligation Bonds						
5.00%, due 08/01/2040	34,435	33,330	-	1,380	31,950	1,445
Add: Unamortized Premium		4,192	-	261	3,931	261
2022B General Obligation Bonds						
4.00%, due 08/01/2028	2,110	2,110	-	-	2,110	495
Add: Unamortized Premium		38	-	9	29	9
2018 Capital Improvement Project Certificates of Participation						
2.20-4.22%, due 11/1/2047	8,970	7,985	-	205	7,780	215
2019 California Avenue Parking Garage Certificates of Participation, Series A & B						
2.5-5%, due 11/1/2048	37,370	34,365	-	720	33,645	760
Add: Unamortized Premium		3,914	-	193	3,721	193
2021 Public Safety Building Certificates of Participation						
2.125-5.00%, due 11/1/2050	101,505	99,370	-	2,245	97,125	2,360
Add: Unamortized Premium		5,823	-	216	5,607	216
Total Governmental Activity Debt	**$205,085**	**$202,846**	**$0**	**$5,784**	**$197,062**	**$5,984**
Business-type Activity Debt:						
Enterprise Long Term Obligations:						
Utility Revenue Bonds,						
2009 Series A, 1.80 - 4.65%, due 06/01/2035	35,015	20,445	-	1,420	19,025	1,485
2011 Series A, 3.00-4.00%, due 06/01/2026	17,225	2,785	-	1,370	1,415	1,415
Add: Unamoratized Premium		151	-	86	65	86
State Water Resources Loan						
2007, 0%, due 6/30/2029	9,000	2,250	-	450	1,800	450
2009, 2.6%, due 11/30/2030	8,596	3,515	-	464	3,051	476
2017, 1.8% due 5/31/2049	25,197	21,826	-	699	21,127	712
2021, 0.9% due 12/31/2053	19,400	13,998	2,507	-	16,505	496
2022, 0.8% due 7/28/2058	192,788	60,353	50,841	-	111,194	-
Total Business-type Activity Debt	**$307,221**	**$125,323**	**$53,348**	**$4,489**	**$174,182**	**$5,120**

City of Palo Alto Debt Policy

The City of Palo Alto recognizes the need for spending a prudent amount every year for ongoing capital replacement and rehabilitation needs. An ongoing capital improvement plan is vital to ensuring the future viability of services. To achieve this priority, the City funds its regular and ongoing capital needs primarily on a "pay-as-you-go" basis. There are, however, special or extraordinary capital improvement projects, refinancing of existing debt, and purchase of major and multiple pieces of equipment in which it is appropriate to consider debt financing. The City's Debt Policy establishes the guidelines to support the decision-making process for issuing debt.

DEBT POLICY GUIDELINES

The City's Debt Policy provides guidelines for refinancing existing debt; detailing the responsibilities of City staff engaged in issuing debt; delineating the debt instruments or vehicles (e.g. General Obligation Bonds or Certificates of Participation) the City can utilize; and describing situations in which tax-exempt and taxable

debt can be used. The depth and breadth of the policy serve to guide current and future staff. Below are highlights of the Debt Policy guidelines for the use of debt and other financing.

A. Debt may be judiciously used when some or all of the following conditions exist:

- Estimated future revenue is sufficient to ensure the payment of annual debt service.
- Other financing options have been explored and are not viable for the timely or economic acquisition or completion of a capital project.
- A capital project is mandated by federal or state authorities with no other viable funding option available.
- The capital project or asset lends itself to debt financing rather than pay-as-you-go funding based on the expected useful life of the project.
- Debt will not be used to fund ongoing operating expenses of the City except for situations in which cash flow problems arise and the City may need to issue short-term Tax or Revenue Anticipation Notes.
- Annual debt service shall not exceed 10% of annual operating expenses for the General Fund unless an exception is approved by City Council. For all other City funds annual debt service shall not exceed 15% of annual operating expenses unless an exception is approved by City Council.

B. Minimize borrowing costs by:

- Maximizing the use of existing resources for capital projects and equipment needs.
- Issuing tax-exempt debt except in instances where IRS regulations require taxable bonds.
- Striving to obtain the highest credit ratings possible.
- Maintaining a competitive bid process on bond sales except for situations in which negotiated or private placement sales meet City objectives. In negotiated or private placement sales, City staff will work with its Municipal Advisor (aka Financial Advisor) to review proposed interest rates and proposed fees.
- Ensuring that the type of debt and debt structure developed ensure advantageous marketing of each issue.

C. Linking debt to appropriate revenue sources and project users:

- When possible, tie project financing directly to users of a specific facility or use. Examples include renovation of the Golf Course where user fees can offset debt service or replacing gas mains where gas rates can be increased to cover debt expense.
- Debt financing in the Enterprise Funds so as to avoid significant spikes in user rates by smoothing out costs over time.

In addition to capital projects, the City can finance essential equipment and vehicles. These assets range from public safety vehicles to utility equipment. The underlying asset must have a minimum useful life of three years. Short-term financings, including loans and capital lease purchase agreements, are executed to meet such needs. It has been the City's practice to fund these purchases with existing resources; however, debt financing flexibility for future needs remains an option.

The Chief Financial Officer or Director of Administrative Services, supported by the Treasury Division, will periodically evaluate its existing debt and execute refinancing when economically beneficial. A refinance may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to refund other obligations. A net present value analysis, both in dollar and percentage terms, will be conducted to determine whether a refinancing is optimal. As a "rule of thumb," a minimum 3% net present value savings will be used as a basis to begin refinancing efforts. As with new debt, all refinancing must be approved by City Council.

The City's Debt Policy, approved on April 11, 2017 (Report # 7892), complies with the state legislature adopted Senate Bill (SB) 1029 (Hertzberg), that requires an issuer to certify that they have adopted a debt policy concerning the use of debt and that the proposed debt issuance is consistent with that policy. This statute also

requires reporting to the California Debt and Investment Advisory Commission (CDIAC) such as the submission of annual report for any issue of debt.

Legal Debt Limit

Based upon the assessed valuation of $49.4 billion for the fiscal year ending June 30, 2024, the City is limited to general obligation indebtedness of $1.8 billion per State law. As of June 30, 2024, the amount of debt applicable to the debt limit was $46.6 million, which is well below the City's legal debt limit. The debt limit is applicable to voter-approved general obligation (GO) bonds that have been approved in prior years to fund capital improvement projects to renovate and build out the City's libraries including the Mitchell Park Library and Community Center.

DEBT OBLIGATION DESCRIPTIONS

2010A AND 2013A GENERAL OBLIGATION (GO) BONDS (MITCHELL PARK LIBRARY AND COMMUNITY CENTER)

On June 30, 2010, the City issued the first series of $55.3 million and on June 26, 2013 the second series of $20.6 million of GO bonds to finance costs for constructing a new Mitchell Park Library and Community Center, as well as substantial improvements to the Main Library and the Downtown Library. As discussed below, the 2010A bonds were refinanced in March 2022. Principal payments are due annually on August 1 and interest payments semi-annually on February 1 and August 1, from 2.0% to 5.0%, and are payable from property tax revenues.

As of June 30, 2025, for the 2013A Series, $10.7 million principal and $4.6 million interest will be the remaining debt service on the bond with final payment occurring in FY 2042 with true interest costs of 3.85%.

2022A AND 2022B GENERAL OBLIGATION (GO) BONDS (MITCHELL PARK LIBRARY AND COMMUNITY CENTER)

On March 2, 2022, the City Council approved refinancing the $40.6 million outstanding balance of the 2010A bonds as tax-exempt bonds, and $2.4 million of the 2013A bonds as taxable bonds. The tax reform bill passed by Congress in December 2017 prohibits the issuance of tax-exempt advance refunding bonds during the ten-year call protection period. The call protection period passed on the Series 2010A Bonds, but not for the Series 2013A Bonds, so the portions of the Series 2013A bonds that had realized savings were refinanced as taxable bonds. The refinancing resulted in savings, for the Palo Alto property owners, of $4.5 million in net present value savings or 10.6% over the life of the bonds.

As of June 30, 2025, for the 2022A and 2022B refinanced bonds, $32.0 million and $2.1 million in principal and $13.7 million and $0.2 million interest will be the remaining debt service on the bonds with the final payment occurring in FY 2041 and FY 2029 respectively. The 2022A and 2022B has a true interest cost of 3.41% and 3.86%, respectively.

AD VALOREM PROPERTY TAXES FOR GO BONDS (MITCHELL PARK LIBRARY AND COMMUNITY CENTER)

The City's 2013A, 2022A, and 2022B Bonds are general obligations of the City, secured and payable solely from ad valorem property taxes levied by the City and collected by the County of Santa Clara. The City is empowered and obligated to annually levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except certain personal property which is taxable at limited rates) until the final maturity dates of the bonds. For FY 2026, the City expects to receive $4.0 million in ad valorem property taxes.

2018 CAPITAL IMPROVEMENT (GOLF COURSE) PROJECT CERTIFICATES OF PARTICIPATION (COPS)

On June 5, 2018, the City issued taxable (Green Bonds) COPs of $8.4 million for the renovation of Palo Alto's Municipal Golf Course. Debt service payments are due semi-annually on May 1 and November 1 with true interest costs of 4.14%. The debt service payments are payable solely from and secured by the lease payments to be made by the City's General Fund to the Public Improvement Corporation pursuant to the Lease Agreement. The leased property is the Palo Alto University Fire Station 1.

As of June 30, 2025, for the 2018 COPs Series, $7.8 million principal and $4.3 million interest will be the remaining debt service on the bonds with the final payment occurring in FY 2048.

2019 CALIFORNIA AVENUE PARKING GARAGE CERTIFICATES OF PARTICIPATION (COPS)

On March 21, 2019, the City issued $26.8 million tax-exempt and $10.6 million taxable COPs for the construction of a six story (four above ground levels and two below ground levels) parking garage in the California Avenue Business District. The new garage replaced existing surface parking lots at two locations and provided 310 additional parking spaces, totaling 636 parking spaces in the new garage.

Debt service payments on the $37.4 million COPs are due semi-annually on May 1 and November 1 and have a combined true interest cost (TIC) of 3.75% with the tax-exempt bonds' TIC being 3.52% and taxable bonds' TIC being 4.32%. As of June 30, 2025, for the tax-exempt and taxable bonds, $25.1 million and $8.6 million principal and $14.5 million and $8.2 million interest will be the remaining debt service on the bonds with the final payment occurring in FY 2049 when the COPs mature.

2021 PUBLIC SAFETY BUILDING CERTIFICATES OF PARTICIPATION (COPS)

On April 7, 2021, the City issued $101.5 million tax-exempt COPs for the construction of a new Public Safety Building (PSB) to be built at 250 Sherman Avenue. The building is approximately 56,000 square feet and will house the Police Department, 911 Emergency Dispatch Center, the Emergency Operations Center, the Office of Emergency Services, the administration needs of the Fire Department, and include external support spaces in the basement and operational yard. The PSB will include three levels above grade, two levels below grade, and a one-store operational accessory structure.

Debt service payments on the COPs are due semi-annually on May 1 and November 1 and have a true interest cost (TIC) of 2.13%. As of June 30, 2025, for the COPs, $97.1 million principal and $33.1 million interest will be the remaining debt service on the bonds with the final payment occurring in FY 2051.

2009 WATER REVENUE BONDS, SERIES A

On October 6, 2009, the City issued Water Revenue Bonds in the amount of $35.5 million to finance certain improvements to the City's water utility system. Principal payments are due annually on June 1, and interest payments are due semi-annually on June 1 and December 1, from 1.8% to 6.0%. The final debt service payment will be made in 2035. When these bonds were issued, they were designated as Direct Payment Build America Bonds under the provisions of the American Recovery and Reinvestment Act of 2009 Build America Bonds. The City expected to receive a cash subsidy payment from the United States Treasury equal to 35.0% of the interest payable on the 2009 bonds, however, due to the United States federal government budget (sequestration) cuts in calendar year 2013, the receipts declined to 32.5% in 2013 and averaged 29.7% in calendar year 2024. The lien on the 1995 Bonds on the net revenues is senior to the lien on net revenues securing the 2009 Bonds and the 2002 Bonds.

The pledge of future net revenues of the above funds ends upon repayment of the $19.1 million principal and $6.6 million interest as the remaining debt service on the bonds as of June 30, 2025 with final payment occurring in FY 2035.

2011 UTILITY REVENUE BONDS, SERIES A

On September 22, 2011 the City issued Utility Revenue Bonds to refinance the 2002 Utility Revenue Bonds, which were issued for certain improvements to the City's Water and Natural Gas utility system. The refinancing resulted in net present value savings of 16.9% and cash savings over 15 years of $4.0 million. Principal payments are due annually on June 1, and interest payments are due semi-annually on June 1 and December 1 from 3.0% to 4.0%. The Revenue Bonds are secured by net revenues generated by the Water and Gas Funds.

The pledge of future net revenues ends upon repayment of the $1.4 million principal and $0.1 million interest remaining debt service on the bonds as of June 30, 2025 with final payment occurring in FY 2026.

2007 STATE WATER RESOURCES LOAN

In October 2007, the City approved the $9.0 million loan agreement with State Water Resources Control Board (SWRCB) to finance the City's Mountain View/Moffett Area Reclaimed Water Pipeline Project. Under the terms of the contract, the City agreed to repay $9.0 million to the State in exchange for receiving $7.5 million in proceeds to be used to fund the project. The difference between the repayment obligation and proceeds amounts to $1.5 million and represents in-substance interest on the outstanding balance. Loan proceeds are drawn down as the project progresses and debt service payments commenced on June 30, 2010. Concurrently with the loan, the City entered into various other agreements including a cost sharing arrangement with the City of Mountain View. Pursuant to that agreement, the City of Mountain View agreed to finance a portion of the project with a $5.0 million loan repayable to the City. This loan has been recorded as Due from Other Government Agencies in the financial statements. The balance due to the City on June 30, 2025 is $1.2 million.

The pledge of future net revenues of the above funds ends upon repayment of the $1.5 million principal and $0.3 million in-substance interest as the remaining debt service on the bonds as of June 30, 2025 with final payment occurring in FY 2029.

2009 STATE WATER RESOURCES LOAN

In October 2009, the City approved an $8.6 million loan agreement with the State Water Resources Control Board (SWRCB) to finance the City's Ultraviolet Disinfection Project. As of June 30, 2011, the loan in the amount of $8.5 million was drawn down and became outstanding. Interest in the amount of $96,000 was accrued and added to the outstanding balance.

The pledge of future net revenues of the above funds ends upon repayment of the $3.1 million principal and $0.3 million interest as the remaining debt service on the bonds as of June 30, 2025 with final payment occurring in FY 2031.

2017 STATE WATER RESOURCES LOAN

In June 2017, the State Water Resources Control Board (SWRCB) and the City executed an agreement for an award up to $30.0 million at a rate of 1.8%, payable over 30 years, with the first annual installment due May 31, 2020 to finance the replacement of sewage sludge bio-solids incinerators at the City's Regional Water Quality Control Plant (RWQCP). In September 2017, due to the projected lower project costs, the agreement was amended to reduce the SWRCB loan amount to $29.7 million, however the actual loan was $25.2 million, net of $4.0 million loan principal forgiveness from the federal funded grant (by the U.S. Environmental Protection Agency) and other adjustments for actual costs.

The new facility will dewater the bio-solids and allow the material to be loaded onto trucks and taken to a separate facility for further treatment. The RWQCP provides treatment and disposal of wastewater for Palo Alto,

Mountain View, Los Altos, Los Altos Hills, East Palo Alto Sanitary District, and Stanford University. Though Palo Alto is the recipient of the loan, the City's agreement with the partner agencies obliges them to pay their proportionate share of the principal and interest of this loan. Palo Alto's share of the loan payment is 38.2% with the partner agencies paying 61.8%. The pledge of future net revenues of the above funds ends upon repayment of the $21.1 million principal and $5.1 million interest and service charge as the remaining debt service on the bonds as of June 30, 2025 with final payment occurring in FY 2049.

2021 STATE WATER RESOURCES LOAN

In June 2021, the State Water Resources Control Board (SWRCB) and the City executed an agreement for an award up to $17.5 million at a rate of 0.9%, payable over 30 years, to finance the rehabilitation of the four primary sedimentation tank, including protective coatings and rotating part replacements, and upgrades to the electrical systems in the equipment room at the Regional Water Quality Control Plant (RWQCP). In October/November 2022, due to higher cost, this award was amended upward to $19.4 million, an increase of $1.9 million. Construction was completed in FY 2025, with a total loan of $16.7 million. The first annual installment is due July 31, 2025.

Although Palo Alto is the recipient of the loan, the City's agreement with the partner agencies obliges them to pay their proportionate share of the principal and interest of this loan. Palo Alto's share of the loan payment is 38.2% with the partner agencies paying 61.8%. The pledge of future net revenues of the above funds ends upon repayment of the $16.7 million principal and $2.4 million interest with the final payment expected in FY 2054.

2022 STATE WATER RESOURCES LOAN

In May 2022, the State Water Resources Control Board (SWRCB) and the City executed an agreement for an award up to $168.7 million at a rate of 0.8%, payable over 30 years, with the first annual installment due December 31, 2027 to finance the replacement of biological treatment process (secondary treatment process) at the City's Regional Water Quality Control Plant (RWQCP). The secondary treatment process is being upgraded to meet new, more stringent regulations in conjunction with increased influent flow and wastewater loading due to projected increased population in the RWQCP's service area. The project will also replace aging equipment that is beyond its useful life and in danger of failing. The award amount was requested to be amended from $168.7 million to $193.0 million in December 2022 due to the rising project costs, but tentative approval has been granted for this with the final amended agreement pending from the SWRCB.

The RWQCP provides treatment and disposal of wastewater for Palo Alto, Mountain View, Los Altos, Los Altos Hills, East Palo Alto Sanitary District, and Stanford University. Though Palo Alto is the recipient of the loan, the City's agreement with the partner agencies obliges them to pay their proportionate share of the principal and interest of this loan. Palo Alto's share of the loan payment is 38.2% with the partner agencies paying 61.8%. The pledge of future net revenues of the above funds ends upon repayment of revised $193 million loan with final payment estimated to occur in FY 2060. Should the project cost be less than the awarded loan amount, the final loan amount will be reduced based on the actual construction cost of the secondary treatment process.

CREDIT RATING AGENCIES

Credit rating is a critical component of strong municipal management. According to Moody's Investors Service, reserves are an important factor in the analysis of a municipality's fiscal health and, therefore, a jurisdiction's fiscal policies should include a plan for maintaining reserves. Rating agencies view sound reserves favorably, thus improving a municipality's rating and its ability to obtain low-cost financing for important projects. The City is proud to report that both Moody's and Standard and Poor's (S&P) awarded their highest credit ratings, Triple A, to the City's General Obligation Bonds for library and community center capital improvements in 2010 and 2013 and reaffirmed these ratings several times, the most recent being in May 2022 by S&P and December 2024 by Moody's. The COPS were also rated AA+ and Aa1 by both Moody's and S&P, the highest rating possi-

ble for these bonds. These ratings demonstrate that Palo Alto's prudent financial management and fiscal strength are viewed favorably by credit agencies. The three Utility bonds (1999, 2009, and 2011) that are rated also received S&P's highest credit rating of Triple A. Moody's has rated these Utility bonds with their second highest (Aa1) or third highest (Aa2) ratings.



CAPITAL FUND PROJECTS



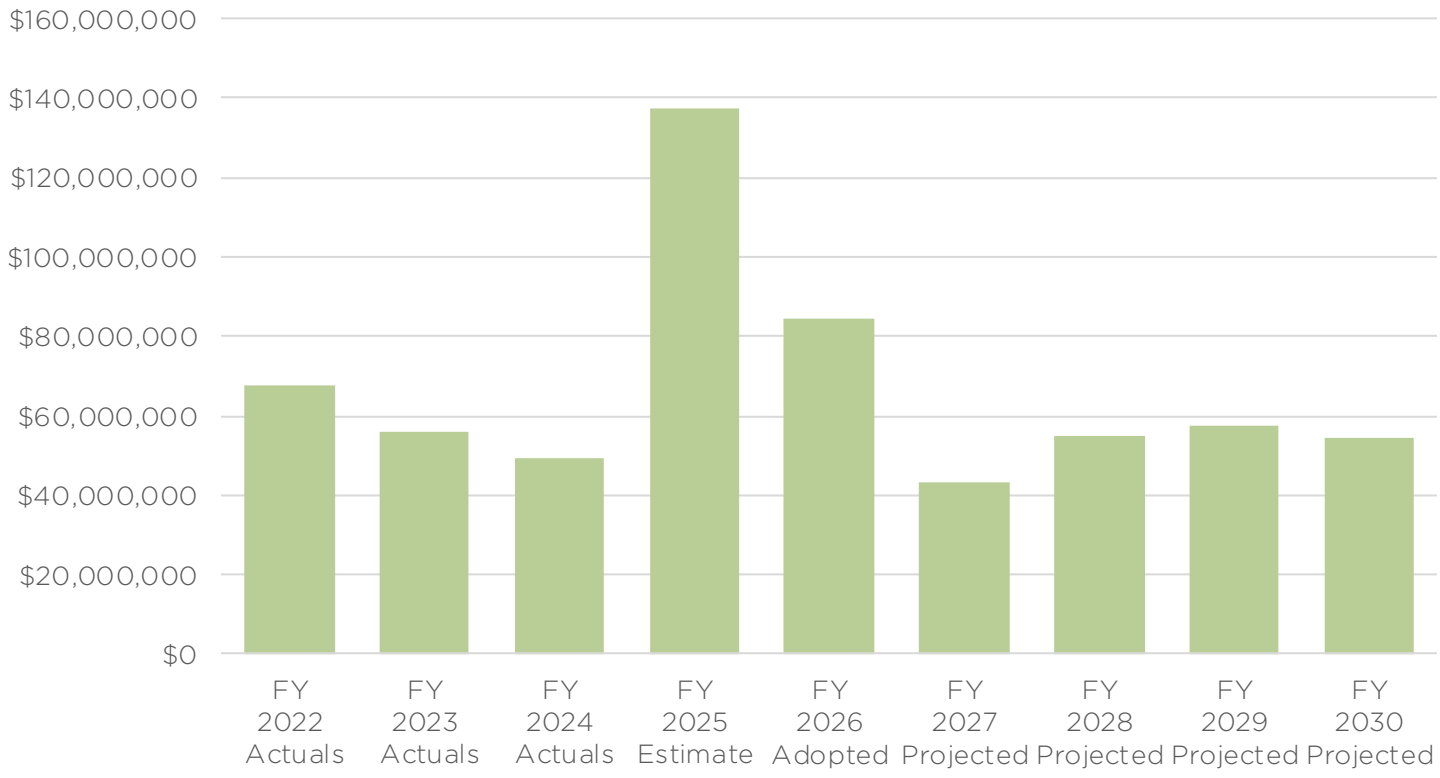
CITY OF
PALO
ALTO

CAPITAL IMPROVEMENT FUND

Overview

The Capital Improvement Fund is equivalent to the General Fund Operating Budget, however, it is focused on capital investments, in particular general capital investments in Palo Alto that are not funded through enterprise or internal service fund activities. Projects in the Capital Improvement Fund support repairs and replacements of, and improvements to, the City's roads and sidewalks, traffic and transportation systems, parks and open space, public safety technologies, and most City facilities. Projects to improve the Cubberley Community Center are discussed in the Cubberley Property Infrastructure Fund section of this document. The 2026-2030 Capital Improvement Fund Capital Improvement Program (CIP) has a total appropriation of $331.4 million, including 102 projects totaling $294.3 million. Of the $92.2 million appropriated in Fiscal Year 2026, $84.7 million is budgeted directly within projects, with $42.3 million having been reappropriated for the continuation of projects approved by the City Council in prior fiscal years. The budget for the Capital Improvement Fund is divided into six categories: Administration, Buildings and Facilities, Department Technology Upgrades and Improvements, Parks and Open Space, Streets and Sidewalks, and Traffic and Transportation. A major funding source for the Capital Improvement Fund is the annual fund-level transfer from the General Fund. In Fiscal Year 2026, this transfer will be $29.4 million, which includes the annual base transfer of $14.0 million, the City Council approved Transient Occupancy Tax transfer of $14.3 million to support the City Council approved Infrastructure Plan, and estimated interest earnings of $1.1 million. Other major sources of funding include transfers of Utility Users Tax and Measure K Business Tax from the General Fund; grants from federal, state, and local agencies; and transfers from the Gas Tax Fund, various impact fee funds, and enterprise funds.

Capital Improvement Fund Expenditures



The Infrastructure Plan (IP) consists of ten top-priority capital projects accounted for within the Capital Improvement Fund. The first nine were recommended by the Council Infrastructure Committee and approved by the City Council in June 2014, with a tenth project, the Downtown Automated Parking Guidance Systems Project, approved and added as part of the 2020-2024 CIP. The Infrastructure Plan is estimated at $293.4 million, with $23.3 million programmed over the 2026-2030 CIP.

The Infrastructure Plan includes the following projects in order of estimated completion:

- Fire Station #3 Replacement – completed March 2020
- New California Avenue Parking Garage – completed December 2020 (funding budgeted in FY 2026 for completion of final punch list items)
- Highway 101 Pedestrian/Bicycle Overpass – completed November 2021
- Charleston/Arastradero Corridor – completed Summer 2024
- New Public Safety Building
- Downtown Automated Parking Guidance Systems
- Fire Station #4 Replacement
- Byxbee Park Completion
- New Downtown Parking Garage
- Bicycle and Pedestrian Plan Implementation

Construction started in 2021 on the New Public Safety Building Project, with completion anticipated in Summer 2025. The Downtown Automated Parking Guidance Systems Project started design in July 2023 and is anticipated to be completed in Summer 2025. Design started on the Fire Station #4 Replacement Project in June 2022, with anticipated construction contract award in Summer 2025 and completion in early 2027. The New Downtown Parking Garage concept option was approved in April 2025 and design is anticipated to be completed in Fall 2026. The Byxbee Park Project will start design once the Baylands Comprehensive Conservation Plan is completed, which is anticipated to be in Winter 2027. The Bicycle and Pedestrian Transportation Plan Implementation Project is a recurring project that will progress upon completion of plan updates early in calendar year 2026. Additional information on the status of all the IP projects can be found on the City's website: https://www.infrastructure.cityofpaloalto.org.

Buildings and Facilities

The Buildings and Facilities category includes projects to maintain the City's existing buildings and facilities as well as projects that provide funding for new facilities. Buildings and facilities include City Hall, other City staff office locations, community centers, libraries, theaters, fire stations, park restrooms, parking garages, and City-owned facilities leased to private parties. Projects to improve the Cubberley Community Center are included separately within the Cubberley Property Infrastructure Fund and discussed elsewhere in this document. The 2026-2030 CIP includes projects totaling $46.5 million in this category, with $36.0 million allocated in Fiscal Year 2026. Of this amount, $30.4 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years. The Buildings and Facilities category includes the following Council Infrastructure Plan projects: New Public Safety Building, Fire Station #3 Replacement, Fire Station #4 Replacement, New Downtown Parking Garage, and New California Avenue Parking Garage. These projects account for $15.7 million in the 2026-2030 CIP or 67.2% of the remaining Infrastructure Plan costs. The total funding amount of $46.5 million for Building and Facilities over the 2026-2030 CIP represents approximately 15.8% of the total Capital Improvement Fund CIP.

Infrastructure Inventory - Summary of Buildings & Facilities

CLASSIFICATION	QUANTITY	SQUARE FOOTAGE
Civic Center & Municipal Services Center	2	239,534
Community Centers	3	146,435
Libraries	5	91,916
Fire Stations	7	34,898
Parking Garages	8	1,245,786

2026-2030 Capital Improvement Program

Recurring Projects

There are eight recurring projects in the Buildings and Facilities category:

- Americans With Disabilities Act Compliance (Fiscal Year 2026: $0.6 million; 5-Year CIP: $2.7 million)
- Building Systems Improvements (Fiscal Year 2026: $0.5 million; 5-Year CIP: $1.4 million)
- Charging Stations Repair and Maintenance (Fiscal Year 2026: $0.1 million; 5-Year CIP: $0.5 million)
- City Facility Parking Lot Maintenance (Fiscal Year 2026: $0.2 million; 5-Year CIP: $1.5 million)
- Electrification of City Facilities (5-Year CIP: $0.3 million)
- Facility Interior Finishes Replacement (Fiscal Year 2026: $0.5 million; 5-Year CIP: $0.7 million)
- Roofing Replacement (Fiscal Year 2026: $0.4 million; 5-Year CIP: $2.5 million)
- University Avenue Parking Improvements (Fiscal Year 2026: $0.1 million; 5-Year CIP: $0.8 million)

Activities planned for Fiscal Year 2026 under these projects include replacing fire panels at various City facilities; replacing the central roof beam at the Baylands Interpretive Center; parking lot resurfacing at the Animal Shelter, Art Center, Eleanor Pardee Garden Center, and Municipal Services Center; building systems replacement at the former Form Fitness site at 445 Bryant; and roof replacement at the Baylands Interpretive Center. Finally, the Americans with Disabilities Act (ADA) Compliance Project will continue to implement the updates recommended in the ADA Transition Plan.

Non-Recurring Projects

Major activities planned for Fiscal Year 2026 include beginning construction on the Fire Station #4 Replacement Project and the Municipal Service Center (MSC) Electrical and Mechanical Upgrade Project, and beginning design on the New Downtown Parking Garage Project.

Department Technology Upgrades and Improvements

The Department Technology Upgrades and Improvements category includes projects to replace public safety-related technology equipment based on its useful life and standard replacement schedule. In the 2026-2030 CIP, there are three projects in this category, including one for the Fire Department and two for the Police Department. The total funding amount of $6.8 million for Department Technology Upgrades and Improvements over the 5-Year CIP represents 2.3% of the total Capital Improvement Fund CIP.

2026-2030 Capital Improvement Program

Recurring Projects

The equipment replaced by these projects will be programmed on a regular replacement schedule to ensure equipment remains within its useful life.

- Fire Equipment Replacement (Fiscal Year 2026: $1.7 million; 5-Year CIP: $3.0 million)
- Police Video Recording Systems Replacement(Fiscal Year 2026: $0.2 million; 5-Year CIP: $1.1 million)

Non-Recurring Projects

The Police Department's City Radio Replacement Project (Fiscal Year 2026: $0.5 million; 5-Year CIP: $2.7 million) will replace the digital radios used by various departments within the City.

Parks and Open Space

Maintenance, repair, and replacement of parks and open space amenities are managed jointly by the Community Services and Public Works Departments. Generally, Community Services oversees smaller projects as well as recurring projects while Public Works Engineering Services facilitates major one-time projects. The 2026-2030 CIP includes funding totaling $39.1 million in this category, with $9.2 million allocated in Fiscal Year 2026. Of this amount, $5.5 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years. The Parks and Open Space category includes the Council Infrastructure Plan project for Byxbee Park Completion. This project accounts for $2.8 million or 12.1% of the remaining Infrastructure Plan costs. The total funding amount of $39.1 million for Parks and Open Space over the 5-Year CIP represents approximately 13.3% of the total Capital Improvement Fund CIP.

Infrastructure Inventory - Summary of Parks & Open Space

CLASSIFICATION	QUANTITY
Parks	33
City Open Space/Conservation Lands	4
Parks, Preserves, and Open Space Acreage	4,385
Picnic Areas	39
Athletic Fields	33

Recent Accomplishments

- Installed four restroom buildings at Rinconada Park, Ramos Park, Boulware Park, and Cubberley Fields.
- Completed the renovation and expansion of Boulware Park.
- Site improvements at Heritage Park inclusive of pathway repairs, fencing, drinking fountain, playground retaining wall, and light pole.
- Installed 700 linear feet of split-rail fencing at Pearson Arastradero Preserve for habitat protection.
- Expanded and renovated Mitchell Park Dog Park, including expansions with separate areas for small dogs and mixed-size dogs. The renovation also included adding site amenities such as benches, pet water stations, and landscaping.
- Cameron Park playground replacement and improvements to site amenities inclusive of benches, picnic tables, pathways, drinking fountains, garbage sort enclosures, and landscaping.
- Installed landscape and site amenities at Fred Eyerly Tower Well Park, inclusive of decomposed granite path, native plants, park benches, antique water pump display, and interpretive signs.

2026-2030 Capital Improvement Program

Recurring Projects

There are nine recurring projects in the Parks and Open Space category:

- Art in Public Spaces (Fiscal Year 2026: $1.8 million; 5-Year CIP: $2.2 million)
- Athletic Courts Resurfacing (Fiscal Year 2026: $0.4 million; 5-Year CIP: $1.3 million)
- Benches, Signage, Fencing, Walkways, Perimeter Landscaping, and Site Amenities (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.0 million)
- Dog Park Installation and Renovation (Fiscal Year 2026: $0.2; 5-Year CIP: $0.5 million)
- Off Road Pathway Resurfacing and Repair (Fiscal Year 2026: $0.2 million; 5-Year CIP: $0.8 million)
- Open Space Lakes and Ponds Maintenance (Fiscal Year 2026: $0.1 million; 5-Year CIP: $0.3 million)
- Open Space Trails and Amenities (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.2 million)
- Parks and Open Space Emergency Repairs (Fiscal Year 2026: $0.4 million; 5-Year CIP: $1.5 million)
- Park Restroom Installation (Fiscal Year 2026: $0.8 million; 5-Year CIP: $1.9 million)

Non-Recurring Projects

Funding in the five-year CIP includes $2.8 million for the Byxbee Park Completion Project which is part of the Infrastructure Plan and mostly offset with funds from Park Dedication Impact Fees. Other significant projects in this category during the 2026-2030 CIP include improvements at various parks such as Peers, Seale, Werry, Mitchell, Hoover, Johnson, Rinconada, and Foothills Nature Preserve.

Streets and Sidewalks

The Streets and Sidewalks category includes projects to maintain and repair the City's streets, sidewalks, bridges, streetlights, and other related infrastructure such as curbs and gutters, medians, and thermoplastic lane markings. The 2026-2030 CIP includes funding totaling $44.4 million in this category, with $10.5 million allocated in Fiscal Year 2026. Of this amount, $2.6 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years. The total funding amount of $44.4 million for Streets and Sidewalks over the 5-Year CIP represents approximately 15.1% of the total Capital Improvement Fund CIP.

In 2018, the City reached its goal of raising the citywide average Pavement Condition Index (PCI) score from 72 to 85, representing "very good" to "excellent" pavement conditions. By 2016, the Sidewalks program had achieved its 1986 goal of completing work in all 23 sidewalk districts, and an assessment study for sidewalk repairs completed in early 2019 offered suggestions for establishing goals and priorities for the Sidewalk Repairs Project moving forward.

Infrastructure Inventory - Summary of Streets and Sidewalks

CLASSIFICATION	QUANTITY
Streets maintained	471 lane miles
Sidewalks maintained	7.5 million square feet
Streetlights maintained	6,500
Bridges maintained	200

Recurring Projects

There are nine recurring projects in the Streets and Sidewalks category:

- City Bridge Improvements (Fiscal Year 2026: $1.6 million; 5-Year CIP: $2.5 million)

- Curb and Gutter Repairs (Fiscal Year 2026: $0.2 million; 5-Year CIP: $0.9 million)
- San Francisquito Creek Joint Powers Authority Ongoing Creek Projects (Fiscal Year 2026: $0.6 million; 5-Year CIP: $1.8 million)
- Sidewalk Repairs (Fiscal Year 2026: $1.4 million; 5-Year CIP: $7.6 million)
- Sign Reflectivity Upgrade (Fiscal Year 2026: $0.1 million; 5-Year CIP: $0.6 million)
- Street Lights Improvements (Fiscal Year 2026: $0.4 million; 5-Year CIP: $1.2 million)
- Street Maintenance (Fiscal Year 2026: $5.4 million; 5-Year CIP: $28.4 million)
- Thermoplastic Lane Marking and Striping (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.0 million)
- Tree Grate Alternatives (Fiscal Year 2026 and 5-Year CIP: $0.1 million)

Activities for Fiscal Year 2026 under these projects consist of ongoing planned repair activities, as well unplanned needs that may arise. The Street Maintenance Project will continue to implement its five-year plan in close coordination with utilities and transportation projects. With the Pavement Condition Index (PCI) goal having been met in 2018, the Street Maintenance Project is funded at a level sufficient to maintain the new street conditions while continuing to focus on streets that have a PCI score of less than 60. The passage of SB1 for Road Maintenance and Rehabilitation provides additional annual funding of approximately $1.4 million to supplement and enhance the Street Maintenance Project, while also allowing funds to be reallocated to other capital projects with Council approval.

Non-Recurring Projects

While most Streets and Sidewalks work is completed through recurring projects, there are also non-recurring projects with activities planned for Fiscal Year 2026, such as the California Avenue District Gateway Signs Project which will place two gateway monument signs in the California Avenue District, and the Street Lights Condition Assessment Project which will compile an inventory of the City's entire lighting system to determine the best approach for prolonging the life of the system.

Traffic and Transportation

Projects in this category support the development and implementation of a sustainable transportation system, including walking, biking, ridesharing, transit, and other methods of non-single occupancy vehicle (SOV) transportation. This category also includes rail grade separation projects to redesign and update the four at-grade Caltrain railroad crossings in Palo Alto. Planning, design, and construction of Traffic and Transportation projects are managed jointly by the Office of Transportation and the Public Works Department. The 2026-2030 CIP includes funding totaling $112.6 million in this category, with $20.1 million allocated in Fiscal Year 2026. Of this amount, $3.8 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years. The Traffic and Transportation category includes the following Council Infrastructure Plan projects: Bicycle and Pedestrian Transportation Plan Implementation; Charleston/Arastradero Corridor; Downtown Automated Parking Guidance Systems; and Highway 101 Pedestrian/Bicycle Overpass. These projects account for $4.8 million or 20.7% of the remaining Infrastructure Plan costs. The total funding amount of $112.6 million for Traffic and Transportation over the 5-Year CIP represents approximately 38.2% of the total Capital Improvement Fund CIP.

Recent Accomplishments

- Finalizing construction for the first intersection of the Churchill Avenue/Alma Street Railroad Crossing Safety Improvements Project, with completion anticipated in Summer 2025.
- Construction contract awarded for the Churchill Avenue Enhanced Bikeway Project.

- Finalized design and preparing for award of construction contract for Palo Alto/Alma Street Quiet Zone in Summer 2025 as part of the Transportation and Parking Improvements Project.

2026-2030 Capital Improvement Program

Recurring Projects

There are five recurring projects within the Traffic and Transportation category.

- Bicycle and Pedestrian Transportation Plan Implementation (Fiscal Year 2026: $2.8 million; 5-Year CIP: $4.8 million)
- Parking District Implementation (Fiscal Year 2026: $0.2 million; 5-Year CIP: $0.3 million)
- Safe Routes to Schools (Fiscal Year 2026: $1.0 million; 5-Year CIP: $1.4 million)
- Traffic Signal and Intelligent Transportation Systems (Fiscal Year 2026: $0.7 million; 5-Year CIP: $3.3 million)
- Transportation and Parking Improvements (Fiscal Year 2026: $0.7 million; 5-Year CIP: $2.6 million)

Together, these projects improve transportation and safety, and implement the Palo Alto Bicycle and Pedestrian Plan. The Bicycle and Pedestrian Transportation Plan Implementation Project is part of the Infrastructure Plan and provides funding for the design and construction of bicycle boulevards, enhanced bikeways, shared-use paths, bicycle parking, and a citywide bicycle sharing system.

Non-Recurring Projects

Non-recurring projects within this category account for discrete activities such as intersection improvements, parking signage, parking wayfinding, railroad grade separations, streetscape updates, and other projects outside of the Bicycle and Pedestrian Transportation Plan. Major projects include the following:

- Charleston Road/Alma Street Railroad Crossing Safety Improvements (Fiscal Year 2026 and 5-Year CIP: $0.7 million)
- Churchill Avenue Rail Grade Separation and Safety Improvements (Fiscal Year 2026: $2.7 million; 5-Year CIP: $30.9 million)
- Churchill Avenue/Alma Street Railroad Crossing and Safety Improvements (Fiscal Year 2026: $1.4 million; 5-Year CIP: $2.8 million)
- Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements (Fiscal Year 2026: $5.0 million; 5-Year CIP: $57.9 million)
- Railroad Grade Separation and Safety Improvements (Fiscal Year 2026: $2.0 million; 5-Year CIP: $5.0 million)
- University Avenue Streetscape Update (Fiscal Year 2026 and 5-Year CIP: $2.2 million)

These projects improve streetscapes as well as bikeways, roadways, railroad crossings, and other transportation-related areas in order to improve the flow of traffic and the safety of commuters in and around the City. Previously, the four at-grade rail crossing locations were budgeted together in the Railroad Grade Separation and Safety Improvements Project. When grade separation progressed into a more formal design phase in Fiscal Year 2024, the Churchill Avenue location was moved into its own project, and the Meadow Drive and Charleston Road locations were moved together into another project, in order to track the costs and revenues associated with the different locations more discreetly moving forward. The Palo Alto Avenue crossing is currently on hold and any work for that location will continue to be budgeted and tracked in the original project.

Capital Improvement Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Beginning Fund Balance									
	Infrastructure Reserve - Beginning Fund Balance	67,397,845	67,397,845	35,469,051	1,795,380	3,468,793	8,067,188	8,550,119	35,469,051
	Reserve: Debt Service	3,700,000	3,700,000	3,700,000	5,000,000	7,400,000	7,400,000	7,400,000	3.700,000
	Reserve: Deposits	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900
	Reserve: Infrastructure Plan	27,881,916	27,881,916	2,658,000	6,300,000	6,300,000	5,000,000	5,000,000	2,658,000
Total Beginning Fund Balance		**$100,983,661**	**$100,983,661**	**$43,830,951**	**$15,099,280**	**$19,172,693**	**$22,471,088**	**$22,954,019**	**$43,830,951**
General Fund Contributions									
	Base General Fund Capital Transfer	17,493,000	17,493,000	14,011,000	16,145,000	16,659,000	18,189,000	18,735,000	83,739,000
	Transfer from General Fund - TOT Funding (12%)	7,476,879	7,476,879	7,685,000	8,030,800	8,417,900	8,833,100	9,271,900	42,238,700
	Transfer from General Fund - TOT Funding (3.5%)	6,400,832	6,400,832	6,579,800	6,875,900	7,207,300	7,562,600	7,939,500	36,165,100
	Interest Income	1,110,500	1,110,500	1,132,000	1,132,000	1,132,000	1,132,000	1,132,000	5,660,000
Total General Fund Contributions		**$32,481,212**	**$32,481,212**	**$29,407,800**	**$32,183,700**	**$33,416,200**	**$35,716,700**	**$37,078,400**	**$167,802,800**
Transfers from Other Funds									
	Transfer from General Benefits Fund	134,300	134,300	79,300	0	0	0	0	79,300
Total Transfers from Other Funds		**$134,300**	**$134,300**	**$79,300**	**$0**	**$0**	**$0**	**$0**	**$79,300**
				SOURCE OF FUNDS					
Revenue from Other Agencies									
AC-86017	Art In Public Spaces	52,900	52,900	0	0	0	0	0	0
PL-04010	Bicycle and Pedestrian Transportation Plan Implementation	250,720	250,720	0	0	0	0	0	0
PL-24001	Churchill Avenue Rail Grade Separation and Safety Improvements	5,080,625	5,080,625	1,500,000	2,650,000	7,000,000	7,000,000	7,000,000	25,150,000
PE-17010	Civic Center Electrical Upgrade & EV Charger Installation	174,000	174,000	0	0	0	0	0	0
FD-25000	Fire Equipment Replacement	16,480	16,480	270,695	121,280	38,080	24,160	30,720	484,935
PL-24000	Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements	8,919,375	8,919,375	3,000,000	5,350,000	14,000,000	14,000,000	14,000,000	50,350,000
PE-12011	Newell Road/San Francisquito Creek Bridge Replacement	155,458	155,458	0	0	0	0	0	0
PL-17001	Railroad Grade Separation and Safety Improvements	1,567,246	1,567,246	2,000,000	2,000,000	1,000,000	0	0	5,000,000
PF-23001	Roth Building Rehabilitation Phase 1	940,598	940,598	0	0	0	0	0	0
PE-86070	Street Maintenance	465,000	465,000	465,000	465,000	465,000	465,000	465,000	2,325,000
PL-25001	Traffic Intersection Accessibility Improvement Project	500,000	250,000	250,000	0	0	0	0	250,000

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
PL-05030	Traffic Signal and Intelligent Transportation Systems	2,348,721	2,348,721	300,000	300,000	300,000	300,000	100,000	1,300,000
PL-12000	Transportation and Parking Improvements	733,833	165,035	250,000	0	0	0	0	250,000
Revenue from Other Agencies Total		**21,204,956**	**20,386,158**	**8,035,695**	**10,886,280**	**22,803,080**	**21,789,160**	**21,595,720**	**85,109,935**
Revenue from the Federal Government									
PL-25002	Charleston Road/Alma Street Railroad Crossing Safety Improvements	483,100	483,100	682,400	0	0	0	0	682,400
PL-24001	Churchill Avenue Rail Grade Separation and Safety Improvements	0	0	700,000	1,000,000	0	0	0	1,700,000
PL-20000	Churchill Avenue/Alma Street Railroad Crossing Safety Improvements	4,779,187	4,779,187	1,391,200	1,391,200	0	0	0	2,782,400
AC-18001	JMZ Renovation	36,195	36,195	0	0	0	0	0	0
PL-24000	Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements	0	0	1,500,000	2,000,000	0	0	0	3,500,000
PL-00026	Safe Routes To School	888,000	500,000	388,000	0	0	0	0	388,000
PL-12000	Transportation and Parking Improvements	84,956	84,956	0	0	0	0	0	0
Revenue from the Federal Government Total		**6,271,438**	**5,883,438**	**4,661,600**	**4,391,200**	**0**	**0**	**0**	**9,052,800**
Revenue from the State of California									
OS-24001	Baylands Interpretive Signage Program	162,000	114,657	47,343	0	0	0	0	47,343
PE-17005	Boulware Park Improvements	188,979	188,979	0	0	0	0	0	0
PE-13011	Charleston/Arastradero Corridor Project	4,834	4,834	0	0	0	0	0	0
PE-12011	Newell Road/San Francisquito Creek Bridge Replacement	10,913,729	10,913,729	0	0	0	0	0	0
Revenue from the State of California Total		**11,269,542**	**11,222,199**	**47,343**	**0**	**0**	**0**	**0**	**47,343**
Transfer frm Gen. Gov't Fac. Impact Fee Fund									
PE-15001	New Public Safety Building	190,000	190,000	0	0	0	0	0	0
Transfer frm Gen. Gov't Fac. Impact Fee Fund Total		**190,000**	**190,000**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer frm New Pub. Fac. Impact Fee Fund									
PE-18004	Fire Station 4 Replacement	95,093	95,093	0	0	0	0	0	0
Transfer frm New Pub. Fac. Impact Fee Fund Total		**95,093**	**95,093**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from California Ave Parking Permit Fund									
PF-25000	California Avenue Parking District Parking Improvements	100,000	100,000	0	0	0	0	0	0
PF-26001	Charging Stations Repair and Maintenance	0	0	20,000	20,000	20,000	20,000	20,000	100,000
Transfer from California Ave Parking Permit Fund Total		**100,000**	**100,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**100,000**

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Transfer from CDBG Fund									
PE-18004	Fire Station 4 Replacement	0	0	62,645	0	0	0	0	62,645
PO-89003	Sidewalk Repairs	511,673	511,673	0	0	0	0	0	0
Transfer from CDBG Fund Total		**511,673**	**511,673**	**62,645**	**0**	**0**	**0**	**0**	**62,645**
Transfer from Community Center Impact Fee Fund									
PE-24001	Electrification of City Facilities	490,000	490,000	0	0	0	0	0	0
PF-02022	Facility Interior Finishes Replacement	440,250	440,250	0	0	0	0	0	0
Transfer from Community Center Impact Fee Fund Total		**930,250**	**930,250**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Electric Fund									
PF-01003	Building Systems Improvements	500,000	500,000	0	0	0	0	0	0
Transfer from Electric Fund Total		**500,000**	**500,000**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Gas Tax Fund									
PL-00026	Safe Routes To School	100,000	100,000	0	0	0	0	0	0
PE-86070	Street Maintenance	3,216,365	3,216,365	3,478,338	3,478,338	3,478,338	3,478,338	3,478,338	17,391,690
Transfer from Gas Tax Fund Total		**3,316,365**	**3,316,365**	**3,478,338**	**3,478,338**	**3,478,338**	**3,478,338**	**3,478,338**	**17,391,690**
Transfer from General Fund									
PL-04010	Bicycle and Pedestrian Transportation Plan Implementation	0	0	877,000	500,000	500,000	500,000	500,000	2,877,000
PF-26001	Charging Stations Repair and Maintenance	0	0	40,000	40,000	40,000	40,000	40,000	200,000
PL-24001	Churchill Avenue Rail Grade Separation and Safety Improvements	750,000	750,000	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000
PL-24000	Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements	750,000	750,000	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000
Transfer from General Fund Total		**1,500,000**	**1,500,000**	**1,917,000**	**1,540,000**	**2,540,000**	**2,540,000**	**2,540,000**	**11,077,000**
Transfer from Law Enforcement Services Fund									
PD-20000	Police Video Recording Systems Replacement	11,397	11,397	0	0	0	0	0	0
Transfer from Law Enforcement Services Fund Total		**11,397**	**11,397**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Library Development Impact Fee Fund									
LB-21000	Library Automated Material Handling	382,983	382,983	0	0	100,000	0	0	100,000
Transfer from Library Development Impact Fee Fund Total		**382,983**	**382,983**	**0**	**0**	**100,000**	**0**	**0**	**100,000**
Transfer from Parks Dedication Fund									
PE-18006	Byxbee Park Completion	450,000	0	0	450,000	1,100,000	0	0	1,550,000
PE-24004	Rinconada Pool Family Changing Room	371,165	0	371,165	0	0	0	0	371,165
PG-26000	Stanford Palo Alto Community Playing Fields Turf Replacement	961,490	961,490	0	0	0	0	0	0

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Transfer from Parks Dedication Fund Total		**1,782,655**	**961,490**	**371,165**	**450,000**	**1,100,000**	**0**	**0**	**1,921,165**
Transfer from Parks Development Impact Fee Fund									
PG-18001	Dog Park Installation and Renovation	0	0	150,000	0	150,000	0	150,000	450,000
PG-19000	Park Restroom Installation	629,570	629,570	559,342	0	559,342	0	580,000	1,698,684
Transfer from Parks Development Impact Fee Fund Total		**629,570**	**629,570**	**709,342**	**0**	**709,342**	**0**	**730,000**	**2,148,684**
Transfer from Refuse Fund									
PF-16006	Municipal Service Center Lighting, Mechanical, and Electrical Improvements	10,000	10,000	0	0	0	0	0	0
Transfer from Refuse Fund Total		**10,000**	**10,000**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Stanford University Medical Ctr Fund									
PE-18004	Fire Station 4 Replacement	4,075,000	4,075,000	0	0	0	0	0	0
Transfer from Stanford University Medical Ctr Fund Total		**4,075,000**	**4,075,000**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Traffic Impact Fee Fund									
PL-05030	Traffic Signal and Intelligent Transportation Systems	395,000	395,000	395,000	395,000	395,000	395,000	395,000	1,975,000
Transfer from Traffic Impact Fee Fund Total		**395,000**	**395,000**	**395,000**	**395,000**	**395,000**	**395,000**	**395,000**	**1,975,000**
Transfer from University Ave Parking In Lieu Fund									
PE-15007	New Downtown Parking Garage	15,498,600	2,391,642	13,106,958	0	0	0	0	13,106,958
Transfer from University Ave Parking In Lieu Fund Total		**15,498,600**	**2,391,642**	**13,106,958**	**0**	**0**	**0**	**0**	**13,106,958**
Transfer from University Ave Parking Permit Fund									
PF-26001	Charging Stations Repair and Maintenance	0	0	40,000	40,000	40,000	40,000	40,000	200,000
PF-14003	University Avenue Parking Improvements	0	0	87,000	115,000	220,000	200,000	150,000	772,000
Transfer from University Ave Parking Permit Fund Total		**0**	**0**	**127,000**	**155,000**	**260,000**	**240,000**	**190,000**	**972,000**
Transfer from Utilities Administration Fund									
PF-16006	Municipal Service Center Lighting, Mechanical, and Electrical Improvements	315,000	315,000	0	0	0	0	0	0
Transfer from Utilities Administration Fund Total		**315,000**	**315,000**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Utility Users Tax Fund									
PO-89003	Sidewalk Repairs	600,000	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000
PE-86070	Street Maintenance	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000
Transfer from Utility Users Tax Fund Total		**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**	**5,000,000**

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Transfer from Vehicle Replacement and Maintenance									
PF-16006	Municipal Service Center Lighting, Mechanical, and Electrical Improvements	175,000	175,000	0	0	0	0	0	0
Transfer from Vehicle Replacement and Maintenance Total		**175,000**	**175,000**	**0**	**0**	**0**	**0**	**0**	**0**
Total Capital Project Revenues		**$70,164,523**	**$54,982,259**	**$33,932,087**	**$22,315,818**	**$32,405,760**	**$29,462,498**	**$29,949,058**	**$148,065,221**
Total Sources		**$203,763,696**	**$188,581,432**	**$107,250,138**	**$69,598,798**	**$84,994,653**	**$87,650,286**	**$89,981,477**	**$359,778,272**
				USE OF FUNDS					
Administration									
AS-10000	Capital Improvement Fund Administration	1,489,980	1,369,681	6,369,089	8,700,574	8,980,869	10,329,014	10,543,192	44,922,738
Administration Total		**1,489,980**	**1,369,681**	**6,369,089**	**8,700,574**	**8,980,869**	**10,329,014**	**10,543,192**	**44,922,738**
Buildings and Facilities									
PF-93009	Americans With Disabilities Act Compliance	880,820	80,820	600,000	450,000	500,000	550,000	600,000	2,700,000
PE-19002	Animal Shelter Renovation	2,994,300	574,061	2,420,239	0	0	0	0	2,420,239
PE-24000	Baylands Boardwalk Piling Repair	1,038,470	1,004,683	33,787	0	0	0	0	33,787
PF-01003	Building Systems Improvements	1,493,867	1,328,663	455,476	406,377	251,076	300,000	0	1,412,929
PF-25000	California Avenue Parking District Parking Improvements	110,102	110,102	0	0	0	0	0	0
PF-26001	Charging Stations Repair and Maintenance	0	0	100,000	100,000	100,000	100,000	100,000	500,000
AC-28002	Children's Theatre Facility Upgrade/ Repair	137,628	12,628	125,000	0	0	0	0	125,000
AC-28001	Children's Theatre Lighting System	0	0	0	0	110,584	633,920	0	744,504
PE-20002	City Facilities Assessment	41,903	11,926	0	0	0	0	0	0
PE-09003	City Facility Parking Lot Maintenance	678,958	678,958	195,000	300,000	275,000	750,000	0	1,520,000
PE-19000	City Hall Space Planning	629,096	142,696	486,400	0	0	0	0	486,400
PE-17010	Civic Center Electrical Upgrade & EV Charger Installation	1,495,494	229,622	1,265,872	0	0	0	0	1,265,872
PE-18016	Civic Center Fire Life Safety Upgrades	293,937	162,196	306,741	0	0	0	0	306,741
PE-15020	Civic Center Waterproofing Study and Repairs	470,671	43,134	941,037	0	0	0	0	941,037
PF-23000	Electric Charger Infrastructure Installation	249,173	249,173	0	0	0	0	0	0
PE-24001	Electrification of City Facilities	1,367,057	1,367,057	0	100,000	100,000	100,000	0	300,000
PF-02022	Facility Interior Finishes Replacement	728,121	270,604	457,517	0	260,000	0	0	717,517
PE-15003	Fire Station 3 Replacement	1,000	1,000	0	0	0	0	0	0
PE-18004	Fire Station 4 Replacement	16,549,269	16,549,269	1,562,645	0	0	0	0	1,562,645
FD-24000	Fire Training Facility Replacement	50,000	12	49,988	0	0	0	0	49,988

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
PE-24005	Homekey Facilities	2,790,060	2,790,060	0	0	0	0	0	0
AC-18001	JMZ Renovation	755,465	357,441	398,024	0	0	0	0	398,024
LB-21000	Library Automated Material Handling	801,692	477,106	324,586	0	850,000	270,000	0	1,444,586
LB-26001	Library Furniture Replacements	0	0	80,000	120,000	120,000	75,000	0	395,000
PG-28000	Lucie Stern Community Center Irrigation Main Lines Replacement	0	0	0	0	200,000	0	0	200,000
PE-24002	Lucie Stern Community Theater Mechanical Equipment Replacement	2,421,952	222,238	2,199,713	0	0	0	0	2,199,713
AC-24001	Lucie Stern Community Theatre Fire Curtain	220,205	20,205	200,000	0	0	0	0	200,000
AC-24000	Lucie Stern Community Theatre Stage Rigging System Refurbishment	116,113	101,927	0	0	0	0	0	0
PE-24003	Lucie Stern Community Theatre Theatrical and House Lighting System Replacement	308,918	308,918	0	0	0	0	0	0
AC-26000	Mitchell Park Community Center Audio Visual Equipment	0	0	340,000	0	0	0	0	340,000
PE-24006	Mitchell Park Library Repair	259,740	108,548	501,192	0	0	0	0	501,192
PF-16006	Municipal Service Center Lighting, Mechanical, and Electrical Improvements	7,025,288	659,784	6,365,504	0	0	0	0	6,365,504
PE-18000	New California Avenue Area Parking Garage	773,583	29,707	993,876	0	0	0	0	993,876
PE-15007	New Downtown Parking Garage	15,845,852	2,738,894	13,106,958	0	0	0	0	13,106,958
PE-15001	New Public Safety Building	11,867,789	11,867,789	0	0	0	0	0	0
AC-26001	PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System	0	0	191,000	0	0	0	0	191,000
AC-28003	Palo Alto Art Center Ceramics Equipment	85,879	85,879	85,000	0	0	0	0	85,000
AC-18000	Performing Arts Venues Seat Replacement	678,395	625,106	53,289	0	0	0	0	53,289
PE-24004	Rinconada Pool Family Changing Room	1,371,237	190,035	1,181,202	0	0	0	0	1,181,202
PF-00006	Roofing Replacement	1,331,433	1,331,433	380,018	1,196,565	202,182	705,407	0	2,484,172
PF-23001	Roth Building Rehabilitation Phase 1	4,011,334	4,011,334	500,000	0	0	0	0	500,000
PF-14003	University Avenue Parking Improvements	171,868	171,868	87,000	115,000	220,000	200,000	150,000	772,000
PE-19001	Water, Gas, Wastewater Office Remodel	32,948	18	0	0	0	0	0	0
Buildings and Facilities Total		**80,079,617**	**48,914,894**	**35,987,064**	**2,787,942**	**3,188,842**	**3,684,327**	**850,000**	**46,498,175**
Department Technology Upgrades and Improvements									
PD-25000	City Radio Replacement Program	321,499	29,500	542,000	542,000	542,000	542,000	542,000	2,710,000
FD-25000	Fire Equipment Replacement	113,405	113,405	1,691,847	758,000	238,000	151,000	192,000	3,030,847
PD-20000	Police Video Recording Systems Replacement	214,900	214,899	214,800	214,800	214,800	214,800	214,800	1,074,000
Department Technology Upgrades and Improvements Total		**649,804**	**357,804**	**2,448,647**	**1,514,800**	**994,800**	**907,800**	**948,800**	**6,814,847**

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Parks and Open Space									
AC-86017	Art In Public Spaces	2,218,720	560,769	1,774,351	87,700	119,800	122,000	121,800	2,225,651
PG-06001	Athletic Courts Resurfacing	472,761	333,471	365,190	231,500	237,300	243,200	249,300	1,326,490
PG-17000	Baylands Comprehensive Conservation Plan	47,454	4,354	68,100	0	0	0	0	68,100
PG-26001	Baylands Golf Links Sand Topdressing	0	0	66,000	0	0	0	0	66,000
OS-24001	Baylands Interpretive Signage Program	178,366	131,023	47,343	0	0	0	0	47,343
OS-09002	Baylands Levee Repair for Public Safety Access	0	0	288,000	0	0	0	0	288,000
OS-24000	Baylands Nature Preserve Entrance Gate	130,668	54,294	1,374	0	0	0	0	1,374
PG-06003	Benches, Signage, Walkways, Perimeter Landscaping, and Site Amenities	367,939	289,641	262,198	188,500	193,200	198,000	203,000	1,044,898
PE-16000	Bol Park Improvements	0	0	0	0	90,000	850,000	0	940,000
PE-25000	Bol Park Pathway Repaving and Repair	0	0	0	0	300,000	1,300,000	0	1,600,000
PE-17005	Boulware Park Improvements	3,169,762	3,026,588	143,174	0	0	0	0	143,174
PE-18006	Byxbee Park Completion	450,000	0	0	450,000	2,381,000	0	0	2,831,000
PG-14002	Cameron Park Improvements	388,466	388,466	0	0	0	0	0	0
PG-18001	Dog Park Installation and Renovation	467,500	467,500	150,000	0	150,000	0	150,000	450,000
PG-24000	El Camino Park Turf Replacement	802,000	162,450	639,550	0	0	0	0	639,550
PG-25002	Eucalyptus Tree Removal	110,102	110,102	150,000	150,000	0	0	0	300,000
OS-18000	Foothills Nature Preserve Boronda Lake Dock Replacement	256,243	54,243	102,000	0	0	0	0	102,000
PE-20000	Foothills Nature Preserve Dam Seepage Investigation and Repairs	82,648	64,185	118,463	0	0	0	0	118,463
PE-21000	Foothills Nature Preserve Improvements	874,385	181,641	692,744	0	0	400,000	1,900,000	2,992,744
PE-26000	Foothills Nature Preserve Restroom Replacement	0	0	0	300,000	1,200,000	1,100,000	500,000	3,100,000
PG-18000	Golf Course Net and Artificial Turf Replacement	847,789	77,789	770,000	0	0	0	0	770,000
PG-13003	Golf Reconfiguration & Baylands Athletic Center Improvements	232,442	134,535	177,906	85,000	90,000	95,000	100,000	547,906
PG-21000	Heritage Park Site Amenities Replacement	143,134	103,132	40,000	0	0	0	0	40,000
PE-18012	Hoover Park Improvements	0	0	0	200,000	1,200,000	0	0	1,400,000
PE-21002	Johnson Park Renovation	0	0	300,000	1,700,000	0	0	0	2,000,000
PE-18010	Mitchell Park Improvements	0	0	0	0	393,750	2,350,000	0	2,743,750
OS-09001	Off-Road Pathway Resurfacing And Repair	277,819	277,819	208,000	185,100	208,300	120,000	124,000	845,400
OS-00002	Open Space Lakes And Pond Maintenance	120,537	46,106	121,730	48,500	49,700	50,900	52,200	323,030
OS-00001	Open Space Trails and Amenities	428,752	336,978	300,673	213,500	218,200	223,700	229,300	1,185,373

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
PG-09002	Park and Open Space Emergency Repairs	521,567	426,406	356,561	267,300	273,400	280,200	287,200	1,464,661
PG-19000	Park Restroom Installation	854,545	680,647	753,898	0	580,000	0	580,000	1,913,898
PG-14001	Peers Park Improvements	0	0	0	304,750	123,855	0	0	428,605
PG-14000	Ramos Park Improvements	388,441	387,431	101,010	0	0	0	0	101,010
PE-08001	Rinconada Park Improvements	329,532	329,532	0	0	0	600,000	4,000,000	4,600,000
PG-25003	Rinconada Pool Starting Blocks	0	0	0	126,500	0	0	0	126,500
PE-18015	Robles Park Improvements	661,590	20,282	891,308	0	0	0	0	891,308
PG-14003	Seale Park Improvements	0	0	0	0	130,410	869,400	0	999,810
PG-26000	Stanford Palo Alto Community Playing Fields Turf Replacement	3,669,037	3,669,036	0	0	0	0	0	0
PG-22000	Werry Park Playground Improvements	0	0	350,000	0	0	0	0	350,000
OS-30001	West Las Trampas Valley Access and Grassland Restoration	0	0	0	0	0	0	60,000	60,000
Parks and Open Space Total		**18,492,199**	**12,318,420**	**9,239,573**	**4,538,350**	**7,938,915**	**8,802,400**	**8,556,800**	**39,076,038**
Streets and Sidewalks									
PE-17004	California Avenue District Gateway Signs	135,846	12,464	123,382	0	0	0	0	123,382
PE-20001	City Bridge Improvements	2,300,719	792,648	1,608,071	435,000	100,000	285,000	85,000	2,513,071
PO-12001	Curb and Gutter Repairs	333,128	333,128	208,000	112,000	125,000	200,000	300,000	945,000
PE-12011	Newell Road/San Francisquito Creek Bridge Replacement	17,824,253	17,824,253	0	0	0	0	0	0
PE-22000	San Francisquito Creek Joint Powers Authority Ongoing Creek Projects	220,205	69,553	553,492	300,000	300,000	300,000	300,000	1,753,492
PO-89003	Sidewalk Repairs	3,764,605	2,272,272	1,402,000	1,406,000	1,500,000	1,590,000	1,685,000	7,583,000
PO-11000	Sign Reflectivity Upgrade	68,360	41,781	128,000	128,000	128,000	128,000	78,000	590,000
PE-13014	Street Lights Condition Assessment	242,225	22,225	220,000	0	0	0	0	220,000
PO-05054	Street Lights Improvements	380,443	272,020	408,422	300,000	150,000	150,000	175,000	1,183,422
PE-86070	Street Maintenance	12,291,712	12,073,162	5,437,687	5,416,138	5,658,138	5,864,225	6,039,413	28,415,601
PO-11001	Thermoplastic Lane Marking and Striping	234,004	109,004	328,000	203,000	203,000	203,000	78,000	1,015,000
PF-26000	Tree Grate Alternatives	0	0	100,000	0	0	0	0	100,000
Streets and Sidewalks Total		**37,795,500**	**33,822,510**	**10,517,054**	**8,300,138**	**8,164,138**	**8,720,225**	**8,740,413**	**44,441,968**
Traffic and Transportation									
PL-04010	Bicycle and Pedestrian Transportation Plan Implementation	3,912,048	1,974,862	2,814,186	500,000	500,000	500,000	500,000	4,814,186
PL-23000	California Avenue Streetscape Update	465,946	465,946	180,000	0	0	0	0	180,000
PL-25002	Charleston Road/Alma Street Railroad Crossing Safety Improvements	531,905	531,905	682,400	0	0	0	0	682,400
PE-13011	Charleston/Arastradero Corridor Project	1,105,321	655,321	0	0	0	0	0	0

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
PL-14000	Churchill Avenue Enhanced Bikeway	3,413,683	3,213,683	200,000	0	0	0	0	200,000
PL-24001	Churchill Avenue Rail Grade Separation and Safety Improvements	7,598,570	6,284,213	2,700,000	4,150,000	8,000,000	8,000,000	8,000,000	30,850,000
PL-20000	Churchill Avenue/Alma Street Railroad Crossing Safety Improvements	4,267,266	4,267,265	1,391,200	1,391,200	0	0	0	2,782,400
PL-15002	Downtown Automated Parking Guidance Systems, Access Controls & Revenue Collection Equip.	3,756,031	3,756,031	0	0	0	0	0	0
PL-19000	Emergency Vehicle Traffic Signal Preemption System Pilot	137,500	137,500	0	0	0	0	0	0
PL-24000	Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements	12,098,096	10,472,733	5,000,000	7,850,000	15,000,000	15,000,000	15,000,000	57,850,000
PL-15003	Parking District Implementation	180,457	16,557	193,900	30,000	30,000	34,000	0	287,900
PL-16002	Parking Management and System Implementation	413,517	413,517	0	0	0	0	0	0
PL-16000	Quarry Road Improvements and Transit Center Access	400,022	400,022	0	0	0	0	0	0
PL-17001	Railroad Grade Separation and Safety Improvements	1,492,697	1,492,697	2,000,000	2,000,000	1,000,000	0	0	5,000,000
PE-26002	Ramona Street Streetscape Update	0	0	225,000	0	0	0	0	225,000
PL-00026	Safe Routes To School	1,963,747	1,075,745	991,000	107,800	113,000	100,000	100,000	1,411,800
PL-25001	Traffic Intersection Accessibility Improvement Project	550,512	300,512	250,000	0	0	0	0	250,000
PL-05030	Traffic Signal and Intelligent Transportation Systems	3,017,425	3,017,424	672,700	703,700	738,200	695,000	495,000	3,304,600
PL-12000	Transportation and Parking Improvements	1,884,944	1,316,146	664,100	433,100	454,300	500,000	500,000	2,551,500
PE-21004	University Avenue Streetscape Update	902,461	751,018	2,176,443	0	0	0	0	2,176,443
Traffic and Transportation Total		**48,092,148**	**40,543,097**	**20,140,929**	**17,165,800**	**25,835,500**	**24,829,000**	**24,595,000**	**112,566,229**
Total Capital Project Expenses		**$186,599,308**	**$137,326,481**	**$84,702,358**	**$43,007,605**	**$55,103,065**	**$57,272,767**	**$54,234,206**	**$294,320,001**
Transfers to Other Funds									
	Transfer to Debt Service Fund (California Avenue Garage)	2,365,000	2,365,000	2,368,000	2,364,000	2,363,000	2,365,000	2,360,000	11.820,000
	Transfer to Debt Service Fund (Public Safety Building)	5,009,000	5,009,000	5,009,000	5,008,000	5,011,000	5,012,000	5,011,000	25,051,000
	Transfer to Technology Fund	50,000	50,000	50,000	25,000	25,000	25,000	0	125,000
Total Transfers to Other Funds		**$7,424,000**	**$7,424,000**	**$7,427,000**	**$7,397,000**	**$7,399,000**	**$7,402,000**	**$7,371,000**	**$36,996,000**
Centrally Determined Charges									
	Investment Management Contract	0	0	21,500	21,500	21,500	21,500	21,500	107,500
Total Centrally Determined Charges		**$0**	**$0**	**$21,500**	**$21,500**	**$21,500**	**$21,500**	**$21,500**	**$107,500**
Total Expenses		**$194,023,308**	**$144,750,481**	**$92,150,858**	**$50,426,105**	**$62,523,565**	**$64,696,267**	**$61,626,706**	**$331,423,501**

Capital Improvement Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Reserves									
	Reserve: Debt Service	3,700,000	3,700,000	5,000,000	7,400,000	7,400,000	7,400,000	7,400,000	7,400,000
	Reserve: Deposits	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900	2,003,900
	Reserve: Infrastructure Plan (IP)	2,658,000	2,658,000	6,300,000	6,300,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Reserves		**$8,361,900**	**$8,361,900**	**$13,303,900**	**$15,703,900**	**$14,403,900**	**$14,403,900**	**$14,403,900**	**$14,403,900**
Total Ending Fund Balance		**$1,378,488**	**$35,469,051**	**$1,795,380**	**$3,468,793**	**$8,067,188**	**$8,550,119**	**$13,950,871**	**$13,950,871**
Total Uses		**$203,763,696**	**$188,581,432**	**$107,250,138**	**$69,598,798**	**$84,994,653**	**$87,650,286**	**$89,981,477**	**$359,778,272**

City of Palo Alto

2026-2030 Capital Improvement Program, General Fund

BUILDINGS AND FACILITIES

1 PE-19002 Animal Shelter Renovation
2 PE-24000 Baylands Boardwalk Piling Repair
3 AC-28002 Children's Theatre Facility Upgrade/Repair
4 AC-28001 Children's Theatre Lighting System
5 PE-19000 City Hall Space Planning
6 PE-17010 Civic Center Electrical Upgrade & EV Charger Installation
7 PE-18016 Civic Center Fire Life Safety Upgrades
8 PE-15020 Civic Center Waterproofing Study and Repairs
9 PE-18004 Fire Station 4 Replacement
10 FD-24000 Fire Training Facility Replacement
11 AC-18001 JMZ Renovation
12 PG-28000 Lucie Stern Community Center Irrigation Main Lines Replacement
13 PE-24002 Lucie Stern Community Theater Mechanical Equipment Replacement
14 AC-24001 Lucie Stern Community Theatre Fire Curtain
15 AC-26000 Mitchell Park Community Center Audio Visual Equipment
16 PE-24006 Mitchell Park Library Repair
17 PF-16006 Municipal Service Center Lighting, Mechanical, and Electrical Improvements
18 PE-18000 New California Avenue Area Parking Garage
19 PE-15007 New Downtown Parking Garage
20 AC-26001 PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System
21 AC-28003 Palo Alto Art Center Ceramics Equipment
22 PE-24004 Rinconada Pool Family Changing Room
23 PF-23001 Roth Building Rehabilitation Phase 1

Projects in various locations not shown on the map

24 PF-93009 Americans With Disabilities Act Compliance
25 PF-01003 Building Systems Improvements
26 PF-26001 Charging Stations Repair and Maintenance
27 PE-09003 City Facility Parking Lot Maintenance
28 PE-24001 Electrification of City Facilities
29 PF-02022 Facility Interior Finishes Replacement
30 LB-21000 Library Automated Material Handling
31 LB-26001 Library Furniture Replacements
32 AC-18000 Performing Arts Venues Seat Replacement
33 PF-00006 Roofing Replacement
34 PF-14003 University Avenue Parking Improvements

PARKS AND OPEN SPACE

1 PG-17000 Baylands Comprehensive Conservation Plan
2 PG-26001 Baylands Golf Links Sand Topdressing
3 OS-24001 Baylands Interpretive Signage Program
4 OS-09002 Baylands Levee Repair for Public Safety Access
5 OS-24000 Baylands Nature Preserve Entrance Gate
6 PE-16000 Bol Park Improvements
7 PE-25000 Bol Park Pathway Repaving and Repair
8 PE-17005 Boulware Park Improvements
9 PE-18006 Byxbee Park Completion
10 PG-24000 El Camino Park Turf Replacement
11 PG-25002 Eucalyptus Tree Removal
12 OS-18000 Foothills Nature Preserve Boronda Lake Dock Replacement
13 PE-20000 Foothills Nature Preserve Dam Seepage Investigation and Repairs
14 PE-21000 Foothills Nature Preserve Improvements
15 PE-26000 Foothills Nature Preserve Restroom Replacement
16 PG-18000 Golf Course Net and Artificial Turf Replacement
17 PG-13003 Golf Reconfiguration & Baylands Athletic Center Improvements
18 PG-21000 Heritage Park Site Amenities Replacement
19 PE-18012 Hoover Park Improvements
20 PE-21002 Johnson Park Renovation
21 PE-18010 Mitchell Park Improvements
22 OS-00002 Open Space Lakes And Pond Maintenance
23 PG-14001 Peers Park Improvements
24 PG-14000 Ramos Park Improvements
25 PE-08001 Rinconada Park Improvements
26 PG-25003 Rinconada Pool Starting Blocks
27 PE-18015 Robles Park Improvements
28 PG-14003 Seale Park Improvements
29 PG-22000 Werry Park Playground Improvements
30 OS-30001 West Las Trampas Valley Access and Grassland Restoration

Projects in various locations not shown on the map

31 AC-86017 Art In Public Spaces
32 PG-06001 Athletic Courts Resurfacing
33 PG-06003 Benches, Signage, Walkways, Perimeter Landscaping, and Site Amenities
34 PG-18001 Dog Park Installation and Renovation
35 OS-09001 Off-Road Pathway Resurfacing And Repair
36 OS-00001 Open Space Trails and Amenities
37 PG-09002 Park and Open Space Emergency Repairs
38 PG-19000 Park Restroom Installation

STREETS AND SIDEWALKS

1 PE-17004 California Avenue District Gateway Signs

Projects in various locations not shown on the map

2 PE-20001 City Bridge Improvements
3 PO-12001 Curb and Gutter Repairs
4 PE-22000 San Francisquito Creek Joint Powers Authority Ongoing Creek Projects
5 PO-89003 Sidewalk Repairs
6 PO-11000 Sign Reflectivity Upgrade
7 PE-13014 Street Lights Condition Assessment
8 PO-05054 Street Lights Improvements
9 PE-86070 Street Maintenance
10 PO-11001 Thermoplastic Lane Marking and Striping
11 PF-26000 Tree Grate Alternatives

TRAFFIC AND TRANSPORTATION

1 PL-23000 California Avenue Streetscape Update
2 PL-25002 Charleston Road/Alma Street Railroad Crossing Safety Improvements
3 PL-14000 Churchill Avenue Enhanced Bikeway
4 PL-24001 Churchill Avenue Rail Grade Separation and Safety Improvements
5 PL-20000 Churchill Avenue/Alma Street Railroad Crossing Safety Improvements
6 PL-24000 Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements
7 PE-26002 Ramona Street Streetscape Update
8 PE-21004 University Avenue Streetscape Update

Projects in various locations not shown on the map

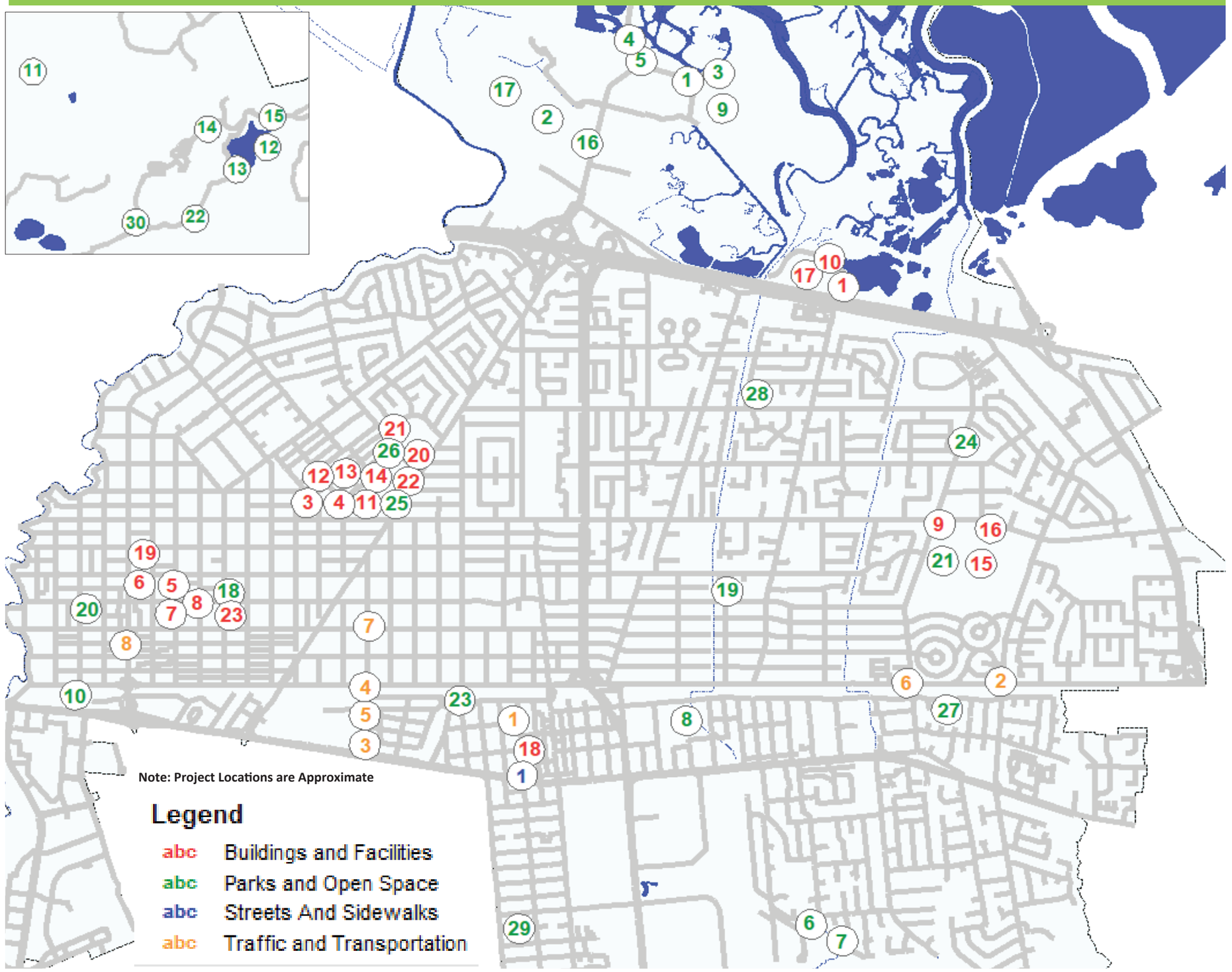
9 PL-04010 Bicycle and Pedestrian Transportation Plan Implementation
10 PL-15003 Parking District Implementation
11 PL-17001 Railroad Grade Separation and Safety Improvements
12 PL-00026 Safe Routes To School
13 PL-25001 Traffic Intersection Accessibility Improvement Project
14 PL-05030 Traffic Signal and Intelligent Transportation Systems
15 PL-12000 Transportation and Parking Improvements

DEPARTMENT TECHNOLOGY UPGRADES AND IMPROVEMENTS

Projects in various locations not shown on the map

1 PD-25000 City Radio Replacement Program
2 FD-25000 Fire Equipment Replacement
3 PD-20000 Police Video Recording Systems Replacement

Map produced by Public Works Engineering Infrastructure Project Manager Murdo M Nicolson Jr. with Geodesy's GIST/AVEC





CITY OF
PALO
ALTO

Administration



Fund: Capital Improvement Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Administrative Services
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AS-10000

Capital Management Team

Capital Improvement Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage General Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Capital Improvement Fund were previously budgeted across capital projects, and the amounts included in this project represented costs not associated with any particular project (for example, administration and oversight of the CIP process). Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to the Infrastructure Reserve.

Significant Changes

2026-2030 CIP: Estimated administrative costs that were previously budgeted across capital projects have been consolidated in this project and will be allocated to projects in accordance with actual charging as part of the year-end process. Additionally, as an amendment to the FY 2026 Proposed Budget, placeholder expenditure reductions of $3.2 million in FY 2026, $1.0 million in FY 2027, and $1.0 million in FY 2028 were included in this project in order to offset reductions of the same amounts in the base transfer from the General Fund. The placeholders will be removed when City Council approves a FY 2026 budget amendment that assigns expenditure reductions and deferrals to specific projects in the Capital Improvement Fund in September 2025.

2024-2028 CIP: $100,000 added annually for outside counsel services to address claims related to the construction of large CIP projects.

2019-2023 CIP: Salary and benefit expenses have been allocated to capital projects in all years of the CIP. In prior years, costs were allocated only in the first year of the CIP.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	1,489,981	1,369,681	6,369,088	8,700,574	8,980,869	10,329,014	10,543,192	44,922,737	0	N/A
Total	**N/A**	**$1,489,981**	**$1,369,681**	**$6,369,088**	**$8,700,574**	**$8,980,869**	**$10,329,014**	**$10,543,192**	**$44,922,737**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	220,300	100,000	100,000	100,000	100,000	100,000	100,000	500,000	0	N/A
Other	N/A	1,269,680	1,269,681	6,269,089	8,600,574	8,880,869	10,229,014	10,443,192	44,422,738	0	N/A
Total	**N/A**	**$1,489,980**	**$1,369,681**	**$6,369,089**	**$8,700,574**	**$8,980,869**	**$10,329,014**	**$10,543,192**	**$44,922,738**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



CITY OF
PALO
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Buildings and Facilities



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-93009

Palo Alto Airport Terminal, January 2015

Americans With Disabilities Act Compliance

Description

This project provides funding for accessibility upgrades to City facilities and equipment. It includes continued funding for improvements such as path of travel, restroom upgrades, drinking fountains, and counters. This funding will also be utilized for other CIP project design or construction phases where accessibility improvements are identified.

Justification

In order to comply with the Americans with Disabilities Act (ADA) of 1990 and related regulations, the City prepared a Transition Plan and Self-Evaluation Final Study that identified physical obstacles and described improvements to make facilities, programs, and services accessible. Implementation of this program is ongoing.

Supplemental Information

The recently updated ADA Transition Plan established a schedule for accessibility upgrades to City facilities.

Significant Changes

2025-2029 CIP: New funding has been removed in FY 2025 as part of a balancing strategy to address competing infrastructure needs across the City. Funding is recommended to be reappropriated from FY 2024 into FY 2025 to address ADA project needs.

2023-2027 CIP: Continuing work on ADA Transition Plan. Projects for outer years to be determined.

2021-2025 CIP: Funding reduced pending Council approval of updated ADA Transition Plan.

2020-2024 CIP: Funding added to begin implementation of updated ADA Transition Plan that identified additional needs for City facilities.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	880,820	80,820	600,000	450,000	500,000	550,000	600,000	2,700,000	0	N/A
Total	**N/A**	**$880,820**	**$80,820**	**$600,000**	**$450,000**	**$500,000**	**$550,000**	**$600,000**	**$2,700,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	880,820	80,820	600,000	450,000	500,000	550,000	600,000	2,700,000	0	N/A
Total	**N/A**	**$880,820**	**$80,820**	**$600,000**	**$450,000**	**$500,000**	**$550,000**	**$600,000**	**$2,700,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Efficient and Effective Service Delivery
Goal: C-1
Policy: C-1.8

Potential Board/Commission Review:

Historic Resources Board
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 3281 East Bayshore Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2018
Initial Project Completion: Winter 2018

Revised Project Start: Fall 2024
Revised Project Completion: Fall 2027

Project Number: PE-19002

City of Palo Alto Animal Shelter

Animal Shelter Renovation

Description

This project provides funding for interim facility improvements to the Animal Shelter that accompany operation of the shelter by a contractor. The improvements include expanding and remodeling the medical suite to provide a new 900 square foot modular building for office space, public educational programs, and expanded kennels.

Justification

The Animal Shelter, built in 1972, is outdated and does not meet modern standards for medical care. Fundraising for construction of a new, modern animal shelter will be needed but interim improvements to the current shelter are required for Pets In Need to successfully operate the facility.

Significant Changes

2025-2029 CIP: A new five-year agreement with Pets in Need was approved in March 2024 and the timeline has been adjusted accordingly.

2024-2028 CIP: The project budget was increased by $1.6 million for additional capital projects that are still being negotiated with Pets In Need.

2023-2027 CIP: The current agreement with Pets in Need is in the process of being renegotiated. The new agreement will focus on priority improvements as well as fundraising plans for additional costs.

2020-2024 CIP: The agreement with Pets In Need was approved by Council in November 2018 and included an increase of $2.8 million in this project. This project was originally intended to fund work managed by Pets In Need but the work will now be managed by Public Works.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	2,921,105	2,994,300	574,061	2,420,239	0	0	0	0	2,420,239	0	5,915,405
Total	**$2,921,105**	**$2,994,300**	**$574,061**	**$2,420,239**	**$0**	**$0**	**$0**	**$0**	**$2,420,239**	**$0**	**$5,915,405**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	2,921,094	2,994,300	574,061	2,420,239	0	0	0	0	2,420,239	0	5,915,394
Total	**$2,921,094**	**$2,994,300**	**$574,061**	**$2,420,239**	**$0**	**$0**	**$0**	**$0**	**$2,420,239**	**$0**	**$5,915,394**

Operating Impact

There are no additional operating impacts anticipated from this project. Maintenance costs at the facility will be covered by Pets In Need as part of a renegotiated agreement with the City.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Baylands Nature Interpretive Center (2775 Embarcadero Road)

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2023
Initial Project Completion: Spring 2025

Revised Project Start: N/A
Revised Project Completion: Fall 2026

Project Number: PE-24000

Boardwalk piling decay

Baylands Boardwalk Piling Repair

Description

This project provides funding for the identification and implementation of a long-term solution to damage caused by aquatic borers to The Lucy Evans Baylands Interpretive Center's boardwalk.

Justification

The Center's old boardwalk was replaced with a new boardwalk in 2018. The original boardwalk's piles were built of pressure-treated wood. Due to the potential environmental concerns associated with chemical treatment, the pressure-treated wood was not preferred in the wetlands for the new boardwalk piles. An alternative, Alaskan Yellow Cedar, was recommended because of its durability and resistance to decay in marine environments. During a recent site inspection, staff observed decay of some piles because of aquatic borers. A structural consultant conducted a follow-up inspection and recommended temporary repair measures to strengthen the deteriorated piles and to protect the piles that have not been damaged yet. Staff is implementing those temporary measures, but biological assessment and an engineered design are being developed for long-term prevention of the marine borers' activity. Project permitting is underway by the Regional Water Quality Control Board (RWQCB), San Francisco Bay Conservation and Development Commission (BCDC), United States Army Corps of Engineers (USACE), and United States Fish and Wildlife Services (USFWS).

Significant Changes

2026-2030 CIP: Construction was completed in Fall 2024 but project must be kept open for ongoing monitoring per regulatory agency requirements.

2025-2029 CIP: Funding of $0.8 million has been added to provide biological monitoring and to implement repairs based on detailed cost estimate and assuming all pilings could be repaired.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	182,854	1,038,470	1,004,683	33,787	0	0	0	0	33,787	0	1,221,324
Total	**$182,854**	**$1,038,470**	**$1,004,683**	**$33,787**	**$0**	**$0**	**$0**	**$0**	**$33,787**	**$0**	**$1,221,324**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	3,666	1,032,054	998,267	33,787	0	0	0	0	33,787	0	1,035,720
Design	179,186	6,416	6,416	0	0	0	0	0	0	0	185,602
Total	**$182,852**	**$1,038,470**	**$1,004,683**	**$33,787**	**$0**	**$0**	**$0**	**$0**	**$33,787**	**$0**	**$1,221,322**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15302



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-01003

AC gas package unit Municipal Services Center Building C, January 2015

Building Systems Improvements

Description

This project provides funding for electrical, mechanical, plumbing, structural, and security upgrades as required at various City facilities. Upgrades may include main and emergency power sources, light fixtures, fire alarm systems, heating and ventilation equipment, Building Management System (BMS) controls, structural reinforcements or repair, security card access, and camera systems.

Justification

This project provides funding for system upgrades in facilities with systems that are overloaded or no longer efficient. Heating and air-conditioning units in many older buildings are at the end of their useful life and require replacement. BMS control systems in some facilities are outdated and have limited or no vendor support. Structural systems have become damaged or fatigued due to heavier equipment requirements or increased loading. Increased security for facilities and IT network systems require the installation of card access and camera systems. This project also provides funding for replacement of unforeseen equipment failures. While upgrading equipment, staff selects the most energy efficient options, including premium efficiency motors, and incorporates the use of energy saving technologies, such as variable frequency drives, whenever possible.

Supplemental Information

The Department of Public Works uses a computerized asset management tracking software to assist in identifying the maintenance and replacement needs addressed through this project. Upcoming work includes:

Fiscal Year 2026: Replace fire panels throughout the City to non-proprietary systems (phase 1) and replace the central roof beam at the Baylands Interpretive Center.

Fiscal Year 2027: Complete the replacement of fire panels throughout the city to non-proprietary systems (phase 2), replace domestic water control system at City Hall, and replace the pool shade structure at Rinconada pool.

Fiscal Year 2028: Replace rooftop furnace and fans at Rinconada pool.

Fiscal Year 2029: Install new stationary generator at Fire Station #8.

Fiscal Year 2030: Project to be identified.

Significant Changes

2026-2030 CIP: Due to staffing constraints and a cautious economic outlook, several projects in this CIP have been deferred, while higher-priority items were advanced. The citywide replacement of proprietary fire alarm panels was shifted from FY 2025 to FY 2026 and FY 2027, and split into two phases - Phase 1 in FY 2026 and Phase 2 in FY 2027. The domestic water control system replacement at City Hall was also deferred to FY 2027. The new stationary generator installation at Fire Station #8 was moved from FY 2026 to FY 2029. The replacement of the central roof beam at the Baylands Interpretive Center has been scheduled for FY 2026. A new project - the Rinconada Pool shade structure replacement - was added and scheduled for FY 2027. The electrical panel replacement at the Golf Clubhouse and Café, previously deferred to FY 2029, has been removed from the CIP pending coordination with the City's electrification plan. Similarly, the Fire Station #5 panel board replacement has been postponed to align with the same initiative.

2025-2029 CIP: Due to staffing constraints, several items in this CIP had to be delayed. The replacements of fill media in the City Hall cooling tower, fire pump controls, and proprietary fire panels throughout the city are included in the FY 2025 workplan. The new stationary generator for Fire Station #8 has now been scheduled for installation in FY 2026. That same fiscal year, the domestic water control system in City Hall will be replaced. Upgrades to LED lighting in City parks as well as replacement of roof top furnaces, exhaust fans, and dehumidifiers has been rescheduled from FY 2026 to FY 2027. Replacement of electric panels at the Golf Club House and Cafe is still scheduled for FY 2027, while Fire Station #5 electrical panel boards replacement has been moved from FY 2028 to FY 2029.

2024-2028 CIP: Replacement of the City Hall fire pump control system has been delayed from FY 2023 to FY 2024. Replacement of Fire Station #5's electrical panel board has moved to FY 2028 from FY 2025. Installation of a new stationary generator at Fire Station #8 has moved to FY 2025 from FY 2024.

2023-2027 CIP: All projects are delayed by one year, and the re-plastering of Rinconada Lap Pool and Kiddie Pool was added to FY 2023.

2022-2026 CIP: Staff vacancies have delayed all programmed projects by one year including lighting for Tennis/Pickle Ball Courts which was extended to FY 2022 and UCC generator added to FY 2022 resulting in an increase of funding needed. Cost estimates for planned work have been adjusted for accuracy based on other similar recent bids received.

2021-2025 CIP: Funding was reduced as part of the FY 2021 Capital Improvement Program budget strategy and all programmed projects have been delayed a year.

2020-2024 CIP: All programmed projects were pushed out a year since FY 2019 funding was needed for a new chiller located at City Hall.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	993,867	828,663	455,475	406,376	251,076	300,000	0	1,412,927	0	N/A
Transfer from Electric Fund	N/A	500,000	500,000	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,493,867**	**$1,328,663**	**$455,475**	**$406,376**	**$251,076**	**$300,000**	**$0**	**$1,412,927**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,475,970	1,310,766	455,476	406,377	251,076	300,000	0	1,412,929	0	N/A
Design	N/A	17,897	17,897	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,493,867**	**$1,328,663**	**$455,476**	**$406,377**	**$251,076**	**$300,000**	**$0**	**$1,412,929**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-26001

Electric Vehicle Charger in the Civic Center Garage

Charging Stations Repair and Maintenance

Description

This project provides funding for the maintenance and replacement of 89 public-use charging stations for electric vehicles (EVs) throughout the City.

Justification

City-owned EV chargers for public use are essential assets that support the community's transition to sustainable transportation. These smart chargers are network-connected, providing real-time data that enhances user accessibility and operational efficiency. Through various applications, users can locate available chargers, check usage status, and ensure a seamless charging experience. Additionally, these smart chargers enable the collection of critical data on usage trends, which informs infrastructure planning and ensures optimal service availability. The network connectivity also allows the City to implement a per-kilowatt (kW) usage fee, generating revenue that helps offset operational costs.

To maintain a reliable and accessible EV charging network, these chargers require consistent funding for both routine and unexpected maintenance. Each charging station is comprised of multiple electrical and physical components, including power distribution units, communication modules, and user interfaces, all of which require regular servicing to prevent system failures. Routine maintenance ensures that chargers remain operational, thereby minimizing downtime and providing users with a dependable charging experience. Beyond routine servicing, funding is necessary for repairing damage caused by vandalism, and for replacing aging infrastructure. Additionally, as technology evolves, older chargers may become incompatible with newer vehicle models or lack the capability to meet increasing demand, thus necessitating timely replacements.

Supplemental Information

This project is supported by revenue from EV charging fees in the General and Parking Funds. To ensure continued funding for this project, the per-kilowatt-hour (kWh) public charging rate will be evaluated on a continuous basis and adjustments will be recommended during the annual municipal fee development process. Rate adjustments will align with operational costs, infrastructure needs, and market trends, ensuring the long-term viability of the City's EV charging network.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from California Ave Parking Permit Fund	N/A	0	0	20,000	20,000	20,000	20,000	20,000	100,000	0	N/A
Transfer from General Fund	N/A	0	0	40,000	40,000	40,000	40,000	40,000	200,000	0	N/A
Transfer from University Ave Parking Permit Fund	N/A	0	0	40,000	40,000	40,000	40,000	40,000	200,000	0	N/A
Total	**N/A**	**$0**	**$0**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$500,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	0	0	100,000	100,000	100,000	100,000	100,000	500,000	0	N/A
Total	**N/A**	**$0**	**$0**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$500,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Sustainable Transportation
Goal: T-1
Policy: T-1.4

Potential Board/Commission Review:

Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2024
Initial Project Completion: Winter 2025

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-28002

Children's Theatre production

Children's Theatre Facility Upgrade/Repair

Description

This project will upgrade and repair the Children's Theatre facility, including the backstage work and storage areas, classrooms, performance stages, restrooms, and public spaces.

Justification

Upgrades and repairs are needed for the Children's Theatre, an aging facility. This project will complete unfinished construction on the Magic Castle Stage, provide handicapped and gender-neutral restrooms, and address the lack of adequate space for education/classrooms, costume construction, and theatre storage.

Supplemental Information

Phase 1: Consultant to establish facility needs and cost of rehabilitation

Phase 2: Architect to complete plans

Phase 3: Project execution

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	137,628	12,628	125,000	0	0	0	0	125,000	0	137,628
Total	**$0**	**$137,628**	**$12,628**	**$125,000**	**$0**	**$0**	**$0**	**$0**	**$125,000**	**$0**	**$137,628**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	137,628	12,628	125,000	0	0	0	0	125,000	0	137,628
Total	**$0**	**$137,628**	**$12,628**	**$125,000**	**$0**	**$0**	**$0**	**$0**	**$125,000**	**$0**	**$137,628**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2028
Initial Project Completion: Fall 2029

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-28001

Lighting in Children's Theatre

Children's Theatre Lighting System

Description

This project will upgrade and replace lighting systems for the Children's Theatre Main Stage Auditorium and Magic Castle Stage for backstage work areas, the performance stage, and audience areas.

Justification

Features and upgraded effects that the Children's Theatre requires for their performances have outgrown the existing lighting system, leaving a deficit in the illumination required for backstage work areas, the performance stage, and audience areas. There are lighting locations powered and controlled throughout the auditorium which are considered past their useful life span. Conversion to light-emitting diodes (LED) will enhance performances, reduce required electrical demands, and assist in maintaining a comfortable temperature by reducing heat loads.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	110,584	633,920	0	744,504	0	744,504
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$110,584**	**$633,920**	**$0**	**$744,504**	**$0**	**$744,504**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	0	0	0	0	110,584	633,920	0	744,504	0	744,504
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$110,584**	**$633,920**	**$0**	**$744,504**	**$0**	**$744,504**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-09003

Lucie Stern Parking Lot, February 2015

City Facility Parking Lot Maintenance

Description

This project provides funding for the repair, resurfacing, or reconstruction of parking lots and walkways at various City facilities, including restriping and signage.

Justification

Uneven paved surfaces are a safety hazard and shorten the useful life of walkways and parking lots. Repairing the paved walkways and parking lots at various City facilities will eliminate these safety hazards and extend useful life.

Supplemental Information

Work programmed for this project includes parking lot resurfacing for the following locations:

Fiscal Year 2026: Animal Shelter parking lot, Art Center middle parking lot, Eleanor Pardee Garden center access, Municipal Service Center (MSC) north parking lot

Fiscal Year 2027: Adobe Loop Trail parking lot

Fiscal Year 2028: Gamble Garden parking lot

Fiscal Year 2029: Baylands Athletic Center parking lot

Fiscal Year 2030: To be determined. A citywide parking lot pavement assessment is anticipated to be conducted in FY 2026.

Significant Changes

2023-2027 CIP: Parking lots were inspected in October 2021 and cost estimates were updated based on current pavement conditions.

2021-2025 CIP: Funding was reduced as part of the FY 2021 Capital Improvement Program budget strategy. Foothills Park parking lot work was moved to FY 2022 to coordinate with Foothills Park Roadway Paving Project.

2020-2022 CIP: Parking lots were inspected in October 2018 and cost estimates were updated based on current pavement conditions.

2018-2022 CIP: A $215,000 increase in FY 2018 funding is for the Midtown Shopping Center.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	678,958	678,958	195,000	300,000	275,000	750,000	0	1,520,000	0	N/A
Total	**N/A**	**$678,958**	**$678,958**	**$195,000**	**$300,000**	**$275,000**	**$750,000**	**$0**	**$1,520,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	678,958	678,958	195,000	300,000	275,000	750,000	0	1,520,000	0	N/A
Total	**N/A**	**$678,958**	**$678,958**	**$195,000**	**$300,000**	**$275,000**	**$750,000**	**$0**	**$1,520,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

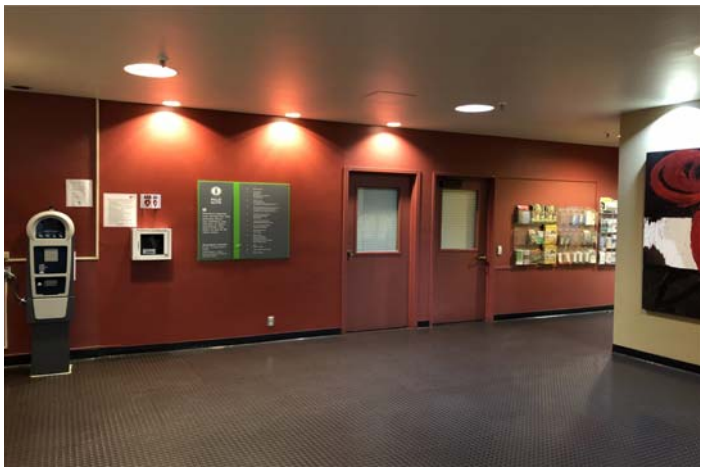
Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
Worked performed under this project is typically categorically exempt from CEQA under Section 15301.



City Hall A Level Lobby

City Hall Space Planning

Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Palo Alto City Hall (250 Hamilton Avenue)

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Fall 2018
Initial Project Completion: Fall 2019

Revised Project Start: Spring 2025
Revised Project Completion: Fall 2027

Project Number: PE-19000

Description

This project provides funding for space planning to determine future workgroup space needs and programming for the City Hall office building.

Justification

Upon completion of the new Public Safety Building in 2023, the Police wing of City Hall and the Fire Administration group on the 6th floor will move into the new building. The departure of these workgroups provides an opportunity to plan for the best use of the newly available City Hall space and to consider other potential improvements such as reconfiguration of the A level cafeteria space. Additionally, a potential opportunity has been identified to reduce the size of the Information Technology Department's 2nd floor data center and make the space available for other uses.

Supplemental Information

The scope of this project includes the initial space planning and preliminary design of the improvements. Following completion of space planning and preliminary design, additional funding will be required to complete the design and construct renovations to the affected areas.

Significant Changes

2026-2030 CIP: Project completion extended due to staff prioritizing other projects.

2025-2029 CIP: Project completion extended due to staff prioritizing other projects.

2024-2028 CIP: Project completion extended due to staff prioritizing other projects.

2023-2027 CIP: Project completion extended due to staff prioritizing other projects.

2022-2026 CIP: Project completion extended to follow the beginning of the construction phase in the Public Safety Building Project (PE-15001).

2021-2025 CIP: Project completion extended as a result of staffing constraints and funding increased to reflect increased scope needed to study and plan for the space availability and needs at City Hall resulting from the completion of the Public Safety Building in FY 2023.

2020-2024 CIP: Project completion extended to reflect staffing constraints and the revised expected completion of the Public Safety Building.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	52,614	629,096	142,696	486,400	0	0	0	0	486,400	0	681,710
Total	**$52,614**	**$629,096**	**$142,696**	**$486,400**	**$0**	**$0**	**$0**	**$0**	**$486,400**	**$0**	**$681,710**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	52,612	629,096	142,696	486,400	0	0	0	0	486,400	0	681,708
Total	**$52,612**	**$629,096**	**$142,696**	**$486,400**	**$0**	**$0**	**$0**	**$0**	**$486,400**	**$0**	**$681,708**

Operating Impact

Operating impacts of potential space uses will be assessed as part of the planning process.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Palo Alto City Hall (250 Hamilton Avenue), Various

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Summer 2016
Initial Project Completion: Fall 2017

Revised Project Start: Spring 2017
Revised Project Completion: Winter 2027

Project Number: PE-17010

Electrical System Access Door at City Hall

Civic Center Electrical Upgrade & EV Charger Installation

Description

This project provides funding to replace the aging Civic Center electrical switchgear and motor control centers and to purchase and install approximately 43 new Level 2 electric vehicle (EV) charging stations at City parking garages, including the Civic Center garage.

Justification

The main electrical switch gear is over 50 years old and must be replaced and upgraded to ensure the reliability of electrical power at City Hall. Other parts of the electrical system have been recently upgraded, leaving this as one of the last remaining items. With increased ownership of electric vehicles, additional public spaces with EV chargers are needed. Funding in this project allows the City to leverage grants that substantially cover the costs of EV charger purchases and installation on a reimbursement basis.

Supplemental Information

Funding for the electrical upgrade work ($0.35 million) was moved from the Civic Center Fire Life Safety Upgrades Project (PE-18016) to this project. At the time this project was established, approximately 90 percent of the EV charger costs were expected to be reimbursed by Bay Area Air Quality Management District grants.

Significant Changes

2026-2030 CIP: Project timeline extended to Winter 2027 due to staff availability and procurement.

2024-2028 CIP: Project timeline extended to Fall 2025 due to expected one-year lead time to procure and manufacture the switch gear. Electrical equipment availability has been impacted by global pandemic and economic events in recent years. Funding has also been increased by approximately $0.8 million due to inflated costs of the equipment and labor to install.

2023-2027 CIP: Project budget increased by approximately $0.3 million due to construction cost escalation and the construction complexity of swapping out the main switch gear without significant downtime for City Hall. Project completion date extended to Spring 2023 due to expected scheduling difficulties related to minimizing downtime of City Hall.

2022-2026 CIP: Project completion date extended to Fall 2021 due to delays in procuring design services.

2020-2024 CIP: In FY 2018, an invitation for Design-Build proposals received no response. Staff began the process for a traditional Design-Bid Build approach. Timing of the project was extended to accommodate this approach and allow for a new window of opportunity to perform construction when City Hall can be closed for a brief time duration. Funding added to account for the complexity of construction and replacement of both motor control centers (MCC) on Levels A and 8.

2019-2023 CIP: Anticipated project completion date adjusted to reflect delays due to staff workload and available options for scheduling a full shutdown of City Hall for construction work.

2018-2022 CIP: Project start was delayed due to staff workload. Staff plans to use Design-Build project delivery method for Civic Center switchgear and motor control center replacements.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	569,984	1,321,494	55,622	1,265,872	0	0	0	0	1,265,872	0	1,891,478
Revenue from Other Agencies	86,300	174,000	174,000	0	0	0	0	0	0	0	260,300
Total	**$656,284**	**$1,495,494**	**$229,622**	**$1,265,872**	**$0**	**$0**	**$0**	**$0**	**$1,265,872**	**$0**	**$2,151,778**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	495,592	1,470,307	204,435	1,265,872	0	0	0	0	1,265,872	0	1,965,899
Design	160,675	25,187	25,187	0	0	0	0	0	0	0	185,862
Total	**$656,267**	**$1,495,494**	**$229,622**	**$1,265,872**	**$0**	**$0**	**$0**	**$0**	**$1,265,872**	**$0**	**$2,151,761**

Operating Impact

This project is anticipated to impact operating expenses in the future. As these costs are quantified, adjustments will be brought forward in the future budget cycles, as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Palo Alto City Hall (250 Hamilton Avenue)

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Summer 2018
Initial Project Completion: Spring 2019

Revised Project Start: Fall 2020
Revised Project Completion: Winter 2026

Project Number: PE-18016

Civic Center Fire Life Safety and Electrical Upgrades

Civic Center Fire Life Safety Upgrades

Description

This project provides funding for an assessment and upgrade of the fire life safety systems in City Hall.

Justification

The fire life safety system is approaching the end of its useful life. The fire alarm panels and associated equipment are in need of upgrade in order to meet current code requirements. City Hall is a vital facility for all functions and departments.

Significant Changes

2026-2030 CIP: Project completion extended to Winter 2026 and funding increased by $0.2 million to reflect the need for scope evaluation once City Hall space planning is complete.

2025-2029 CIP: Project completion schedule revised to reflect staff workload.

2024-2028 CIP: Project completion is anticipated to be Fall 2023. Additional funding of approximately $0.3 million added in FY 2024 for an emergency responder radio communication system (ERRCS) at City Hall.

2022-2026 CIP: Project completion schedule revised due to delays with procurement.

2021-2025 CIP: Project completion schedule revised due to re-evaluation of the procurement methodology for the system.

2019-2023 CIP: Project schedule and scope revised to reflect staff workload.

2017-2021 CIP: The scope and budget ($0.35 million) for the City Hall electrical upgrade portion of this project have been moved to a new project, PE-17010, Civic Center Electrical Upgrade & EV Charger Installation.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	547,309	293,937	162,196	306,741	0	0	0	0	306,741	0	1,016,246
Transfer frm Gen. Gov't Fac. Impact Fee Fund	356,956	0	0	0	0	0	0	0	0	0	356,956
Total	**$904,265**	**$293,937**	**$162,196**	**$306,741**	**$0**	**$0**	**$0**	**$0**	**$306,741**	**$0**	**$1,373,202**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	867,396	293,937	162,196	306,741	0	0	0	0	306,741	0	1,336,333
Design	36,859	0	0	0	0	0	0	0	0	0	36,859
Total	**$904,255**	**$293,937**	**$162,196**	**$306,741**	**$0**	**$0**	**$0**	**$0**	**$306,741**	**$0**	**$1,373,192**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Palo Alto City Hall (250 Hamilton Avenue)

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2015
Initial Project Completion: Summer 2017

Revised Project Start: Summer 2016
Revised Project Completion: Spring 2027

Project Number: PE-15020

Civic Center Parking Garage, February 2015

Civic Center Waterproofing Study and Repairs

Description

This project provides funding to address the condition assessment and repair method for the Civic Center Plaza planter boxes' waterproofing membranes, drainage piping system along the Civic Center Plaza perimeter and structural beam and walls repair in parking levels below due to water incursion.

Justification

Water has been leaking from the planter boxes to the parking level below when it rains and causing damage to structural beam and connection to walls at parking levels below. The planter waterproofing membranes and drainpipes were found to be in poor condition and most likely at the end of their service life. The waterproofing membranes and drainpipes require immediate replacement.

Significant Changes

2026-2030 CIP: Project completion date extended to Spring 2027 due to staff prioritizing other projects, and $50,000 added to address water intrusion.

2025-2029 CIP: Additional funding of approximately $0.5 million and time added for structural beam and walls repair due to water incursion in the parking garage.

2024-2028 CIP: Project completion date extended to Fall 2024 due to staff prioritizing other projects and additional funding of approximately $0.4 million added in FY 2024 for increased cost to repair planter boxes.

2023-2027 CIP: Project completion date extended to Fall 2023 due to staff prioritizing other projects.

2020-2024 CIP: Additional funding and time added to restore waterproofing membrane within planter boxes along the Civic Center plaza perimeter.

2019-2023 CIP: Anticipated completion date adjusted to reflect delays due to staff workload.

2018-2022 CIP: Additional funding added for implementation of the repairs.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	798,457	470,671	43,134	941,037	0	0	0	0	941,037	0	1,782,628
Total	**$798,457**	**$470,671**	**$43,134**	**$941,037**	**$0**	**$0**	**$0**	**$0**	**$941,037**	**$0**	**$1,782,628**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	712,911	470,671	43,134	941,037	0	0	0	0	941,037	0	1,697,082
Design	85,540	0	0	0	0	0	0	0	0	0	85,540
Total	**$798,451**	**$470,671**	**$43,134**	**$941,037**	**$0**	**$0**	**$0**	**$0**	**$941,037**	**$0**	**$1,782,622**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-24001

Bryant Street Garage gas meter

Electrification of City Facilities

Description

This project will evaluate feasibility, prepare designs, and implement construction for the electrification of fossil fuel consuming building systems in coordination with the Building Systems Improvements project (PF-01003). The Electrification of City Facilities project is intended as a workplan to implement the findings from the electrification assessment done in 2023 as part of the City Facility Assessment project (PE-20002).

Justification

The Sustainability and Climate Action Plan (S/CAP) Key Action E4 is to reduce natural gas use in City facilities to help meet the S/CAP goals. This project is intended to implement Key Action E4 for the energy component of the S/CAP as accepted by City Council on October 3, 2022.

Supplemental Information

In 2023, the City of Palo Alto conducted a city facility assessment at all City buildings and an electrification assessment (EA) at the forty-nine buildings with fossil fuel consuming systems. The EA provided a framework for electrification to help meet the S/CAP goals to reduce greenhouse gas (GHG) emissions to 80% below 1990 levels by 2030.

As part of the EA, a cost and timing estimate for the electrification of fossil fuel consuming systems was prepared based on the expected remaining useful life (RUL) of the gas-fired equipment at each city facility. Converting gas-fired equipment to electrical usage will increase electrical demand at facilities. Therefore, electrical service equipment may require upgrades to handle the increased load. Ideally, fossil fuel burning equipment will be converted to electric at their end of useful life (EUL), ensuring the City maximizes the life cycle of existing equipment, but some building equipment may require conversion prior to EUL.

Significant Changes

2026-2030 CIP: The workplan to implement the findings from the electrification assessment has been delayed due to staffing constraints.

2025-2029 CIP: Additional funding added for HVAC electrification to upgrade the 445 Bryant Street property (previously rented by Form Fitness). The cost of the HVAC system will be offset by funding from the Community Center Impact Fee Fund.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	877,057	877,057	0	100,000	100,000	100,000	0	300,000	0	N/A
Transfer from Community Center Impact Fee Fund	N/A	490,000	490,000	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,367,057**	**$1,367,057**	**$0**	**$100,000**	**$100,000**	**$100,000**	**$0**	**$300,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,367,057	1,367,057	0	100,000	100,000	100,000	0	300,000	0	N/A
Total	**N/A**	**$1,367,057**	**$1,367,057**	**$0**	**$100,000**	**$100,000**	**$100,000**	**$0**	**$300,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15302



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-02022

Lucie Stern Community Center Ballroom

Facility Interior Finishes Replacement

Description

This project provides funding for replacement of or improvements to interior finishes such as flooring, walls, ceiling tiles, doors, windows, paint, lighting, soundproofing, cabinets, and fixed office furniture, as well as associated electrical, mechanical, plumbing, and fire/life safety code compliance requirements at various City facilities.

Justification

Interior finishes throughout City facilities are designated for replacement as part of an ongoing capital maintenance plan. Finishes are typically coordinated and upgraded as other renovation projects are undertaken.

Supplemental Information

Planned interior finishes projects include:

Fiscal Year 2026: 445 Bryant Street (former Form Fitness site) building systems replacement

Fiscal Year 2027: Specific projects and workplan to be determined

Fiscal Year 2028: City Hall Council Chambers carpet replacement

Fiscal Year 2029: Specific projects and workplan to be determined

Fiscal Year 2030: Specific projects and workplan to be determined

Significant Changes

2026-2030 CIP: Considering staffing constraints and a cautious economic outlook for FY 2026, this CIP does not introduce any new projects beyond those previously identified. The replacement of interior building sys-

tems at 445 Bryant Street (formerly Form Fitness) is scheduled for FY 2026. The carpet replacement in the City Hall Council Chambers has been deferred to FY 2028.

2025-2029 CIP: Mitchell Park Library furniture has been removed from FY 2025 and funding reallocated for replacement of window coverings at Lucie Stern Community Theater as well as building system improvements at the 445 Bryant street building (formerly Form Fitness). Costs for the work at 445 Bryant Street will be offset with funding from the Community Center Impact Fee Fund.

2024-2028 CIP: As part of a balancing strategy to address competing infrastructure needs across the City, funding has been removed for the Lucie Stern Community Theatre kitchen in FY 2025, the Municipal Services Center (MSC) Building B locker room and shower in FY 2026, and the MSC Building C lunchroom and hallways in FY 2027. These projects will be assessed in future years to determine when the work will be programmed.

2023-2027 CIP: Revenue Collections remodel was added to FY 2023; MSC Building C lunchrooms and hallways was moved to FY 2027; Lucie Stern Community Theater kitchen was moved from FY 2026 to FY 2025; MSC Building B shower and locker room were moved to FY 2026; MSC Building C WGW locker room was moved outside of the five-year plan; and furniture replacement at library facilities was included as noted in Supplemental Information.

2022-2026 CIP: The project has been delayed due to staffing constraints. Projects programmed in FY 2021 through FY 2023 were pushed out to FY 2023 through FY 2025. The Children's Library carpet replacement was pushed out from FY 2020 to FY 2024. Funding was added to cover anticipated increases.

2021-2025 CIP: Funding was reduced as part of the FY 2021 Capital Improvement Program budget strategy, some work may be deferred to future years accordingly.

2020-2024 CIP: MSC Building C Lunchrooms and Hallways was moved to FY 2021 from FY 2022. The Golf Course Club House Restrooms, previously programmed in FY 2021, were completed as part of the Golf Course Reconfiguration project (PG-13003).

2019-2023 CIP: Elwell Court has moved from FY 2022 to FY 2019, Children's Library will be added for FY 2020, and MSC Building C will be moved to FY 2022.

2018-2022 CIP: MSC Building C Water-Gas-Wastewater, Lucie Stern Community Theatre will be replacing Municipal Services Center Building A, Parks Department and Stores in FY 2020.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	287,871	(169,646)	457,516	0	260,000	0	0	717,516	0	N/A
Transfer from Community Center Impact Fee Fund	N/A	440,250	440,250	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$728,121**	**$270,604**	**$457,516**	**$0**	**$260,000**	**$0**	**$0**	**$717,516**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	722,411	264,894	457,517	0	260,000	0	0	717,517	0	N/A
Design	N/A	5,710	5,710	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$728,121**	**$270,604**	**$457,517**	**$0**	**$260,000**	**$0**	**$0**	**$717,517**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 3600 Middlefield Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2017
Initial Project Completion: Winter 2020

Revised Project Start: Spring 2022
Revised Project Completion: Spring 2027

Project Number: PE-18004

Fire Station #4, April 2015

Fire Station 4 Replacement

Description

This project provides funding to replace Fire Station 4 at the corner of Middlefield Road and East Meadow Drive. The replacement facility will be based on the prior replacement study and needs assessment prepared in 2005.

Justification

The current Fire Station 4 facility is operationally and technologically deficient. This project will provide a new facility built to essential services standards with a high likelihood of being fully operational after a major disaster such as a significant earthquake.

Supplemental Information

The Fire Station 4 Replacement project is included in the Council Infrastructure Plan. The cost estimate for this project was increased from the amount derived during the Council Infrastructure Plan's development because older estimates were not aligned with the years when construction would actually occur.

Significant Changes

2026-2030 CIP: Funding was increased by $1.5 million in FY 2026 to align with current estimates (including cost escalation and additional costs for fire fleet charging infrastructure and an Inspector of Record contract), and project completion was extended to FY 2027. Additionally, $62,646 of Community Development Block Grant (CDBG) funds was awarded to the project for work on Americans with Disabilities Act (ADA) ramp improvement.

2025-2029 CIP: Funding was increased by $2.8 million to align with current estimates.

2024-2028 CIP: Funding was increased by $5.2 million in FY 2024 and will be fully offset by State funding earmarked for project.

2023-2027 CIP: Staff will explore the implementation of an electrical distribution system microgrid in conjunction with this project, which may increase the funding required for this project. Federal grant funding may become available for the construction phase.

2022-2026 CIP: Project start and end dates delayed; this reflects the revised project start date to contribute to cost containment strategies in FY 2022 and timing of the design contract award.

2021-2025 CIP: Project start and end dates delayed; this reflects the revised project start date following completion of Fire Station 3 due to staff workload.

2020-2024 CIP: Project end date adjusted to reflect expected construction timeline based on construction starting in the beginning of FY 2021.

2019-2023 CIP: Project increased by $0.3 million and the timeline was pushed out to begin construction in FY 2021.

2018-2022 CIP: Timeline adjusted to reflect initial funding availability.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(7,414,095)	12,379,176	12,379,176	1,500,000	0	0	0	0	1,500,000	0	6,465,081
Revenue from the State of California	5,200,000	0	0	0	0	0	0	0	0	0	5,200,000
Transfer frm New Pub. Fac. Impact Fee Fund	0	95,093	95,093	0	0	0	0	0	0	0	95,093
Transfer from CDBG Fund	0	0	0	62,645	0	0	0	0	62,645	0	62,645
Transfer from Stanford University Medical Ctr Fund	4,075,000	4,075,000	4,075,000	0	0	0	0	0	0	0	8,150,000
Total	**$1,860,905**	**$16,549,269**	**$16,549,269**	**$1,562,645**	**$0**	**$0**	**$0**	**$0**	**$1,562,645**	**$0**	**$19,972,819**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	67,263	15,706,799	15,706,799	1,562,645	0	0	0	0	1,562,645	0	17,336,707
Design	1,793,634	842,470	842,470	0	0	0	0	0	0	0	2,636,104
Total	**$1,860,897**	**$16,549,269**	**$16,549,269**	**$1,562,645**	**$0**	**$0**	**$0**	**$0**	**$1,562,645**	**$0**	**$19,972,811**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	9,800	10,100	10,400	10,700	11,020	52,020

Operating Impact

This project is anticipated to impact operating expenses in the future. Maintenance is estimated to increase from the maintenance costs for the current fire station by $9,800 in FY 2026 and increase by 3% annually thereafter.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: TBD based on feasibility study

Managing Department: Fire
IBRC Reference: New

Initial Project Start: Summer 2003
Initial Project Completion: Summer 2026

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FD-24000

Old Training Tower on Stanford Campus

Fire Training Facility Replacement

Description

This project will identify an appropriate site and construct a new fire training facility in Palo Alto. This will be the first City-owned and City-maintained permanent fire training facility, and it will allow training to be conducted within City limits and therefore reduce the downtime associated with the need for staff to travel for training and when responding to calls.

Justification

The current training facility is located on the Stanford University campus and is not owned by the City; moreover, it has fallen into a state of disrepair and is currently unsafe for use. It is estimated that the costs to maintain and upkeep the current facility are comparable to building a new, City-owned facility. The Fire Department purchased a temporary training trailer in FY 2022; however, that is not a permanent or long-term solution.

Supplemental Information

A feasibility study will be conducted to determine the facility needs as well as an appropriate and available location for the new facility. This study will also inform the cost estimate for the construction of the facility, which will be included in a future five-year Capital Improvement Plan.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	431	50,000	12	49,988	0	0	0	0	49,988	0	50,431
Other	28	0	0	0	0	0	0	0	0	0	28
Total	**$459**	**$50,000**	**$12**	**$49,988**	**$0**	**$0**	**$0**	**$0**	**$49,988**	**$0**	**$50,459**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	458	50,000	12	49,988	0	0	0	0	49,988	0	50,458
Total	**$458**	**$50,000**	**$12**	**$49,988**	**$0**	**$0**	**$0**	**$0**	**$49,988**	**$0**	**$50,458**

Operating Impact

This project will have ongoing operating expenses related to the new facility. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Natural Hazards
Goal: S-2
Policy: S-2.13
Program: S2.13.1

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to require a CEQA Environmental Impact Report



Junior Museum Exhibit, March 2017

Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1451 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2017
Initial Project Completion: Summer 2019

Revised Project Start: Summer 2018
Revised Project Completion: Summer 2025

Project Number: AC-18001

JMZ Renovation

Description

This project provides funding to relocate the Palo Alto Junior Museum & Zoo (JMZ) for two years to the Cubberley Community Center to facilitate construction of a new JMZ at the current site. This project also includes funding for permit and inspection fees related to the JMZ rebuild project, new exhibitions (including temporary staffing for design and prototyping), deck construction costs (partial), park signage (partial), furniture and equipment costs, payment and performance bonds, and re-opening marketing and outreach expenses.

Justification

The Cubberley campus provides a suitable temporary location for JMZ operations to remain open to the public. Classrooms will be used for programing, exhibits, education, and summer camps. The Auditorium provides space for staff, teachers, administration, collections, and indoor animals. The nearby parking lot would be converted to an animal compound to house outdoor animals unable to be placed at another zoo or facility.

Supplemental Information

An agreement between the City of Palo Alto and the Friends of the Palo Alto Junior Museum and Zoo to replace the existing JMZ with a new building and facilities requires City contributions.

Significant Changes

2023-2027 CIP: The project was extended and funds were re-appropriated for exterior exhibit and completion of various project features.

2019-2023 CIP: The budget for this project increased by $2.8 million, with the majority of funding for new educational exhibits. Other costs include the temporary relocation of the JMZ to the Cubberley Community Center, permit costs, and electrical and plumbing work.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	622,681	719,270	321,246	398,024	0	0	0	0	398,024	0	1,341,951
Revenue from Other Agencies	34,325	0	0	0	0	0	0	0	0	0	34,325
Revenue from the Federal Government	475,038	36,195	36,195	0	0	0	0	0	0	0	511,233
Transfer frm Gen. Gov't Fac. Impact Fee Fund	217,162	0	0	0	0	0	0	0	0	0	217,162
Transfer from Parks Development Impact Fee Fund	2,823,075	0	0	0	0	0	0	0	0	0	2,823,075
Total	**$4,172,281**	**$755,465**	**$357,441**	**$398,024**	**$0**	**$0**	**$0**	**$0**	**$398,024**	**$0**	**$4,927,746**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	3,860,211	755,465	357,441	398,024	0	0	0	0	398,024	0	4,615,676
Design	312,054	0	0	0	0	0	0	0	0	0	312,054
Total	**$4,172,265**	**$755,465**	**$357,441**	**$398,024**	**$0**	**$0**	**$0**	**$0**	**$398,024**	**$0**	**$4,927,730**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	340,000	340,000	340,000	340,000	340,000	1,700,000

Operating Impact

Anticipated ongoing operating costs have been incorporated into the Community Service Department's operating budget and include new staffing and exhibits, as well as custodial and maintenance costs. New ticketed entry and membership revenues are budgeted to partially offset the increased operating costs.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

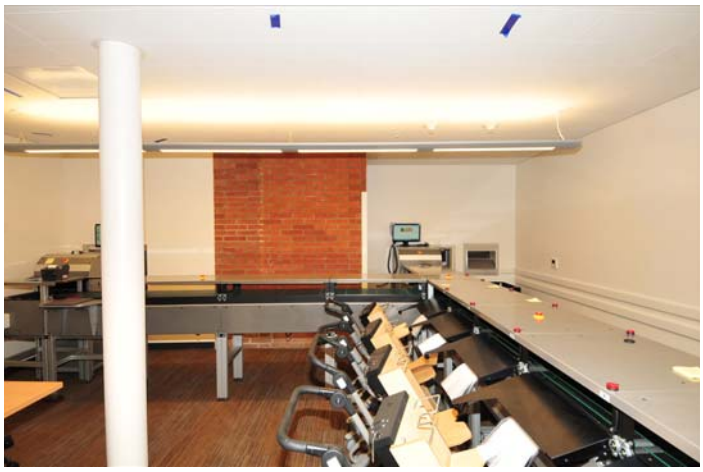
Potential Board/Commission Review:

Historic Resources Board
Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
Relocation portion of this project is CEQA Exempt under 15301 and 15303. A separate Initial Study/Mitigated Negative Declaration is being prepared for the renovation portion of this project.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: College Terrace, Children's, and Downtown Libraries.

Managing Department: Library
IBRC Reference: N/A

Initial Project Start: Summer 2021
Initial Project Completion: Summer 2023

Revised Project Start: N/A
Revised Project Completion: Fall 2028

Project Number: LB-21000

Library Material Handling System

Library Automated Material Handling

Description

The scope of this project initially was to provide the design and construction of three new Automated Material Handling (AMH) systems for the Library's three smaller branches, College Terrace, Children's, and Downtown Libraries. However, of these three branches, it has been determined that a new AMH system will only be feasible at the Children's Library. AMH systems efficiently sort returned library materials based on the Radio Frequency Identification Devices (RFID) on the materials. This project has been approved for use of Library Impact Fees. In FY 2021, funds from Library Impact Fees were added to the project to include contactless library equipment, such as holds machines and book vending machines, to further increase efficiency and to increase service capacity, allowing the library to serve more patrons. The replacement of the existing AHM machines at the Library's two larger branches, Mitchell Park and Rinconada Libraries, is being added to this project. The machines were installed circa 2014 and are approaching the end of their functional life. A consultant advised replacing both existing machines because they are showing signs of wear, the need for maintenance and repairs has increased, the machines lack features that are standard in newer systems, and the configuration and layout of the systems are not ideal for today. It's important these machines are replaced before one or both completely fail, as library staffing is not sufficient to cover the enormous increase of staff time that would be needed to process materials manually, which would result in significant delays for patrons to access library materials.

Justification

The Library has made a significant investment in RFID tagging of the entire collection. This project leverages the existing RFID investment to improve overall library system efficiency and improve the speed at which materials can be moved to shelves for library patron hold requests.

These machines increase the speed of materials processing by 200-400 percent. Each machine will reduce the amount of staff time needed for processing books (from 41 hours per week currently down to an estimated 20 hours per week), which will increase staff efficiencies in the libraries. Increased automated handling of materials allows staff time to be freed up to focus on public projects (public programs and services) and revenue-generating projects (space rentals and grant-writing).

Supplemental Information

The original project timeline was spread over three years. Year 1: design of all three libraries and installation at Children's Library; Year 2: Downtown Library; Year 3: College Terrace Library. Due to limited functionality at the Downtown and College Terrace Libraries, the AMH system will only be installed at the Children's Library. The highest priority is the Children's Library due to the high number of returns (second highest circulation out of the five libraries) and current number of staff needed there to respond to high circulation.

Significant Changes

2026-2030 CIP: Project completion has been extended to Fall 2028. Added $0.3 million to replace 18 self-check machines at all libraries, and $0.1 million (offset by $0.1 million of Library Development Impact Fees) to purchase one vending machine to allow patrons to retrieve library materials 24/7.

2025-2029 CIP: Project completion date has been extended to Fall 2027 and additional funding of approximately $0.8 million added to replace the existing AMH machines at Mitchell Park Library and Rinconada Library.

2024-2028 CIP: During design, the functionality of the AMH was found to be limited at Downtown Library and College Terrace Library due to severe space constraints, so construction of an AMH will only proceed at Children's Library, and any remaining funds will be considered for other kinds of contactless equipment, such as holds pick-up lockers and vending machines. The project completion date has been revised to Fall 2023 due to long lead times for obtaining the actual AMH equipment.

2022-2026 CIP: Implementation sequence changed so Downtown Library will be installed second, and College Terrace will be installed last.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(261,209)	418,709	94,123	324,586	0	750,000	270,000	0	1,344,586	0	1,177,500
Transfer from Library Development Impact Fee Fund	467,017	382,983	382,983	0	0	100,000	0	0	100,000	0	950,000
Total	**$205,808**	**$801,692**	**$477,106**	**$324,586**	**$0**	**$850,000**	**$270,000**	**$0**	**$1,444,586**	**$0**	**$2,127,500**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	66,880	801,692	477,106	324,586	0	850,000	270,000	0	1,444,586	0	1,988,572
Design	138,924	0	0	0	0	0	0	0	0	0	138,924
Total	**$205,804**	**$801,692**	**$477,106**	**$324,586**	**$0**	**$850,000**	**$270,000**	**$0**	**$1,444,586**	**$0**	**$2,127,496**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	21,000	22,000	23,000	52,899	54,486	173,385

Operating Impact

The equipment will cause a slight increase in electric bills and will also require annual equipment maintenance. Ongoing operating costs are estimated to be about $20,000 per machine and these costs are anticipated to increase by 3 percent annually thereafter.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Planning for Parks and Community Facilities
Goal: C-4
Policy: C-4.4

Relationship to Comprehensive Plan Secondary Connection

Element: Governance
Section: Public Participation
Goal: G-1
Policy: G-1.2
Program: G1.2.4

Potential Board/Commission Review:

Library Advisory Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: All library branches

Managing Department: Library
IBRC Reference: N/A

Initial Project Start: Summer 2026
Initial Project Completion: Summer 2029

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: LB-26001

A library chair with a cracked seat

Library Furniture Replacements

Description

This project will replace broken and well-worn furniture in the public spaces of all five library branches. The current furniture is between 10 and 18 years old.

Justification

Nearly 700,000 community members visit the libraries in person each year, resulting in high levels of furniture use. To ensure the comfort and safety of patrons, the furniture requires replacement. The last time new furniture was acquired for library branches was in 2014 for the Mitchell Park, Rinconada and Downtown; in 2010 for College Terrace; and in 2007 for Children's. The furniture is no longer covered by warranty.

Library staff regularly evaluate the condition of furniture in public spaces. This project will ensure that unsafe, worn-out pieces are replaced with new ones that meet community expectations and are of comparable quality, within the limits of available funding. When possible, furniture will be retained and reupholstered as a cost-effective solution. Furniture that remains in good condition and is expected to stay durable over time will not be replaced but will continue to be properly maintained to maximize its lifespan.

Supplemental Information

Fiscal Year 2026: Replacement of currently-broken furniture at Rinconada & Downtown Libraries and reupholstery of stained/threadbare furniture at Mitchell Park Library

Fiscal Year 2027: Replacement of 130 chairs and 70 tables at Mitchell Park Library

Fiscal Year 2028: Replacement of 290 chairs, 67 tables, five ottomans, and four benches at Rinconada Library

Fiscal Year 2029: Replacement of 100 pieces of furniture consisting of chairs, tables, sofas, and stools at Children's, College Terrace, and Downtown Libraries

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	80,000	120,000	120,000	75,000	0	395,000	0	395,000
Total	**$0**	**$0**	**$0**	**$80,000**	**$120,000**	**$120,000**	**$75,000**	**$0**	**$395,000**	**$0**	**$395,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	80,000	120,000	120,000	75,000	0	395,000	0	395,000
Total	**$0**	**$0**	**$0**	**$80,000**	**$120,000**	**$120,000**	**$75,000**	**$0**	**$395,000**	**$0**	**$395,000**

Operating Impact

This project is not anticipated to impact operating expenses.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Community Health and Well-Being
Goal: C-3
Policy: C-1.4
Program: C3.3.1

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Fall 2027
Initial Project Completion: Winter 2028

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-28000

Irrigation Main Repair - 2023

Lucie Stern Community Center Irrigation Main Lines Replacement

Description

This project provides funding for the replacement of main irrigation lines at the Lucie Stern Community Center. The existing main line was installed in 1971 and is at the end of its useful life.

Justification

The irrigation lines are made of galvanized pipe and are no longer reliable due to deterioration. There have been over ten line breaks in the past five years which have necessitated asphalt, brick pathway, and landscape removal to locate and repair the line breaks. The irrigation system requires replacement to ensure a stable and dependable system during peak usage.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	200,000	0	0	200,000	0	200,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$0**	**$200,000**	**$0**	**$200,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	170,000	0	0	170,000	0	170,000
Design	0	0	0	0	0	30,000	0	0	30,000	0	30,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$0**	**$200,000**	**$0**	**$200,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Parks and Recreation Commission Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2023
Initial Project Completion: Fall 2026

Revised Project Start: Winter 2024
Revised Project Completion: Winter 2027

Project Number: PE-24002

Lucie Stern Community Theater air conditioning enclosure

Lucie Stern Community Theater Mechanical Equipment Replacement

Description

This project will upgrade and replace the Heating Ventilation and Air Conditioning (HVAC) system at the Lucie Stern Community Theatre. As a first step, the project will include a detailed feasibility study to determine if natural gas-powered equipment in the facility can be electrified.

Justification

The Lucie Stern Community Theatre is a focal point for community events in Palo Alto as well as a revenue source generated by ticket sales surcharges. The current HVAC system is nearing the end of its useful life and needs to be replaced to ensure continued audience comfort and the wellbeing of the historic structure.

Supplemental Information

Public Works installed air conditioning for the Community Theatre over 22 years ago. The Building Management System (BMS) controls were replaced in FY 2024 from the Building Systems Improvements project (PF-01003). The new BMS system is a critical upgrade to keep the system working until this project can be completed. The new BMS will be utilized to the greatest extent possible in the new HVAC system design.

Timing for the construction of this HVAC replacement project may impact resident stage companies' ability to utilize the facility for a period of time.

Audience seats will be replaced from the Performing Arts Seat Replacement project (AC-18000) concurrently with the HVAC system replacement and work will be coordinated with other capital projects to minimize the impact to the theater companies. These projects include Fire Curtain Replacement (AC-24001), Stage Rigging Refurbishment (AC-24000), and Lighting Systems Replacement (PE-24003).

Significant Changes

2026-2030 CIP: Project completion extended to Winter 2027 due to procurement timelines.

2025-2029 CIP: Project start extended to Spring 2024 due to staff prioritizing other projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	28,547	2,421,952	222,238	2,199,713	0	0	0	0	2,199,713	0	2,450,498
Total	**$28,547**	**$2,421,952**	**$222,238**	**$2,199,713**	**$0**	**$0**	**$0**	**$0**	**$2,199,713**	**$0**	**$2,450,498**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	2,060	2,202,051	202,050	2,000,000	0	0	0	0	2,000,000	0	2,204,110
Design	26,485	219,901	20,188	199,713	0	0	0	0	199,713	0	246,386
Total	**$28,545**	**$2,421,952**	**$222,238**	**$2,199,713**	**$0**	**$0**	**$0**	**$0**	**$2,199,713**	**$0**	**$2,450,496**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

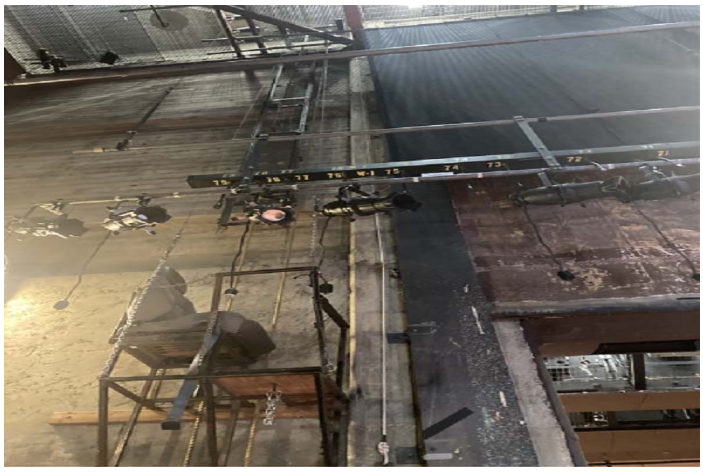
Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2023
Initial Project Completion: Fall 2023

Revised Project Start: Winter 2027
Revised Project Completion: TBD

Project Number: AC-24001

Counterweight and fire curtain of the Lucie Stern Community Theatre

Lucie Stern Community Theatre Fire Curtain

Description

This project provides funding for replacement of the fire curtain and its associated rigging at the Lucie Stern Community Theatre.

Justification

The fire curtain is a code-required life safety system designed to separate the stage from the audience in case of a fire in the Theatre. The curtain's rigging must also be replaced because, in 2019, a professional inspection of the stage rigging system noted deficiencies with the emergency release, and also noted the likely presence of asbestos which was confirmed by an environmental consultant.

Supplemental Information

Work will be coordinated with other capital projects to minimize impact to the theater companies. These projects include Mechanical Equipment Replacement (PE-24002), Stage Rigging Refurbishment (AC-24000), Lighting Systems Replacement (PE-24003), and audience seats will be replaced from the Performing Arts Seat Replacement project (AC-18000).

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	220,205	20,205	200,000	0	0	0	0	200,000	0	220,205
Total	**$0**	**$220,205**	**$20,205**	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$220,205**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	220,205	20,205	200,000	0	0	0	0	200,000	0	220,205
Total	**$0**	**$220,205**	**$20,205**	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$220,205**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1305 Middlefield Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2025
Initial Project Completion: Fall 2025

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-26000

El Palo Alto Room and screen at Mitchell Park Community Center

Mitchell Park Community Center Audio Visual Equipment

Description

This project will replace the built-in audio visual equipment at the Mitchell Park Community Center because the equipment is either nonfunctioning or functioning in limited capacity.

Justification

The age and complexity of the existing system makes repairs more difficult. The current issues include non-operational and dim projectors, a torn screen with limited movement, and a broken sound system. Currently, staff is using rentals as needed, but this is not a sustainable solution.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	340,000	0	0	0	0	340,000	0	340,000
Total	**$0**	**$0**	**$0**	**$340,000**	**$0**	**$0**	**$0**	**$0**	**$340,000**	**$0**	**$340,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	340,000	0	0	0	0	340,000	0	340,000
Total	**$0**	**$0**	**$0**	**$340,000**	**$0**	**$0**	**$0**	**$0**	**$340,000**	**$0**	**$340,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Parks and Recreation Commission Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 3700 Middlefield Road

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2023
Initial Project Completion: Spring 2024

Revised Project Start: Fall 2024
Revised Project Completion: Fall 2025

Project Number: PE-24006

Damage to Mitchell Park Library Building

Mitchell Park Library Repair

Description

This project will fund the design and repair of the damage caused by a vehicular accident in January 2023. A vehicle ran into the north wall of the Mitchell Park Library near the center of the building. The car impacted an area of the stone cladding on cold-formed steel studs, causing the cladding to fall from the wall and the wall to bulge into the building's interior. The extent of damage to the studs and the building's steel-framed structure is unknown.

Justification

A structural consultant will be required to review the impact zone and its potential structural impact. A design consultant is also required to prepare the construction drawings necessary to repair the building. A construction contract will be required to perform the repairs.

Supplemental Information

Staff will coordinate with insurance to ensure that all expenses are reimbursed.

Significant Changes

2026-2030 CIP: Project completion date revised to Fall 2025 due to staff workload. Funding increased by $0.35 million based on design consultant's estimates.

2025-2029 CIP: Project completion date revised to Fall 2024 due to staff workload.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	15,083	259,740	108,548	501,192	0	0	0	0	501,192	0	624,823
Total	**$15,083**	**$259,740**	**$108,548**	**$501,192**	**$0**	**$0**	**$0**	**$0**	**$501,192**	**$0**	**$624,823**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	259,740	108,548	501,192	0	0	0	0	501,192	0	609,740
Design	15,082	0	0	0	0	0	0	0	0	0	15,082
Total	**$15,082**	**$259,740**	**$108,548**	**$501,192**	**$0**	**$0**	**$0**	**$0**	**$501,192**	**$0**	**$624,822**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 3201 East Bayshore Road

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Summer 2016
Initial Project Completion: Spring 2018

Revised Project Start: N/A
Revised Project Completion: Winter 2027

Project Number: PF-16006

Municipal Services Center Building C, March 2015

Municipal Service Center Lighting, Mechanical, and Electrical Improvements

Description

This project provides funding for the replacement of original mechanical and electrical systems and lighting installed in 1966 in the Municipal Service Center's (MSC) Buildings A, B, and C. The project also includes the renovation of office space and shop areas in Building C.

Justification

Mechanical, electrical, and lighting equipment in the MSC is inefficient and outdated. Various remodels have occurred in the administrative and shop areas, adding load to the mechanical and electrical systems, and the use of many other areas has changed over the years without adequate upgrades to the building systems. For these reasons, the systems no longer support the current operation of the site.

Supplemental Information

The Refuse Fund, Vehicle Replacement and Maintenance Fund, and Utilities Administration Fund will reimburse the Capital Improvement Fund for a portion of this project, as fund-related operations benefit from the building improvements.

Significant Changes

2026-2030 CIP: Project timeline extended to Winter 2027 due to staff availability.

2025-2029 CIP: Project timeline extended to Spring 2025 to accommodate time needed to obtain Building Permit.

2024-2028 CIP: Project timeline extended to Fall 2024 due to expected one-year lead time to procure and manufacture the switch gear. Electrical equipment availability has been impacted by the global pandemic and eco-

nomic events in recent years. Funding increased by approximately $0.7 million due to inflated costs of equipment and labor.

2023-2027 CIP: Project timeline extended due to coordination with the Fleet Electric Vehicle strategic planning process.

2022-2026 CIP: Project timeline extended due to project reprioritization.

2021-2025 CIP: Project timeline extended to reflect additional project redesign work to allow for more Electric Vehicle (EV) chargers and future electrification of the newer mechanical systems at the MSC.

2020-2024 CIP: Bids received were rejected due to budget exceedance. Funding added to account for severe construction cost escalation and partial redesign to provide additional infrastructure for future electrification of vehicle fleet. Project end date adjusted due to the redesign and rebidding required.

2019-2023 CIP: Project cost estimates indicate mechanical and electrical work in Building B require additional funding of $0.8 million.

2017-2021 CIP: Additional funding of $0.4 million added for Building C office space renovation.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(1,197,040)	6,525,288	159,784	6,365,504	0	0	0	0	6,365,504	0	5,328,248
Transfer from Refuse Fund	55,070	10,000	10,000	0	0	0	0	0	0	0	65,070
Transfer from Utilities Administration Fund	1,502,835	315,000	315,000	0	0	0	0	0	0	0	1,817,835
Transfer from Vehicle Replacement and Maintenance	834,909	175,000	175,000	0	0	0	0	0	0	0	1,009,909
Total	**$1,195,774**	**$7,025,288**	**$659,784**	**$6,365,504**	**$0**	**$0**	**$0**	**$0**	**$6,365,504**	**$0**	**$8,221,062**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	446,099	7,008,580	643,076	6,365,504	0	0	0	0	6,365,504	0	7,454,679
Design	749,657	16,708	16,708	0	0	0	0	0	0	0	766,365
Total	**$1,195,756**	**$7,025,288**	**$659,784**	**$6,365,504**	**$0**	**$0**	**$0**	**$0**	**$6,365,504**	**$0**	**$8,221,044**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 350 Sherman Avenue

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2017
Initial Project Completion: Fall 2020

Revised Project Start: Fall 2016
Revised Project Completion: Winter 2026

Project Number: PE-18000

New California Avenue Area Garage Design Option Rendering

New California Avenue Area Parking Garage

Description

This project provides funding for the design and construction of a new public parking garage on the existing Lot C-7 in the California Avenue commercial area. The project includes approximately 636 parking stalls and has two below-ground and four above-ground levels.

Justification

A new parking garage is needed in the California Avenue commercial area. A new garage will increase parking supply and reduce parking spillover into nearby residential neighborhoods. Additionally, the new garage will replace the parking spaces that will be lost when the new Public Safety Building is constructed on the adjacent Lot C-6. Construction of the new garage must be completed before construction of the Public Safety Building can begin.

Supplemental Information

The New California Avenue Area Parking Garage project is included in the Council Infrastructure Plan and is supported through debt financing. The garage was completed in December 2020; however, funding continues to be budgeted for completion of final punch list items with the contractor.

Significant Changes

2026-2030 CIP: Funding increased by $0.25 million for final punch list item "Day 2" project which will continue into FY 2026.

2025-2029 CIP: Final punch list item "Day 2" project will continue into FY 2025 and includes installation of flexible connections for the Automated Parking Guidance sensor light pendants that are being damaged by tall vehicles.

2024-2028 CIP: The garage was completed in December 2020, but $0.8 million was reappropriated to FY 2024 for completion of final punch list items.

2023-2027 CIP: The garage was completed in December 2020, but $0.8 million is budgeted in FY 2023 for completion of final punch list items.

2020-2024 CIP: Project completion revised to reflect additional design and construction time for groundwater exclusionary techniques (i.e. installation of cut-off walls).

2019-2023 CIP: Budget increased and anticipated completion date adjusted due to design delays resulting from the Architectural Review Board (ARB) and Environmental Impact Report (EIR) processes.

2017-2021 CIP: Project schedule adjusted to begin and end earlier, reflecting need for phasing of garage and Public Safety Building projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Bond Proceeds	41,995,000	0	0	0	0	0	0	0	0	0	41,995,000
Capital Improvement Fund	7,447,818	773,584	29,708	993,876	0	0	0	0	993,876	0	8,471,402
Total	**$49,442,818**	**$773,584**	**$29,708**	**$993,876**	**$0**	**$0**	**$0**	**$0**	**$993,876**	**$0**	**$50,466,402**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	46,660,355	773,583	29,707	993,876	0	0	0	0	993,876	0	47,683,938
Design	2,782,441	0	0	0	0	0	0	0	0	0	2,782,441
Total	**$49,442,796**	**$773,583**	**$29,707**	**$993,876**	**$0**	**$0**	**$0**	**$0**	**$993,876**	**$0**	**$50,466,379**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
California Avenue Parking Permits	131,000	135,000	139,000	143,000	147,300	695,300

Operating Impact

Custodial and maintenance costs were budgeted for this project starting in FY 2021 and increase by 3% annually thereafter.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Parking
Goal: T-5
Policy: T-5.6

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project will require an environmental impact report, combined with the Public Safety Building Project, in accordance with CEQA guidelines.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Parking Lot D (Hamilton Avenue/ Waverley Street)

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Spring 2015
Initial Project Completion: Fall 2018

Revised Project Start: Winter 2024
Revised Project Completion: Summer 2027

Project Number: PE-15007

Hamilton Avenue/Waverley Street, March 2015

New Downtown Parking Garage

Description

This project provides funding for a new public parking garage in the University Avenue commercial area at existing Parking Lot D at the corner of Hamilton Avenue and Waverley Street. The project will evaluate the feasibility of including housing as part of the new structure. Design and environmental consul- tant services will be needed, including the development of preliminary plans and cost estimates, and completion of the project's environmental review.

Justification

A new parking garage is part of a multi-pronged strategy to address excessive spillover parking from the University Avenue commercial area into nearby residential neighborhoods.

Supplemental Information

The New Downtown Parking Garage project is included in the City Council Infrastructure Plan, and a transfer of $5.5 million from the University In-Lieu Parking Fund is programmed to fund a portion of the new garage. Since Council paused this project in 2019, a Request for Information was issued in January 2023 to solicit feedback from interested developers to examine the feasibility of redeveloping one or more City-owned parcels in downtown Palo Alto to maximize the potential of providing affordable housing and additional public parking to serve downtown. In December 2023, Council directed Staff to resume work on the Downtown Parking Garage in connection with the development of affordable housing on the site. In December 2024, Council approved the design contract to resume design on the garage.

Significant Changes

2026-2030 CIP: An adjustment was made in FY 2025 (Report #2405-3061) to reflect an additional transfer of $10.1 million from the University Avenue Parking In Lieu Fund and a corresponding increase in expenditure.

2025-2029 CIP: Work on this project is resuming per Council direction on December 11, 2023 (Report #2309-2043).

2024-2028 CIP: This project is paused pending review and discussion of the Downtown New Parking & Housing Request for Information results.

2022-2026 CIP: The design contract was canceled and funding was returned to the Capital Improvement Fund to contribute to cost containment strategies in FY 2022. The $5.5 million funding from the University In Lieu Parking Fund remains to support costs associated with this project.

2021-2025 CIP: As part of the FY 2021 budget strategy all Capital Improvement Fund funding has been removed and only the downtown parking in-lieu fee funding remains for this project. Potential opportunities to use the remaining funding include public/private partnerships that may result in an increase in public parking spaces.

2020-2024 CIP: Funding for this project has been moved out per City Council direction in February 2019 to postpone the project until downtown parking initiatives are determined.

2019-2023 CIP: Budget increased to align with updated estimate.

2018-2022 CIP: In December 2016, a design contract was awarded to Watry Design, Inc. Funding was included in FY 2017 for Phase I of the design work, including environmental review and design through design development. Additional funding is required in FY 2018 to complete the design and construction documents and in FY 2019 for construction administration and project close out.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(2,091)	347,252	347,252	0	0	0	0	0	0	0	345,161
Transfer from University Ave Parking In Lieu Fund	1,442,400	15,498,600	2,391,642	13,106,958	0	0	0	0	13,106,958	0	16,941,000
Total	**$1,440,309**	**$15,845,852**	**$2,738,894**	**$13,106,958**	**$0**	**$0**	**$0**	**$0**	**$13,106,958**	**$0**	**$17,286,161**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	238,861	10,100,000	0	10,100,000	0	0	0	0	10,100,000	0	10,338,861
Design	1,201,438	5,745,852	2,738,894	3,006,958	0	0	0	0	3,006,958	0	6,947,290
Total	**$1,440,299**	**$15,845,852**	**$2,738,894**	**$13,106,958**	**$0**	**$0**	**$0**	**$0**	**$13,106,958**	**$0**	**$17,286,151**

Operating Impact

This project is anticipated to impact operating expenses in the future. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Planning for Parks and Community Facilities
Goal: C-4
Policy: C-4.2

Potential Board/Commission Review:

Historic Resources Board
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to require a CEQA Environmental Impact Report.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1313 Newell Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2026
Initial Project Completion: Fall 2026

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-26001

Palo Alto Art Center Auditorium and Screen

PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System

Description

This project will update the current audio-visual equipment in the Palo Alto Art Center auditorium, making it more functional for facility rentals and City events. In addition, the project includes funding for new chairs and a facility-wide Public Announcement System for community safety.

Justification

The Art Center facility was renovated in 2012 and included a state-of-the-art audio-visual system in the auditorium, along with new chairs. That system is now out of date and requires an update. Current issues include a faulty projector reaching the end of its life, and a sound and microphone system that is increasingly challenging for staff to use. In order to sustain and grow revenue, the Art Center must maintain a functional system for presentations and performance. A new system will ensure stronger customer satisfaction for facility rentals and will also reduce staff time needed to trouble-shoot the aging system. This project also funds new chairs in the facility as the current chairs are worn from more than 12 years of continual use. In addition, the project includes a wired public announcement system which will promote facility safety by allowing full facility announcements during emergencies and evacuations. Currently, the size of the Art Center facility demands that staff walk through all areas of the space to evacuate guests.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	191,000	0	0	0	0	191,000	0	191,000
Total	**$0**	**$0**	**$0**	**$191,000**	**$0**	**$0**	**$0**	**$0**	**$191,000**	**$0**	**$191,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	191,000	0	0	0	0	191,000	0	191,000
Total	**$0**	**$0**	**$0**	**$191,000**	**$0**	**$0**	**$0**	**$0**	**$191,000**	**$0**	**$191,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 1313 Newell Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2024
Initial Project Completion: Summer 2026

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-28003

Kiln in Storage Shed

Palo Alto Art Center Ceramics Equipment

Description

This project renews and replaces ceramics program equipment, upgrades facility wifi and electrical infrastructure, and waterproofs outdoor kiln sheds.

Justification

The majority of the Art Center's existing ceramics equipment was obtained during the renovation of the Art Center in 2011 and 2012. Financed by the Palo Alto Art Center Foundation, these assets were generously donated for use at the Art Center by the City. However, these pieces of equipment are showing signs of aging, necessitating facility updates, including electrical and wifi upgrades.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	85,879	85,879	85,000	0	0	0	0	85,000	0	170,879
Total	**$0**	**$85,879**	**$85,879**	**$85,000**	**$0**	**$0**	**$0**	**$0**	**$85,000**	**$0**	**$170,879**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	85,879	85,879	85,000	0	0	0	0	85,000	0	170,879
Total	**$0**	**$85,879**	**$85,879**	**$85,000**	**$0**	**$0**	**$0**	**$0**	**$85,000**	**$0**	**$170,879**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Children's Theatre, Community Theatre, and Cubberley Theatre

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Summer 2017
Initial Project Completion: Summer 2018

Revised Project Start: Summer 2020
Revised Project Completion: Fall 2025

Project Number: AC-18000

Children's Theatre, January 2016

Performing Arts Venues Seat Replacement

Description

This project provides funding for the replacement of damaged or non-functioning seats at two of the City's performing arts venues: Children's Theater and Lucie Stern Community Theater.

Justification

The seats at these City's two theater sites are beyond their useful life and due for replacement based on their age and condition.

Supplemental Information

Beginning July 1, 2019, the resident theater companies that use the Lucie Stern Community Theatre (West Bay Opera, Palo Alto Players, and TheatreWorks) signed a contract with the City to collect a fee of $2.00 for each ticket sold for events with paid admission. This fee will be used to offset the costs of enhancements, upgrades, improvements, repairs, preservation, and new equipment and furnishings for the Lucie Stern Community Theatre. The seating upgrade project qualifies for use of this funding source to partially reimburse the costs of the project.

Significant Changes

2024-2028 CIP: The seat replacement at Children's Theater was completed in December 2022; the remaining funding is for the Lucie Stern Community Theater and work will be coordinated with other capital projects at the theater to minimize the impact to the theater companies. These projects include Mechanical Equipment Replacement (PE-24002), Fire Curtain Replacement (AC-24001), Stage Rigging Refurbishment (AC-24000), and Lighting Systems Replacement (PE-24003).

2023-2027 CIP: Funding increased by $0.7 million to replace the seats at the Lucie Stern Community Theater and implement ADA compliance design. Prior funding was used for Children's Theatre seat replacement and Cubberley Theater was removed from the scope of the project.

2020-2024 CIP: Project scope changed from replacing damaged and non-functioning seats to replacing all seats and funding increased by $0.3 million.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	663,020	678,395	625,106	53,289	0	0	0	0	53,289	0	1,341,415
Total	**$663,020**	**$678,395**	**$625,106**	**$53,289**	**$0**	**$0**	**$0**	**$0**	**$53,289**	**$0**	**$1,341,415**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	596,973	664,167	610,878	53,289	0	0	0	0	53,289	0	1,261,140
Design	66,038	14,228	14,228	0	0	0	0	0	0	0	80,266
Total	**$663,011**	**$678,395**	**$625,106**	**$53,289**	**$0**	**$0**	**$0**	**$0**	**$53,289**	**$0**	**$1,341,406**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 777 Embarcadero Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2023
Initial Project Completion: Spring 2025

Revised Project Start: Winter 2024
Revised Project Completion: Fall 2026

Project Number: PE-24004

Storage room at Rinconada Pool, possible area for the family changing room

Rinconada Pool Family Changing Room

Description

This project constructs a gender-neutral restroom and family changing facility that is compliant with the Americans With Disabilities Act (ADA) at the Rinconada Pool. The facility will include two separate rooms, each consisting of a toilet, sink, shower, and child/adult changing station. The facility will provide community members who have special needs, and individuals who require privacy, an accessible space for changing and personal hygiene.

Justification

The Rinconada Pool was built in the late 1950s and lacks amenities to make the pool facility accessible to all members of the community. There are currently two locker rooms, one female and one male, and neither has private changing areas nor private showers. Parents of children with special needs have explained that they are unable to use the pool because they cannot bring their different-gender children into the locker room. Other members of the community with certain privacy needs will also benefit by having access to the new facility. The project will help remove barriers to fitness and wellness, providing a welcoming and inclusive space for all families and individuals to enjoy.

Supplemental Information

This project scope and funding was previously included in the Rinconada Park Improvements project (PE-08001) and was separated into its own project in FY 2024.

Significant Changes

2026-2030 CIP: Project completion date adjusted to reflect delays due to staff workload and availability.

2025-2029 CIP: Funding increased due to cost escalation, offset by General Government Facilities Development Impact Fees that have been allocated to this project.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(215,079)	1,000,072	190,035	810,037	0	0	0	0	810,037	0	784,993
Transfer from Parks Dedication Fund	250,000	371,165	0	371,165	0	0	0	0	371,165	0	621,165
Total	**$34,921**	**$1,371,237**	**$190,035**	**$1,181,202**	**$0**	**$0**	**$0**	**$0**	**$1,181,202**	**$0**	**$1,406,158**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	1,101,025	101,025	1,000,000	0	0	0	0	1,000,000	0	1,101,025
Design	34,921	270,212	89,010	181,202	0	0	0	0	181,202	0	305,133
Total	**$34,921**	**$1,371,237**	**$190,035**	**$1,181,202**	**$0**	**$0**	**$0**	**$0**	**$1,181,202**	**$0**	**$1,406,158**

Operating Impact

Additional custodial and routine maintenance costs will increase to service this new facility. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

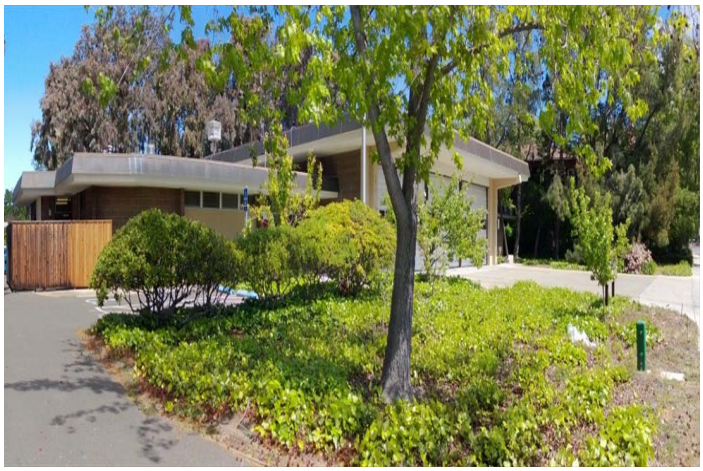
Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Efficient and Effective Service Delivery
Goal: C-1
Policy: C-1.2
Program: C1.2.4

Potential Board/Commission Review:

Historic Resources Board
Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15302



Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-00006

Fire Station 2, January 2015

Roofing Replacement

Description

This project provides funding for ongoing roofing maintenance at various City facilities. Services include major repairs, rehabilitation, and replacement, and components include roof decks, drainage systems, and sheet metal. Roofs scheduled for replacement are based on an annual evaluation of their condition.

Justification

The life expectancy of most roofs at City facilities is 20 to 25 years. There are facilities in the inventory with roof systems that are beyond or near the end of their useful life.

Supplemental Information

Facilities scheduled for re-roofing are as follows:

Fiscal Year 2026: Baylands Interpretive Center

Fiscal Year 2027: Police Department (lower roof) and Pets In Need

Fiscal Year 2028: Lucie Stern Community Theater flat roof and scene shop

Fiscal Year 2029: Avenidas Building and Foothills Park Equipment Storage roof

Fiscal Year 2030: Project to be identified

Significant Changes

2026-2030 CIP: Foothills Park Equipment Storage roof deferred to FY 2029. Baylands Interpretative Center roof added to FY 2026. Pets In Need building added to FY 2027.

2025-2029 CIP: Due to staffing and funding constraints, several projects had to be rescheduled and prioritized based on the current facility condition. Lucie Stern Community Theater pitch roof was moved from FY 2026 to

FY 2025. At the same time, Foothills Park Equipment Storage roof work was postponed to FY 2026, while the Police Department's lower roof work is scheduled for FY 2027. The replacement of Lucie Stern Community Theater's flat and scene shop roofs have remained in the FY 2028 workplan. Avenidas Building roof replacement is now scheduled for FY 2029 from the original FY 2027 schedule.

2024-2028 CIP: Funding for the Foothills Nature Preserve equipment storage, garage, and maintenance/equipment shops, which had shifted from FY 2027 to FY 2025, has now been removed as part of a balancing strategy to address competing infrastructure needs across the City.

2023-2027 CIP: Funding was increased and reprogrammed to accommodate the addition of Animal Services in FY 2024, the Community Theater (pitch roof) in FY 2025, and the Avenidas Building in FY 2026. The Police Department (lower roof) moved from FY 2024 to FY 2026, and the Foothills Nature Preserve buildings moved from FY 2026 to FY 2027.

2022-2026 CIP: Project costs aligned to meet prevailing wage, with a small portion related to gutter/drain replacement for Lucie Stern Community Center. No roofs are currently being proposed in FY 2025, however there are roofs proposed in FY 2026.

2021-2025 CIP: Funding was reduced as part of the FY 2021 Capital Improvement Program budget strategy. Baylands Athletic Center Snack Bar & Restrooms and Mitchell Park Tiny Tots Restroom added for FY 2021 and all other projects moved out a year.

2020-2024 CIP: Avenidas Senior Center moved to FY 2020 from FY 2021 and Lucie Stern Community Center

2019-2023 CIP: Mitchell Park Storage Pool Filter Facility and Arastradero Gate Way will replace the animal shelter in FY 2019.

2018-2022 CIP: Funding for Ventura Unit 3 has been moved from FY 2021 to 2018 due to its condition and the scheduled work on other Ventura units. The Avenidas Senior Center has been added to FY 2021.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	1,331,433	1,331,433	380,018	1,196,565	202,182	705,407	0	2,484,172	0	N/A
Total	**N/A**	**$1,331,433**	**$1,331,433**	**$380,018**	**$1,196,565**	**$202,182**	**$705,407**	**$0**	**$2,484,172**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,331,433	1,331,433	380,018	1,196,565	202,182	705,407	0	2,484,172	0	N/A
Total	**N/A**	**$1,331,433**	**$1,331,433**	**$380,018**	**$1,196,565**	**$202,182**	**$705,407**	**$0**	**$2,484,172**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Historic Resources Board
Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301 except for historic buildings.



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Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: 300 Homer Avenue

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Winter 2022
Initial Project Completion: Summer 2024

Revised Project Start: Fall 2023
Revised Project Completion: Winter 2025

Project Number: PF-23001

Roth Building

Roth Building Rehabilitation Phase 1

Description

This project provides funding for Phase 1 of the rehabilitation and build-out of the Roth Building facility. Phase 1 will make the building suitable for occupancy, also known as a "warm shell." Phase 2 of the rehabilitation includes the interior build-out of the museum and exhibits, readying the facility to welcome visitors, and will be fully funded by the Palo Alto Museum (PAM).

Justification

The Roth Building is a historic City-owned facility that is currently vacant and in disrepair. Extensive work is needed to repair and secure the building exterior and to update the interior for use. Discussions have occurred over the last several years with the PAM to rehabilitate the building in order to make it habitable (Phase 1) and to convert the interior into a museum (Phase 2).

Supplemental Information

Funding for this project comes from several sources, including the following: Transfer of Development Rights Fund that must be used for the rehabilitation of a City-owned building in the historic or seismic categories listed in Palo Alto Municipal Code Section 18.28.060 ($5.3 million); Stanford University Medical Center (SUMC) Fund ($2.0 million); Community Center Development Impact Fee Fund for a community room ($1.65 million); Parks Development Impact Fee Fund for a restroom to serve Heritage Park ($0.35 million); Library Development Impact Fee Fund for City archives ($0.3 million); and County of Santa Clara grants for work on the fresco, windows, roof, and elevator ($0.94 million). Use of Impact Fee Funds will be confirmed once the scope of the Phase 1 portion of the project is complete.

Significant Changes

2025-2029 CIP: The total project budget decreased by $0.5 million as the net result of the following: increases of $0.8 million reimbursement to PAM for inflationary cost increases ($0.3 million in FY 2025 and $0.5 million in FY 2026); $0.1 million for moving costs and furniture, fixtures, and equipment (FF&E) in FY 2025; $0.2 million of interest earnings on Transfer Development Rights (TDR) and $0.4 million of County grants as part of the FY 2024 Mid-Year Review Report #2311-2233; and a reduction of $2.0 million in FY 2024 for direct management by PAM.

2024-2028 CIP: As part of the FY 2023 Mid-Year Review (Report #2212-0515), revenue of $1.4 million was recognized for this project, $1.0 million from a Housing and Urban Development (HUD) Grant, $0.3 million from Santa Clara County, and $0.1 million from the Palo Alto Museum. Overall this action increased the total project cost by $0.8 million and freed up $0.6 million to be used for other capital project needs.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	2,627,118	3,070,736	3,070,736	500,000	0	0	0	0	500,000	0	6,197,854
Revenue from Other Agencies	0	940,598	940,598	0	0	0	0	0	0	0	940,598
Transfer from Community Center Impact Fee Fund	1,650,000	0	0	0	0	0	0	0	0	0	1,650,000
Transfer from Library Development Impact Fee Fund	300,000	0	0	0	0	0	0	0	0	0	300,000
Transfer from Parks Development Impact Fee Fund	350,000	0	0	0	0	0	0	0	0	0	350,000
Transfer from Stanford University Medical Ctr Fund	2,000,000	0	0	0	0	0	0	0	0	0	2,000,000
Total	**$6,927,118**	**$4,011,334**	**$4,011,334**	**$500,000**	**$0**	**$0**	**$0**	**$0**	**$500,000**	**$0**	**$11,438,452**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	6,927,115	4,011,334	4,011,334	500,000	0	0	0	0	500,000	0	11,438,449
Total	**$6,927,115**	**$4,011,334**	**$4,011,334**	**$500,000**	**$0**	**$0**	**$0**	**$0**	**$500,000**	**$0**	**$11,438,449**

Operating Impact

This project will have ongoing operating expenses related to the new facility, and a cost sharing agreement will need to be developed between the City and the Palo Alto Museum. As these costs are quantified and the agreement finalized, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Historic Resources Board Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Lot N, January 2015

Fund: Capital Improvement Fund
Category: Buildings and Facilities
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-14003

University Avenue Parking Improvements

Description

This project provides funding for improvements in the University Avenue Parking District, including parking lot resurfacing; striping and signing; parking structure painting or staining; electrical system upgrades needed to support improved lighting; and security system and/or other system upgrades.

Justification

This project is intended to maintain the existing parking lots and garages in the University Avenue Parking District to extend the useful life of their pavement surfaces, buildings, and systems.

Supplemental Information

This project is dependent on the availability of funding in the University Avenue Parking Permit Fund. A city-wide parking lot pavement assessment is anticipated to be conducted in 2026; parking lots in the University Avenue Parking District will be included in this assessment.

Fiscal Year 2026: Resurface and restripe Lot N (Emerson/Ramona)

Fiscal Year 2027: Resurface and restripe Lot K (Lytton/Waverley)

Fiscal Year 2028: Resurface and restripe Lot A (Emerson/Lytton) and Lot G (Waverley/Gilman)

Fiscal Year 2029: Resurface and restripe Lot P (Hight/Hamilton)

Fiscal Year 2030: Resurface and restripe Lot H (Cowper/Hamilton) and Lot E (Gilman/Bryant)

Significant Changes

2026-2030 CIP: Added funding in FY 2030 for resurfacing/restriping of Lot H (Cowper/Hamilton) and Lot E (Gilman/Bryant). Staff is coordinating pavement maintenance with potential affordable housing sites. Lot D

(Hamilton/Waverley) was removed from the workplan for FY 2027 as the New Downtown Parking Garage project (PE-15007) on that site is now moving forward.

2025-2029 CIP: Added funding in FY 2029 for resurfacing/restriping of Lot P (High/Hamilton). Staff is coordinating pavement maintenance with potential affordable housing sites.

2024-2028 CIP: Added funding in FY 2028 for resurfacing/restriping of Lot A (Emerson/Lytton) and Lot G (Waverley/Gilman). Staff is coordinating pavement maintenance with potential affordable housing sites.

2023-2027 CIP: Parking lots were inspected in October 2021 and cost estimates were updated based on current pavement condition. Construction expenses were increased to account for cost escalation.

2022-2026 CIP: Scheduled work reduced to maintenance of existing parking lots and garages in the University Avenue parking district and deferred beyond FY 2026 to contribute to cost containment strategies in FY 2022.

2019-2023 CIP: Parking Lot C resurfacing will be coordinated with the Avenidas project. With the exception of Lot C, all University Avenue parking district lots were resurfaced and no additional work is needed at this time.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	171,868	171,868	0	0	0	0	0	0	0	N/A
Transfer from University Ave Parking Permit Fund	N/A	0	0	87,000	115,000	220,000	200,000	150,000	772,000	0	N/A
Total	**N/A**	**$171,868**	**$171,868**	**$87,000**	**$115,000**	**$220,000**	**$200,000**	**$150,000**	**$772,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	171,868	171,868	87,000	115,000	220,000	200,000	150,000	772,000	0	N/A
Total	**N/A**	**$171,868**	**$171,868**	**$87,000**	**$115,000**	**$220,000**	**$200,000**	**$150,000**	**$772,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Parking
Goal: T-5
Policy: T-5.9

Potential Board/Commission Review:

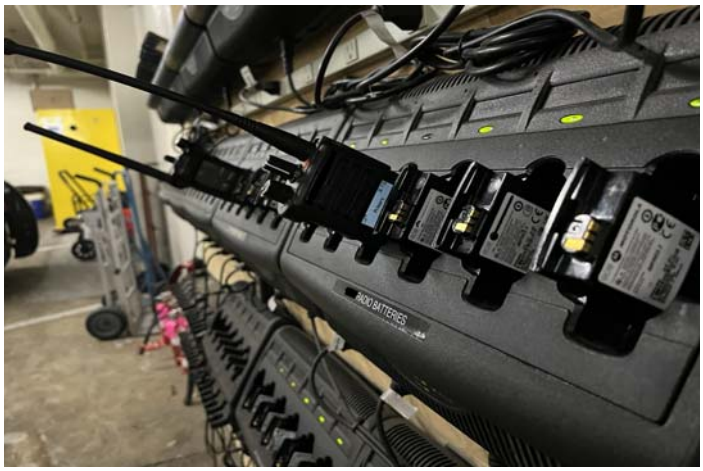
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Department Technology Upgrades and Improvements



Fund: Capital Improvement Fund
Category: Department Technology Upgrades and Improvements
Project Location: Citywide

Managing Department: Police
IBRC Reference: Catch-up

Initial Project Start: Winter 2024
Initial Project Completion: Summer 2029

Revised Project Start: N/A
Revised Project Completion: Summer 2030

Project Number: PD-25000

Citywide two-way radios

City Radio Replacement Program

Description

Two-way commercial radios are used by many Departments in the City of Palo Alto. The City operates approximately 772 radios across 9 workgroups, including Police, Fire, Office of Emergency Services (OES), Community Services Park Rangers, Public Works, Utilities, Development Center, and Information Technology. The Police Department's Technical Services Division has been designated the lead division to manage the maintenance and replacement of all radios in the City. All radios were replaced with digital models between FY 2015 and FY 2018 when the City converted from an analog radio network to a digital radio network operated by a County authority. This project will be used to replace the original digital radios only. Maintenance and repairs of infrastructure systems such as antennas and cabling are in the operating budget. Radios are categorized by portability: consoles are base radios that do not move and are affixed in buildings; mobile radios are fixed to vehicles; handheld radios are worn on the body and used in the field. Most mobile and handheld radios have a 10-year life span, depending on field conditions, whereas consoles have a longer expected life.

Justification

Most portable radios are out of warranty and the current manufacturer, Motorola, is discontinuing supply of repair parts for the devices. Base station console radios will be out of warranty in 2028.

Supplemental Information

In FY 2025, the Police Technical Services Division has been evaluating options for creating a city-wide radio replacement program. It anticipates an increase in the original costs to include base station console radios needing replacement in or after 2028, and radios capable of extending the radio network beyond County boundaries for fire and police staff. Those costs are still in the discovery phase. It will continue to work with other departments to determine if it is possible to reduce the inventory of digital radios and consoles and evaluate other options to mitigate increases in the coming years. In the meantime, the division has increased the

operating budget ($20,000) to contract with the County to provide minor repairs to radios for the remainder of the fiscal year and into FY 2026 due to the elimination of the City's radio technician during the pandemic.

Significant Changes

2026-2030 CIP: Project completion and funding have shifted forward one year. Since the adoption of FY 2025, approximately 10 consoles have been discovered needing replacement in or after 2028, and potential need is evolving to procure radios that work beyond the Silicon Valley Regional Interoperability Authority (SVRIA) boundaries for public safety staff deployed around the state. It is still too preliminary to create a budget for those changes due to the dynamic nature of the needs assessment process for the entire system.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	321,499	29,500	542,000	542,000	542,000	542,000	542,000	2,710,000	0	2,739,500
Total	**$0**	**$321,499**	**$29,500**	**$542,000**	**$542,000**	**$542,000**	**$542,000**	**$542,000**	**$2,710,000**	**$0**	**$2,739,500**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	321,499	29,500	542,000	542,000	542,000	542,000	542,000	2,710,000	0	2,739,500
Total	**$0**	**$321,499**	**$29,500**	**$542,000**	**$542,000**	**$542,000**	**$542,000**	**$542,000**	**$2,710,000**	**$0**	**$2,739,500**

Operating Impact

In the FY 2026 Operating Budget, the Department submitted a base increase request of $20,000 to repair existing radios while replacements are sourced. Once sourcing has been identified, any operating costs will be brought forward in future budgets. In addition to the physical equipment addressed in this project, the Operating Budget already has funding for the annual subscription fee to the Silicon Valley Regional Interoperability Authority, the agency managing the countywide radio network as well as separate contracts with service providers for the radio infrastructure needs (example: fixed antenna system troubleshooting and tuning or maintenance).

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Community Safety
Goal: S-1
Policy: S-1.6
Program: S1.6.2

Environmental Impact Analysis:
Not Applicable

Potential Board/Commission Review:

Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Department Technology Upgrades and Improvements
Project Location: Various locations

Managing Department: Fire
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FD-25000

Cardiac Monitor in an Ambulance

Fire Equipment Replacement

Description

This project funds ongoing replacement of Fire and Emergency Medical Services (EMS) equipment used for training, medical response, and technical rescue in all emergency situations.

Justification

A variety of equipment is required for different types of emergency response and training, including but not limited to cardiac monitors and gurneys for medical patients, jaws of life for car accidents, breathing apparatuses to enter smoke-filled buildings, and thermal cameras to monitor fire danger. The Fire Department has completed a comprehensive assessment and listing of all current primary equipment categories, as well as estimated costs and replacement schedules. In the past, the Fire Department has requested funding for equipment through individual, one-time projects, but a recurring project will enhance the Department's ability to replace vital equipment.

Supplemental Information

Major equipment replacements include:

Fiscal Year 2026: Cardiac monitors, external chest compressors, power cots/gurneys, powerloads for gurneys, air compressor extrication tools, fire vent, lifting and stabilization equipment, thermal cameras

Fiscal Year 2027: Fire station appliances, fire station fitness equipment

Fiscal Year 2028: Power cots/gurneys

Fiscal Year 2029: External chest compressors

Fiscal Year 2030: Air compressor, fire structure training materials, water rescue equipment

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	96,925	96,925	1,421,152	636,720	199,920	126,840	161,280	2,545,912	0	N/A
Revenue from Other Agencies	N/A	16,480	16,480	270,695	121,280	38,080	24,160	30,720	484,935	0	N/A
Total	**N/A**	**$113,405**	**$113,405**	**$1,691,847**	**$758,000**	**$238,000**	**$151,000**	**$192,000**	**$3,030,847**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	113,405	113,405	1,691,847	758,000	238,000	151,000	192,000	3,030,847	0	N/A
Total	**N/A**	**$113,405**	**$113,405**	**$1,691,847**	**$758,000**	**$238,000**	**$151,000**	**$192,000**	**$3,030,847**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Natural Hazards
Goal: S-2
Policy: S-2.13
Program: S2.13.2

Environmental Impact Analysis:
Not Applicable

Potential Board/Commission Review:

Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Department Technology Upgrades and Improvements
Project Location: Police Department

Managing Department: Police
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PD-20000

Police In-Field Audio/Video System

Police Video Recording Systems Replacement

Description

This project provides funding for the replacement of the Palo Alto Police Department's video recording systems used to record events in the field with in-car cameras as well as body-worn cameras (BWC). The in-car camera technology was introduced in 2013 while BWCs were implemented in Fiscal Year 2019 after a one-year pilot program. In-car systems are fixed in the vehicles and include five cameras. BWCs are worn on the body and use rechargeable batteries that last up to six hours. Images captured by in-car systems and BWCs are stored both locally and in the cloud on a secure platform. The technology has a lifespan of approximately five years for in-car systems and four years for BWCs.

Justification

Video and audio recording technology is essential for police work. The technology and corresponding policies establish a method of accountability for both police contacts and police officers, and are valuable evidence in combating crime. The adoption of these technologies, along with the desire of the public for more accountability, prioritizes the need for police departments to maintain video recording systems. While video does not replace written reports, video can be helpful for reconstructing incidents for both criminal and internal investigations.

Supplemental Information

The Police Department conducted a formal procurement to update this equipment through a subscription contract, and to include audio/video in-holding facilities and interview rooms in the Public Safety Building so that all data can be on one platform instead of multiple platforms. LensLock, Inc. was selected and the contract began in FY 2025.

Significant Changes

2026-2030 CIP: Funding updated to reflect a new equipment subscription contract, increasing annual costs by $30,000 in FY 2026-FY 2029.

2025-2029 CIP: The Department is continuing the procurement process to evaluate and select a technology platform to replace the current platform. Preliminary estimated costs are reflected in the budget. Once the replacement platform is identified, costs will be updated.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	203,503	203,502	214,800	214,800	214,800	214,800	214,800	1,074,000	0	N/A
Transfer from Law Enforcement Services Fund	N/A	11,397	11,397	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$214,900**	**$214,899**	**$214,800**	**$214,800**	**$214,800**	**$214,800**	**$214,800**	**$1,074,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	214,900	214,899	214,800	214,800	214,800	214,800	214,800	1,074,000	0	N/A
Total	**N/A**	**$214,900**	**$214,899**	**$214,800**	**$214,800**	**$214,800**	**$214,800**	**$214,800**	**$1,074,000**	**$0**	**N/A**

Operating Impact

Operating impacts have not been determined at this time. If determined to be necessary, costs will be brought forward in future budgets.

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Community Safety
Goal: S-1
Policy: S-1.6
Program: S1.6.2

Environmental Impact Analysis:
Not Applicable

Potential Board/Commission Review:

Planning and Transportation Commission



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Parks and Open Space



Brilliance, by Joe O'Connell and Blessing Hancock

Art In Public Spaces

Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AC-86017

Description

This project provides funding for innovative temporary and permanent public art for both interior and exterior public spaces in accordance with the City Council-approved Art in City Capital Improvement Projects ordinance.

Justification

This project places art in public buildings, plazas, gateways, parks, and other sites frequented by residents and visitors alike. It is expected that public art will enhance community pride and ownership in the City of Palo Alto. Public art preserves the long-term viability of the built environment and helps set a standard for aesthetic variety and creativity in the community.

Supplemental Information

The Art in the City Capital Improvement Projects ordinance states that the City will budget one percent of its CIP budget for public art, with certain exceptions. A base level of funding in the amount of $50,000 is included each year, and a portion of this funding pays for staff to install and replace temporary and rotating art pieces around the City.

Beginning in Fiscal Year 2015, public art funding is accounted for within this capital project to provide a clear picture of how much funding is available for public art. Funding in one project also allows for the pooling of funds for more impactful projects, and ensures that the funds are preserved for public art.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	2,165,821	507,870	1,774,351	87,700	119,800	122,000	121,800	2,225,651	0	N/A
Revenue from Other Agencies	N/A	52,900	52,900	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$2,218,721**	**$560,770**	**$1,774,351**	**$87,700**	**$119,800**	**$122,000**	**$121,800**	**$2,225,651**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	2,218,720	560,769	1,774,351	87,700	119,800	122,000	121,800	2,225,651	0	N/A
Total	**N/A**	**$2,218,720**	**$560,769**	**$1,774,351**	**$87,700**	**$119,800**	**$122,000**	**$121,800**	**$2,225,651**	**$0**	**N/A**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	39,000	40,000	41,000	42,000	43,000	205,000

Operating Impact

Annual funding for public art maintenance citywide is allocated to the Community Services Department in the General Fund, as noted in the Operating Impacts table above.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Parks and Gathering Places
Goal: L-8
Policy: L-8-5

Relationship to Comprehensive Plan Secondary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.4

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-06001

Rinconada Tennis Courts, February 2015

Athletic Courts Resurfacing

Description

This project provides funding for repair and resurfacing of various athletic courts such as tennis, pickleball, and basketball courts and gathering bowls in Palo Alto parks.

Justification

Athletic courts and gathering bowls in Palo Alto parks require ongoing repairs and resurfacing due to wear and tear. Resurfacing of courts will enhance the safety, quality, and condition of these athletic facilities.

Supplemental Information

Work to be completed under this project is scheduled as follows:

Fiscal Year 2026: Terman Park basketball courts reconstruction and Hopkins Park tennis courts resurfacing or reconstruction

Fiscal Year 2027: Terman Park and Weisshaar Park tennis courts resurfacing

Fiscal Year 2028: Mitchell Park tennis courts and pickleball courts resurfacing

Fiscal Year 2029: Rinconada Park tennis court resurfacing

Fiscal Year 2030: Weisshaar Park and Hoover Park tennis courts resurfacing

Significant Changes

2024-2028 CIP: New funding has been removed in FY 2025 as part of a balancing strategy to address competing infrastructure needs across the City. Funding is recommended to be reappropriated from FY 2024 into FY 2025 to continue work from FY 2024 and address emergency needs.

2020-2024 CIP: The project name was changed from Tennis and Basketball Court Resurfacing to broaden the scope of the project and include more types of athletic courts such as tennis, basketball, pickleball, and gathering bowls in Palo Alto parks.

2017-2021 CIP: Tennis courts at Cubberley Community Center have been removed from this project and now are covered in a separate project within the Cubberley Infrastructure Fund.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	472,761	333,471	365,190	231,500	237,300	243,200	249,300	1,326,490	0	N/A
Total	**N/A**	**$472,761**	**$333,471**	**$365,190**	**$231,500**	**$237,300**	**$243,200**	**$249,300**	**$1,326,490**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	472,761	333,471	365,190	231,500	237,300	243,200	249,300	1,326,490	0	N/A
Total	**N/A**	**$472,761**	**$333,471**	**$365,190**	**$231,500**	**$237,300**	**$243,200**	**$249,300**	**$1,326,490**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Baylands Nature Preserve (2500 Embarcadero Road)
Managing Department: Community Services
IBRC Reference: Catch-up
Initial Project Start: Fall 2016
Initial Project Completion: Winter 2018
Revised Project Start: N/A
Revised Project Completion: Winter 2027
Project Number: PG-17000

Baylands, July 2014

Baylands Comprehensive Conservation Plan

Description

This project provides funding for a conservation plan that will examine the native vegetation, wildlife habitat resources, and wildlife-appropriate public access for the entire Baylands, including Byxbee Park. This plan will provide needed information on best practices to enhance and sustain wildlife habitat and appropriate areas. The plan will provide guidance on the future development of trails or other recreation amenities, provide a design overlay for appropriate types and locations of public art in the Baylands, and design an interpretive messaging throughout the preserve. The plan seeks to optimize opportunities for passive recreation ensuring that these are compatible with the Baylands Master Plan. The Conservation Plan will also provide input to the Byxbee Park Completion project.

Justification

Staff needs a guiding plan to provide insight on best management practices for wildlife, habitat, vegetation, and recreation management. The plan will also provide priorities, which will help staff and volunteers guide resources to the most important projects. With numerous changes taking place in environmentally significant areas, it is vital to have a holistic vision for the corridor that will balance the diverse needs of stakeholders.

Supplemental Information

A prior project to create a Baylands Comprehensive Conservation Plan was initiated in June 2006 but due to funding cuts the project was not completed. This project will involve hiring a consultant to complete the plan.

Significant Changes

2026-2030 CIP: Project extended, funds reappropriated, and $25,000 added to consider additional recommendations from stakeholders as well as continued work on CEQA which is anticipated to be completed in Winter 2027.

2023-2027 CIP: Project extended and funds reappropriated to consider additional recommendations from stakeholders that may require additional funding.

2021-2025 CIP: CEQA work has been extended to FY 2021.

2019-2023 CIP: Additional funding of $90,000 added for CEQA. Completion date revised to FY 2019.

2017-2021 CIP: Additional funding of $60,000 was added to include design for interpretive messaging and design overlay for appropriate types and locations of public art.

2016-2020 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	386,399	47,454	4,354	68,100	0	0	0	0	68,100	0	458,853
Total	**$386,399**	**$47,454**	**$4,354**	**$68,100**	**$0**	**$0**	**$0**	**$0**	**$68,100**	**$0**	**$458,853**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	386,398	47,454	4,354	68,100	0	0	0	0	68,100	0	458,852
Total	**$386,398**	**$47,454**	**$4,354**	**$68,100**	**$0**	**$0**	**$0**	**$0**	**$68,100**	**$0**	**$458,852**

Operating Impact

This project is anticipated to impact operating expenses in the future. As these costs are quantified, adjustments will be brought forward in future budgets, as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Open Space
Goal: N-3
Policy: N-3.4

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project may be subject to CEQA review.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 1875 Embarcadero Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2025
Initial Project Completion: Summer 2027

Revised Project Start: N/A
Revised Project Completion: Summer 2026

Project Number: PG-26001

Baylands Golf Links

Baylands Golf Links Sand Topdressing

Description

This project provides sand topdressing for the natural turf fairways and putting greens at the Baylands Golf Links golf course. The topdressing is an essential application of sand to improve growing conditions, drainage, and playability, specifically after rain events and throughout the wet winter season.

Justification

A sand topdressing program, when combined with other cultural programs such as vertical mowing and core aerification, will have a positive impact on overall turf health and quality. Paspalum grass produces thatch that, if not managed, can cause excessively soft and wet conditions after routine irrigation cycles and rain events. The clay-based soils at Baylands Golf Links retain water and have poor drainage.

During the winter and spring months, rain events cause significant issues with both playability and turf maintenance due to the slower draining soils. A sand topdressing program will enhance subsurface drainage and aid in quicker drying after rain events.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	66,000	0	0	0	0	66,000	0	66,000
Total	**$0**	**$0**	**$0**	**$66,000**	**$0**	**$0**	**$0**	**$0**	**$66,000**	**$0**	**$66,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	66,000	0	0	0	0	66,000	0	66,000
Total	**$0**	**$0**	**$0**	**$66,000**	**$0**	**$0**	**$0**	**$0**	**$66,000**	**$0**	**$66,000**

Operating Impact

Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemptions from CEQA under section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Palo Alto Baylands Nature Preserve

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Fall 2024
Initial Project Completion: Summer 2025

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: OS-24001

Friendship Trail, Baylands Nature Preserve, Spring 2021

Baylands Interpretive Signage Program

Description

This project will install signage and exhibits at the Palo Alto Baylands Nature Preserve.

Justification

The California Department of Parks and Recreation awarded the City of Palo Alto an Outdoor Environmental Education Facilities grant for $162,000 to improve educational opportunities for visitors to the Baylands, specifically for the fabrication and installation of interpretive exhibits.

Significant Changes

2024-2028 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	16,366	16,366	0	0	0	0	0	0	0	16,366
Revenue from the State of California	0	162,000	114,657	47,343	0	0	0	0	47,343	0	162,000
Total	**$0**	**$178,366**	**$131,023**	**$47,343**	**$0**	**$0**	**$0**	**$0**	**$47,343**	**$0**	**$178,366**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	178,366	131,023	47,343	0	0	0	0	47,343	0	178,366
Total	**$0**	**$178,366**	**$131,023**	**$47,343**	**$0**	**$0**	**$0**	**$0**	**$47,343**	**$0**	**$178,366**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Goal: C-1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
The recommendations in this report are not subject to the provisions of the California Environmental Quality Act as these actions do not meet the definition of a 'project' as defined in Public Resource Code Division 13, Section 21065. However, in an abundance of caution, the Baylands signage project was filed under CEQA as categorically exempt on May 31, 2018.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Harbor Road near Baylands Nature Interpretive Center (2775 Embarcadero Road)
Managing Department: Community Services
IBRC Reference: New
Initial Project Start: Spring 2012
Initial Project Completion: Summer 2014
Revised Project Start: Summer 2026
Revised Project Completion: Summer 2028
Project Number: OS-09002

Baylands Levee, January 2015

Baylands Levee Repair for Public Safety Access

Description

This project provides funding to restore the width and height of the earthen flood levee between Harbor Road near the Baylands Interpretive Center and the perimeter levee of the airport to protect the interior areas, provide emergency and operational vehicle access, and offset the potential for localized flooding and erosion to the trail.

Justification

This section of City-maintained levee has significantly subsided since it was built in the early 1960s. High winter tides now overflow the top of the levee, causing significant erosion along both edges of the levee. This levee is important not only for flood control of the Baylands, but also for emergency response by fire and paramedic vehicles for fires, plane crashes and rescue of injured trail users. The section of levee between the road and the Nature Center is essential for public access.

Supplemental Information

Information from the Bay Conservation and Development Commission on sea level rise projections will be incorporated into the design of the restoration of the levee in order for the structure to function against increasing tide levels. This project is pending a cost estimate update as regulatory agencies have informed staff this project will require mitigation.

Significant Changes

2023-2027 CIP: Project funding has been pushed out to FY 2026 and is pending an updated cost estimate.

2020-2024 CIP: Project funding has been pushed out to FY 2024 and is pending an updated cost estimate.

2019-2023 CIP: Project funding has been pushed out to FY 2021 and is pending an updated cost estimate.

2018-2022 CIP: Securing the regulatory permits remain delayed and now may require mitigation.

2016-2020 CIP: Project completion has been extended by 2 1/2 years due to delays in securing the regulatory permits needed to construct the project.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	54,298	0	0	288,000	0	0	0	0	288,000	0	342,298
Total	**$54,298**	**$0**	**$0**	**$288,000**	**$0**	**$0**	**$0**	**$0**	**$288,000**	**$0**	**$342,298**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	54,298	0	0	0	0	0	0	0	0	0	54,298
Design	0	0	0	288,000	0	0	0	0	288,000	0	288,000
Total	**$54,298**	**$0**	**$0**	**$288,000**	**$0**	**$0**	**$0**	**$0**	**$288,000**	**$0**	**$342,298**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Open Space
Goal: N-1
Policy: N-1.5
Program: N1.5.1

Potential Board/Commission Review:

Planning and Transportation Commission
San Francisquito Creek Joint Powers Authority

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Baylands Preserve

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Fall 2023
Initial Project Completion: Winter 2023

Revised Project Start: Winter 2024
Revised Project Completion: Summer 2025

Project Number: OS-24000

Baylands Nature Preserve Entrance

Baylands Nature Preserve Entrance Gate

Description

This project provides funding to install a new automated gate at the Baylands Nature Preserve main entrance. The gate is closed when the preserve closes in the evenings. The scope of work includes an electrical transformer, trenching, wiring, and gate automation equipment. The existing gate is manually opened and closed.

Justification

In the past, the gate was closed in the evening by a contractor (California Land Management) as part of their contract with the City for picking up litter and closing the Baylands Nature Preserve in the evenings. The contract was eliminated in July 2020 as part of a budget reduction associated with the COVID-19 pandemic. Currently the gate is closed manually by City staff, when they are available; however, when staff are not available, the preserve gate is left open, which has resulted in increased vandalism and graffiti.

Significant Changes

2026-2030 CIP: The project has been completed and the remaining funds currently reflected in FY 2026 (which had been reappropriated from FY 2025) will be returned during the FY 2025 year-end process.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	14,865	130,668	54,295	1,374	0	0	0	0	1,374	0	70,534
Total	**$14,865**	**$130,668**	**$54,295**	**$1,374**	**$0**	**$0**	**$0**	**$0**	**$1,374**	**$0**	**$70,534**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	14,863	119,658	43,284	1,374	0	0	0	0	1,374	0	59,521
Design	0	11,010	11,010	0	0	0	0	0	0	0	11,010
Total	**$14,863**	**$130,668**	**$54,294**	**$1,374**	**$0**	**$0**	**$0**	**$0**	**$1,374**	**$0**	**$70,531**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15302



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-06003

Greer Park, January 2015

Benches, Signage, Walkways, Perimeter Landscaping, and Site Amenities

Description

This project provides funding for the restoration and replacement of existing benches, signage, fencing, walkways, and landscaping at various City facilities.

Justification

Benches, signage, fencing, walkways, and perimeter landscaping at various sites are due for replacement or upgrade based on their age and/or condition.

Supplemental Information

Replacements will be evaluated and recommended by the Community Services Department on a per park basis with actual work dependent upon bid results.

Significant Changes

2022-2026 CIP: This project was reduced by approximately $40,000 in FY 2022 to contribute to cost containment strategies in FY 2022.

2020-2024 CIP: Ongoing project budget increased by $25,000 annually, reaching approximately $0.2 million.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	367,939	289,641	262,198	188,500	193,200	198,000	203,000	1,044,898	0	N/A
Total	**N/A**	**$367,939**	**$289,641**	**$262,198**	**$188,500**	**$193,200**	**$198,000**	**$203,000**	**$1,044,898**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	367,939	289,641	262,198	188,500	193,200	198,000	203,000	1,044,898	0	N/A
Total	**N/A**	**$367,939**	**$289,641**	**$262,198**	**$188,500**	**$193,200**	**$198,000**	**$203,000**	**$1,044,898**	**$0**	**N/A**

Operating Impact

This project is not anticipated to impact operating expenses and if any maintenance costs increase, costs will be absorbed with the available maintenance funding in the annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3590 Laguna Avenue

Managing Department: Public Works
IBRC Reference: Catch-up

Initial Project Start: Summer 2019
Initial Project Completion: Summer 2020

Revised Project Start: Summer 2027
Revised Project Completion: Summer 2029

Project Number: PE-16000

Bol Park, February 2015

Bol Park Improvements

Description

This project provides funding for safety renovations and accessibility improvements, including repairs to the decomposed granite pathways, park lighting, and replacement of the playground equipment. Irrigation renovations, turf restoration, and the replacement of additional site amenities are also included in this project.

Justification

The decomposed granite pathway requires regrading and resurfacing. The children's playground equipment has reached its life expectancy and requires replacement. Park lighting and other site amenities include benches, tables, and trash receptacles require replacement.

Significant Changes

2025-2029 CIP: Park improvements have been deferred from FY 2027 to FY 2028 due to staffing constraints. Funding for design and construction has been increased by $0.2 million due to construction cost escalation.

2024-2028 CIP: Funding for design and construction has been increased by $0.1 million due to construction cost escalation and inclusion of green infrastructure components.

2023-2027 CIP: Park improvements have been deferred from FY 2024 to FY 2027 due to staffing constraints. Design and Construction expenses were increased to account for cost escalation.

2021-2025 CIP: Playground replacement added to the scope of the project, as it will reach its 20-year life expectancy in 2024.

2020-2024 CIP: Project moved from FY 2020 to FY 2024 due to some interim improvements that were made, prolonging the remaining park structures to last until FY 2024. This allows for work at other projects with more immediate needs.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	90,000	850,000	0	940,000	0	940,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$90,000**	**$850,000**	**$0**	**$940,000**	**$0**	**$940,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	90,000	850,000	0	940,000	0	940,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$90,000**	**$850,000**	**$0**	**$940,000**	**$0**	**$940,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget. Cost for operations and maintenance of green infrastructures feature is to be determined.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3590 Laguna Avenue

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2024
Initial Project Completion: Summer 2026

Revised Project Start: Summer 2027
Revised Project Completion: Summer 2029

Project Number: PE-25000

Bol Park Bike Path, April 2022

Bol Park Pathway Repaving and Repair

Description

The Bol Park pathway which extends from the north at Hanover Drive at the Stanford Technological Park to the south at Arastadero Road is approximately 1.2 miles in length. The pathway is a key link in the local and regional bike system and is heavily utilized by both Gunn High School and the Veterans facility. Funding for this project includes repaving and widening of the pathway and lighting improvements.

Justification

The Bol Park Pathway is a heavily used path for local and regional connections. The pathway currently is in need of repaving. Sections of the pathway have decreased in width due to path deterioration and pathway signage needs updating. The overall layout of the path needs further review to eliminate a current blind spot due to a change in pathway elevation.

Supplemental Information

The Barron Park community has formed the Bol Park Pathway Committee to work with the City to improve the pathway and the City has performed a user survey that supports the findings of a larger user group of the pathway.

Significant Changes

2025-2029 CIP: Project start has shifted to FY 2028 due to staffing constraints. Funding increased for design and construction by $0.3 million due to cost escalation.

2024-2028 CIP: Funding increased for design and construction by $0.1 million for escalation and inclusion of green infrastructure components.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	300,000	1,300,000	0	1,600,000	0	1,600,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$1,300,000**	**$0**	**$1,600,000**	**$0**	**$1,600,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	300,000	1,300,000	0	1,600,000	0	1,600,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$1,300,000**	**$0**	**$1,600,000**	**$0**	**$1,600,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget. Cost for operations and maintenance of green infrastructure features to be determined.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 410 Fernando Avenue/3350 Birch Street

Managing Department: Public Works
IBRC Reference: Catch-up

Initial Project Start: Fall 2017
Initial Project Completion: Fall 2018

Revised Project Start: Spring 2020
Revised Project Completion: Fall 2025

Project Number: PE-17005

Boulware Park, February 2015

Boulware Park Improvements

Description

This project provides funding for improvements to the existing Boulware Park, conversion of the Birch Street property purchased by the City in FY 2019 into a park facility, and connecting the existing park to the Birch Street property by removing Ash Street and reconfiguring Chestnut Avenue. The park improvements include development of the existing Boulware Park and Birch Street property; installation of a new play structure; replacement of existing lighting, drinking fountains, benches, trash receptacles, and rubberized surfacing; accessibility upgrades; addition of a new restroom; new park facilities; and streets improvements.

Justification

The existing playground equipment, installed in 1993, is approaching the end of its useful life and needs to be replaced. In addition, light poles and site amenities, including drinking fountains, benches and trash/recycle receptacles are aged and need replacing. The City purchased an undeveloped lot from Pacific Bell Telephone Company in FY 2019, located at 3350 Birch Street (previously PE-19003), across a public street from Boulware Park, to use as additional parkland in the Ventura neighborhood. This neighborhood is a densely populated area of the City with minimal parkland. Additionally, the Parks Master Plan, adopted in 2017, included a goal to add more open space in the Ventura Neighborhood.

Supplemental Information

The City conducted a community-based review process to develop a cohesive design to determine what new amenities will be added in the final design of the park. The project was determined to be CEQA exempt and a notice of determination has be filed.

Significant Changes

2026-2030 CIP: Project completion extended from Fall 2024 to Fall 2025.

2024-2028 CIP: Project completion extended from Summer 2023 to Fall 2024.

2023-2027 CIP: Project completion extended from Summer 2022 to Summer 2023 due to staffing constraints and prioritization of other projects.

2022-2026 CIP: Funding for Birch Street Improvements (PE-19003) was consolidated into the Boulware Park Improvements project (PE-17005) to develop both properties as one park facility. Additional funding is requested to include additional design features and streets improvements based on community input and design development.

2021-2025 CIP: Depending on the funding and timeline for Birch Street Improvements (PE-19003), work to update the playground equipment may be coordinated, as the two properties are adjacent to each other.

2019-2023 CIP: Project construction funding moved to FY 2020 to address workload plus project priorities.

2018-2022 CIP: Project shifted back to FY 2018 following consideration of staff workload and park priorities.

2017-2021 CIP: Project shifted from FY 2018 to FY 2021 pending completion of the Parks Master Plan and a reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(207,225)	2,980,784	2,837,610	143,174	0	0	0	0	143,174	0	2,773,559
Revenue from the State of California	0	188,979	188,979	0	0	0	0	0	0	0	188,979
Transfer from Parks Development Impact Fee Fund	3,030,000	0	0	0	0	0	0	0	0	0	3,030,000
Transfer From Stormwater Management Fund	114,950	0	0	0	0	0	0	0	0	0	114,950
Total	**$2,937,725**	**$3,169,763**	**$3,026,589**	**$143,174**	**$0**	**$0**	**$0**	**$0**	**$143,174**	**$0**	**$6,107,488**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	1,859,703	3,160,796	3,017,622	143,174	0	0	0	0	143,174	0	5,020,499
Design	1,078,008	8,966	8,966	0	0	0	0	0	0	0	1,086,974
Total	**$2,937,711**	**$3,169,762**	**$3,026,588**	**$143,174**	**$0**	**$0**	**$0**	**$0**	**$143,174**	**$0**	**$6,107,473**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
Capital Improvement Fund	48,000	49,000	50,000	52,000	54,000	253,000

Operating Impact

The maintenance cost of this project will be approximately $48,000 annually, starting in FY 2026, for landscaping and custodial expenses and budgeted to increase by 3% annually thereafter.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 2500 Embarcadero Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2017
Initial Project Completion: Fall 2019

Revised Project Start: Fall 2024
Revised Project Completion: Summer 2028

Project Number: PE-18006

Byxbee Park, March 2015

Byxbee Park Completion

Description

This project provides funding for the remaining improvements to Byxbee Park per the conceptual plan currently being developed in the Baylands Comprehensive Conservation Plan (PG-17000). The conceptual plan calls for additional native planting islands, park seating, interpretive signage, and an expanded parking lot.

Justification

While some improvements and amenities have already been provided through the Byxbee Park Trails Project, this project will revisit and implement the vision for the entire park. Design features will incorporate recommendations from the Baylands Comprehensive Conservation Plan.

Supplemental Information

The Byxbee Park Completion Project is included in the Council Infrastructure Plan. Funds for the project are provided by the Parks Development Impact Fee Fund. The Parks, Trails, Natural Open Space and Recreational Master Plan projects were reviewed and adjusted according to staff availability as well as community and Infrastructure Blue Ribbon Committee (IBRC) needs.

Significant Changes

2026-2030 CIP: Project design moved to FY 2027 and construction moved to FY 2028 pending completion of the Baylands Comprehensive Conservation Plan.

2024-2028 CIP: Project design moved to FY 2025 and construction moved to FY 2026 due to staffing constraints.

2023-2027 CIP: Project moved to FY 2024 due to staffing constraints. Design funding of approximately $0.5 million added in FY 2024 and offset by additional Parks Dedication funding.

2022-2026 CIP: Project moved to FY 2022 due to staffing constraints.

2020-2024 CIP: A majority of the funding, including the transfer from the Parks Dedication Fund, has been moved to FY 2021 to coordinate with the Baylands Comprehensive Conservation Plan and the Byxbee Park Master Plan.

2018-2022 CIP: Funding has been moved to FY 2019 to coordinate with the findings from the Baylands Comprehensive Conservation Plan project.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(1,331,808)	0	0	0	0	1,281,000	0	0	1,281,000	0	(50,808)
Transfer from Parks Dedication Fund	1,700,000	450,000	0	0	450,000	1,100,000	0	0	1,550,000	0	3,250,000
Total	**$368,192**	**$450,000**	**$0**	**$0**	**$450,000**	**$2,381,000**	**$0**	**$0**	**$2,831,000**	**$0**	**$3,199,192**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	368,189	0	0	0	0	2,381,000	0	0	2,381,000	0	2,749,189
Design	0	450,000	0	0	450,000	0	0	0	450,000	0	450,000
Total	**$368,189**	**$450,000**	**$0**	**$0**	**$450,000**	**$2,381,000**	**$0**	**$0**	**$2,831,000**	**$0**	**$3,199,189**

Operating Impact

This project is anticipated to impact operating expenses in the future. Byxbee Park is maintained under the City's parks maintenance contract. As these costs are quantified, adjustments will be brought forward in future budget cycles.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is anticipated to require an environmental assessment in accordance with CEQA guidelines.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-18001

Mitchell Park Dog Run, March 2017

Dog Park Installation and Renovation

Description

This project provides funding for the construction of new or renovation of existing dog parks throughout the City.

Justification

The Parks, Trails, Natural Open Space, and Recreation Master Plan provides guidance on dog parks. The policy states that Palo Alto should actively pursue adding dedicated, fenced dog parks in multiple neighborhoods, equitably distributed between North and South Palo Alto. The size of the dog parks will vary, but should strive to be at least 0.25 acres and each new dog park installation will require a Park Improvement Ordinance.

Palo Alto has four dog parks each located at Mitchell Park, Hoover Park, Peers Park, and Greer Park. Continued funding from this project allows additional dog parks to be built throughout Palo Alto.

Significant Changes

2025-2029 CIP: Future estimated Parks Development Fee Funding has been programmed to offset future costs for this project. If fee revenue does not come in as estimated, the work in this project will need to be pushed out until funds are available.

2024-2028 CIP: Parks Development Impact Fee Funding was previously programmed to fund costs in this project and the Park Restroom Installation project (PG-19000); however, fee funds collected through FY 2023 were reallocated to the Boulware Park Improvements project (PE-17005). Future fee funds may be allocated to this project to free up Capital Improvement funding for other project needs.

2023-2027 CIP: FY 2022 funding has been deferred to FY 2023 due to staffing constraints, but future installations will remain in the even fiscal years.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	467,500	467,500	0	0	0	0	0	0	0	N/A
Transfer from Parks Development Impact Fee Fund	N/A	0	0	150,000	0	150,000	0	150,000	450,000	0	N/A
Total	**N/A**	**$467,500**	**$467,500**	**$150,000**	**$0**	**$150,000**	**$0**	**$150,000**	**$450,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	467,500	467,500	140,000	0	140,000	0	140,000	420,000	0	N/A
Design	N/A	0	0	10,000	0	10,000	0	10,000	30,000	0	N/A
Total	**N/A**	**$467,500**	**$467,500**	**$150,000**	**$0**	**$150,000**	**$0**	**$150,000**	**$450,000**	**$0**	**N/A**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	6,600	6,800	9,000	9,300	11,600	43,300

Operating Impact

Custodial costs are approximately $2,000 per year per dog park in the operating budget for existing dog parks. Operating funding for maintenance will be increased as part of the annual budget process as more dog parks are installed.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: El Camino Park

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Spring 2024
Initial Project Completion: Summer 2024

Revised Project Start: N/A
Revised Project Completion: Fall 2026

Project Number: PG-24000

El Camino Park Turf Field

El Camino Park Turf Replacement

Description

The project provides funding for replacement of synthetic turf at the El Camino Park playing field.

Justification

The El Camino Park Playing Field accommodates year round play, including additional evening play with some temporary lighting. Since the complex was built in 2015, it has been in high demand and is used by youth and adult leagues as well as walk-on play. Synthetic turf has a typical lifespan of approximately eight to ten years with each year of use contributing to gradual wear and tear resulting in loss of pile height, turf fiber, and infill.

Significant Changes

2026-2030 CIP: In FY 2025 (Report #2503-4446), City Council approved a comprehensive study to evaluate synthetic and natural turf with a focus on environmental, health, cost, and usability factors. The study was supported by funds in this project and will provide data-driven recommendations for future field selection and replacement. Replacement of El Camino Park's synthetic turf is on hold pending the results of the study, expected by October 2025.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	40,000	802,000	162,450	639,550	0	0	0	0	639,550	0	842,000
Total	**$40,000**	**$802,000**	**$162,450**	**$639,550**	**$0**	**$0**	**$0**	**$0**	**$639,550**	**$0**	**$842,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	792,000	152,450	639,550	0	0	0	0	639,550	0	792,000
Design	40,000	10,000	10,000	0	0	0	0	0	0	0	50,000
Total	**$40,000**	**$802,000**	**$162,450**	**$639,550**	**$0**	**$0**	**$0**	**$0**	**$639,550**	**$0**	**$842,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Foothills Nature Preserve, Pearson Arastradero Preserve, Esther Clark Park

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Fall 2024
Initial Project Completion: Fall 2025

Revised Project Start: N/A
Revised Project Completion: Fall 2027

Project Number: PG-25002

Eucalyptus Trees in Open Space, July 2023

Eucalyptus Tree Removal

Description

This project will remove approximately 110 identified eucalyptus trees from the City of Palo Alto's open space preserves, including Foothills Nature Preserve, Pearson Arastradero Preserve, and Esther Clark Park.

Justification

The removal of the invasive trees will help improve wildland fire safety in the urban interface areas. It will also improve the surrounding habitat by allowing native trees and vegetation to thrive in the absence of the eucalyptus trees.

Supplemental Information

Funding was programmed in FY 2025. The City continues to actively seek additional funds for work on this project.

Significant Changes

2026-2030 CIP: Project scope expanded from 30 to 110 trees, and funding increased by $0.3 million, split between FY 2026 and FY 2027.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	110,102	110,102	150,000	150,000	0	0	0	300,000	0	410,102
Total	**$0**	**$110,102**	**$110,102**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$410,102**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	110,102	110,102	150,000	150,000	0	0	0	300,000	0	410,102
Total	**$0**	**$110,102**	**$110,102**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$410,102**

Operating Impact

This project is not anticipated to have operating impacts.

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Goal: S-2
Policy: S-2.14
Program: S2.14.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Foothills Nature Preserve Boronda Lake (3300 Page Mill Road between Central and Moody)
Managing Department: Community Services
IBRC Reference: Keep-up
Initial Project Start: Fall 2017
Initial Project Completion: Spring 2018
Revised Project Start: Fall 2023
Revised Project Completion: Summer 2026
Project Number: OS-18000

Boronda Lake Dock, February 2017

Foothills Nature Preserve Boronda Lake Dock Replacement

Description

This project provides funding for the repair and renovation of the Boronda Lake Dock.

Justification

The dock was originally built in 1965 and was last refurbished in 2010 with repairs to the wood decking. The current condition of the dock is antiquated and requires new decking, ramp, and floats.

Significant Changes

2023-2027 CIP: Project completion extended due to staffing constraints and other high priority projects.

2022-2026 CIP: Project construction anticipated to start upon issuance of contract in the summer of calendar year 2021.

2021-2025 CIP: Project funding increased due to escalation of repair/construction costs.

2019-2023 CIP: Project funding has been pushed out to FY 2021.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	256,243	54,243	102,000	0	0	0	0	102,000	0	156,243
Total	**$0**	**$256,243**	**$54,243**	**$102,000**	**$0**	**$0**	**$0**	**$0**	**$102,000**	**$0**	**$156,243**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	256,243	54,243	102,000	0	0	0	0	102,000	0	156,243
Total	**$0**	**$256,243**	**$54,243**	**$102,000**	**$0**	**$0**	**$0**	**$0**	**$102,000**	**$0**	**$156,243**

Operating Impact

This project is not anticipated to impact operating expenses and if any maintenance costs increase, costs will be absorbed with the available maintenance funding in the annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Foothills Park (3300 Page Mill Road between Central and Moody)
Managing Department: Public Works
IBRC Reference: New
Initial Project Start: Spring 2020
Initial Project Completion: Fall 2020
Revised Project Start: Fall 2022
Revised Project Completion: Summer 2026
Project Number: PE-20000

Foothills Park

Foothills Nature Preserve Dam Seepage Investigation and Repairs

Description

This project provides funding to study a location of historic seepage from the Foothills Nature Preserve Dam at the sharp bend in the road on the face of the dam. The seepage is very minor, but it appears to be slowly worsening. The source of the seepage is suspected to be the trench backfill around the pipe that returns shallow groundwater to Boronda Lake. This project is investigating and monitoring the seepage flow by channelizing seepage flow and installing a weir to quantify and further analyze the seepage flow. The Department of Water Resources (DWR) performs annual inspection of the dam and may provide additional input to continue investigation for feasible solution as necessary. If an engineered solution can be found, this project will also fund construction to slow or stop the seepage as part of a future five-year CIP plan. The anticipated solution is excavation of a portion of the pipe and backfill with material that is more impervious to water transmissivity.

Justification

Repairing the Foothills Nature Preserve Dam is the key to maintaining the Boronda Lake recreational facility. It is a cherished gateway feature of the park.

Significant Changes

2026-2030 CIP: Projection completion has been extended to Summer 2026, and funding has increased by $0.1 million to allow for further recommendations from the DWR to be implemented.

2025-2029 CIP: The project investigation will continue through FY 2025 based on further recommendation from the DWR.

2024-2028 CIP: Design and construction funding of $50,000 has been added to continue investigation and weir installation to measure water seepage.

2023-2027 CIP: Project timeline moved to coincide with work on the Foothills Nature Preserve Improvements (PE-21000) project.

2022-2026 CIP: Project timeline moved out to coincide with work on the Foothills Nature Preserve Improvements (PE-21000) project.

2021-2025 CIP: Project start and completion dates extended due to workload of other projects in progress.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	42,169	82,648	64,186	118,463	0	0	0	0	118,463	0	224,818
Total	**$42,169**	**$82,648**	**$64,186**	**$118,463**	**$0**	**$0**	**$0**	**$0**	**$118,463**	**$0**	**$224,818**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	33,030	14,567	118,463	0	0	0	0	118,463	0	133,030
Design	42,167	49,618	49,618	0	0	0	0	0	0	0	91,785
Total	**$42,167**	**$82,648**	**$64,185**	**$118,463**	**$0**	**$0**	**$0**	**$0**	**$118,463**	**$0**	**$224,815**

Operating Impact

This project is not anticipated to impact operating expenses as it is only to study seepage from the dam. Once a solution is determined, additional maintenance expenses may be incurred and will be brought forward as part of a future budget cycle.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3300 Page Mill Road between Central and Moody

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Summer 2021
Initial Project Completion: Fall 2022

Revised Project Start: Fall 2023
Revised Project Completion: Summer 2030

Project Number: PE-21000

Foothills Park Orchard Glen picnic area, January 2016

Foothills Nature Preserve Improvements

Description

This project provides funding to repair the bridge to Sunfish Island, design and permitting costs to replace the footbridge in Los Trancos Valley, to replace the grade control structures along Buckeye Creek, to provide new split rail fencing to protect sensitive areas, new pedestrian pathways to keep park visitors safe while walking along the park road, and improvements to some of the existing parking areas to make them safer and more efficient.

Justification

The Sunfish Island Bridge (located at Boronda Lake) has been repaired per an assessment completed in Fall 2021. The footbridge in Los Trancos Valley and grade control structures along Buckeye Creek are deteriorating and approaching the end of their useful life. If no action is taken, the footbridge and grade control structures will likely fail in the next five years. This would lead to severe erosion in several areas of Foothills Nature Preserve, especially Wild Horse Valley where the existing utility corridors would be threatened.

Since Foothills Nature Preserve opened to the general public on December 17, 2020, visitation has increased by approximately 100% compared to the historical average. The increase in visitors highlighted the need for several infrastructure improvements. One of the impacts from the increased visitation was people walking into sensitive off trail areas. Temporary measures (stakes and rope) to ensure people stay on trail have been effective, but a long-term solution is to add split rail fencing to protect sensitive areas. Another impact from the increased visitation has been more vehicles, pedestrians, and bicyclists on the narrow preserve roads. A new pedestrian pathway along the road would provide a safe place for pedestrians. Some of the existing parking areas in the preserve, in particular the parking around Vista Hill, need to be renovated and improved to make it safe and efficient for the increased number of vehicles in the preserve.

Supplemental Information

Sunfish Island Bridge was built in the early 1960s and significant exterior wear and erosion had deteriorated the condition of this bridge. This bridge was repaired in Fiscal Year 2024. The City completed a hydrology study of Buckeye Creek to provide recommendations to reduce erosion, sediment deposition, and flooding conditions in Foothills Nature Preserve. The study recommended options to resolve the current erosion issues and to restore the creek channel, including replacement of the footbridge and grade control structures along Buck- eye Creek. Staff conducted an assessment of the current condition and remaining life of the foot bridge and grade control structures with a structural engineer.

Fiscal Year 2025 & 2026: Ongoing pathways and fencing design construction and parking lot improvements.

Fiscal Year 2029: Design/permitting for footbridge and Buckeye Creek grade control structures.

Fiscal Year 2030: Footbridge replacement and Buckeye Creek grade control construction.

Significant Changes

2026-2030 CIP: Design and construction of footbridge and grade control structures have been moved to FY 2029 and FY 2030 due to staffing constraints.

2024-2028 CIP: Design and construction of footbridge and grade control structures have been moved to FY 2027 and FY 2028 due to staffing constraints. Construction costs increased by approximately $0.3 million due to cost escalation.

2023-2027 CIP: Project design and construction funding increased by approximately $3.0 million to include updated cost estimates for the footbridge and Buckeye Creek grade control structures replacement, and path-ways and fencing improvements.

2021-2025 CIP: Project design and construction funding delayed from FY 2021 to FY 2023 for design and FY 2024 for construction due to staffing constraints and other high priority projects.

2019-2023 CIP: The Los Trancos Valley footbridge and Buckeye Creek grade control structures replacement has been added to the scope of this project.

2018-2022 CIP: Funding has been moved from FY 2020 to FY 2021 to coordinate with the findings from the Foothills Park, Pearson Arastradero Preserve, and Esther Clark Park Comprehensive Conservation Plan project.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	246,858	874,385	181,641	692,744	0	0	400,000	1,900,000	2,992,744	0	3,421,243
Total	**$246,858**	**$874,385**	**$181,641**	**$692,744**	**$0**	**$0**	**$400,000**	**$1,900,000**	**$2,992,744**	**$0**	**$3,421,243**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	33,573	440,410	40,410	400,000	0	0	400,000	1,900,000	2,700,000	0	2,773,983
Design	213,281	433,975	141,231	292,744	0	0	0	0	292,744	0	647,256
Total	**$246,854**	**$874,385**	**$181,641**	**$692,744**	**$0**	**$0**	**$400,000**	**$1,900,000**	**$2,992,744**	**$0**	**$3,421,239**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3300 Page Mill Road between Central and Moody

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2025
Initial Project Completion: Summer 2029

Revised Project Start: Summer 2026
Revised Project Completion: Summer 2030

Project Number: PE-26000

Foothills Park Restroom facility at the Oak Grove picnic area

Foothills Nature Preserve Restroom Replacement

Description

This project includes the replacement of three restrooms in Foothills Nature Preserve including restrooms at the preserve entrance and Orchard Glen and Oak Grove picnic areas. These facilities will also be upgraded to meet the Americans with Disability Act (ADA) requirements. The restrooms at Orchard Glen and Oak Grove picnic areas will be replaced with prefabricated structures, and the preserve entrance restroom will be rehabilitated or replaced based on assessment.

Justification

The restrooms at Foothills Nature Preserve have reached their useful life and need upgrades to meet current standards and ADA requirements. These restrooms are heavily used by park patrons especially since the preserve was opened to the general public in 2020. Based on current condition, maintenance needs and usage, the Orchard Glen restroom will need replacement by 2027. The restroom at Oak Grove picnic area runs on a septic system which needs replacement by 2028. Feasibility of replacing the septic system with City sewer would be evaluated during the preliminary design phase. The Preserve entrance restroom improvements would be implemented in 2029. Placeholders for construction cost estimates have been included and will be updated once design is complete.

Supplemental Information

Three restrooms will be installed in total, with one each year from FY 2028 to FY 2030.

Fiscal Year 2027: Design of three restrooms.

Fiscal Year 2028: Construction of the Orchard Glen restroom.

Fiscal Year 2029: Construction of the Oak Grove restroom.

Fiscal Year 2030: Construction of the Preserve entrance restroom

Significant Changes

2026-2030 CIP: Due to staffing constraints, project completion has been extended to 2030, design of all three restrooms has shifted to FY 2027, and construction has been moved to FY 2028 through FY 2030. Funding has decreased by $1.4 million to correct an error in the cost estimate.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	300,000	1,200,000	1,100,000	500,000	3,100,000	0	3,100,000
Total	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$1,200,000**	**$1,100,000**	**$500,000**	**$3,100,000**	**$0**	**$3,100,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	300,000	1,200,000	1,100,000	500,000	3,100,000	0	3,100,000
Total	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$1,200,000**	**$1,100,000**	**$500,000**	**$3,100,000**	**$0**	**$3,100,000**

Operating Impact

Additional custodial and routine maintenance costs will increase to service these new facilities. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15302



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Palo Alto Municipal Golf Course (1875 Embarcadero Road)

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Spring 2018
Initial Project Completion: Summer 2018

Revised Project Start: Summer 2026
Revised Project Completion: Fall 2027

Project Number: PG-18000

Golf Course Net and Artificial Turf

Golf Course Net and Artificial Turf Replacement

Description

This project provides funding for the removal and replacement of golf course driving range netting and synthetic turf and installation of new netting or replacement where needed.

Justification

Based on age, condition, and useful life expectancy, the golf course driving range netting and synthetic turf will need to be replaced. The golf course driving range is a popular facility and is used as an instructional area. The facility is an important source of revenue for the City, and keeping it in a state of good repair will aid in maintaining this revenue stream.

Supplemental Information

The City and First Tee Silicon Valley are exploring a potential long term public-private partnership for access to facility use which would include improvements to the practice facilities. The City's Turf Study will provide future guidance on scope of the project as well. This project will require a cost estimate update as the cost estimate for this capital project was performed in FY 2013.

Significant Changes

2018-2022 CIP: Project deferred and funds reappropriated due to a reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	847,789	77,789	770,000	0	0	0	0	770,000	0	847,789
Total	**$0**	**$847,789**	**$77,789**	**$770,000**	**$0**	**$0**	**$0**	**$0**	**$770,000**	**$0**	**$847,789**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	847,789	77,789	770,000	0	0	0	0	770,000	0	847,789
Total	**$0**	**$847,789**	**$77,789**	**$770,000**	**$0**	**$0**	**$0**	**$0**	**$770,000**	**$0**	**$847,789**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Palo Alto Municipal Golf Course (1875 Embarcadero Road)
Managing Department: Community Services
IBRC Reference: New
Initial Project Start: Summer 2012
Initial Project Completion: Spring 2015
Revised Project Start: Summer 2012
Revised Project Completion: Winter 2030
Project Number: PG-13003

Palo Alto Golf Course, March 2015

Golf Reconfiguration & Baylands Athletic Center Improvements

Description

This project provides funding for the renovation of the Municipal Golf Course in accordance with the Council-approved conceptual plan. The project includes less turf, raising the elevation of the course with imported soil, replacement of the irrigation and drainage systems and space for athletic fields. The project will also fund five years of required environmental monitoring of the golf course.

Justification

The need for this project was triggered by the San Francisquito Creek flood control improvements being implemented by the Creek Joint Powers Authority (JPA), which will encroach on the existing golf course. This creates an opportunity to resolve existing issues with the golf course, including the deteriorated irrigation system, high water consumption, poor soil, and the shortage of playing fields in Palo Alto. The course design will accentuate the natural Baylands setting and is expected to attract new users, increasing revenue.

Supplemental Information

This project is partially funded through the San Francisquito Creek JPA ($3.0 million) as mitigation for the impacts of its flood control project. The balance of the project cost was financed through certificates of participation (COPs) issued by the city and repaid via golf course revenues over a period of 30 years. A financial analysis prepared by the National Golf Foundation projected revenues from the improved golf course will support repayment of the COPs.

Significant Changes

2026-2030 CIP: Funding added to FY 2029 and FY 2030 for required environmental monitoring. Current-year funding is being used to determine what is required for environmental compliance, after which monitoring will begin.

2024-2028 CIP: Funding of $0.1 million annually added through FY 2028 added for required environmental monitoring.

2023-2027 CIP: Construction of the golf course was completed in FY 2018, funds reappropriated for required environmental monitoring.

2021-2025 CIP: Construction funding reappropriations from FY 2020 to FY 2021 for this project will complete required monitoring.

2016-2020 CIP: Timeline extended to reflect full delay in construction phase due to difficulties in securing regulatory permits for the project. Additionally, project was reduced by $24,450, which represents the amount that was previously budgeted for public art. In FY 2015, the City Council approved a new Public Art policy, which dedicated an amount equal to one percent of capital projects, with certain exclusions, for public art. Public Art expenses are accounted for within the Art in Public Places capital project. The reduction of $24,450 represents the amount that was previously earmarked in this project for public art. Public Art funding of approximately $100,000 (representing one percent of the total anticipated cost for this project) was added to the Art in Public Places project as part of this budget.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Bond Proceeds	8,375,000	0	0	0	0	0	0	0	0	0	8,375,000
Capital Improvement Fund	1,595,681	232,442	134,535	177,906	85,000	90,000	95,000	100,000	547,906	0	2,278,122
Revenue from Other Agencies	4,081,888	0	0	0	0	0	0	0	0	0	4,081,888
Total	**$14,052,569**	**$232,442**	**$134,535**	**$177,906**	**$85,000**	**$90,000**	**$95,000**	**$100,000**	**$547,906**	**$0**	**$14,735,010**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	12,491,343	173,100	75,193	177,906	85,000	90,000	95,000	100,000	547,906	0	13,114,442
Design	1,561,212	59,342	59,342	0	0	0	0	0	0	0	1,620,554
Total	**$14,052,555**	**$232,442**	**$134,535**	**$177,906**	**$85,000**	**$90,000**	**$95,000**	**$100,000**	**$547,906**	**$0**	**$14,734,996**

Operating Impact

Operating and maintenance costs for the golf course are budgeted in the Community Services Department through a contract with a golf management company that is reviewed and updated based on the terms of the contract.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
An Environmental Impact Report has been completed for this project.



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Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 300 Homer Avenue (bounded by Waverley, Homer, and Bryant)
Managing Department: Community Services
IBRC Reference: Keep-up
Initial Project Start: Summer 2020
Initial Project Completion: Summer 2022
Revised Project Start: Summer 2024
Revised Project Completion: Summer 2025
Project Number: PG-21000

Heritage Park Bench, March 2017

Heritage Park Site Amenities Replacement

Description

The project provides funding for replacement of select walkways and all of the site amenities in Heritage Park including: benches, picnic tables, trash receptacles, playground arbor, bicycle racks and drinking fountain.

Justification

Installed in 2005, the current site amenities have reached the use expectancy and need replacement. As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure compliance and address accessibility needs as well as safety issues.

Significant Changes

2021-2025 CIP: Project shifted from FY 2022 to FY 2025 due to a reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	143,134	103,133	40,000	0	0	0	0	40,000	0	143,133
Total	**$0**	**$143,134**	**$103,133**	**$40,000**	**$0**	**$0**	**$0**	**$0**	**$40,000**	**$0**	**$143,133**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	110,103	70,102	40,000	0	0	0	0	40,000	0	110,102
Design	0	33,031	33,030	0	0	0	0	0	0	0	33,030
Total	**$0**	**$143,134**	**$103,132**	**$40,000**	**$0**	**$0**	**$0**	**$0**	**$40,000**	**$0**	**$143,132**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 2901 Cowper Street

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Fall 2018
Initial Project Completion: Spring 2019

Revised Project Start: Summer 2026
Revised Project Completion: Summer 2027

Project Number: PE-18012

Hoover Park, February 2015

Hoover Park Improvements

Description

This project provides funding for the replacement of existing features including the decomposed granite walkway and brick wall surrounding the children's playground. It also includes the replacement of amenities such as the concrete walkway, playground, playfield backstops, benches, drinking fountains, tables, and trash receptacles.

Justification

The concrete walkway and decomposed granite pathway are in need of repair or replacement.. The playground was installed in 2005 and will reach the end of its useful life by 2025. The brick wall at the playground and other site amenities, including the playfield backstops, are at the end of their useful life.

Significant Changes

2024-2028 CIP: Funding has been increased by approximately $0.2 million as a result of construction cost escalation, walkway and brick wall replacement due to current condition, and to include green infrastructure components.

2023-2027 CIP: This project has been deferred from FY 2025 to FY 2027 due to staffing constraints. Design and construction expenses were increased to account for cost escalation.

2021-2025 CIP: Replacement of the children's playground and drinking fountains have been added to the scope of work and project shifted from FY 2022 to FY 2025 due to a reprioritization of parks projects.

2020-2024 CIP: Project shifted from FY 2022 to FY 2023 due to a reprioritization of parks projects.

2018-2022 CIP: The Parks, Trails, Natural Open Space and Recreational Master Plan projects were reviewed and adjusted according to staff availability as well as community and Infrastructure Blue Ribbon Commission (IBRC) needs.

2017-2021 CIP: Project shifted from FY 2018 to FY 2021 pending completion of the Parks Master Plan and a reprioritization of parks projects.

2016-2020 CIP: Project moved from 2018 to 2017 based on review of staff work load.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	200,000	1,200,000	0	0	1,400,000	0	1,400,000
Total	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$1,200,000**	**$0**	**$0**	**$1,400,000**	**$0**	**$1,400,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	1,200,000	0	0	1,200,000	0	1,200,000
Design	0	0	0	0	200,000	0	0	0	200,000	0	200,000
Total	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$1,200,000**	**$0**	**$0**	**$1,400,000**	**$0**	**$1,400,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget. Cost for operation and maintenance of green infrastructure components to be determined.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 251 Waverley Street

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Spring 2021
Initial Project Completion: Winter 2022

Revised Project Start: Fall 2025
Revised Project Completion: Summer 2027

Project Number: PE-21002

Johnson Park

Johnson Park Renovation

Description

This project provides funding for the renovation of existing park elements, including asphalt concrete and brick pathways, site furnishings, playground equipment and resurfacing, fencing, and improvements to irrigation and lighting.

Justification

Pathways and park amenities require repair or improvements to maintain functionality.

Significant Changes

2026-2030 CIP: Funding has increased by $0.1 million in FY 2026 for design and $0.3 million in FY 2027 for construction due to cost escalation.

2024-2028 CIP: Project timeline shifted from FY 2024/2025 to FY 2026/2027 due to funding constraints.

2021-2025 CIP: Design and construction costs increased to align with increased scope of work and project shifted from FY 2021/2022 to FY 2024/2025 due to reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	300,000	1,700,000	0	0	0	2,000,000	0	2,000,000
Total	**$0**	**$0**	**$0**	**$300,000**	**$1,700,000**	**$0**	**$0**	**$0**	**$2,000,000**	**$0**	**$2,000,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	100,000	1,700,000	0	0	0	1,800,000	0	1,800,000
Design	0	0	0	200,000	0	0	0	0	200,000	0	200,000
Total	**$0**	**$0**	**$0**	**$300,000**	**$1,700,000**	**$0**	**$0**	**$0**	**$2,000,000**	**$0**	**$2,000,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 600 East Meadow Drive

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Fall 2018
Initial Project Completion: Summer 2019

Revised Project Start: Summer 2027
Revised Project Completion: Summer 2029

Project Number: PE-18010

Mitchell Park, February 2015

Mitchell Park Improvements

Description

This project provides funding for repair and replacement of equipment and amenities throughout Mitchell Park. The improvements include replacement of all playground equipment, replacement of the water-play element, repair of the covered wood walkway structure, replacement of play-ground and water play area fencing, new rubberized surfacing, and replacement of the play areas. Also included are irrigation renovations, turf restoration, and replacement of site amenities and decomposed granite pathways.

Justification

The playground equipment, water-play element, fencing, covered wood walkway structure, decomposed granite pathways and site amenities have surpassed their expected life cycle. Repair and/or replacement is necessary. Loss of vegetation has been linked to poor irrigation.

Supplemental Information

Design of the new playground equipment will include outreach to nearby schools that have provided input regarding the playground equipment in the past. The Parks, Trails, Natural Open Space and Recreational Master Plan projects were reviewed and adjusted according to staff availability as well as community needs and recommendations from the Infrastructure Blue Ribbon Committee (IBRC).

Significant Changes

2026-2030 CIP: Project completion has been extended to Summer 2029, and funding has shifted to FY 2028 and FY 2029 and increased by $0.4 million in order to incorporate all playground equipment and to account for cost escalation.

2024-2028 CIP: Funding has been increased by approximately $1.1 million to include replacement of water-play elements and play areas and to address construction cost escalation. Design funding shifted from FY 2025 to FY 2026 to align workload with resources.

2019-2023 CIP: This project has been deferred due to staffing constraints.

2018-2022 CIP: Design shifted from FY 2021 to FY 2020.

2016-2020 CIP: Based on the IBRC keep-up schedule for the park, irrigation renovations, turf restoration and park amenities replacement were added to the project's scope with an additional budget allocation of $946,000. This additional work was scheduled for FY 2020, and the project schedule was adjusted accordingly.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	956	0	0	0	0	393,750	2,350,000	0	2,743,750	0	2,744,706
Total	**$956**	**$0**	**$0**	**$0**	**$0**	**$393,750**	**$2,350,000**	**$0**	**$2,743,750**	**$0**	**$2,744,706**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	393,750	2,350,000	0	2,743,750	0	2,743,750
Design	956	0	0	0	0	0	0	0	0	0	956
Total	**$956**	**$0**	**$0**	**$0**	**$0**	**$393,750**	**$2,350,000**	**$0**	**$2,743,750**	**$0**	**$2,744,706**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project may require an environmental assessment in accordance with CEQA guidelines.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: OS-09001

Byxbee Park pole field, January 2015

Off-Road Pathway Resurfacing And Repair

Description

This project provides funding for the maintenance of Palo Alto's 9 miles of off-road paved trail system that is 35 years old and requires ongoing, phased repairs. This project removes and replaces severely damaged sections of asphalt, repairs, cracks, base failures, and resurfaces worn or uneven surfaces of off-road asphalt pathways and bicycle trails. Priority will be given to the repair of the most uneven sections of the pathway. Staff uses surface assessment data prepared by Public Works Engineering and input from the public to prioritize repair or replacement projects.

Justification

This project is intended to maintain the existing system of off-road pathways and trails throughout Palo Alto in order to extend the useful life of pathway surfaces. The project will ensure continued safe accessible, surfaces for public use.

Significant Changes

2026-2030 CIP: Approximately $0.1 million per year as been added to FY 2026, FY 2027, and FY 2028 to create safer conditions on trails.

2024-2028 CIP: New funding has been removed in FY 2025 as part of a balancing strategy to address competing infrastructure needs across the City. Funding is recommended to be reappropriated from FY 2024 into FY 2025 to address emergency repair needs.

2021-2025 CIP: Funding was reduced in FY 2021 as part of the FY 2021 Capital Improvement Program budget balancing strategy. Available funding will be used to perform emergency maintenance and spot repairs on pathways.

2019-2023 CIP: The Adobe Creek Reach Trail is a 600 foot long segment of the existing Santa Clara Valley Water District's maintenance road on the east side of Adobe Creek, between West Bayshore Road and East Meadow Drive. This trail will provide an off-road, more direct access to the Highway 101 Pedestrian and Bicycle Overpass. The project includes trail pavement, grading and drainage, and installation of safety railing and fencing.

2018-2022 CIP: In accordance with the Funding Agreement for the project, a payment of approximately $170,000 will be made to the Joint Power Agreement (JPA) "Highway 101 to Bay Flood Control" project in FY 2018. The remaining balance will be used for off-road trail repairs.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	277,819	277,819	208,000	185,100	208,300	120,000	124,000	845,400	0	N/A
Total	**N/A**	**$277,819**	**$277,819**	**$208,000**	**$185,100**	**$208,300**	**$120,000**	**$124,000**	**$845,400**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	277,819	277,819	208,000	185,100	208,300	120,000	124,000	845,400	0	N/A
Total	**N/A**	**$277,819**	**$277,819**	**$208,000**	**$185,100**	**$208,300**	**$120,000**	**$124,000**	**$845,400**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Foothills Park Boronda Lake (3300 Page Mill Road between Central and Moody)
Managing Department: Community Services
IBRC Reference: Keep-up
Initial Project Start: Recurring
Initial Project Completion: Recurring
Revised Project Start: N/A
Revised Project Completion: N/A
Project Number: OS-00002

Boronda Lake, January 2015

Open Space Lakes And Pond Maintenance

Description

This project rehabilitates lakes and ponds in open space nature preserves to protect wildlife habitat, recreational safety, and to meet State Division of Safety of Dams requirements. The project funds the annual harvesting of non-native pond weeds and cattails at Boronda Lake in Foothills Park.

Justification

Pond weeds and cattails must be regularly removed from Boronda Lake to prevent non-native plants from displacing native plants that are essential to the survival of fish and foraging animals. This also will provide access for recreational fishing and boating safety. The State Division of Safety of Dams mandates cattail removal to maintain the Boronda Dam.

Significant Changes

2016-2020 CIP: This project was converted to annual recurring status, rather than past practice of receiving additional funding every other year. The change addressed the changing needs of Boronda Lake. The aquatic weeds that are harvested need to be cleared more thoroughly every year.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	120,537	46,106	121,730	48,500	49,700	50,900	52,200	323,030	0	N/A
Total	**N/A**	**$120,537**	**$46,106**	**$121,730**	**$48,500**	**$49,700**	**$50,900**	**$52,200**	**$323,030**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	120,537	46,106	121,730	48,500	49,700	50,900	52,200	323,030	0	N/A
Total	**N/A**	**$120,537**	**$46,106**	**$121,730**	**$48,500**	**$49,700**	**$50,900**	**$52,200**	**$323,030**	**$0**	**N/A**

Operating Impact

This project is not anticipated to impact operating expenses and if any maintenance costs increase, costs will be absorbed with the available maintenance funding in the annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Open Space
Goal: N-1
Policy: N-1.5
Program: N1.5.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: OS-00001

Baylands Bench, January 2015

Open Space Trails and Amenities

Description

This project provides funding to restore unpaved trails, fences, picnic areas, and campgrounds at Foothills Park, the Baylands, and the Pearson-Arastradero Nature Preserves. The project also provides habitat protection by guiding park users towards areas dedicated for hiking, biking, and assembling. Benches, tables, footbridges, and fences that are at the end of their useful life will systematically be replaced.

Justification

Open Space trails require ongoing repair of natural erosion, storm damage, and control of aggressive plants, such as thistle and poison oak to ensure that facilities are safe, accessible, and maintained for recreational uses. These restoration projects are consistent with the Arastradero Preserve Trails Management Plan and the Foothills Park Trails Maintenance Plan.

Significant Changes

2017-2021 CIP: Additional $55,000 in funding added in FY 2017 for one-time repairs of the Los Trancos Trail.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	428,752	336,978	300,673	213,500	218,200	223,700	229,300	1,185,373	0	N/A
Total	**N/A**	**$428,752**	**$336,978**	**$300,673**	**$213,500**	**$218,200**	**$223,700**	**$229,300**	**$1,185,373**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	428,752	336,978	300,673	213,500	218,200	223,700	229,300	1,185,373	0	N/A
Total	**N/A**	**$428,752**	**$336,978**	**$300,673**	**$213,500**	**$218,200**	**$223,700**	**$229,300**	**$1,185,373**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Open Space
Goal: N-1
Policy: N-1.5
Program: N1.5.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-09002

Briones Park, January 2015

Park and Open Space Emergency Repairs

Description

This project provides funding for the replacement or extensive repair of playgrounds, play yard surfaces, wooden structures, park amenities, and play equipment in the event of storms, fire, vandalism or structural failure.

Justification

This project allows for the replacement or repair of damaged equipment or play structures for the convenience of the public.

Significant Changes

2022-2026 CIP: This project was reduced by approximately $20,000 in FY 2022 to contribute to cost containment strategies in FY 2022.

2019-2023 CIP: Funding is gradually increasing from $75,000 to $0.2 million annually over the 5-Year CIP. The project is used to address unpredicted issues like trails closed due to strong storm damage, failing infrastructure that can be repaired (the Baylands Sailing Station), and premature failure of playground equipment and surfacing.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	521,567	426,406	356,561	267,300	273,400	280,200	287,200	1,464,661	0	N/A
Total	**N/A**	**$521,567**	**$426,406**	**$356,561**	**$267,300**	**$273,400**	**$280,200**	**$287,200**	**$1,464,661**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	521,567	426,406	356,561	267,300	273,400	280,200	287,200	1,464,661	0	N/A
Total	**N/A**	**$521,567**	**$426,406**	**$356,561**	**$267,300**	**$273,400**	**$280,200**	**$287,200**	**$1,464,661**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: Various locations

Managing Department: Community Services
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-19000

Prefabricated Restrooms

Park Restroom Installation

Description

This project provides funding for the installation of restrooms at City parks that currently do not have restroom facilities. The restrooms may be prefabricated, and each installation will require a Park Improvement Ordinance.

Justification

Many parks in the City have no restroom facilities within the park boundaries. This project will provide for one park restroom installation every other year in parks that are approximately two acres or larger, have amenities that encourage visitors to stay in the park, have a high level of use, and where there are no nearby public restrooms available. The Parks, Trails, Natural Open Space, and Recreation Master Plan provides guidance on potential restroom locations.

Supplemental Information

Public outreach will occur as specific parks are considered for restroom installation.

Workplan:

Fiscal Year 2026: Eleanor Pardee Park

Fiscal Year 2028: To be determined

Fiscal Year 2030: To be determined

Significant Changes

2026-2030 CIP: FY 2026, 2028, 2030 funding has been increased due to continued escalation of fabrication, installation, and site preparation costs.

2025-2029 CIP: Future estimated Parks Development Fee Funding has been programmed to offset future costs for this project. If fee revenue does not come in as estimated, the work in this project will need to be pushed out until funds are available.

2024-2028 CIP: FY 2024 funding has been increased for completion of two restrooms and due to increase in cost of fabrication, installation, and site preparation. Funding in FY 2026 and 2028 has been increased to reflect estimated higher costs. Parks Development Impact Fee Funding was previously programmed to fund costs in this project and the Dog Park Installation and Renovation project (PG-18001); however, fee funds collected through FY 2023 were reallocated to the Boulware Park Improvements project (PE-17005). Future fee funds may be allocated to this project to free up Capital Improvement funding for other project needs.

2023-2027 CIP: FY 2022 funding has been deferred to FY 2023 due to staffing constraints, but future installations will remain in the even fiscal years.

2022-2026 CIP: FY 2021 funding moved to FY 2022 to coincide with other park projects. FY 2022 funding moved to FY 2024 for funding every other year.

2021-2025 CIP: FY 2020 funding moved to FY 2021 due to staffing constraints and other high priority projects. FY 2021 funding moved to FY 2022 to coincide with other park projects.

2020-2024 CIP: FY 2019 funding moved to FY 2020 as next restroom installation is being coordinated with other park renovation projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	224,976	51,078	194,556	0	20,658	0	0	215,214	0	N/A
Transfer from Parks Development Impact Fee Fund	N/A	629,570	629,570	559,342	0	559,342	0	580,000	1,698,684	0	N/A
Total	**N/A**	**$854,546**	**$680,648**	**$753,898**	**$0**	**$580,000**	**$0**	**$580,000**	**$1,913,898**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	854,545	680,647	673,898	0	500,000	0	500,000	1,673,898	0	N/A
Design	N/A	0	0	80,000	0	80,000	0	80,000	240,000	0	N/A
Total	**N/A**	**$854,545**	**$680,647**	**$753,898**	**$0**	**$580,000**	**$0**	**$580,000**	**$1,913,898**	**$0**	**N/A**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	29,700	30,600	40,000	41,200	51,500	193,000

Operating Impact

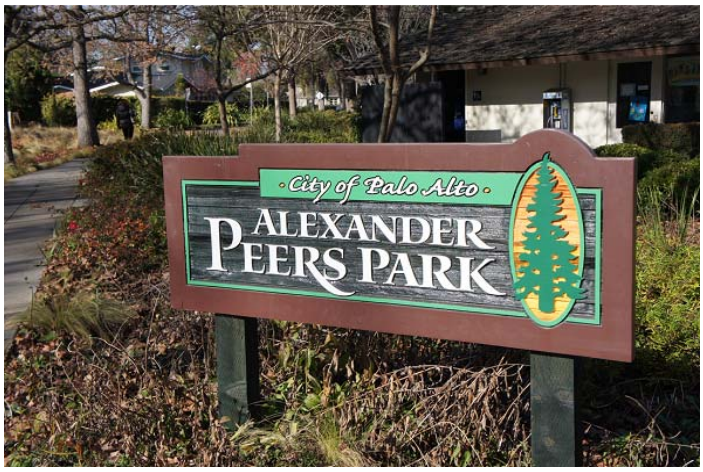
Custodial costs are approximately $9,000 per year per restroom in the operating budget for existing restrooms. Operating funding for maintenance will be increased as part of the annual budget process as more park restrooms are installed.

Relationship to Comprehensive Plan Primary Connection	**Relationship to Comprehensive Plan Secondary Connection**	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.3 Program: C3.3.1	Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2 Program: C3.2.1	Parks and Recreation Commission Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to have possible exemption from CEQA under Section 15303



CITY OF
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Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 1899 Park Boulevard

Managing Department: Community Services
IBRC Reference: Catch-up

Initial Project Start: Summer 2017
Initial Project Completion: Summer 2018

Revised Project Start: Fall 2026
Revised Project Completion: Summer 2028

Project Number: PG-14001

Peers Park, January 2015

Peers Park Improvements

Description

This project provides funding for upgrades and renovations of the irrigation system and turf at Peers Park. The project will also repair playground surfacing, renovate dog park surfacing, and upgrade drinking fountains.

Justification

The existing irrigation system and drinking fountains have exceeded their useful lives.

Significant Changes

2025-2029 CIP: Project anticipated to start in FY 2027, and total project budget increased by $0.2 million due to higher estimated costs.

2018-2022 CIP: Project deferred due to reprioritization of parks projects.

2017-2021 CIP: Project shifted from FY 2018 to FY 2020 pending completion of the Parks Master Plan and a reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	304,750	123,855	0	0	428,605	0	428,605
Total	**$0**	**$0**	**$0**	**$0**	**$304,750**	**$123,855**	**$0**	**$0**	**$428,605**	**$0**	**$428,605**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	304,750	123,855	0	0	428,605	0	428,605
Total	**$0**	**$0**	**$0**	**$0**	**$304,750**	**$123,855**	**$0**	**$0**	**$428,605**	**$0**	**$428,605**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 800 East Meadow Drive

Managing Department: Community Services
IBRC Reference: Catch-up

Initial Project Start: Summer 2015
Initial Project Completion: Summer 2015

Revised Project Start: Summer 2023
Revised Project Completion: Summer 2026

Project Number: PG-14000

Ramos Park, January 2015

Ramos Park Improvements

Description

This project provides funding for safety and accessibility improvements at Ramos Park including replacing the existing park playground, benches, and drinking fountain, as well as resurfacing the basketball court playing surface.

Justification

The existing playground, benches, basketball court surfaces, and drinking fountains have exceeded their useful lives. As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure compliance and address accessibility needs as well as safety issues.

Significant Changes

2026-2030 CIP: Funding increased by $0.1 million in FY 2026 to address replacement of site amenities and repairs to basketball court. Prior funding covered playground replacement only.

2024-2028 CIP: Funding increased by approximately $0.4 million due to cost escalation.

2023-2027 CIP: Project funding increased by approximately $0.3 million to account for increased bid prices for the scope of work.

2022-2026 CIP: Project shifted from FY 2021 to FY 2022 to contribute to cost containment strategies in FY 2022.

2018-2022 CIP: Project shifted from FY 2018 to FY 2020 due to reprioritization of parks projects. Also, additional funding requested to address Infrastructure Blue Ribbon Committee (IBRC) recommendations.

2017-2021 CIP: Timeline extended to reflect direction from Finance Committee and City Council during budget approval process.

2016-2020 CIP: The project completion originally referred only to the pre-design phase and was modified to represent completion of the full project, including construction.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	279,351	388,441	387,431	101,010	0	0	0	0	101,010	0	767,792
Total	**$279,351**	**$388,441**	**$387,431**	**$101,010**	**$0**	**$0**	**$0**	**$0**	**$101,010**	**$0**	**$767,792**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	22,842	388,441	387,431	101,010	0	0	0	0	101,010	0	511,283
Design	256,505	0	0	0	0	0	0	0	0	0	256,505
Total	**$279,347**	**$388,441**	**$387,431**	**$101,010**	**$0**	**$0**	**$0**	**$0**	**$101,010**	**$0**	**$767,788**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 777 Embarcadero Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2015
Initial Project Completion: Spring 2019

Revised Project Start: Summer 2019
Revised Project Completion: Fall 2030

Project Number: PE-08001

Rinconada Park February 2015

Rinconada Park Improvements

Description

Upon completion of the Rinconada Park Long Range Plan (LRP) adopted in 2017, funding was secured to begin these park improvements. Phase 1 improvements including safety, site amenities, playground facilities, irrigation, drainage, and accessibility improvements in the western half of the park were completed in April 2022. A new restroom that was removed from Phase 1 improvements due to funding constraints was added in FY 2023 and was completed in FY 2024. The City and the Palo Alto Tennis Club are in the process of finalizing a Memorandum of Understanding and License Agreement to replace the tennis club storage buildings at the park with a modular unit.

Phase 2 improvements would include renovation of the eastern half of the park including pathway improvements, a new restroom facility, renovated and expanded group picnic areas, native and habitat planting, irrigation improvements, ADA upgrades, directional signage, site furnishing, lighting, and green infrastructure elements. Phase 2 would also include public outreach for all improvements including potential of a new dog park.

Justification

Rinconada Park has not been renovated for several decades, with aging facilities and site amenities, and pathways in poor condition. The Rinconada Park Long Range Plan outlines several park improvements related to deferred maintenance items at the park, such as installing wider pathways, additional group picnic areas, shaded seating areas, expansion of the pool deck area, a new park restroom, and creating better connections to the surrounding city facilities. A new modular tennis club storage building will be purchased by the Palo Alto Tennis Club and installed by the City.

Supplemental Information

The City will conduct a community based design process to determine the final scope of work for Rinconada Park Phase 2 improvements. Phase 1 improvements construction started in Fall 2021 and was completed in April 2022.

Work on this project will be scheduled as follows:

Fiscal Year 2029: Design of Phase 2 park improvements.

Fiscal Year 2030: Construction of Phase 2 park improvements.

Significant Changes

2026-2030 CIP: Project completion has been extended to Fall 2030, and funding has shifted to the last two years of the CIP and increased by $0.6 million due to the potential addition of a dog park which would be incorporated in the design through a community outreach process.

2025-2029 CIP: Funding has been increased by $0.1 million in FY 2025 for site work and installation of the modular storage building for the tennis club for a total $10.2 million project cost.

2024-2028 CIP: Funding increased to complete site preparation and utilities work for the prefabricated restroom building in FY 2024. Funding for Phase 2 park improvements have shifted to FY 2027/2028 and have increased due to escalation. The new family changing room/restroom facility was removed from this project and a separate project, Rinconada Pool Family Changing Room (PE-24004) has been created.

2023-2027 CIP: Funding of approximately $0.4 million for a park restroom that was removed from Phase 1 improvements in FY 2021 has been added in FY 2023 and funded by Parks Impact Fee funds. Phase 2 improvements are now planned to begin design in FY 2024 and construction in FY 2026. As part of the Council approved plan to fund the Roth Building Rehabilitation project (PF-23001), $1.65 million of Community Center Impact Fee funding that was previously transferred for this project will be used to partially fund PF-23001. Parks Dedication funding of $1.65 million will be transferred for this project.

2022-2026 CIP: Rinconada Park Phase 2 design is scheduled in FY 2025 and construction in FY 2026.

2021-2025 CIP: Rinconada Park Phase 2 design is scheduled in FY 2024 and construction in FY 2025.

2021-2025 CIP: Rinconada Park Phase 2 design is scheduled in FY 2023 and construction in FY 2025.

2020-2024 CIP: Funding moved from FY 2019 to FY 2020 to align with work being done in the JMZ Renovation project (AC-18001).

2019-2023 CIP: The project increased by $1.3 million to reconstruct the parking lot, update park signage, and renovate the playground and reconstruct the paths on the west end of the park. Funding from the Community Center Impact Fee Fund will be used for these items.

2018-2022 CIP: The project was delayed to coordinate with environmental assessments for the Junior Museum and Zoo (JMZ), Rinconada Park Long Range Plan and the Parks, Trails, Natural Open Space and Recreation Master Plan Parks (Master Plan), to be complete by FY 2018. Park construction will be coordinated to follow the proposed JMZ rebuilding. $0.7 million of the construction phase funding will be utilized for costs associated with relocation of the existing JMZ operation to Cubberley and permit & inspection fees needed for the JMZ rebuilding.

CAPITAL IMPROVEMENT FUND

2017-2021 CIP: Timeline extended to reflect direction from Finance Committee and City Council during budget approval process.

2016-2020 CIP: Project was delayed to await the completion of the Rinconada Park Long Range Plan and environmental review. Funding for construction was advanced from FY 2018 to 2017 and combined with funding from FY 2015 to implement a single phase project. The total budget has been reduced by $0.6 million from the budget shown in the 2015-2019 CIP to focus on deferred maintenance items. Funding to enhance the park will be considered as part of the funding needs for the entire City park system once the Rinconada Park Long Range Plan and the Parks Master Plan are completed.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	2,793,766	329,532	329,532	0	0	0	600,000	4,000,000	4,600,000	0	7,723,298
Transfer from Community Center Impact Fee Fund	2,073,846	0	0	0	0	0	0	0	0	0	2,073,846
Transfer from Parks Development Impact Fee Fund	430,000	0	0	0	0	0	0	0	0	0	430,000
Transfer From Stormwater Management Fund	149,600	0	0	0	0	0	0	0	0	0	149,600
Total	**$5,447,212**	**$329,532**	**$329,532**	**$0**	**$0**	**$0**	**$600,000**	**$4,000,000**	**$4,600,000**	**$0**	**$10,376,744**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	4,629,120	329,532	329,532	0	0	0	0	4,000,000	4,000,000	0	8,958,652
Design	818,074	0	0	0	0	0	600,000	0	600,000	0	1,418,074
Total	**$5,447,194**	**$329,532**	**$329,532**	**$0**	**$0**	**$0**	**$600,000**	**$4,000,000**	**$4,600,000**	**$0**	**$10,376,726**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	22,000	22,600	23,300	24,000	25,000	116,900

Operating Impact

This project is anticipated to impact operating expenses in the future. Custodial and maintenance costs are estimated to be $22,000 in FY 2026 and increase by three percent annually thereafter. These costs will be included as part of the City's custodial contract. Cost for operations and maintenance of green infrastructure features to be determined.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 777 Embarcadero Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2027
Initial Project Completion: Spring 2028

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PG-25003

Starting blocks at Rinconada Pool

Rinconada Pool Starting Blocks

Description

This project will replace the Rinconada Lap Pool starting blocks used for practice and competitions. The starting blocks are deteriorating and unstable. Temporary repairs have been made to shim the base of the blocks for stability until replacement.

Justification

Starting blocks are for swimmers to lean and launch into the pool, and stability is essential due to being in an elevated position. The pool design has water at deck level and thus necessitates a higher than usual starting block, further necessitating a stable platform from which to jump.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	126,500	0	0	0	126,500	0	126,500
Total	**$0**	**$0**	**$0**	**$0**	**$126,500**	**$0**	**$0**	**$0**	**$126,500**	**$0**	**$126,500**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	111,500	0	0	0	111,500	0	111,500
Design	0	0	0	0	15,000	0	0	0	15,000	0	15,000
Total	**$0**	**$0**	**$0**	**$0**	**$126,500**	**$0**	**$0**	**$0**	**$126,500**	**$0**	**$126,500**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Parks and Recreation Commission Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 4116 Park Boulevard

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Fall 2018
Initial Project Completion: Summer 2019

Revised Project Start: Summer 2022
Revised Project Completion: Fall 2026

Project Number: PE-18015

Robles Park, February 2015

Robles Park Improvements

Description

This project provides funding for the replacement of existing features including the decomposed granite walkway and brick wall surrounding the children's playground. It also includes the replacement of concrete walkway, playground, playfield backstops, benches, drinking fountains, tables and trash receptacles.

Justification

The playground areas, backstop, basketball court, concrete pathways and site amenities have surpassed their intended useful lives and are in need of replacement or repairs. Damaged and/or dead vegetation necessitates irrigation renovation as well as turf restoration.

Supplemental Information

The Parks, Trails, Natural Open Space and Recreational Master Plan projects were reviewed and adjusted according to staff availability as well as community and Infrastructure Blue Ribbon Committee (IBRC) needs.

Significant Changes

2026-2030 CIP: Project completion has been extended to Fall 2026, and funding for construction has increased by approximately $0.3 million in FY 2026 to address improvements to site amenities, pathways, landscaping, and irrigation.

2025-2029 CIP: Project costs increased by approximately $0.2 million due to cost escalation in construction bids.

2024-2028 CIP: Project funding was reduced by approximately $0.2 million to meet funding constraints. Staff will only address immediate safety needs.

2023-2027 CIP: The project construction has been moved from FY 2024 to FY 2023 because the playground is aging and has reached its useful life.

2021-2025 CIP: Design and construction for this project shifted to FY 2024 due to reprioritization of parks projects.

2020-2024 CIP: Design and construction for this project was shifted to FY 2022.

2018-2022 CIP: Design was shifted from FY 2020 to FY 2021. Construction was shifted from FY 2020 to FY 2022.

2017-2021 CIP: Project shifted from FY 2018 to FY 2021 pending completion of the Parks Master Plan and a reprioritization of parks projects.

2016-2020 CIP: Project schedule moved forward by one year based on review of staff workload and resources.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	161,765	661,590	20,282	891,308	0	0	0	0	891,308	0	1,073,355
Total	**$161,765**	**$661,590**	**$20,282**	**$891,308**	**$0**	**$0**	**$0**	**$0**	**$891,308**	**$0**	**$1,073,355**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	661,590	20,282	891,308	0	0	0	0	891,308	0	911,590
Design	161,761	0	0	0	0	0	0	0	0	0	161,761
Total	**$161,761**	**$661,590**	**$20,282**	**$891,308**	**$0**	**$0**	**$0**	**$0**	**$891,308**	**$0**	**$1,073,351**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3100 Stockton Place

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Summer 2018
Initial Project Completion: Winter 2018

Revised Project Start: Summer 2027
Revised Project Completion: Summer 2029

Project Number: PG-14003

Seale Park, February 2015

Seale Park Improvements

Description

This project provides funding for upgrades and renovations for safety and accessibility improvements at Seale Park. The project will replace existing park amenities, picnic tables, and playground structures including a play-house and swings; refinish the playground perimeter fencing; and repair damaged decomposed granite and concrete pathways. Turf restoration and irrigation renovations will also be included as well as replacement of bollards at the park entrances, the park sign, and a small stone wall located in the middle of the park.

Justification

As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure continued compliance and address accessibility needs. Drainage issues will be resolved with repairs to the damaged pathways. Irrigation renovations and turf restoration are required where existing areas are damaged.

Significant Changes

2025-2029 CIP: Project shifted from FY 2026 to FY 2028 due to a reprioritization of parks projects and funding increased by approximately $0.3 million due to cost escalation.

2024-2028 CIP: Project shifted from FY 2025 to FY 2026 due to a reprioritization of parks projects and funding increased by approximately $0.2 million due to cost escalation.

2021-2025 CIP: Project shifted from FY 2021 to FY 2025 due to a reprioritization of parks projects.

2018-2022 CIP: Project shifted from FY 2020 to FY 2021 due to a reprioritization of parks projects.

2017-2021 CIP: Project shifted from FY 2018 to FY 2020 pending completion of the Parks Master Plan and a reprioritization of parks projects.

2016-2020 CIP: Based on the Infrastructure Blue Ribbon Committee (IBRC) keep-up schedule for the park, replacement of the playground structure has been added to the project's scope with an additional budget allocation of $209,000.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	130,410	869,400	0	999,810	0	999,810
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$130,410**	**$869,400**	**$0**	**$999,810**	**$0**	**$999,810**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	869,400	0	869,400	0	869,400
Design	0	0	0	0	0	130,410	0	0	130,410	0	130,410
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$130,410**	**$869,400**	**$0**	**$999,810**	**$0**	**$999,810**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 2100 Dartmouth Street between College and Stanford Avenues

Managing Department: Community Services
IBRC Reference: Keep-up

Initial Project Start: Fall 2021
Initial Project Completion: Spring 2022

Revised Project Start: Fall 2025
Revised Project Completion: Spring 2026

Project Number: PG-22000

Werry Playground, March 2017

Werry Park Playground Improvements

Description

This project provides funding for the replacement and accessibility improvements of the existing playground. The benches, tables, trash receptacles, bicycle rack and drinking fountain have reached the end of their useful life and need replacement as well. Perimeter landscaping will be replaced as part of this project.

Justification

Built in 2002, the existing playground equipment has reached its use expectancy with limited accessibility. As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure compliance and address accessibility needs as well as safety issues.

Significant Changes

2024-2028 CIP: Project shifted from FY 2024 to FY 2026 due to a reprioritization of parks projects and funding increased by approximately $0.2 million due to cost escalation.

2022-2026 CIP: Project shifted from FY 2022 to FY 2024 due to a reprioritization of parks projects.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	350,000	0	0	0	0	350,000	0	350,000
Total	**$0**	**$0**	**$0**	**$350,000**	**$0**	**$0**	**$0**	**$0**	**$350,000**	**$0**	**$350,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	340,000	0	0	0	0	340,000	0	340,000
Design	0	0	0	10,000	0	0	0	0	10,000	0	10,000
Total	**$0**	**$0**	**$0**	**$350,000**	**$0**	**$0**	**$0**	**$0**	**$350,000**	**$0**	**$350,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.3
Program: C3.3.1

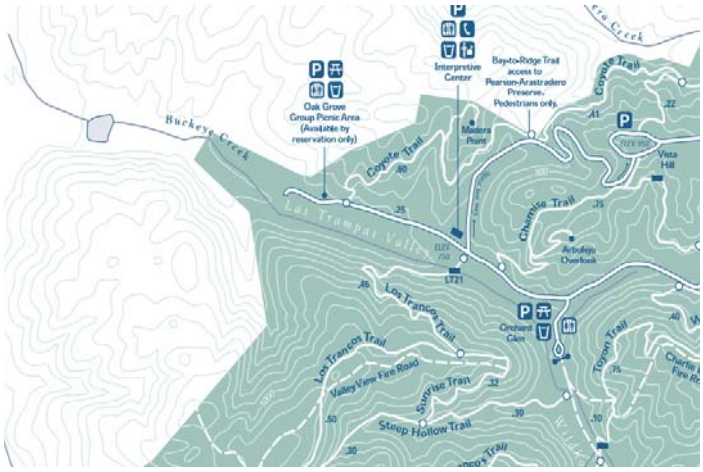
Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have possible exemption from CEQA under Section 15301



Fund: Capital Improvement Fund
Category: Parks and Open Space
Project Location: 3300 Page Mill Road

Managing Department: Community Services
IBRC Reference: N/A

Initial Project Start: Summer 2029
Initial Project Completion: Summer 2030

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: OS-30001

West Las Trampas Valley Access and Grassland Restoration

West Las Trampas Valley Access and Grassland Restoration

Description

This project provides funding to improve public access to the West Las Trampas Valley, formerly known as 7.7 acres of Foothills Nature Preserve, while enhancing and restoring grassland habitat. The project will build upon previous studies and recommendations from the Parks and Recreation Commission to develop a design plan that prioritizes ecological stewardship and sustainable access.

The design process will incorporate stakeholder engagement and coordination with regulatory agencies to ensure alignment with conservation and passive public access. The final plan will provide a framework for future implementation of habitat restoration and preservation while balancing passive public visitation.

Justification

In alignment with the Palo Alto Parks, Trails, Open Space and Recreation Master Plan, this project provides habitat restoration and preservation while providing passive public access.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	0	0	0	0	60,000	60,000	0	60,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$60,000**	**$60,000**	**$0**	**$60,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	0	0	0	0	0	0	60,000	60,000	0	60,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$60,000**	**$60,000**	**$0**	**$60,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Open Space
Goal: N-1
Policy: N-1.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301. This project is design only.



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Streets and Sidewalks



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: California Avenue District

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Summer 2016
Initial Project Completion: Spring 2017

Revised Project Start: Fall 2017
Revised Project Completion: Summer 2026

Project Number: PE-17004

California Avenue Business District Gateway

California Avenue District Gateway Signs

Description

This project provides funding for design and construction of two gateway monument signs in the California Avenue District. The signs are located in the public right-of-way at the intersection of El Camino Real and California Avenue, and on the Birch Street Exit Ramp off of Oregon Expressway.

Justification

The existing gateway sign on the Birch Street Exit Ramp is failing and the other gateway sign near El Camino Real is of a dated design. The signage design is an important factor in branding the newly improved California Avenue area.

Significant Changes

2024-2028 CIP: Project completion extended and funds reappropriated to coordinate sign replacement with the California Avenue Streetscape Update project (PL-23000).

2020-2024 CIP: Project completion extended due to staffing constraints.

2019-2023 CIP: Anticipated project completion date adjusted to reflect time needed for the Architectural Review Board (ARB) process.

2018-2022 CIP: Project schedule adjusted to reflect initial funding availability. Possible Public Art Commission review added due to proximity of existing public art to one of the sign locations.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(123,058)	135,846	12,464	123,382	0	0	0	0	123,382	0	12,788
Transfer from California Ave Parking Permit Fund	150,000	0	0	0	0	0	0	0	0	0	150,000
Total	**$26,942**	**$135,846**	**$12,464**	**$123,382**	**$0**	**$0**	**$0**	**$0**	**$123,382**	**$0**	**$162,788**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	2,028	135,846	12,464	123,382	0	0	0	0	123,382	0	137,874
Design	24,909	0	0	0	0	0	0	0	0	0	24,909
Total	**$26,937**	**$135,846**	**$12,464**	**$123,382**	**$0**	**$0**	**$0**	**$0**	**$123,382**	**$0**	**$162,783**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.10

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-20001

Laguna Avenue Bridge

City Bridge Improvements

Description

There are more than 200 bridge and culvert structures owned and maintained by the City. Of these, Caltrans inspects 31 structures and the City is responsible for inspecting the remaining structures. These structures are located in the public right-of-way and in parks and preserves. A structural consulting firm inspected 50 City-owned bridges and culverts and completed an assessment study in 2017, after which a recurring bridge inspection and repair program was established. This program includes ongoing inspections to report physical changes to structures, recommendations for work to be done, and additional information to meet functional and structural standards in accordance with industry standards. Typically, the recommended recurring inspection frequency of the structures varies from two to four years depending on age and structural conditions, and estimates are developed at a conceptual level and adjusted in the design phase. As part of the recurring bridge inspection and repair program, 25 of the 50 structures inspected in FY 2017 were prioritized by staff and inspected by a structural firm in FY 2022; six bridge structures of the 25 structures inspected were identified for repairs in FY 2023 and repairs to those six structures completed in FY 2025.

Justification

This project will allow bridges maintained by the City to meet functional and structural standards in accordance with industry standards.

Supplemental Information

Estimates are provided to maintain an up-to-date inventory of bridges and culverts owned by the City, continue recurring inspections and assessments, and implement recommended repairs.

Significant Changes

2026-2030 CIP: Construction for repairs has been updated to occur every other year to better align with the recurring inspections and design.

2025-2029 CIP: Funding increased to $2.6 million over the five-year CIP as a result of funding being reappropriated from FY 2024 to complete work on the emergency repairs to the north bank of San Francisquito Creek (Report # 2308-1935). This is a joint project between the Peninsula Corridor Joint Powers Board (JPB/Caltrain), the City of Menlo Park, and Palo Alto.

2024-2028 CIP: Funding has been reduced to $2.0 million over the 5-year CIP as part of a balancing strategy to address competing infrastructure needs across the City.

2023-2027 CIP: Funding has been increased by approximately $1.3 million to $2.2 million over the 5-year CIP to address increased needs for maintenance, repairs, and improvements to bridges around the City.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	2,300,720	792,648	1,608,071	435,000	100,000	285,000	85,000	2,513,071	0	N/A
Total	**N/A**	**$2,300,720**	**$792,648**	**$1,608,071**	**$435,000**	**$100,000**	**$285,000**	**$85,000**	**$2,513,071**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	2,195,087	687,016	1,508,071	360,000	25,000	285,000	85,000	2,263,071	0	N/A
Design	N/A	105,632	105,632	100,000	75,000	75,000	0	0	250,000	0	N/A
Total	**N/A**	**$2,300,719**	**$792,648**	**$1,608,071**	**$435,000**	**$100,000**	**$285,000**	**$85,000**	**$2,513,071**	**$0**	**N/A**

Operating Impact

This project may impact operating expenses for parks, public services, and stormwater management in the future as the bridges are assessed, and maintenance and repair costs are determined. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.10

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PO-12001

Byron Street (1200 Block), January 2013

Curb and Gutter Repairs

Description

This project provides funding to repair curbs and gutters that have been uplifted by tree roots, and allows for the installation of valley gutters in the Barron Park neighborhood to address ponding and poor drainage.

Justification

Ponding related to curb and gutter problems is a health hazard. Standing water can be a breeding ground for mosquitoes and encourage algae growth, becoming a hazard for bicyclists and pedestrians. The annual street maintenance project does not address these problems on small isolated sections of curb and gutter found on streets with good road surfaces.

Significant Changes

2026-2030 CIP: $100,000 added in FY 2026 to install drainage improvements at California Avenue Parking Lot C-8.

2025-2029 CIP: Additional funding in the amount of $200,000 for FY 2029 to continue installing valley gutters as needed in the Barron Park neighborhood in coordination with Street Resurfacing Program work occurring in Barron Park.

2020-2024 CIP: Additional funding in the amount of $150,000 for FY 2020 to continue installing valley gutters as needed in the Barron Park neighborhood in coordination with Street Resurfacing Program work occurring in Barron Park.

2018-2022 CIP: Additional funding in the amount of $250,000 for FY 2018 to install valley gutters as needed in the Barron Park neighborhood in coordination with Street Resurfacing Program work occurring in Barron Park.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	333,128	333,128	208,000	112,000	125,000	200,000	300,000	945,000	0	N/A
Total	**N/A**	**$333,128**	**$333,128**	**$208,000**	**$112,000**	**$125,000**	**$200,000**	**$300,000**	**$945,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	333,128	333,128	208,000	112,000	125,000	200,000	300,000	945,000	0	N/A
Total	**N/A**	**$333,128**	**$333,128**	**$208,000**	**$112,000**	**$125,000**	**$200,000**	**$300,000**	**$945,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.10

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-22000

San Francisquito Creek at Pope Chaucer Bridge, February 2017

San Francisquito Creek Joint Powers Authority Ongoing Creek Projects

Description

This project provides funding for studies and completion of the San Francisquito Creek Joint Powers Authority (SFCJPA) upstream project, including channel widening and the Continuing Authority Program Section 205 (CAP 205) study. Completion of the CAP 205 study will make the channel widening components eligible for federal funding and will help fund the construction of the upstream project and address elements of the SFCJPA's comprehensive flood management program.

Justification

The City is a contributing member of the SFCJPA and its support, along with equal contributions from four other agencies, including the City of East Palo Alto, the City of Menlo Park, the San Mateo County Flooding and Sea Level Resiliency District, and the Santa Clara Valley Water District (Valley Water), is used to complete projects that protect residents from flooding that could occur if San Francisquito Creek were to overtop.

Significant Changes

2026-2030 CIP: Funding has increased by a combined $0.7 million in FY 2026 through FY 2029 to pay for an increase in the capital portion of Reach 2 project design through the SFCJPA.

2025-2029 CIP: The 2022 New Year's Eve storm event brought to light concerns that the creek may not be able to convey the assumed flows. A redesign is being done and additional funding in the amount of $100,000 in FY 2025 is needed to complete the permitting and the Environmental Impact Report (EIR) as part of the Reach 2 projects.

2023-2027 CIP: Funding has increased by $0.4 million to $0.7 million over the 5-year CIP due to member contribution increases for all members of the JPA.

2022-2026 CIP: Project established during FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	220,205	69,553	553,492	300,000	300,000	300,000	300,000	1,753,492	0	N/A
Total	**N/A**	**$220,205**	**$69,553**	**$553,492**	**$300,000**	**$300,000**	**$300,000**	**$300,000**	**$1,753,492**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	220,205	69,553	553,492	300,000	300,000	300,000	300,000	1,753,492	0	N/A
Total	**N/A**	**$220,205**	**$69,553**	**$553,492**	**$300,000**	**$300,000**	**$300,000**	**$300,000**	**$1,753,492**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Natural Hazards
Goal: S-2
Policy: S-2.8
Program: S2.8.4

Relationship to Comprehensive Plan Secondary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission
San Francisquito Creek Joint Powers Authority
Architectural Review Board

Environmental Impact Analysis:
An EIR and was completed for the downstream and upstream projects. A supplemental EIR may be required to address the creek's capacity and unforeseen improvements as a result of the flooding.



Middlefield Road (1500 Block), January 2013

Sidewalk Repairs

Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PO-89003

Description

This project provides funding for sidewalk repairs as part of an annual district-based rehabilitation program, alleviating the backlog of sidewalk repairs and enhancing pedestrian comfort and safety. Additionally, a sidewalk program assessment to evaluate options for improving the City's Sidewalk Repair Program was completed in Spring 2019 and provided suggestions for establishing goals and priorities related to repairs and replacements throughout the City.

Justification

The result of this project is better sidewalk conditions and a potential reduction in sidewalk-related injuries.

Supplemental Information

There are 23 sidewalk districts throughout the City. The district program began in 1986 with the goal of completing work in all 23 districts within 30 years. Work for all 23 districts was completed in early 2017 and the sidewalk program assessment was completed in 2019. The district program started again in 2024 with the goal of completing work in all 23 districts within 30 years.

Significant Changes

2024-2028 CIP: Funding of $0.6 million from the Utility Users Tax Fund is now budgeted directly in the project whereas it had previously been allocated to the project at the fund level as part of the General Fund Base Transfer to the Capital Improvement Fund. $0.5 million from a Community Development Block Grant (CDBG) has been added for an Americans with Disabilities Act (ADA) ramp project (Report #2302-0991).

2023-2027 CIP: Funding has been restored to resume work that aligns with pre-pandemic maintenance schedules, thus the 5-year CIP has increased by $1.7 million.

2021-2025 CIP: Funding was reduced for FY 2021 and FY 2022 by approximately $2.0 million over the five-year CIP as part of the FY 2021 Capital Improvement Program budget strategy. Remaining funding will be used to perform emergency maintenance and spot repairs.

2018-2022 CIP: Funding for this project has been reduced by $0.5 million per year pending completion of the assessment study.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	2,652,933	1,160,600	802,000	806,000	900,000	990,000	1,085,000	4,583,000	0	N/A
Transfer from CDBG Fund	N/A	511,673	511,673	0	0	0	0	0	0	0	N/A
Transfer from Utility Users Tax Fund	N/A	600,000	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000	0	N/A
Total	**N/A**	**$3,764,606**	**$2,272,273**	**$1,402,000**	**$1,406,000**	**$1,500,000**	**$1,590,000**	**$1,685,000**	**$7,583,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	3,658,645	2,166,312	1,402,000	1,406,000	1,500,000	1,590,000	1,685,000	7,583,000	0	N/A
Design	N/A	105,960	105,960	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$3,764,605**	**$2,272,272**	**$1,402,000**	**$1,406,000**	**$1,500,000**	**$1,590,000**	**$1,685,000**	**$7,583,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PO-11000

Traffic sign, April 2015

Sign Reflectivity Upgrade

Description

This project provides funding for inventorying, upgrading, and maintaining all traffic signs owned by the City in order to comply with federal requirements for sign reflectivity standards.

Justification

The Federal Highway Administration (FHWA) passed regulations requiring minimum retroreflectivity levels for traffic signs, and those regulations require regular annual sign inspections and replacement of signs not meeting minimum retroreflectivity standards.

Supplemental Information

Due to ongoing staffing constraints, a portion of the Public Works Department's operational workload will be contracted out beginning in FY 2026. This approach is intended to address the backlog of pending work orders and ensure timely service delivery.

Significant Changes

2026-2030 CIP: Funding increased by $78,000 annually for expanded scope as described under Supplemental Information.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	68,360	41,781	128,000	128,000	128,000	128,000	78,000	590,000	0	N/A
Total	**N/A**	**$68,360**	**$41,781**	**$128,000**	**$128,000**	**$128,000**	**$128,000**	**$78,000**	**$590,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	68,360	41,781	128,000	128,000	128,000	128,000	78,000	590,000	0	N/A
Total	**N/A**	**$68,360**	**$41,781**	**$128,000**	**$128,000**	**$128,000**	**$128,000**	**$78,000**	**$590,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.10

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2012
Initial Project Completion: Spring 2013

Revised Project Start: Summer 2025
Revised Project Completion: Summer 2026

Project Number: PE-13014

Streetlight, Guinda Street, November 2014

Street Lights Condition Assessment

Description

This project provides funding to assess the condition of the streetlight system. The assessment will include an inventory of the entire lighting system, including age and condition of conduit, wiring, street light poles, foundations, luminaires, and lighting coverage. Determining the inspection, maintenance, repair, and rehabilitation necessary to prolong the life of the City's streetlight system is also included in this project.

Justification

There are over 6,000 streetlights in Palo Alto. In some areas, existing conduit is over 40 years old and in such poor condition that repairs are no longer possible. Streetlight systems are integral as they afford safe routes for motorists and pedestrians. An assessment is needed to evaluate the age and condition of each element of the streetlight system in order to plan cost-effective maintenance and replacement programs for the future.

Supplemental Information

The Infrastructure Blue Ribbon Commission recommended that a streetlight system assessment be conducted to determine the condition of and replacement program for the City's streetlight infrastructure. The assessment will also consider appropriate recommendations for streetlights determined to be historic or in neighborhoods with unique streetlights.

Significant Changes

2017-2021 CIP: This project is delayed and funds reappropriated due to staffing constraints and budgetary priorities.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	8,798	242,225	22,225	220,000	0	0	0	0	220,000	0	251,023
Total	**$8,798**	**$242,225**	**$22,225**	**$220,000**	**$0**	**$0**	**$0**	**$0**	**$220,000**	**$0**	**$251,023**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	8,798	242,225	22,225	220,000	0	0	0	0	220,000	0	251,023
Total	**$8,798**	**$242,225**	**$22,225**	**$220,000**	**$0**	**$0**	**$0**	**$0**	**$220,000**	**$0**	**$251,023**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.3

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PO-05054

East Bayshore Road street lights, February 2015

Street Lights Improvements

Description

This project provides funding to replace street light poles, pole foundations, luminaires, and wiring as needed to restore or improve street lighting.

Justification

There are over 6,000 street lights in Palo Alto. In some areas, existing concrete or cast iron street light poles are failing and no longer serviceable. Additionally, poles damaged due to accidents must be replaced immediately. Luminaires are replaced to improve lighting levels and therefore safety. The Electric Fund maintains the poles, luminaires, and circuits of street lights, and installs new street lights as requested by the Public Works Department.

Supplemental Information

The Street Lights Condition Assessment project (PE-13014) is expected to be completed in 2024 and will result in recommendations for replacement of street lights. Where desired, efforts to match existing streetlight design will be made.

Significant Changes

2026-2030 CIP: Construction expenses were increased to account for cost escalation.

2025-2029 CIP: New funding has been removed in FY 2025 as part of a balancing strategy to address competing infrastructure needs across the City. Funding is recommended to be reappropriated from FY 2024 into FY 2025 to address emergency replacement needs.

2024-2028 CIP: Funding added in FY 2028 is less than annual funding in FY 2023-2027 because the earlier years include costs for work resulting from prior postponement.

2023-2027 CIP: Funding was increased by approximately $0.2 million annually in FY 2023 and FY 2024 for work that can no longer be postponed. This includes substructure work for foundation repair and replacement, pole replacement, and painting. Construction expenses were increased annually beginning in FY 2025 to account for cost escalation. All together, funding over the 5-year CIP was increased by $0.9 million.

2021-2025 CIP: Funding was reduced as part of the FY 2021 Capital Improvement Program budget strategy. Available funding will be used to perform emergency maintenance and repairs as needed.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	380,443	272,020	408,422	300,000	150,000	150,000	175,000	1,183,422	0	N/A
Total	**N/A**	**$380,443**	**$272,020**	**$408,422**	**$300,000**	**$150,000**	**$150,000**	**$175,000**	**$1,183,422**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	380,443	272,020	408,422	300,000	150,000	150,000	175,000	1,183,422	0	N/A
Total	**N/A**	**$380,443**	**$272,020**	**$408,422**	**$300,000**	**$150,000**	**$150,000**	**$175,000**	**$1,183,422**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.3

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Curtner Avenue (300 Block), February 2015

Street Maintenance

Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-86070

Description

This project provides funding for annual resurfacing, slurry sealing, crack sealing, and reconstruction of various City streets.

Justification

The Pavement Maintenance Management System (PMMS) and the Metropolitan Transportation Agency's StreetSaver software are used to identify streets requiring maintenance, based on the biennial Pavement Condition Index (PCI) survey of all City streets. The City Council established the goal of achieving an average citywide PCI of 85, indicating excellent pavement condition, by 2021, with no street below a PCI of 60. A citywide average PCI of 85 was achieved in December 2018.

Supplemental Information

Staff is supplementing the City's PMMS with the Metropolitan Transportation Agency's StreetSaver software, whose modeling capabilities will be used to determine future funding levels to continue to work on streets with a PCI below 60 while still maintaining the citywide PCI average of 85.

The list of streets to be included in this project will be prioritized and coordinated with Utilities Department projects and the 2012 Bicycle and Pedestrian Transportation Plan. This project is partially funded by revenues from gas and utility users taxes, and from Santa Clara Valley Transportation Authority's Vehicle Registration Fee Program.

Significant Changes

2026-2030 CIP: $0.1 million of annual Gas Tax revenue previously allocated to the Safe Routes to School project (PL-00026) has been reallocated to this project in accordance with a more conservative interpretation of the use of Gas Tax.

2024-2028 CIP: Funding of $0.4 million from the Utility Users Tax Fund is now budgeted directly in the project whereas it had previously been allocated to the project at the fund level as part of the General Fund Base Transfer to the Capital Improvement Fund.

2023-2027 CIP: Funding has been restored to resume work that aligns with pre-pandemic maintenance schedules, thus the 5-year CIP has increased by $6.5 million.

2021-2025 CIP: Funding was reduced for FY 2021 and FY 2022 by approximately $10.0 million over the five-year CIP as part of the FY 2021 Capital Improvement Program budget strategy. Street resurfacing projects will have reduced scope, limiting the number of streets that can be resurfaced over the next two years.

2020-2024 CIP: The $0.9 million from the San Antonio/W. Bayshore Impact Fee Fund will be moved to the Traffic Signal and Intelligent Transportation Systems project (PL-05053) for traffic signal improvements at San Antonio and Charleston in FY 2020.

2019-2023 CIP: FY 2019 costs are offset by One Bay Area Grant (OBAG) Cycle 2 guaranteed funding and San Antonio/W.Bayshore Impact Fee Fund in the amount of $1.0 million and $0.9 million, respectively. The impact fee funding will be used to make improvements on the San Antonio/Charleston intersection and repave the San Antonio overpass. Funding increased by $1.2 million annually from Road Maintenance and Rehabilitation Account (RMRA - S.B.1 funding) from the State of California in FY 2020.

2018-2022 CIP: The last phase of work on Alma Street (Rinconada Avenue to Palo Alto Avenue) is postponed until FY 2018 to incorporate additional transportation improvements that are currently in design.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	8,210,348	7,991,798	1,094,349	1,072,800	1,314,800	1,520,887	1,696,075	6,698,911	0	N/A
Revenue from Other Agencies	N/A	465,000	465,000	465,000	465,000	465,000	465,000	465,000	2,325,000	0	N/A
Transfer from Gas Tax Fund	N/A	3,216,365	3,216,365	3,478,338	3,478,338	3,478,338	3,478,338	3,478,338	17,391,690	0	N/A
Transfer from Utility Users Tax Fund	N/A	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000	0	N/A
Total	**N/A**	**$12,291,713**	**$12,073,163**	**$5,437,687**	**$5,416,138**	**$5,658,138**	**$5,864,225**	**$6,039,413**	**$28,415,601**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	12,228,532	12,009,982	5,383,687	5,360,138	5,598,138	5,864,225	6,039,413	28,245,601	0	N/A
Design	N/A	63,180	63,180	54,000	56,000	60,000	0	0	170,000	0	N/A
Total	**N/A**	**$12,291,712**	**$12,073,162**	**$5,437,687**	**$5,416,138**	**$5,658,138**	**$5,864,225**	**$6,039,413**	**$28,415,601**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.2	Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PO-11001

Park and Oxford lane lines, February 2015

Thermoplastic Lane Marking and Striping

Description

This project provides funding for thermoplastic pavement markings on paved roadways to provide guidance and information to motorists, bicyclists, and pedestrians. By 2010, most pavement markings had been converted from paint to thermoplastic. While thermoplastic is a durable, long lasting pavement marking, most streets will require a second or third application of thermoplastic during the pavement's useful lifespan.

Justification

Upgrading all street painting to thermoplastic has improved roadway safety for motorists, pedestrians, and bicyclists as the reflectivity and durability of thermoplastic exceeds that of paint.

Supplemental Information

Beginning in FY 2026, this project has been updated to include scope and annual funding for protected bicycle facilities maintenance and repair projects. The funding will be used to maintain and repair green bicycle lane striping and to install and maintain bollards, signage, and lane lines.

Significant Changes

2026-2030 CIP: Funding increased by $78,000 annually for expanded scope as described under Supplemental Information.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	234,004	109,004	328,000	203,000	203,000	203,000	78,000	1,015,000	0	N/A
Total	**N/A**	**$234,004**	**$109,004**	**$328,000**	**$203,000**	**$203,000**	**$203,000**	**$78,000**	**$1,015,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	234,004	109,004	328,000	203,000	203,000	203,000	78,000	1,015,000	0	N/A
Total	**N/A**	**$234,004**	**$109,004**	**$328,000**	**$203,000**	**$203,000**	**$203,000**	**$78,000**	**$1,015,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.10

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Streets and Sidewalks
Project Location: Various locations

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PF-26000

Tree grate along University Avenue

Tree Grate Alternatives

Description

This project funds the assessment, selection, and implementation of alternative tree grate solutions to enhance tree root protection and promote the long-term sustainability of the City's urban forest. The scope includes evaluating design alternatives, identifying the most effective solutions, and managing the replacement process to improve urban tree health and infrastructure resilience.

Justification

Tree grates serve a vital role in urban environments by shielding roots from damage caused by pedestrians and vehicles. Tree grates help maintain soil integrity and prevent compaction. Their slotted design allows essential elements such as air, water, and sunlight to reach the tree's roots, supporting healthy growth. Additionally, tree grates aid in stormwater management by controlling runoff and preventing debris from clogging planting areas. They also suppress weed growth, reducing the need for maintenance. The benefits of tree grates extend beyond tree health. They enhance pedestrian safety by providing stable walking surfaces around trees and reducing tripping hazards. Aesthetically, tree grates can complement streetscape design, offering both functional and decorative elements that improve the overall appearance of urban spaces.

Currently, the City lacks a standardized tree grate design, and existing metal grates present limitations. As trees grow, shifting and expanding roots often cause grates to be removed, leaving behind empty frames that create tripping hazards, diminish aesthetics, and fail to protect trees. This project aims to evaluate and implement alternative tree grate solutions that meet key criteria for tree health, pedestrian safety, and urban design. The scope includes researching viable options, assessing durability and effectiveness, and overseeing a city-wide replacement strategy to enhance both public safety and the long-term sustainability of the urban forest.

Supplemental Information

The pilot phase of this CIP will involve the identification and evaluation of 20 priority tree well locations for potential grate replacement or alternative treatments. As part of the pilot, staff will research and assess cost-effective, low-maintenance tree grate alternatives suitable for citywide application. The outcomes of this pilot effort will inform the scope, scale, and funding requirements in subsequent fiscal years.

Fiscal Year 2026: Identify 20 tree wells for the pilot CIP, and research and evaluate tree grate alternatives.

Fiscal Year 2027: Project to be developed.

Fiscal Year 2028: Project to be developed.

Fiscal Year 2029: Project to be developed.

Fiscal Year 2030: Project to be developed.

The estimated cost of the first year of this CIP is $100,000. This estimate was based on the Bay Area hourly rates of certified arborists, the cost of materials, labor hours, and the number of tree wells that can be completed within one year. Once research on tree grate alternatives has been performed, future funding will be adjusted accordingly.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	0	0	100,000	0	0	0	0	100,000	0	N/A
Total	**N/A**	**$0**	**$0**	**$100,000**	**$0**	**$0**	**$0**	**$0**	**$100,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	N/A	0	0	100,000	0	0	0	0	100,000	0	N/A
Total	**N/A**	**$0**	**$0**	**$100,000**	**$0**	**$0**	**$0**	**$0**	**$100,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Urban Forest and Understory
Goal: N-2
Policy: N-2.1
Program: N2.1.1

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15308.

Traffic and Transportation



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-04010

Upgraded bike lanes on Charleston Road, an important school route

Bicycle and Pedestrian Transportation Plan Implementation

Description

This project provides funding for the design and construction of bicycle boulevards, enhanced bikeways, shared-use paths, bicycle parking, and pedestrian improvements in accordance with the Palo Alto Bicycle and Pedestrian Transportation Plan, which was adopted by City Council in 2012.

Justification

Projects identified in the Palo Alto Bicycle and Pedestrian Transportation Plan, as well as bicycle parking facilities and bicycle/pedestrian project planning activities, will facilitate safer, traffic calmed biking and walking routes and provide better commute alternatives.

Supplemental Information

Staff is in the process of updating the Bicycle and Pedestrian Transportation Plan and it is anticipated to be completed early in calendar year 2026. Pending the plan updates and Council approval, improvements may include widened sidewalks, roundabouts, a bicycle boulevard, and other traffic calming devices.

Significant Changes

2026-2030 CIP: $0.5 million added annually beginning in FY 2027, offset with Measure K business tax revenue transferred from the General Fund, in anticipation of infrastructure updates following completion of the Bicycle and Pedestrian Transportation Plan and the railroad crossing safety study. $0.6 million of funding from the Churchill Avenue Enhanced Bikeway Project (PL-14000) was returned to this project as a part of the FY 2025 Mid-Year Budget Review (Report #2412-3865) due to construction bids for PL-14000 coming in lower than anticipated.

2025-2029 CIP: $1.3 million of funding is being reappropriated in FY 2025 to the Churchill Avenue Enhanced Bikeway Project (PL-14000) for construction. In addition, staff plans to begin work on a railroad crossing

safety study ($0.6 million) and to commence construction on bicycle and pedestrian facility enhancements between Alma St. and Embarcadero Rd. ($2.2 million) in FY 2025. Funding in FY 2026 of $0.9 million will be used as contingency for both tasks.

2024-2028 CIP: $0.3 million of Transportation Development Act (TDA) Article III funding added to FY 2024 to complete the new Bicycle and Pedestrian Transportation Plan. Budgeting for future years will be determined approximately 3-4 years after the new plan's completion.

2022-2026 CIP: On May 17th, 2021, the City Council approved the Pedestrian and Bicycle Advisory Committee (PABAC)'s recommendation to utilize Transportation Development Act (TDA) Article III funding of up to $0.3 million for the Bicycle and Pedestrian Transportation Plan update. Additionally, $1.5 million initially planned in FY 2022 in this project was approved by the City Council to be transferred to the Charleston/Arastradero Corridor Project (PE-13011), please see the Significant Changes for 2021-2026 CIP in the Charleston/Arastradero Corridor project pages for further details.

2021-2025 CIP: Funding for this project spread to FY 2024 due to funding constraints as well as to allow time for further planning related to implementing a citywide bicycle and pedestrian plan. Starting FY 2021, $1.0 million dollars is reduced from the project budget each fiscal year through FY 2024 for a total reduction of $4.0 million dollars.

2020-2024 CIP: The Neighborhood Traffic Safety and Bicycle Boulevards Project - Phase 1 has been partially implemented. The rest of Phase 1 of the project has been paused for additional review and evaluation. Upon direction to move forward, the project will resume with increased community engagement. The schedule for the initiation of Phase 2 will be determined at a later date.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	3,661,328	1,724,142	1,937,186	0	0	0	0	1,937,186	0	N/A
Revenue from Other Agencies	N/A	250,720	250,720	0	0	0	0	0	0	0	N/A
Transfer from General Fund	N/A	0	0	877,000	500,000	500,000	500,000	500,000	2,877,000	0	N/A
Total	**N/A**	**$3,912,048**	**$1,974,862**	**$2,814,186**	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$4,814,186**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	3,700,725	1,763,539	2,814,186	0	0	0	0	2,814,186	0	N/A
Design	N/A	211,323	211,323	0	500,000	500,000	500,000	500,000	2,000,000	0	N/A
Total	**N/A**	**$3,912,048**	**$1,974,862**	**$2,814,186**	**$500,000**	**$500,000**	**$500,000**	**$500,000**	**$4,814,186**	**$0**	**N/A**

Operating Impact

This project is anticipated to impact operating expenses in the future. As these costs are quantified, adjustments will be brought forward in future budgets, as necessary. Increased operating impacts due to ongoing maintenance of protected and separate bikeways is funded in the Thermoplastic Lane Marking and Striping project (PO-11001). Certain types of bikeways may require special equipment or services to maintain them.

Relationship to Comprehensive Plan Primary Connection	**Relationship to Comprehensive Plan Secondary Connection**	**Potential Board/Commission Review:**
Element: Transportation Section: Sustainable Transportation Goal: T-1 Policy: T-1.19 Program: T1.19.2	Element: Transportation Section: Streets Goal: T-3 Policy: T-3-5 Program: T3.5.1	Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: California Avenue

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Summer 2022
Initial Project Completion: Summer 2023

Revised Project Start: N/A
Revised Project Completion: Winter 2026

Project Number: PL-23000

California Avenue, July 2020

California Avenue Streetscape Update

Description

This project provides funding for parklets and other reconfigurable spaces in the California Avenue retail core to facilitate car-free streets while allowing for flexible opening and closing of vehicular lanes.

Justification

The project will result in increased vibrancy by expanding pedestrian and outdoor spaces available for use by visitors and businesses.

Supplemental Information

Funding in the initial stages supported community engagement and conceptual design.

Significant Changes

2026-2030 CIP: To continue progress on the car-free California Avenue economic development effort, project completion extended to FY 2026 and funding increased by $180,000.

2025-2029 CIP: In support of City Council priorities, funding increased by $450,000 for street paving adjustments, signage, planters, and site furniture, offset by a transfer from the General Fund.

2023-2027 CIP: Project established in FY 2023.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	84,053	465,946	465,946	180,000	0	0	0	0	180,000	0	729,999
Total	**$84,053**	**$465,946**	**$465,946**	**$180,000**	**$0**	**$0**	**$0**	**$0**	**$180,000**	**$0**	**$729,999**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	450,000	450,000	180,000	0	0	0	0	180,000	0	630,000
Design	84,051	15,946	15,946	0	0	0	0	0	0	0	99,997
Total	**$84,051**	**$465,946**	**$465,946**	**$180,000**	**$0**	**$0**	**$0**	**$0**	**$180,000**	**$0**	**$729,997**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.3

Relationship to Comprehensive Plan Secondary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.4

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is anticipated to require an environmental assessment in accordance with CEQA guidelines.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Charleston Road and Alma Street

Managing Department: Office of Transportation
IBRC Reference: N/A

Initial Project Start: Summer 2025
Initial Project Completion: Fall 2027

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-25002

Intersection of Alma Street and Charleston Road, April 2023

Charleston Road/Alma Street Railroad Crossing Safety Improvements

Description

The California Department of Transportation, in cooperation with the Peninsula Corridor Joint Power Board (JPB) and the City of Palo Alto, proposed a railroad crossing improvement project at Charleston Road and Alma Street to enhance traffic safety. This crossing was identified for possible funding of hazard elimination and safety improvements through Section 130 funds. The Section 130 program is a federally-funded program, administered at the state level, for the elimination of hazards at at-grade highway-rail crossings. Section 130 funding will reimburse the actual and direct costs of the design and construction of the improvements. This project is separate and independent from the on-going rail grade separation projects and addresses more immediate safety concerns at this crossing.

Design may include, but is not limited to, traffic signal modifications, street lighting improvements, roadway resurfacing, sidewalk realignment and/or widening, drainage improvements, utility re-locations, signage and striping, and way-finding improvements.

Justification

The railroad crossing at Alma Street and Charleston Road experiences a large volume of pedestrian and bicycle traffic during the morning and afternoon school commute hours. The existing sidewalk and roadway intersection is near capacity when accommodating the large number of pedestrians and bicyclists using this intersection. Potential widening of the sidewalk and bicycle lane improvements would help. In addition, eastbound motorists often queue within the train crossing envelope due to the small storage space. Installation of a pre-signal would better keep motorists outside of the dynamic envelope. JPB and the City will be responsible for the construction of the improvements within each respective agency's right of way.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	48,805	48,805	0	0	0	0	0	0	0	48,805
Revenue from the Federal Government	0	483,100	483,100	682,400	0	0	0	0	682,400	0	1,165,500
Total	**$0**	**$531,905**	**$531,905**	**$682,400**	**$0**	**$0**	**$0**	**$0**	**$682,400**	**$0**	**$1,214,305**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	682,400	0	0	0	0	682,400	0	682,400
Design	0	531,905	531,905	0	0	0	0	0	0	0	531,905
Total	**$0**	**$531,905**	**$531,905**	**$682,400**	**$0**	**$0**	**$0**	**$0**	**$682,400**	**$0**	**$1,214,305**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Road Safety
Goal: T-6
Policy: T-6.1
Program: T6.1.4

Environmental Impact Analysis:
Environmental Review Required

Potential Board/Commission Review:

Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: El Camino Real & Churchill Avenue

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Fall 2013
Initial Project Completion: Fall 2015

Revised Project Start: Summer 2019
Revised Project Completion: Spring 2026

Project Number: PL-14000

Bicyclists on Churchill Ave, December 2015

Churchill Avenue Enhanced Bikeway

Description

This project provides funding for the planning, design and construction of a shared-use path along the north side of Churchill Avenue between the existing shared-use path at Castilleja Avenue and the Stanford Perimeter Trail. It also includes intersection improvements at Churchill Avenue and El Camino Real, which will include a new dedicated westbound right-turn lane.

Justification

As a priority project within the Palo Alto Bicycle and Pedestrian Transportation Plan, this project advances objective three (3), which develops a core network of shared paths, bikeways, and traffic-calmed streets that connect residential districts, schools, and parks. This project also proposes safety improvements at the Churchill Avenue and El Camino Real intersection.

Significant Changes

2026-2030 CIP: Construction started in Summer 2025. Bids for construction came in lower than expected so this project was able to return $0.6 million to the Bicycle and Pedestrian Transportation Plan Implementation project (PL-04010) and reallocate $0.2 million to the Transportation and Parking Improvements project (PL-12000) as part of the FY 2025 Mid-Year Budget Review (Report #2412-3865).

2025-2029 CIP: The construction phase is scheduled to begin in FY 2025. Due to construction cost escalation, an additional $1.3 million has been reappropriated from the Bike and Pedestrian Implementation Plan project (PL-04010) to ensure that the project has sufficient funding. It is anticipated that construction will take one year to complete.

2024-2028 CIP: The design phase was completed in Spring 2023 and tentative construction start is slated for Fall 2023.

2023-2027 CIP: Staff continue to seek a Memorandum of Understanding between the City and Palo Alto Unified School District (PAUSD) for the easement needs required for the project. Once the easement documents are finalized, staff will complete the design. The construction phase is anticipated to start with the Request for Proposal (RFP) process in Winter 2022.

2022-2026 CIP: Staff is seeking the necessary easement from the PAUSD in May 2021. Following this, completion of the design phase is anticipated by June of 2021, and staff will initiate a RFP as part of the construction phase of the project.

2020-2024 CIP: Project delays occurred mainly due to additional time needed for easement acquisitions. The project timeline has been adjusted to reflect those changes as well as allowing for more time for enhanced community engagement and Caltrans review.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(590,017)	3,413,683	3,213,683	200,000	0	0	0	0	200,000	0	2,823,666
Transfer from Traffic Impact Fee Fund	1,000,000	0	0	0	0	0	0	0	0	0	1,000,000
Total	**$409,983**	**$3,413,683**	**$3,213,683**	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$3,823,666**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	353,027	3,413,683	3,213,683	200,000	0	0	0	0	200,000	0	3,766,710
Design	56,950	0	0	0	0	0	0	0	0	0	56,950
Total	**$409,977**	**$3,413,683**	**$3,213,683**	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$200,000**	**$0**	**$3,823,660**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Road Safety
Goal: T-6
Policy: T-6.1

Relationship to Comprehensive Plan Secondary Connection

Element: Transportation
Section: Sustainable Transportation
Goal: T-1
Policy: T-1.19

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Churchill Avenue Rail Crossing

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Fall 2023
Initial Project Completion: Spring 2028

Revised Project Start: N/A
Revised Project Completion: Spring 2040

Project Number: PL-24001

Caltrain Crossing at Churchill Avenue, January 2023

Churchill Avenue Rail Grade Separation and Safety Improvements

Description

This project provides for the planning, design, and construction of the grade separation at the existing at-grade crossing on Churchill Avenue in the Caltrain Rail Corridor. The project will provide improvements to accommodate bicycles, pedestrians, and vehicular movement at the crossing. In 2021, the City Council selected partial underpass as the preferred alternative, with closure as a backup alternative.

Justification

Traffic congestion is expected to increase at crossings along the railroad corridor as Caltrain begins to run electric trains on a more frequent schedule and implement its 2040 Business Plan. In addition to Caltrain, California High Speed Rail (CAHSR) will also be using the same corridor, further impacting traffic at crossings. To address safety, mobility, and environmental concerns resulting from the increased traffic, the City Council has prioritized rail grade separations at multiple crossings along the corridor as part of the Connecting Palo Alto Project.

The Churchill Avenue rail grade crossing was one of four crossings initially identified in the Railroad Grade Separation and Safety Improvements project (PL-17001). To effectively target and track different funding sources for the various crossings as they progress, the crossings have been separated into distinct capital projects, with the Churchill Avenue crossing contained in this project.

Supplemental Information

Previously, the Santa Clara Valley Transit Authority's (VTA) Measure B Local Streets and Roads funds paid for planning costs associated with conceptual plans and alternative development for Connecting Palo Alto rail grade separations along the Caltrain Corridor ($3.3 million for all crossings as of October 2022). For Fiscal Years 2025-2027, VTA has committed a total of $14.0 million from Measure B Grade Separation funds to sup-

port the City's Grade Separation Projects. Of this amount, $6.1 million is allocated for the Preliminary Engineering and Environmental Documentation Phase for the Churchill Avenue crossing. The Measure B funding requires a 10% match from non-Measure B sources. To help meet this requirement, the City has secured a $6.0 million grant from the Federal Railroad Administration for the Preliminary Engineering and Environmental Phase of the grade separation projects. Of this federal funding, $2.0 million is allocated specifically for the Churchill Avenue crossing. This federal contribution will satisfy the matching funds requirement for the Measure B funding provided by VTA. Additional funding from both sources is also anticipated in future years.

To cover the total project costs, the City continues to seek other funding from federal, state, and regional grants. The project estimates are based on preliminary cost estimates for the partial underpass alternative prepared by consultants during the conceptual design phase. These costs will be updated when more accurate information is available.

Significant Changes

2026-2030 CIP: Due to City Council direction for additional refinement, the project timeline has slowed down with an associated $161.4 million funding reduction in the five-year CIP. Revenue from the federal government has been added in FY 2026 and FY 2027.

2024-2028 CIP: Project established in FY 2024. VTA Measure B Grade Separation funds committed for preliminary engineering and environmental phase of project. Recently-approved Measure K funds (Local Business Tax-Palo Alto) will cover local match and other costs related to preliminary engineering and environmental studies.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(220,858)	1,767,945	453,588	0	0	0	0	0	0	0	232,730
Revenue from Other Agencies	0	5,080,625	5,080,625	1,500,000	2,650,000	7,000,000	7,000,000	7,000,000	25,150,000	0	30,230,625
Revenue from the Federal Government	0	0	0	700,000	1,000,000	0	0	0	1,700,000	0	1,700,000
Transfer from General Fund	241,875	750,000	750,000	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000	0	4,991,875
Total	**$21,017**	**$7,598,570**	**$6,284,213**	**$2,700,000**	**$4,150,000**	**$8,000,000**	**$8,000,000**	**$8,000,000**	**$30,850,000**	**$0**	**$37,155,230**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	21,017	7,598,570	6,284,213	2,700,000	4,150,000	8,000,000	8,000,000	8,000,000	30,850,000	0	37,155,230
Total	**$21,017**	**$7,598,570**	**$6,284,213**	**$2,700,000**	**$4,150,000**	**$8,000,000**	**$8,000,000**	**$8,000,000**	**$30,850,000**	**$0**	**$37,155,230**

Operating Impact

Operating impacts will depend upon the grade separation alternative that is implemented. As these costs are quantified, adjustments will be brought forward in future budget cycles.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Transportation Section: Streets Goal: T-3 Policy: T-3-15 Program: T3.15.1	Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project includes the completion of the necessary environmental analysis.



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Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Churchill Avenue and Alma Street

Managing Department: Office of Transportation
IBRC Reference: N/A

Initial Project Start: Fall 2019
Initial Project Completion: Summer 2021

Revised Project Start: N/A
Revised Project Completion: Summer 2026

Project Number: PL-20000

Churchill Avenue/Alma Street Railroad Crossing Safety Improvements: photo taken September 2018

Churchill Avenue/Alma Street Railroad Crossing Safety Improvements

Description

This project provides funding for the design and construction of pedestrian and bicycle safety improvements west of the Churchill Avenue and Alma Street intersection, as well as at the Charleston Road and Alma Street intersection, at the railroad at-grade crossings. Design includes, but is not limited to, traffic signal modifications, street lighting improvements, roadway resurfacing, sidewalk realignment and/or widening, drainage improvements, utility re-locations, signage and striping, and way-finding improvements.

Justification

The rail crossing at Churchill Avenue/Alma Street experiences a large amount of bicycle traffic for Palo Alto High School and Stanford University. It is difficult for the existing sidewalk and roadway intersection to accommodate the large number of pedestrians using this intersection. Capital improvements will help move all users including bicyclists and pedestrians safely through the crossing.

Hazards identified at the Charleston Road/Alma Street rail crossing include motorists making turn movements onto the tracks and motorists queueing in the track area or fouling the track while stopped at the intersection. Capital improvements will reduce the chance of future train and vehicle collisions.

Supplemental Information

This project was formerly included in the Railroad Grade Separation and Safety Improvements project (PL-17001). However, it was separated in FY 2020 to track the different funding sources for safety improvements at Churchill Avenue/Alma Street. This crossing was identified through Federal Section 130 funds, a federally-funded program administered by the State, for increasing safety at "at-grade" highway-rail crossings. All construction and design costs are fully reimbursable by Section 130 funding from Caltrans. In FY 2023, an additional Section 130-funded rail crossing improvement project was identified at Charleston Road/Alma Street.

Significant Changes

2026-2030 CIP: Completion of construction for the Churchill Avenue/Alma Street intersection anticipated in Summer 2025. Completion of construction for the Charleston Road/Alma Street intersection expected by Summer 2026.

2024-2028 CIP: The Churchill Avenue/Alma Street design phase is complete and construction is scheduled to begin in FY 2024. Funding of approximately $4.6 million has been added for the Charleston Road/Alma Street crossing which has completed project initiation with the Joint Powers Board (JPB), and a funding agreement with Caltrans is being drafted.

2023-2027 CIP: The design plans are complete. The City is in the process of receiving the necessary approvals from the California Public Utilities Commission (CPUC) and the Joint Powers Board (JPB). Staff anticipates initiating the procurement process for the project's construction phase in Winter 2022. The project is estimated to be completed in Winter 2024.

2022-2026 CIP: The conceptual design and design phase of the project is nearing completion in FY 2021. Construction is anticipated to start in FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	1,267,068	(511,921)	(511,922)	0	0	0	0	0	0	0	755,146
Revenue from Other Agencies	3,975	0	0	0	0	0	0	0	0	0	3,975
Revenue from the Federal Government	302,417	4,779,187	4,779,187	1,391,200	1,391,200	0	0	0	2,782,400	0	7,864,004
Revenue from the State of California	230,732	0	0	0	0	0	0	0	0	0	230,732
Total	**$1,804,192**	**$4,267,266**	**$4,267,265**	**$1,391,200**	**$1,391,200**	**$0**	**$0**	**$0**	**$2,782,400**	**$0**	**$8,853,857**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	1,594,114	3,579,589	3,579,589	1,391,200	1,391,200	0	0	0	2,782,400	0	7,956,103
Design	210,073	687,677	687,676	0	0	0	0	0	0	0	897,749
Total	**$1,804,187**	**$4,267,266**	**$4,267,265**	**$1,391,200**	**$1,391,200**	**$0**	**$0**	**$0**	**$2,782,400**	**$0**	**$8,853,852**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Road Safety
Goal: T-6
Policy: T-6.1
Program: T6.1.4

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project requires Environmental Impact Review



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Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Meadow Drive and Charleston Rd Rail Crossings

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Fall 2023
Initial Project Completion: Spring 2028

Revised Project Start: N/A
Revised Project Completion: Spring 2040

Project Number: PL-24000

Caltrain Crossing at Meadow Drive, January 2023

Meadow Drive and Charleston Road Rail Grade Separation and Safety Improvements

Description

This project provides for the planning, design, and construction of the grade separations at the existing at-grade crossings on Meadow Drive and Charleston Road in the Caltrain Rail Corridor. The project will provide improvements to accommodate bicycles, pedestrians, and vehicular movement at the crossings. In 2021, the City Council narrowed the alternatives under consideration at these locations to trench, hybrid, and underpass. Currently, the Rail Committee is reviewing these alternatives to further narrow and select the preferred alternative(s) for recommendation to the City Council.

Justification

Traffic congestion is expected to increase at crossings along the railroad corridor as Caltrain begins to run electric trains on a more frequent schedule and implement its 2040 Business Plan. In addition to Caltrain, California High Speed Rail (CAHSR) will also be using the same corridor, further impacting traffic at crossings. To address safety, mobility, and environmental concerns resulting from the increased traffic, the City Council has prioritized rail grade separations at multiple crossings along the corridor as part of the Connecting Palo Alto Project.

The Meadow Drive and Charleston Road rail grade crossings were two of four crossings initially identified in the Railroad Grade Separation and Safety Improvements project (PL-17001). To effectively target and track different funding sources for the various crossings as they progress, the crossings have been separated into distinct capital projects, with the Meadow Drive and Charleston Road crossings contained in this project.

Supplemental Information

Previously, the Santa Clara Valley Transit Authority's (VTA) Measure B Local Streets and Roads funds have paid for planning costs associated with conceptual plans and alternative development for Connecting Palo Alto rail

grade separations along the Caltrain Corridor ($3.3 million for all crossings as of October 2022). For Fiscal Years 2025 through 2027, VTA has committed a total of $14.0 million from Measure B Grade Separation funds to support the City's grade separation projects. Of this amount, $7.9 million is allocated for the Preliminary Engineering and Environmental Documentation Phase for the Meadow Drive and Charleston Road crossings. The Measure B funding requires a 10% match from non-Measure B sources. To help meet this requirement, the City has secured a $6.0 million grant from the Federal Railroad Administration (FRA) for the Preliminary Engineering and Environmental Phase of the grade separation projects. Of this federal funding, $4.0 million is allocated specifically for the Meadow Drive and Charleston Road crossings. This federal contribution will satisfy the matching funds requirement for the Measure B funding provided by VTA. Additional funding from both sources is also anticipated in future years.

To cover the total project costs, the City continues to seek other funding from federal, state, and regional grants. The project estimates are based on preliminary cost estimates for the underpass alternative (which has costs in between those of the other two alternatives) prepared by consultants during the conceptual design phase. These costs will be updated when more accurate information is available.

Significant Changes

2026-2030 CIP: Due to City Council direction for additional refinement, the project timeline has slowed down with an associated $333.3 million funding reduction in the five-year CIP. Revenue from the federal government has been added in FY 2026 and FY 2027.

2024-2028 CIP: Project established in FY 2024. VTA Measure B Grade Separation funds committed for preliminary engineering and environmental phase of project. Recently-approved Measure K funds (Local Business Tax-Palo Alto) will cover local match and other costs related to preliminary engineering and environmental studies.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(466,071)	2,428,721	803,358	0	0	0	0	0	0	0	337,287
Revenue from Other Agencies	0	8,919,375	8,919,375	3,000,000	5,350,000	14,000,000	14,000,000	14,000,000	50,350,000	0	59,269,375
Revenue from the Federal Government	0	0	0	1,500,000	2,000,000	0	0	0	3,500,000	0	3,500,000
Transfer from General Fund	508,125	750,000	750,000	500,000	500,000	1,000,000	1,000,000	1,000,000	4,000,000	0	5,258,125
Total	**$42,054**	**$12,098,096**	**$10,472,733**	**$5,000,000**	**$7,850,000**	**$15,000,000**	**$15,000,000**	**$15,000,000**	**$57,850,000**	**$0**	**$68,364,787**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	42,054	12,098,096	10,472,733	5,000,000	7,850,000	15,000,000	15,000,000	15,000,000	57,850,000	0	68,364,787
Total	**$42,054**	**$12,098,096**	**$10,472,733**	**$5,000,000**	**$7,850,000**	**$15,000,000**	**$15,000,000**	**$15,000,000**	**$57,850,000**	**$0**	**$68,364,787**

Operating Impact

Operating impacts will depend upon the grade separation alternative that is implemented. As these costs are quantified, adjustments will be brought forward in future budget cycles.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Transportation Section: Streets Goal: T-3 Policy: T-3-15 Program: T3.15.1	Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project includes the completion of the necessary environmental analysis.



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Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-15003

Parking Mitigation, March, 2019

Parking District Implementation

Description

This project will fund the introduction of additional parking permit programs throughout the city. One aspect of this project is the City Council approved Residential Preferential Parking (RPP) ordinance to establish uniform procedures to implement RPP districts through the process outlined in the Municipal Code 10.50.

Justification

Implementing parking districts, including RPP, is a parking management strategy that regulates parking where it was previously unregulated. Parking management strategies are critical to maximizing the use of existing parking supply and prioritizing the "right space for the right use" concept. RPP prioritizes parking on residential streets for residents and business who reside within the boundaries of the district.

Significant Changes

2025-2029 CIP: Staff is currently in the procurement process for updating its parking permit technology and will use the reappropriated funding to complete the transition to new systems.

2024-2028 CIP: Funds have been reappropriated to complete project tasks from FY 2023, otherwise the project will be on hold in FY 2024 and FY 2025 to re-evaluate the future of parking districts, and the budgets for FY 2026 through FY 2028 are reduced to minimal amounts until re-evaluation has concluded.

2023-2027 CIP: Project will commence in FY 2023 after a two (2) year deferral (FY 2021 and FY 2022). Requests for the formation of new Residential Preferential Parking districts are evaluated on annual basis.

2021-2025 CIP: Project deferred to FY 2023 and FY 2024 to contribute to cost containment strategies in FY 2021. Title of project changed from Residential Preferential Parking to Parking District Implementation in order to accommodate a broader parking district strategy, and updated to a recurring project in anticipation of implementing future parking districts.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	180,457	16,558	193,900	30,000	30,000	34,000	0	287,900	0	N/A
Total	**N/A**	**$180,457**	**$16,558**	**$193,900**	**$30,000**	**$30,000**	**$34,000**	**$0**	**$287,900**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	120,342	11,042	124,300	15,000	15,000	34,000	0	188,300	0	N/A
Design	N/A	60,115	5,515	69,600	15,000	15,000	0	0	99,600	0	N/A
Total	**N/A**	**$180,457**	**$16,557**	**$193,900**	**$30,000**	**$30,000**	**$34,000**	**$0**	**$287,900**	**$0**	**N/A**

Operating Impact

RPPs and other City parking programs are expected to have operating impacts to maintain the programs. As these costs are quantified, adjustments will be brought forward in the future budget cycles, as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Motor Vehicle and Bicycle Parking
Goal: T-5
Policy: T-5.1
Program: T5.11.1

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: New

Initial Project Start: Summer 2016
Initial Project Completion: Summer 2018

Revised Project Start: N/A
Revised Project Completion: TBD

Project Number: PL-17001

Caltrain Crossing at Charleston Road, July 2018

Railroad Grade Separation and Safety Improvements

Description

This project provides for the planning, design, and construction of the grade separation at the existing at-grade crossing on Palo Alto Avenue in the Caltrain Rail Corridor. The project will provide improvements to accommodate bicycles, pedestrians, and vehicular movement at the crossing.

Justification

Traffic congestion is expected to increase at crossings along the railroad corridor as Caltrain begins to run electric trains on a more frequent schedule and implement its 2040 Business Plan. In addition to Caltrain, California High Speed Rail (CAHSR) will also be using the same corridor, further impacting traffic at crossings. To address safety, mobility, and environmental concerns resulting from the increased traffic, the City Council has prioritized rail grade separations at multiple crossings along the corridor as part of the Connecting Palo Alto Project.

The Palo Alto Avenue rail grade crossing was one of four crossings initially identified in this project. To effectively target and track different funding sources for the various crossings as they progress, the crossings have been separated into distinct capital projects, with only the Palo Alto Avenue crossing remaining in this project.

Supplemental Information

The Palo Alto Avenue grade separation is currently on hold.

Significant Changes

2024-2028 CIP: Project revised in FY 2024 to include only the Palo Alto Avenue crossing which is currently on hold. Grade separations involving the other three crossings have been moved into new capital projects (Meadow Drive and Charleston Road in PL-24000 and Churchill Avenue in PL-24001).

2023-2027 CIP: Council directed staff to perform additional studies to review geo-technical conditions, refine the underpass/partial underpass alternatives, and to reconvene the Rail Committee and discuss the financial considerations in FY 2023.

2021-2025 CIP: Funding of $1.0 million from the Stanford University Medical Center Fund programmed in this project, spread over Fiscal Years 2021 and 2022. $1.0 million of Measure B funding shifted to the Street Maintenance Project (PE-86070).

2020-2024 CIP: Three new alternatives, Churchill, Meadow, and Charleston, were added in early 2020.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	(254,512)	(74,549)	(74,549)	0	0	0	0	0	0	0	(329,061)
Revenue from Other Agencies	3,755,938	1,567,246	1,567,246	2,000,000	2,000,000	1,000,000	0	0	5,000,000	0	10,323,184
Transfer from Stanford University Medical Ctr Fund	1,000,000	0	0	0	0	0	0	0	0	0	1,000,000
Total	**$4,501,426**	**$1,492,697**	**$1,492,697**	**$2,000,000**	**$2,000,000**	**$1,000,000**	**$0**	**$0**	**$5,000,000**	**$0**	**$10,994,123**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	105,304	0	0	0	0	0	0	0	0	0	105,304
Design	4,396,118	1,492,697	1,492,697	2,000,000	2,000,000	1,000,000	0	0	5,000,000	0	10,888,815
Total	**$4,501,422**	**$1,492,697**	**$1,492,697**	**$2,000,000**	**$2,000,000**	**$1,000,000**	**$0**	**$0**	**$5,000,000**	**$0**	**$10,994,119**

Operating Impact

Operating impacts will depend upon the grade separation alternative that is implemented. As these costs are quantified, adjustments will be brought forward in future budget cycles.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Streets
Goal: T-3
Policy: T-3-15
Program: T3.15.1

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project includes the completion of the necessary environmental analysis.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Ramona Street

Managing Department: Public Works
IBRC Reference: N/A

Initial Project Start: Summer 2025
Initial Project Completion: Winter 2026

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PE-26002

Pedestrian-only portion of Ramona Street

Ramona Street Streetscape Update

Description

This project will fund near-term streetscape improvements for the pedestrian-only portion of Ramona Street between Hamilton and University Avenues (approximately 200 feet of the street from the intersection of Hamilton Avenue and Ramona Street). Near-term improvements will include removable bollards at the two ends of the pedestrian-only street, planters, tree grates, wayfinding signage, and edge treatments for outdoor activation areas. This project will be coordinated with the annual street resurfacing project led by Public Works.

Justification

Since June 2020, this portion of Ramona Street has been closed to vehicular traffic. In November 2023, City Council directed staff to take the necessary actions to support a permanent closure of this portion of the street to vehicular traffic. This direction was intended to create a vibrant pedestrian destination by encouraging more outdoor dining and retail shopping. Staff began the necessary environmental analysis in Summer 2024, and in December 2024, City Council approved a consultant contract to begin developing outdoor activation standards and exploring conceptual design ideas, contingent on future actions to make this a pedestrian-only street. On March 10, 2025, City Council took formal action to designate this portion of Ramona Street as a pedestrian-only street. Although the street will be closed to vehicular traffic, it will allow access to emergency, utility, and maintenance vehicles and will thus need removable bollards and other barriers such as planters to clearly limit access while maintaining flexibility when needed. Wayfinding signage and other minor streetscape improvements will be needed to support the permanent transition to a pedestrian-only street. Based on City Council direction, the project will include edge treatments to demarcate outdoor spaces that are open to the public versus those that are leased by private businesses.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	0	0	225,000	0	0	0	0	225,000	0	225,000
Total	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$225,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	225,000	0	0	0	0	225,000	0	225,000
Total	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$225,000**

Operating Impact

Enhanced landscaping and outdoor activation areas may require a higher level of cleaning and maintenance by the Public Works department. Additionally, in order to activate the space, additional events may need to be programmed by the Community Services Department.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.3

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is anticipated to require an environmental assessment in accordance with CEQA guidelines.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Streets serving students, including "Walk and Roll Routes" for PAUSD Schools

Managing Department: Office of Transportation
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-00026

Fletcher Students Using New Bike Box, April 2018

Safe Routes To School

Description

This project provides funding for the City's Safe Routes to Schools program, including school commute planning, education and encouragement activities, and capital improvements along local and collector streets that may be impacted by school commute activities. Typical capital improvements include traffic calming devices, enhanced crosswalks, and improved signage along suggested routes to school.

Justification

In collaboration with the Palo Alto Unified School District (PAUSD) and Parent Teacher Associations, the City is leading the design and construction of capital improvements for suggested routes to school, helping to reduce risks to students and encouraging more families to use alternatives to driving. This program aligns with the City's sustainability and climate action goals by reducing daily greenhouse gas emissions and supports equity via compulsory programming in the public schools.

Supplemental Information

Staff continues seeking grant sources to fund South Palo Alto bikeways construction costs.

Significant Changes

2026-2030 CIP: $0.1 million of annual Gas Tax revenue previously allocated to this project has been reallocated to the Street Maintenance project (PE-86070) in accordance with a more conservative interpretation of the use of Gas Tax.

2023-2027 CIP: The project maintains funds to design the South Palo Alto Bikeways project, conduct traffic studies, and implement traffic calming and other safety countermeasures on school routes.

2022-2026 CIP: Updated school speed limit signage, traffic calming projects from prior years, and traffic studies will be pursued in FY 2022 for locations in need of traffic calming and other safety countermeasures.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	975,747	475,746	603,000	107,800	113,000	100,000	100,000	1,023,800	0	N/A
Revenue from the Federal Government	N/A	888,000	500,000	388,000	0	0	0	0	388,000	0	N/A
Transfer from Gas Tax Fund	N/A	100,000	100,000	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,963,747**	**$1,075,746**	**$991,000**	**$107,800**	**$113,000**	**$100,000**	**$100,000**	**$1,411,800**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	970,827	970,826	77,200	80,800	85,000	100,000	100,000	443,000	0	N/A
Design	N/A	992,920	104,919	913,800	27,000	28,000	0	0	968,800	0	N/A
Total	**N/A**	**$1,963,747**	**$1,075,745**	**$991,000**	**$107,800**	**$113,000**	**$100,000**	**$100,000**	**$1,411,800**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Road Safety
Goal: T-6
Policy: T-6.4
Program: T6.4.2

Relationship to Comprehensive Plan Secondary Connection

Element: Transportation
Section: Sustainable Transportation
Goal: T-1
Policy: T-1.16

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: N/A

Initial Project Start: Summer 2024
Initial Project Completion: Summer 2025

Revised Project Start: Spring 2025
Revised Project Completion: TBD

Project Number: PL-25001

Intersection at Embarcadero and East Bayshore Road, April 2023

Traffic Intersection Accessibility Improvement Project

Description

This project will provide traffic intersection accessibility improvements at four identified locations across the City to enhance traffic congestion relief efforts. These modifications may include the addition of new cross-walks and curb ramps; accessible pedestrian system (APS) push buttons; updating existing 8" traffic signal indication heads to 12"; and video detection for improved operations; and implementation of Automated Traffic Signal Performance Measures (ATSPM) for ongoing data collection and operational/safety analysis.

Justification

Funding for this project will be provided by 2016 Measure B Local Streets and Roads (LSR) grant funds. Since the City's pavement condition index (PCI) is above 70, the City is eligible to use this funding for traffic congestion relief projects.

Supplemental Information

The identified intersections are Embarcadero Road/E. Bayshore Road, San Antonio Road/Middlefield Road, Stanford Avenue/Escondido Road, and Meadow Drive/Cowper Street.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	0	50,512	50,512	0	0	0	0	0	0	0	50,512
Revenue from Other Agencies	0	500,000	250,000	250,000	0	0	0	0	250,000	0	500,000
Total	**$0**	**$550,512**	**$300,512**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$250,000**	**$0**	**$550,512**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	550,512	300,512	250,000	0	0	0	0	250,000	0	550,512
Total	**$0**	**$550,512**	**$300,512**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$250,000**	**$0**	**$550,512**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Traffic Delay and Congestion
Goal: T-2
Policy: T-2.1
Program: T2.1.1

Environmental Impact Analysis:
Environmental Review Required

Potential Board/Commission Review:

Planning and Transportation Commission



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-05030

Installation of new traffic signal equipment at Embarcadero Road and Middlefield Road, April 2018

Traffic Signal and Intelligent Transportation Systems

Description

This project provides funding for the design, construction, and upgrades of traffic signals, traffic signal communications networks, signal performance/surveillance projects for transportation use, and upkeep of the City's traffic signal central management system. The project includes the replacement of traffic signal controllers/cabinets, video detection systems, and other field equipment.

Justification

Traffic signal upgrades are essential for maintaining traffic safety and improving roadway operations including the reduction of roadway congestion with traffic signal re-timing projects. To accomplish this, there is a need to add new traffic signal equipment at locations throughout the city. This project maintains and updates traffic signal cabinet and controller inventory in the field and expands the current central management system to allow for communications to all signalized intersections. The new controllers enable additional traffic signal timing strategies and technologies to improve the operations of the City's traffic signals.

Supplemental Information

Funding from this project contributes to implementation of detection upgrades, accessible pedestrian buttons, adaptive signal timing, flashing pedestrian beacons, electronic speed feedback signage and emerging Intelligent Transportation Systems (ITS) technologies.

Significant Changes

2025-2029 CIP: In FY 2024 the City was awarded $0.3 million in Valley Transportation Authority (VTA) Vehicle Registration Fee (VRF) Grant Funding which will be utilized in FY 2025 to fund improvements at four intersections along Quarry Rd.

2024-2028 CIP: Staff plans to initiate replacement of the centralized traffic management system which was last updated in 2014.

2023-2027 CIP: $0.5 million of the $1.0 million Measure B revenue programmed in FY 2022 for this project will be shifted to the Transportation and Parking Improvements project (PL-12000) in FY 2023. This action increases the range of projects that can be reimbursed by VTA's Measure B Local Streets and Roads grant to include traffic calming improvements, local traffic studies, and response to 311 requests.

2020-2024 CIP: Although anticipated last fiscal year, this project will not include a new signal at Hamilton and Waverly since construction of a new downtown garage at that site is not proceeding at this time. An additional $900,000 from the San Antonio/West Bayshore Transportation Impact Fund has been added in FY 2020 for traffic signal improvements at San Antonio and E. Charleston.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	273,704	273,703	(22,300)	8,700	43,200	0	0	29,600	0	N/A
Revenue from Other Agencies	N/A	2,348,721	2,348,721	300,000	300,000	300,000	300,000	100,000	1,300,000	0	N/A
Transfer from Traffic Impact Fee Fund	N/A	395,000	395,000	395,000	395,000	395,000	395,000	395,000	1,975,000	0	N/A
Total	**N/A**	**$3,017,425**	**$3,017,424**	**$672,700**	**$703,700**	**$738,200**	**$695,000**	**$495,000**	**$3,304,600**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	2,839,928	2,839,927	601,000	628,700	659,500	695,000	495,000	3,079,200	0	N/A
Design	N/A	177,497	177,497	71,700	75,000	78,700	0	0	225,400	0	N/A
Total	**N/A**	**$3,017,425**	**$3,017,424**	**$672,700**	**$703,700**	**$738,200**	**$695,000**	**$495,000**	**$3,304,600**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	Relationship to Comprehensive Plan Secondary Connection	Potential Board/Commission Review:
Element: Transportation Section: Traffic Delay and Congestion Goal: T-2 Policy: T-2.1 Program: T2.1.1	Element: Transportation Section: Streets Goal: T-3 Policy: T-3-6	Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: Various locations

Managing Department: Office of Transportation
IBRC Reference: Keep-up

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: PL-12000

New Crosswalk at Colorado Ave and Sandra Place, June 2018

Transportation and Parking Improvements

Description

This project provides funding for the implementation of traffic safety projects including miscellaneous roadway and neighborhood traffic calming improvements, local traffic studies, response to 311 requests, parking improvements, and establishment of Quiet Zones.

Justification

Traffic calming is identified as a high priority in the adopted Transportation element of the Comprehensive Plan. Traffic studies and miscellaneous traffic calming improvements help to improve the quality of life for residents and visitors. Throughout the year, staff receives ongoing improvement requests that would be funded through this project.

Supplemental Information

A few of the recent transportation and parking improvement accomplishments include:

- Evaluated pilot program using citizen surveys: 1) University Avenue and Crescent Park Rectangular Rapid Flashing Beacon (RRFB); 2) Upgrade of Newell and Hopkins RRFB

- Conducted an updated Engineering and Traffic Survey (E&TS) to establish, certify, and set speed limits throughout the City

-Implemented stop signs in the Fulton/Seale neighborhood in accordance with Manual of Uniform Traffic Control Devices and conforming to the City's Traffic Calming Program

-Continued to address Palo Alto 311 service requests submitted by constituents

Significant Changes

2026-2030 CIP: $0.2 million of funding from the Churchill Enhanced Bikeways Project (PL-14000) was reallocated to this project as a part of the FY 2025 Mid-Year Budget Review (Report #2412-3865) due to construction bids for PL-14000 coming in lower than anticipated.

2023-2027 CIP: $0.5 million of the $1.0 million Measure B revenue programmed in FY 2022 for the Traffic Signal and Intelligent Transportation Systems project (PL-05030) project will be shifted to this project in FY 2023. This action increases the range of projects that can be reimbursed by VTA's Measure B Local Streets and Roads grant to include traffic calming improvements, local traffic studies, and response to 311 requests.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	N/A	1,066,156	1,066,156	414,100	433,100	454,300	500,000	500,000	2,301,500	0	N/A
Revenue from Other Agencies	N/A	733,833	165,035	250,000	0	0	0	0	250,000	0	N/A
Revenue from the Federal Government	N/A	84,956	84,956	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,884,945**	**$1,316,147**	**$664,100**	**$433,100**	**$454,300**	**$500,000**	**$500,000**	**$2,551,500**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	975,662	406,864	277,800	29,100	30,500	500,000	0	837,400	0	N/A
Design	N/A	909,282	909,282	386,300	404,000	423,800	0	500,000	1,714,100	0	N/A
Total	**N/A**	**$1,884,944**	**$1,316,146**	**$664,100**	**$433,100**	**$454,300**	**$500,000**	**$500,000**	**$2,551,500**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Transportation
Section: Streets
Goal: T-4
Policy: T-4.2
Program: T4.2.1

Relationship to Comprehensive Plan Secondary Connection

Element: Transportation
Section: Road Safety
Goal: T-6

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Capital Improvement Fund
Category: Traffic and Transportation
Project Location: University Avenue between Alma Street and Middlefield Road

Managing Department: Public Works
IBRC Reference: New

Initial Project Start: Spring 2022
Initial Project Completion: Fall 2023

Revised Project Start: Spring 2022
Revised Project Completion: Fall 2029

Project Number: PE-21004

University Avenue

University Avenue Streetscape Update

Description

University Avenue is a regional and local public destination for shopping, dining, and entertainment. To facilitate people-centric activities, this project would assess transforming the University Avenue streetscape between Alma Street and Middlefield Road by repurposing streets, sidewalks, curbs, and parking areas. The goal of the project is to adapt the public realm to maximize pedestrian and bicycle use, reduce congestion, accentuate and enhance the retail environment/economic activity, while maintaining vital two-way vehicular access, parking opportunities, delivery and loading zones, ride share spaces, and other amenities including a performance space. The project uses a phased approach with Phase 1 consisting of public outreach, conceptual design, preliminary environmental studies, and financial assessment. A preferred plan will be developed in Phase 1 based on community and stakeholders' input. Upon completion of the Phase 1 assessment and Council review of the community preferred plan, the scope and estimates of future phases including design, environmental assessment, bidding and construction would be developed.

Justification

The project is developing a preferred concept plan to reconfigure University Avenue to create more vibrant and inclusive space to support residents and local businesses. Funding is needed to advance the project to future phases including design, environmental assessment, and bidding.

Significant Changes

2026-2030 CIP: Consistent with City Council discussion on December 9, 2024 (Report #2408-3338), funding has increased by $1.6 million in FY 2026 for future phases of the project.

2025-2029 CIP: Funding has been added in FY 2025 and FY 2026 for future phases of the project including preliminary and final design, environmental assessment, engineer's report for assessment district planning, and bidding and construction support services.

2021-2025 CIP: Project established during FY 2021.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Capital Improvement Fund	286,351	902,461	751,018	2,176,443	0	0	0	0	2,176,443	0	3,213,812
Transfer from Stanford University Medical Ctr Fund	175,000	0	0	0	0	0	0	0	0	0	175,000
Total	**$461,351**	**$902,461**	**$751,018**	**$2,176,443**	**$0**	**$0**	**$0**	**$0**	**$2,176,443**	**$0**	**$3,388,812**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	4,988	880,820	729,377	2,176,443	0	0	0	0	2,176,443	0	2,910,808
Design	456,361	21,641	21,641	0	0	0	0	0	0	0	478,002
Total	**$461,349**	**$902,461**	**$751,018**	**$2,176,443**	**$0**	**$0**	**$0**	**$0**	**$2,176,443**	**$0**	**$3,388,810**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.7

Relationship to Comprehensive Plan Secondary Connection

Element: Land Use and Community Design
Section: Commercial Centers
Goal: L-4
Policy: L-4.8

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is anticipated to require an environmental assessment in accordance with CEQA guidelines.



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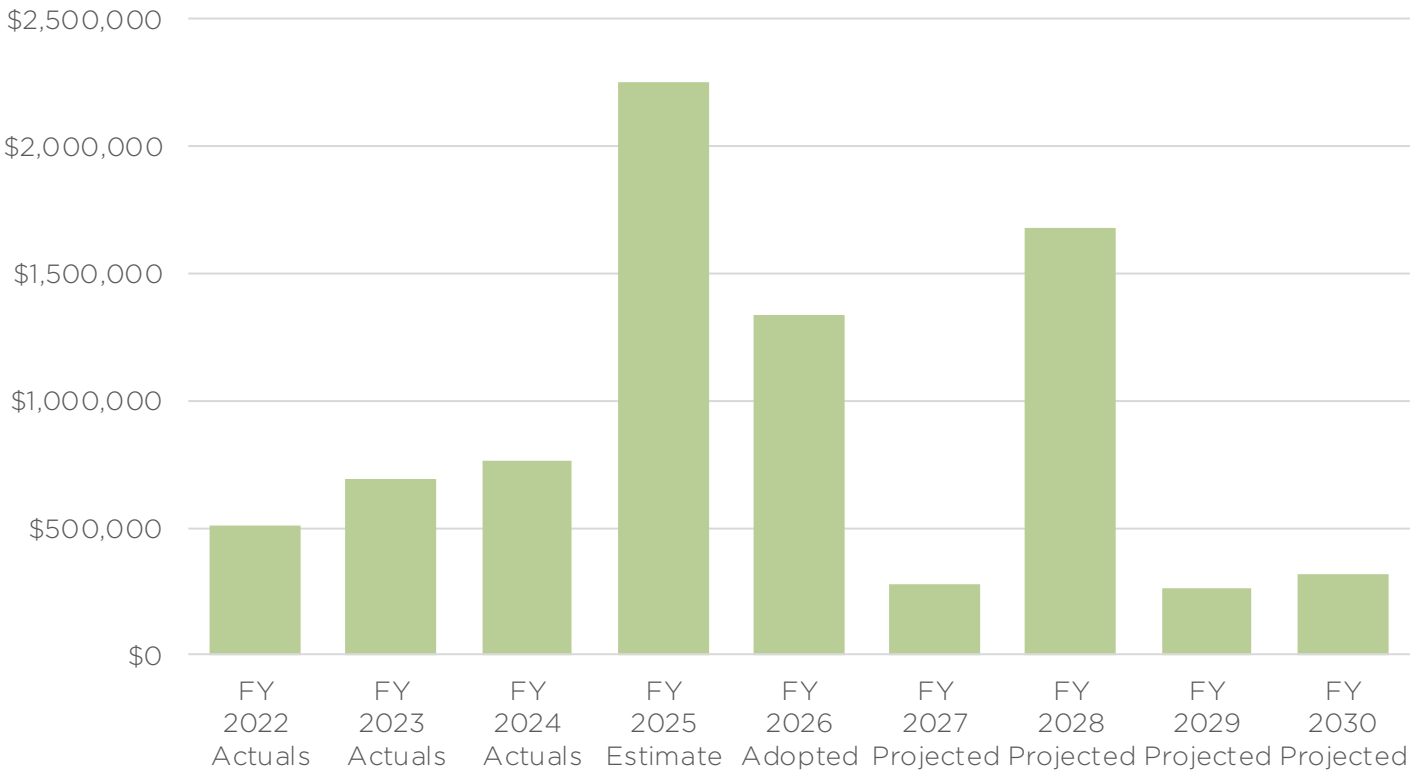
CUBBERLEY PROPERTY INFRASTRUCTURE FUND

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

Overview

The Cubberley Property Infrastructure Fund accounts for expenditures related to the maintenance and renovation of the Cubberley Community Center property, which was formerly Cubberley High School from 1955 to 1979. Due to budget constraints resulting from the passage of Proposition 13 and declining enrollment, the Palo Alto Unified School District (PAUSD) was forced to close and sell school properties, including Ellen Fletcher Middle School (formerly Terman Middle School), which the City of Palo Alto acquired, while PAUSD retained ownership of the Cubberley site. In 1989, the City and PAUSD entered into a lease agreement with the City providing annual revenue to PAUSD in exchange for 1) a lease of the 35-acre Cubberley site; 2) a Covenant Not to Develop for five other neighborhood school sites; and 3) an agreement that PAUSD provide space for extended day care at each of the eleven remaining elementary school sites.

Cubberley Property Infrastructure Fund Expenditures



In 2001, the City relinquished ownership of the Ellen Fletcher (formerly Terman) site in exchange for ownership of eight acres of the Cubberley site. After several lease extensions and amendments in the years following, a restructured 5-year lease agreement was finalized in 2014. As part of the 2014 lease agreement, the 1989 Covenant Not to Develop clause, which required the City to transfer $1.86 million to the school district, was eliminated and the funds were dedicated towards repairing, renovating and/or improving the Cubberley site, which is jointly owned by the City and PAUSD. A new lease was signed on July 1, 2020 through December 31, 2024 that reduced the amount of PAUSD building space leased by the City and included reimbursements from PAUSD for maintenance and repairs to the facility performed by the City, and on December 2, 2024, the lease was extended through December 31, 2029.

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

In October 2024, the City and PAUSD approved a Memorandum of Understanding (MOU) outlining terms and conditions for the City to purchase from PAUSD seven acres of land at the Cubberley site in addition to the eight it already owns with the intent of redeveloping the combined 15-acre site as a new community center. The purchase is contingent on voter approval of a bond measure in November 2026.

The budget for the Cubberley Property Infrastructure Fund Capital Improvement Program (CIP) is divided into three project categories: Administration, Buildings and Facilities, and Parks and Open Space. Additional categories may be established in future years once needs are identified through the master plan process.

Beginning in FY 2026, a new project named Cubberley Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Cubberley Property Infrastructure Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Buildings and Facilities

The Buildings and Facilities category accounts for the projects funded to maintain the facilities on the Cubberley Community Center campus.

Facility Inventory

CLASSIFICATION	QUANTITY
City-owned acres	8
PAUSD-owned acres	27
Total square footage of buildings	175,540 (94,402 City-owned)
Parking spaces	750 (130 City-owned)
Artist studios	22
Dance studios	3
Schools	2
Childcare facilities	2

Recent Accomplishments

- Completed Cubberley Gyms A & B flooring repair, repainting, and refinishing.

2026-2030 Capital Improvement Program

$2.1 million is budgeted in the 2026-2030 CIP for three projects in the Buildings and Facilities category, with $1.3 million allocated in FY 2026, of which $0.1 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years.

Recurring Projects

- Cubberley Repairs (FY 2026 and 5-Year CIP: $0.7 million)
- Cubberley Roof Replacements (FY 2026: $0.3 million; 5-Year CIP: $1.2 million)

Non-Recurring Projects

- Cubberley Community Center Redevelopment (FY 2026 and 5-Year CIP: $0.3 million)

Parks and Open Space

The Parks and Open Space category accounts for projects that maintain Cubberley outdoor space and facilities improvements.

Recent Accomplishments

- Cubberley tennis courts repaved and rehabilitated with new nets, posts, and windscreens.
- Installed the restroom at the Cubberley Community Center Fields in April 2025.

2026-2030 Capital Improvement Program

$1.4 million is budgeted in the 2026-2030 CIP for two projects in the Parks and Open Space category, with $28,000 allocated in FY 2026. The $28,000 has been reappropriated from FY 2025 to fund final punchlist items for the recently-completed Cubberley Field Restroom Project

Non-Recurring Projects

- Cubberley Field Restroom (FY 2026 and 5-Year CIP: $28,000)
- Cubberley Turf Replacement (5-Year CIP: $1.4 million)

Cubberley Property Infrastructure Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Revenue from Other Agencies									
CB-16002	Cubberley Roof Replacements	1,552,600	0	0	0	219,998	200,160	0	420,158
Revenue from Other Agencies Total		**1,552,600**	**0**	**0**	**0**	**219,998**	**200,160**	**0**	**420,158**
Transfer from General Fund									
CB-26000	Cubberley Community Center Redevelopment	1,000,000	1,000,000	0	0	0	0	0	0
Transfer from General Fund Total		**1,000,000**	**1,000,000**	**0**	**0**	**0**	**0**	**0**	**0**
Total Sources		**2,552,600**	**1,000,000**	**0**	**0**	**219,998**	**200,160**	**0**	**420,158**
				USE OF FUNDS					
Administration									
CB-26001	Cubberley Fund Administration	0	0	53,547	54,469	56,301	58,583	60,288	283,188
Administration Total		**0**	**0**	**53,547**	**54,469**	**56,301**	**58,583**	**60,288**	**283,188**
Buildings and Facilities									
CB-16001	Cubberley Community Center Master Plan	23,515	23,515	0	0	0	0	0	0
CB-26000	Cubberley Community Center Redevelopment	1,000,000	1,000,000	300,000	0	0	0	0	300,000
CB-24000	Cubberley Gym HVAC Replacement	816,816	16,816	0	0	0	0	0	0
CB-17001	Cubberley Repairs	1,024,157	523,399	650,000	0	0	0	0	650,000

Cubberley Property Infrastructure Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
CB-16002	Cubberley Roof Replacements	1,297,155	38,066	303,375	221,112	219,998	200,160	255,256	1,199,901
Buildings and Facilities Total		**4,161,643**	**1,601,796**	**1,253,375**	**221,112**	**219,998**	**200,160**	**255,256**	**2,149,901**
Parks and Open Space									
CB-17002	Cubberley Field Restroom	672,847	645,150	27,697	0	0	0	0	27,697
CB-28000	Cubberley Turf Replacement	0	0	0	0	1,400,000	0	0	1,400,000
Parks and Open Space Total		**672,847**	**645,150**	**27,697**	**0**	**1,400,000**	**0**	**0**	**1,427,697**
Total Uses		**4,834,490**	**2,246,946**	**1,334,619**	**275,581**	**1,676,299**	**258,743**	**315,544**	**3,860,786**



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Administration

CUBBERLEY PROPERTY INFRASTRUCTURE FUND



Fund: Cubberley Property Infrastructure Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: CB-26001

Cubberley Community Center, 4000 Middlefield Road

Cubberley Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Cubberley Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Cubberley Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	N/A	0	0	53,547	54,470	56,302	58,584	60,288	283,191	0	N/A
Total	**N/A**	**$0**	**$0**	**$53,547**	**$54,470**	**$56,302**	**$58,584**	**$60,288**	**$283,191**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	53,547	54,469	56,301	58,583	60,288	283,188	0	N/A
Total	**N/A**	**$0**	**$0**	**$53,547**	**$54,469**	**$56,301**	**$58,583**	**$60,288**	**$283,188**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Buildings and Facilities



Fund: Cubberley Property Infrastructure Fund
Category: Buildings and Facilities
Project Location: 4000 Middlefield Road

Managing Department: Public Works

Initial Project Start: Summer 2025
Initial Project Completion: Summer 2028

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: CB-26000

Cubberley Community Center, August 2019

Cubberley Community Center Redevelopment

Description

This project provides funding for design of a new community center on the Cubberley Community Center site owned by the City. The Cubberley Community Center is a valuable community resource, and the plan includes site investigative and funding feasibility studies to inform project scope and design. Construction would occur beyond the current five-year CIP and would be dependent on future funding. This project builds upon the Cubberley Concept Plan completed in 2019.

Justification

The City currently owns eight acres at the Cubberley Community Center site and the Palo Alto United School District (PAUSD) owns the adjacent 27 acres. The City leases a portion of PAUSD's spaces including the fields, gyms, Pavilion, and theatre. The buildings have not been improved for decades and require a significant amount of maintenance to keep the facility functional. This project is necessary to bring the facility up to current standards, meet the needs of the community and align with the City's sustainability goals.

Supplemental Information

A feasibility study will be conducted in FY 2026 to determine the facility needs and scope of the entire redevelopment project. This study will also inform the cost estimate for the construction updates needed at the facility, which will be included in a future five-year capital improvement plan.

In October 2024, the City and PAUSD approved a Memorandum of Understanding (MOU) outlining terms and conditions for the City to purchase from PAUSD seven additional acres for use in the redevelopment, contingent on voter approval of a bond measure in November 2026.

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

Significant Changes

2026-2030 CIP: In FY 2025, budget adjustments approved in Reports #2410-3634, #2411-3813, and #2501-4039 transferred $1.0 million from the Real Property Investment Reserve into this project in preparation for the November 2026 bond measure.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	0	0	0	300,000	0	0	0	0	300,000	0	300,000
Transfer from General Fund	0	1,000,000	1,000,000	0	0	0	0	0	0	0	1,000,000
Total	**$0**	**$1,000,000**	**$1,000,000**	**$300,000**	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$1,300,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	1,000,000	1,000,000	300,000	0	0	0	0	300,000	0	1,300,000
Total	**$0**	**$1,000,000**	**$1,000,000**	**$300,000**	**$0**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$1,300,000**

Operating Impact

This project will have ongoing operating expenses related to the new facility. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Planning for Parks and Community Facilities
Goal: C-4
Policy: C-4.5
Program: C4.5.1

Relationship to Comprehensive Plan Secondary Connection

Policy: C-4.4

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project may require an environmental impact report in accordance with CEQA guidelines.



Fund: Cubberley Property Infrastructure Fund
Category: Buildings and Facilities
Project Location: 4000 Middlefield Road

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: CB-17001

Cubberley Pavement, 2016

Cubberley Repairs

Description

This project provides funding to make repairs and minor improvements at the Cubberley Community Center. Work completed under this project may include items such as painting, sidewalk repairs, breezeway pavement resurfacing, landscaping improvements, minor equipment replacement, and improvements to interior finishes.

Justification

This project allows minor improvements to occur that will address safety concerns, functionality of building systems, and aesthetics.

Supplemental Information

Scheduled projects:

Fiscal Year 2026: Floor lighting to address safety concerns

Fiscal Year 2027: As needed maintenance and repair

Fiscal Year 2028: As needed maintenance and repair

Fiscal Year 2029: As needed maintenance and repair

Fiscal Year 2030: As needed maintenance and repair

Significant Changes

2026-2030 CIP: In FY 2026 floor lighting will be installed to address safety concerns. Additional projects are to be determined and coordinated with the City's intent to pursue a voter-approved bond measure to fund the acquisition and redevelopment of a portion of the Cubberley property. Funding has been allocated to address

immediate maintenance and repair needs on an as-needed basis. Future capital investments will be determined as policy direction for the site evolves.

2025-2029 CIP: The project budget increased by $0.1 million in FY 2025 to program the work plan outlined in Supplemental Information. Project expenses are adjusted annually to account for cost escalation.

2024-2028 CIP: Funding removed in FY 2024 for new repairs as staff is currently working on completing the FY 2023 work plan outlined in the Supplemental Information.

2023-2027 CIP: The project budget increased by $0.6 million in FY 2023 to program the work plan outlined in Supplemental Information. Project expenses are adjusted annually to account for cost escalation.

2022-2026 CIP: Pavilion ceiling tile replacement, Theater lobby carpet replacement, and Wing M hallway floor rehabilitation remain major projects.

2021-2025 CIP: All projects pushed out one year due to staffing constraints.

2020-2024 CIP: Major projects for FY 2020 will include Pavilion ceiling tile replacement, Theater lobby carpet replacement, and Wing M hallway flooring and carpet replacement.

2019-2023 CIP: This project has shifted from non-recurring to recurring to address repairs needed annually throughout the property. Funding will continue to be allocated on an annual basis until completion of the Cubberley Master Plan.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	N/A	1,024,158	523,400	650,000	0	0	0	0	650,000	0	N/A
Total	**N/A**	**$1,024,158**	**$523,400**	**$650,000**	**$0**	**$0**	**$0**	**$0**	**$650,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,024,157	523,399	650,000	0	0	0	0	650,000	0	N/A
Total	**N/A**	**$1,024,157**	**$523,399**	**$650,000**	**$0**	**$0**	**$0**	**$0**	**$650,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Cubberley Property Infrastructure Fund
Category: Buildings and Facilities
Project Location: 4000 Middlefield Road

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: CB-16002

Cubberley Wing P, January 2015

Cubberley Roof Replacements

Description

This project provides funding for the replacement or restoration of failing roofs at the Cubberley Community Center. The Palo Alto Unified School District (PAUSD) reimburses the City for work completed on PAUSD-owned buildings.

Justification

Most of the existing mineral cap roofs at Cubberley have exceeded their useful lives and are in poor condition. Rehabilitation is needed to prevent significant problems that may cause structural damage to buildings. In some cases, a more cost-effective roof restoration process is planned while in other cases a full replacement is necessary. A fluid and reinforced waterproofing system can be applied over the existing roof that also meets current cool roofing codes to optimize energy efficiency.

Supplemental Information

Five-year project plan:

Fiscal Year 2026: As needed maintenance and repair

Fiscal Year 2027: As needed maintenance and repair

Fiscal Year 2028: As needed maintenance and repair

Fiscal Year 2029: As needed maintenance and repair

Fiscal Year 2030: As needed maintenance and repair

Significant Changes

2026-2030 CIP: In alignment with the City's intent to pursue a voter-approved bond measure to fund the acquisition and redevelopment of a portion of the Cubberley property, planned roof replacement projects have been deferred. Current funding has been allocated to address immediate maintenance and repair needs on an as-needed basis. Future capital investments will be determined as policy direction for the site evolves.

2025-2029 CIP: Wings T1, T2, and U moved from FY 2024 to FY2026; Pavilion flat roof moved from FY2024 to FY 2025; Wings C and D moved from FY 2025 to FY2027; Wings E and V moved from FY 2026 to FY 2028; Wings A and B moved from FY 2027 to FY 2029; Wing I moved from FY 2028 to outside the 5-year plan.

2024-2028 CIP: Cubberley Wing I and corresponding budget moved from FY 2027 to FY 2028.

2023-2027 CIP: Changes to scheduled roof replacement work are noted above, with additional work increasing the project budget by $0.7 million over the 5-year CIP compared to the 2022-2026 CIP. Approximately $3.8 million is anticipated to be reimbursed by PAUSD.

2022-2026 CIP: Additional work resulted in an increased expense of approximately $2.7 million in this project over the 5-year CIP compared to the 2021-2025 CIP. Approximately $1.1 million anticipated to be reimbursed by PAUSD. Funding for Cubberley Wing F/FH also extended to FY 2022 due to shortage of staff; this was originally slated for FY 2020.

2021-2025 CIP: Cubberley Wings H and D were moved to FY 2021 while Wings T1 and T2 were moved to FY 2023. Wing A was added for FY 2025.

2020-2024 CIP: Cubberley Wings F and FH were postponed to FY 2020 from FY 2019 to prioritize Wings J and K from FY 2021 to FY 2019.

2016-2020 CIP: Project established in the Cubberley Property Infrastructure Fund. Funding was allocated in prior years for roofing replacements at Cubberley Community Center in the Capital Improvement Fund. Funding is now recommended in the Cubberley Property Infrastructure Fund for this purpose, consistent with the revised lease agreement with the Palo Alto Unified School District, approved by the City Council in 2014.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	N/A	(255,445)	38,066	303,375	221,112	0	0	255,256	779,743	0	N/A
Revenue from Other Agencies	N/A	1,552,600	0	0	0	219,998	200,160	0	420,158	0	N/A
Total	**N/A**	**$1,297,155**	**$38,066**	**$303,375**	**$221,112**	**$219,998**	**$200,160**	**$255,256**	**$1,199,901**	**$0**	**N/A**

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,297,155	38,066	303,375	221,112	219,998	200,160	255,256	1,199,901	0	N/A
Total	**N/A**	**$1,297,155**	**$38,066**	**$303,375**	**$221,112**	**$219,998**	**$200,160**	**$255,256**	**$1,199,901**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Historic Resources Board
Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.

Parks and Open Space



Fund: Cubberley Property Infrastructure Fund
Category: Parks and Open Space
Project Location: 4000 Middlefield Road

Managing Department: Public Works

Initial Project Start: Summer 2016
Initial Project Completion: Summer 2018

Revised Project Start: Winter 2022
Revised Project Completion: Fall 2025

Project Number: CB-17002

Cubberley Fields, February 2016

Cubberley Field Restroom

Description

This project provides the installation of a four-stall prefabricated restroom at the Cubberley Community Center Fields, including a lift station to pump sanitary sewage.

Justification

This project will provide a restroom facility for the Cubberley Community Center Fields to accommodate intensive sports league and recreational usage. The facility consists of soccer and softball fields as well as tennis courts and a running track. It is the City's largest field complex without a restroom. A four-stall restroom building is proposed due to heavy use of the play fields.

Significant Changes

2026-2030 CIP: The restroom was installed in April 2025, but funding remains for punchlist items.

2025-2029 CIP: Project completion date has been extended to Fall 2024.

2024-2028 CIP: Funding increased by $0.7 million due to additional costs associated with increasing the building from a 2-stall to a 4-stall building; design and construction of the sewage pump station and associated appurtenances and utilities; and green infrastructure and accessibility provisions.

2023-2027 CIP: This project was delayed from being completed in FY 2022 to FY 2023 due to staffing constraints. Funding has been increased by $0.2 million to a total of $0.7 million due to higher cost of materials and delivery of the prefabricated restroom and associated utilities connections.

2022-2026 CIP: This project was delayed from being completed in FY 2021 to FY 2022 due to staffing constraints.

2021-2025 CIP: This project was delayed from being completed in FY 2020 to FY 2021 due to staffing constraints.

2020-2024 CIP: This project was delayed from being completed in FY 2019 to FY 2020 due to staffing constraints and issues purchasing the prefabricated restroom.

2019-2023 CIP: Funding has been increased by $150,000 due to the placement, associated utility connections, and updated cost estimates.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	776,344	672,847	645,150	27,697	0	0	0	0	27,697	0	1,449,191
Total	**$776,344**	**$672,847**	**$645,150**	**$27,697**	**$0**	**$0**	**$0**	**$0**	**$27,697**	**$0**	**$1,449,191**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	328,201	671,317	643,620	27,697	0	0	0	0	27,697	0	999,518
Design	448,133	1,530	1,530	0	0	0	0	0	0	0	449,663
Total	**$776,334**	**$672,847**	**$645,150**	**$27,697**	**$0**	**$0**	**$0**	**$0**	**$27,697**	**$0**	**$1,449,181**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
General Fund-Operating	32,500	33,400	34,400	35,500	36,600	172,400

Operating Impact

This project is anticipated to impact operating expenses in the future. Custodial and maintenance costs are estimated to be $32,500 in FY 2026 and increase by three percent annually thereafter. These costs will be included as part of the City's custodial contract.

CUBBERLEY PROPERTY INFRASTRUCTURE FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Maintenance of Parks and Community Facilities Goal: C-3 Policy: C-3.3	Parks and Recreation Commission Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Cubberley Property Infrastructure Fund
Category: Parks and Open Space
Project Location: Cubberley Community Center

Managing Department: Public Works

Initial Project Start: Spring 2028
Initial Project Completion: Summer 2028

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: CB-28000

Cubberley Synthetic Turf Field 2023

Cubberley Turf Replacement

Description

This project provides funding for replacement of synthetic turf at the Cubberley field used by soccer and lacrosse leagues and the general public. The turf field is approximately 109,000 square feet.

Justification

The Cubberley synthetic turf field accommodates year-round play, including additional evening play with the addition of temporary seasonal lighting. The field was installed in 2020 and has been in high demand. It is used by youth and adult leagues as well as walk-on play. Synthetic turf has a typical lifespan of approximately eight to ten years with each year of use contributing to gradual wear and tear resulting in loss of pile height, turf fiber, and infill.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Cubberley Property Infrastructure Fund	0	0	0	0	0	1,400,000	0	0	1,400,000	0	1,400,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,400,000**	**$0**	**$0**	**$1,400,000**	**$0**	**$1,400,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	1,285,000	0	0	1,285,000	0	1,285,000
Design	0	0	0	0	0	115,000	0	0	115,000	0	115,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,400,000**	**$0**	**$0**	**$1,400,000**	**$0**	**$1,400,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Planning for Parks and Community Facilities
Goal: C-4
Policy: C-4.5
Program: C4.5.1

Potential Board/Commission Review:

Parks and Recreation Commission
Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301



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ENTERPRISE FUND PROJECTS



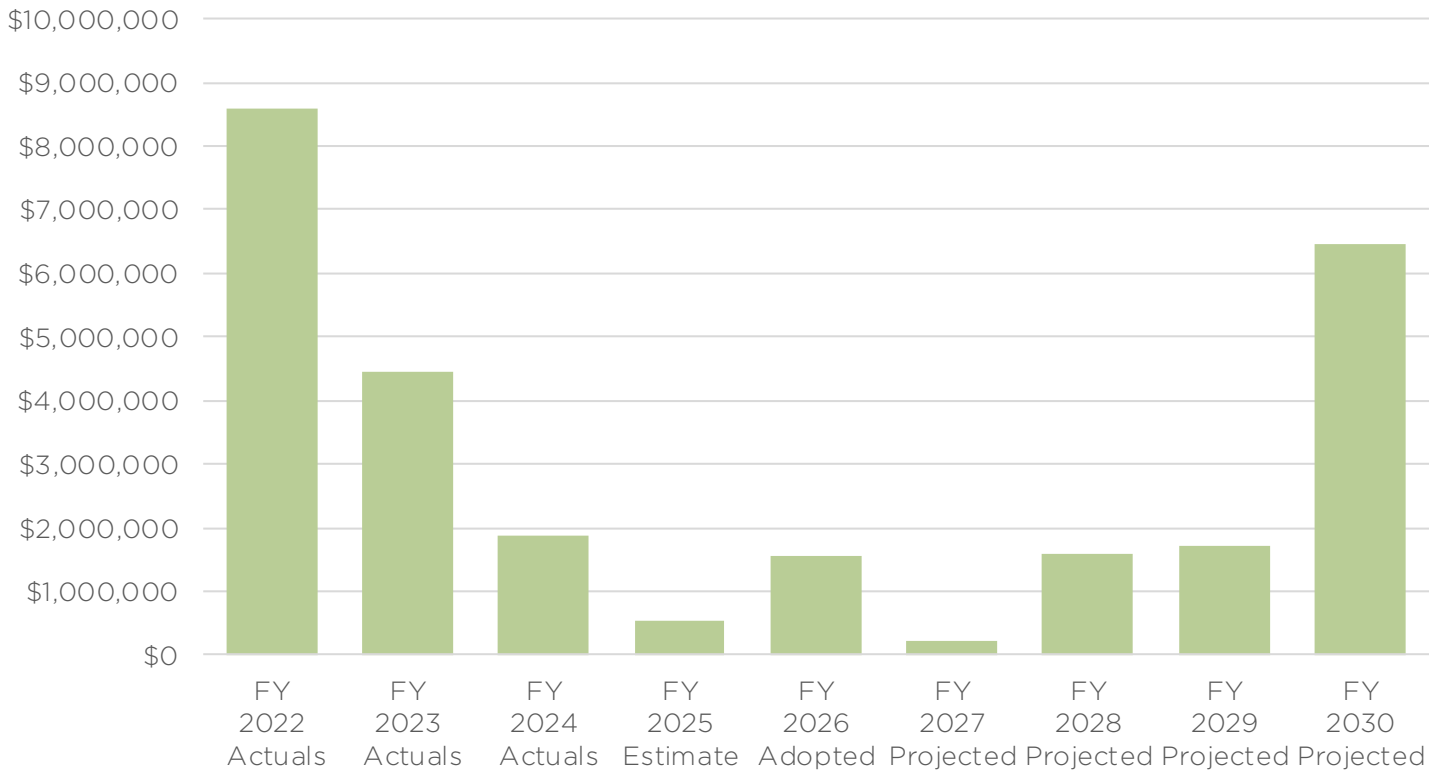
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AIRPORT FUND

Overview

The Airport Fund Capital Improvement Program (CIP) accounts for activities related to the construction and replacement of infrastructure necessary to operate and maintain the Palo Alto Airport (PAO). PAO is a federally-obligated airport which receives federal funds for airport capital improvement projects based on Federal Aviation Administration (FAA) established grant assurances to which airport operators must adhere in order to receive funds. For detailed information on the maintenance and operations of PAO, please refer to the Airport Fund section in the Operating Budget.

Airport Fund Expenditures



Expenditures programmed in the 2026-2030 Airport Fund CIP total $11.6 million across five projects, with $1.6 million appropriated in Fiscal Year 2026, of which $1.3 million has been reappropriated for the continuation of projects that were approved by the City Council in prior fiscal years. The FAA provides grants to public agencies for the planning and development of public-use airports and reimburses up to 90 percent of the non-salary costs of eligible projects. Staff intends to continue applying for FAA grants for eligible capital improvement projects to ensure a safe and well-maintained airport. Staff will also apply for state grant-matching opportunities when available. The budget for the Airport Fund CIP is divided into three categories: Administration, Airport Apron, Runways, and Taxiways, and Airport Facilities.

Beginning in FY 2026, a new project named Airport Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Airport Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Airport Apron, Runways, and Taxiways

The Airport Apron, Runways, and Taxiways category accounts for the design and construction of airport improvements and enhancements, including those for pavement, lighting, drainage, and perimeter fencing. PAO includes one runway that is approximately 2,400 feet in length, one parallel taxiway of the same length, and four connector taxiways for entering and exiting the runway.

Infrastructure Inventory - Summary of Airport Taxiways

CLASSIFICATION	QUANTITY	DESCRIPTION
Apron or Ramp	353	Tie-down spots
Runway	1	2443 x 70 feet
Taxiway	5	1 parallel taxiway 4 connector taxiways

2026-2030 Capital Improvement Program

Recurring Projects

There are no recurring projects in this category in the 2026-2030 CIP.

Non-Recurring Projects

There are two non-recurring projects in this category in the 2026-2030 CIP:

- Airfield Electrical Improvements (5-Year CIP: $0.5 million)
- Runway and Taxiway Reconstruction and Drainage Improvements (5-Year CIP: $4.3 million)

With the Airport Apron Reconstruction Project completed, the Airport is shifting focus to other CIP projects. The Airfield Electrical Improvements Project will update the runway and taxiway lighting to current FAA standards and convert existing lighting to more energy-efficient light fixtures. This project will also create a central electrical station with emergency backup power. The timeline for the Runway and Taxiway Reconstruction and Drainage Improvements Project is dependent on FAA funding, currently expected to be available in Fiscal Year 2030.

Airport Facilities

The Airport Facilities category accounts for buildings, security systems, parking lots, and all other infrastructure improvements. Prior to April 2017, Fixed Base Operators (FBO) leased spaces at the Airport and were responsible for the maintenance of their structures, with the exception of the terminal. In April 2017, the FBO leases expired and the City became responsible for the maintenance of the structures. Interim lease agreements between the City and existing businesses were executed with the understanding that agreements would be renegotiated following the completion of the Airport Layout Plan Project. This will give existing businesses and other interested parties the ability to establish long-term leases at that time. The Airport Layout Plan Project, including the Airport Long Range Facilities and Sustainability Plan, is estimated to be completed in Spring 2026.

Infrastructure Inventory - Summary of Airport Facilities

CLASSIFICATION	QUANTITY	DESCRIPTION
Buildings	2	Offices
Hangars	12	Medium Conventional Box Hangar
Hangars	2	Large Conventional Box Hangar
Hangars	45	Small Nested T-Hangar
Hangars	3	Large Conventional Multi-Aircraft Hangar
Trailers	2	Airport Terminal Building and Offices

2026-2030 Capital Improvement Program

Recurring Projects

There are no recurring projects in this category in the 2026-2030 CIP.

Non-Recurring Projects

There are two non-recurring projects in this category in the 2026-2030 CIP:

- Airport Access Road Reconstruction (5-Year CIP: $4.3 million)
- Automated Weather Observation System (AWOS) (Fiscal Year 2026 and 5-Year CIP: $1.3 million)

The Airport Access Road Reconstruction Project will reconstruct the failing pavement of Embarcadero Way on the West side of the airport.

The AWOS will provide accurate airport-specific weather advisory to pilots 24 hours a day. Currently, airport weather is only provided by the Air Traffic Control Tower during operating hours. The new weather system will also provide a benefit to the City as a whole because it will be integrated into the national weather system.

Airport Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Revenue from the Federal Government									
AP-19001	Airfield Electrical Improvements	433,350	0	0	0	0	0	450,000	450,000
AP-24000	Airport Access Road Reconstruction	1,170,000	0	0	0	1,234,893	1,350,000	1,305,000	3,889,893
AP-21000	Airport Layout Plan	87,302	87,302	0	0	0	0	0	0
AP-24001	Airport Parking Lot Electric Vehicle Charger Installation	22,500	0	0	0	0	0	0	0
AP-23000	Airport Zero Emission Vehicle Fleet Replacement Program	124,859	124,859	0	0	0	0	0	0
AP-19000	Automated Weather Observation System (AWOS)	1,291,050	0	1,291,050	0	0	0	0	1,291,050
AP-22000	Runway and Taxiway Reconstruction and Drainage Improvements	0	0	0	0	0	0	3,859,700	3,859,700
Revenue from the Federal Government Total		**3,129,061**	**212,161**	**1,291,050**	**0**	**1,234,893**	**1,350,000**	**5,614,700**	**9,490,643**

Airport Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Total Sources		**3,129,061**	**212,161**	**1,291,050**	**0**	**1,234,893**	**1,350,000**	**5,614,700**	**9,490,643**
				USE OF FUNDS					
Administration									
AP-26000	Airport Fund Administration	0	0	211,825	214,650	220,668	228,147	233,647	1,108,937
Administration Total		**0**	**0**	**211,825**	**214,650**	**220,668**	**228,147**	**233,647**	**1,108,937**
Airport Apron, Runways, and Taxiways									
AP-19001	Airfield Electrical Improvements	508,207	32,391	0	0	0	0	500,000	500,000
AP-16000	Airport Apron Reconstruction	45	45	0	0	0	0	0	0
AP-22000	Runway and Taxiway Reconstruction and Drainage Improvements	0	0	0	0	0	0	4,288,000	4,288,000
Airport Apron, Runways, and Taxiways Total		**508,252**	**32,436**	**0**	**0**	**0**	**0**	**4,788,000**	**4,788,000**
Airport Facilities									
AP-24000	Airport Access Road Reconstruction	1,372,104	72,103	0	0	1,372,104	1,500,000	1,450,000	4,322,104
AP-21000	Airport Layout Plan	125,878	125,878	0	0	0	0	0	0
AP-24001	Airport Parking Lot Electric Vehicle Charger Installation	25,000	0	0	0	0	0	0	0
AP-22001	Airport Temporary Office Buildings	19,900	19,900	0	0	0	0	0	0
AP-23000	Airport Zero Emission Vehicle Fleet Replacement Program	165,342	165,342	0	0	0	0	0	0
AP-19000	Automated Weather Observation System (AWOS)	1,475,446	135,209	1,340,237	0	0	0	0	1,340,237
Airport Facilities Total		**3,183,670**	**518,432**	**1,340,237**	**0**	**1,372,104**	**1,500,000**	**1,450,000**	**5,662,341**
Total Uses		**3,691,922**	**550,868**	**1,552,062**	**214,650**	**1,592,772**	**1,728,147**	**6,471,647**	**11,559,278**



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Administration



Fund: Airport Enterprise Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: AP-26000

Staff at the Palo Alto Airport painting parking signage

Airport Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Airport Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Airport Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Airport Fund	N/A	0	0	211,825	214,650	220,668	228,147	233,647	1,108,937	0	N/A
Total	**N/A**	**$0**	**$0**	**$211,825**	**$214,650**	**$220,668**	**$228,147**	**$233,647**	**$1,108,937**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	211,825	214,650	220,668	228,147	233,647	1,108,937	0	N/A
Total	**N/A**	**$0**	**$0**	**$211,825**	**$214,650**	**$220,668**	**$228,147**	**$233,647**	**$1,108,937**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Airport Apron, Runways, and Taxiways



Fund: Airport Enterprise Fund
Category: Airport Apron, Runways, and Taxiways
Project Location: 1925 Embarcadero Road

Managing Department: Public Works

Initial Project Start: Fall 2019
Initial Project Completion: Summer 2020

Revised Project Start: Fall 2030
Revised Project Completion: Spring 2032

Project Number: AP-19001

Airfield Electrical, July 2017

Airfield Electrical Improvements

Description

This project provides funding for electrical and lighting improvements to the airfield.

Justification

The last known airfield electrical improvements were performed in 1993. Results of the electrical assessment conducted as part of the Airport Apron Reconstruction project will inform the necessary above ground electrical infrastructure needs including lighting, signage, and possible vault modifications.

Supplemental Information

The design and construction of underground infrastructure being utilized will be completed in the Airport Apron Reconstruction project. LED lighting may be installed for greater efficiency and to comply with City sustainability goals.

Significant Changes

2026-2030 CIP: The FAA deferred initial grant funding for this project from FY 2025 to FY 2030.

2023-2027 CIP: The FAA deferred initial grant funding for this project from FY 2024 to FY 2025. The cost of the project scope increased by approximately $0.4 million due to project design, phasing cost and construction estimates.

2021-2025 CIP: The FAA deferred grant funding for this project from FY 2023 to FY 2024. Funding was increased due to project design cost estimates.

2020-2024 CIP: This project was changed from four phases to three phases and moved up from FY 2024 to FY 2023, in conjunction with the Airport Apron Reconstruction project (AP-16000). The project was increased to anticipate extra costs that are likely to result from the Airport Layout Plan in order to meet FAA design stan-

dards such as costs for the emergency generator, vault building, runway end identifier lights (REIL), precision approach path indicator (PAPI) units, and windcone installation.

2019-2023 CIP: The FAA deferred grant funding for this project from FY 2019 to FY 2024 to complete the Airport Apron Reconstruction project (AP-16000).

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Airport Fund	0	74,857	32,391	0	0	0	0	50,000	50,000	0	82,391
Revenue from the Federal Government	0	433,350	0	0	0	0	0	450,000	450,000	0	450,000
Total	**$0**	**$508,207**	**$32,391**	**$0**	**$0**	**$0**	**$0**	**$500,000**	**$500,000**	**$0**	**$532,391**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	0	508,207	32,391	0	0	0	0	500,000	500,000	0	532,391
Total	**$0**	**$508,207**	**$32,391**	**$0**	**$0**	**$0**	**$0**	**$500,000**	**$500,000**	**$0**	**$532,391**

Operating Impact

This project is anticipated to have operating expenses related to pavement maintenance. As these costs are quantified, adjustments will be brought forward in future budgets, as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Airport
Goal: L-10
Policy: L-10.1

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project may be exempt from CEQA under Section 15301.



Fund: Airport Enterprise Fund
Category: Airport Apron, Runways, and Taxiways
Project Location: 1925 Embarcadero Road

Managing Department: Public Works

Initial Project Start: Summer 2014
Initial Project Completion: Summer 2015

Revised Project Start: Summer 2030
Revised Project Completion: Summer 2031

Project Number: AP-22000

Runway and Taxiway, July 2017

Runway and Taxiway Reconstruction and Drainage Improvements

Description

This project will provide funding for the design and implementation of runway and taxiway reconstruction and drainage improvements for the Palo Alto Airport.

Justification

In 2015, the Airport Pavement Management Plan identified integrity deficiencies beyond the immediate safety concerns addressed in the Airport Apron Reconstruction project (AP-16000). This project will address the lower priority repairs and drainage improvements after the Airport Apron Reconstruction project is completed in Fall 2022.

Significant Changes

2026-2030 CIP: The FAA is deferring initial grant funding for this project from FY 2027 to FY 2030.

2023-2027 CIP: The FAA is deferring initial grant funding for this project from FY 2026 to FY 2027.

2021-2025 CIP: The FAA is deferring grant funding for this project from FY 2024 to FY 2026.

2020-2024 CIP: This CIP is pending FAA grant funding in FY 2024.

2019-2023 CIP: The FAA is deferring grant funding for this project from FY 2022 to FY 2024 to complete the Airport Apron Reconstruction project (AP-16000).

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Airport Fund	0	0	0	0	0	0	0	428,300	428,300	0	428,300
Revenue from the Federal Government	0	0	0	0	0	0	0	3,859,700	3,859,700	0	3,859,700
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,288,000**	**$4,288,000**	**$0**	**$4,288,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	0	3,606,000	3,606,000	0	3,606,000
Design	0	0	0	0	0	0	0	682,000	682,000	0	682,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,288,000**	**$4,288,000**	**$0**	**$4,288,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Airport
Goal: L-10
Policy: L-10.1

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board

Environmental Impact Analysis:
This project may be exempt from CEQA under Section 15301.



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Airport Facilities



Fund: Airport Enterprise Fund
Category: Airport Facilities
Project Location: Embarcadero Way

Managing Department: Public Works

Initial Project Start: Summer 2023
Initial Project Completion: Summer 2027

Revised Project Start: Summer 2028
Revised Project Completion: Summer 2031

Project Number: AP-24000

Deteriorating Condition of Airport Access Road

Airport Access Road Reconstruction

Description

This project is for the design & reconstruction of the pavement on Embarcadero Way, which is the main access road for airport businesses and the Air Traffic Control Tower at the Airport.

Justification

The pavement on Embarcadero Way is currently in failing condition causing the road to narrow to a one lane road in several areas. This project will also improve infrastructure for both fire service access and the potential for future solar installation at the Airport.

Significant Changes

2026-2030 CIP: The timeline for this project has been pushed out and is anticipated to start in FY 2028. The estimated project costs have been increased to account for escalation due to the new timeline.

2023-2027 CIP: Project established in FY 2023. The design work will be completed in FY 2024 with construction in three phases between FY 2025 and FY 2027. The cost of 90% of this project will be reimbursed by the FAA.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Airport Fund	0	202,104	72,104	0	0	137,210	150,000	145,000	432,210	0	504,314
Revenue from the Federal Government	0	1,170,000	0	0	0	1,234,893	1,350,000	1,305,000	3,889,893	0	3,889,893
Total	**$0**	**$1,372,104**	**$72,104**	**$0**	**$0**	**$1,372,103**	**$1,500,000**	**$1,450,000**	**$4,322,103**	**$0**	**$4,394,207**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	1,055,465	55,464	0	0	1,372,104	1,500,000	1,450,000	4,322,104	0	4,377,568
Design	0	316,639	16,639	0	0	0	0	0	0	0	16,639
Total	**$0**	**$1,372,104**	**$72,103**	**$0**	**$0**	**$1,372,104**	**$1,500,000**	**$1,450,000**	**$4,322,104**	**$0**	**$4,394,207**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Land Use and Community Design
Section: Airport
Goal: L-10
Policy: L-10.1

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project may be exempt from CEQA under Section 15301.



Fund: Airport Enterprise Fund
Category: Airport Facilities
Project Location: 1925 Embarcadero Road

Managing Department: Public Works

Initial Project Start: Fall 2019
Initial Project Completion: Summer 2020

Revised Project Start: Fall 2026
Revised Project Completion: Summer 2028

Project Number: AP-19000

Automated Weather Observation System, July 2017

Automated Weather Observation System (AWOS)

Description

This project provides funding for a new weather information system to be installed at the Palo Alto Airport.

Justification

The FAA tower is staffed from 7:00am to 9:00pm and uses ceilometers, wind indicators, altimeters, and known distances to communicate weather and visibility to users. The new Automated Weather Observation System (AWOS) will provide users more information about weather conditions, feed all weather services, and give present weather 24 hours a day, 7 days a week. Providing users with accurate and up-to-date weather information is essential to the safe and economic operation of the airport.

Supplemental Information

This project will allow a 24-hour fully configurable airport weather observation system (AWOS) that provides continuous, real time information and reports on airport weather conditions. The weather information is run through an algorithm, and the AWOS issues reports on weather conditions at the airport known as METARs. AWOS METARS are one-minute weather observations broadcast over UHF or VHF radio and by telephone and available to all members of the public. FAA-certificated AWOS systems are required by law to be operated and maintained at the same standard levels as Federally owned and operated systems. The replacement of Precision Approach Path Indicators (PAPI) and runway end identifier lights which are required FAA navigational aids, was added to the project.

This necessary information is provided to flight service stations, pilot briefings, National Weather Service forecasting and other weather services, thereby providing accurate and up to date weather information that is essential to the safe and economic operation of the Airport. This weather system has been strongly requested by the users of the Airport.

The addition of the replacement of Precision Approach Path Indicators (PAPI) and runway end identifier lights (REILs) are necessary because the present condition of the existing equipment is beyond its useable life spam and needs to be replaced immediately. The lights are extremely difficult to service and parts are not readily available.

Significant Changes

2026-2030 CIP: Project pushed out to start in FY 2026 and to be completed in FY 2028.

2025-2029 CIP: Project Funding was increased by approximately $1.0 million. Funding is needed for additional scope related to the replacement of Precision Approach Path Indicators (PAPI) and runway end identifier lights.

2021-2025 CIP: Project Funding was split between two phases. Phase I for design and Phase II for construction.

2020-2024 CIP: This project was moved from FY 2024 to FY 2022 by the FAA so that grant funding for 90 percent of the project cost will most likely be available. Design will begin in FY 2022 and construction will begin in FY 2023.

2019-2023 CIP: The FAA is deferring grant funding for this project from FY 2019 to FY 2024 to complete the Airport Apron Reconstruction project (AP-16000).

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Airport Fund	43,677	184,396	135,209	49,187	0	0	0	0	49,187	0	228,073
Revenue from the Federal Government	0	1,291,050	0	1,291,050	0	0	0	0	1,291,050	0	1,291,050
Total	**$43,677**	**$1,475,446**	**$135,209**	**$1,340,237**	**$0**	**$0**	**$0**	**$0**	**$1,340,237**	**$0**	**$1,519,123**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	1,416,264	76,027	1,340,237	0	0	0	0	1,340,237	0	1,416,264
Design	43,677	59,182	59,182	0	0	0	0	0	0	0	102,859
Total	**$43,677**	**$1,475,446**	**$135,209**	**$1,340,237**	**$0**	**$0**	**$0**	**$0**	**$1,340,237**	**$0**	**$1,519,123**

Operating Impact

This project is anticipated to have annual operating expenses related to maintenance and certification after project completion. These costs will be brought forward in future budgets, as necessary.

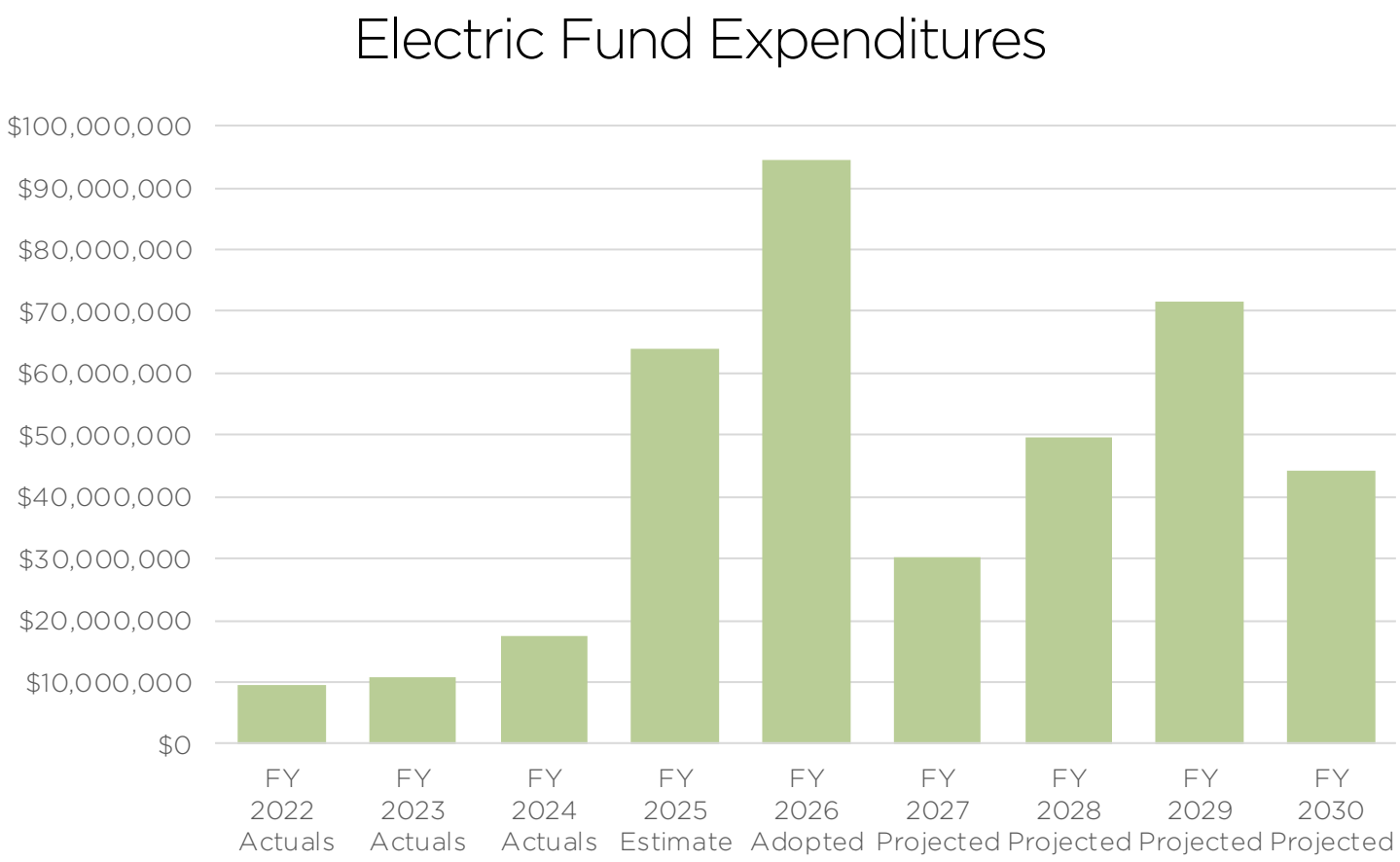
AIRPORT FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Land Use and Community Design Section: Airport Goal: L-10 Policy: L-10.1	Planning and Transportation Commission Architectural Review Board
Environmental Impact Analysis: May Require Environmental Review	

ELECTRIC FUND

Overview

The City of Palo Alto offers a full array of utility services to its citizens and businesses. The municipal electric power system began operation in 1900 and continues to provide safe, reliable, and cost-effective electric service to residents and customers of Palo Alto. For the 2026-30 Capital Improvement Program (CIP), approximately $290.0 million is projected, with $94.4 million budgeted in FY 2026. Overall, a total of 21 projects are planned over the 5-year CIP.



Major projects funded in the 2026-2030 CIP include the Grid Modernization Project ($169.8 million), Substation Improvement Projects ($28.8 million), Electric Customer Connections ($12.4 million), Electric System Improvements Projects ($23.2 million), Foothills Rebuild Fire Mitigation ($1.6 million), Underground System Rebuild Projects ($1.6 million), Wood Pole Replacement ($3.7 million), and Smart Grid Technology Installation ($0.9 million). The budget for the Electric Fund CIP is categorized into four types of projects: Administration, Customer Connections, System Improvements, and Undergrounding Projects.

Beginning in FY 2026, a new project named Electric Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Electric Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Miles of 60kV sub transmission lines	19 miles
Substations (w/300 MVA total capacity)	9
Traffic Signals (intersections) maintained	101
Streetlights maintained	6,922
Overhead Primary Distribution	116 miles
Underground Primary Distribution	199 miles
Overhead Secondary Distribution	93 miles
Underground Secondary Distribution	84 miles

Customer Connections

As customers' electric power needs continually change due to equipment additions, new construction, building expansions, building remodels, teardowns and rebuilds, and new building occupancy types, the electric system must evolve to meet these needs.

The Electric Customer Connections Project is the only project within this category (FY 2026: $2.4 million; 5-Year CIP: $12.4 million). Projects range from new buildings associated with larger commercial buildings to residential electric panel upgrades. These projects allow for the completion of work required to meet the needs of customers who have applied for new or upgraded electric service, need temporary power for construction, or require other services. The Electric Fund pays for a portion of these projects, while remaining costs are supported by reimbursements from customers for project work performed by the City.

Recent Accomplishments

- In FY 2024, the Electric Utility completed approximately 465 customer service projects with revenues of approximately $1.9 million.

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project, Electric Customer Connections, in the Customer Connections category in the 2026-2030 CIP (FY 2026: $2.4 million; 5-Year CIP: $12.4 million), which is comprised of individual customer projects and budgeted based on historical customer applications for service.

System Improvements

Key elements for ensuring reliable electric service to City of Palo Alto residents and customers include replacing electric system components before they reach their end of life, ensuring there is adequate capacity for the projected electric load, and installing protective equipment to minimize the impact of system problems. Projects in the System Improvements category allow for a variety of improvements, including the replacement/upgrade of old cables and equipment, bringing designs up to current standards, installation of protective equipment and switches, conversion of the electric system from 4,160 Volts (4kV) to 12,470 Volts (12kV), and installation of capacitors to improve efficiency.

The 2026-2030 CIP includes total funding of $229.8 million in this category, with $83.0 million allocated in FY 2026. Significant projects in FY 2026 include Grid Modernization ($46.0 million), Foothills Rebuild ($1.6 mil-

lion), Substation Physical Security ($2.6 million), Smart Grid Technology Installation ($0.9 million), Electric System Improvements ($3.6 million), Wood Pole Replacements ($1.0 million), Substation Breaker Replacements ($3.6 million), and various projects with substation components.

The 2026-2030 CIP includes the Grid Modernization Project that will perform the necessary electric system upgrades needed to support the City's transition to a citywide residential electrification scenario, which has major impacts on the City's electric transmission and distribution grid. This project will include studies to evaluate the impacts of projected electrification loads on the City's distribution and substation transformers, and on its primary/secondary distribution circuits, and will lead to proposals for upgrades necessary to mitigate overloads. The estimated cost to construct the necessary electric system upgrades for a 100% electrification scenario is between $220 million and $300 million, which the City will partially fund with debt financing.

Recent Accomplishments

- Purchased and installed 16 new distribution breakers to replace 16 end-of-life breakers at the Hansen Way and Hanover Substations.
- Purchased seven new vacuum circuit breakers for the Colorado Power Station.
- Purchased six new replacement potential transformers for Bus 1 and Bus 2 at the Colorado Power Station.
- Completed the Adobe Creek Substation Capacitor Bank Replacement Project. Installed new capacitor cans and fuses at the Adobe Creek Substation.
- Completed the Tesla Hanover Substation Upgrade Project.
- Replaced and upgraded approximately 66 deteriorated utility wood poles.
- Completed Part 3 of the Electrification Study, which evaluated the impacts of electric vehicle (EV) charging and discharging, and residential storage battery charging and discharging, on Palo Alto's electric transmission and distribution grid.
- Completed the following activities for the Foothills Underground Project: installed about 33,200 feet out of 49,200 feet of electric cable; de-energized 64 poles; and installed 28,000 feet of fiber optic cable.

2026-2030 Capital Improvement Program

Recurring Projects

A total of $26.4 million is programmed for System Improvements recurring projects in the 2026-2030 CIP, with $6.6 million allocated in FY 2026. Recurring projects in this category include the following:

- Communication System Improvements (FY 2026: $0.1 million; 5-Year CIP: $0.5 million)
- Electric System Improvements (FY 2026: $3.6 million; 5-Year CIP: $14.2 million)
- Electric Utility Geographic Information System (FY 2026 $0.2 million; 5-Year CIP: $1.1 million)
- SCADA System Upgrades (FY 2026: $0.2 million; 5-Year CIP: $1.2 million
- Substation Facility Improvements (FY 2026: $1.0 million; 5-Year CIP: $2.6 million)
- Substation Protection Improvements (FY 2026: $0.3 million; 5-Year CIP: $1.4 million)
- Underground System Rebuild (FY 2026: $0.3 million; 5-Year CIP: $1.6 million)
- Wood Pole Replacements (FY 2026: $1.0 million; 5-Year CIP: $3.7 million)

Non-Recurring Projects

A total of $203.4 million is programmed in the 2026-2030 CIP for non-recurring System Improvement projects, with $76.4 million allocated in FY 2026. Significant projects include:

- Colorado Power Station Equipment Upgrades: (FY 2026: $4.5 million; 5-year CIP: $5.4 million)

- Foothills Rebuild Fire Mitigation (FY 2026 and 5-year CIP: $1.6 million)
- Grid Modernization for Electrification: (FY 2026: $46.0 million; 5-year CIP: $169.9 million)
- Smart Grid Technology: (FY 2026 and 5-year CIP: $0.9 million)
- Substation Physical Security: (FY 2026: $2.6 million; 5-year CIP: $3.2 million)
- Substation Breaker Replacement: (FY 2026: $3.6 million; 5-year CIP: $4.5 million)

Undergrounding Projects

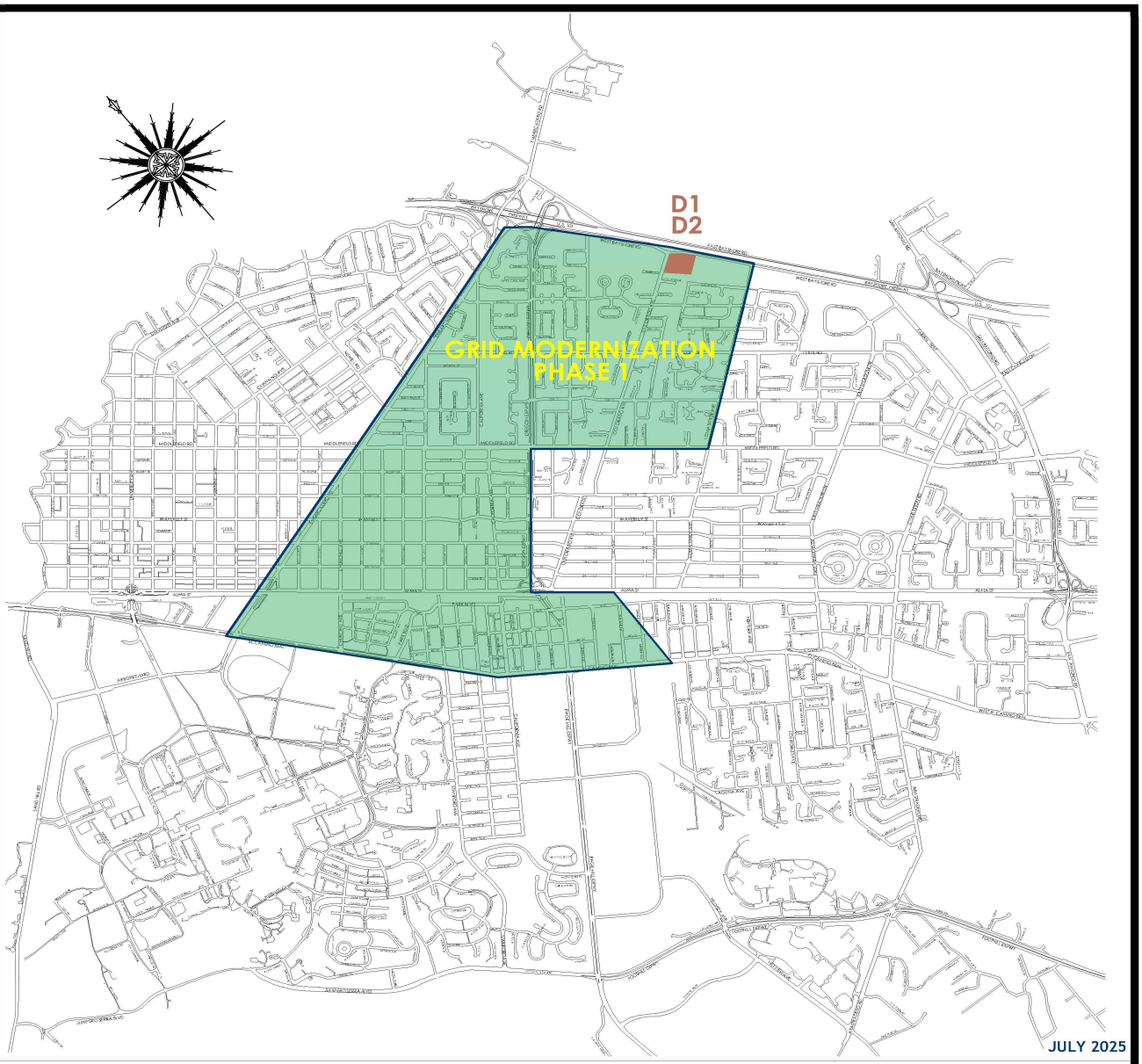
The City of Palo Alto began a program to underground overhead electric, telephone, and cable TV facilities in 1965 with a project along Oregon Expressway. Since that time, 47 underground districts have been formed. The undergrounding of electrical lines is a joint process between the City and AT&T, due to joint ownership of the poles, and Comcast, which leases pole space from AT&T. All three entities share in the cost of the installation of underground conduit and boxes necessary to enclose and protect wires and equipment. The City typically takes the lead in the design, bidding, and construction processes, with AT&T and Comcast reimbursing the City for construction and administrative costs. To align with current staffing levels and project priorities, Underground Districts 42 and 43 are incorporated into the Grid Modernization Project, with design to begin in FY 2026. The construction timeline will be updated as more information is available.

Electric Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Bond Proceeds									
EL-24000	Grid Modernization for Electrification	0	0	38,500,000	19,300,000	22,200,000	48,000,000	11,000,000	139,000,000
Bond Proceeds Total		**0**	**0**	**38,500,000**	**19,300,000**	**22,200,000**	**48,000,000**	**11,000,000**	**139,000,000**
Other									
EL-89028	Electric Customer Connections	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
EL-24000	Grid Modernization for Electrification	50,000,000	0	0	0	0	0	0	0
EL-19004	Wood Pole Replacement	150,000	150,000	150,000	150,000	150,000	150,000	150,000	750,000
Other Total		**51,850,000**	**1,850,000**	**1,850,000**	**1,850,000**	**1,850,000**	**1,850,000**	**1,850,000**	**9,250,000**
Total Sources		**51,850,000**	**1,850,000**	**40,350,000**	**21,150,000**	**24,050,000**	**49,850,000**	**12,850,000**	**148,250,000**
				USE OF FUNDS					
Administration									
EL-26000	Electric Fund Administration	0	0	9,076,487	9,250,085	9,549,842	9,914,560	10,088,713	47,879,687
Administration Total		**0**	**0**	**9,076,487**	**9,250,085**	**9,549,842**	**9,914,560**	**10,088,713**	**47,879,687**
Customer Connections									
EL-89028	Electric Customer Connections	6,363,286	6,363,286	2,350,100	2,332,120	2,301,940	2,360,830	3,059,100	12,404,090
Customer Connections Total		**6,363,286**	**6,363,286**	**2,350,100**	**2,332,120**	**2,301,940**	**2,360,830**	**3,059,100**	**12,404,090**
System Improvements									

Electric Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
EL-06001	115 kV Electric Intertie	304,187	304,187	246,590	215,940	0	0	0	462,530
EL-22002	Colorado Distribution Feeder Outlet Replacement	389,424	10,315	379,109	0	0	0	0	379,109
EL-19001	Colorado Power Station Equipment Upgrades	3,725,339	1,000,000	4,466,159	950,120	0	0	0	5,416,279
EL-19002	Colorado Substation Site Improvements	1,141,141	100,000	1,041,141	0	0	0	0	1,041,141
EL-89031	Communications System Improvements	100,000	100,000	87,040	88,970	91,220	93,560	121,231	482,021
EL-98003	Electric System Improvements	4,671,395	4,671,395	3,630,860	2,730,890	2,335,720	2,391,350	3,098,645	14,187,465
EL-02011	Electric Utility Geographic Information System	428,373	428,373	165,000	170,000	238,000	245,140	269,654	1,087,794
EL-21001	Foothills Rebuild (Fire Mitigation)	6,599,238	5,000,000	1,599,238	0	0	0	0	1,599,238
EL-24000	Grid Modernization for Electrification	49,649,844	35,000,000	46,020,410	11,544,470	32,829,020	54,445,780	25,000,000	169,839,680
EL-24001	Hanover Substation Upgrade Project	14,779,014	0	14,779,014	0	0	0	0	14,779,014
EL-17005	Inter-substation Line Protection Relay	637,505	20,860	768,965	172,750	177,330	181,870	0	1,300,915
EL-02010	SCADA System Upgrades	252,585	252,585	161,030	190,020	262,590	269,310	348,964	1,231,914
EL-11014	Smart Grid Technology Installation	6,851,742	5,975,407	876,335	0	0	0	0	876,335
EL-17002	Substation Breaker Replacement	3,748,660	1,000,179	3,618,891	863,750	0	0	0	4,482,641
EL-89044	Substation Facility Improvements	1,234,855	589,249	993,766	355,860	366,610	375,980	487,190	2,579,406
EL-16003	Substation Physical Security	3,476,726	999,998	2,620,348	259,120	161,260	144,270	0	3,184,998
EL-89038	Substation Protection Improvements	357,544	357,544	261,120	266,900	272,820	279,800	362,560	1,443,200
EL-16001	Underground System Rebuild	350,000	350,000	304,640	302,310	310,340	318,280	412,412	1,647,982
EL-19004	Wood Pole Replacement	1,739,933	1,410,983	981,760	647,810	639,430	636,690	825,000	3,730,690
System Improvements Total		**100,437,505**	**57,571,075**	**83,001,416**	**18,758,910**	**37,684,340**	**59,382,030**	**30,925,656**	**229,752,352**
Undergrounding Projects									
EL-12001	Underground District 46 - Charleston/El Camino Real	1,367	1,367	0	0	0	0	0	0
Undergrounding Projects Total		**1,367**	**1,367**	**0**	**0**	**0**	**0**	**0**	**0**
Total Uses		**106,802,158**	**63,935,728**	**94,428,003**	**30,341,115**	**49,536,122**	**71,657,420**	**44,073,469**	**290,036,129**



LEGEND

GRID MODERNIZATION FOR ELECTRIFICATION (GRID MOD)

A — GRID MODERNIZATION OVERHEAD CONSTRUCTION

1	PHASE 1	(24000)	2024-2026
2	PHASE 2	(24000)	TBD

D — PROPOSED SYSTEM IMPROVEMENT

1	COLORADO POWER STATION EQUIPMENT UPGRADE	(19001)	2019-2027
2	COLORADO SUBSTATION IMPROVEMENTS	(19002)	2019-2024

MISCELLANEOUS PROJECTS NOT LABELED

		2018-2027
		2019-2024
115 KV ELECTRIC INTERTIE	(06001)	2016-2028
SMART GRID TECHNOLOGY INSTALLATION	(11014)	2017-2027
SUBSTATION SECURITY - VARIOUS AREAS	(16003)	2017-2028
SUBSTATION 60KV BREAKER REPLACEMENT PILOT	(17002)	2021-2025
WIRE RELAY REPLACEMENT	(17005)	REOCCURRING
FOOTHILLS SYSTEM REBUILD	(21001)	REOCCURRING
SYSTEM SCADA SYSTEM UPGRADES	(02010)	REOCCURRING
ELECTRIC UTILITY GEOGRAPHIC INFORMATION UPGRADE	(02011)	REOCCURRING
ESTIMATING SOFTWARE	(13008)	REOCCURRING
UNDERGROUND SYSTEM REBUILD - VARIOUS AREAS	(16001)	REOCCURRING
WOOD POLE REPLACEMENT	(19004)	REOCCURRING
ELECTRIC CUSTOMER CONNECTIONS	(89028)	REOCCURRING
COMMUNICATIONS SYSTEM IMPROVEMENTS	(89031)	REOCCURRING
SUBSTATION PROTECTION IMPROVEMENTS SUBSTATION	(89038)	REOCCURRING
FACILITY IMPROVEMENTS	(89044)	
ELECTRIC SYSTEM IMPROVEMENTS	(98003)	

The City of Palo Alto

ELECTRIC FUND 2026-2030 CAPITAL IMPROVEMENT PROGRAM

This map is a product of the City of Palo Alto GIS

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CITY OF
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Administration



Fund: Electric Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-26000

Utilities staff at 2024 all hands meeting

Electric Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Electric Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Electric Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	0	0	9,076,487	9,250,085	9,549,842	9,914,560	10,088,713	47,879,687	0	N/A
Total	**N/A**	**$0**	**$0**	**$9,076,487**	**$9,250,085**	**$9,549,842**	**$9,914,560**	**$10,088,713**	**$47,879,687**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	9,076,487	9,250,085	9,549,842	9,914,560	10,088,713	47,879,687	0	N/A
Total	**N/A**	**$0**	**$0**	**$9,076,487**	**$9,250,085**	**$9,549,842**	**$9,914,560**	**$10,088,713**	**$47,879,687**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



CITY OF
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Customer Connections



Fund: Electric Fund
Category: Customer Connections
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-89028

Electric Troubleman installing an electric meter to provide service to a customer

Electric Customer Connections

Description

This project allows for the installation of services, transformers, meters for new customers, upgrades of existing services, temporary service connections, and overhead/underground extensions for new/existing customers.

Justification

The project provides funding for installing electric services for new customer connections and the upgrading of existing services. These are critical functions for providing electrical service to the City's customers. During a typical year, over 200 electric services are installed or upgraded in the City.

Supplemental Information

Budget amounts requested for work covered by this project are based on historical expenditures and growth projections. The Electric Fund pays for a portion of this project while remaining costs are supported by reimbursements from customers, telephone, and cable television companies for project work performed by the City.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	4,663,287	4,663,287	650,100	632,120	601,940	660,830	1,359,100	3,904,090	0	N/A
Other	N/A	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000	0	N/A
Total	**N/A**	**$6,363,287**	**$6,363,287**	**$2,350,100**	**$2,332,120**	**$2,301,940**	**$2,360,830**	**$3,059,100**	**$12,404,090**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	6,363,286	6,363,286	2,350,100	2,332,120	2,301,940	2,360,830	3,059,100	12,404,090	0	N/A
Total	**N/A**	**$6,363,286**	**$6,363,286**	**$2,350,100**	**$2,332,120**	**$2,301,940**	**$2,360,830**	**$3,059,100**	**$12,404,090**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



CITY OF
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System Improvements



Fund: Electric Fund
Category: System Improvements
Project Location: National Accelerator Laboratory Substation

Managing Department: Utilities

Initial Project Start: Spring 2013
Initial Project Completion: Fall 2015

Revised Project Start: Spring 2024
Revised Project Completion: Winter 2027

Project Number: EL-06001

Possible electric substation connection point to existing 60 kV system

115 kV Electric Intertie

Description

Funding for this project is used to perform technical feasibility studies to determine the general project requirements to establish another transmission line to the City of Palo Alto along a different transmission corridor. The City's discussions with Stanford University and Stanford Linear Accelerator Laboratory (SLAC), on sharing interest and benefits in a new 230kV intertie have come to an end with the decision by Stanford to withdraw from the project. Staff is seeking funding for an alternative solution to provide a second 115kV transmission source to Palo Alto.

Justification

This transmission line will provide the City with an alternate source of power during emergencies, such as the plane crash in 2010 that impacted electric power to the entire City.

Significant Changes

2024-2028 CIP: Project reduced by approximately $6.6 million and postponed pending re-engagement with the California Independent System Operator (CAISO) to re-do designs and address potential cost sharing.

2023-2027 CIP: Project budget increased by approximately $1.4 million and the completion date extended from Winter 2025 to Winter 2027 for updated estimated cost and time needed to install the alternate 115kV Intertie.

2022-2026 CIP: Project renamed from 230kV Electric Intertie to 115kV Electric Intertie. The engineering staff is assessing the feasibility of an alternative 115kV interconnection from the south of the City, to be followed with a request submittal to the California Independent System Operator (CAISO). The budget reflects a rough cost estimate for the new connection.

2021-2025 CIP: Stanford had decided to withdraw from the project. Staff will evaluate alternative solutions with PG&E/CAISO that will require new/updated technical feasibility studies.

2019-2023 CIP: The City presented its findings to Stanford and SLAC/DOE and is waiting for a response from SLAC to determine whether this project will move forward.

2017-2021 CIP: Project completion has been moved out as discussions with Stanford and SLAC/DOE are ongoing and no agreement has been finalized. Cooperation between these two entities is necessary for this project to move forward.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	427,146	304,187	304,187	246,590	215,940	0	0	0	462,530	0	1,193,863
Total	**$427,146**	**$304,187**	**$304,187**	**$246,590**	**$215,940**	**$0**	**$0**	**$0**	**$462,530**	**$0**	**$1,193,863**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	274,553	256,335	256,335	246,590	215,940	0	0	0	462,530	0	993,418
Design	152,584	47,852	47,852	0	0	0	0	0	0	0	200,436
Total	**$427,137**	**$304,187**	**$304,187**	**$246,590**	**$215,940**	**$0**	**$0**	**$0**	**$462,530**	**$0**	**$1,193,854**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Colorado Substation

Managing Department: Utilities

Initial Project Start: Summer 2021
Initial Project Completion: Spring 2022

Revised Project Start: Fall 2022
Revised Project Completion: Spring 2026

Project Number: EL-22002

Replacing underground feeder.

Colorado Distribution Feeder Outlet Replacement

Description

Underground primary electric cables and equipment have a limited life span and need to be replaced before they fail and cause outages. This project includes the replacement and redesign of the distribution feeder cables and conduit duct bank from Colorado substation.

Justification

The underground cables and equipment installed prior to 1990 have an expected life of 30 years and now need to be replaced. In addition, most of the equipment and cables were installed in subsurface enclosures that have standing water in them in the winter. Exposure to water reduces the life of the equipment and electrical connections and require the rebuilding of the facilities. In addition, some utility design standards have changed and improved since this original installation. New design standards will be implemented to improve the resiliency and reliability of the feeder cables.

Significant Changes

2026-2030 CIP: Due to staffing shortages and competing project priorities, this project will now be completed in Spring 2026.

2024-2028 CIP: Due to staffing shortages and competing project priorities, this project will now be completed in Spring 2024.

2023-2027 CIP: Due to staffing shortages and competing project priorities, this project will now be completed in Spring 2023.

2022-2026 CIP: Project established during FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	10,576	389,424	10,315	379,109	0	0	0	0	379,109	0	400,000
Total	**$10,576**	**$389,424**	**$10,315**	**$379,109**	**$0**	**$0**	**$0**	**$0**	**$379,109**	**$0**	**$400,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	10,574	389,424	10,315	379,109	0	0	0	0	379,109	0	399,998
Total	**$10,574**	**$389,424**	**$10,315**	**$379,109**	**$0**	**$0**	**$0**	**$0**	**$379,109**	**$0**	**$399,998**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Colorado Substation

Managing Department: Utilities

Initial Project Start: Fall 2018
Initial Project Completion: Fall 2019

Revised Project Start: N/A
Revised Project Completion: Fall 2027

Project Number: EL-19001

Colorado Power Substation

Colorado Power Station Equipment Upgrades

Description

This project will replace aging major asset equipment at the Colorado Power Station. The Colorado Power Station is on the 115kV/60kV transmission side of the Colorado Substation, which transforms the electricity to a lower sub-transmission voltage that feeds the individual distribution stations around the City.

Justification

A project was created in 2015 to replace all the original primary and secondary bushings. With these preventative maintenance and operating practices, the transformers life expectancy would be extended; however, the condition of the auxiliary equipment was poorer than anticipated. The tanks and radiators are rusty and the paint is chalky and faded, leading to the breakdown of the steel. The transformers have many minor oil leaks around the radiator flanges, inspection covers and valve packings from old and compressed cork gaskets. The leaks are a potential environmental hazard if the oil migrates to the ground and into storm water. Additionally, wherever oil leaks out, water can seep in. This will eventually increase the moisture in the oil that could result in failure of the transformer. The temperature and level gauges show signs of long term UV exposure and the plastics have become brittle and cracked.

However, in 2018 transformer bank #2 failed, and funds for refurbishment were redirected to the emergency replacement. When comparing the cost of refurbishment versus replacement, it was determined that refurbishment was much more costly than replacement for this type of large electric substation equipment.

Significant Changes

2024-2028 CIP: Project completion pushed out slightly from Spring 2027 to Fall 2027 to align with staffing resources and budget decreased by approximately $0.9 million to align with fiscal resources.

2023-2027 CIP: The project budget increased by $1.5 million for transformer #3 and 115kV breaker replacement.

2022-2026 CIP: The early replacement of transformer bank #3 has been deferred to FY 2023. Engineering staff will also study the potential retirement of transformer bank #1 as it reaches the end of its expected useful life.

2021-2025 CIP: Due to the discoveries made during replacement of transformer #2, staff is assessing the need and timing of the replacement of transformer #3 and the associated 115kV circuit breaker GCB-3. Funding requested in FY 2021 is considering the possibility of early replacement.

2020-2024 CIP: The replacement of aging peripheral equipment at the Colorado Power Station has been reassigned to replacing the failed COP-2 transformer. The unexpected cost of replacing the failed transformer increased the project from $0.9 million to $2.5 million. The aging peripheral equipment will be dealt with in a future year.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	3,618,545	3,725,339	1,000,000	4,466,159	950,120	0	0	0	5,416,279	0	10,034,824
Other	850,000	0	0	0	0	0	0	0	0	0	850,000
Total	**$4,468,545**	**$3,725,339**	**$1,000,000**	**$4,466,159**	**$950,120**	**$0**	**$0**	**$0**	**$5,416,279**	**$0**	**$10,884,824**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	4,346,817	3,725,339	1,000,000	4,466,159	950,120	0	0	0	5,416,279	0	10,763,096
Design	121,715	0	0	0	0	0	0	0	0	0	121,715
Total	**$4,468,532**	**$3,725,339**	**$1,000,000**	**$4,466,159**	**$950,120**	**$0**	**$0**	**$0**	**$5,416,279**	**$0**	**$10,884,811**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.3

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Colorado Substation

Managing Department: Utilities

Initial Project Start: Fall 2018
Initial Project Completion: Summer 2020

Revised Project Start: Fall 2021
Revised Project Completion: Winter 2026

Project Number: EL-19002

Colorado Electric Substation Driveway

Colorado Substation Site Improvements

Description

This project will make modifications to the substation driveways, fence and oil containment to provide adequate ingress and egress for utility vehicles used for maintenance and repair and potentially build concrete barriers between transformers #1 and #3.

Justification

The Colorado Power Station site contains three large utility power transformers and houses the 60kV main bus that forms the backbone of the 60kV loop throughout the City. Transformers #1 and #3 are situated near each other, and failure of one transformer can damage the other. Building a barrier between the two transformers reduces the damage risk to these assets.

Significant Changes

2023-2027 CIP: Funding of approximately $0.2 million programmed in FY 2024 for additional work identified.

2022-2026 CIP: A civil Master Plan is being developed site-wide to coordinate the many projects and upgrades at this busy site.

2021-2025 CIP: This is an ongoing project over several years to improve the accessibility in the substation for trucks and other machinery. Work will be planned in conjunction with work under EL-16003, Substation Physical Security.

2019-2023 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	275,774	1,141,141	100,000	1,041,141	0	0	0	0	1,041,141	0	1,416,915
Total	**$275,774**	**$1,141,141**	**$100,000**	**$1,041,141**	**$0**	**$0**	**$0**	**$0**	**$1,041,141**	**$0**	**$1,416,915**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	238,009	1,141,141	100,000	1,041,141	0	0	0	0	1,041,141	0	1,379,150
Design	37,759	0	0	0	0	0	0	0	0	0	37,759
Total	**$275,768**	**$1,141,141**	**$100,000**	**$1,041,141**	**$0**	**$0**	**$0**	**$0**	**$1,041,141**	**$0**	**$1,416,909**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Relationship to Comprehensive Plan Secondary Connection

Element: Land Use and Community Design
Section: Public Streets and Public Spaces
Goal: L-9
Policy: L-9.11

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-89031

Traffic/Fiber technicians repairing the city fiber optic cables

Communications System Improvements

Description

This project installs copper wire cable systems, high frequency coaxial cable, fiber optic cable, and related equipment to provide communications services for traffic signal coordination, telephone links, computer data transmission, and the Electric Supervisory Control and Data Acquisition (SCADA) system.

Justification

Installation of communication lines is essential for the provision of City services. The broadband system provides communication between the Utility Control Center to substations and field equipment and between substation protection equipment. This annual project funds, as necessary, expansion of the system and replacement of deteriorating facilities.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	100,000	100,000	87,040	88,970	91,220	93,560	121,231	482,021	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$87,040**	**$88,970**	**$91,220**	**$93,560**	**$121,231**	**$482,021**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	100,000	100,000	87,040	88,970	91,220	93,560	121,231	482,021	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$87,040**	**$88,970**	**$91,220**	**$93,560**	**$121,231**	**$482,021**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Energy Goal: N-7 Policy: N-7.1	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-98003

Electric crews working in an underground vault terminating cables

Electric System Improvements

Description

This project provides funding, as needed, to improve the Electric Distribution System. Typical activities include: increasing system capacity for load growth, replacing deteriorated capital facilities, reconfiguring/adding to the system to improve service reliability, repairing and replacing storm damaged equipment, and making general improvements to the system.

Justification

Electric system service reliability and adequate system capacity are critical to providing a high level of service to customers in Palo Alto. When service interruptions occur, customers may experience significant economic losses. The City must continuously evaluate service reliability needs and make improvements to the system to maintain top-level service to City customers.

Supplemental Information

Other funding sources include reimbursements from the telephone company for work performed on their behalf by City staff.

Significant Changes

2023-2027 CIP: Increased funding of $0.5 million in FY 2023 for electric grid assessment to study the electric distribution network to prepare the grid for electrification, two-way power flow for local generation, and improve overall system reliability.

2021-2025 CIP: Increased funding will be used to provide additional service reliability work and load break and fault interrupting switch replacements.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	4,671,397	4,671,397	3,630,860	2,730,890	2,335,720	2,391,350	3,098,645	14,187,465	0	N/A
Total	**N/A**	**$4,671,397**	**$4,671,397**	**$3,630,860**	**$2,730,890**	**$2,335,720**	**$2,391,350**	**$3,098,645**	**$14,187,465**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	4,597,462	4,597,462	3,630,860	2,730,890	2,335,720	2,391,350	3,098,645	14,187,465	0	N/A
Design	N/A	73,933	73,933	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$4,671,395**	**$4,671,395**	**$3,630,860**	**$2,730,890**	**$2,335,720**	**$2,391,350**	**$3,098,645**	**$14,187,465**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

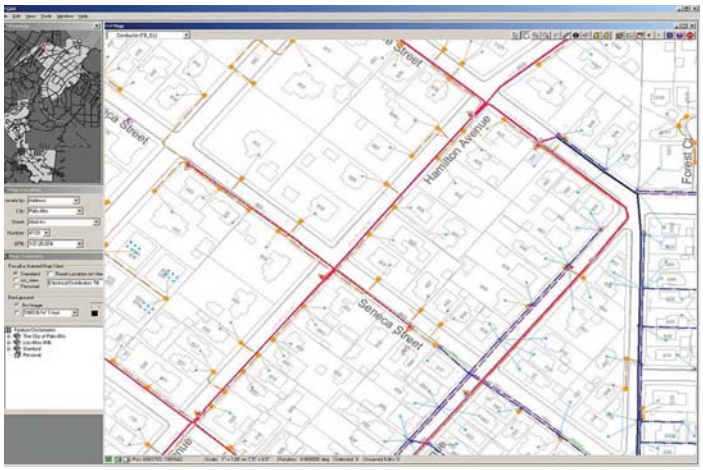
Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-02011

View of City of Palo Alto GIS System

Electric Utility Geographic Information System

Description

This project will enhance the citywide Geographical Information System (GIS). The primary emphasis will be to provide a compatible user interface and estimating software to edit and update data, which will reside in the citywide GIS. The project includes the migration of the existing electric and fiber networks to a unified mapping solution compatible with the citywide GIS.

Justification

GIS has grown from being a set of special purpose computer applications to being an information tool that serves all segments of the City. Applications have been developed that make GIS information accessible to hundreds of users, which has greatly increased the value of the system. Funding in the CIP is for ongoing mapping system modifications to facilitate technical requirements, external contractor system support, anticipated system upgrades, and to meet future needs and facilitate integration to the citywide GIS. This could include recommendations for upgrade or replacement of existing systems.

Significant Changes

2022-2026 CIP: In FY 2022, the project budget increased by $0.1 million to convert the electric information to the Esri Mapping platform.

2021-2025 CIP: In conjunction with the City effort to convert the City's GIS data from GIST (Geodesy) to an Esri Mapping platform, Electric Engineering will begin investigating the transition of the electric information to Esri. This transition will eventually support other utility applications, such as the Outage Management System, System Restoration practices, customer notifications, and system modeling and analysis.

2020-2024 CIP: The City will move to a new GIS platform, Esri, in FY 2020. Annual funding will support Electric's portion of the implementation and ongoing support of the new GIS system.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	428,373	428,373	165,000	170,000	238,000	245,140	269,654	1,087,794	269,654	N/A
Total	**N/A**	**$428,373**	**$428,373**	**$165,000**	**$170,000**	**$238,000**	**$245,140**	**$269,654**	**$1,087,794**	**$269,654**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	165,000	165,000	165,000	170,000	238,000	245,140	269,654	1,087,794	269,654	N/A
Design	N/A	263,373	263,373	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$428,373**	**$428,373**	**$165,000**	**$170,000**	**$238,000**	**$245,140**	**$269,654**	**$1,087,794**	**$269,654**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Efficient and Effective Service Delivery
Goal: C-1
Policy: C-1.3

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Foothills

Managing Department: Utilities

Initial Project Start: Summer 2020
Initial Project Completion: Fall 2022

Revised Project Start: N/A
Revised Project Completion: Spring 2026

Project Number: EL-21001

Overhead electric lines in Foothills Park

Foothills Rebuild (Fire Mitigation)

Description

Devastating wildfires throughout the State of California have prompted electric utilities throughout the state to identify areas within their jurisdiction that are susceptible to power-line ignited wildfires and to take steps to prevent their occurrence. This project rebuilds the approximately 11 miles of overhead line, as necessary to mitigate the possibility of a wildfire due to overhead electric lines. This could include the utilization of more robust equipment or construction practices; rerouting to avoid vegetation and improve access for inspection and maintenance; or converting the overhead lines to underground where feasible.

Justification

At the direction of the California Public Utilities Commission (CPUC), all electric Utilities in the state of California were required to review their service territories and determine areas that may be susceptible to wildfire that should be considered for inclusion on statewide Fire Threat Map. The City of Palo Alto Utilities (CPAU), with the assistance of a Fire Science Consultant, determined that the area within our service territory west of Interstate 280 had an "Elevated Risk" (categories: Moderate, Elevated, Extreme) of wildfire, requiring more stringent construction, inspection, and vegetation management requirements.

Subsequent state legislation required all utilities to prepare Wildfire Mitigation Plans outlining the processes and procedures CPAU will undertake to mitigate the threat of wildfires associated with overhead electric lines and equipment. In 2011, CPAU hired a consultant to perform a hazard risk assessment to assess natural and man made hazard risks associated with Utilities department assets, focusing on risk exposure and financial responsibility. Of all of the hazards evaluated, wildfire due to wind and in the foothills posed the highest financial risk.

Supplemental Information

This project proposes to solicit a design/build contractor to rebuild/relocate/replace the overhead portions of CPAU electric system serving customers in the High Fire Threat areas of Palo Alto to reduce the probability of a wildfire caused by overhead electric facilities. CPAU will solicit bids from qualified engineering/construction contractors to design, engineer, and construct a 12kV electric distribution line to replace, reinforce, reroute, and in some places expand, the existing city-owned overhead electric and fiber optic lines in the Foothills in Palo Alto.

Design and construction will be performed in several phases, starting with the upper portion of the 12kV line, including a new fiber optic cable installation between two CPAU water reservoirs and working down the hill.

The estimated cost of this project was based on replacement of the existing overhead system with overhead facilities in the same locations. However, relocation or undergrounding of the lines would increase these estimated costs.

Design/build bids from contractors came in high in 2021, so staff recommended to perform the design in-house with contract services procured as-needed for construction.

Significant Changes

2023-2027 CIP: Project budget increased by approximately $11.0 million and programmed for outer years based on current cost estimates for as-needed external contract services to underground electrical lines in the Foothills. The Fiber Fund will cover one-third of the substructure costs since it will include conduits for fiber optics, through the Fiber Optics Network project (FO-10001).

2022-2026 CIP: Project work for overhead lines will be divided into smaller sections of lines. 800 feet of overhead line has been undergrounded. Staff will continue undergrounding areas in smaller sections and focus on areas based on the fire threat assessment study. This project is anticipated to complete Summer 2025.

2021-2025 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	8,503,107	6,599,238	5,000,000	1,599,238	0	0	0	0	1,599,238	0	15,102,345
Total	**$8,503,107**	**$6,599,238**	**$5,000,000**	**$1,599,238**	**$0**	**$0**	**$0**	**$0**	**$1,599,238**	**$0**	**$15,102,345**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	8,435,539	6,599,238	5,000,000	1,599,238	0	0	0	0	1,599,238	0	15,034,777
Design	67,548	0	0	0	0	0	0	0	0	0	67,548
Total	**$8,503,087**	**$6,599,238**	**$5,000,000**	**$1,599,238**	**$0**	**$0**	**$0**	**$0**	**$1,599,238**	**$0**	**$15,102,325**

Operating Impact

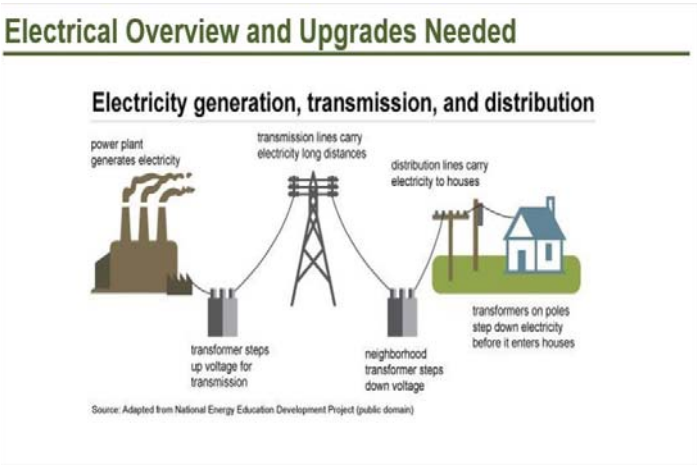
There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Relationship to Comprehensive Plan Secondary Connection**	**Potential Board/Commission Review:**
Element: Safety Section: Natural Hazards Goal: S-2 Policy: S-2.13 Program: S1.3.1	Element: Natural Environment Section: Open Space Goal: N-1 Policy: N-1.1	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Winter 2023
Initial Project Completion: Winter 2030

Revised Project Start: N/A
Revised Project Completion: Winter 2033

Project Number: EL-24000

Electric Transmission Process

Grid Modernization for Electrification

Description

This project will provide the City with an electric infrastructure adequate to support the City's goal of 100% electrification and 80% carbon emissions reduction by the year 2030. To attain the 100% electrification scenario, the City must maximize use of electric energy and phase out carbon-based end uses such as natural gas appliances and internal combustion vehicles. The electric system must be updated to meet the needs of electrification, and older components in the distribution infrastructure must be replaced to mitigate the chance of overloading the system. Examples of assets to be replaced are distribution and substation transformers and primary/secondary distribution circuits. This project will span over several years in the residential areas of the City with an estimated budget of $220 million to $300 million. To maximize economies of scale and reduce the construction occurrences within a neighborhood, the construction schedule will align with the Fiber-to-the-Premise (FTTP) Phase 1 project (FO-24000).

Below is a high-level view of the project phases; a detailed project schedule will be provided when the design is complete.

Overhead (Years 1-4): construction to upgrade all overhead areas and equipment purchases for subsequent phases

Substation (Years 5-6): construction to upgrade substation transformers (equipment purchases made in Year 3)

Underground (Years 6-7): construction to upgrade all underground areas (equipment purchases made in Year 5)

Justification

Modernizing the electric system is necessary to improve the efficiency and reliability of the energy used in Palo Alto, and to improve the resiliency of the energy system.

Supplemental Information

This project was identified in the Sustainability and Climate Action Plan (S/CAP) Goals and Key Actions approved by City Council on 10/03/22, which requires grid modernization to increase grid capacity for the expanded use of electricity. To help fund the project, debt financing will be utilized and federal grants will be explored. This project will impact various areas throughout the City and renders some established projects redundant as the scope of those projects overlap with grid modernization. Accordingly, the following projects' budgets were returned to reserves:

(1) EL-14000 Coleridge/Cowper/Tennyson

(2) EL-17001 East Meadow Circles

(3) EL-11003 Rebuild Underground District 15

(4) EL-13003 Rebuild Underground District 16

(5) EL-14002 Rebuild Underground District 20

(6) EL-17000 Rebuild Underground District 23

(7) EL-16000 Rebuild Underground District 26

(8) EL-19003 Rebuild Underground District 30

(9) EL-08001 Underground District 42

(10) EL-11009 Underground District 43

Significant Changes

2026-2030 CIP: After evaluating the first year's construction outcomes, staff has updated the overall project budget schedule to align with staffing resources. Anticipated bond proceeds of $139.0 million have been programmed in the five-year plan, and the current total project cost estimate is $228.7 million which will continue to evolve.

2025-2029 CIP: Identified redundant projects and returned budgets to reserve.

2024-2028 CIP: Project established reflecting the average estimated annual costs starting FY 2024 and potential funding through debt service, which the City is currently exploring. Amounts may be reallocated between the years based on planned work, which will be aligned at a later time when requests for proposals have been received.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Bond Proceeds	0	0	0	38,500,000	19,300,000	22,200,000	48,000,000	11,000,000	139,000,000	0	139,000,000
Electric Fund	350,156	(350,156)	35,000,000	7,520,410	(7,755,530)	10,629,020	6,445,780	14,000,000	30,839,680	23,500,000	89,689,836
Other	0	50,000,000	0	0	0	0	0	0	0	0	0
Total	**$350,156**	**$49,649,844**	**$35,000,000**	**$46,020,410**	**$11,544,470**	**$32,829,020**	**$54,445,780**	**$25,000,000**	**$169,839,680**	**$23,500,000**	**$228,689,836**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	350,152	40,780,324	26,130,480	35,020,410	11,544,470	32,829,020	54,445,780	25,000,000	158,839,680	23,500,000	208,820,312
Design	0	369,520	369,520	0	0	0	0	0	0	0	369,520
Land Acquisition	0	8,500,000	8,500,000	11,000,000	0	0	0	0	11,000,000	0	19,500,000
Total	**$350,152**	**$49,649,844**	**$35,000,000**	**$46,020,410**	**$11,544,470**	**$32,829,020**	**$54,445,780**	**$25,000,000**	**$169,839,680**	**$23,500,000**	**$228,689,832**

Operating Impact

Operating impacts are anticipated from this project. Estimates may become available after requests for proposals are issued, and as these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan
Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.3

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15301



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Fund: Electric Fund
Category: System Improvements
Project Location: 3350 Hanover Street

Managing Department: Utilities

Initial Project Start: Summer 2023
Initial Project Completion: Spring 2024

Revised Project Start: N/A
Revised Project Completion: Spring 2025

Project Number: EL-24001

Electric Transmission Process

Hanover Substation Upgrade Project

Description

This project replaces one 14,000,000-volt-ampere (14MVA) transformer and one 20MVA transformer with two new 50MVA transformers, new switchgear, and additional feeder outlets. The upgrade increases the substation capacity from 80MVA to 156MVA. The additional capacity aligns with the City's future goals of electrification and ensuring there is enough capacity for potential growth.

Justification

Hanover Substation is a 12.47kV substation with two, 28MVA transformers, one 14MVA transformer, and one 20MVA transformer. These four transformers serve ten electric distribution system feeders that provide power to commercial and residential customers in Barron Park, Green Acres, Research Park, and Palo Alto Hills. To accommodate the anticipated new load, two 50MVA transformers will be installed, and all substation improvements necessary will be made to accommodate the installations. A new switchgear with ten feeder outlets will be installed at the substation replacing one of the existing switchgears. The feeders will be used to reinforce the network of electric circuits throughout the city. All electrical connections from the old switchgear, the 20MVA and 14MVA transformers and substructure will be removed and retired.

Supplemental Information

The City's electric grid will require infrastructure upgrades to meet the growing needs of the community; however, some work may be expedited to align with emerging community needs. Tesla recently moved their engineering headquarters to Palo Alto, and they anticipate higher peak loads of 30MW. The existing transformers at Hanover Substation, closest to Tesla Inc., were installed over 50 years ago and will not be able to support the this increased demand. The additional capacity created by this project will align with the City's future goals of ensuring electric capacity for potential growth.

Significant Changes

2026-2030 CIP: Project completed in Spring 2025 and funds reappropriated from FY 2025 to FY 2026 to enable final payment.

2024-2028 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	220,986	14,779,014	0	14,779,014	0	0	0	0	14,779,014	0	15,000,000
Total	**$220,986**	**$14,779,014**	**$0**	**$14,779,014**	**$0**	**$0**	**$0**	**$0**	**$14,779,014**	**$0**	**$15,000,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	65,752	14,779,014	0	14,779,014	0	0	0	0	14,779,014	0	14,844,766
Design	155,232	0	0	0	0	0	0	0	0	0	155,232
Total	**$220,984**	**$14,779,014**	**$0**	**$14,779,014**	**$0**	**$0**	**$0**	**$0**	**$14,779,014**	**$0**	**$14,999,998**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.3

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project includes the completion of necessary environmental analysis.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2017
Initial Project Completion: Spring 2019

Revised Project Start: Winter 2019
Revised Project Completion: Fall 2029

Project Number: EL-17005

Aging electric equipment

Inter-substation Line Protection Relay

Description

This project funds the replacement of existing wire relays with new microprocessor-based line differential protective relays to protect the City's 60kV sub-transmission line sections and equipment from damage due to faults (i.e. short circuits) on the 60kV line sections.

Justification

The existing electro-mechanical wire differential relays are approaching the end of their useful life and rely on a copper pilot wire cable system running between each substation to maintain communication between the relay pairs located at the ends of each 60kV line section. These pilot wire cables have aged significantly and are the source of repeated failures due to corrosion in connections and splices, which cause open circuits, particularly during the rainy season. During these periods of interrupted pilot wire communication, the existing pilot wire relays do not provide adequate back-up protection, putting the City at risk of an outage should a fault occur on the 60kV line section.

Significant Changes

2026-2030 CIP: Due to staffing shortages and competing project priorities, this project will now be completed in Fall 2029.

2025-2029 CIP: Construction of the line sections for Maybell and Park Boulevard, Adobe Creek and Colorado, and Quarry and Park Boulevard substations are scheduled for FY 2025. The project is slightly delayed due to new staffing and other higher priority projects such as Hanover Substation Upgrade (EL-24001) and Grid Modernization (EL-24000), with cost escalations.

2023-2027 CIP: Project increased by approximately $0.8 million, and budget programmed for outer years to continue the next highest priority sections targeting approximately three line sections to be completed each year.

2022-2026 CIP: Installation for five of the 13 line sections has been completed. Work will continue on the next highest priority sections with the expectation that approximately three line sections will be completed each year. Engineering and Operations are now working on design and installation of the relays at Adobe Creek and Colorado, Maybell and Park Boulevard, and Quarry and Park Boulevard substations.

2021-2025 CIP: Installation for three of the 13 line sections has been completed. Work will continue on the next highest priority sections with the expectation that approximately three line sections will be completed each year. This work requires the availability of fiber optic cable at each substation, which will be coordinated with the work undertaken to develop the Utilities Fiber Optic network.

2020-2024 CIP: Project title change from HCB Pilot Wire Relay Replacement to Inter-substation Line Protection Relay. The scope and funding for the project have increased as staff has determined that replacing the entire 60kV protection system is the best way to ensure reliable service.

2019-2023 CIP: Staff completed the relay replacements between Quarry and Hopkins Substations, installation of fiber optic communication cables between Colorado, Maybell, East Meadow and Adobe Creek Substations, and is now working on installation of the relays at Maybell and East Meadow and placing them in service.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	371,142	637,505	20,860	768,965	172,750	177,330	181,870	0	1,300,915	0	1,692,917
Total	**$371,142**	**$637,505**	**$20,860**	**$768,965**	**$172,750**	**$177,330**	**$181,870**	**$0**	**$1,300,915**	**$0**	**$1,692,917**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	276,352	637,505	20,860	768,965	172,750	177,330	181,870	0	1,300,915	0	1,598,127
Design	94,768	0	0	0	0	0	0	0	0	0	94,768
Total	**$371,120**	**$637,505**	**$20,860**	**$768,965**	**$172,750**	**$177,330**	**$181,870**	**$0**	**$1,300,915**	**$0**	**$1,692,895**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Energy Goal: N-7 Policy: N-7.1	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Electric Fund
Category: System Improvements
Project Location: SCADA System at Utility Control Center

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-02010

SCADA Technologist configuring SCADA software

SCADA System Upgrades

Description

This project will upgrade the Supervisory Control and Data Acquisition (SCADA) system hardware. The SCADA system is used to monitor and control critical assets of the City's Electric, Gas, and Water utility systems from the Utility Control Center.

Justification

An upgrade to peripheral equipment is necessary each year to keep the hardware and software current in order to handle the ever-increasing demands on the system and maintain manufacturer/industry support.

Supplemental Information

Annual budget amounts are for minor system upgrades/replacements. Full system upgrades are on a three to four year cycle.

Significant Changes

2022-2026 CIP: The annual expense budget has been aligned to cover increased costs of equipment and account for internal labor dedicated to these projects.

2021-2025 CIP: This is an annual budget to fund various upgrades to the SCADA system and peripheral equipment. Increases reflect the increased cost of equipment and support.

2020-2024 CIP: The increase in FY 2021 budget increase is to fund the purchase and installation of a demilitarized zone (DMZ) to add an additional layer of security to the City's local area network (LAN). An external network node can access only what is exposed in the DMZ, while the rest of the organization's network is firewalled. The DMZ functions as a small, isolated network positioned between the Internet and the LAN which

will allow the City extra time to detect and address breaches before they further penetrate into the internal networks.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	252,585	252,585	161,030	190,020	262,590	269,310	348,964	1,231,914	0	N/A
Total	**N/A**	**$252,585**	**$252,585**	**$161,030**	**$190,020**	**$262,590**	**$269,310**	**$348,964**	**$1,231,914**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	252,585	252,585	161,030	190,020	262,590	269,310	348,964	1,231,914	0	N/A
Total	**N/A**	**$252,585**	**$252,585**	**$161,030**	**$190,020**	**$262,590**	**$269,310**	**$348,964**	**$1,231,914**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

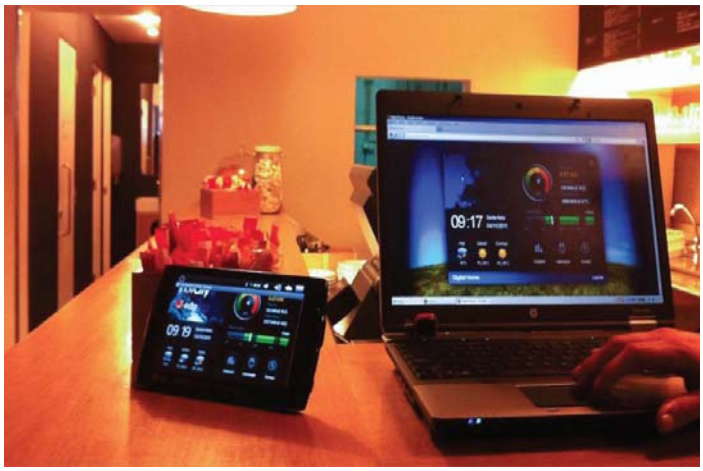
Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2
Program: C3.2.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Fall 2016
Initial Project Completion: Fall 2022

Revised Project Start: Fall 2023
Revised Project Completion: Spring 2026

Project Number: EL-11014

Sample of energy use information that could be available to customers

Smart Grid Technology Installation

Description

This project will implement portions of the Smart Grid Road Map that can be cost effectively applied to the City's Electric, Gas, and Water utility systems resulting in operating cost savings, environmental benefits, plus an increased quality of life and productivity for the residents and businesses of Palo Alto.

Justification

The Smart Grid will help the City of Palo Alto achieve the following goals: energy conservation, carbon emission reduction, efficient utilization of aging infrastructure, improved system reliability, integration of distributed energy resources, accommodation of battery charging demands, cost-effective commodity purchases, and meeting customer demands for information.

Supplemental Information

This project could include aspects of data management system, smart metering, fiber optic infrastructure improvement, distribution system automation, outage management system, load management system, demand-side management system, leak and revenue protection, customer interface to energy usage, and customer equipment control.

Significant Changes

2026-2030 CIP: Due to supply chain delays, the Automated Metering Infrastructure (AMI) project will continue through January 2026.

2024-2028 CIP: Alpha and Beta phases for meter testing and system integration have been completed. The new advanced meters and radios will be deployed in Fall 2023 and anticipated to be completed in 18 months.

2022-2026 CIP: Staff has evaluated the proposals and selected the vendors. The contracts are tentatively scheduled for City Council review and approval in October 2021. The project will be funded with the Electric Special Projects (ESP) reserves and once the project is complete, the Gas and Water Funds will reimburse the Electric Fund over a five year period at a 2.5 percent interest.

2021-2025 CIP: This project will implement portions of the Smart Grid Road Map that can be cost effectively applied to the City's electric, gas, and water utility systems, resulting in operating cost savings, environmental benefits, plus an increased quality of life and productivity for the residents and businesses of Palo Alto. Staff completed a Request for Proposal to solicit bids to evaluate the implementation of Smart Grid technologies in Palo Alto incorporating information gathered from completed pilot projects.

2020-2024 CIP: In December 2018, the City Council accepted the 'Smart Grid and Utilities Technology Implementation Plan' that recommended the implementation of an Automated Metering Infrastructure (AMI) based smart grid system at an estimated cost of $19 million.

The cost is estimated to be borne by the Electric ($10.5 million), Gas ($3.4 million) and Water ($5.1 million) Funds. The actual project implementation is not expected to begin until 2023, upon the implementation of the customer information system upgrade project. It is also anticipated the funds from the Electric Special Projects (ESP) reserves will be used to cover the initial capital costs. The Gas and Water Funds will then repay the ESP reserve loan over 10 years at 3.5 percent interest with an annualized payment of $0.4 million and $0.6 million, respectively.

2019-2023 CIP: Project activities in 2019 include consultant development of system specifications in preparation for an RFP to solicit contracts with meter data management systems and advanced metering infrastructure vendors for delivery in 2021 and 2022, respectively. Implementation will begin in 2021 once the upgrade of Utilities' Customer Information System is complete.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	10,685,526	6,851,742	5,975,407	876,335	0	0	0	0	876,335	0	17,537,268
Transfer from Gas Fund	616,334	0	0	0	0	0	0	0	0	0	616,334
Transfer from Water Fund	726,334	0	0	0	0	0	0	0	0	0	726,334
Total	**$12,028,194**	**$6,851,742**	**$5,975,407**	**$876,335**	**$0**	**$0**	**$0**	**$0**	**$876,335**	**$0**	**$18,879,936**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	11,875,860	6,851,742	5,975,407	876,335	0	0	0	0	876,335	0	18,727,602
Design	152,311	0	0	0	0	0	0	0	0	0	152,311
Total	**$12,028,171**	**$6,851,742**	**$5,975,407**	**$876,335**	**$0**	**$0**	**$0**	**$0**	**$876,335**	**$0**	**$18,879,913**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Transportation Section: Sustainable Transportation Goal: T-1 Policy: T-1.5	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2017
Initial Project Completion: Summer 2020

Revised Project Start: Summer 2020
Revised Project Completion: Summer 2028

Project Number: EL-17002

High voltage circuit breakers

Substation Breaker Replacement

Description

This project funds the purchase and replacement of high voltage circuit breakers that interconnect the nine electric substations and two power switching stations. There are 42 circuit breakers on the both the 60kV and 12kV lines reaching the end of their recommended reliable useful life expectancy and in addition may be underrated for their use.

Justification

The high voltage circuit breakers interconnect the nine electric substations and two power switching stations. These circuit breakers are integral and critical components of the electric utility transmission system. The breakers protect the feeders and the busbar configuration in a substation. These circuit breakers are reaching the end of their recommended reliable useful life expectancy and/or are now underrated for their use. Due to the current physical configuration, it is also difficult to perform maintenance work. The replacements will include reconfiguring the installation of the replacement breakers for easy operation and maintenance. These replacements ensure the electric substations have operable equipment is critical to maintaining a safe and reliable distribution system.

Significant Changes

2024-2028 CIP: The total project cost is lower than previously estimated due to savings in FY 2022 that were reallocated to the Grid Modernization for Electrification Project (EL-24000).

2023-2027 CIP: Renamed from Substation 60kV Breaker Replacement to Substation Breaker Replacement. Funding increased by approximately $1.7 million to include replacement of breakers on the 12kV system.

2022-2026 CIP: The project expense increased to account for additional breakers and an increase in material cost. Nine additional oil breakers were added to the replacement list. One of the primary reasons for an

increase in material cost is due to the industry migrating away from using greenhouse gases in breaker insulation, such as sulfur hexafluoride (SF6), to dry air technology designed breakers.

2021-2025 CIP: This is an ongoing project over several years to replace 60 kV breakers at substations. The increased cost is to cover anticipated increases in material and installation cost.

2020-2024 CIP: This project will be a 10-year program replacing five breakers per year. The annual budget of $600,000 includes engineering consulting services, material, and construction.

2017-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	1,563,364	3,748,661	1,000,180	3,618,891	863,750	0	0	0	4,482,641	0	7,046,185
Total	**$1,563,364**	**$3,748,661**	**$1,000,180**	**$3,618,891**	**$863,750**	**$0**	**$0**	**$0**	**$4,482,641**	**$0**	**$7,046,185**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	1,131,146	2,976,977	228,496	3,618,891	863,750	0	0	0	4,482,641	0	5,842,283
Design	432,201	771,683	771,683	0	0	0	0	0	0	0	1,203,884
Total	**$1,563,347**	**$3,748,660**	**$1,000,179**	**$3,618,891**	**$863,750**	**$0**	**$0**	**$0**	**$4,482,641**	**$0**	**$7,046,167**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-89044

Electric Substation transformer and bus structure

Substation Facility Improvements

Description

This project involves several improvements to each of the nine substation facilities in Palo Alto, including improvement to the safety grounding grids, upgrading gravel for electrical isolation, replacement of various substation equipment, renovation of security fences and entry gates, paving of driveways and parking areas in substations, upgrading of substation drainage systems, replacement of Remote Terminal Unit (RTU) equipment, bus voltage monitoring and local area network (LAN) connections, as well as other improvements.

Justification

The electric substations are the link between the transmission and distribution systems. At the substations, voltage levels are converted and distribution circuits branch out to provide power throughout the City. They are a key element to providing reliable electric service to residents and customers in Palo Alto. Work completed under this project helps to ensure reliable operation and electric service.

Significant Changes

2026-2030 CIP: The Quarry to Park substation segment is delayed due to resources and is expected to be completed in Fall 2025. Funding of $0.6 million was reappropriated to FY 2026 to support this portion of the project.

2022-2027 CIP: Budget increased by approximately $1.0 million over the five-year CIP compared to the prior CIP to align with the current cost of materials, and to fund the replacement of air switches and equipment oil leaks.

2021-2025 CIP: Budget increase in FY 2021 for grounding upgrades.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	1,234,855	589,249	993,766	355,860	366,610	375,980	487,190	2,579,406	0	N/A
Total	**N/A**	**$1,234,855**	**$589,249**	**$993,766**	**$355,860**	**$366,610**	**$375,980**	**$487,190**	**$2,579,406**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	934,855	582,545	993,766	355,860	366,610	375,980	487,190	2,579,406	0	N/A
Design	N/A	300,000	6,704	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,234,855**	**$589,249**	**$993,766**	**$355,860**	**$366,610**	**$375,980**	**$487,190**	**$2,579,406**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Electric Fund
Category: System Improvements
Project Location: Colorado Substation

Managing Department: Utilities

Initial Project Start: Fall 2015
Initial Project Completion: Spring 2017

Revised Project Start: Spring 2023
Revised Project Completion: Winter 2029

Project Number: EL-16003

Substation perimeter wall providing security for the enclosed equipment

Substation Physical Security

Description

The electric substations are a key element of the Electric Distribution System used to provide electricity to residents and customers of Palo Alto. This project evaluates options for protecting electric substations from outside vandalism and intrusion. Security lighting will be designed and constructed, and, if necessary, fences and other protections will be repaired.

Justification

In 2014, legislation was passed (SB-699) to address security concerns regarding utility sites and systems following a 2013 incident involving PG&E's Metcalf Substation in South San Jose. The incident prompted utility providers to consider similar disruptions and implement security measures to mitigate them. If one of Palo Alto's substations were to be similarly damaged, the impact would cause outages of an extended period. The Utility Site Security Improvements project (EL-04012) addresses aspects of visual security such as digital cameras, and was combined with this project to include the need for physical protection.

Significant Changes

2024-2028 CIP: Security lighting upgrades and fence construction at the substations began in FY 2023 with project completion estimated to be Winter 2028.

2023-2027 CIP: Project budget increased by approximately $3.6 million to align construction costs based on the latest bids received. Project completion also moved out from Winter 2025 to Winter 2027.

2022-2026 CIP: Security lighting and cameras added to the project scope, but the total project budget remained the same.

2021-2025 CIP: This is an ongoing project over several years to improve security of electric substations. Project work will be coordinated with work proposed in EL-19002, Colorado Substation Site Improvements. Delayed and reappropriated

2020-2024 CIP: Project title changed from Substation Security to Substation Physical Security. The project budget has increased by $1.0 million to account for increased project scope at Colorado and Hansen Substations and construction cost escalation.

2019-2023 CIP: Project budget increased by $0.3 million to account for construction escalation.

2017-2021 CIP: Shifting project priorities have caused the delay for the completion of this project. A consultant assessed and recommended security measures in 2017. Staff will review recommendations and issue bids for selected improvements.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	3,093,294	3,476,727	999,999	2,620,348	259,120	161,260	144,270	0	3,184,998	0	7,278,291
Total	**$3,093,294**	**$3,476,727**	**$999,999**	**$2,620,348**	**$259,120**	**$161,260**	**$144,270**	**$0**	**$3,184,998**	**$0**	**$7,278,291**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	584,113	3,395,129	918,401	2,566,878	172,350	161,260	0	0	2,900,488	0	4,403,002
Design	2,509,130	81,597	81,597	53,470	86,770	0	144,270	0	284,510	0	2,875,237
Total	**$3,093,243**	**$3,476,726**	**$999,998**	**$2,620,348**	**$259,120**	**$161,260**	**$144,270**	**$0**	**$3,184,998**	**$0**	**$7,278,239**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Electric Substations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-89038

Electric Substation used to distribute power to City of Palo Alto residents and customers

Substation Protection Improvements

Description

This project funds the purchase, engineering, and installation of protective overcurrent relays, circuit breakers, high voltage fuses, and other equipment used at electric substations to protect the equipment and circuits emanating from the substation from damage due to faults (i.e. short circuits) on the electric system.

Justification

The electric substations are the link between the transmission and distribution systems. At the substations, voltage levels are converted and distribution circuits branch out to provide power throughout the City. They are a key element to providing reliable electric service to residents and customers in Palo Alto. Protective equipment is used to stop power flow when there are problems on the electric system. As the Electric Distribution System becomes more complex and reliability more critical, maintenance of these systems is imperative.

This project includes replacement of old protective devices and controls that have misoperated or no longer provide the level of functionality now required for more sophisticated and sensitive devices. Properly designed and operating protective systems are required to ensure public safety, reduce equipment damage, and minimize the impact of faults such as reduction in outage durations.

Significant Changes

2022-2026 CIP: Staff replaced a group of current transformers, and has completed design and installation of the relays and control systems at Maybell Substation. Staff replaced the Quarry Substation and Hanover Substation feeder relays. Staff is upgrading the transformer protection relays at Colorado Power Station. Staff is also evaluating the 60kV protection system due to recent changes in EL-19001.

2020-2024 CIP: Staff completed the 60kV coordination study and is working on designs for replacement of current transformers that would be overloaded during faults. Staff is also working on the designs to replace the

relays on the Maybell Substation feeders. Due to the size and complexity of this project, staff is in the process of procuring an Engineering Consultant to do the detailed design of the equipment layout and wiring.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	357,544	357,544	261,120	266,900	272,820	279,800	362,560	1,443,200	0	N/A
Total	**N/A**	**$357,544**	**$357,544**	**$261,120**	**$266,900**	**$272,820**	**$279,800**	**$362,560**	**$1,443,200**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	357,544	357,544	261,120	266,900	272,820	279,800	362,560	1,443,200	0	N/A
Total	**N/A**	**$357,544**	**$357,544**	**$261,120**	**$266,900**	**$272,820**	**$279,800**	**$362,560**	**$1,443,200**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-16001

Electric crews preparing to enter underground vault

Underground System Rebuild

Description

Underground primary electric cables and equipment have a limited life span and need to be replaced before they fail and cause outages. This project will replace underground electric equipment in areas that were originally installed underground instead of as a part of an Underground District. Work will include the replacement of deteriorated electrical cables, transformers, switches and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification

The underground system cables and equipment installed prior to 1990 have an expected life of 30 years and now need to be replaced. In addition, most of the equipment and cables were installed in subsurface enclosures that have standing water in them in the winter. Exposure to water reduces the life of the equipment and electrical connections and require the rebuilding of the facilities. Utilities has specific projects to address rebuilding Underground Districts. This project will address replacing underground equipment that was installed originally as underground and not part of an Underground District.

Significant Changes

2021-2025 CIP: This is an annual budget to fund various projects to replace underground cable as the need is identified. Increases reflect the increased cost of materials and installation.

2020-2024 CIP: Staff is working to identify areas that are high priority for cable replacement based on the age of the existing cables. This currently includes areas in the Stanford Research Park, Arastradero Road, and along East Bayshore Road.

2019-2023 CIP: Shifting project priorities and staffing shortages have delayed identification and development of projects to replace underground facilities that fall under this project.

2016-2021 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	350,000	350,000	304,640	302,310	310,340	318,280	412,412	1,647,982	0	N/A
Total	**N/A**	**$350,000**	**$350,000**	**$304,640**	**$302,310**	**$310,340**	**$318,280**	**$412,412**	**$1,647,982**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	350,000	350,000	304,640	302,310	310,340	318,280	412,412	1,647,982	0	N/A
Total	**N/A**	**$350,000**	**$350,000**	**$304,640**	**$302,310**	**$310,340**	**$318,280**	**$412,412**	**$1,647,982**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Electric Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: EL-19004

Aging pole that needs to be replaced.

Wood Pole Replacement

Description

This project will fund the annual replacement of deteriorated wood poles.

Justification

Wood poles are used to support overhead utility lines throughout the City of Palo Alto. Though poles are inspected, tested, and treated to maintain their integrity, over time poles will deteriorate to the point that they are no longer safe for utility workers.

Significant Changes

2025-2029 CIP: Project budget reduced by $0.7 million annually as many poles in residential areas will be replaced through the Grid Modernization project (EL-24000).

2024-2028 CIP: Funding increase of $0.2 million in FY 2028 reflects estimated increased costs for future replacements.

2022-2026 CIP: Due to the timing and execution of the contract, the poles assigned in FY 2020 were completed at the start of FY 2021. The bid proposal and contract to replace the next set of poles will extend into FY 2022. The division does not have sufficient resources to manage a second wood pole project in the year. Funding from FY 2021 is being reappropriated to FY 2022 for the next set of wood pole replacements that year.

2021-2025 CIP: The increased costs are due to increases in cost of materials and construction labor. In June 2020, Council approved the contract for construction of this project, in conjunction with EL-17007 - Facility Relocation for Caltrain Modernization Project and construction is expected to start in July 2020.

2020-2024 CIP: Project revenues updated to reflect estimated shared costs from AT&T for joint pole access.

2019-2023 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Electric Fund	N/A	1,589,933	1,260,983	831,760	497,810	489,430	486,690	675,000	2,980,690	0	N/A
Other	N/A	150,000	150,000	150,000	150,000	150,000	150,000	150,000	750,000	0	N/A
Total	**N/A**	**$1,739,933**	**$1,410,983**	**$981,760**	**$647,810**	**$639,430**	**$636,690**	**$825,000**	**$3,730,690**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,739,933	1,410,983	981,760	647,810	639,430	636,690	825,000	3,730,690	0	N/A
Total	**N/A**	**$1,739,933**	**$1,410,983**	**$981,760**	**$647,810**	**$639,430**	**$636,690**	**$825,000**	**$3,730,690**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



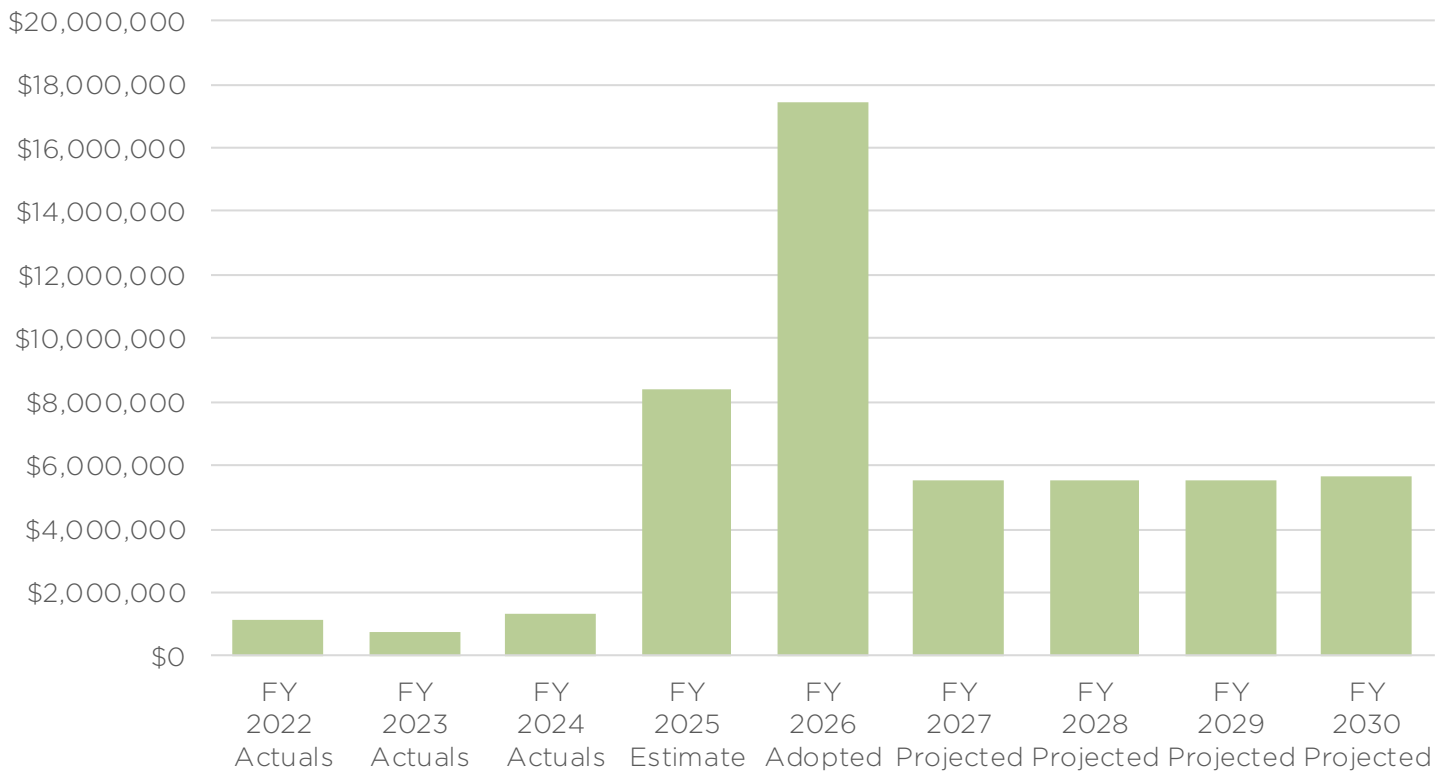
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FIBER OPTICS FUND

Overview

The City of Palo Alto offers a full array of utility services to its citizens and businesses. The most recent addition to this list of services provided to City of Palo Alto residents and commercial customers is the licensing of dark fiber service connections on a dark optical fiber backbone network (fiber network), originally designed and built by the City in the mid to late 1990s. Dark fiber provides no internet but enables users to operate their own network equipment. Major efforts to rebuild the dark fiber backbone and coordinate this work with the rollout of Fiber to the Premises (FTTP) and electric grid modernization in the Electric Fund began in FY 2024.

Fiber Optics Fund Expenditures



For the 2026-2030 Capital Improvement Program (CIP), expenditures of $39.7 million are programmed, with $17.5 million allocated in Fiscal Year 2026. Major projects funded in the 2026-2030 CIP include Fiber-to-the-Premises ($10.9 million) and Fiber Network System Rebuild ($24.7 million). The budget for the Fiber Optics CIP can be categorized into three types of projects: Administration, Capacity Improvements, and Customer Connections.

Beginning in FY 2026, a new project named Fiber Optics Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Fiber Optics Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Route Miles of Backbone Fiber Cable	66.5
Route Miles of Overhead Backbone Fiber Optic Cable	22.0
Route Miles of Underground Backbone Fiber Optic Cable	44.4

Capacity Improvements

Advances in technology have increased the need for high-bandwidth broadband connectivity, driving demand for fiber optic infrastructure. The capacity of the City's fiber optic network must be expanded to accommodate the significant growth of data transmission. To ensure secure, reliable, and resilient fiber optic service for internal City operations, Palo Alto residents, and commercial customers, network components such as fiber optic cables and splice cabinets must be upgraded, added, or rebuilt. These improvements will increase capacity, mitigate animal damage, and safeguard against hazardous conditions.

In the fourth quarter of FY 2024, a pilot was initiated to help inform the City of how closely electrification grid modernization projects may be coordinated with fiber projects. Aligning these projects may help reduce construction costs, minimize community disruption, and streamline project implementation.

Recent Accomplishments

- Developed pilot to coordinate the Grid Modernization Project and Fiber-to-the-Premises (FTTP) Project, which will upgrade the electric grid and provide homes and businesses with broadband internet in a pilot area.
- Completed 100% design of electric make-ready engineering in alignment with Fiber-to-the-Premises make-ready deployment in the pilot area.
- Undergrounded over 14,000 feet of fiber backbone as part of the Foothills Wildfire Mitigation Project.

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project in the Capacity Improvements category in the 2026-2030 CIP:

- Fiber Optics Network System Improvements (Fiscal Year 2026: $0.7 million; 5-Year CIP: $1.2 million)

Non-Recurring Projects

There are two non-recurring projects in the Capacity Improvements category in the 2026-2030 CIP:

- Fiber Optics Network System Rebuild (Fiscal Year 2026: $5.0 million; 5-Year CIP: $24.7 million)
- Fiber-to-the-Premises (Fiscal Year 2026 and 5-Year CIP: $10.9 million)

Customer Connections

The fiber network is dynamic, reflecting changes in customer fiber optic needs from equipment additions, new construction, building expansions, building remodels, teardowns, rebuilds, and new building occupancy types. Projects in this category include work required to meet the needs of customers who have applied for new, replaced, or upgraded dark fiber optic service connections. Labor and material costs incurred are offset by non-recurring charges (NRC) collected from customers to establish the connection, and ongoing dark fiber license fees or monthly recurring charges (MRC).

2026-2030 Capital Improvement Program

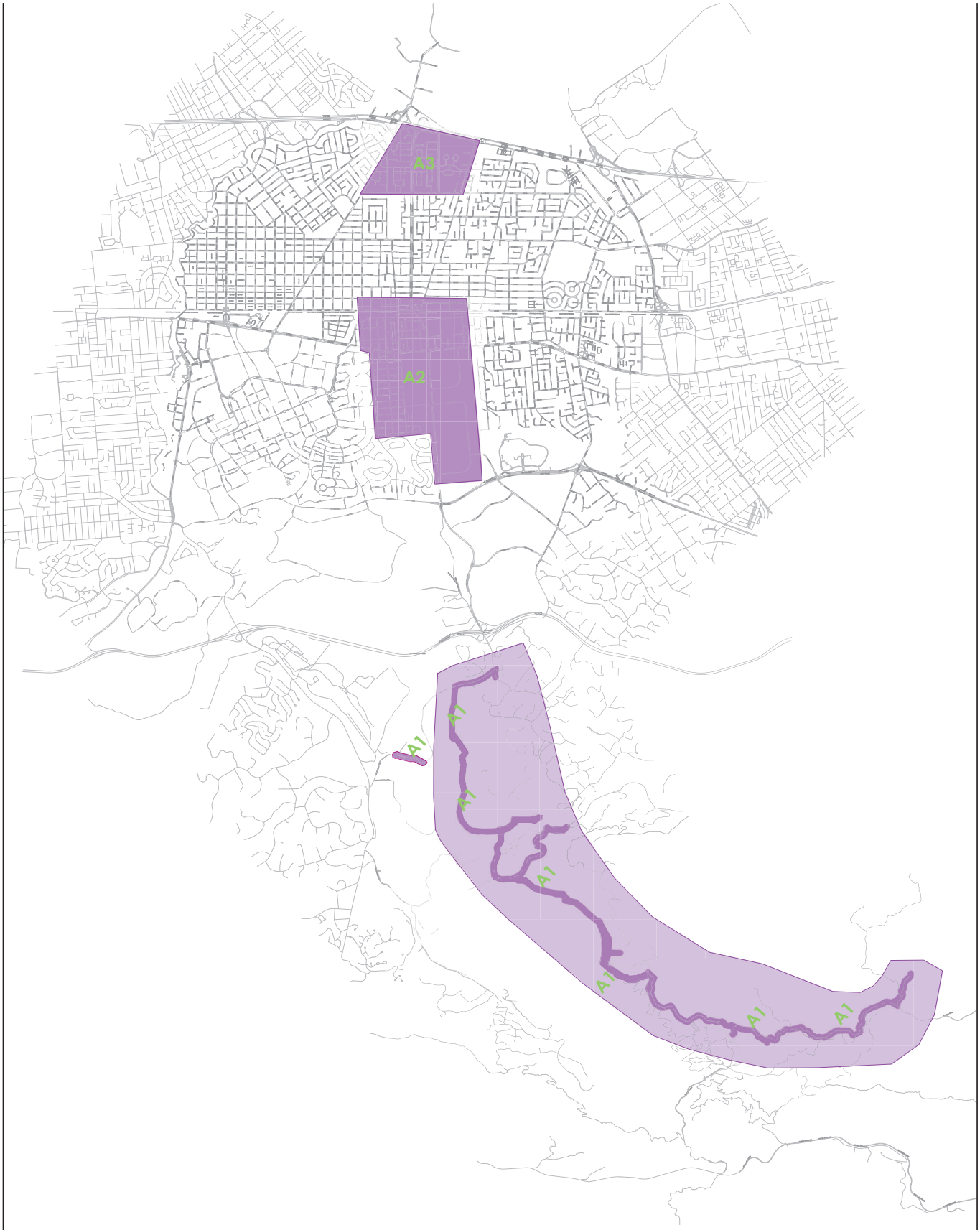
Recurring Projects

There is one recurring project in the Fiber Optics Customer Connections category with amounts in the 2026 - 2030 CIP:

- Customer Connections (Fiscal Year 2026: $0.4 million; 5-Year CIP: $0.9 million)

Fiber Optics Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Other									
FO-10000	Fiber Optics Customer Connections	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
FO-16000	Fiber Optics Network - System Rebuild	184,898	184,898	0	0	0	0	0	0
Other Total		**384,898**	**384,898**	**200,000**	**200,000**	**200,000**	**200,000**	**200,000**	**1,000,000**
Transfer from Electric Fund									
FO-16000	Fiber Optics Network - System Rebuild	0	0	0	0	6,500,000	6,500,000	0	13,000,000
Transfer from Electric Fund Total		**0**	**0**	**0**	**0**	**6,500,000**	**6,500,000**	**0**	**13,000,000**
Total Sources		**384,898**	**384,898**	**200,000**	**200,000**	**6,700,000**	**6,700,000**	**200,000**	**14,000,000**
				USE OF FUNDS					
Administration									
FO-26000	Fiber Optics Fund Administration	0	0	376,470	388,338	395,027	404,232	410,154	1,974,221
Administration Total		**0**	**0**	**376,470**	**388,338**	**395,027**	**404,232**	**410,154**	**1,974,221**
Capacity Improvements									
FO-10001	Fiber Optics Network - System Improvements	660,324	119,999	738,705	56,690	60,500	55,570	254,100	1,165,565
FO-16000	Fiber Optics Network - System Rebuild	13,741,282	2,184,896	5,000,000	5,000,000	5,000,000	5,000,000	4,741,284	24,741,284
FO-24000	Fiber-to-the-Premises (FTTP)	19,946,449	5,999,999	10,946,450	0	0	0	0	10,946,450
Capacity Improvements Total		**34,348,055**	**8,304,894**	**16,685,155**	**5,056,690**	**5,060,500**	**5,055,570**	**4,995,384**	**36,853,299**
Customer Connections									
FO-10000	Fiber Optics Customer Connections	253,100	100,000	401,050	70,870	75,770	59,220	248,930	855,840
Customer Connections Total		**253,100**	**100,000**	**401,050**	**70,870**	**75,770**	**59,220**	**248,930**	**855,840**
Total Uses		**34,601,155**	**8,404,894**	**17,462,675**	**5,515,898**	**5,531,297**	**5,519,022**	**5,654,468**	**39,683,360**



LEGEND

PROPOSED REBUILD PROJECTS

A1	FO NETWORK - SYSTEM REBUILD (FOOTHILL AREA)		2024 - 2026
A2	FO NETWORK - SYSTEM REBUILD	(24000)	2026 - 2030
A3	FIBER TO THE PREMISE (FTTP)	(24000)	2026 - 2030

MISCELLANEOUS PROJECTS NOT LABELED

VARIOUS	FIBER OPTICS CUSTOMER CONNECTIONS	(10000)	2026 - 2030
VARIOUS	FIBER OPTICS NETWORK - SYSTEM IMPROVEMENTS	(10001)	2026 - 2030

CITY OF PALO ALTO UTILITIES

FIBER OPTIC FUND 2026-2030 CAPITAL IMPROVEMENT PROGRAM

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Administration



Fund: Fiber Optics Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FO-26000

Utilities staff at 2024 all hands meeting

Fiber Optics Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Fiber Optics Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Fiber Optics Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Fiber Optics Fund	N/A	0	0	376,470	388,338	395,027	404,232	410,154	1,974,221	0	N/A
Total	**N/A**	**$0**	**$0**	**$376,470**	**$388,338**	**$395,027**	**$404,232**	**$410,154**	**$1,974,221**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	376,470	388,338	395,027	404,232	410,154	1,974,221	0	N/A
Total	**N/A**	**$0**	**$0**	**$376,470**	**$388,338**	**$395,027**	**$404,232**	**$410,154**	**$1,974,221**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Capacity Improvements



Fund: Fiber Optics Fund
Category: Capacity Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FO-10001

Fiber optic crew installing new fiber optic cables

Fiber Optics Network - System Improvements

Description

This project provides funding to improve reliability within the existing fiber network. Typical activities in this project include purchasing, upgrading, and installing fiber optic cables, conduits, and splice enclosures.

Justification

This project promotes the formation of a competitive market for telecommunications in Palo Alto by accelerating the pace at which high-quality, low-cost, advanced telecommunications services are delivered to the residents and businesses in Palo Alto. This occurs while limiting the negative impacts on Palo Alto's environment by using existing conduit and wood utility poles in the public rights-of-way. This also enables the Fiber Optics Fund to generate additional revenues through the enhanced use of its existing conduit and wood utility poles.

Supplemental Information

The Fiber Optics Utility continues to add capacity improvements in the form of additional fiber in congested areas as well as areas of predicted growth.

Significant Changes

2023-2027 CIP: As part of Electric Fund's Foothills Rebuild (Fire Mitigation) project (EL-21001), the Electric Fund will underground the overhead lines in the Foothills. Since the substructure will include conduits for fiber optics, the Fiber Fund will cover one-third of substructure costs. The project's expense in FY 2024 and FY 2025 will be updated in the next budget cycle to reflect this funding.

2022-2026 CIP: Staff will postpone and combine the Montebello project with the Wildfire Mitigation Project to save costs on the substructure work.

2021-2025 CIP: Changed project title from Fiber Optic System Improvements to Fiber Optic Network - System Improvements.

2020-2024 CIP: The Fiber Optics Fund will build emergency water supply resiliency at Montebello reservoir to enable the Utilities Supervisory Control and Data Acquisition (SCADA) system to add full remote-control valves at the reservoir. Montebello is the only reservoir (of seven) remaining without available fiber service connections. Staff must manually turn on/off the valves which may be difficult after a major earthquake or unsafe during a wildfire or similar emergencies. In addition, intermittent loss of cellular and radio coverage in the foothills area where the reservoir is located may occur. This is a major impediment for emergency response calls. Finally, if fiber is available at Montebello Reservoir, Utilities can use this fiber for backhaul communication links for Advanced Metering Infrastructure (AMI) collectors to serve customers.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Fiber Optics Fund	N/A	660,325	120,000	738,705	56,690	60,500	55,570	254,100	1,165,565	0	N/A
Total	**N/A**	**$660,325**	**$120,000**	**$738,705**	**$56,690**	**$60,500**	**$55,570**	**$254,100**	**$1,165,565**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	602,500	62,175	738,705	56,690	60,500	55,570	254,100	1,165,565	0	N/A
Design	N/A	57,824	57,824	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$660,324**	**$119,999**	**$738,705**	**$56,690**	**$60,500**	**$55,570**	**$254,100**	**$1,165,565**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Business & Economics
Section: Culture of Innovation and Business Diversity
Goal: B-4
Policy: B-4.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Fiber Optics Fund
Category: Capacity Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Spring 2016
Initial Project Completion: Spring 2018

Revised Project Start: Fall 2023
Revised Project Completion: Summer 2030

Project Number: FO-16000

Fiber optic splice closer ready for inspection and work

Fiber Optics Network - System Rebuild

Description

This project rebuilds portions of the fiber network to improve capacity, which will facilitate licensing of dark fiber to companies that provide telecommunication services to residents and businesses in Palo Alto. The project will install new aerial duct or substructures (conduit and boxes) and additional fiber backbone cables to increase capacity for sections of the network that are at or near capacity to meet customer requests for service connections. The main rebuild project areas are the Stanford Research Park, the Palo Alto Internet Exchange (PAIX) at 529 Bryant Street, and the downtown business district.

Justification

The fiber network was planned, designed, and constructed in the mid to late 1990s by City of Palo Alto Utilities Department. The Utilities Department began to license dark fiber service connections for commercial purposes in the late 1990s. Since then, several sections of the fiber network have reached capacity and limited the City's ability to efficiently serve its customers. This project will increase network capacity and improve reliability, allowing the City to maintain a competitive market for telecommunications by accelerating the pace at which high-quality and low-cost advanced telecommunications services are delivered to residents and businesses.

Supplemental Information

Coordination of fiber projects with electric and natural gas utility planning enables an integrated approach to strategies such as building electrification and electric vehicle support infrastructure at the scale of neighborhood blocks and potentially entire neighborhoods. Contingent on completing a competitive Request for Proposals process and seeking Council approval, a telecommunications consulting firm will be retained under a Professional Services Agreement to develop a fiber network expansion plan in four (4) phases. The scope of work entails the following:

- Phase 1 seeks a high-level design and cost estimate for fiber expansion to support Advanced Metering Infrastructure (AMI), Supervisory Control and Data Acquisition (SCADA), and wireless communication for City field staff and other City services;

- Phase 2 seeks a detailed engineering design and cost estimate for fiber expansion to support AMI, SCADA, and wireless communication for City field staff and other City services;

- Phase 3 seeks a business case and high-level design for a citywide FTTP network. The FTTP network and high-level design in the business case should expand on the fiber network for AMI, SCADA and wireless communication; and

- Phase 4 seeks a detailed engineering design, cost estimate, and a phased deployment approach for FTTP.

Upon the completion of each phase, staff will return to the Council with findings and recommendations and request authorization to proceed to the next phase.

Note: The fiber optic connections for AMI implementation and connections for the existing SCADA system is funded by the Electric Fund.

Significant Changes

2026-2030 CIP: Staffing resources in the Utilities Department have been constrained due to multiple ongoing large projects such as Grid Modernization and Fiber-to-the-Premises; therefore this project's construction completion date has been updated to Summer 2030.

2024-2028 CIP: Estimated costs building fiber backbone added to FY 2024 with the electric fund portion added to FY 2025 in alignment with total estimates provided to Council in December 2022. The Fiber to the Home (FTTH) portion, which is now referred to as "Fiber-to-the-Premises" (FTTP) will be managed under a separate new project, FO-24000. Funding in FY 2024 may be spread and reallocated based on planned work, which will be aligned at a later time when requests for proposals have been received.

2023-2027 CIP: Detailed engineering design of the new Fiber Backbone Expansion and FTTH currently in progress and is anticipated to be completed by Spring 2023. $1.0 million estimated costs for initial design work have been programmed into this project, pending further changes resulting from final approval of final scope and business plan.

2022-2026 CIP: Council approved staff's recommendation to combine phase 2 and 4 together for efficiency gains and cost savings. By combining phases 2 and 4, the detailed engineering can be completed for the two phases concurrently rather than independently of one another. This will lead to a shortened design timeframe and reduced costs for the City.

2021-2025 CIP: Changed project title from Fiber Optic System Rebuild to Fiber Optic Network - System Rebuild. In November 2018, the Council accepted the Smart Grid and Technology Implementation Plan and directed staff to align fiber network expansion with the Advanced Metering Infrastructure (AMI) implementation plan. The project was delayed and funding was reappropriated.

In June 2019, Council directed staff to design and plan a fiber network system based on fundamental principles that leverage and expand the network to support a communications platform for AMI; Supervisory Control and Data Acquisition (SCADA) systems; Emerging Smart City initiatives (e.g. traffic management, smart street-

lights, parking garage sensors, data collection); and deployment of City operations dependent on fiber for the delivery of essential City services.

The objective is to pursue a comprehensive fiber expansion strategy from an integrated cross-utility perspective. This strategy is focused on evaluating the feasibility of integrating fiber network expansion into other ongoing utility capital improvement projects and programs, if practical, to fully leverage the City's fiber asset. The City is adding new telecommunication infrastructure which may reduce the incremental cost to extend fiber and wireless communications infrastructure to residential and commercial areas. This integrated strategy for fiber expansion planning includes the above-noted fiber network rebuild project and may also become a foundation for (FTTP).

2019-2023 CIP: Due to limited staffing, this project has shifted to start in FY 2019. Additionally, $0.3 million has been added to the following two years to address additional site locations.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Fiber Optics Fund	3,232,939	13,556,386	2,000,000	5,000,000	5,000,000	(1,500,000)	(1,500,000)	4,741,284	11,741,284	0	16,974,223
Other	0	184,898	184,898	0	0	0	0	0	0	0	184,898
Transfer from Electric Fund	0	0	0	0	0	6,500,000	6,500,000	0	13,000,000	0	13,000,000
Total	**$3,232,939**	**$13,741,284**	**$2,184,898**	**$5,000,000**	**$5,000,000**	**$5,000,000**	**$5,000,000**	**$4,741,284**	**$24,741,284**	**$0**	**$30,159,121**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	3,138,858	13,712,554	2,156,168	5,000,000	5,000,000	5,000,000	5,000,000	4,741,284	24,741,284	0	30,036,310
Design	94,069	28,728	28,728	0	0	0	0	0	0	0	122,797
Total	**$3,232,927**	**$13,741,282**	**$2,184,896**	**$5,000,000**	**$5,000,000**	**$5,000,000**	**$5,000,000**	**$4,741,284**	**$24,741,284**	**$0**	**$30,159,107**

Operating Impact

Ongoing annual costs of approximately $1.4 million.

Relationship to Comprehensive Plan Primary Connection

Element: Business & Economics
Section: Culture of Innovation and Business Diversity
Goal: B-4
Policy: B-4.1

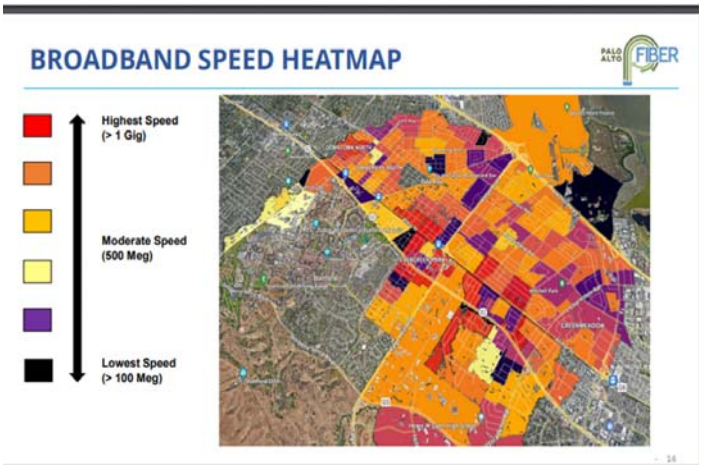
Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Broadband Speed Distribution in Palo Alto 2023

Fund: Fiber Optics Fund
Category: Capacity Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Winter 2023
Initial Project Completion: Winter 2030

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FO-24000

Fiber-to-the-Premises (FTTP)

Description

This project will build Fiber-to-the-Premises (FTTP) to deliver broadband (high-speed internet) for homes and businesses in the City of Palo Alto. As the City carries out the Fiber Optics Network - System Rebuild (FO-16000) project to expand its dark (unlit, or not put in use by a service provider) fiber optic backbone network, the network may be built out further and lit to connect to homes and businesses with FTTP offering retail services such as broadband. This is commonly known as building out the last mile in a network, which this FTTP project provides.

Justification

On December 19, 2022 (Report #14800), Council approved building the fiber backbone and moving forward with FTTP in a phased approach. There have been multiple discussions over the decade regarding the tradeoffs for offering municipal-owned FTTP to the community as a service, investments needed to build the "last mile," benefits and risks of becoming a new internet service provider (ISP), and various financial models and organizational structure. The City reviewed information demonstrating how building the last mile in the City's fiber network infrastructure supports the City's initiatives, provides the community with more choice among broadband providers, and becomes a valuable telecommunication investment for the future.

Supplemental Information

In December 2022, an example of the phased approach was provided. Assuming a $20 million capital investment with the first phase of FTTP and access to 20% - 30% of homes and businesses within 2-3 years, three potential phase 1 deployment models for FTTP would have the following initial build out scenarios:

1. Areas with the lowest construction cost and highest density

2. Areas with the highest demand based on deposits

3. Areas without AT&T Fiber, with the goal of increasing take rates

Significant Changes

2026-2030 CIP: Construction for the pilot phase is estimated to be completed by September 2025. $3.0 million will be returned to reserves to fund annual operating costs related to FTTP, including ongoing competitive marketing strategies, on-site installation services to set up fiber internet in customer homes, a tier-1 and tier-2 customer support center, and software licenses for the operational and business support system.

2024-2028 CIP: Project established with Phase I rough cost estimates as of December 19, 2022 (CMR 14800) reflected in FY 2024. Funding in FY 2024 may be spread and reallocated based on planned work, which will be aligned at a later time when requests for proposals have been received.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Fiber Optics Fund	53,549	19,946,450	6,000,000	10,946,450	0	0	0	0	10,946,450	0	16,999,999
Total	**$53,549**	**$19,946,450**	**$6,000,000**	**$10,946,450**	**$0**	**$0**	**$0**	**$0**	**$10,946,450**	**$0**	**$16,999,999**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	53,549	19,946,449	5,999,999	10,946,450	0	0	0	0	10,946,450	0	16,999,998
Total	**$53,549**	**$19,946,449**	**$5,999,999**	**$10,946,450**	**$0**	**$0**	**$0**	**$0**	**$10,946,450**	**$0**	**$16,999,998**

Operating Impact

Operating impacts have not been determined at this time. Estimates may become available after requests for proposals are issued, and as these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Business & Economics
Section: Culture of Innovation and Business Diversity
Goal: B-4
Policy: B-4.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301, 15302, 15303 or 15304(f).



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Customer Connections



Fund: Fiber Optics Fund
Category: Customer Connections
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: FO-10000

Technician installing new fiber optic cables

Fiber Optics Customer Connections

Description

This project provides funding for the installation of fiber optic infrastructure for new service connections. Typical activities in this project include: purchasing, upgrading, and installing fiber optic cables, conduits, and splice enclosures at customer sites.

Justification

This project promotes the formation of a competitive market for telecommunications in Palo Alto, accelerating the pace at which high-quality, low-cost, advanced telecommunications services are delivered to businesses while limiting the negative impacts on Palo Alto's environment by using existing conduits and wood utility poles rather than adding additional infrastructure to support the system. This project enables the Fiber Optics Fund to generate additional revenues through the enhanced use of its conduits and poles.

Supplemental Information

The cost to the Fiber Optics Fund associated with new service connections and the City's cost of ownership are billed to the requesting parties.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Fiber Optics Fund	N/A	53,100	(100,000)	201,050	(129,130)	(124,230)	(140,780)	48,930	(144,160)	0	N/A
Other	N/A	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	0	N/A
Total	**N/A**	**$253,100**	**$100,000**	**$401,050**	**$70,870**	**$75,770**	**$59,220**	**$248,930**	**$855,840**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	253,100	100,000	401,050	70,870	75,770	59,220	248,930	855,840	0	N/A
Total	**N/A**	**$253,100**	**$100,000**	**$401,050**	**$70,870**	**$75,770**	**$59,220**	**$248,930**	**$855,840**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Business & Economics
Section: Culture of Innovation and Business Diversity
Goal: B-4
Policy: B-4.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission
Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.

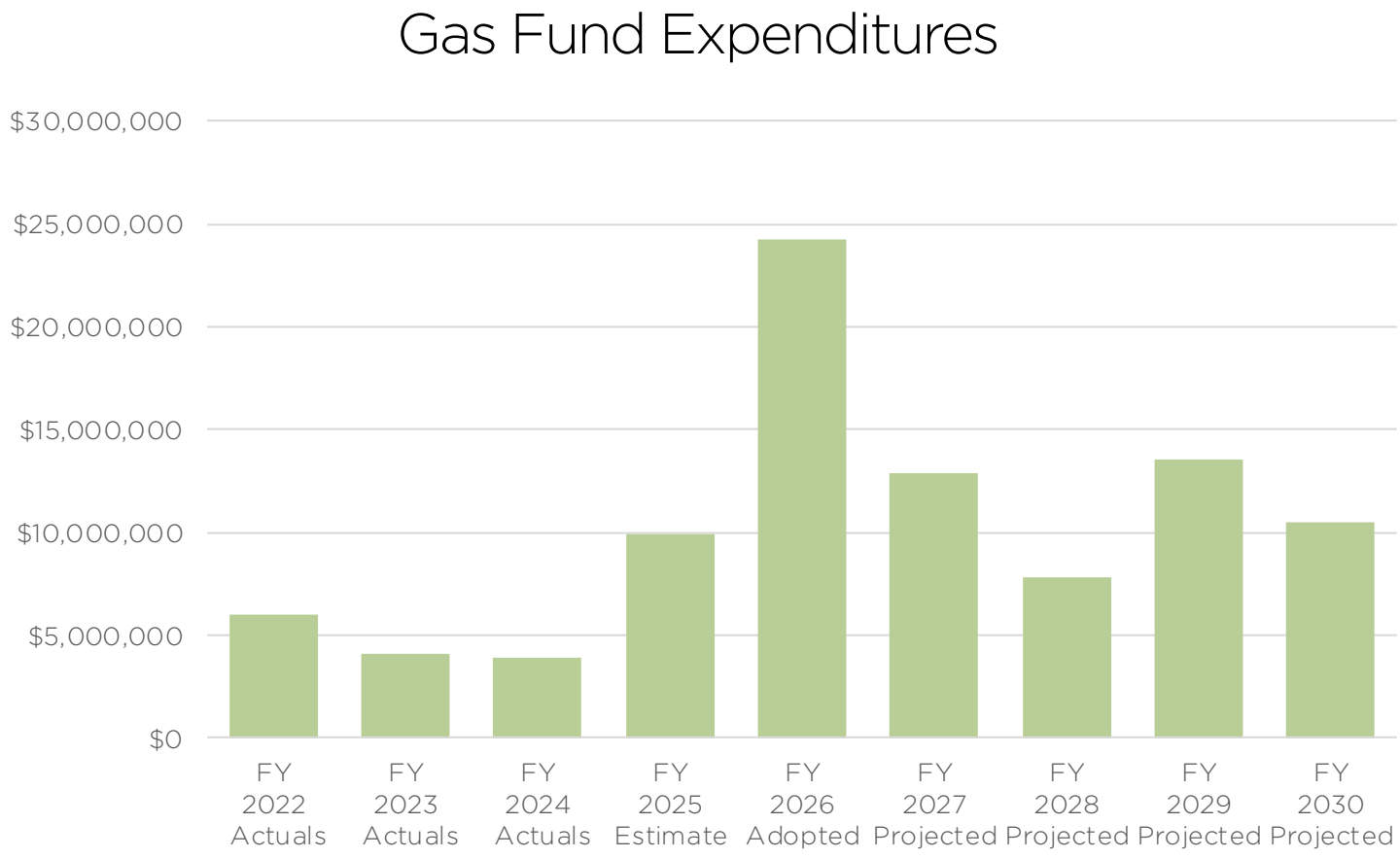


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GAS FUND

Overview

The City of Palo Alto offers a full array of utility services to its citizens and businesses. The municipal natural gas distribution system began operation in 1917 and provides safe, reliable, and cost-effective gas service to residents and customers of Palo Alto. For the 2026-2030 Capital Improvement Program (CIP), approximately $69.0 million is projected, with $24.3 million allocated in Fiscal Year 2026. Overall, a total of ten projects are planned for the 5-year CIP.



Major projects funded in the 2026-2030 CIP include Gas Main Replacements (cumulative total of $44.7 million), Gas System, Customer Connections ($2.3 million), Gas Distribution System Improvements ($1.7 million), and Gas Meters and Regulators ($2.4 million). The budget for the Gas Fund CIP can be categorized into four separate types of projects: Administration, Customer Connections, Gas Main Replacements, and System Improvements.

Beginning in FY 2026, a new project named Gas Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Gas Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Total miles of gas main distribution system	210.77
Total miles of gas service extension to residents and businesses	199.22
Number of gas receiving stations	4

Natural Gas System Miles of Pipeline by Material

MATERIAL TYPE	MILES OF MAINS IN SYSTEM	NUMBER OF SERVICES IN SYSTEM	MILES OF SERVICES IN SYSTEM (AVG 61' SERVICE)
Steel	60.36	2,064	23.85
Plastic, PVC	29.17	647	7.47
Plastic, PE	121.21	14,463	167.09
Plastic, ABS	0.03	11	0.13
Plastic, Other	0.00	3	0.03
Other	0.00	56	0.65
TOTAL	**210.58**	**17,331**	**200.21**

Customer Connections

As customers continually change their gas needs due to equipment additions, building expansions, building remodels, and new building occupancy types, the gas system must evolve to meet these needs. The Gas System Customer Connections project, which is one of the largest recurring projects within the Gas Fund, is accounted for within this category. This project allows for the completion of work required to meet the needs of customers who have applied for new or upgraded gas service. The Gas Fund pays for a portion of this project, while remaining costs are supported by reimbursements from customers for connection work performed by the City.

Recent Accomplishments

- In Fiscal Year 2024, the Utilities Gas Division completed approximately 69 customer service projects with a revenue of $0.4 million.

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project in the System Improvements category in the 2026-2030 CIP:

- Gas System, Customer Connections (Fiscal Year 2026: $0.3 million; 5-Year CIP: $2.3 million)

System Improvements

To ensure reliable gas services for City of Palo Alto residents and customers, gas infrastructure must be replaced upon reaching the end of its expected life. The System Improvements category includes four projects during the 2026-2030 CIP at a total cost of $5.5 million, with $2.1 million allocated in Fiscal Year 2026. During Fiscal Year 2026, staff intends to commence a planning study to evaluate the preferred approach for downsizing the gas system and potentially begin planning the first project.

Recent Accomplishments

- In calendar year 2024, repaired 87 Grades 1, 2, and 3 leaks throughout the City.
- Replaced leaking valves and gas service lines throughout the City to comply with new utility standards.

2026-2030 Capital Improvement Program

Recurring Projects

There are three recurring projects in the System Improvements category in the 2026-2030 CIP:

- Gas Distribution System Improvements (Fiscal Year 2026: $0.2 million; 5-Year CIP: $1.7 million)
- Gas Equipment and Tools (Fiscal Year 2026: $0.1 million; 5-Year CIP: $0.5 million)
- Gas Meters and Regulators (Fiscal Year 2026: $0.7 million; 5-Year CIP: $2.4 million)

Non-Recurring Projects

There is one non-recurring project in the System Improvements category in the 2026-2030 CIP:

- Gas Line Repairs at Arastradero Creek (Fiscal Year 2026 and 5-Year CIP: $1.0 million)

Gas Main Replacements

The Gas Main Replacements (GMR) category accounts for the replacement of inadequately-sized and structurally-deficient gas mains and services that are subject to corrosion or reaching the end of their expected life. The Utilities Department coordinates with the Public Works Department's street maintenance projects to minimize impact to the streets that have recently been paved. In the next five years, it is anticipated that approximately 40,000 linear feet of gas mains, or four percent of the entire system, will be replaced. The 2026-2030 CIP includes $44.7 million in funding for projects within this category.

Recent Accomplishments

- Completed the installation of 2400 linear feet of gas mains at the Stanford Shopping Center for the Gas Main Replacement 24A project (GS-14000).
- Completed construction for the Gas Main Replacement 24B project (GS-14003) to replace 18,500 linear feet of natural gas mains and approximately 190 natural gas service pipelines made of Polyvinyl Chloride (PVC) and Steel Black Wrap Pipe (BWP) on University Avenue from 101 to Webster Street and surrounding streets, Town & Country Village, and Geng Road
- Completed design work for the Gas Main Replacement 25 (GS-15000) project to replace 25,600 linear feet of natural gas mains, including replacement of approximately 294 natural gas service pipelines made of PVC, BWP, or undersized Polyetheylene (PE) and the reconnection of 238 natural gas service pipelines. In late FY 2024, this project was awarded a $16.5 million Department of Transportation grant for Natural Gas Distribution Infrastructure Safety and Modernization. The invitation for bid (IFB) for construction in anticipated to be issued in Summer 2025.

2026-2030 Capital Improvement Program

Non-Recurring Projects

A total of four Gas Main Replacement projects are included in the 2026-2030 CIP (Fiscal Year 2026: $18.7 million; 5-Year CIP: $44.7 million).

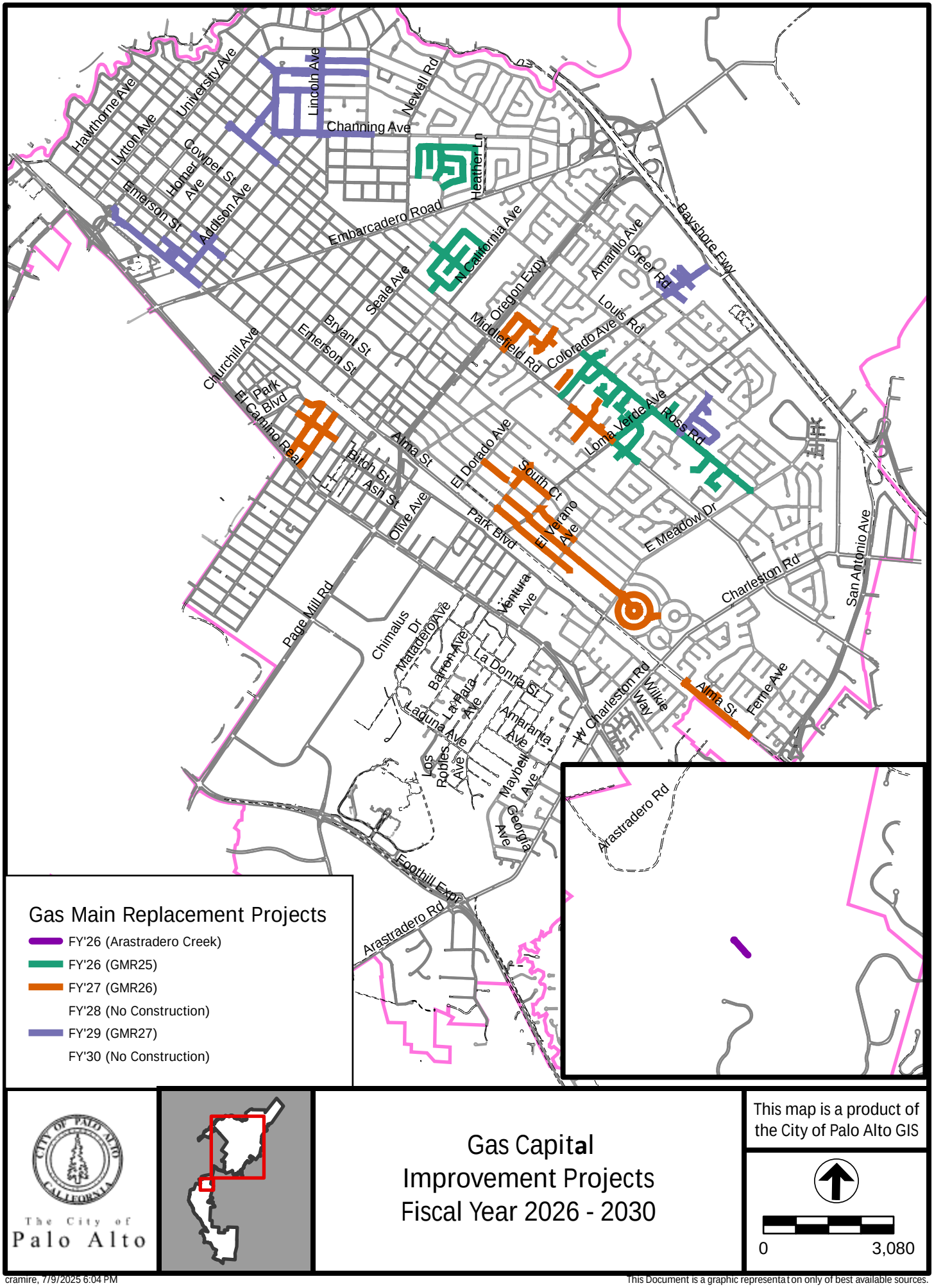
Please refer to the City of Palo Alto Utilities webpage to confirm project details: https://www.paloalto.gov/Departments/Utilities/Utilities-Services-Safety/Utilities-Projects

Gas Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Other									
GS-80017	Gas System, Customer Connections	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Other Total		**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**2,500,000**
Revenue from the Federal Government									
GS-15000	Gas Main Replacement - Project 25	0	0	8,000,000	8,500,000	0	0	0	16,500,000
Revenue from the Federal Government Total		**0**	**0**	**8,000,000**	**8,500,000**	**0**	**0**	**0**	**16,500,000**
Total Sources		**500,000**	**500,000**	**8,500,000**	**9,000,000**	**500,000**	**500,000**	**500,000**	**19,000,000**
				USE OF FUNDS					
Administration									
GS-26000	Gas Fund Administration	0	0	3,164,631	3,205,274	3,285,976	3,385,390	3,447,683	16,488,954
Administration Total		**0**	**0**	**3,164,631**	**3,205,274**	**3,285,976**	**3,385,390**	**3,447,683**	**16,488,954**
Customer Connections									
GS-80017	Gas System, Customer Connections	722,740	722,740	319,130	421,530	459,640	434,710	700,000	2,335,010
Customer Connections Total		**722,740**	**722,740**	**319,130**	**421,530**	**459,640**	**434,710**	**700,000**	**2,335,010**
Main Replacements									
GS-14003	Gas Main Replacement - Project 24	7,698,447	7,698,447	0	0	0	0	0	0
GS-15000	Gas Main Replacement - Project 25	8,728,324	0	16,728,324	0	0	0	0	16,728,324
GS-16000	Gas Main Replacement - Project 26	0	0	2,002,190	8,519,501	0	0	0	10,521,691
GS-20000	Gas Main Replacement - Project 27	0	0	0	0	3,141,942	9,057,101	0	12,199,043
GS-30000	Gas Main Replacement- Project 28	0	0	0	0	0	0	5,203,111	5,203,111
Main Replacements Total		**16,426,771**	**7,698,447**	**18,730,514**	**8,519,501**	**3,141,942**	**9,057,101**	**5,203,111**	**44,652,169**
System Improvements									
GS-11002	Gas Distribution System Improvements	1,298,015	1,298,015	227,950	301,090	328,310	310,510	500,000	1,667,860
GS-13002	Gas Equipment and Tools	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000
GS-25001	Gas Line Repair at Arastradero Creek	1,000,000	442	999,558	0	0	0	0	999,558
GS-80019	Gas Meters and Regulators	666,820	150,820	743,950	301,090	500,000	310,510	500,000	2,355,550
System Improvements Total		**3,064,835**	**1,549,277**	**2,071,458**	**702,180**	**928,310**	**721,020**	**1,100,000**	**5,522,968**
Total Uses		**20,214,346**	**9,970,464**	**24,285,733**	**12,848,485**	**7,815,868**	**13,598,221**	**10,450,794**	**68,999,101**



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Administration



Fund: Gas Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-26000

Utilities staff at 2024 all hands meeting

Gas Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Gas Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Gas Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	N/A	0	0	3,164,631	3,205,274	3,285,976	3,385,390	3,447,683	16,488,954	0	N/A
Total	**N/A**	**$0**	**$0**	**$3,164,631**	**$3,205,274**	**$3,285,976**	**$3,385,390**	**$3,447,683**	**$16,488,954**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	3,164,631	3,205,274	3,285,976	3,385,390	3,447,683	16,488,954	0	N/A
Total	**N/A**	**$0**	**$0**	**$3,164,631**	**$3,205,274**	**$3,285,976**	**$3,385,390**	**$3,447,683**	**$16,488,954**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Customer Connections



Fund: Gas Fund
Category: Customer Connections
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-80017

Gas System

Gas System, Customer Connections

Description

This funding allows for the Gas Distribution System to be extended in order to provide gas service to new customers and augment service to customers with increased natural gas demands. Improvements include new mains, services, valves, regulators, meters, and accessories.

Justification

This project upgrades infrastructure to provide gas service connections to new customers, meet changes in existing customer service demands, and respond to changes in gas service requirements due to new development or redevelopment. This project is funded partially from reimbursements by customers.

Significant Changes

2024-2028 CIP: Project decreased by $0.4 million annually as a result of statewide reach code programs to drive long-term climate and energy efficiency benefits. As part of the FY 2024 Operating Budget, staff is recommending funding ($0.4 million) for a study to begin the process of decommissioning the City's gas service. The results of this study will impact customer connections and inform future CIP development.

2021-2025 CIP: Funding was decreased slightly to reflect actual expenditures from prior years.

2015-2019 CIP: Project was retitled from Gas Systems Extensions.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	N/A	222,740	222,740	(180,870)	(78,470)	(40,360)	(65,290)	200,000	(164,990)	0	N/A

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000	0	N/A
Total	**N/A**	**$722,740**	**$722,740**	**$319,130**	**$421,530**	**$459,640**	**$434,710**	**$700,000**	**$2,335,010**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	722,740	722,740	319,130	421,530	459,640	434,710	700,000	2,335,010	0	N/A
Total	**N/A**	**$722,740**	**$722,740**	**$319,130**	**$421,530**	**$459,640**	**$434,710**	**$700,000**	**$2,335,010**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Main Replacements



Fund: Gas Fund
Category: Main Replacements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2018
Initial Project Completion: Winter 2020

Revised Project Start: Summer 2024
Revised Project Completion: Winter 2025

Project Number: GS-15000

New gas service meter and regulating equipment

Gas Main Replacement - Project 25

Description

This Gas Main Replacement (GMR) project replaces approximately 26,500 linear feet (which represents 2.4% of the City's Gas Distribution System) of leaking, inadequately-sized, and structurally-deficient gas mains and services located on various streets in the neighborhoods of Community Center, Leland Manor, Midtown, and Palo Verde. Staff identifies problematic mains/services by researching maintenance and leak histories, analyzing performance of the entire Gas Distribution System, and considering risk ratings of the Distribution Integrity Management Plan.

Justification

The project will target replacement of PVC mains and services located in business districts, as well as steel mains and services with ineffective corrosion protection, also known in the industry as cathodic protection. This project is mandatory because of the need to replace aging infrastructure and reduce the City's liability exposure due to PVC and steel gas facilities with ineffective cathodic protection.

Supplemental Information

The City of Palo Alto Distribution Integrity Management Plan's mathematical model is used to evaluate risks presented by PVC facilities located within business districts that have been assigned the highest probability and consequence scores. Targeted streets will be coordinated with the Public Works Street Maintenance Program to complete replacement before streets are paved. Linear footage and locations are subject to change. Please refer to the City of Palo Alto Utilities webpage for the most recent project details.

Significant Changes

2026-2030 CIP: Project revenue was updated to reflect a $16.5 million federal grant, split over two years in FY 2026 and FY 2027.

2025-2029 CIP: This project was reduced by $1.3 million to offset escalating costs in GMR 24B (GS-14003). In late FY 2024, this project was awarded a $16.5 million Department of Transportation grant for Natural Gas Distribution Infrastructure Safety and Modernization. The grant funding, expense allocation, and project scope will be adjusted as part of the FY 2026 budget process.

2024-2028 CIP: Water-Gas-Wastewater Engineering staff to start design of the project in FY 2024. Staff will be submitting an application for Federal Grant Funding for this project.

2023-2027 CIP: $1.0 million of this project budget was reallocated to GMR 24 to address higher priority mains and services identified. This will decrease the linear footage of this project by approximately 5,000 feet and increase the linear footage of GMR 24 by approximately 5,000 feet, resulting in a net zero change of linear feet of PVC pipes being addressed in the Gas Distribution system.

2021-2025 CIP: Due to delays of GMR 22, GMR 23, and GMR 24, GMR 25 postponed to FY 2024.

2020-2024 CIP: City staff has proposed a new replacement schedule of completing a water, gas and wastewater construction project every other year instead of annually to reduce the amount of construction when prices are high. Increased total project estimate by $3.8 million due to higher construction costs. In the last few years there have been fewer bidders and higher prices on construction projects due to the increased demand for construction services.

2019-2023 CIP: The budget has been revised to account for construction cost escalation.

2018-2022 CIP: Project postponed to begin in FY 2020 due to GMR 22 being delayed.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	15,525	8,728,324	0	8,728,324	(8,500,000)	0	0	0	228,324	0	243,849
Revenue from the Federal Government	0	0	0	8,000,000	8,500,000	0	0	0	16,500,000	0	16,500,000
Total	**$15,525**	**$8,728,324**	**$0**	**$16,728,324**	**$0**	**$0**	**$0**	**$0**	**$16,728,324**	**$0**	**$16,743,849**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	15,524	6,806,854	0	16,728,324	0	0	0	0	16,728,324	0	16,743,848
Design	0	1,921,470	0	0	0	0	0	0	0	0	0
Total	**$15,524**	**$8,728,324**	**$0**	**$16,728,324**	**$0**	**$0**	**$0**	**$0**	**$16,728,324**	**$0**	**$16,743,848**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Energy Goal: N-7 Policy: N-7.1	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Gas Fund
Category: Main Replacements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2019
Initial Project Completion: Winter 2021

Revised Project Start: Summer 2025
Revised Project Completion: Fall 2026

Project Number: GS-16000

Gas Main Replacement - Project 26

Gas Main Replacement - Project 26

Description

This project replaces approximately 25,000 linear feet (which represents 2.0% of the City's Gas Distribution System) of leaking, inadequately-sized, and structurally-deficient gas mains and services located on various streets in the Midtown, Palo Verde, Greenmeadow, and Evergreen Park neighborhoods. Staff identifies problematic mains/services by researching maintenance and leak histories, analyzing performance of the entire Gas Distribution System, and considering risk ratings of the Distribution Integrity Management Plan.

Justification

The project will target replacement of PVC mains and services located in business districts, as well as steel mains and services with ineffective corrosion protection, also known in the industry as cathodic protection. This project is mandatory because of the need to replace aging infrastructure and reduce the City's liability exposure due to PVC and steel gas facilities with ineffective cathodic protection.

Supplemental Information

The City of Palo Alto Distribution Integrity Management Plan's mathematical model is used to evaluate risks presented by PVC facilities located within business districts that have been assigned the highest probability and consequence scores. Targeted streets will be coordinated with the Public Works Street Maintenance Program to complete replacement before streets are paved. Linear footage and locations are subject to change. Please refer to the City of Palo Alto Utilities webpage for the most recent project details.

Significant Changes

2026-2030 CIP: Project budget increased by $4.4 million to account for cost inflation and to align with the increase from 22,300 linear feet to approximately 25,000 linear feet.

2025-2028 CIP: Project budget increased by $0.9 million due to cost escalation.

2023-2027 CIP: Project budget decreased by $1.0 million to align with other gas main replacement budgets and smooth out rates.

2022-2026 CIP: Due to delays of GMR 23, GMR 24, and GMR 25, GMR 26 was postponed to FY 2026.

2019-2023 CIP: The budget has been revised to account for construction cost escalation.

2018-2022 CIP: Due to delays of GMR 22 and GMR 23, this project is postponed to FY 2021.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	0	0	0	2,002,190	8,519,501	0	0	0	10,521,691	0	10,521,691
Total	**$0**	**$0**	**$0**	**$2,002,190**	**$8,519,501**	**$0**	**$0**	**$0**	**$10,521,691**	**$0**	**$10,521,691**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	4,402,151	0	0	0	4,402,151	0	4,402,151
Design	0	0	0	2,002,190	4,117,350	0	0	0	6,119,540	0	6,119,540
Total	**$0**	**$0**	**$0**	**$2,002,190**	**$8,519,501**	**$0**	**$0**	**$0**	**$10,521,691**	**$0**	**$10,521,691**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Gas Fund
Category: Main Replacements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2020
Initial Project Completion: Winter 2022

Revised Project Start: Summer 2028
Revised Project Completion: Winter 2029

Project Number: GS-20000

New gas service meter and regulating equipment

Gas Main Replacement - Project 27

Description

This project replaces approximately 25,000 linear feet (which represents 2.0% of the City's Gas Distribution System) of leaking, inadequately-sized, and structurally-deficient gas mains and services located on various streets within the City. The areas are not yet identified. Staff will assess the gas, wastewater, and water mains that need replacement and plan to carry out the replacements for all three systems simultaneously. This approach aims to achieve economies of scale and minimize construction-related disruptions. Staff identifies problematic mains/services by researching maintenance and leak histories, analyzing performance of the entire Gas Distribution System, and considering risk ratings of the Distribution Integrity Management Plan.

Justification

The project will target replacement of PVC mains and services located in business districts, as well as steel mains and services with ineffective corrosion protection, also known in the industry as cathodic protection. This project is mandatory because of the need to replace aging infrastructure and reduce the City's liability exposure due to PVC and steel gas facilities with ineffective cathodic protection.

Supplemental Information

The City of Palo Alto Distribution Integrity Management Plan's mathematical model is used to evaluate risks presented by PVC facilities located within business districts that have been assigned the highest probability and consequence scores. Targeted streets will be coordinated with the Public Works Street Maintenance Program to complete replacement before streets are paved. Linear footage and locations are subject to change. Please refer to the City of Palo Alto Utilities webpage for the most recent project details.

Significant Changes

2026-2030 CIP: Project budget increased by $4.4 million in alignment with an increase in project scope from 22,300 linear feet to approximately 25,000 linear feet, and to account for inflation.

2025-2029 CIP: Project budget increased by $2.1 million due to cost escalation.

2024-2028 CIP: Due to project coordination and low capital reserves, the main replacement projects moved to construction every other year. The project design will begin in FY28 for construction in FY29.

2019-2023 CIP: The budget has been revised to account for construction cost escalation.

2018-2022 CIP: Due to delays of GMR 22 and GMR 23, this project is postponed to FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	0	0	0	0	0	3,141,942	9,057,101	0	12,199,043	0	12,199,043
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,141,942**	**$9,057,101**	**$0**	**$12,199,043**	**$0**	**$12,199,043**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	1,391,760	9,057,101	0	10,448,861	0	10,448,861
Design	0	0	0	0	0	1,750,182	0	0	1,750,182	0	1,750,182
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,141,942**	**$9,057,101**	**$0**	**$12,199,043**	**$0**	**$12,199,043**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Gas Fund
Category: Main Replacements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2030
Initial Project Completion: Winter 2031

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-30000

New gas service meter and regulating equipment

Gas Main Replacement- Project 28

Description

This project replaces approximately 20,000 linear feet (which represents 1.8% of the City's Gas Distribution System) of leaking, inadequately-sized, and structurally-deficient gas mains and services located on various streets within the City. The areas are not yet identified. Staff will assess the gas, wastewater, and water mains that need replacement and plan to carry out the replacements for all three systems simultaneously. This approach aims to achieve economies of scale and minimize construction-related disruptions. Staff identifies problematic mains/services by researching maintenance and leak histories, analyzing performance of the entire Gas Distribution System, and considering risk ratings of the Distribution Integrity Management Plan.

Justification

The project will target replacement of PVC mains and services located in business districts, as well as steel mains and services with ineffective corrosion protection, also known in the industry as cathodic protection. This project is mandatory because of the need to replace aging infrastructure and reduce the City's liability exposure due to PVC and steel gas facilities with ineffective cathodic protection.

Supplemental Information

The City of Palo Alto Distribution Integrity Management Plan's mathematical model is used to evaluate risks presented by PVC facilities located within business districts that have been assigned the highest probability and consequence scores. Targeted streets will be coordinated with the Public Works Street Maintenance Program to complete replacement before streets are paved. Linear footage and locations are subject to change. Please refer to the City of Palo Alto Utilities webpage for the most recent project details.

Significant Changes

2026-2030 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	0	0	0	0	0	0	0	5,203,111	5,203,111	8,226,118	13,429,229
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$5,203,111**	**$5,203,111**	**$8,226,118**	**$13,429,229**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	0	3,855,111	3,855,111	8,226,118	12,081,229
Design	0	0	0	0	0	0	0	1,348,000	1,348,000	0	1,348,000
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$5,203,111**	**$5,203,111**	**$8,226,118**	**$13,429,229**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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System Improvements



Fund: Gas Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-11002

Gas system improvements

Gas Distribution System Improvements

Description

This project provides funding as needed to improve the Gas Distribution System. Typical activities include security, Supervisory Control and Data Acquisition (SCADA) and software upgrades, increasing distribution system capacity for load growth, replacing deteriorated capital facilities, re-configuring/adding to the system to improve service reliability, conducting research related to the performance of the Gas Distribution System or its various components, and making general improvements or repairs to the system.

Justification

Gas Distribution System reliability and adequate capacity are critical to providing a high level of service to customers. When service interruptions occur, customers may experience significant economic losses. The City must continuously evaluate service reliability needs and make improvements to the system to maintain top-level service to City customers.

Significant Changes

2020-2024 CIP: Project funding increased in Fiscal Years 2020 to 2024 by $254,000 each year. This project has been consolidated with GS-03009 as the project activities are similar in nature.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	N/A	1,298,015	1,298,015	227,950	301,090	328,310	310,510	500,000	1,667,860	0	N/A
Total	**N/A**	**$1,298,015**	**$1,298,015**	**$227,950**	**$301,090**	**$328,310**	**$310,510**	**$500,000**	**$1,667,860**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,293,284	1,293,284	227,950	301,090	328,310	310,510	500,000	1,667,860	0	N/A
Design	N/A	4,731	4,731	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,298,015**	**$1,298,015**	**$227,950**	**$301,090**	**$328,310**	**$310,510**	**$500,000**	**$1,667,860**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Gas Fund
Category: System Improvements
Project Location: Municipal Service Center

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-13002

New HDPE gas pipe being fused prior to installation

Gas Equipment and Tools

Description

This project funds the purchase of polyethylene (PE) fusion equipment and tools, directional boring/locating equipment and tools, gas leak detection equipment, and general shop equipment and tools.

Justification

In order to safely operate and maintain a natural gas distribution system and support operating personnel safety and productivity, PE fusion, directional boring/locating, and general equipment and tools need to be upgraded on an annual basis.

Significant Changes

2024-2028 CIP: Project funding increased to $100,000 annually to replace aging equipment that is continuously sent out for repair and market inflation.

2022-2026 CIP: The project funding has been reduced to $50,000 annually to align with actual costs incurred in this project.

2019-2023 CIP: Project funding increased to include purchase of new tapping and stopping equipment for Operations. This equipment is required to safely interrupt the flow of gas without performing large shutdowns of service to customers.

2015-2019 CIP: Project was retitled from General Shop Equipment and Tools.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	N/A	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$500,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	100,000	100,000	100,000	100,000	100,000	100,000	100,000	500,000	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$100,000**	**$500,000**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Gas Fund
Category: System Improvements
Project Location: Arastradero Creek

Managing Department: Utilities

Initial Project Start: Fall 2024
Initial Project Completion: Summer 2025

Revised Project Start: N/A
Revised Project Completion: Summer 2026

Project Number: GS-25001

Gas line exposure at Arastradero Creek

Gas Line Repair at Arastradero Creek

Description

This project will hire a design-build consultant to analyze the existing watershed that runs into Arastradero Creek, including Arastradero Lake in the Pearson-Arastradero Preserve to determine the source of a six-foot soil erosion head cut (or opening) that exposed a 8-inch gas pipeline crossing the creek. The consultant is tasked with gathering the required information from the area, proposing a cost effective and efficient project, working with regulatory agencies for permitting, constructing the project, and completing the required biological monitoring once the project is completed.

Justification

In March 2023, the Utilities Department was informed of an exposed 8-inch high pressure gas pipeline that crosses Arastradero Creek in the Pearson-Arastradero Preserve. It was also determined a 16" potable water pipeline and a 16" collection sewer main were threatened from exposure of future storms. Utilities completed a temporary stabilization project in September 2023 to protect the existing pipelines from the 2024 storms. As part of the emergency permit, the permitting agencies are requiring a permanent stabilization project of the creek or a permanent relocation of the utility pipelines. In order to protect the single natural gas feed and potable water feed to the Foothills, a six-foot head cut will need to be addressed or the pipelines will need to be re-routed. An environmental design-build consultant is needed to analyze the watershed and propose a project to protect the utility pipelines. The Water and Wastewater Collection Funds will contribute funding to this project. Funding amounts will be determined after construction bids are received.

Significant Changes

2026-2030 CIP: Due to resource and coordination delays, the estimated completion of construction has moved to Summer 2026.

2025-2029 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	0	1,000,000	442	999,558	0	0	0	0	999,558	0	1,000,000
Total	**$0**	**$1,000,000**	**$442**	**$999,558**	**$0**	**$0**	**$0**	**$0**	**$999,558**	**$0**	**$1,000,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	332,720	442	0	0	0	0	0	0	0	442
Design	0	667,280	0	999,558	0	0	0	0	999,558	0	999,558
Total	**$0**	**$1,000,000**	**$442**	**$999,558**	**$0**	**$0**	**$0**	**$0**	**$999,558**	**$0**	**$1,000,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Gas Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: GS-80019

Gas Meters and Regulators

Gas Meters and Regulators

Description

This project provides replacement of the existing meters and regulators at approximately 1,000 meter sets per year.

Justification

The meter replacement program ensures accuracy of gas consumption measurement, reduces possible revenue loss due to under-registering gas, and provides customers with accurate monthly bills. The program exchanges meters that are over 25 years old.

Significant Changes

2025-2029 CIP: Approximately 744 of the 2,000 gas meters have been replaced. The remaining 1,256 will be replaced in FY 2025. Of the 22,000 meters to be retrofitted, the remaining 14,200 will be completed in FY 2025.

2022-2026 CIP: The Advanced Metering Infrastructure (AMI) Project is expected to replace approximately 2,000 gas meters with meters that are compatible with a smart grid system to collect interval usage information remotely. After reviewing gas meter accuracy test results, staff determined that it is unnecessary to replace all meters that have been in service more than 30 years, because their reading accuracy was within plus or minus a 2 percent range. A small number of ultrasonic gas meters will be piloted and evaluated during the project. The remaining 22,000 meters will be assessed for their compatibility with the AMI smart grid and will either be retrofitted or replaced.

2021-2025 CIP: The Advanced Metering Infrastructure (AMI) Project is expected to replace up to 11,906 gas meters with meters that are compatible with a smart grid system to collect usage information remotely. The

remaining 12,287 meters will be assessed for their compatibility with the AMI smart grid and will either be retrofitted or replaced.

2020-2024 CIP: The number of meters replaced annually was updated from 2,000 to 1,000 meters and the annual funding has been reduced to $250,000 throughout the 2020-2024 CIP. Staff have adjusted the replacement number and budget accordingly after reviewing their workload and available resources.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Gas Fund	N/A	666,820	150,820	743,950	301,090	500,000	310,510	500,000	2,355,550	0	N/A
Total	**N/A**	**$666,820**	**$150,820**	**$743,950**	**$301,090**	**$500,000**	**$310,510**	**$500,000**	**$2,355,550**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	666,820	150,820	743,950	301,090	500,000	310,510	500,000	2,355,550	0	N/A
Total	**N/A**	**$666,820**	**$150,820**	**$743,950**	**$301,090**	**$500,000**	**$310,510**	**$500,000**	**$2,355,550**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Energy
Goal: N-7
Policy: N-7.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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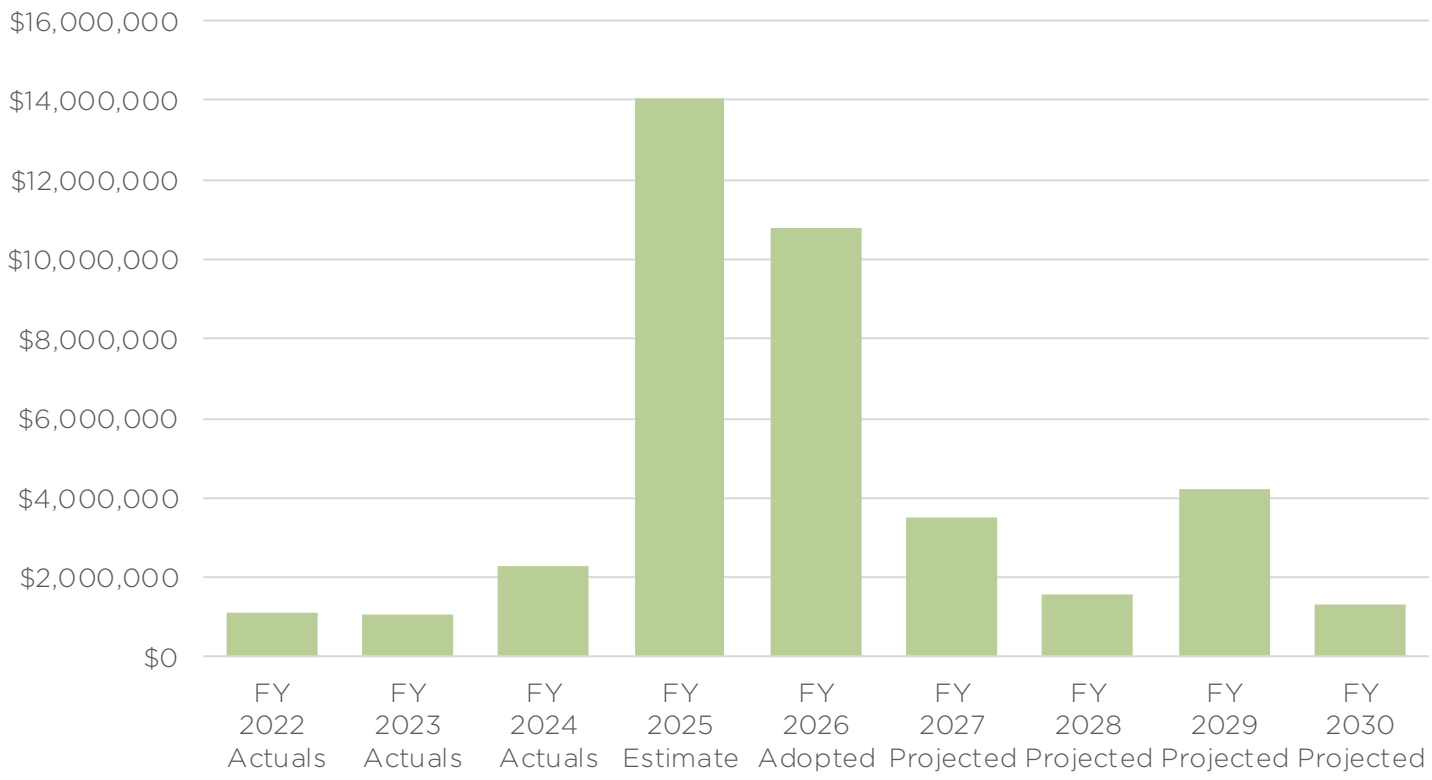
STORMWATER MANAGEMENT FUND

Overview

The Stormwater Management Fund Capital Improvement Program (CIP) accounts for activities related to the improvement of the City's storm drain system, including pipelines, manholes, catch basins, and pump stations. The 2026-2030 CIP includes expenditures totaling $21.5 million, with $10.8 million allocated in FY 2026, of which $2.4 million has been reappropriated for the continuation of projects that were approved by the City Council in prior fiscal years. The six projects in the 2026-2030 Stormwater Management CIP are divided into four categories: Administration, Capacity Improvements (projects to upgrade the conveyance capacity of the storm drain system as a whole), System Rehabilitation (projects for the replacement and rehabilitation of the existing storm drain infrastructure), and System Improvements (projects to enhance the quality and efficacy of the storm drain system).

Beginning in FY 2026, a new project named Stormwater Management Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Stormwater Management Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Stormwater Management Fund Expenditures



Capacity Improvements

The Capacity Improvements category accounts for new or enhanced infrastructure added to the storm drain system, increasing its capacity to convey stormwater runoff to local creeks and the San Francisco Bay. With the passage of the 2017 Storm Water Management Fee ballot measure, 13 capital improvement projects will be recommended over the following 15 years. The first of the 13 projects was completed in 2020, two more were completed in 2024, and five additional projects are scheduled to be completed within the next five years.

Recent Accomplishments

- Awarded a construction contract and started construction on three projects identified in the 2017 Storm Water Management Fee ballot measure: Corporation Way System Upgrades and Pump Station (SD-21000), West Bayshore Road Pump Station (SD-20000), and West Bayshore Road Trunk Improvements (SD-23000) which are expected to be completed in Fall 2026.
- Completed design on the Hamilton Avenue Capacity Upgrade project (SD-25000).

2026-2030 Capital Improvement Program

Recurring Projects

There are no recurring projects in this category in the 2026-2030 CIP.

Non-Recurring Projects

There are three non-recurring projects in this category in the 2026-2030 CIP:

- Center Drive Capacity Upgrades (Fiscal Year 2026: $0.1 million; 5-Year CIP: $2.4 million)
- Hamilton Avenue System Upgrades (Fiscal Year 2026 and 5-Year CIP: $7.0 million)
- Louis Road System Upgrades (5-Year CIP: $2.9 million)

System Improvements

The Systems Improvements category accounts for the Installation of features to improve and enhance the quality and efficacy of the current storm drain system. Funding is budgeted for system modifications needed to accommodate new operational requirements, such as the mandate in the Municipal Regional Stormwater Discharge Permit to incorporate trash capture devices into the storm drain system to reduce the amount of trash entering local creeks and the San Francisco Bay, and implementation of the Green Stormwater Infrastructure (GSI) Plan.

2026-2030 Capital Improvement Program

Recurring Projects

The 2026-2030 CIP Includes funding for one recurring project in this category: Green Stormwater Infrastructure (Fiscal Year 2026 and 5-Year CIP: $1.2 million), focused on the installation and integration of GSI features into other CIP projects to improve the quality of the City's storm drain system.

Non-Recurring Projects

There are no non-recurring projects in this category in the 2026-2030 CIP.

System Rehabilitation

The System Rehabilitation category accounts for the replacement or rehabilitation of deteriorated components of the storm drain system. Funding is budgeted annually to replace or rehabilitate storm drain pipelines, manholes, catch basins, and pump station equipment.

Recent Accomplishments

- To prevent flooding, a flap gate on San Francisquito Creek at Bryant Street and sensors at Adobe, Waverley, West Bayshore, University, and Colorado pump stations were replaced.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Storm drain pipelines	130 miles
Catch basins	3,500
Manholes	800
Stormwater pump stations	8

2026-2030 Capital Improvement Program

Recurring Projects

The 2026-2030 CIP includes funding for one recurring project in this category: Storm Drainage System Replacement and Rehabilitation (Fiscal Year 2026: $1.8 million; 5-Year CIP: $4.4 million), focused on the replacement and rehabilitation of the existing storm drain pipelines, manholes, and catch basins.

Non-Recurring Projects

There are no non-recurring projects in this category in the 2026-2030 CIP.

Stormwater Management Fund

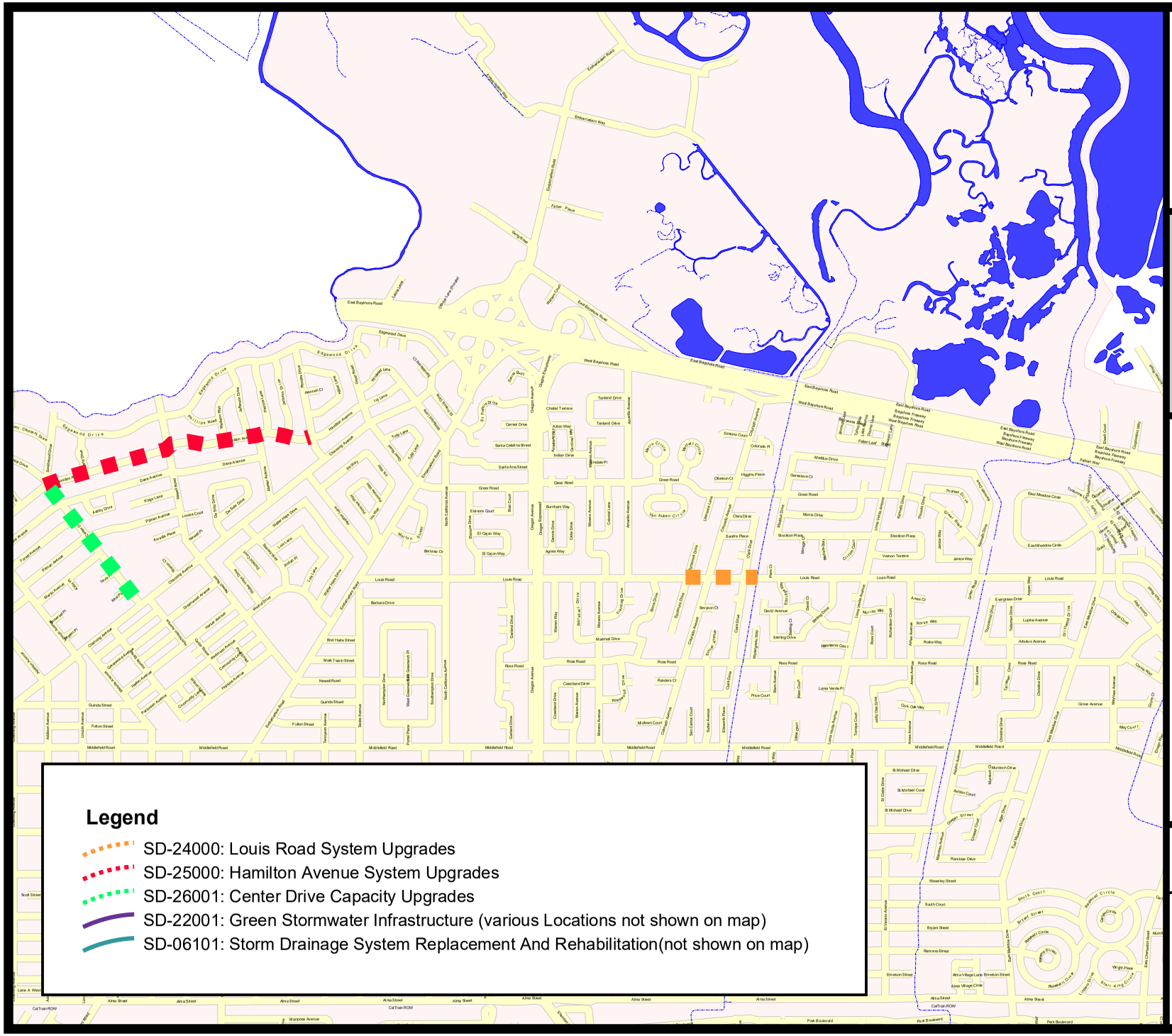
Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Revenue from the Federal Government									
SD-22001	Green Stormwater Infrastructure	1,215,562	0	1,215,562	0	0	0	0	1,215,562
Revenue from the Federal Government Total		**1,215,562**	**0**	**1,215,562**	**0**	**0**	**0**	**0**	**1,215,562**
Revenue from the State of California									
SD-22002	Trash Capture Device Installation	161,837	161,837	0	0	0	0	0	0
Revenue from the State of California Total		**161,837**	**161,837**	**0**	**0**	**0**	**0**	**0**	**0**
Total Sources		**1,377,399**	**161,837**	**1,215,562**	**0**	**0**	**0**	**0**	**1,215,562**
				USE OF FUNDS					
Administration									
SD-26002	Stormwater Management Fund Administration	0	0	676,945	680,255	693,555	711,218	722,774	3,484,747

Stormwater Management Fund *(Continued)*

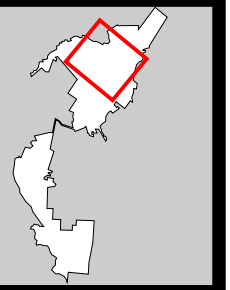
Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Administration Total		**0**	**0**	**676,945**	**680,255**	**693,555**	**711,218**	**722,774**	**3,484,747**
Capacity Improvements									
SD-26001	Center Drive Capacity Upgrades	0	0	115,000	2,300,000	0	0	0	2,415,000
SD-21000	Corporation Way System Upgrades and Pump Station	3,669,068	3,669,068	0	0	0	0	0	0
SD-26000	East Meadow Circle Connection to Adobe Creek Pump Station	300,930	106,166	0	0	0	0	0	0
SD-22000	East Meadow Drive System Upgrades	223,420	98,192	0	0	0	0	0	0
SD-25000	Hamilton Avenue System Upgrades	89,973	89,973	7,000,000	0	0	0	0	7,000,000
SD-24000	Louis Road System Upgrades	0	0	0	0	0	2,920,700	0	2,920,700
SD-20000	West Bayshore Road Pump Station	3,499,439	3,499,438	0	0	0	0	0	0
SD-23000	West Bayshore Road Trunk Line Improvements	4,830,869	4,830,868	0	0	0	0	0	0
Capacity Improvements Total		**12,613,699**	**12,293,705**	**7,115,000**	**2,300,000**	**0**	**2,920,700**	**0**	**12,335,700**
System Improvements									
SD-22001	Green Stormwater Infrastructure	2,126,191	886,861	1,239,330	0	0	0	0	1,239,330
SD-22002	Trash Capture Device Installation	143,694	143,694	0	0	0	0	0	0
System Improvements Total		**2,269,885**	**1,030,555**	**1,239,330**	**0**	**0**	**0**	**0**	**1,239,330**
System Rehabilitation									
SD-06101	Storm Drainage System Replacement And Rehabilitation	1,911,062	728,047	1,783,015	523,000	900,000	600,000	600,000	4,406,015
System Rehabilitation Total		**1,911,062**	**728,047**	**1,783,015**	**523,000**	**900,000**	**600,000**	**600,000**	**4,406,015**
Total Uses		**16,794,646**	**14,052,307**	**10,814,290**	**3,503,255**	**1,593,555**	**4,231,918**	**1,322,774**	**21,465,792**



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The City of Palo Alto



Stormwater Management Fund FY 2026 - FY 2030

This map is a product of the City of Palo Alto GIS

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fy26 cip map storm (\\cc-maps\Encompass\Admin\Personal\FeRead.mdb)

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The City of Palo Alto assumes no responsibility for any errors. ©1989 to 2016 City of Palo Alto



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Administration



Fund: Stormwater Management Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: SD-26002

Storm drain staff during major storm event on December 31st, 2022

Stormwater Management Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Stormwater Management Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Stormwater Management Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Stormwater Management Fund	N/A	0	0	676,945	680,255	693,555	711,218	722,774	3,484,747	0	N/A
Total	**N/A**	**$0**	**$0**	**$676,945**	**$680,255**	**$693,555**	**$711,218**	**$722,774**	**$3,484,747**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	676,945	680,255	693,555	711,218	722,774	3,484,747	0	N/A
Total	**N/A**	**$0**	**$0**	**$676,945**	**$680,255**	**$693,555**	**$711,218**	**$722,774**	**$3,484,747**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Capacity Improvements



Intersection of Alester and Channing (12/31/22)

Fund: Stormwater Management Fund
Category: Capacity Improvements
Project Location: Center Drive from Channing Ave to Hamilton Ave

Managing Department: Public Works

Initial Project Start: Fall 2025
Initial Project Completion: Fall 2027

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: SD-26001

Center Drive Capacity Upgrades

Description

This project provides funding to remove and replace approximately 1,710 linear feet of the existing storm drain pipes of various sizes (12 and 15 inches) with new 36-inch high-density polyethylene storm drain pipes, and add approximately 330 linear feet of new pipe from Hamilton Avenue to Channing Drive in order to increase the storm drain capacity. The pipes will continue to drain to Channing Drive, but this project will provide overflow to the Hamilton Avenue system. The project also includes replacing concrete inlets, manholes, and storm drain laterals, and relocating other utility laterals due to the pipe size changes.

Justification

The existing pipes on Center Drive lack the capacity required to convey runoff from a 10-year storm event. Upsizing the pipes will achieve the level of service established by the City and benefit the Crescent Park Neighborhood. Upsizing the existing lines and adding a new segment of pipe will divert overflow into the Hamilton Avenue system. Completing this project along with the Hamilton System Upgrades project (SD-25000) will minimize flooding that would otherwise reach lower-lying areas in Crescent Park where flooding occurred during major storms in FY 2023.

Supplemental Information

This project is funded by the Storm Water Management Fee approved via a ballot measure by Palo Alto residents in April 2017. The need for this project was identified in Fiscal Year 2015 and ranked as high-priority on the Storm Drain Master Plan dated June 2015. The funding amount shown is based on the engineer's estimate prepared for the Storm Drain Master Plan, which references Saylor Publication's 2014 Current Construction Costs, and includes a 3% annual increase for escalation for construction costs.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Stormwater Management Fund	0	0	0	115,000	2,300,000	0	0	0	2,415,000	0	2,415,000
Total	**$0**	**$0**	**$0**	**$115,000**	**$2,300,000**	**$0**	**$0**	**$0**	**$2,415,000**	**$0**	**$2,415,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	2,300,000	0	0	0	2,300,000	0	2,300,000
Design	0	0	0	115,000	0	0	0	0	115,000	0	115,000
Total	**$0**	**$0**	**$0**	**$115,000**	**$2,300,000**	**$0**	**$0**	**$0**	**$2,415,000**	**$0**	**$2,415,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.14
Program: N4.14.2

Potential Board/Commission Review:

Planning and Transportation Commission
Storm Drain Oversight Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302



Fund: Stormwater Management Fund
Category: Capacity Improvements
Project Location: Hamilton Avenue from Center Drive to Rhodes Drive

Managing Department: Public Works

Initial Project Start: Fall 2025
Initial Project Completion: Summer 2027

Revised Project Start: N/A
Revised Project Completion: Fall 2026

Project Number: SD-25000

Intersection of Alester and Channing Flooding, December 2022

Hamilton Avenue System Upgrades

Description

This project provides funding to remove and replace approximately 3,700 linear feet the existing storm drain pipes of various sizes (12, 15, 18 and 21 inches) with new 48-inch high-density polyethylene storm drain pipes from Rhodes Drive to Center Drive to increase the storm drain capacity. Due to the pipe size changes, this project also requires replacing concrete inlets and manholes, along with storm drain laterals between the main line and the inlets.

Justification

The existing pipes on Hamilton Avenue between Center Drive and Rhodes Drive lack the capacity required to convey runoff from a 10-year storm event. Upsizing the pipes will achieve the level of service established by the City and benefit the Crescent Park and Duveneck neighborhoods.

Supplemental Information

This project is funded by the Storm Water Management Fee approved via a ballot measure by Palo Alto residents in April 2017. The need for this project was identified in Fiscal Year 2015, identified as Project Number 9 and ranked as high-priority on the Storm Drain Master Plan dated June 2015. Once this project is underway, other upstream improvements along Center Drive can be scheduled. The funding amount shown is based on the engineer's estimate prepared for the Storm Drain Master Plan, which references Saylor Publication's 2014 Current Construction Costs, and includes a 3% annual increase for escalation for construction costs.

Significant Changes

2026-2030 CIP: Additional funding of $1.5 million was added to account for utility conflicts and increased construction costs.

2025-2029 CIP: The urgency to upsize the existing system was recognized following major storms in FY 2023. This project will be designed in-house and the timeline has advanced from FY 2028 to FY 2025, ahead of the Louis Road System Upgrades project (SD-24000).

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Stormwater Management Fund	0	89,973	89,973	7,000,000	0	0	0	0	7,000,000	0	7,089,973
Total	**$0**	**$89,973**	**$89,973**	**$7,000,000**	**$0**	**$0**	**$0**	**$0**	**$7,000,000**	**$0**	**$7,089,973**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	7,000,000	0	0	0	0	7,000,000	0	7,000,000
Design	0	89,973	89,973	0	0	0	0	0	0	0	89,973
Total	**$0**	**$89,973**	**$89,973**	**$7,000,000**	**$0**	**$0**	**$0**	**$0**	**$7,000,000**	**$0**	**$7,089,973**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.14
Program: N4.14.2

Potential Board/Commission Review:

Planning and Transportation Commission
Storm Drain Oversight Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Stormwater Management Fund
Category: Capacity Improvements
Project Location: Louis Road from Sycamore Drive to Matadero Creek

Managing Department: Public Works

Initial Project Start: Fall 2023
Initial Project Completion: Winter 2024

Revised Project Start: Fall 2027
Revised Project Completion: Summer 2028

Project Number: SD-24000

Intersection of Louis Road and Clara Drive

Louis Road System Upgrades

Description

This project provides funding to install 1,100 linear feet of new high-density polyethylene storm drain pipe, concrete inlets and manholes northwest of Sycamore Drive to a new outfall with a flap-gate at Matadero Creek.

Justification

Installing new storm drain improvements will divert flows that currently drain into Colorado Avenue directly into Matadero Creek. In addition, the proposed 72-inch pipe will provide storage during the storm peak. This is recommended to alleviate flooding in the pipes northwest of Sycamore Drive and achieve a 10-year level of service.

Supplemental Information

This project is funded by the Storm Water Management Fee approved via a ballot measure by Palo Alto residents in April 2017. The need for this project was identified in Fiscal Year 2015 and this project ranked as high-priority on the Storm Drain Master Plan dated June 2015. This is the eleventh project on the Storm Drain Blue Ribbon Committee Recommended list that was described to voters. Once this project is complete, other upstream improvements along Louis Road can be scheduled. The funding amount shown is based on the engineer's estimate prepared for the Storm Drain Master Plan, which references Saylor Publication's 2014 Current Construction Costs, and includes a 3% annual increase for escalation.

Significant Changes

2025-2029 CIP: Construction delayed from FY 2027 and FY 2028 to FY 2029 due to prioritization of other projects in an area that flooded during FY 2023 storms.

2024-2028 CIP: Construction delayed due to staffing constraints and moved to FY 2027 and FY 2028.

2023-2027 CIP: Program funding increased by $2.0 million to align with planned construction schedule, with costs split between FY 2026 and FY 2027 due to delays of higher priority projects.

2022-2026 CIP: Construction delayed due to staffing constraints and moved to FY 2025 and FY 2026.

2021-2025 CIP: Construction delayed due to staffing constraints and moved to FY 2025 and FY 2026. Design funding increased to add scope for surveying and potholing. Construction increased using 3% escalation.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Stormwater Management Fund	0	0	0	0	0	0	2,920,700	0	2,920,700	0	2,920,700
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,920,700**	**$0**	**$2,920,700**	**$0**	**$2,920,700**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	2,920,700	0	2,920,700	0	2,920,700
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,920,700**	**$0**	**$2,920,700**	**$0**	**$2,920,700**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.14

Potential Board/Commission Review:

Planning and Transportation Commission
Storm Drain Oversight Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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System Improvements



Fund: Stormwater Management Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: SD-22001

Bioretention measure at Rinconada Library that treats on-site stormwater runoff, 2014

Green Stormwater Infrastructure

Description

This project provides funding for Green Stormwater Infrastructure (GSI) projects and the integration of GSI measures to be included in the design and implementation of planned CIP projects supported by other funds and, in the future, maintenance of the City's GSI assets. GSI mimics the natural environment to slow, spread, sink, and filter storm runoff through native or engineered soils rather than discharging it directly into storm drain inlets. Types of GSI include bioretention areas, bioswales, tree filters, green roofs, pervious pavement, and rainwater harvesting (rain barrels and cisterns) to manage stormwater runoff.

Justification

The City is required to comply with the Municipal Regional Stormwater National Pollutant Discharge Elimination System (NPDES) Permit, also known as the Municipal Regional Permit (MRP), which applies to municipalities and flood control agencies that discharge stormwater to the San Francisco Bay (Bay). Under the MRP and previous permits, new development and redevelopment projects on private and public property that exceed certain size thresholds have been required to mitigate stormwater quality impacts by incorporating site design, pollutant source control, and GSI measures. One of the requirements of the current MRP is to identify opportunities to proactively integrate GSI measures into streets, roads, parking lots, roofs, and other elements beyond the current threshold requirements.

Implementing GSI projects and incorporating GSI measures into the design of planned project sites throughout the City will reduce street flooding and capture pollution before it reaches the creeks or Bay by mimicking the natural environment to slow, spread, and sink storm runoff.

Supplemental Information

In Fiscal Year 2025, the City installed bioretention along East Meadow Way as part of a prioritized Storm Drain improvement project and preparation of a Request for Proposals to design a GSI measure in a City Park. This latter effort is part of an Environmental Protection Agency (EPA)-funded project to reduce stormwater runoff and associated pollutants in collaboration with the City of Santa Clara. Design for this project at proposed park location Juana Briones is planned for FY 2026.

Significant Changes

2024-2028 CIP: Funding from the federal government added in FY 2023 for the implementation of a to-be-determined Environmental Protection Agency (EPA) coordinated project. The funding agreement with the City of Santa Clara was approved by the Council (October 17, 2022 Report #14463).

2023-2027 CIP: Due to staffing shortages, the implementation of GSI measures has been delayed to Summer 2022. Staff will evaluate the feasibility of integrating GSI into planned projects in subsequent years during FY 2023.

2022-2026 CIP: Project established during FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Revenue from the Federal Government	N/A	1,215,562	0	1,215,562	0	0	0	0	1,215,562	0	N/A
Stormwater Management Fund	N/A	910,629	886,861	23,768	0	0	0	0	23,768	0	N/A
Total	**N/A**	**$2,126,191**	**$886,861**	**$1,239,330**	**$0**	**$0**	**$0**	**$0**	**$1,239,330**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	2,126,191	886,861	1,239,330	0	0	0	0	1,239,330	0	N/A
Total	**N/A**	**$2,126,191**	**$886,861**	**$1,239,330**	**$0**	**$0**	**$0**	**$0**	**$1,239,330**	**$0**	**N/A**

Operating Impact

This project is anticipated to impact operating expenses in the future, such as maintenance costs. As these costs are quantified, and if the Department determines they cannot be absorbed within the available maintenance schedule and annual operating budget, adjustments will be brought forward in future budgets cycles.

Relationship to Comprehensive Plan Primary Connection	Relationship to Comprehensive Plan Secondary Connection	Potential Board/Commission Review:
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.10 Program: N4.10.1	Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.14 Program: N4.14.2	Parks and Recreation Commission Planning and Transportation Commission Storm Drain Oversight Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.

System Rehabilitation



Fund: Stormwater Management Fund
Category: System Rehabilitation
Project Location: Various locations

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: SD-06101

Storm Drain Repair & Rehabilitation

Storm Drainage System Replacement And Rehabilitation

Description

This project provides funding for annual replacement and rehabilitation projects, identified by a previous condition assessment, to help maintain the integrity of the storm drain system, including the replacement or rehabilitation of deteriorated storm drain pipes, manholes, and storm drain inlets.

Justification

The project implements the recommendations established by the 1993 Storm Drain Condition Assessment Report and later reassessed as part of the 2015 Storm Drain Master Plan. The specific pipes and drainage structures selected for replacement and/or rehabilitation were determined based on their condition score and recommendations by field maintenance staff. The pipelines and structures need to be replaced since they are approaching the end of their intended useful life.

Supplemental Information

The proposed improvements are feasible due to the passing of the Storm Water Management Fee ballot measure. Pipe and structure replacements include recommendations by field maintenance staff who inspect structures during routine inlet and pipe cleaning, identifying broken segments or structures. Lastly, if an existing storm drain line is located near or within another public improvement project, replacement may be warranted to extend useful life and/or avoid limited future access.

Fiscal Year 2026: Ongoing system maintenance including rehabilitation of the storm drain system along specific sections within Alester Avenue to minimize flooding caused by San Francisquito Creek overtopping.

Fiscal Year 2027: Replace broken or cracked lines per plans prepared in-house.

Fiscal Year 2028: Hire a consultant to evaluate the need for a catwalk along Matadero Creek Pump Station trash rack to facilitate clean-up and design catwalk if recommended. If catwalk determined necessary, install catwalk structure within Matadero Creek Pump Station wetwell.

Fiscal Year 2029: Ongoing system maintenance as identified on the inspection and monitoring list.

Fiscal Year 2030: Hire a consultant to evaluate existing storm drain structures including pump station vaults and above ground stations.

Significant Changes

2025-2029 CIP: Increased funding in FY 2025 by $0.2 million to replace CCTV equipment used to inspect and video the storm drain system. Consultant evaluation of the need for a catwalk at the Matadero Creek Pump station is temporarily on hold, with funding moved from FY 2026 to FY 2028, in order to prioritize improvements that reduce flooding in areas affected during New Year's Eve 2022 storm event.

2024-2028 CIP: Increased funding in FY 2024 by $0.4 million to extend power and fiber connections for new cameras at Pope/Chaucer and Newell Road Bridges.

2023-2027 CIP: Work plans have been reevaluated and funding is anticipated to be available and programmed into FY 2025 through FY 2027 for ongoing maintenance without an impact to ballot measure projects.

2022-2026 CIP: No funding programmed in FY 2026 in order to retain funding for the 13 projects approved in April 2017 as part of the Storm Water Management Fee ballot measure.

2021-2025 CIP: Reappropriated funding will be used to replace or rehabilitate broken pipes and catch basins identified in the last inspection. Additional funding will return to the storm drain fund to help support other Stormwater Management capital improvement program project increases.

2019-2023 CIP: Replace pipes within Page Mill ranked high priority and pipes within public utility easements associated with public infrastructure.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Stormwater Management Fund	N/A	1,911,063	728,048	1,783,015	523,000	900,000	600,000	600,000	4,406,015	0	N/A
Total	**N/A**	**$1,911,063**	**$728,048**	**$1,783,015**	**$523,000**	**$900,000**	**$600,000**	**$600,000**	**$4,406,015**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,911,062	728,047	1,783,015	523,000	900,000	600,000	600,000	4,406,015	0	N/A
Total	**N/A**	**$1,911,062**	**$728,047**	**$1,783,015**	**$523,000**	**$900,000**	**$600,000**	**$600,000**	**$4,406,015**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

STORMWATER MANAGEMENT FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.14	Planning and Transportation Commission Storm Drain Oversight Committee

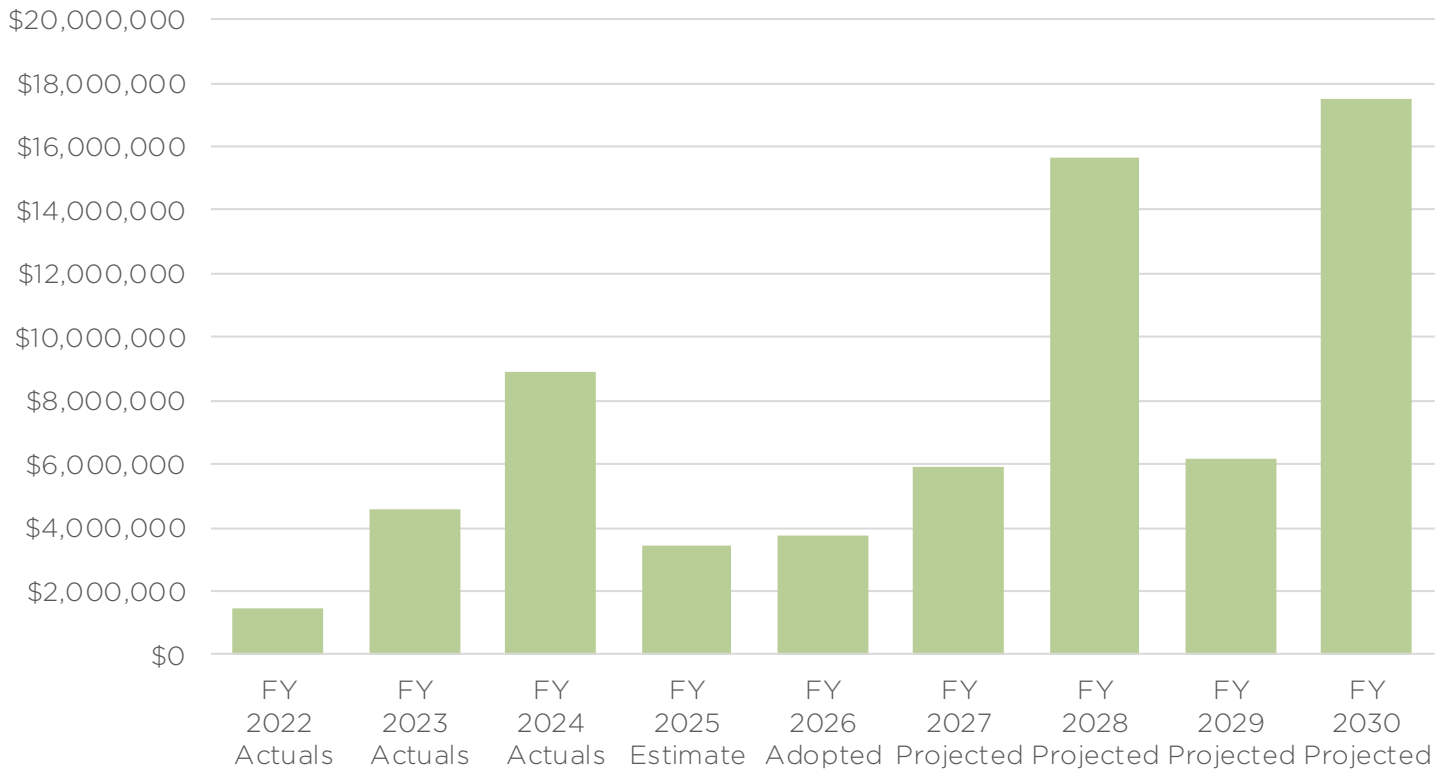
Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.

WASTEWATER COLLECTION FUND

Overview

The City of Palo Alto offers a full array of utility services to its citizens and businesses. The municipal Wastewater Collection System began operation in 1898 and continues to provide safe, reliable, and cost-effective services to residents and customers of Palo Alto. For the 2026-2030 Capital Improvement Program (CIP), approximately $48.9 million is projected, with $3.7 million allocated in Fiscal Year 2026. Overall, a total of eight projects are programmed for the 5-year CIP.

Wastewater Collection Fund Expenditures



Major projects funded in the 2026-2030 CIP include Wastewater Collection System Rehabilitation/Augmentation projects (cumulative total of $28.5 million), Sewer Lateral/Manhole Rehabilitation and Replacement ($3.4 million), Closed Circuit Television (CCTV) Sewer Main Inspection ($1.9 million) and Sewer System, Customer Connections ($1.3 million). The budget for the Wastewater Collection Fund CIP is categorized into four types of projects: Administration, Customer Connections, System Improvements, and System Rehabilitation/Augmentation. To balance the Wastewater Collection Fund reserves and keep rate increases lower, the wastewater main replacement (Collection System Rehabilitation/Augmentation) projects have been reduced from annually to biennially as well as deferred to keep expenditures in line with expected revenue.

Beginning in FY 2026, a new project named Wastewater Collection Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Wastewater Collection Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Total miles of sanitary sewer lines	206.64
Total number of sanitary laterals	17,807

Customer Connections

As customers continually change their wastewater needs due to equipment additions, new construction, building expansions, building remodels, teardowns and rebuilds, and new building occupancy types, the Wastewater Collection System must evolve to meet these needs. The Sewer System Customer Connections project is the only project within this category and includes work required to meet the needs of customers who have applied for new sewer laterals or are required to upgrade the laterals. The Wastewater Collection Fund pays for a portion of this project while remaining costs are supported by reimbursements from customers for project work performed by the City.

Recent Accomplishments

- In Fiscal Year 2024, the Utilities Wastewater Division completed approximately 17 customer service projects with revenue of $0.5 million.

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project in Customer Connections in the 2026-2030 CIP:

Sewer System, Customer Connections (Fiscal Year 2026: $0.1 million; 5-Year CIP: $1.3 million). This project funds changes to customer connections, and costs are partially offset by reimbursements from customers requesting the service.

System Improvements

To ensure reliable wastewater collection services for City of Palo Alto residents and customers, sanitary sewer infrastructure must be replaced upon reaching the end of its expected life. The System Improvements category includes four projects during the 2026-2030 CIP at a total cost of $6.0 million, with $0.7 million allocated in Fiscal Year 2026.

2026-2030 Capital Improvement Program

Recurring Projects

A total of $4.1 million is programmed for System Improvement recurring projects in the 2026-2030 CIP, with $0.4 million allocated in Fiscal Year 2026. Recurring projects in this category include the following:

- Wastewater System Improvements (Fiscal Year 2026: $0.05 million; 5-Year CIP: $0.6 million)
- Wastewater General Equipment and Tools (Fiscal Year: 2026: $0.01 million; 5-Year CIP: $0.2 million)
- Sewer Lateral/Manhole Rehabilitation and Replacement (Fiscal Year 2026: $0.3 million; 5-Year CIP: $3.4 million)

Non-Recurring Projects

There is one non-recurring project in the System Improvements category in the 2026-2030 CIP:

- Closed Circuit Television (CCTV) Sewer Main Inspection (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.9 million)

System Rehabilitation/Augmentation

To ensure reliable wastewater services for City of Palo Alto residents and customers, infrastructure must be replaced upon reaching the end of its useful life. The infrastructure replacement program includes projects that will rehabilitate or replace deteriorated pipelines. In the next five years, it is estimated that approximately 50,000 linear feet of wastewater laterals and mains will be replaced. The System Rehabilitation category includes two projects during the 2026-2030 CIP at a total cost of $28.5 million, with $0.3 million allocated in Fiscal Year 2026.

Recent Accomplishments

- Completed design and construction of the 600 block of Ramona Street to replace the existing 6-inch sanitary sewer damaged by a third-party fiber optic installer with a new 8-inch high-density polyethylene (HDPE) sanitary sewer.

2026-2030 Capital Improvement Program

Non-Recurring Projects

The funding within this category is allocated towards Wastewater Collection System Rehabilitation/Augmentation Projects (cumulative total of $28.5 million). The program is prioritized to replace pipes with structural damage to minimize sewer overflows and to replace pipes with condition defects to reduce inflow of rainfall and groundwater into the collection system. The Utilities Department coordinates with the Public Works Department's street maintenance projects to minimize impact to the streets that have been recently paved when replacing sewer mains.

Linear footage and locations are subject to change. Please refer to the City of Palo Alto Utilities webpage to confirm project details: https://www.PaloAlto.gov/Departments/Utilities/Utilities-Services-Safety/Utilities-Projects.

Wastewater Collection Fund

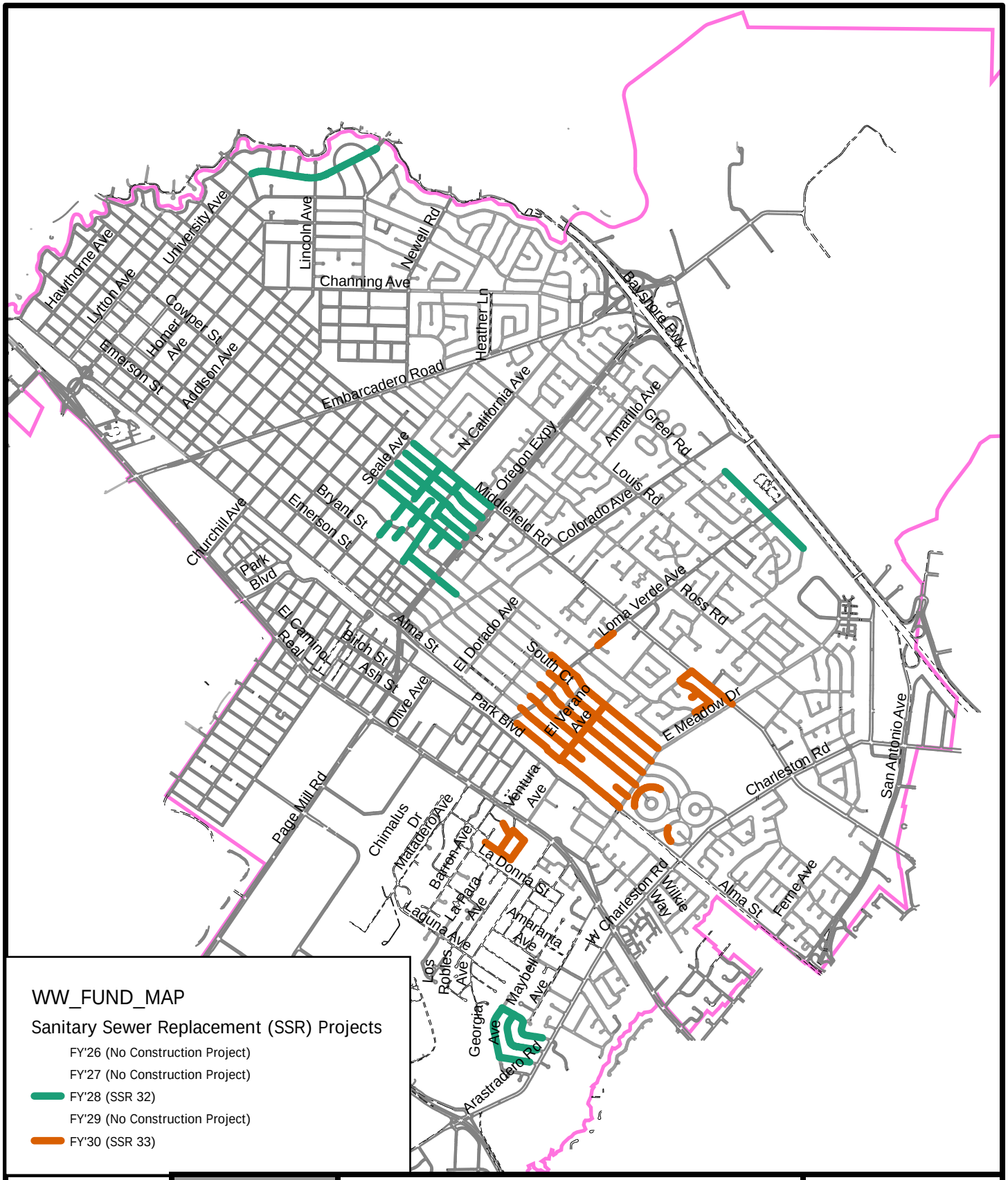
Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Other									
WC-80020	Sewer System, Customer Connections	250,000	250,000	7,074,500	2,840,900	250,000	250,000	250,000	10,665,400
Other Total		**250,000**	**250,000**	**7,074,500**	**2,840,900**	**250,000**	**250,000**	**250,000**	**10,665,400**
Total Sources		**250,000**	**250,000**	**7,074,500**	**2,840,900**	**250,000**	**250,000**	**250,000**	**10,665,400**
				USE OF FUNDS					
Administration									
WC-26002	Wastewater Collection Fund Administration	0	0	2,549,028	2,565,093	2,619,968	2,692,388	2,736,124	13,162,601
Administration Total		**0**	**0**	**2,549,028**	**2,565,093**	**2,619,968**	**2,692,388**	**2,736,124**	**13,162,601**

Wastewater Collection Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Customer Connections									
WC-80020	Sewer System, Customer Connections	453,875	453,875	120,270	186,300	348,290	206,620	450,000	1,311,480
Customer Connections Total		**453,875**	**453,875**	**120,270**	**186,300**	**348,290**	**206,620**	**450,000**	**1,311,480**
System Improvements									
WC-26001	Closed Circuit Television (CCTV) Sewer Main Inspection	0	0	333,275	351,272	370,420	390,233	411,306	1,856,506
WC-99013	Sewer Lateral/Manhole Rehabilitation and Replacement	1,146,743	1,146,743	340,540	499,720	851,480	547,680	1,133,050	3,372,470
WC-13002	Wastewater General Equipment and Tools	90,000	90,000	13,360	20,700	50,000	22,960	50,000	157,020
WC-15002	Wastewater System Improvements	570,222	570,222	53,450	82,800	154,800	91,830	200,000	582,880
System Improvements Total		**1,806,965**	**1,806,965**	**740,625**	**954,492**	**1,426,700**	**1,052,703**	**1,794,356**	**5,968,876**
System Rehabilitation									
WC-19001	Wastewater Collection System Rehabilitation/Augmentation Project 31	1,176,326	1,176,326	0	0	0	0	0	0
WC-20000	Wastewater Collection System Rehabilitation/Augmentation Project 32	1,000,000	0	334,530	2,221,832	11,240,692	0	0	13,797,054
WC-21000	Wastewater Collection System Rehabilitation/Augmentation Project 33	0	0	0	0	0	2,221,832	12,487,645	14,709,477
System Rehabilitation Total		**2,176,326**	**1,176,326**	**334,530**	**2,221,832**	**11,240,692**	**2,221,832**	**12,487,645**	**28,506,531**
Total Uses		**4,437,166**	**3,437,166**	**3,744,453**	**5,927,717**	**15,635,650**	**6,173,543**	**17,468,125**	**48,949,488**



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Administration



Fund: Wastewater Collection Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-26002

Utilities staff at 2024 all hands meeting

Wastewater Collection Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Wastewater Collection Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Wastewater Collection Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	N/A	0	0	2,549,028	2,565,093	2,619,968	2,692,388	2,736,124	13,162,601	0	N/A
Total	**N/A**	**$0**	**$0**	**$2,549,028**	**$2,565,093**	**$2,619,968**	**$2,692,388**	**$2,736,124**	**$13,162,601**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	2,549,028	2,565,093	2,619,968	2,692,388	2,736,124	13,162,601	0	N/A
Total	**N/A**	**$0**	**$0**	**$2,549,028**	**$2,565,093**	**$2,619,968**	**$2,692,388**	**$2,736,124**	**$13,162,601**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Customer Connections



Fund: Wastewater Collection Fund
Category: Customer Connections
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-80020

Sewer System, Customer Connections

Sewer System, Customer Connections

Description

This project provides for the installation of sewer lateral connections, additions of existing mains, and extensions of mains for new or existing customers.

Justification

It is necessary to provide sewer connections to serve new customers and to respond to changes in sewer requirements due to redevelopment. Old existing non-plastic sewer service laterals become cracked and broken by tree root intrusion, ground movement, and third-party excavation damages requiring the laterals to be replaced.

Supplemental Information

Other funding sources include customer connection and capacity fees for connecting to the Wastewater Collection System. Capacity fees are collected through connection charges to cover the proportionate cost of system improvements required to serve new customers.

Significant Changes

2026-2030 CIP: Anticipated capacity fee revenues of approximately $6.8 million in FY 2026 and $2.6 million in FY 2027 have been added. The additional capacity fee revenues reflect several high-density building projects that are currently in the permitting process.

2022-2026 CIP: The annual revenues budgeted for this project has been decreased to align with actual customer connections experienced in prior years for this project.

2021-2025 CIP: The annual amount budgeted for this project has been decreased to align with actual costs experienced in prior years for this project.

2015-2019 CIP: This project was previously titled Sewer System Extension. As part of the FY 2015 budget, it was retitled to more accurately reflect the work done with this funding.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	250,000	250,000	7,074,500	2,840,900	250,000	250,000	250,000	10,665,400	0	N/A
Wastewater Collection Fund	N/A	203,875	203,875	(6,954,230)	(2,654,600)	98,290	(43,380)	200,000	(9,353,920)	900,000	N/A
Total	**N/A**	**$453,875**	**$453,875**	**$120,270**	**$186,300**	**$348,290**	**$206,620**	**$450,000**	**$1,311,480**	**$900,000**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	453,875	453,875	120,270	186,300	348,290	206,620	450,000	1,311,480	900,000	N/A
Total	**N/A**	**$453,875**	**$453,875**	**$120,270**	**$186,300**	**$348,290**	**$206,620**	**$450,000**	**$1,311,480**	**$900,000**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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System Improvements



Fund: Wastewater Collection Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Spring 2026
Initial Project Completion: Fall 2030

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-26001

Utilities staff using CCTV equipment

Closed Circuit Television (CCTV) Sewer Main Inspection

Description

This project funds Closed Circuit Television (CCTV) Sewer Main Inspection to identify pipe stretches in need of rehabilitation/replacement. The project, together with results of the 2023 Sewer Master Plan, will help prioritize capital improvement projects and pipe stretch spot repairs to cost-effectively optimize sewer rehabilitation to renew sewer main assets and mitigate the potential for sanitary sewer overflows.

Justification

Closed Circuit Television (CCTV) Inspection is used to monitor sewer main condition and establish rehabilitation/replacement needs. The City employs CCTV when investigating areas of known concern to prioritize immediate pipe stretch rehabilitation/replacement. In 2013, the City conducted a comprehensive CCTV inspection to support capital improvement project development. The purpose of this project is to update sewer main CCTV inspection data. WGW engineering staff met with WGW operations and maintenance staff to prioritize sewer main areas requiring inspection. The project will focus on investigating non-plastic pipe material (neither high density polyethylene nor PVC) pipe stretches whose existing CCTV data are greater than five years.

The project will be phased over five years to inspect approximately 70,000 lineal feet of sewer main per year for five years. The project will also focus on pipeline diameter less than 18-inch with the majority of the pipelines inspected being 6-inch and 8-inch sewer main. A future project will focus on larger diameter pipeline CCTV which requires different CCTV equipment and more challenging pre-CCTV sewer main cleaning. The project will identify structural and root-related sewer issues to support prioritizing future capital improvement projects and pipeline spot repair.

Supplemental Information

Project results together with 2023 Sewer Master Plan results will be used to cost-effectively optimize sewer main rehabilitation/replacement.

Significant Changes

2026-2030 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	0	0	0	333,275	351,272	370,420	390,233	411,306	1,856,506	0	1,856,506
Total	**$0**	**$0**	**$0**	**$333,275**	**$351,272**	**$370,420**	**$390,233**	**$411,306**	**$1,856,506**	**$0**	**$1,856,506**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	333,275	351,272	370,420	390,233	411,306	1,856,506	0	1,856,506
Total	**$0**	**$0**	**$0**	**$333,275**	**$351,272**	**$370,420**	**$390,233**	**$411,306**	**$1,856,506**	**$0**	**$1,856,506**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission



Fund: Wastewater Collection Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-99013

Sewer manhole base

Sewer Lateral/Manhole Rehabilitation and Replacement

Description

This project will replace defective sewer laterals, cleanouts, and manholes; install backwater devices; and purchase equipment to support these activities in order to maintain the Wastewater Collection System. Information collected during routine annual maintenance activities is used to prioritize work. Defective laterals, for example, will be replaced to re-establish existing services, reduce maintenance expenses, and eliminate ground water intrusion. Backwater devices will be installed to reduce backflows of sewage. New manholes will be installed or rehabilitated to improve structural integrity.

Justification

The work will help reduce both the backflow of sewage onto private property and the City's treatment expenses. This project also cleans and takes videos of sewer collection mains and laterals as necessary.

Significant Changes

2026-2030 CIP: The project budget decreased to balance the reserve and minimize rate increases.

2022-2026 CIP: This budget was increased in alignment to anticipated work levels.

2021-2025 CIP: This budget was increased to accommodate anticipated construction cost escalation for the multi-year lateral replacement project. The bid result indicated that the contractor's cost is substantially higher than in-house cost, therefore Wastewater Operations decided to perform the work themselves. Project costs will continue to be evaluated throughout FY 2021 and considered as part of the development of the 2022-2026 CIP.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	N/A	1,146,743	1,146,743	340,540	499,720	851,480	547,680	1,133,050	3,372,470	2,452,958	N/A
Total	**N/A**	**$1,146,743**	**$1,146,743**	**$340,540**	**$499,720**	**$851,480**	**$547,680**	**$1,133,050**	**$3,372,470**	**$2,452,958**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	1,146,743	1,146,743	340,540	499,720	851,480	547,680	1,133,050	3,372,470	2,452,958	N/A
Total	**N/A**	**$1,146,743**	**$1,146,743**	**$340,540**	**$499,720**	**$851,480**	**$547,680**	**$1,133,050**	**$3,372,470**	**$2,452,958**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Wastewater Collection Fund
Category: System Improvements
Project Location: Municipal Service Center

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-13002

Equipment used to install fuse High Density Polyethylene (HDPE) pipe

Wastewater General Equipment and Tools

Description

This funding allows for the acquisition of new fusion equipment and other associated tools. This equipment is used to fuse together pipe joints in the City's Wastewater Collection System.

Justification

As the equipment ages, the quality of the fusion joints begin to decline and the operators must spend more time scraping, aligning, and fusing construction joints. In order to maintain high quality standards for the installation of the City's wastewater collection mains, along with the associated service standards and worker safety and productivity measures, equipment and tools require continuous upgrades.

Significant Changes

2021-2025 CIP: Project increased from $50,000 to $185,000 for FY 2021. This funding enables the purchase of a new trailer-mounted flusher (pressure washer) and replacement of new closed-circuit television equipment.

2015-2019 CIP: Project was retitled from Wastewater Fusion and General Equipment/Tools.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	N/A	90,000	90,000	13,360	20,700	50,000	22,960	50,000	157,020	100,000	N/A
Total	**N/A**	**$90,000**	**$90,000**	**$13,360**	**$20,700**	**$50,000**	**$22,960**	**$50,000**	**$157,020**	**$100,000**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	90,000	90,000	13,360	20,700	50,000	22,960	50,000	157,020	100,000	N/A
Total	**N/A**	**$90,000**	**$90,000**	**$13,360**	**$20,700**	**$50,000**	**$22,960**	**$50,000**	**$157,020**	**$100,000**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Wastewater Collection Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WC-15002

Trenching for installation of High Density Polyethylene (HDPE) sewer main by directional drilling method

Wastewater System Improvements

Description

This project provides funding as needed to improve the Wastewater Collection System. Typical activities include: increasing system capacity for growth, flow monitoring, hydraulic modeling and system analysis, load simulations, asset management analysis and assessment, system inflow/infiltration analysis, and sanitary sewer overflow monitoring and reduction.

Justification

Wastewater Collection System reliability and adequate capacity are critical to providing a high level of service to customers. Mainline sewer backups and overflows into homes and businesses are costly and pose a health risk. Reducing losses associated with these backup claims requires a continuous evaluation of system needs and making improvements to maintain a high level of service.

Significant Changes

2023-2027 CIP: One-time funding of $0.4 million programmed in FY 2023 for a capacity assessment of the wastewater collection system. The last study was completed in 2004 and since then miles of mains have been upgraded so the model from 2004 is becoming outdated, limiting its usefulness for evaluating new development projects. The new study will reflect today's conditions and also include collecting flow monitoring data.

2022-2026 CIP: Project budget anticipated to increase annually in FY 2023 through FY 2025 to address small improvements to mains and laterals, which are not included in a main replacement project due to reduced scope in those projects. The reduced scope in main replacements helps keep the fund reserves within guidelines and rate increases low.

2021-2025 CIP: This budget is lowered based on past expenditures. In the upcoming years, the proposed budget will be used to improve the system due to unexpected conditions, purchase and implement a new wastewater collection system maintenance software, conduct system assessment, etc.

Currently acquiring a new asset management software platform to replace the current software used to manage Wastewater Operations maintenance activities. All maintenance history, records, and attachments stored in the current database will be exported from cloud-based database and converted or migrated into the new software system. The new wastewater management system will be used by Utilities Wastewater Operations staff to generate work orders, schedule planned or unplanned maintenance work in order to help plan/prioritize pipeline capital improvement replacement.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	N/A	570,222	570,222	53,450	82,800	154,800	91,830	200,000	582,880	400,000	N/A
Total	**N/A**	**$570,222**	**$570,222**	**$53,450**	**$82,800**	**$154,800**	**$91,830**	**$200,000**	**$582,880**	**$400,000**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	200,000	200,000	53,450	82,800	154,800	91,830	200,000	582,880	400,000	N/A
Design	N/A	370,222	370,222	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$570,222**	**$570,222**	**$53,450**	**$82,800**	**$154,800**	**$91,830**	**$200,000**	**$582,880**	**$400,000**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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System Rehabilitation



Fund: Wastewater Collection Fund
Category: System Rehabilitation
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2020
Initial Project Completion: Winter 2022

Revised Project Start: Summer 2025
Revised Project Completion: Spring 2028

Project Number: WC-20000

Sewer Main Replacement Project using Pipe Bursting Method

Wastewater Collection System Rehabilitation/Augmentation Project 32

Description

This project funds the design and construction of high-priority main and lateral replacement work, which reduces inflow of rainfall and infiltration of groundwater into the collection system. The project replaces approximately two miles (which represents 1% of the City's Wastewater Collection System) for various streets in the City, including Middlefield Road, Webster Street, Santa Rita Avenue, and N. California Avenue neighborhoods. The project will be comprised of laterals identified in video inspection work or through maintenance records as deficient and in need of replacement. Priority will be given to areas identified by Public Works as targeted work zones ensuring coordination between departments.

Justification

The 2004 Collection System Master Plan (Master Plan Study) update indicated certain facilities are in need of augmentation to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are part of the asset management program recommended by the Master Plan Study.

Supplemental Information

Linear footage and locations are subject to change, please refer to the City of Palo Alto Utilities webpage to confirm project details.

Significant Changes

2026-2030 CIP: The project also budget increased from $3.0M to $13.8M, which reflects inflation costs and increased miles from 0.5 to 2.0 miles.

2025-2029 CIP: Number of miles for SSR 32 decreased from 2.0 miles to 0.5 miles and the overall total budget decreased from $11.6M to $3.0M due to budget shifting to SSR 31 (WC-19001) to accommodate higher than

anticipated construction pricing due to complexities of construction on El Camino Real and unanticipated shortfalls in revenue which impacted the Wastewater Fund financial plan.

2024-2028 CIP: The number of replacement miles have increased from 1.0 to 2.0 miles and overall project total increased by $6.4M to $11.6M.

2023-2027 CIP: The project schedule was adjusted to start in FY 2025 instead of FY 2026 to align with adjustments made to the schedule for WC-19001 and the Wastewater Fund financial plan. In an effort to keep rates low and reserves within guidelines, the overall project budget has been reduced from $5.5 million to $5.2 million.

2022-2026 CIP: The main replacement scope and schedule has been adjusted to align with the Wastewater Fund financial plan. In an effort to keep rates low and reserves within guidelines, the project scope for Wastewater Collection Replacement Project 32 has been reduced and the overall project budget has been reduced from $7.2 million to $5.5 million.

2020-2024 CIP: City staff has proposed a new replacement schedule of completing a water, gas and wastewater construction project every other year instead of annually to reduce the amount of construction when prices are high. In the last few years there have been fewer bidders and higher prices on construction projects due to the increased demand for construction services. The overall project budget has increased by $2.3 million to account for construction cost escalation.

2019-2023 CIP: Project budget has increased by $1.0 million to account for construction cost escalation.

2018-2022 CIP: Due to delays in WCSR 24, 25, 26, and 27, the construction for this project is postponed to FY 2023.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	0	1,000,000	0	334,530	2,221,832	11,240,692	0	0	13,797,054	0	13,797,054
Total	**$0**	**$1,000,000**	**$0**	**$334,530**	**$2,221,832**	**$11,240,692**	**$0**	**$0**	**$13,797,054**	**$0**	**$13,797,054**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	(2)	0	0	334,530	2,221,832	11,240,692	0	0	13,797,054	0	13,797,052
Design	0	1,000,000	0	0	0	0	0	0	0	0	0
Total	**$(2)**	**$1,000,000**	**$0**	**$334,530**	**$2,221,832**	**$11,240,692**	**$0**	**$0**	**$13,797,054**	**$0**	**$13,797,052**

Operating Impact

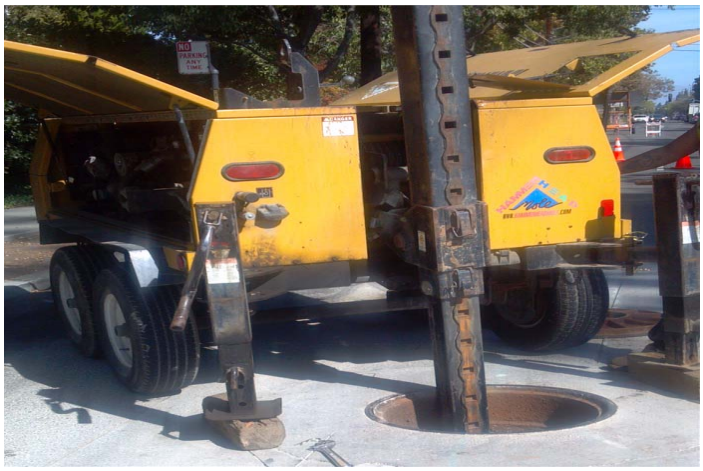
There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.16 Program: N4.16.1	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Wastewater Collection Fund
Category: System Rehabilitation
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2027
Initial Project Completion: Winter 2028

Revised Project Start: N/A
Revised Project Completion: Winter 2030

Project Number: WC-21000

Rehabilitation equipment

Wastewater Collection System Rehabilitation/Augmentation Project 33

Description

This project funds the design and construction of high priority main and lateral replacement work, which reduces inflow of rainfall and groundwater into the collection system. The project will include approximately 26,000 linear feet (which represents approximately 2.5% of the City's Wastewater Collection System) for various streets within the City, including Crescent Park, Old Palo Alto, Midtown, Palo Verde, Fair Meadow, Barron Park, and Green Acres neighborhoods. The project will be comprised of laterals identified in video inspection work or through maintenance records as deficient and in need of replacement. Priority will be given to areas identified by Public Works as targeted work zones ensuring coordination between departments.

Justification

The 2004 Collection System Master Plan Study update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are informed by the Master Plan Study; research and analysis of sewer main maintenance records; cleaning and videotaping of sanitary sewer mains; condition assessment; real time flow monitoring of existing sewers; and hydraulic computer modeling.

Supplemental Information

Linear footage and locations are subject to change, please refer to the City of Palo Alto Utilities webpage to confirm project details.

Significant Changes

2026-2030 CIP: This project construction has been deferred FY 2030 to align with the Wastewater Financial Plan. The overall project budget also includes an adjustment to include cost inflation.

2024-2028 CIP: The number of replacement miles have increased from 1.0 to 2.0 miles and overall project total increased by $6.4M to $11.6M.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Collection Fund	0	0	0	0	0	0	2,221,832	12,487,645	14,709,477	0	14,709,477
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,221,832**	**$12,487,645**	**$14,709,477**	**$0**	**$14,709,477**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	0	12,487,645	12,487,645	0	12,487,645
Design	0	0	0	0	0	0	2,221,832	0	2,221,832	0	2,221,832
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,221,832**	**$12,487,645**	**$14,709,477**	**$0**	**$14,709,477**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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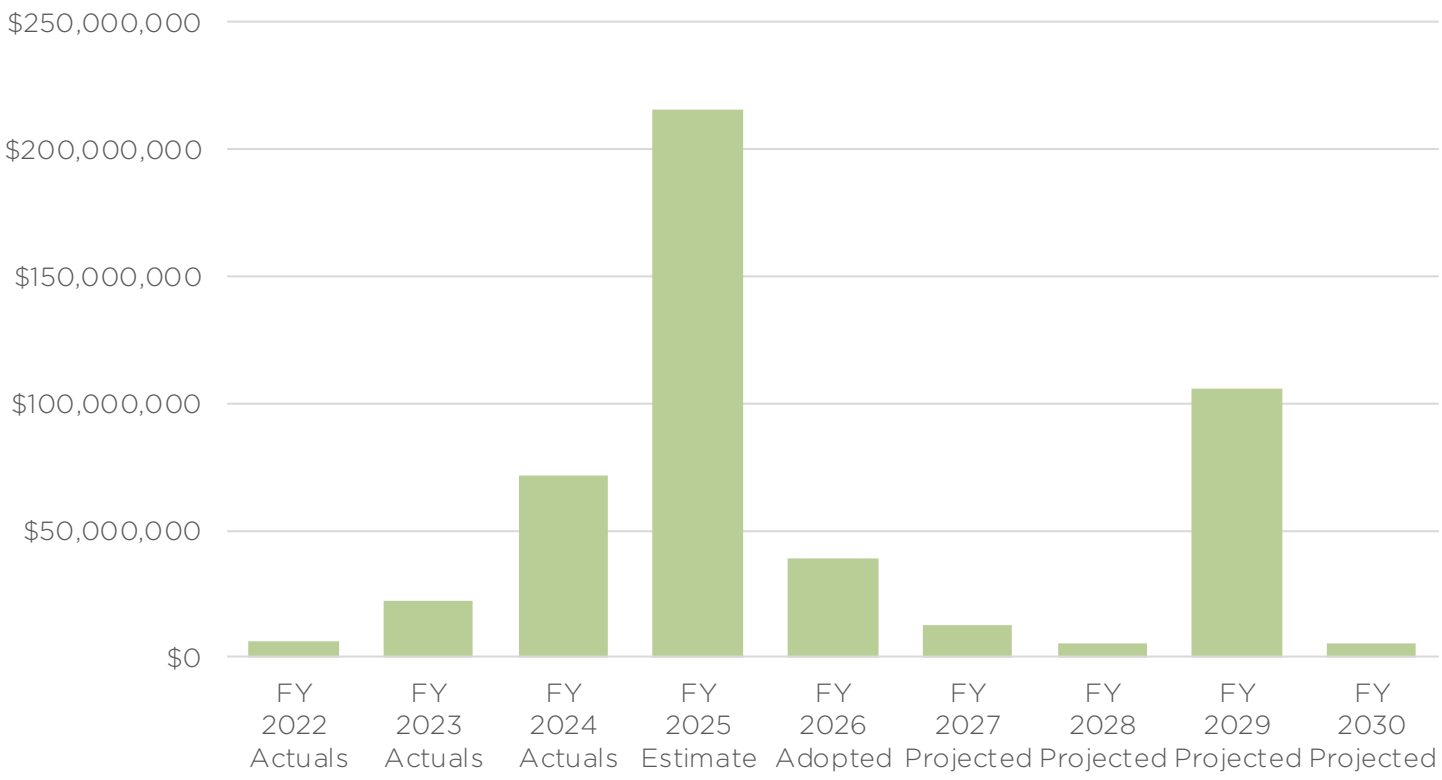
WASTEWATER TREATMENT FUND

Overview

Activities related to the replacement, rehabilitation, optimization, and upgrading of the City's wastewater treatment plant infrastructure are accounted for in the Wastewater Treatment Fund. For detailed information on the maintenance and operation of the wastewater treatment plant, please refer to the Wastewater Treatment Fund section of the Operating Budget. As part of the 2026-2030 Capital Improvement Program (CIP), expenditures of approximately $167.5 million are programmed, with $38.6 million allocated in FY 2026, of which $29.5 million has been reappropriated for the continuation of projects that were approved by the City Council in prior fiscal years. The Wastewater Treatment Fund recovers its costs from the Palo Alto Wastewater Collection Fund, Stanford University, East Palo Alto Sanitary District, Mountain View, Los Altos, and Los Altos Hills (partner agencies) based on each agency's expected share of the capacity. Each agency bills their respective sewer ratepayers for associated sewer and treatment costs as well as the Wastewater Treatment Fund's capital projects. Approximately 250,000 residents are served by the six agencies contributing sewage to the Regional Water Quality Control Plant (RWQCP). Overall, a total of eight projects are programmed in the 2026-2030 CIP with the budget accounted for in three categories: Administration, Buildings and Facilities, and System Improvements.

Beginning in FY 2026, a new project named Wastewater Treatment Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Wastewater Treatment Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Wastewater Treatment Fund Expenditures



The 2012 Long Range Facilities Plan evaluated the infrastructure needs of the RWQCP. It analyzed and made recommendations on future regulations, replacement and rehabilitation needs, site planning, and flow and load projections. Funding for the major projects included in the 2026-2030 CIP requires debt financing and approval by the partners, per the individual agreements between the City and each of the partners. Over the years, staff has met with partner agencies at the staff, board, and council levels to discuss major capital projects. It should be noted that a portion of the expenses for these projects is expected to be incurred after the five years included in the 2026-2030 CIP. Staff has applied for State Revolving Fund loans and has considered revenue bonds for these projects.

Major projects planned include:

- Headworks Facility Replacement (Fiscal Year 2026: $1.6 million; 5-Year CIP: $101.6 million)
- New Laboratory and Environmental Services Building (Fiscal Year 2026 and 5-year CIP: $16.5 million)
- Outfall Line Construction (Fiscal Year 2026: $10.6 million; 5-Year CIP: $17.8 million)

Minor CIP projects are funded through recurring payments to the City by the partner agencies, with the total dollar amount for the minor CIP projects capped by the partner agreements and adjusted annually for inflation. Minor projects are budgeted in the Plant Repair, Retrofit, and Equipment Replacement Project (Fiscal Year 2026: $7.9 million; 5-Year CIP: $25.5 million).

Infrastructure Inventory

CLASSIFICATION	TYPE
Liquid Treatment Systems	Preliminary, Primary, Secondary, and Tertiary Treatment, UV Disinfection, and Outfall
Solids Treatment Systems	Solids Handling
Staff Buildings	Staff Buildings and Support Systems
Recycled Water	Recycled Water Treatment

Buildings and Facilities

The Buildings and Facilities category accounts for projects that will improve or construct facilities that house equipment related to wastewater treatment at the RWQCP. During the 2026-2030 CIP, two projects are programmed in this category.

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project in this category as part of the 2026-2030 CIP.

- Plant Master Plan (Fiscal Year 2026: $0.4 million; 5-Year CIP: $2.2 million)

Non-Recurring Projects

There is one non-recurring project in this category as part of the 2026-2030 CIP.

- New Laboratory and Environmental Services Building (Fiscal Year 2026 and 5-Year CIP: $16.5 million)

System Improvements

The System Improvements category accounts for all infrastructure and equipment related to the safe and efficient treatment of wastewater received at the RWQCP. During the 2026-2030 CIP, five projects are programmed in this category.

Recent Accomplishments

- Completed construction of the Primary Sedimentation Tank Rehabilitation Project (WQ-14003).
- Completed Phase 1 of 12kV Loop Rehabilitation Project that is within the recurring Plant Repair, Retrofit, and Equipment Replacement Project (WQ-19002).

2026-2030 Capital Improvement Program

Recurring Projects

There is one recurring project in this category: Plant Repair, Retrofit, and Equipment Replacement (Fiscal Year 2026: $7.9 million; 5-Year CIP: $25.5 million). This project provides funding for minor CIP projects such as assessment, repair, and retrofit of the concrete and metal structural condition of the plant. The United States Environmental Protection Agency (EPA) mandates that funding is allocated for equipment replacement to ensure adequate wastewater treatment reliability.

Non-Recurring Projects

There are four non-recurring projects in this category:

- Headworks Facility Replacement (Fiscal Year 2026: $1.6 million; 5-Year CIP: $101.6 million)

- Horizontal Levee Pilot (Fiscal Year 2026: $0.2 million; 5-Year CIP: $0.3 million)
- Outfall Line Construction (Fiscal Year 2026: $10.6 million; 5-Year CIP: $17.8 million)
- Secondary Treatment Upgrades (Fiscal Year 2026 and 5-Year CIP: $0.8 million)

Wastewater Treatment Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Other									
WQ-16002	Headworks Facility Replacement	4,757,000	4,757,000	0	0	0	100,000,000	0	100,000,000
WQ-24000	Joint Intercepting Sewer Rehabilitation (Phase 1)	12,500,000	12,500,000	0	0	0	0	0	0
WQ-19003	Local Advanced Water Purification System	64,394,411	64,394,411	0	0	0	0	0	0
WQ-14002	New Laboratory And Environmental Services Building	16,410,000	16,410,000	0	0	0	0	0	0
WQ-19000	Outfall Line Construction	10,582,800	10,582,800	0	7,195,200	0	0	0	7,195,200
WQ-14003	Primary Sedimentation Tank Rehabilitation	4,837,272	4,837,272	0	0	0	0	0	0
WQ-19001	Secondary Treatment Upgrades	96,517,440	96,517,440	0	0	0	0	0	0
Other Total		**209,998,923**	**209,998,923**	**0**	**7,195,200**	**0**	**100,000,000**	**0**	**107,195,200**
Revenue from Other Agencies									
WQ-19001	Secondary Treatment Upgrades	36,128,770	36,128,770	0	0	0	0	0	0
Revenue from Other Agencies Total		**36,128,770**	**36,128,770**	**0**	**0**	**0**	**0**	**0**	**0**
Total Sources		**246,127,693**	**246,127,693**	**0**	**7,195,200**	**0**	**100,000,000**	**0**	**107,195,200**
				USE OF FUNDS					
Administration									
WQ-26000	Wastewater Treatment Fund Administration	0	0	530,260	538,870	556,214	577,642	593,536	2,796,522
Administration Total		**0**	**0**	**530,260**	**538,870**	**556,214**	**577,642**	**593,536**	**2,796,522**
Buildings and Facilities									
WQ-14002	New Laboratory And Environmental Services Building	16,549,736	77,136	16,472,600	0	0	0	0	16,472,600
WQ-10001	Plant Master Plan	1,231,432	1,231,431	440,000	440,000	440,000	440,000	440,000	2,200,000
Buildings and Facilities Total		**17,781,168**	**1,308,567**	**16,912,600**	**440,000**	**440,000**	**440,000**	**440,000**	**18,672,600**
System Improvements									
WQ-16002	Headworks Facility Replacement	4,594,810	2,955,836	1,638,974	0	0	100,000,000	0	101,638,974
WQ-22001	Horizontal Levee Pilot	431,251	431,250	150,000	150,000	0	0	0	300,000
WQ-24000	Joint Intercepting Sewer Rehabilitation (Phase 1)	12,441,751	12,441,751	0	0	0	0	0	0
WQ-19003	Local Advanced Water Purification System	64,941,167	64,941,166	0	0	0	0	0	0

Wastewater Treatment Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
WQ-19000	Outfall Line Construction	10,655,465	49,665	10,605,800	7,195,200	0	0	0	17,801,000
WQ-19002	Plant Repair, Retrofit, and Equipment Replacement	13,412,653	13,412,653	7,949,200	4,054,400	4,206,000	4,500,000	4,798,691	25,508,291
WQ-14003	Primary Sedimentation Tank Rehabilitation	5,800,659	3,556,628	0	0	0	0	0	0
WQ-19001	Secondary Treatment Upgrades	117,009,782	116,198,462	811,320	0	0	0	0	811,320
System Improvements Total		**229,287,538**	**213,987,411**	**21,155,294**	**11,399,600**	**4,206,000**	**104,500,000**	**4,798,691**	**146,059,585**
Total Uses		**247,068,706**	**215,295,978**	**38,598,154**	**12,378,470**	**5,202,214**	**105,517,642**	**5,832,227**	**167,528,707**

Administration



Fund: Wastewater Treatment Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WQ-26000

Laboratory staff at the Regional Water Quality Control Plant

Wastewater Treatment Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Wastewater Treatment Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Wastewater Treatment Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Treatment Fund	N/A	0	0	530,260	538,870	556,214	577,642	593,536	2,796,522	0	N/A
Total	**N/A**	**$0**	**$0**	**$530,260**	**$538,870**	**$556,214**	**$577,642**	**$593,536**	**$2,796,522**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	530,260	538,870	556,214	577,642	593,536	2,796,522	0	N/A
Total	**N/A**	**$0**	**$0**	**$530,260**	**$538,870**	**$556,214**	**$577,642**	**$593,536**	**$2,796,522**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Buildings and Facilities



Fund: Wastewater Treatment Fund
Category: Buildings and Facilities
Project Location: 2501 Embarcadero Way

Managing Department: Public Works

Initial Project Start: Winter 2015
Initial Project Completion: Fall 2021

Revised Project Start: Spring 2019
Revised Project Completion: Fall 2031

Project Number: WQ-14002

Water Quality Control Plant Laboratory

New Laboratory And Environmental Services Building

Description

This project provides funding for the development of new workspaces, required enhancements to tenant spaces, establishing space for construction staging, and creating a cohesive campus environment.

Justification

The Regional Water Quality Control Plant has aging infrastructure and is currently undergoing major construction per the Long-Range Facilities Plan. The existing laboratory does not have adequate space for staff, instruments, chemical storage, and microbiology testing. Due to limited space, staff is currently located in four separate aging buildings, which house industrial pumps, limiting the number of staff that can be assigned to each building. The Engineering team is currently located in a temporary trailer and the Regional Water Quality Control Plant needs this space for current and future capital projects.

Supplemental Information

This project was identified in the Long Range Facilities Plan accepted by City Council in 2012. Various funding options are being pursed such as construction funding via a low interest State Revolving Fund (SRF) loan, a revenue bond, or a line of credit which are subject to approval from partner agencies (Stanford University, Mountain View, Los Altos, Los Altos Hills, and the East Palo Alto Sanitary District).

Significant Changes

2026-2030 CIP: Initially, the City explored constructing a new building at the Regional Water Quality Control Plant, but the estimated $50 million was determined to be cost-prohibitive. As a result, the City has reimagined the scope of this project for the development of a campus-wide workspace that offers greater flexibility and adaptability for future needs.

2025-2029 CIP: The original project scope included building a building on the current Plant footprint. Total project funding has decreased by $6.3 million while staff evaluates land acquisition and space planning options.

2024-2028 CIP: Project advanced planning will be integrated with a Long Range Facilities Plan Update. Timeline and funding moved to FY2025.

2023-2027 CIP: Project planning commenced in Spring 2022. The project cost estimate and timeline will be updated as the project definition is refined after planning and design.

2022-2026 CIP: Full design will proceed following additional planning level analyses including evaluation of additional options, including potential lease or facility procurement options. If the project continues as planned, construction is projected to begin in FY 2024. Funding for subsequent years has been consolidated into the fiscal years that the design and construction contracts are anticipated to be awarded, Fiscal Years 2022 and 2024 respectively.

2021-2025 CIP: Construction has been delayed and projected to begin in FY 2022.

2020-2024 CIP: Design contract slightly delayed and awarded in February 2019.

2019-2023 CIP: Design phase of the project is expected to start in Fall 2018. The City is exploring funding alternatives for the project; therefore, the funding source is no longer stated as Revenue from the State of California.

2018-2022 CIP: Partners approved repayment of the SRF design and planning loan, but securing the loan took longer than expected and there was uncertainty about availability of State funds. The City will explore alternate methods of funding such as a revenue bond. Project planning/design can commence once the funds are secured, but the timeline has been impacted.

2017-2021 CIP: Approval by partner agencies was required for project approval and to guarantee repayment of any state loans.

2016-2020 CIP: Project budget in FY 2016 now captures an additional $4.0 million more in FY 2020 for final design and start of construction.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	16,410,000	16,410,000	0	0	0	0	0	0	0	16,410,000
Wastewater Treatment Fund	363,703	139,736	(16,332,863)	16,472,600	0	0	0	0	16,472,600	0	503,440
Total	**$363,703**	**$16,549,736**	**$77,137**	**$16,472,600**	**$0**	**$0**	**$0**	**$0**	**$16,472,600**	**$0**	**$16,913,440**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	13,965,090	65,090	13,900,000	0	0	0	0	13,900,000	0	13,965,090

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	363,703	2,584,646	12,046	2,572,600	0	0	0	0	2,572,600	0	2,948,349
Total	**$363,703**	**$16,549,736**	**$77,136**	**$16,472,600**	**$0**	**$0**	**$0**	**$0**	**$16,472,600**	**$0**	**$16,913,439**

Operating Impact

This project is anticipated to impact operating expenses in the future such as utilities, janitorial services, and alarm/security systems. Any development related to this project will be quantified and adjustments will be brought forward in future budgets.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Environmental Impact Analysis:
CEQA will be required.

Potential Board/Commission Review:

Planning and Transportation Commission
Architectural Review Board



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Fund: Wastewater Treatment Fund
Category: Buildings and Facilities
Project Location: 2501 Embarcadero Way

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WQ-10001

Looking West from Fixed Film Reactors

Plant Master Plan

Description

This project provides funding for the planning and program management of the Long Range Facilities Plan (LRFP) which was completed in 2012. Program management includes project definitions of long range capital projects, acquisition of funding for new large capital projects, preparation of City issued design consultant Request for Proposal packages, and ancillary services related to plan implementation. The program management services are needed through the full execution of the projects covered in the LRFP. The projects in the LRFP are currently underway and are in various stages of development and completion.

Justification

The long range facilities needed for a wastewater treatment plant primarily consist of replacing aging industrial facilities but also include plant process optimizations, new support infrastructure, and responsiveness to changing situations and regulations.

Significant Changes

2026-2030 CIP: The Long Range Facilities Plan update is anticipated to be completed in FY 2027.

2024-2028 CIP: A Long Range Facilities Plan update will be initiated in FY 2024.

2023-2027 CIP: Projects outlined in the LRFP are anticipated to need oversight and management until FY 2055, so this project has been recategorized to a recurring project in order to maintain funding for overall management of the LRFP for the next 30+ years.

2022-2026 CIP: The term of the Program Manager contract was extended to FY 2023 to continue to support implementation of the LRFP due to delays in securing state revolving fund loans.

2019-2023 CIP: The term of the Program Manager contract is extended to FY 2021 to continue to support implementation of the LRFP.

2017-2021 CIP: The Plant is in the second year of the program manager contract and program implementation continues to be dependent upon securing state revolving fund loans.

2016-2020 CIP: After completion of the LRFP in 2012, a program manager was brought on board to support implementation of the master plan. About $0.6 million of the consultant's work was approved during FY 2015, and the remainder was subject to approval of an additional $3.3 million in capital funding authorization in the FY 2016 capital budget.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Treatment Fund	N/A	1,231,432	1,231,431	440,000	440,000	440,000	440,000	440,000	2,200,000	0	N/A
Total	**N/A**	**$1,231,432**	**$1,231,431**	**$440,000**	**$440,000**	**$440,000**	**$440,000**	**$440,000**	**$2,200,000**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Design	N/A	1,231,432	1,231,431	440,000	440,000	440,000	440,000	440,000	2,200,000	0	N/A
Total	**N/A**	**$1,231,432**	**$1,231,431**	**$440,000**	**$440,000**	**$440,000**	**$440,000**	**$440,000**	**$2,200,000**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project may require environmental review.



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System Improvements



Fund: Wastewater Treatment Fund
Category: System Improvements
Project Location: 2501 Embarcadero Way

Managing Department: Public Works

Initial Project Start: Spring 2020
Initial Project Completion: Winter 2024

Revised Project Start: Winter 2024
Revised Project Completion: Fall 2031

Project Number: WQ-16002

Headworks Facility

Headworks Facility Replacement

Description

This project provides funding for replacing influent pumping, including the suction and discharge piping, pipe manifolds, valves, the electrical and controls system, screening equipment, grit handling equipment, the force main to primary treatment and modifying headworks building, and yard piping.

Justification

This project was identified in the Long Range Facilities Plan (LRFP) report accepted by City Council in 2012. The existing headworks are at the end of their useful life and replacement is required for operational reliability of pumping the raw sewage from the influent sewers into the treatment plant.

Supplemental Information

Partner agencies' approval to repay construction loans is needed as a low-interest state revolving fund loan, United States Environmental Protection Agency Water Infrastructure Finance and Innovation Act loan, and/or a revenue bond will be pursued to fund the project.

Significant Changes

2026-2030 CIP: As the design work continues, project construction estimates are expected to be higher than initial expectations for an increase of about $50 million in FY 2029.

2025-2029 CIP: Project construction initiation moved from FY 2026 to FY 2029, construction completion moved from Summer 2029 to Fall 2031, and the total project cost increased to account for inflation.

2024-2028 CIP: Project cost updated based on newest inflation and mid-point construction estimates.

2023-2027 CIP: Project planning commenced in Winter 2024 followed by design and construction in Fiscal Years 2026 and 2028 respectively. Project cost estimate will be updated as the project definition is refined after planning and design.

2022-2026 CIP: Project is delayed from Winter 2021 to Winter 2022 due to continued budget constraints, staffing resources, and construction logistics with other projects in progress. Project cost increased to account for anticipated future cost escalation/inflation. Funding for subsequent years has been consolidated into the fiscal years the design and construction contracts are anticipated to be awarded, Fiscal Years 2023 and 2026 respectively.

2021-2025 CIP: Project is delayed from Winter 2020 to Winter 2021 due to budget constraints, staffing resources, and construction logistics with other projects in progress.

2020-2024 CIP: Project start delayed from Summer 2019 to Winter 2020 due to budget constraints, staffing resources, and construction logistics with other projects in progress.

2019-2023 CIP: Staff is evaluating alternative funding options, therefore the funding source is no longer stated explicitly as Revenue from the State of California.

2018-2022 CIP: Staff revised the Funding Sources Schedule and the Expenditure Schedule to better reflect the project timeline recommended in the LRFP, where design will take place from 2020 to 2022, with CEQA and construction to follow.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	4,757,000	4,757,000	0	0	0	100,000,000	0	100,000,000	0	104,757,000
Wastewater Treatment Fund	184,846	(162,190)	(1,801,164)	1,638,974	0	0	0	0	1,638,974	0	22,656
Total	**$184,846**	**$4,594,810**	**$2,955,836**	**$1,638,974**	**$0**	**$0**	**$100,000,000**	**$0**	**$101,638,974**	**$0**	**$104,779,656**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	100,000,000	0	100,000,000	0	100,000,000
Design	184,846	4,594,810	2,955,836	1,638,974	0	0	0	0	1,638,974	0	4,779,656
Total	**$184,846**	**$4,594,810**	**$2,955,836**	**$1,638,974**	**$0**	**$0**	**$100,000,000**	**$0**	**$101,638,974**	**$0**	**$104,779,656**

Operating Impact

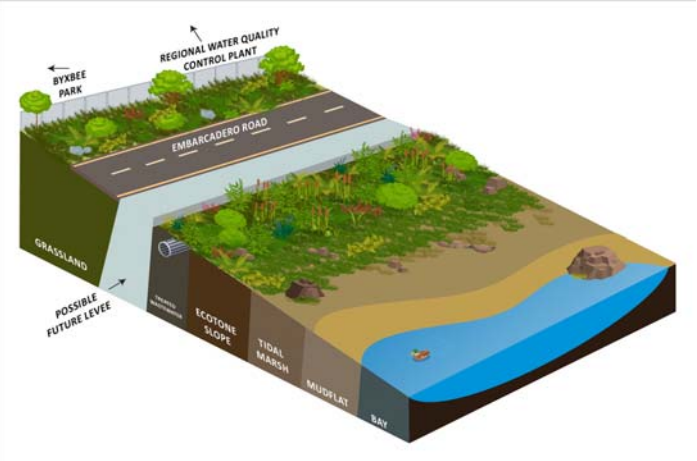
There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.16 Program: N4.16.1	Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Wastewater Treatment Fund
Category: System Improvements
Project Location: Palo Alto Baylands

Managing Department: Public Works

Initial Project Start: Summer 2021
Initial Project Completion: Winter 2025

Revised Project Start: N/A
Revised Project Completion: Fall 2026

Project Number: WQ-22001

Schematic of a horizontal levee

Horizontal Levee Pilot

Description

This project consists of the design, permitting, and construction of a horizontal levee pilot system. The system will utilize treated wastewater to create a transitional brackish habitat on the Bayside of a future flood control levee located in the Palo Alto Baylands, adjacent to the City of Palo Alto's Regional Water Quality Control Plant (RWQCP). Information and data collected by this pilot system could support broader implementation of horizontal levees as green infrastructure components in larger flood control levee improvement projects within Palo Alto and beyond.

Justification

The City of Palo Alto is currently evaluating needed improvements to the existing flood control levees surrounding the City under the Baylands Flood Protection Levee Improvements Project (PE-17006). A horizontal levee is a green infrastructure alternative to the typical wave attenuation technologies (i.e., rip rap) used for flood control levees. Compared to traditional wave attenuation technologies, horizontal levees provide multiple benefits, including sea-level rise protection, habitat improvement, and polishing treatment for treated wastewater. However, because horizontal levees are an emerging technology, the City has been evaluating the feasibility of constructing a pilot system within the Baylands that would collect information and data. This site-specific information could support broader implementation of horizontal levees as green infrastructure components within the larger flood control levee improvement projects. Ultimately, the pilot system itself would be integrated into the larger flood control levee system once built.

Supplemental Information

City staff, in collaboration with the San Francisco Estuary Partnership (SFEP) as part of the Association of Bay Area Governments (ABAG), have secured $64.5 million from numerous grants to support planning, design, and construction of this Project. Grantors include the United States Environmental Protection Agency and the

State Coastal Conservancy. The grants were awarded to and are administered by SFEP. City Council approved a cooperative agreement between the City and ABAG on January 22, 2024 (Report #2303-1230) to construct the project. The City is expected to fund $0.9 million in direct payments for permitting, environmental review, community outreach, and monitoring studies as part of this project.

Significant Changes

2026-2030 CIP: Construction of the horizontal levee is now anticipated to complete in 2026. $150,000 added in FY 2027 for required monitoring.

2025-2029 CIP: Construction of the horizontal levee is anticipated to complete in early 2025. Resource agency construction permits require ongoing monitoring of the location for at least five years following construction until Fall 2029.

2023-2027 CIP: Grant funding has been secured through the Environmental Protection Agency (EPA) Water Quality Improvement Fund for completion of the design phase of the project. The project budget includes the City's fund match requirements. The project team will continue to seek grant funding for the construction phase of the project in subsequent years.

2022-2026 CIP: Project established during FY 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Treatment Fund	156,195	431,251	431,251	150,000	150,000	0	0	0	300,000	0	887,446
Total	**$156,195**	**$431,251**	**$431,251**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$887,446**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	4,577	400,149	400,148	150,000	150,000	0	0	0	300,000	0	704,725
Design	151,617	31,102	31,102	0	0	0	0	0	0	0	182,719
Total	**$156,194**	**$431,251**	**$431,250**	**$150,000**	**$150,000**	**$0**	**$0**	**$0**	**$300,000**	**$0**	**$887,444**

Operating Impact

This project is anticipated to impact operating expenses in the future such as utilities and monitoring costs through FY 2029. Once the project is complete, costs will be quantified and adjustments will be brought forward as part of the FY 2029 budget process.

Relationship to Comprehensive Plan Primary Connection	Relationship to Comprehensive Plan Secondary Connection	Potential Board/Commission Review:
Element: Natural Environment Section: Climate Change and Climate Adaptation Goal: N-8 Policy: N-8.4 Program: N8.4.1	Element: Natural Environment Section: Community Safety Goal: S-2 Policy: S-2.12 Program: S2.12.2	Parks and Recreation Commission Planning and Transportation Commission Architectural Review Board

Environmental Impact Analysis:
This project is expected to qualify for an exemption under the California Environmental Quality Act for small habitat restoration projects.



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Fund: Wastewater Treatment Fund
Category: System Improvements
Project Location: Wastewater Treatment Plant and Palo Alto Airport

Managing Department: Public Works

Initial Project Start: Summer 2018
Initial Project Completion: Fall 2019

Revised Project Start: Summer 2021
Revised Project Completion: Fall 2028

Project Number: WQ-19000

Outfall, Winter 2017

Outfall Line Construction

Description

This project consists of the construction of a new parallel outfall pipe and the rehabilitation of the existing outfall pipe to convey final plant effluent to San Francisco Bay.

Justification

Installation of a new outfall line is needed to address outfall age (built in 1964) and, more importantly, to address the outfall capacity in light of peak wet-weather flow, peak tide, and future sea level rise scenarios. The existing system of a 54-inch outfall line and a 36-inch legacy outfall line are inadequate to pass the Plant's peak wet-weather hydraulic flow capacity of 80 million gallons per day.

Supplemental Information

This project was identified in the Long Range Facilities Plan report accepted by City Council in 2012. Construction funding via a low-interest State Revolving Fund loan will be pursued for this project, but it is likely that alternative funding source are needed, such as revenue bond or a line of credit.

The existing 54-inch outfall needs rehabilitation, which can only be completed after the new outfall is operational. Rehabilitating the existing 54-inch outfall will be a future project. Once rehabilitated, the 54-inch outfall along with the new parallel outfall in this project are anticipated to work together to convey peak flows for another 50 or more years. The 36-inch legacy outfall line will be plugged and abandoned in place.

Significant Changes

2026-2030 CIP: Due to several factors that have necessitated a change to the outfall pipeline's design criteria, a partial redesign is required. Staff anticipates that the project costs will be greater than originally estimated which will be determined during FY 2027 budget development.

2025-2029 CIP: Work initially planned for FY 2026 has been delayed one year to FY 2027.

2024-2028 CIP: Cost estimate has been increased based on 90% design.

2023-2027 CIP: Attorneys are drafting utility easements and rental payments to satisfy Federal Aviation Administration (FAA) Grant Assurances for "fair market value" of utility assets. Due to uncertainty in legal timetable, the project is on hold until these legal issues are resolved.

2022-2026 CIP: Project is delayed to obtain a low-interest SRF loan and the additional review required in coordination with the Palo Alto Airport, Federal Aviation Administration (FAA), and US Army Corps of Engineers Levee Project.

2021-2025 CIP: Construction cost for the project is estimated to be increased by approximately $660,000 as staff finalized the SRF loan application. The SRF loan funding, including this budget increase, is being secured and finalized.

2020-2024 CIP: Project design was completed and construction has not begun due to permitting and finalization on the lease agreement with California State Lands Commission (CSLC).

2019-2023 CIP: Staff is evaluating alternative funding options, therefore the funding source is no longer stated explicitly as Revenue from the State of California.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	10,582,800	10,582,800	0	7,195,200	0	0	0	7,195,200	0	17,778,000
Wastewater Treatment Fund	0	72,665	(10,533,135)	10,605,800	0	0	0	0	10,605,800	0	72,665
Total	**$0**	**$10,655,465**	**$49,665**	**$10,605,800**	**$7,195,200**	**$0**	**$0**	**$0**	**$17,801,000**	**$0**	**$17,850,665**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	10,655,465	49,665	10,605,800	7,195,200	0	0	0	17,801,000	0	17,850,665
Total	**$0**	**$10,655,465**	**$49,665**	**$10,605,800**	**$7,195,200**	**$0**	**$0**	**$0**	**$17,801,000**	**$0**	**$17,850,665**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	Relationship to Comprehensive Plan Secondary Connection	Potential Board/Commission Review:
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.16 Program: N4.16.1	Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.16 Program: N4.16.2	Planning and Transportation Commission

Environmental Impact Analysis:
This project had a mitigated negative declaration from CEQA under Section 15070.



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Fund: Wastewater Treatment Fund
Category: System Improvements
Project Location: 2501 Embarcadero Way

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WQ-19002

Old pumping plant

Plant Repair, Retrofit, and Equipment Replacement

Description

This project provides funding for the assessment, repair, and retrofit of the Regional Water Quality Control Plant (RWQCP) concrete and metal structures; the replacement of necessary RWQCP equipment and ancillary facilities to maintain treatment reliability and existing infrastructure; and the replacement of large diameter flow meters built into the wastewater treatment system on sewers, pipes, and water lines.

Justification

Plant facilities are subject to many adverse conditions and plant equipment requires periodic replacement to maintain reliability. Concrete and metal structures are evaluated for evidence of damage caused by corrosion, weathering, age, and ground movement. Facilities with repair and retrofit deficiencies need to be repaired to good structural condition to ensure that the plant continues to operate safely and reliably. In addition, United States Environmental Protection Agency and State Water Resources Control Board regulations and permits require ongoing allocated funding for equipment replacement to ensure adequate treatment reliability.

In addition to equipment physically located at the plant, there are 13 key magnetic flow meters throughout the collection system. Meters have an average life of twenty years, however, when the meter's reliability fails, the meter must be replaced immediately to continue accurate partner billing, process control, and regulatory reporting.

Supplemental Information

Planned projects include replacement of equipment mechanisms for secondary clarifiers and sludge thickeners, and replacement of wire, transformers, switches, and electrical components in the medium voltage electrical network.

Tasks and funding previously budgeted in three separate maintenance related projects, WQ-80021, WQ-80022, and WQ-04011, were consolidated and budgeted in this one recurring project.

Significant Changes

2026-2030 CIP: The project is facing budgetary impacts due to aging infrastructure and emergency repairs, resulting in increased expenditures. Additional funding of $4 million in FY 2026 has been approved by partner agencies to address these rising costs.

2025-2029 CIP: Project cost increased based on escalation.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Wastewater Treatment Fund	N/A	13,412,654	13,412,654	7,949,200	4,054,400	4,206,000	4,500,000	4,798,691	25,508,291	0	N/A
Total	**N/A**	**$13,412,654**	**$13,412,654**	**$7,949,200**	**$4,054,400**	**$4,206,000**	**$4,500,000**	**$4,798,691**	**$25,508,291**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	9,477,311	9,477,311	7,495,200	3,586,400	3,805,400	4,100,000	4,798,691	23,785,691	0	N/A
Design	N/A	3,935,342	3,935,342	454,000	468,000	400,600	400,000	0	1,722,600	0	N/A
Total	**N/A**	**$13,412,653**	**$13,412,653**	**$7,949,200**	**$4,054,400**	**$4,206,000**	**$4,500,000**	**$4,798,691**	**$25,508,291**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Wastewater Treatment Fund
Category: System Improvements
Project Location: 2501 Embarcadero Way

Managing Department: Public Works

Initial Project Start: Summer 2018
Initial Project Completion: Fall 2021

Revised Project Start: Fall 2018
Revised Project Completion: Spring 2028

Project Number: WQ-19001

Aeration basins

Secondary Treatment Upgrades

Description

This project provides funding for upgrades to the Secondary Treatment process at the Regional Water Quality Control Plant. The existing Secondary Treatment process has two main components: the Fixed Film Reactors (FFRs) and the Activated Sludge (AS) Process. This project includes the reconfiguration of the aeration basins, modification of the AS Process, and the elimination of the FFRs. The AS Aeration Basins will be subdivided with concrete walls creating different zones where different pollutants can be treated. Some of the zones will operate without oxygen, treating nitrogen and cutting the nitrogen in the treated wastewater by roughly half. The project will not only reduce organics and ammonia in the existing processes but will also reduce total nitrogen, the next pollutant being targeted for more stringent regulation.

Justification

The components of the Secondary Treatment process are between 36 and 52 years old and show extreme signs of wear and structural weakness. The rehabilitation of both the FFRs and the AS Process were identified in the Long Range Facilities Plan approved by Council in 2012. In addition, regulatory agencies are developing new compliance and permit requirements for total nitrogen. A special study was completed in 2017, which proposed a complete Secondary Treatment process upgrade instead of individual rehabilitation projects. The completion of the upgrades will meet several objectives.

Supplemental Information

The project cost is estimated to be $193.0 million, which is more than the combined estimated cost for the FFRs, AS Aeration Basins rehabilitation, and large-scale Denitrification System (or other nutrients removal) projects due to the complexity of the construction coupled with the need to keep the Plant operating through construction.

Significant Changes

2025-2029 CIP: Project completion estimated to be Spring 2028.

2024-2028 CIP: Project cost updated and project completion estimated to be Fall 2027.

2023-2027 CIP: The complex nature of the project has pushed design completion to Spring 2022 and increased the project budget by approximately $20.0 million. Construction is expected to take up to 45 months with completion in Fall 2026.

2022-2026 CIP: Project cost increased to address sea level rise policy implications, new infrastructure needed to lower project life cycle cost, a larger standby power generator for unanticipated loads, and to meet code requirements. Project timeline delayed due to an anticipated longer duration to obtain state project financing and a design delay to evaluate technology improvements. Funding for subsequent years has been consolidated into the fiscal year that the design and construction contracts are anticipated to be awarded in.

2021-2025 CIP: Design cost has increased as the design progresses and pending completion of a feasibility assessment that aims at intensifying the treatment process, therefore construction of project has been delayed and projected to begin in FY 2022.

2020-2024 CIP: Design phase began in October 2018. Project start delayed from Summer 2018 to Fall 2018 with project completion now estimated to be in Winter 2022.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	96,517,440	96,517,440	0	0	0	0	0	0	0	96,517,440
Revenue from Other Agencies	0	36,128,770	36,128,770	0	0	0	0	0	0	0	36,128,770
Revenue from the State of California	60,353,790	0	0	0	0	0	0	0	0	0	60,353,790
Wastewater Treatment Fund	15,958,741	(15,636,426)	(16,447,746)	811,320	0	0	0	0	811,320	0	322,315
Total	**$76,312,531**	**$117,009,784**	**$116,198,464**	**$811,320**	**$0**	**$0**	**$0**	**$0**	**$811,320**	**$0**	**$193,322,315**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	71,800,161	115,613,254	114,801,934	811,320	0	0	0	0	811,320	0	187,413,415
Design	4,512,365	1,396,528	1,396,528	0	0	0	0	0	0	0	5,908,893
Total	**$76,312,526**	**$117,009,782**	**$116,198,462**	**$811,320**	**$0**	**$0**	**$0**	**$0**	**$811,320**	**$0**	**$193,322,308**

Operating Impact

This project is anticipated to impact operating expenses in the future, potentially by lowering utilities usage. As these costs are quantified, adjustments will be brought forward in future budgets, as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.16
Program: N4.16.1

Potential Board/Commission Review:

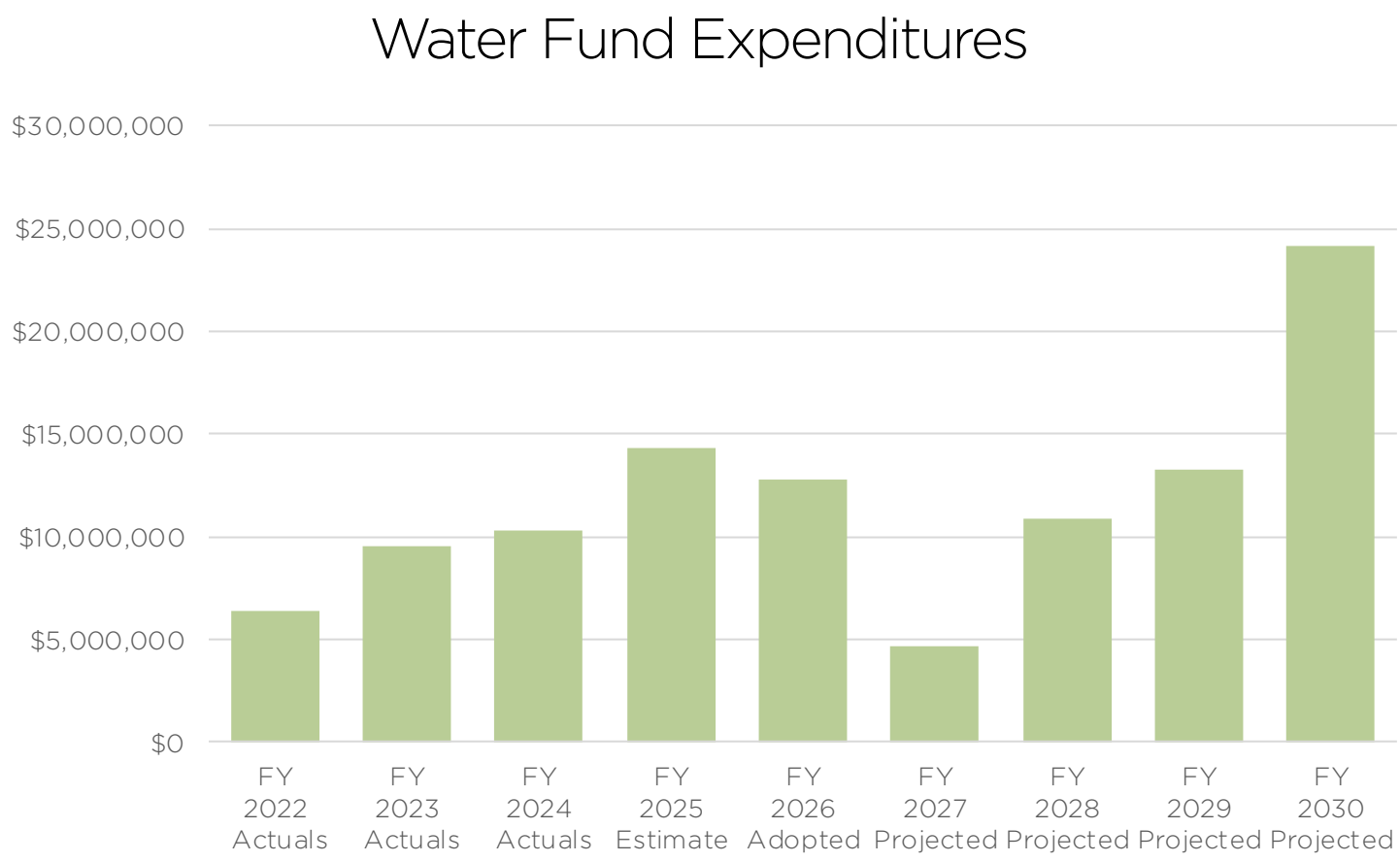
Planning and Transportation Commission

Environmental Impact Analysis:
This project has obtained Categorical Exemption under CEQA Section 15301.

WATER FUND

Overview

The City of Palo Alto offers a full array of utility services to its citizens and businesses. The municipal Water Distribution System began operation in 1896 and continues to provide safe, reliable, and cost-effective water service to residents and customers of Palo Alto. For the 2026-2030 Capital Improvement Program (CIP), approximately $65.7 million is projected, with $12.8 million allocated in Fiscal Year 2026. Overall, a total of 12 projects are planned for the 5-year CIP.



Major projects funded in the 2026-2030 CIP include Water Main Replacements (cumulative total of $22.3 million), Water Tank Seismic Upgrade and Rehabilitation ($17.7 million), Water System Supply Improvements ($5.0 million), Water System Customer Connections ($4.6 million), and Water, Gas, and Wastewater Utility GIS Data ($2.5 million). The budget for the Water Fund CIP is categorized into four types of projects: Administration, Customer Connections, System Improvements, and Water Main Replacements.

Beginning in FY 2026, a new project named Water Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Water Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Infrastructure Inventory

CLASSIFICATION	QUANTITY
Miles of water main	231.17
Number of wells	8 standby
Number of reservoirs	3 steel tanks, 2 concrete tanks, and 2 below ground

Water Distribution System Main Materials

MATERIAL TIME	TOTAL LENGTH	PERCENT
Asbestos Cement Pipe	127.33 mi	55.09%
Concrete Cylinder Pipe	16.79 mi	7.3%
Cast Iron Pipe	17.87 mi	7.7%
Copper Pipe	0.28 mi	0.12%
Ductile Iron Pipe	4.63 mi	2.00%
Polyethylene	22.25 mi	9.63%
Polyvinyl Chloride	40.87 mi	17.87%
Steel	0.73 mi	0.32%
Unknown Material	0.40 mi	0.17%
Total:	231.17 mi	

Customer Connections

As customers continually change their water needs due to equipment additions, new construction, building expansions, building remodels, teardowns and rebuilds, and new building occupancy types, the water system must evolve to meet these needs. The Water System Customer Connections is the only project in this category and includes work required to meet the needs of customers who have applied for new or upgraded water service. The Water Fund pays for a portion of this project, while remaining costs are supported by reimbursements from customers for project work performed by the City.

Recent Accomplishments

- In Fiscal Year 2024, the Water Utility completed approximately 104 water service projects with revenue of $2.1 million.

2026-2030 Capital Improvement Program

Recurring Projects

The Water System Customer Connections is the only project within this category. Over the course of the 2026-2030 CIP, $4.6 million is programmed, with $0.9 million allocated in Fiscal Year 2026.

System Improvements

To ensure reliable water services for the City of Palo Alto's residents and customers, infrastructure must be replaced at the end of its expected life. The System Improvements category includes seven projects as part of the 2026-2030 CIP at a total cost of $30.6 million, with $6.3 million allocated in Fiscal Year 2026.

Recent Accomplishments

- Completion of two turnouts (a.k.a. water receiving stations) for the Water Regulation Station Improvements Project. The work at the California Avenue turnout included a seismic retrofit of the facility, replacement of all piping, electrical and Supervisory Control and Data Acquisition (SCADA) upgrades, roof access from the street, and drainage improvements.
- Completion of booster pump stations recoating work for the Water System Supply Improvements Project. The work included recoating of above ground water piping systems at five water booster pump stations in the Foothills area.
- Installation of chlorine analyzers at multiple water supply connections, including new communication lines and other miscellaneous communication, and completion of control improvements at various water facilities.
- Purchase of two new portable power generators for two water pump station facilities in the Foothills area.
- Completion of new well casing and rebuilt well pump for the El Camino Park Well Site.

2026-2030 Capital Improvement Program

Recurring Projects

A total of $12.9 million is programmed for System Improvement recurring projects during the 2026-2030 CIP, with $5.2 million allocated in Fiscal Year 2026. Recurring projects in this category include the following:

- Water Distribution System Improvements (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.5 million)
- Water General Equipment/Tools (Fiscal Year 2026: $0.05 million; 5-Year CIP: $0.3 million)
- Water, Gas, Wastewater Utility GIS Data (Fiscal Year 2026: $0.5 million; 5-Year CIP: $2.5 million)
- Water Meters (Fiscal Year 2026: $0.3 million; 5-Year CIP: $1.8 million)
- Water Service Hydrant Replacement (Fiscal Year 2026: $0.4 million; 5-Year CIP: $2.0 million)
- Water System Supply Improvements (Fiscal Year 2026: $3.6 million; 5-Year CIP: $5.0 million)

Non-Recurring Projects

There is one non-recurring project in this category:

- Water Tank Seismic Water System Upgrades (Fiscal Year 2026: $1.1 million; 5-Year CIP: $17.7 million)

Water Main Replacements

The Water Main Replacements category accounts for the replacement of inadequately-sized and structurally-deficient water mains. In the next five years, it is estimated that approximately three miles of water mains will be replaced. Work is scheduled based on the replacement schedule of water and wastewater construction every even year and gas construction every odd year to reduce the amount of construction when prices are high and to allow staff to draft and prepare plans for construction in subsequent years.

Recent Accomplishments

- Completion of the Water Main Replacement Project 28 which replaced approximately 13,700 linear feet of water main pipelines in various locations throughout the City.
- Completion of the Water Main Replacement Project 29 which included replacement of approximately 8,000 linear feet of new water distribution piping, 124 water services, 17 fire hydrants, and 22 distribution valves.

2026-2030 Capital Improvement Program

Non-Recurring Projects

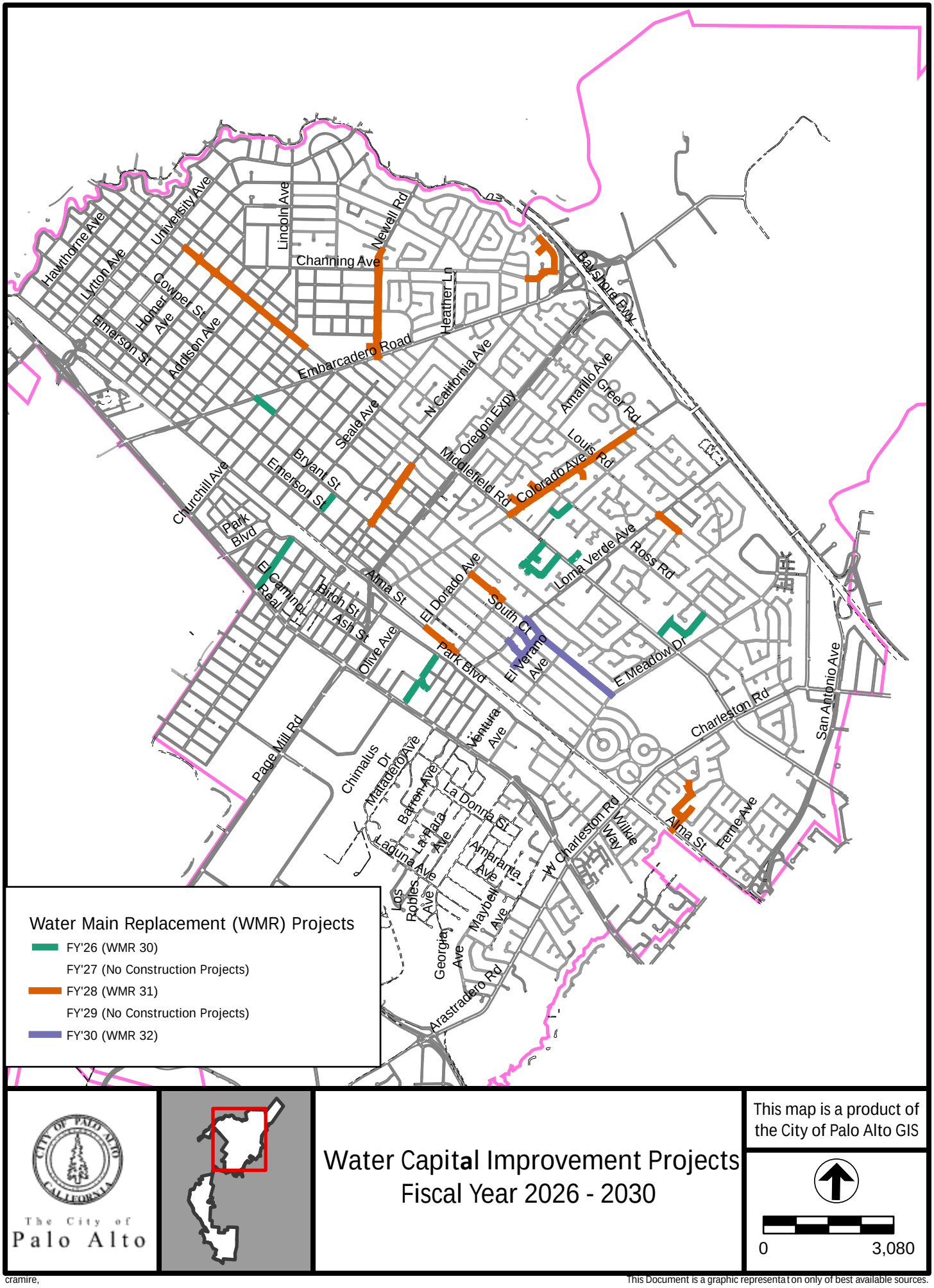
The 2026-2030 CIP includes $22.3 million in funding for the three projects within this category, with $4.0 million appropriated for Fiscal Year 2026. The Utilities Department coordinates with the Public Works Department's street maintenance projects to minimize impact to the streets that have been recently paved when replacing water mains.

Water Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Other									
WS-80013	Water System Customer Connections	1,128,500	1,128,500	7,400,950	3,699,150	1,118,000	1,118,000	1,166,990	14,503,090
Other Total		**1,128,500**	**1,128,500**	**7,400,950**	**3,699,150**	**1,118,000**	**1,118,000**	**1,166,990**	**14,503,090**
Transfer from Gas Fund									
WS-02014	Water, Gas, Wastewater Utility GIS Data	176,300	176,300	181,000	186,400	194,000	200,000	210,800	972,200
Transfer from Gas Fund Total		**176,300**	**176,300**	**181,000**	**186,400**	**194,000**	**200,000**	**210,800**	**972,200**
Transfer from Wastewater Collection Fund									
WS-02014	Water, Gas, Wastewater Utility GIS Data	176,300	176,300	181,000	186,400	194,000	200,000	210,800	972,200
Transfer from Wastewater Collection Fund Total		**176,300**	**176,300**	**181,000**	**186,400**	**194,000**	**200,000**	**210,800**	**972,200**
Total Sources		**1,481,100**	**1,481,100**	**7,762,950**	**4,071,950**	**1,506,000**	**1,518,000**	**1,588,590**	**16,447,490**
				USE OF FUNDS					
Administration									
WS-26000	Water Fund Administration	0	0	1,581,140	1,597,121	1,634,390	1,681,087	1,710,550	8,204,288
Administration Total		**0**	**0**	**1,581,140**	**1,597,121**	**1,634,390**	**1,681,087**	**1,710,550**	**8,204,288**
Customer Connections									
WS-80013	Water System Customer Connections	973,130	973,130	907,480	865,425	975,990	730,800	1,166,990	4,646,685
Customer Connections Total		**973,130**	**973,130**	**907,480**	**865,425**	**975,990**	**730,800**	**1,166,990**	**4,646,685**
Main Replacements									
WS-14001	Water Main Replacement - Project 28	1,226,968	1,226,968	0	0	0	0	0	0
WS-15002	Water Main Replacement - Project 29	5,419,781	5,419,781	0	0	0	0	0	0
WS-16001	Water Main Replacement - Project 30	844,629	844,629	3,620,560	0	0	0	0	3,620,560
WS-19001	Water Main Replacement - Project 31	0	0	411,030	400,070	5,830,696	0	0	6,641,796
WS-20000	Water Main Replacement - Project 32	0	0	0	0	435,875	524,507	11,056,610	12,016,992

Water Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Main Replacements Total		**7,491,378**	**7,491,378**	**4,031,590**	**400,070**	**6,266,571**	**524,507**	**11,056,610**	**22,279,348**
System Improvements									
WS-11003	Water Distribution System Improvements	912,955	912,955	288,120	273,700	297,230	229,210	363,630	1,451,890
WS-13002	Water General Equipment/Tools	100,000	100,000	46,300	50,000	50,000	50,000	50,000	246,300
WS-80015	Water Meters	367,460	367,460	314,090	345,370	359,260	284,550	450,722	1,753,992
WS-07000	Water Regulation Station Improvements	233,537	233,537	0	0	0	0	0	0
WS-80014	Water Service and Hydrant Replacement	412,000	412,000	389,050	370,290	399,270	308,270	489,056	1,955,936
WS-11004	Water System Supply Improvements	4,307,791	999,999	3,643,622	319,450	346,030	267,080	423,708	4,999,890
WS-09000	Water Tank Seismic Upgrade and Rehabilitation	1,630,572	1,630,572	1,130,574	0	0	8,776,512	7,776,412	17,683,498
WS-02014	Water, Gas, Wastewater Utility GIS Data	1,213,551	1,213,551	499,160	474,520	517,280	398,620	632,400	2,521,980
System Improvements Total		**9,177,866**	**5,870,074**	**6,310,916**	**1,833,330**	**1,969,070**	**10,314,242**	**10,185,928**	**30,613,486**
Total Uses		**17,642,374**	**14,334,582**	**12,831,126**	**4,695,946**	**10,846,021**	**13,250,636**	**24,120,078**	**65,743,807**



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Administration



Fund: Water Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-26000

Utilities staff at 2024 all hands meeting

Water Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Water Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Water Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	0	0	1,581,140	1,597,122	1,634,390	1,681,087	1,710,550	8,204,289	0	N/A
Total	**N/A**	**$0**	**$0**	**$1,581,140**	**$1,597,122**	**$1,634,390**	**$1,681,087**	**$1,710,550**	**$8,204,289**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	1,581,140	1,597,121	1,634,390	1,681,087	1,710,550	8,204,288	0	N/A
Total	**N/A**	**$0**	**$0**	**$1,581,140**	**$1,597,121**	**$1,634,390**	**$1,681,087**	**$1,710,550**	**$8,204,288**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Customer Connections



Fund: Water Fund
Category: Customer Connections
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-80013

Installation of 8" HDPE pipe by directional drilling method

Water System Customer Connections

Description

This project allows for improvements that include new main extensions, valves, domestic services, meters on upgraded services, backflow devices, fire services, and fire hydrants.

Justification

System extensions are required to provide service to new customers and to serve existing customers requesting expanded service.

Supplemental Information

Budget amounts requested for work covered by this project are based on historical expenditures and revenues, and growth projections. The Water Fund pays for a portion of these projects while remaining costs are supported by reimbursements from customers for project work performed by the City.

Significant Changes

2026-2030 CIP: Anticipated capacity fee revenues of approximately $6.3 million in FY 2026 and $2.5 million in FY 2027 have been added. The additional capacity fee revenues reflect several high-density projects that are currently in the permitting process.

2024-2028 CIP: Project revenues adjusted to align with prior year actuals and known planned new construction.

2022-2026 CIP: Project expense and revenues adjusted to align with prior year actuals and known planned new construction.

2015-2019 CIP: This project was previously titled Water System Extensions. As part of the FY 2015 budget, it was re-titled to more accurately reflect the work done with this funding.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	1,128,500	1,128,500	7,400,950	3,699,150	1,118,000	1,118,000	1,166,990	14,503,090	0	N/A
Water Fund	N/A	(155,370)	(155,370)	(6,493,470)	(2,833,725)	(142,010)	(387,200)	0	(9,856,405)	0	N/A
Total	**N/A**	**$973,130**	**$973,130**	**$907,480**	**$865,425**	**$975,990**	**$730,800**	**$1,166,990**	**$4,646,685**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	973,130	973,130	907,480	865,425	975,990	730,800	1,166,990	4,646,685	0	N/A
Total	**N/A**	**$973,130**	**$973,130**	**$907,480**	**$865,425**	**$975,990**	**$730,800**	**$1,166,990**	**$4,646,685**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Main Replacements



Fund: Water Fund
Category: Main Replacements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Summer 2019
Initial Project Completion: Winter 2021

Revised Project Start: Summer 2024
Revised Project Completion: Spring 2026

Project Number: WS-16001

HDPE pipe waiting to be fused

Water Main Replacement - Project 30

Description

This project will fund the replacement of structurally deficient water mains and appurtenances in Fiscal Year 2026. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. The project scope includes approximately 8,000 linear feet (which represents 0.6 percent of the City's Water Distribution System) of mains and services on various streets within the City. Staff will assess the gas, wastewater, and water mains that need replacement and plan to carry out the replacements for all three systems simultaneously. This approach aims to achieve economies of scale and minimize construction-related disruptions.

Justification

Some mains are inadequate in size to supply required flows and pressures for fire protection, some are located in areas of high liquefaction, and others are subject to recurring breaks.

Supplemental Information

Each year the projects are re-evaluated and the highest priority is given to the most deteriorated portions of the system. Linear footage and locations are subject to change; please refer to the City of Palo Alto Utilities webpage to confirm project details.

Significant Changes

2026-2030 CIP: The FY 2026 construction budget has been reduced by $4.6 million in an effort to reduce the impact to the Water Fund's reserve balance.

2025-2029 CIP: Project increased by $0.5 million due to cost escalation.

2020-2024 CIP: City staff has proposed a new replacement schedule of completing a water, gas and wastewater construction project every other year instead of annually to reduce the amount of construction when prices are high. In the last few years there have been fewer bidders and higher prices on construction projects due to the increased demand for construction services. The project increased by 2,600 linear footage and the overall cost increased to $9.4 million to account for escalating construction costs.

2018-2022 CIP: Due to delays of WMR 26 - 29, the project design and construction is postponed to FY 2021 and FY 2022 respectively.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	5,371	844,629	844,629	3,620,560	0	0	0	0	3,620,560	0	4,470,560
Total	**$5,371**	**$844,629**	**$844,629**	**$3,620,560**	**$0**	**$0**	**$0**	**$0**	**$3,620,560**	**$0**	**$4,470,560**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	5,371	444,650	444,650	3,612,360	0	0	0	0	3,612,360	0	4,062,381
Design	0	399,979	399,979	8,200	0	0	0	0	8,200	0	408,179
Total	**$5,371**	**$844,629**	**$844,629**	**$3,620,560**	**$0**	**$0**	**$0**	**$0**	**$3,620,560**	**$0**	**$4,470,560**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: Main Replacements
Project Location: Various Locations

Managing Department: Utilities

Initial Project Start: Summer 2020
Initial Project Completion: Winter 2022

Revised Project Start: Summer 2026
Revised Project Completion: Spring 2028

Project Number: WS-19001

Installed 16" HDPE pipe waiting to be backfilled

Water Main Replacement - Project 31

Description

This project will fund the replacement of structurally deficient water mains and appurtenances in Fiscal Year 2028. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. The project scope includes approximately 8,000 linear feet (which represents 0.6 percent of the City's Water Distribution System) of mains and services on various streets within the City, including areas in the Duveneck, Old Palo Alto, and Midtown neighborhoods.

Justification

Some mains are inadequate in size to supply required flows and pressures for fire protection, some are located in areas of high liquefaction, and others are subject to recurring breaks.

Supplemental Information

Each year the projects are re-evaluated and the highest priority is given to the most deteriorated portions of the system. Linear footage and locations are subject to change; please refer to the City of Palo Alto Utilities webpage to confirm project details.

Significant Changes

2026-2030 CIP: The FY 2028 construction budget has been reduced by $3.0 million in an effort to reduce the impact to the Water Fund's reserve balance.

2025-2029 CIP: Project increased by $1.5 million due to cost escalation.

2023-2027 CIP: Design dollars programmed in FY 2027 split for soil testing to begin in FY 2026, design in FY 2027. This provides adequate time to assess the areas designated for main and lateral replacements.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	0	0	0	411,030	400,070	5,830,696	0	0	6,641,796	0	6,641,796
Total	**$0**	**$0**	**$0**	**$411,030**	**$400,070**	**$5,830,696**	**$0**	**$0**	**$6,641,796**	**$0**	**$6,641,796**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	5,830,696	0	0	5,830,696	0	5,830,696
Design	0	0	0	411,030	400,070	0	0	0	811,100	0	811,100
Total	**$0**	**$0**	**$0**	**$411,030**	**$400,070**	**$5,830,696**	**$0**	**$0**	**$6,641,796**	**$0**	**$6,641,796**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: Main Replacements
Project Location: Various Locations

Managing Department: Utilities

Initial Project Start: Summer 2023
Initial Project Completion: Fall 2024

Revised Project Start: Fall 2027
Revised Project Completion: Spring 2030

Project Number: WS-20000

Old Water Main being Replaced

Water Main Replacement - Project 32

Description

This project will fund the design and replacement of structurally deficient water mains and appurtenances in Fiscal Year 2030. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. The project scope will include approximately 15,000 to 25,000 linear feet of mains and services on various streets within the City. Staff will assess the gas, wastewater, and water mains that need replacement and plan to carry out the replacements for all three systems simultaneously. This approach aims to achieve economies of scale and minimize construction-related disruptions.

Justification

Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks.

Significant Changes

2025-2029 CIP: Project increased by $2.8 million due to cost escalation.

2024-2028 CIP: Funding added to FY 2027 to begin preliminary design and compaction testing ahead of construction.

2020-2024 CIP: City staff has proposed a new replacement schedule of completing a water, gas and wastewater construction project every other year instead of annually to reduce the amount of construction when prices are high. In the last few years there have been fewer bidders and higher prices on construction projects due to the increased demand for construction services. The total project cost increased to $9.4 million to account for escalating construction costs.

2019-2023 CIP: Project established.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	0	0	0	0	0	435,875	524,507	11,056,610	12,016,992	0	12,016,992
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$435,875**	**$524,507**	**$11,056,610**	**$12,016,992**	**$0**	**$12,016,992**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	0	0	0	0	0	524,507	11,056,610	11,581,117	0	11,581,117
Design	0	0	0	0	0	435,875	0	0	435,875	0	435,875
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$435,875**	**$524,507**	**$11,056,610**	**$12,016,992**	**$0**	**$12,016,992**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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System Improvements



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-11003

Installation of a new fire hydrant with FlowGuard fire hydrant check valve

Water Distribution System Improvements

Description

This project provides funds to improve Water Distribution System deliverability and reliability. Typical activities include: installing restraining joints at critical pipelines and bridge crossings, increasing the size of inadequate facilities, system leakage surveys, network modeling, and fire flow studies or other system improvements as required.

Justification

Water Distribution System reliability and adequate capacity are critical to providing a high level of service to customers in Palo Alto. Continuous evaluation of system needs and making required improvements are necessary to maintain adequate quantities of quality water, that meets local, state, and federal safe drinking water standards.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	912,955	912,955	288,120	273,700	297,230	229,210	363,630	1,451,890	0	N/A
Total	**N/A**	**$912,955**	**$912,955**	**$288,120**	**$273,700**	**$297,230**	**$229,210**	**$363,630**	**$1,451,890**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	912,955	912,955	288,120	273,700	297,230	229,210	363,630	1,451,890	0	N/A
Total	**N/A**	**$912,955**	**$912,955**	**$288,120**	**$273,700**	**$297,230**	**$229,210**	**$363,630**	**$1,451,890**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.1 Program: N4.13.2	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-13002

16" HDPE pipe being fused prior to installation

Water General Equipment/Tools

Description

This funding allows for the acquisition of new equipment and tools, replacement of existing fusion equipment, and other associated tools and equipment to operate, maintain and construct the water distribution and transmission system. The fusion equipment is used to fuse together pipe joints in the City's Water Distribution System.

Justification

As equipment ages, the quality of the fusion joints begins to decline, and the operators must spend more time scraping, aligning, and fusing construction joints. In order to maintain high quality standards for the installation of the City's water distribution mains, along with the associated service standards and worker safety and productivity measures, equipment and tools are required to be upgraded on an annual basis.

Significant Changes

2022-2026 CIP: The budget was increased with one-time funding of $50,000 for FY 2022 to replace testing equipment at the sampling stations.

2015-2019 CIP: Project was retitled from Water Fusion and General Equipment/Tools.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	100,000	100,000	46,300	50,000	50,000	50,000	50,000	246,300	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$46,300**	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$246,300**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	100,000	100,000	46,300	50,000	50,000	50,000	50,000	246,300	0	N/A
Total	**N/A**	**$100,000**	**$100,000**	**$46,300**	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$246,300**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-80015

5/8" Badger water meter

Water Meters

Description

This funding allows for the purchase of meters for new customers, upgrading meters for current customers, installing meter bypasses, and replacing obsolete meters that are no longer repairable. This funding also allows for annual testing and calibration of select meters.

Justification

This project will maintain meter accuracy, reliability, and stock meter equipment and replacement parts. Meter replacements enhance information on system water volume; align the Utility's ten-year meter testing and replacement cycle in accordance with industry-standard best management practices; and provide accurate data for the Water Utility billing system.

Significant Changes

2024-2028 CIP: Funding of approximately $0.9 million moved from FY 2025, FY 2026, and FY 2027 ($0.3 million each year) into FY 2024 to replace over 8,000 meters at one time.

2021-2025 CIP: The Advanced Metering Infrastructure (AMI) Project is expected to replace up to 9,000 water meters to install meters that are compatible with a smart grid system that collects usage information remotely. The remaining meters will be assessed for their compatibility with the AMI smart grid and will either be retrofitted or replaced.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	367,460	367,460	314,090	345,370	359,260	284,550	450,722	1,753,992	0	N/A
Total	**N/A**	**$367,460**	**$367,460**	**$314,090**	**$345,370**	**$359,260**	**$284,550**	**$450,722**	**$1,753,992**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	367,460	367,460	314,090	345,370	359,260	284,550	450,722	1,753,992	0	N/A
Total	**N/A**	**$367,460**	**$367,460**	**$314,090**	**$345,370**	**$359,260**	**$284,550**	**$450,722**	**$1,753,992**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-80014

Newly installed fire hydrant service line and assembly on Greenwood Avenue

Water Service and Hydrant Replacement

Description

This project replaces system control valves, deteriorated galvanized service lines, lead goosenecks, and fire hydrant valves and assemblies needed for Fire Department flow testing; upgrades fire hydrants in main replacement project areas; and replaces existing undersized or deteriorated copper water services. Upgrading hydrants and system control valves is consistent with fire protection policies.

Justification

In order to maintain a high water quality standard for Palo Alto's water supplies, it is necessary to replace old, lead, galvanized, and corroded copper water service lines.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	412,000	412,000	389,050	370,290	399,270	308,270	489,056	1,955,936	0	N/A
Total	**N/A**	**$412,000**	**$412,000**	**$389,050**	**$370,290**	**$399,270**	**$308,270**	**$489,056**	**$1,955,936**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	412,000	412,000	389,050	370,290	399,270	308,270	489,056	1,955,936	0	N/A
Total	**N/A**	**$412,000**	**$412,000**	**$389,050**	**$370,290**	**$399,270**	**$308,270**	**$489,056**	**$1,955,936**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.1 Program: N4.13.2	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-11004

Installation of 8" HDPE pipe and valve between two main connection points on El Camino Real at El Camino Way

Water System Supply Improvements

Description

This project provides funding to improve the City's Water Distribution System, which connects facilities between the City's and the San Francisco Public Utility Commission's pipelines, emergency water wells within the City, pumping stations, and water reservoirs.

Justification

It is critical that the City has an adequate supply of water that meets federal and state drinking water requirements. To meet these objectives, the City must continually evaluate the system and make improvements as needed.

Supplemental Information

Typical activities performed under this project include: piping modifications, equipment replacements associated with water delivery, Supervisory Control software upgrades, system modifications for water system quality compliance, implementation of an asset management system, conditional assessment of the reliability of transmission mains, and security system installations.

Significant Changes

2024-2028 CIP: Projects to install additional security cameras at various water facilities and additional generators at foothill pump stations have been delayed to FY 2024 due to competing project priorities from WMR 28 (WS-14001), WMR 29 (WS-15002), Water Regulation Station Improvement (WS-07000), and Water Tank Seismic Upgrade (WS-09000) projects.

2023-2027 CIP: In addition to the $0.2 million annually programmed for small projects, approximately $1.0 million in additional one-time funding is programmed in FY 2023 to replace existing cameras at reservoir tanks and pump stations with more current devices with higher-resolution video and current cyber security features.

An additional $2.0 million in one-time funding is also programmed in FY 2023 to add generators to Dahl and Park Booster Stations (located in the foothill system) at several of the emergency wells and turnouts. These improvements ensure the City can safely and consistently deliver drinking water to its customers and maintain sufficient storage for firefighting and emergency use during an extended power outage.

2021-2025 CIP: Supervisory control and data acquisition (SCADA) router and firewall components are in the process of being upgraded. One-time budget increases of approximately $350,000 in FY 2021 and FY 2025 are for upgrading the Programmable Logic Controllers (PLCs) computers that control the equipment in the system.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Water Fund	N/A	4,307,791	999,999	3,643,622	319,450	346,030	267,080	423,708	4,999,890	0	N/A
Total	**N/A**	**$4,307,791**	**$999,999**	**$3,643,622**	**$319,450**	**$346,030**	**$267,080**	**$423,708**	**$4,999,890**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	4,307,791	999,999	3,643,622	319,450	346,030	267,080	423,708	4,999,890	0	N/A
Total	**N/A**	**$4,307,791**	**$999,999**	**$3,643,622**	**$319,450**	**$346,030**	**$267,080**	**$423,708**	**$4,999,890**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Water Resources
Goal: N-4
Policy: N-4.1
Program: N4.13.2

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



Fund: Water Fund
Category: System Improvements
Project Location: Various locations

Managing Department: Utilities

Initial Project Start: Spring 2014
Initial Project Completion: Winter 2017

Revised Project Start: Spring 2021
Revised Project Completion: Fall 2030

Project Number: WS-09000

Seismic Upgrade, Boronda Reservoir, December 2014

Water Tank Seismic Upgrade and Rehabilitation

Description

This project will provide tank rehabilitation, seismic upgrades, and/or tank replacement structural reinforcement for the Corte Madera, Park, Boronda, and Dahl reservoirs to improve earthquake resistance in compliance with the American Society of Civil Engineers (ASCE 7) seismic codes. Work at the reservoir sites will also include the installation of: new seismic shut off valves between the reservoirs and valve vaults, new plug valves, piping and pipe supports in the valve vaults, and recoating of the interior and exterior reservoir walls.

Justification

Palo Alto's water tanks have no protection from water loss in a seismic event. If an earthquake causes a significant water leak, various impacts such as loss of water for fire fighting purposes, loss of water storage for drinking, property damage from flooding or mudslides, and environmental damages could occur. The seismic protection systems will preserve potable water after a seismic event. Additionally, during the seismic upgrade of the Montebello reservoir the structural condition of the tank required significant repair, which is now anticipated in the remaining three tanks constructed in a similar time period.

Significant Changes

2026-2030 CIP: Project funding has been shifted to FY 2029 and FY 2030 to reduce the impact to the Water Fund's reserve balance.

2025-2029 CIP: Funding from FY 2024 will be returned to reserves and appropriated in FY 2027 and FY 2028. This will give staff time to complete study at Park and Dahl Reservoirs to determine replacement or rehabilitation.

2024-2028 CIP: Funding of $0.9 million programmed in FY 2028 to perform inspections at Mayfield, Boronda, Montebello and El Camino Park to assess rehabilitation work required. Park Reservoir condition was assessed

in April 2023, and a report with recommendations on replacement versus rehabilitation will be forthcoming. Design and construction for the Park Reservoir are now planned to start in FY 2024 with construction complete in FY 2025.

2023-2027 CIP: Funding is programmed for the replacement of Park Reservoir and Dahl Reservoir with construction planned for FY 2023 and FY 2026 respectively. Funding in FY 2024, FY 2025, and FY 2027 are planned for project preparation before construction year and project close out activities such as inspections and punch list items.

2022-2026 CIP: The design and build contract was issued in FY 2021. Although staff estimated $5.0 million to replace each reservoir, the bid proposals received pushed the costs to approximately $7.0 million. With anticipated work at Dahl and Park Reservoirs, which are structurally similar, an additional $3.0 million was added in FY 2023 and $7.0 million in FY 2026 to align with proposals received.

2021-2025 CIP: The Corte Madera reservoir is in the process of being replaced using the Design-Build method. Construction is anticipated to start in FY 2021. Staff is currently evaluating the plan for both Dahl and Park Reservoirs. These reservoirs will need to be replaced in the future at their current locations or at a location that improves the reliability and resiliency of the system. The budget for FY 2023 was increased to cover the replacement of Dahl Reservoir. Park Reservoir will follow in FY 2026.

2019-2023 CIP: Project was retitled from "Seismic Water System Upgrade". Budget has also increased to account for scope changes and construction cost escalation.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	4,463	0	0	0	0	0	0	0	0	0	4,463
Water Fund	9,781,192	1,630,573	1,630,573	1,130,574	0	0	8,776,512	7,776,412	17,683,498	0	29,095,263
Total	**$9,785,655**	**$1,630,573**	**$1,630,573**	**$1,130,574**	**$0**	**$0**	**$8,776,512**	**$7,776,412**	**$17,683,498**	**$0**	**$29,099,726**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	8,954,519	1,630,572	1,630,572	1,130,574	0	0	8,776,512	7,776,412	17,683,498	0	28,268,589
Design	831,102	0	0	0	0	0	0	0	0	0	831,102
Total	**$9,785,621**	**$1,630,572**	**$1,630,572**	**$1,130,574**	**$0**	**$0**	**$8,776,512**	**$7,776,412**	**$17,683,498**	**$0**	**$29,099,691**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Water Resources Goal: N-4 Policy: N-4.1 Program: N4.13.2	Planning and Transportation Commission Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15302.



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Fund: Water Fund
Category: System Improvements
Project Location: Software maintenance & update

Managing Department: Utilities

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: WS-02014

Staff collecting data for GIS system

Water, Gas, Wastewater Utility GIS Data

Description

This project covers the annual maintenance and support contract to improve the ability for Utilities Department staff to use the Geographic Information System (GIS). As with other GIS activities, continuing the completion of data-related tasks is the primary emphasis. Field personnel still need accurate paper maps in the field, therefore standard map books will continue to be produced to meet their specific needs. Funding is also included to improve the GIS user interface to better serve the unique requirements of Utility Department users, as well as collecting GPS survey data to be used to update utility information in the GIS database to increase its accuracy.

Justification

The GIS program is used for interfacing with modeling software to perform engineering analysis and master planning, develop and prioritize cost-effective capital improvement designs, and asset management of the City's utility enterprise system to enhance the level of service to utility customers.

Significant Changes

2020-2024 CIP: The City will transition to a new GIS platform in FY 2020. Remaining FY 2019 funds are being reappropriated to fund the conversion activities required to bring the maps to the new platform.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from Gas Fund	N/A	176,300	176,300	181,000	186,400	194,000	200,000	210,800	972,200	0	N/A
Transfer from Wastewater Collection Fund	N/A	176,300	176,300	181,000	186,400	194,000	200,000	210,800	972,200	0	N/A
Water Fund	N/A	860,951	860,951	137,160	101,720	129,280	(1,380)	210,800	577,580	0	N/A
Total	**N/A**	**$1,213,551**	**$1,213,551**	**$499,160**	**$474,520**	**$517,280**	**$398,620**	**$632,400**	**$2,521,980**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	N/A	862,051	862,051	499,160	474,520	517,280	398,620	632,400	2,521,980	0	N/A
Design	N/A	351,500	351,500	0	0	0	0	0	0	0	N/A
Total	**N/A**	**$1,213,551**	**$1,213,551**	**$499,160**	**$474,520**	**$517,280**	**$398,620**	**$632,400**	**$2,521,980**	**$0**	**N/A**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Efficient and Effective Service Delivery
Goal: C-1
Policy: C-1.3
Program: C1.3.1

Potential Board/Commission Review:

Planning and Transportation Commission
Utilities Advisory Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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INTERNAL SERVICE FUND PROJECTS



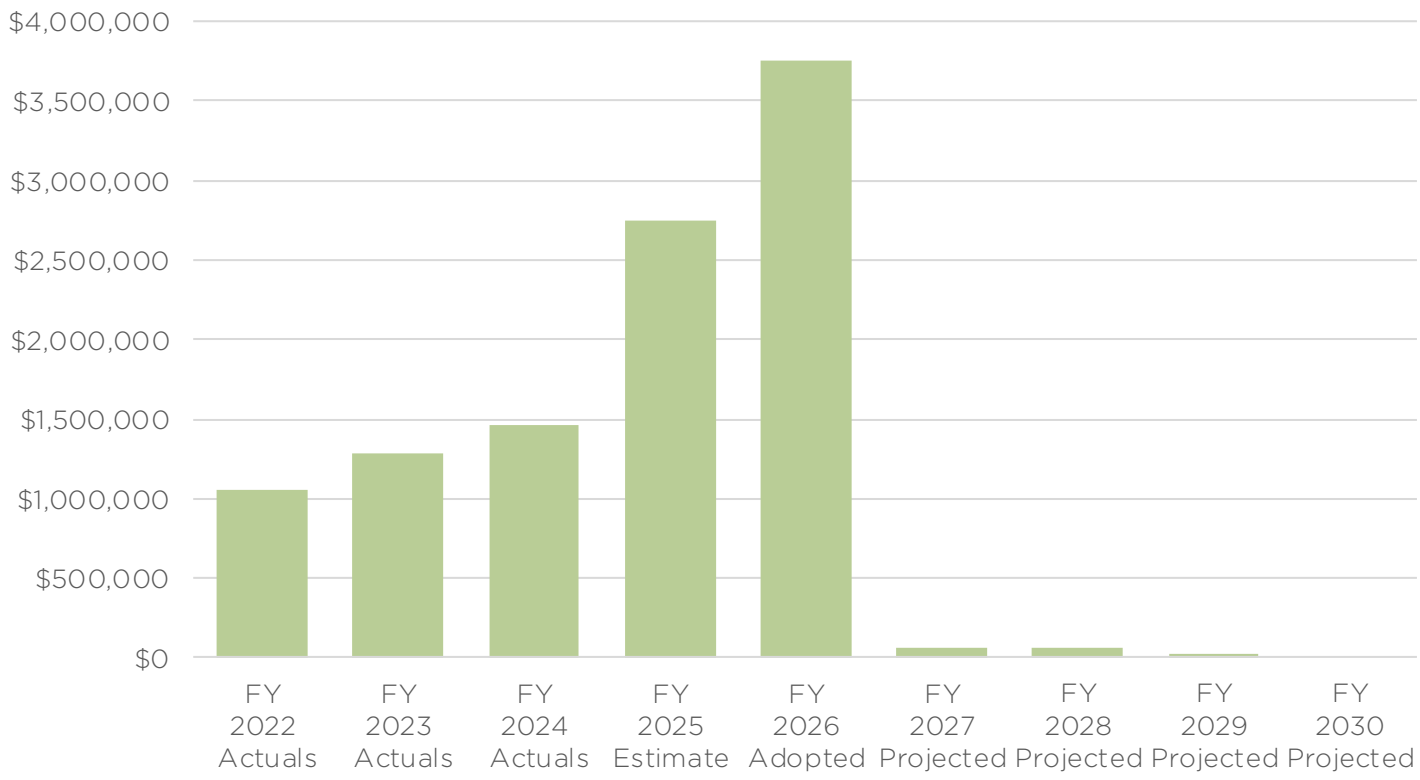
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TECHNOLOGY FUND

Overview

The Technology Fund accounts for expenses associated with citywide Information Technology activities. Technology Fund capital projects enhance service delivery to the community and to City staff through the delivery and implementation of Information Technology infrastructure. It is important to note that all expenditures in the Technology Fund are reimbursed by transfers from the other City funds benefiting from the services and purchases incurred in the Technology Fund. Overall, a total of five capital projects are programmed over the five-year Capital Improvement Program (CIP). The projects outlined in the capital program represent only a small subset of the total number of technology projects delivered to the City, as most technology projects are funded through the operating budget and do not meet the criteria of a capital project. Please refer to the Information Technology Department section of the Operating Budget for additional information. The budget for the Technology Fund Capital Improvement Program is accounted for in two separate categories: Citywide Technology Upgrades and Improvements, and Department Technology Upgrades and Improvements.

Technology Fund Expenditures



Citywide Technology Upgrades and Improvements

The Citywide Technology Upgrades category includes projects that benefit multiple City departments. They tend to have a larger scope than projects for individual departments and thus entail more coordination and complexity. For the 2026-2030 Capital Improvement Program, $3.6 million is allocated within this category, with $3.4 million budgeted in FY 2026, of which $2.8 million has been reappropriated for the continuation of projects approved by the City Council in prior fiscal years.

Recent Accomplishments:

- Over 40 enhancements have been completed and rolled out for the Enterprise Resource Planning (ERP) Phase II project to enhance business efficiency, data accuracy, data accessibility, and data security.
- The facility condition assessment and the electrification assessment for the Infrastructure Management System project are now complete. From those assessments, it was deemed more beneficial for the City to customize the existing Computerized Maintenance and Management System (CMMS) to meet the same end results that a dedicated Capital Planning Solution would provide, but without the need for another software to integrate.

2026-2030 Capital Improvement Program

Non-Recurring Projects:

- City Council Chambers Upgrade: This project will upgrade the necessary audio visual equipment in Council Chambers as the equipment in place now is unsupportable and outdated. This project will also bring the identified Americans with Disabilities Act (ADA) components to compliance (Fiscal Year 2026 and 5-Year CIP: $1.5 million).
- Enterprise Resource Planning (ERP) Upgrade: Phase I of the ERP replacement was completed in FY 2022, and Phase II is underway and is anticipated to be completed in Fall 2025 (Fiscal Year 2026 and 5-Year CIP: $0.7 million).
- Infrastructure Management System: This project will customize the Computerized Maintenance and Management System (CMMS) to serve as both a Capital Tracking and a Capital Planning Solution. (Fiscal Year 2026: $0.4 million; 5-Year CIP: $0.5 million).
- IT Data Center Upgrade: This project started in Fiscal Year 2025 and will work on a server consolidation plan for the IT assets currently residing at the City Hall datacenters and reducing the IT footprint (Fiscal Year 2026 and 5-Year CIP: $0.9 million).

Department Technology Upgrades and Improvements

The Department Technology Upgrades and Improvements category includes projects that benefit one or a limited number of City departments. For the 2026-2030 Capital Improvement Program, $0.3 million is programmed within this category, with the full amount budgeted in FY 2026, having been reappropriated for the continuation of projects that were approved by the City Council in prior fiscal years.

Recent Accomplishments:

- A new Computer Aided Dispatch system has been selected.

2026-2030 Capital Improvement Program

Non-Recurring Projects:

- Computer Aided Dispatch: A new Computer Aided Dispatch (CAD) system was selected in Fiscal Year 2025 through a comprehensive Request for Proposal (RFP) process. Implementation is anticipated to be completed in Fiscal Year 2026 (Fiscal Year 2026 and 5-Year CIP: $0.3 million).

Technology Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Transfer from Capital Improvement Fund									
TE-13004	Infrastructure Management System	50,000	50,000	50,000	25,000	25,000	25,000	0	125,000
Transfer from Capital Improvement Fund Total		**50,000**	**50,000**	**50,000**	**25,000**	**25,000**	**25,000**	**0**	**125,000**
Transfer from Refuse Fund									
TE-10001	Utilities Customer Bill System Improvements	11,500	0	0	0	0	0	0	0
Transfer from Refuse Fund Total		**11,500**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer From Stormwater Management Fund									
TE-10001	Utilities Customer Bill System Improvements	2,600	0	0	0	0	0	0	0
Transfer From Stormwater Management Fund Total		**2,600**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Utilities Administration Fund									
TE-10001	Utilities Customer Bill System Improvements	185,900	0	0	0	0	0	0	0
Transfer from Utilities Administration Fund Total		**185,900**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Transfer from Wastewater Treatment Fund									
TE-13004	Infrastructure Management System	0	0	35,000	35,000	35,000	0	0	105,000
Transfer from Wastewater Treatment Fund Total		**0**	**0**	**35,000**	**35,000**	**35,000**	**0**	**0**	**105,000**
Total Sources		**250,000**	**50,000**	**85,000**	**60,000**	**60,000**	**25,000**	**0**	**230,000**
				USE OF FUNDS					
Citywide Technology Upgrades and Improvements									
TE-19001	City Council Chambers Upgrade	1,760,910	277,173	1,483,737	0	0	0	0	1,483,737
TE-19000	Enterprise Resource Planning Upgrade	1,305,418	1,075,418	730,000	0	0	0	0	730,000
TE-13004	Infrastructure Management System	477,374	191,468	370,906	60,000	60,000	25,000	0	515,906
TE-25000	IT Data Center Upgrade	1,000,000	150,000	850,000	0	0	0	0	850,000
TE-05000	Radio Infrastructure Replacement	259,900	259,900	0	0	0	0	0	0
Citywide Technology Upgrades and Improvements Total		**4,803,602**	**1,953,959**	**3,434,643**	**60,000**	**60,000**	**25,000**	**0**	**3,579,643**
Department Technology Upgrades and Improvements									
TE-23000	Computer Aided Dispatch (CAD) Upgrade	640,000	320,000	320,000	0	0	0	0	320,000
TE-12001	Development Center Blueprint Technology Enhancements	22,902	22,902	0	0	0	0	0	0
TE-10001	Utilities Customer Bill System Improvements	655,949	455,949	0	0	0	0	0	0

Technology Fund *(Continued)*

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
Department Technology Upgrades and Improvements Total		**1,318,851**	**798,851**	**320,000**	**0**	**0**	**0**	**0**	**320,000**
Total Uses		**6,122,453**	**2,752,810**	**3,754,643**	**60,000**	**60,000**	**25,000**	**0**	**3,899,643**



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Citywide Technology Upgrades and Improvements



Fund: Technology Fund
Category: Citywide Technology Upgrades and Improvements
Project Location: Palo Alto City Hall (250 Hamilton Avenue)
Managing Department: Information Technology
Initial Project Start: Summer 2019
Initial Project Completion: Summer 2022
Revised Project Start: N/A
Revised Project Completion: Summer 2027
Project Number: TE-19001

City Council Chambers

City Council Chambers Upgrade

Description

Funding will be used to upgrade outdated electronic equipment that has become unsupportable in City Council Chambers. This will help address technical issues and ensure compliance with Americans with Disabilities Act (ADA) requirements. This project will:

- Replace and upgrade outdated audio/visual equipment to bring City Council Chambers in compliance with ADA requirements.

- Upgrade the City Council Chambers broadcast booth, overhead display equipment, and dais equipment (including a supportable voting system).

- Bring the broadcast booth in the City Council Chambers in compliance with ADA and State regulations.

- Obtain adequate support, maintenance, and warranty for all equipment.

- Integrate the City Hall Lobby Video Wall, Community Meeting Room, and Council Conference Room with new City Council Chambers equipment to enable viewing and/or broadcasting.

Justification

Most of the electronic equipment in the City Council Chambers is obsolete and unsupportable. The City's recent ADA transition plan update identified accessibility deficiencies in the City Council Chambers. The broadcast booth contains some equipment with expired warranties, unused equipment, and cabling that is not well managed. These issues pose potential hazards for the broadcasting operators. The broadcast booth also lacks back-up power supplies, which could hinder broadcasting and recording of the session. The rear projected overhead display is not clear, presents dissimilar sizes, and can only display two inputs. These issues unnecessarily hinder the City Clerks' administrative function during Council meetings. The existing voting system has been deemed unsupportable and unrepairable by electricians and could stop functioning at any time.

The broadcast booth is not currently integrated with the upgraded equipment that has been installed in the Community Meeting Room, Council Conference Room, Flexible Training Room, and several library meeting rooms, which prevents the City from fully utilizing the new capabilities and functionality this upgraded equipment offers.

Significant Changes

2026-2030 CIP: Upgraded A/V equipment to support hybrid public meetings in both the Community Meeting Room and Council Chambers. A new microphone system was also purchased for the Community Meeting room and Council Chambers. During the next fiscal year the displays and sound systems will be upgraded. Project is anticipated to be completed in FY 2027.

2025-2029 CIP: In FY 2024, staff resumed working on refining the scope of work and requirements for this project. Work is anticipated to be completed in FY 2025.

2024-2028 CIP: In FY 2024, staff will resume working on refining the scope of work and requirements. Based on the outcome of the refined requirements, staff will prepare and issue an RFP.

2023-2027 CIP: Due to the ongoing COVID-19 pandemic, project has been delayed. Staff will resume working on the upgrade in FY 2023 and further review or refine the current scope.

2022-2026 CIP: Staff will resume working on the upgrade in FY 2022 and further review or refine the current scope.

2021-2025 CIP: This project will be temporarily on hold in the wake of COVID-19, which requires the scope of this project to be re-imagined for needs such as social distancing and virtual flexibility. The majority of funding for this project comes from restricted funds.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Technology Fund	(920,984)	1,760,910	277,173	1,483,737	0	0	0	0	1,483,737	0	839,926
Transfer from Airport Fund	9,700	0	0	0	0	0	0	0	0	0	9,700
Transfer from Print & Mail Fund	9,600	0	0	0	0	0	0	0	0	0	9,600
Transfer from Refuse Fund	60,700	0	0	0	0	0	0	0	0	0	60,700
Transfer From Stormwater Management Fund	39,200	0	0	0	0	0	0	0	0	0	39,200
Transfer from Utilities Administratio n Fund	607,000	0	0	0	0	0	0	0	0	0	607,000
Transfer from Vehicle Replacement and Maintenance	67,700	0	0	0	0	0	0	0	0	0	67,700

TECHNOLOGY FUND

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from Wastewater Treatment Fund	170,100	0	0	0	0	0	0	0	0	0	170,100
Total	**$43,016**	**$1,760,910**	**$277,173**	**$1,483,737**	**$0**	**$0**	**$0**	**$0**	**$1,483,737**	**$0**	**$1,803,926**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	23,299	1,760,910	277,173	1,483,737	0	0	0	0	1,483,737	0	1,784,209
Design	19,717	0	0	0	0	0	0	0	0	0	19,717
Total	**$43,016**	**$1,760,910**	**$277,173**	**$1,483,737**	**$0**	**$0**	**$0**	**$0**	**$1,483,737**	**$0**	**$1,803,926**

Operating Impact

Operating impacts have not been determined at this time. Estimates may become available after requests for proposals are issued, and as these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Technology Fund
Category: Citywide Technology Upgrades and Improvements
Project Location: Various locations
Managing Department: Information Technology
Initial Project Start: Summer 2018
Initial Project Completion: Summer 2022
Revised Project Start: N/A
Revised Project Completion: Fall 2025
Project Number: TE-19000

New Financial System

Enterprise Resource Planning Upgrade

Description

This project provides funding to upgrade the existing Enterprise Resource Planning (ERP) system to better meet the City's needs.

Justification

The City's existing ERP system, SAP, was selected in 2002 with the purpose of integrating various business processes and moving towards electronic Government (eGovernment). In Fiscal Year 2003, the implementation of SAP's Enterprise Central Component (ECC 4.6C) core modules was completed and since then the City has used SAP to support Accounting, Finance, Purchasing, Project Management, Plant Maintenance, Budgeting, Payroll, Human Resource Management, and Service Order Management functions. In 2009, the City completed a major upgrade to SAP (ECC 6.0). The City also replaced the former utility billing system (Banner) with the implementation of SAP's Customer Relationship Management (CRM) Utilities Customer Electronic Services (also known as My Utilities Account customer portal) and Business Intelligence Systems (BI).

Supplemental Information

With the upgrade, the City is able to benefit from a more user-friendly interface, mobile friendly workflows and timesheets, and faster and easier access to necessary operational reports enabling data driven decisions. Staff can anticipate tight integration with key external solutions such as Geographic Information System (GIS) Spatial Mapping solution, Smart Water Metering Technologies, and SAP Business Intelligence and reporting solution. While it is expected that all major Financial and Human Resource functions will be maintained within this upgraded SAP, many business processes will see improvements or changes to increase efficiency and improved controls.

Significant Changes

2026-2030 CIP: Over 36 new business requirements enhancing business efficiency, data accuracy, data accessibility, and data security were delivered as part of the ERP Enhancement Phase II Sprints 4, 5, and 6 in FY 2025. Additional funding of $0.5 million in FY 2026 will provide for further enhancements to the City's ERP, including twelve additional business requirements. The project is anticipated to be completed in Fall 2025.

2025-2029 CIP: Phase II is underway with multiple projects completed and implemented with several more projects being worked on. Work will continue in FY 2025 and is anticipated to be completed in Summer 2025.

2024-2028 CIP: SAP Phase II is underway with multiple projects completed and implemented with several more projects being worked on. Total project costs have increased by approximately $1.5 million ($4.9 to $6.4 million) from the prior 2023-2027 CIP Budget. Work will continue in FY 2024 and is anticipated to be completed in Summer 2025.

2023-2027 CIP: SAP Phase II scope has been identified and will begin at the end of FY 2022. Anticipated completion date of Phase II is during FY 2025.

2022-2026 CIP: The SAP upgrade has been completed for Phase I. The CIS upgrade remains on hold at this time. Remaining funds for FY 2022 will be used for Phase II of the SAP upgrade. Staff will come back and request funding for CIS as necessary.

2021-2025 CIP: The SAP upgrade is underway. The necessary licensing has been purchased for the contract with LSI, Inc to help the City upgrade the SAP system. Implementation for the SAP upgrade has started and is anticipated to be finished in FY 2021. However, the CIS upgrade will be temporarily on hold in the wake of COVID-19. Staff will further review the scope and current platform once the ERP upgrade has been completed.

2020-2024 CIP: After thorough consideration, it was determined that an upgrade to the current SAP environment would be more appropriate than a complete system replacement at this time. The request for proposal (RFP) was therefore canceled on November 14th, 2018 and the vendors were notified of the cancellation. An upgrade to the current SAP system will avoid the risks, costs, and management challenges associated with migration to a new ERP.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Technology Fund	5,098,046	1,305,418	1,075,418	730,000	0	0	0	0	730,000	0	6,903,464
Total	**$5,098,046**	**$1,305,418**	**$1,075,418**	**$730,000**	**$0**	**$0**	**$0**	**$0**	**$730,000**	**$0**	**$6,903,464**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	1,262,786	1,294,798	1,064,798	730,000	0	0	0	0	730,000	0	3,057,584
Design	3,835,260	10,620	10,620	0	0	0	0	0	0	0	3,845,880
Total	**$5,098,046**	**$1,305,418**	**$1,075,418**	**$730,000**	**$0**	**$0**	**$0**	**$0**	**$730,000**	**$0**	**$6,903,464**

Operating Impact

Operating impacts from Phase II of this project have not been determined at this time. As these costs are quantified, adjustments will be brought forward in future budgets as necessary.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Community Services & Facilities Section: Efficient and Effective Service Delivery Goal: C-1 Policy: C-1.3	Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Technology Fund
Category: Citywide Technology Upgrades and Improvements
Project Location: Various locations
Managing Department: Information Technology
Initial Project Start: Summer 2013
Initial Project Completion: Summer 2014
Revised Project Start: N/A
Revised Project Completion: Fall 2030
Project Number: TE-13004

Infrastructure Management System

Infrastructure Management System

Description

This project funds the software utilized in the City of Palo Alto's Infrastructure Management System (IMS) comprised of a Computerized Maintenance and Management System (CMMS), an Electronic Record Management System (ERMS) and a Geographic Information System (GIS).

In 2015, the data from the 2009 Kitchell Facility Assessment (FCA) and the Infrastructure Blue Ribbon Committee (IBRC) was implemented in the CMMS utilizing Accruent's Maintenance Connection software. In 2022 a new Facility Condition Assessment (FCA) was performed under PE-20002 to obtain updated keep up, catch up, electrification, and capital renewals needs based on Remaining Useful Life (RUL) for the next 30 years and beyond. This data is currently being uploaded into the existing CMMS.

The new Electronic Record Management System (ERMS) is to serve as a single source repository to hold all record plans, CIP project documents, building permits and related information. This data will be available through an open data portal to serve both employees and the general public in records requests. In fall 2024, the City entered into a Cooperative Agreement Contract with Laserfiche to serve as the City of Palo Alto's ERMS.

The new GIS system has moved to the Environmental Systems Research Institute (ESRI) platform and requires annual linework updates when features in the Right of Way (ROW) are modified and will continue updating linework in ESRI with as-builts backlogged since 2017. Public Works Engineering and the Utilities Department are coordinating efforts to update linework through LYNX technologies.

These management tools utilized by the IMS will support ongoing staff and Council attention to infrastructure budgeting, planning, accountability. Through the use of open API, all three software in the IMS will be able to communicate to allow for enhanced reporting.

Justification

While establishing the IMS, it was determined that a new electronic facility plan RMS is needed to centrally store records, plans, and related information on each City facility. Currently, older records and plans are managed through a Microsoft Access Database, with limited search capabilities, and some records and plans are still only available as hardcopy sheets. The project will include scanning older hard copy sets and compiling all records into a new indexed system that will be easily accessible to all City Staff.

The GIS program is used for asset management inventory and mapping to meet the ongoing in house demands of the Infrastructure Management System (IMS) and to meet the needs of accurate inventory mapping to maintain APWA accreditation standards.

Supplemental Information

Based on the results of the needs assessment study, two software applications already in use by the City will be used to form an integrated IMS. One application will be used to maintain an asset inventory and to track maintenance and condition information, while the other will be used to schedule projected capital maintenance needs and to track catch-up and keep-up.

The ERMS project will scan, catalog, and archive documents in an open-format electronic database system that will allow staff to easily search, access, and retrieve all City facility records and plans.

Significant Changes

2026-2030 CIP: Project scope and funding increased by approximately $0.1 million across Fiscal Years 2026, 2027, and 2028 to create new modules for wastewater treatment work.

2025-2029 CIP: Staff began transitioning the Right of Way (ROW) as-built drawings in 2023 into new GIS Layers via LYNX. Staff will continue the process of updating our GIS data with as-built line linework.

2024-2028 CIP: All five years of funding is included in Fiscal Year 2024 to procure a new Electronic Record Management System (ERMS). An RFP will be issued in Fiscal Year 2024 for this new system.

2023-2027 CIP: The project scope and funding increased by approximately $0.2 million to include a new electronic facility plan record management system in FY 2023.

2022-2026 CIP: Customization and configuration work was not able to be fully completed in FY 2021 due to the ongoing COVID-19 shelter in place. Funding to finalize the integration will be reappropriated to FY 2022 to complete the project.

2021-2025 CIP: Customization and configuration work was not able to be fully completed in FY 2020. Funding to finalize the integration will be reappropriated to FY 2021 to complete the project.

2020-2024 CIP: Additional work is required for the integrated Infrastructure Management System, such as further professional service hours required for customization and configuration for the two systems that have been identified as the integrated IMS. This CIP is anticipated to close at the end of FY 2020.

TECHNOLOGY FUND

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Technology Fund	(57,336)	427,374	141,468	285,906	0	0	0	0	285,906	0	370,038
Transfer from Airport Fund	2,600	0	0	0	0	0	0	0	0	0	2,600
Transfer from Capital Improvement Fund	0	50,000	50,000	50,000	25,000	25,000	25,000	0	125,000	0	175,000
Transfer From Stormwater Management Fund	12,900	0	0	0	0	0	0	0	0	0	12,900
Transfer from Utilities Administration Fund	215,000	0	0	0	0	0	0	0	0	0	215,000
Transfer from Vehicle Replacement and Maintenance	12,600	0	0	0	0	0	0	0	0	0	12,600
Transfer from Wastewater Treatment Fund	43,300	0	0	35,000	35,000	35,000	0	0	105,000	0	148,300
Total	**$229,064**	**$477,374**	**$191,468**	**$370,906**	**$60,000**	**$60,000**	**$25,000**	**$0**	**$515,906**	**$0**	**$936,438**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	206,033	477,374	191,468	370,906	60,000	60,000	25,000	0	515,906	0	913,407
Other	23,027	0	0	0	0	0	0	0	0	0	23,027
Total	**$229,060**	**$477,374**	**$191,468**	**$370,906**	**$60,000**	**$60,000**	**$25,000**	**$0**	**$515,906**	**$0**	**$936,434**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Land Use and Community Design Section: Public Streets and Public Spaces Goal: L-9 Policy: L-9.11 Program: L9.11.2	Planning and Transportation Commission

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Technology Fund
Category: Citywide Technology Upgrades and Improvements
Project Location: Palo Alto City Hall (250 Hamilton Avenue)
Managing Department: Information Technology
Initial Project Start: Summer 2024
Initial Project Completion: Spring 2026
Revised Project Start: N/A
Revised Project Completion: N/A
Project Number: TE-25000

IT Data Center

IT Data Center Upgrade

Description

This project will allow the Information Technology (IT) department to evaluate the City's onsite data center space requirements, and determine if the current data center space can be reduced and repurposed for other needs at City Hall.

Justification

The IT department has been actively working on a server consolidation plan for the technology assets currently residing in the City Hall data center. Cloud storage and other technology upgrades allow the City to store data differently, so the full space currently dedicated the onsite data center is no longer needed. The goal of this project is to reduce the footprint by nearly 60% through alternate data center models with a focus on space reallocation.

Significant Changes

2026-2030 CIP: The updated assessment will be completed in FY 2026 which will help determine the scope for the data center redesign/upgrade.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Technology Fund	0	1,000,000	150,000	850,000	0	0	0	0	850,000	0	1,000,000
Total	**$0**	**$1,000,000**	**$150,000**	**$850,000**	**$0**	**$0**	**$0**	**$0**	**$850,000**	**$0**	**$1,000,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	0	1,000,000	150,000	850,000	0	0	0	0	850,000	0	1,000,000
Total	**$0**	**$1,000,000**	**$150,000**	**$850,000**	**$0**	**$0**	**$0**	**$0**	**$850,000**	**$0**	**$1,000,000**

Operating Impact

There are no additional operating impacts anticipated from this project. Any maintenance costs that arise will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Community Services & Facilities
Section: Maintenance of Parks and Community Facilities
Goal: C-3
Policy: C-3.2

Potential Board/Commission Review:

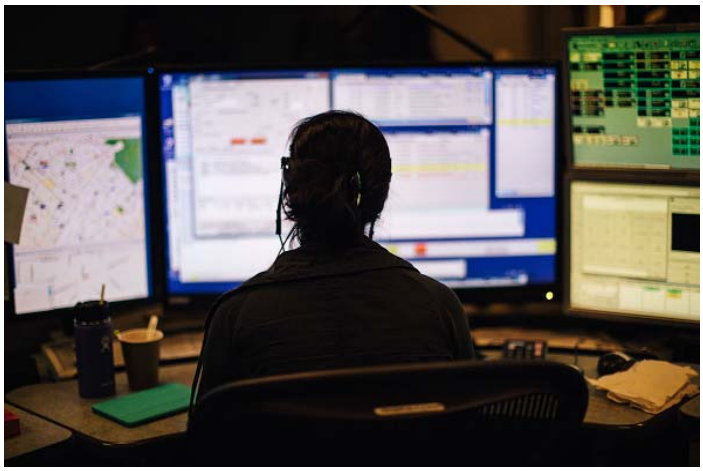
Planning and Transportation Commission

Environmental Impact Analysis:
Possible exemption from CEQA under Section 15301



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Department Technology Upgrades and Improvements



Fund: Technology Fund
Category: Department Technology Upgrades and Improvements
Project Location: Police Department
Managing Department: Information Technology
Initial Project Start: Spring 2022
Initial Project Completion: Spring 2023
Revised Project Start: N/A
Revised Project Completion: Spring 2026
Project Number: TE-23000

Public Safety Dispatcher using the Computer Aided Dispatch system

Computer Aided Dispatch (CAD) Upgrade

Description

This project provides funding for the upgrade of the Computer-Aided Dispatch (CAD) system that serves the city of Palo Alto public safety departments along with the departments responsible for Utilities, Public Works, Animal Control, Park Rangers, and Stanford DPS. The system is a combination of hardware, software, database, network devices and switches to facilitate the quick and accurate transfer of information from reporting parties to operators in the field. The system is interoperable with systems in the cities of Mountain View and Los Altos.

Justification

In 2013, the City Managers of Los Altos, Mountain View, and Palo Alto agreed to a broad initiative of sharing public safety technology as a method to conserve resources, improve response times, increase the resiliency and the redundancy of these critical systems, as well as to enhance interoperable communications between the three cities' first responders. Since that time, a system of coordination has been implemented with the cities sharing in costs according to their level of participation, expertise, Full-Time Equivalent (FTE) support, use and resident population. The existing hardware for the systems resides in Mountain View but may be relocated. Originally the current vendor was selected in 2013 the project was principally completed in 2015. It is now at end of life as the vendor will no longer support the software, nor the operating platform, and the system will not integrate with current operating/network systems or platforms used throughout the cities.

Significant Changes

2026-2030 CIP: A new CAD system has been selected through a comprehensive RFP process. Implementation is anticipated to be completed in FY 2026 and the project closed.

2025-2029 CIP: The RFP for a new CAD system was released in FY 2024. Vendor demonstrations and selection also transpired in FY 2024. The contract for a new CAD system is anticipated to be executed by the end of FY 2024 or beginning of FY 2025.

2024-2028 CIP: Scope for an RFP for a new CAD system has been created and is currently being reviewed. Staff anticipates the RFP to be released in late FY 2023 or early FY 2024.

2023-2027 CIP: The project remains in the initiation phase and requires Council direction on work with partner cities. The project is expected to be defined, designed and developed in FY 2023 with RFP and implementation in FY 2023 or FY 2024, pending direction.

2022-2026 CIP: The project is in the specification phase and expected to go to RFP in FY 2022 with implementation in FY 2023. An operating agreement is currently being considered by all three cities, and the project is expected to be completed within 18 months of vendor selection.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Technology Fund	9,192	640,000	320,000	320,000	0	0	0	0	320,000	0	649,192
Total	**$9,192**	**$640,000**	**$320,000**	**$320,000**	**$0**	**$0**	**$0**	**$0**	**$320,000**	**$0**	**$649,192**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Construction	9,192	640,000	320,000	320,000	0	0	0	0	320,000	0	649,192
Total	**$9,192**	**$640,000**	**$320,000**	**$320,000**	**$0**	**$0**	**$0**	**$0**	**$320,000**	**$0**	**$649,192**

Operating Impacts

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total
Technology Fund	60,000	60,000	60,000	60,000	60,000	300,000

Operating Impact

Annual licensing fees of $160,000 will begin once the CAD system is upgraded, approximately $60,000 more than the current licensing costs, which are $100,000 per year.

TECHNOLOGY FUND

Relationship to Comprehensive Plan Primary Connection

Element: Safety
Section: Community Safety
Goal: S-1
Policy: S-1.9
Program: S1.9.1

Environmental Impact Analysis:
Not Applicable

Potential Board/Commission Review:

Planning and Transportation Commission

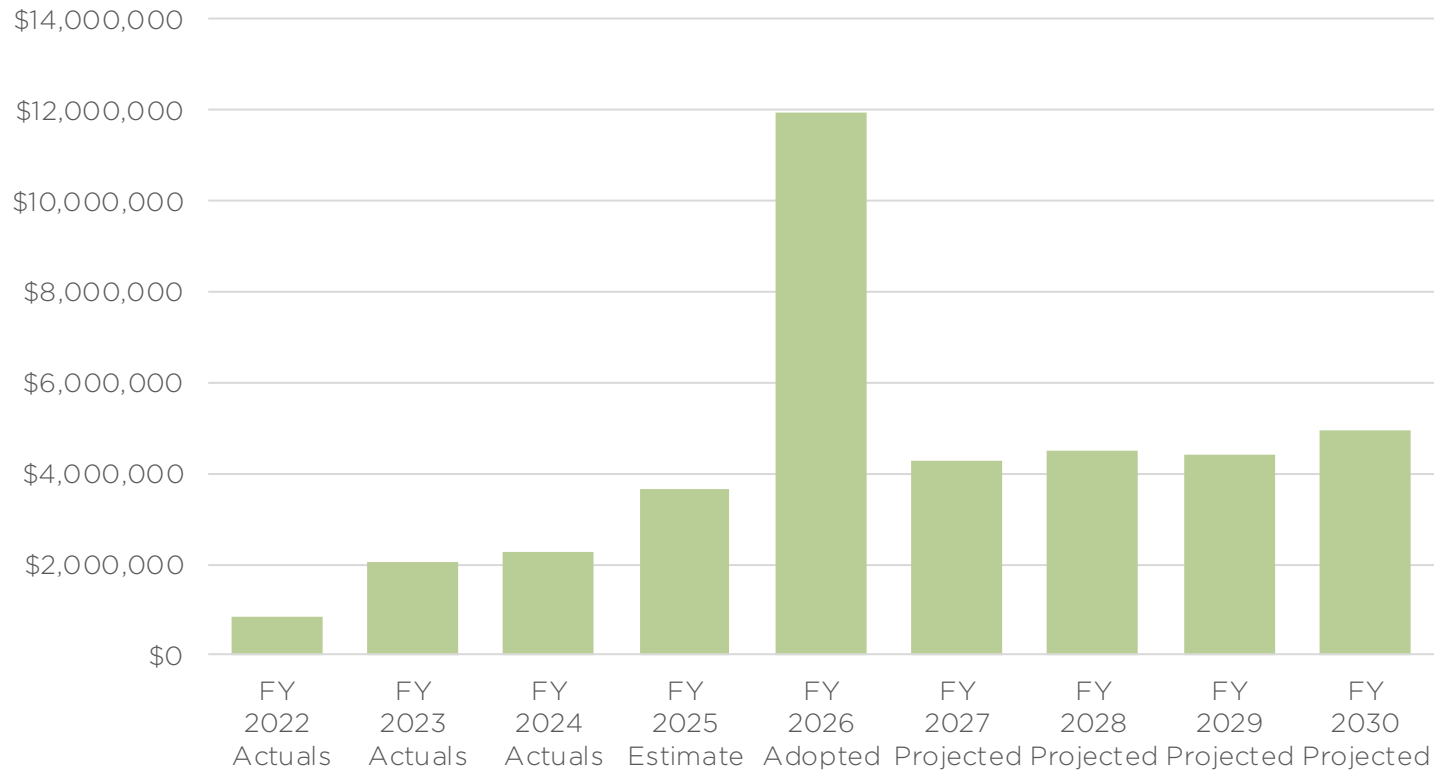
VEHICLE REPLACEMENT AND MAINTENANCE FUND

Overview

The Vehicle Replacement and Maintenance Fund (VRF) supports activities related to the replacement, maintenance, and operations of the City's fleet and equipment. The VRF Capital Improvement Program (CIP) accounts for activities related to the replacement of the City's fleet and equipment, as well as the infrastructure necessary to operate and maintain the fleet and equipment. For detailed information on the maintenance and operation of the fleet, please refer to the Vehicle Replacement and Maintenance Fund section of the Operating Budget. Over the 2026-2030 CIP, approximately 17.8% of the fleet is programmed for replacement at a cost of $30.0 million, with $11.9 million allocated in Fiscal Year 2026. Of the $11.9 million, $7.6 million has been reappropriated for the continuation of projects approved by City Council in prior fiscal years. It is important to note that all expenditures in the fund are reimbursed by transfers from the funds benefiting from the services and purchases incurred in the fund. A total of 12 capital projects are programmed over the five-year program. The budget for the VRF CIP is divided into three categories: Administration, Fleet Infrastructure Improvements, and Vehicle and Equipment Replacement.

Beginning in FY 2026, a new project named Vehicle Fund Administration was added to serve as a placeholder for estimated CIP administrative costs, including salary and benefit costs of City staff assigned to manage the Vehicle Replacement and Maintenance Fund CIP. Estimated salary and benefit costs were removed from individual project budgets to avoid budgeting them twice. As part of the year-end process, the costs will be distributed across capital projects in accordance with actual charging, and any unused balance will be returned to reserves.

Vehicle Replacement Fund Expenditures



Fleet Infrastructure Improvements

The Fleet Infrastructure Improvements category accounts for the repair or improvement of existing systems or structures. Examples of projects previously funded in this category include fuel management software, diesel particulate filters required by the Bay Area Air Quality Management District (BAAQMD), and new fuel tanks. No projects are recommended in this category in the 2026-2030 CIP.

Vehicle and Equipment Replacement

The Vehicle and Equipment Replacement Category accounts for the purchase, repair, and replacement of vehicles/equipment. Over the projected life of the vehicle/equipment, funds are collected in the Vehicle Fund from the department/fund that will utilize the asset so funding will be available to replace the asset when it has reached the end of its useful life. When a vehicle or piece of equipment is estimated to meet replacement criteria and has been reviewed and approved for replacement by the Fleet Review Committee (FRC), it is programmed into the Vehicle and Equipment Replacement CIP project that corresponds to the year the useful life of the vehicle/equipment will expire.

Key replacements in 2026-2030 CIP include:

- 76 pieces of equipment, trailers, generators, and tractors (4.0 million)
- 30 sedans ($1.2 million)
- 101 trucks/vans ($9.6 million)
- 7 dump trucks ($1.7 million)
- 29 patrol vehicles ($2.5 million)
- 7 fire engines/support trucks ($11.2 million)
- 2 ambulances ($0.8 million)

TYPE/GROSS VEHICLE WEIGHT (GVW)	UNLEADED	DIESEL	CNG	HYBRID	ELECTRIC	NO ENGINE TRAILER	TOTAL
Sedans/SUVs	23	-	3	11	30	-	67
Police marked units	27	-	-	2	-	-	29
Motorcycles	3	-	-	-	-	-	3
Scooters	7	2	-	-	1	-	10
Truck/Van Under 6k GVW	26		-		-	-	26
Truck/Van 6K-11K GVW	97	-	15	2	4	-	118
Trucks 11K-15K GVW	19	5	-	2	-	-	26
Trucks 15K-26K GVW	6	9	-	-	-	-	15

VEHICLE REPLACEMENT AND MAINTENANCE FUND

TYPE/GROSS VEHICLE WEIGHT (GVW)	UNLEADED	DIESEL	CNG	HYBRID	ELECTRIC	NO ENGINE TRAILER	TOTAL
Dump Truck Under 11K GVW	10	17	-	-	-	-	27
Large Equip: Boom & crane trucks, aerials	-	21	-	-	-	-	21
Wildland patrol vehicles	2	-	-	-	-	-	2
Water truck/fuel truck	-	2	-	-	-	-	2
Fire seasonal/apparatus/ambulance	1	19	-	-	-	-	20
Sweepers	1	4	-	-	-	-	5
Backhoe, mowers, tractors, forklifts, rollers, air compressors, chippers, trailers	7	43	-	-	8	57	115
Asphalt rollers, water pumps, spray rigs	2	1	-	-	4	7	14
Generators, ditch witches, cable reelers	4	41	-	-	-	-	45
TOTAL	**235**	**164**	**18**	**17**	**47**	**64**	**545**

Recent Accomplishments

- Delivered four electric vehicles (EVs), one gas vehicle, five diesel vehicles, three hybrid vehicles, and six pieces of equipment to maintain safe, reliable, and efficient use of resources to support the City's Sustainability and Climate Action Plan (S/CAP).
- Purchased a Rivian R1S as Palo Alto's first electric police patrol vehicle.

2026-2030 Capital Improvement Program

Recurring Projects

The 2026-2030 CIP includes one recurring project, Emergency Repair and Replacement, providing $200,000 annually to repair and/or replace critical vehicles/equipment that sustain damage due to accidents or unpreventable failure. This project mitigates impacts to service delivery that could occur if the vehicles experienced lengthy times out of service. Since the inception of this project in Fiscal Year 2015, it has funded 62 repairs of vehicles/equipment, and ten replacements.

Non-Recurring Projects

The 2026-2030 CIP includes ten non-recurring projects with a total of $25.8 million allocated for vehicle and equipment replacements. All replacements are programmed for vehicles/equipment at the end of their useful life. Criteria for vehicle/equipment replacement include, but are not limited to, the following: utilization based on mileage or hours of operation, age, maintenance/repair records, and funding availability. As part of the replacement policy, and wherever possible, electric vehicles are considered first, followed by vehicles that use alternative fuels.

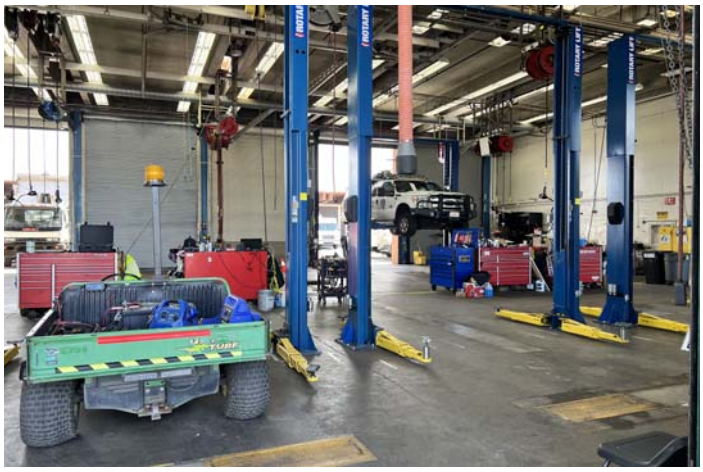
Vehicle Replacement Fund

Project Number	Project Title	FY 2025 Budget	FY 2025 Estimate	FY 2026 Adopted	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
				SOURCE OF FUNDS					
Transfer from Law Enforcement Services Fund									
VR-24000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2024	0	0	85,000	0	0	0	0	85,000
Transfer from Law Enforcement Services Fund Total		**0**	**0**	**85,000**	**0**	**0**	**0**	**0**	**85,000**
Transfer From Stormwater Management Fund									
VR-25000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2025	290,947	290,947	0	0	0	0	0	0
Transfer From Stormwater Management Fund Total		**290,947**	**290,947**	**0**	**0**	**0**	**0**	**0**	**0**
Total Sources		**290,947**	**290,947**	**85,000**	**0**	**0**	**0**	**0**	**85,000**
				USE OF FUNDS					
Administration									
VR-26001	Vehicle Fund Administration	0	0	577,417	591,425	611,721	635,767	648,095	3,064,425
Administration Total		**0**	**0**	**577,417**	**591,425**	**611,721**	**635,767**	**648,095**	**3,064,425**
Vehicle and Equipment Replacement									
VR-15001	Emergency Repair and Replacement	323,275	165,081	358,194	200,000	200,000	200,000	200,000	1,158,194
VR-20000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2020	737,092	707,092	30,000	0	0	0	0	30,000
VR-21000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2021	16,981	0	16,981	0	0	0	0	16,981
VR-22000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2022	722,630	722,630	0	0	0	0	0	0
VR-23000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2023	1,454,081	741,804	712,277	0	0	0	0	712,277
VR-24000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2024	4,173,257	876,982	3,391,275	0	0	0	0	3,391,275
VR-25000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2025	3,847,947	449,363	3,398,584	0	0	0	0	3,398,584
VR-26000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2026	0	0	3,455,000	0	0	0	0	3,455,000
VR-27000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2027	0	0	0	3,487,462	0	0	0	3,487,462
VR-28000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2028	0	0	0	0	3,679,192	0	0	3,679,192
VR-29000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2029	0	0	0	0	0	3,553,590	0	3,553,590
VR-30000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2030	0	0	0	0	0	0	4,088,656	4,088,656
Vehicle and Equipment Replacement Total		**11,275,263**	**3,662,952**	**11,362,311**	**3,687,462**	**3,879,192**	**3,753,590**	**4,288,656**	**26,971,211**
Total Uses		**11,275,263**	**3,662,952**	**11,939,728**	**4,278,887**	**4,490,913**	**4,389,357**	**4,936,751**	**30,035,636**



CITY OF
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Administration



Fund: Vehicle Replacement & Maintenance Fund
Category: Unallocated Salaries and Benefits
Project Location: N/A

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-26001

Auto shop at the Municipal Services Center, April 2025

Vehicle Fund Administration

Description

This project is a placeholder for estimated administrative costs, including salary and benefit costs of City staff assigned to manage Vehicle Fund Capital Improvement Program (CIP) projects.

Justification

Administrative costs are associated with the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of projects.

Supplemental Information

Estimated administrative costs for management of CIP projects in the Vehicle Fund were previously budgeted across capital projects. Beginning in FY 2026, this project will serve as a placeholder for all estimated CIP administrative costs which will then be distributed across capital projects in accordance with actual charging as part of the year-end process. At the end of each fiscal year, any unused balance will be returned to reserves.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	N/A	0	0	577,417	591,425	611,721	635,767	648,095	3,064,425	0	N/A
Total	**N/A**	**$0**	**$0**	**$577,417**	**$591,425**	**$611,721**	**$635,767**	**$648,095**	**$3,064,425**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	0	0	577,417	591,425	611,721	635,767	648,095	3,064,425	0	N/A
Total	**N/A**	**$0**	**$0**	**$577,417**	**$591,425**	**$611,721**	**$635,767**	**$648,095**	**$3,064,425**	**$0**	**N/A**

Operating Impact

There are no operating or maintenance expenses associated with this project.

Environmental Impact Analysis:
N/A



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Vehicle and Equipment Replacement



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Recurring
Initial Project Completion: Recurring

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-15001

Marked Police & Fire Vehicle, February 2013

Emergency Repair and Replacement

Description

This project provides funding to replace or repair vehicles/equipment that sustain damage due to accidents or unpreventable failure.

Justification

Service levels are impacted when critical vehicles/equipment such as utility trucks and police sedans experience lengthy down times. Therefore, when damage or failure occurs, these critical vehicles/equipment need to be replaced or repaired quickly to ensure uninterrupted service. In some cases, reserve vehicles/equipment exist, however, it is unrealistic to have a back-up for each vehicle and piece of equipment in the City.

Significant Changes

2025-2029 CIP: Additional funding has been added annually to this project to support vehicle and equipment accident related repairs and replacements beyond the $100,000 that has been budgeted annually since 2015.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	N/A	323,275	165,081	358,194	200,000	200,000	200,000	200,000	1,158,194	0	N/A
Total	**N/A**	**$323,275**	**$165,081**	**$358,194**	**$200,000**	**$200,000**	**$200,000**	**$200,000**	**$1,158,194**	**$0**	**N/A**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	N/A	323,275	165,081	358,194	200,000	200,000	200,000	200,000	1,158,194	0	N/A
Total	**N/A**	**$323,275**	**$165,081**	**$358,194**	**$200,000**	**$200,000**	**$200,000**	**$200,000**	**$1,158,194**	**$0**	**N/A**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2019
Initial Project Completion: Spring 2021

Revised Project Start: N/A
Revised Project Completion: Spring 2026

Project Number: VR-20000

Isuzu cab chassis with custom utility body, February 2014

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2020

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2020.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: five sedans; one SUV; two motorcycles; one marked patrol vehicle; 18 pickups; two vans; two dump trucks; three crane trucks; two miscellaneous equipment units. Of the 36 vehicles and pieces of equipment, 26 support the operations of the General Fund ($1.65 million) and 10 support the operations of various enterprise funds ($1.85 million). Since the inception of this project, vehicles/equipment have been added or removed based on the needs and available budget of individual departments.

Significant Changes

2025-2029 CIP: The remaining two units that need to be replaced from this CIP are two Peterbilt Hydraulic Digger Derricks. The delivery of these units has been delayed over several years and the funds for their replacement have been reappropriated. One sedan was removed from the list, as it was already replaced, reducing the total number of replacements from 37 to 36.

2024-2028 CIP: Two units, both Peterbilt Hydraulic Digger Derricks, are pending delivery and outfitting. Total project funding reduced to $2.8 million.

2023-2027 CIP: Two pieces of equipment were delayed in production thus resulting in a new delivery date. Deliveries have also been delayed due to vendor staffing shortages.

2022-2026 CIP: One sedan was previously replaced and therefore removed from the list last year. All remaining vehicles on the list have been ordered; four vehicles still to be delivered and outfitted.

2021-2025 CIP: Seven vehicles to be ordered; 26 vehicles to be delivered and outfitted; and one vehicle removed from list.

2020-2024 CIP: The replacement list is reviewed each year and changes are tracked but not finalized until the year preceding replacement. Changes in the FY 2020 list include the addition of six vehicles and the removal of 12 vehicles, bringing the total number of vehicles and pieces of equipment to be replaced to 37 and an overall funding increase of $31,000.

2019-2023 CIP: Five vehicles/pieces of equipment were removed including two sedans, one van, one generator, and one mower; while three were added including one F-150 and two F-350s with utility bodies. General Fund reduced by $0.3 million. Enterprise funds increased by $0.2 million.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from Gas Fund	143,251	0	0	0	0	0	0	0	0	0	143,251
Vehicle Replacement Fund	1,875,798	737,092	707,092	30,000	0	0	0	0	30,000	0	2,612,890
Total	**$2,019,049**	**$737,092**	**$707,092**	**$30,000**	**$0**	**$0**	**$0**	**$0**	**$30,000**	**$0**	**$2,756,141**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	2,019,011	737,092	707,092	30,000	0	0	0	0	30,000	0	2,756,103
Total	**$2,019,011**	**$737,092**	**$707,092**	**$30,000**	**$0**	**$0**	**$0**	**$0**	**$30,000**	**$0**	**$2,756,103**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Air Quality Goal: N-5 Policy: N-5.2	Planning and Transportation Commission Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2020
Initial Project Completion: Spring 2022

Revised Project Start: N/A
Revised Project Completion: Summer 2025

Project Number: VR-21000

Ford F-550 Saw Truck, March 2019

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2021

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2021.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: one SUV, four vans, seven trucks, two marked patrol vehicles, seven trailers, one generator, and eight miscellaneous pieces of equipment. Of the 30 vehicles and pieces of equipment, 15 support the operations of the General Fund ($0.7 million) and 15 support the operations of various enterprise funds ($0.8 million). Since the inception of this project, five vehicles/equipment have been added and three vehicles/equipment removed ($0.1 million) based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: All units have been delivered and the remaining funds currently reflected in FY 2026 (which had been reappropriated from FY 2025) will be returned during the FY 2025 year-end process.

2024-2028 CIP: Three units are still pending delivery and outfitting: one Ford F-350 with service body, one utility trailer, and one Ford Transit Cargo van. Total project funding reduced to $1.4 million.

2023-2027 CIP: Corrections to ordered vehicles/equipment were made; one vehicle remains unordered due to the manufacturer's lack of inventory.

2022-2026 CIP: Five vehicles were added to the list making a total of 30 vehicles, funding not increased; all vehicles on the list have been ordered; 19 vehicles still to be delivered and outfitted.

2021-2025 CIP: Program in Fiscal Years 2021 and 2022 was reduced as part of the FY 2021 budget balancing strategy. Vehicle replacement for FY 2021 is limited to vehicles or equipment that have regulatory requirements or serious maintenance issues. Contingency funding has been added in case vehicles or equipment exceed estimates.

2020-2024 CIP: The replacement list is reviewed each year and changes are tracked but not finalized until the year preceding replacement. Changes in the FY 2021 list include the addition of four vehicles and the removal of eight vehicles, bringing the total number of vehicles and pieces of equipment to be replaced to 34.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from Public Services Donation Fund	55,055	0	0	0	0	0	0	0	0	0	55,055
Vehicle Replacement Fund	1,290,069	16,981	0	16,981	0	0	0	0	16,981	0	1,307,050
Total	**$1,345,124**	**$16,981**	**$0**	**$16,981**	**$0**	**$0**	**$0**	**$0**	**$16,981**	**$0**	**$1,362,105**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	1,345,088	16,981	0	16,981	0	0	0	0	16,981	0	1,362,069
Total	**$1,345,088**	**$16,981**	**$0**	**$16,981**	**$0**	**$0**	**$0**	**$0**	**$16,981**	**$0**	**$1,362,069**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Air Quality Goal: N-5 Policy: N-5.2	Planning and Transportation Commission Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2022
Initial Project Completion: Spring 2024

Revised Project Start: N/A
Revised Project Completion: Spring 2026

Project Number: VR-23000

Peterbilt Dump Truck, March 2018

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2023

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2023.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: one sedan, two vans, nine trucks, one ambulance, five marked patrol vehicles, three dump trucks, two trailers, one fire support truck, and five miscellaneous pieces of equipment. Of the 26 vehicles and pieces of equipment, 17 support the operations of the General Fund ($2.6 million) and nine support the operations of various enterprise funds ($0.9 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: Out of the 26 vehicles scheduled for replacement, 21 have been delivered, four are to be delivered, one remains to be ordered, and one (a fire trailer) was deferred.

2025-2029 CIP: Out of the 26 vehicles scheduled for replacement, sixteen have been delivered, seven are to be delivered, and three remain to be ordered. One of the vehicles remaining to be ordered is an ambulance that

had been scheduled for replacement, with Council approval, in November 2022; however, approval was rescinded, and electric ambulances are not currently available.

2024-2028 CIP: Seven units still need to be purchased (compact truck, two cargo vans, parking enforcement vehicle, ambulance, medium duty truck , and a dump truck), and multiple other units are pending delivery and outfitting (two forklifts, International saw truck, two International chipper trucks, four Dodge Durango pursuit vehicles, Pierce fire truck, Ford F-150 hybrid, and two Ford F-450 flatbed trucks).

2023-2027 CIP: One trailer and two sedans added; two marked vehicles, one dump truck, and one ambulance moved to a later year. Vehicle/equipment total lessened from 30 to 29.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from General Fund	80,000	0	0	0	0	0	0	0	0	0	80,000
Vehicle Replacement Fund	1,989,918	1,454,081	741,804	712,277	0	0	0	0	712,277	0	3,443,999
Total	**$2,069,918**	**$1,454,081**	**$741,804**	**$712,277**	**$0**	**$0**	**$0**	**$0**	**$712,277**	**$0**	**$3,523,999**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	2,069,897	1,454,081	741,804	712,277	0	0	0	0	712,277	0	3,523,978
Total	**$2,069,897**	**$1,454,081**	**$741,804**	**$712,277**	**$0**	**$0**	**$0**	**$0**	**$712,277**	**$0**	**$3,523,978**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Freightliner FL-70 Aerial, March 2019

Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2023
Initial Project Completion: Spring 2024

Revised Project Start: N/A
Revised Project Completion: Spring 2026

Project Number: VR-24000

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2024

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2024.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the replacements: thirteen sedans, twelve pieces of equipment, four marked patrol vehicles, eight trucks, six vans, two dump trucks, and four SUVs. Of the 49 vehicles and pieces of equipment, 31 support the operations of the General Fund ($1.9 million) and 18 support the operations of various enterprise funds ($1.7 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: $95,000 was added in FY 2026 for replacement of a police patrol vehicle, partially offset with $85,000 of revenue from the Law Enforcement Services Fund.

2025-2029 CIP: $1,350,000 was added to the existing FY 2024 budget to make progress on meeting the Advanced Clean Fleets EV purchase mandate, resulting in the addition of seven trucks to the FY 2024 replacement schedule. $195,000 was added for three new Chevrolet Blazer EVs for two new Building Inspector posi-

tions and one new Code Enforcement position in the Planning Department. $80,000 was added for a new Utility Task Vehicle and transport trailer for the Fire Department.

2024-2028 CIP: Modifications to the actual vehicles and equipment being replaced may be made based on the availability of electric vehicles in the market. This may result in a higher, or lower number of units being replaced, and may also change the overall unit type breakdown provided.

2023-2027 CIP: One aerial, one dump truck and one trailer removed from list leaving 26 units to replace. Total budget remains the same.

2022-2026 CIP: Additional vehicles have been added to the replacement list for FY 2024. This list will still evolve until the year prior to budget adoption. Changes in the FY 2024 list include the addition of 20 vehicles and the removal of three vehicles, bringing the total number of vehicles and pieces of equipment to be replaced to 29 and an overall funding increase of $1.1 million.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer from General Fund	80,000	0	0	0	0	0	0	0	0	0	80,000
Transfer from Law Enforcement Services Fund	0	0	0	85,000	0	0	0	0	85,000	0	85,000
Vehicle Replacement Fund	732,742	4,173,257	876,982	3,306,275	0	0	0	0	3,306,275	0	4,915,999
Total	**$812,742**	**$4,173,257**	**$876,982**	**$3,391,275**	**$0**	**$0**	**$0**	**$0**	**$3,391,275**	**$0**	**$5,080,999**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	812,729	4,173,257	876,982	3,391,275	0	0	0	0	3,391,275	0	5,080,986
Total	**$812,729**	**$4,173,257**	**$876,982**	**$3,391,275**	**$0**	**$0**	**$0**	**$0**	**$3,391,275**	**$0**	**$5,080,986**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Relationship to Comprehensive Plan Primary Connection	**Potential Board/Commission Review:**
Element: Natural Environment Section: Air Quality Goal: N-5 Policy: N-5.2	Planning and Transportation Commission Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



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Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 East Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2024
Initial Project Completion: Spring 2026

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-25000

Isuzu NPR with Utility Body

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2025

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2025.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles (EVs) and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: eight sedans, three trucks, one fire engine, two marked patrol vehicles, four trailers, one van, four miscellaneous pieces of equipment, and one motorcycle. Of the 24 vehicles and pieces of equipment, 15 support the operations of the General Fund ($3.0 million) and nine support the operations of various enterprise funds ($0.4 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: An adjustment of $0.3 million was made in FY 2025 (Report #2411-3786) for the purchase of a trailer with CCTV equipment to inspect and video the storm drain system, supported by a transfer from the Stormwater Management Fund in the same amount.

2025-2029 CIP: Funding has been added for two Chevrolet Bolt EVs for Fire Inspectors in the Fire Department ($80,000) and one Ford Transit EV for a Facilities Technician in the Public Works Department ($80,000).

2022-2026 CIP: Additional vehicles have been added to the replacement list for FY 2025. This list will still evolve until the year prior to budget adoption. Changes in the FY 2025 list include the addition of eleven vehicles and the removal of two vehicles, bringing the total number of vehicles and pieces of equipment to be replaced to 39 and an overall funding increase of $347,000.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Transfer From Stormwater Management Fund	0	290,947	290,947	0	0	0	0	0	0	0	290,947
Vehicle Replacement Fund	0	3,557,000	158,416	3,398,584	0	0	0	0	3,398,584	0	3,557,000
Total	**$0**	**$3,847,947**	**$449,363**	**$3,398,584**	**$0**	**$0**	**$0**	**$0**	**$3,398,584**	**$0**	**$3,847,947**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	3,847,947	449,363	3,398,584	0	0	0	0	3,398,584	0	3,847,947
Total	**$0**	**$3,847,947**	**$449,363**	**$3,398,584**	**$0**	**$0**	**$0**	**$0**	**$3,398,584**	**$0**	**$3,847,947**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 E. Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2025
Initial Project Completion: Spring 2027

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-26000

Freightliner with Utility Body, March 2013

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2026

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2026.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: one truck, seven marked patrol vehicles, one fire engine, two trailers, and one piece of equipment. Of the 12 vehicles and equipment, nine support the operations of the General Fund ($2.8 million) and three support the operations of various enterprise funds ($.7 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: Expenses were increased by $46,000 to reflect cost escalation and adjustments in the replacement schedule.

2023-2027 CIP: One generator removed from list leaving 23 units to replace. Total budget remains the same.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	0	0	0	3,455,000	0	0	0	0	3,455,000	0	3,455,000
Total	**$0**	**$0**	**$0**	**$3,455,000**	**$0**	**$0**	**$0**	**$0**	**$3,455,000**	**$0**	**$3,455,000**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	0	0	3,455,000	0	0	0	0	3,455,000	0	3,455,000
Total	**$0**	**$0**	**$0**	**$3,455,000**	**$0**	**$0**	**$0**	**$0**	**$3,455,000**	**$0**	**$3,455,000**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 E. Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2026
Initial Project Completion: Spring 2028

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-27000

Stores Walk-In Delivery Van, 2022

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2027

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2027.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: four trucks, three vans, one fire engine, three marked patrol vehicles, one generator, eight trailers, and two pieces of equipment. Of the 22 vehicles and pieces of equipment, 13 support the operations of the General Fund ($2.7 million) and 9 support the operations of various enterprise funds ($0.8 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: Expenses were reduced by $78,538 to reflect adjustments in the replacement schedule.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	0	0	0	0	3,487,462	0	0	0	3,487,462	0	3,487,462
Total	**$0**	**$0**	**$0**	**$0**	**$3,487,462**	**$0**	**$0**	**$0**	**$3,487,462**	**$0**	**$3,487,462**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	0	0	0	3,487,462	0	0	0	3,487,462	0	3,487,462
Total	**$0**	**$0**	**$0**	**$0**	**$3,487,462**	**$0**	**$0**	**$0**	**$3,487,462**	**$0**	**$3,487,462**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

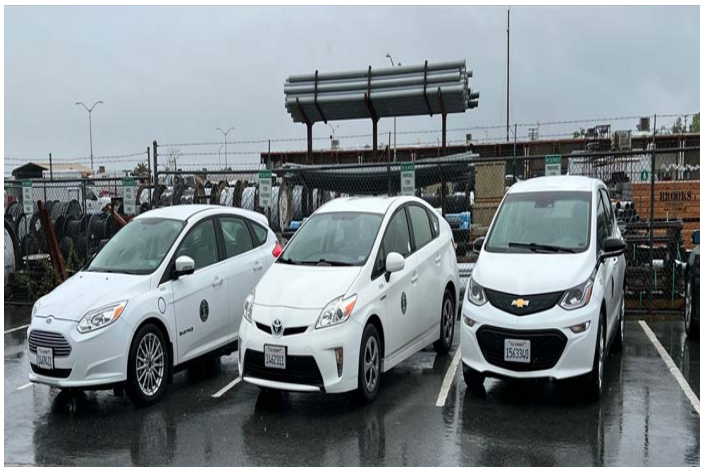
Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 E. Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2027
Initial Project Completion: Spring 2029

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-28000

Pictured from left to right: Ford Focus EV; Toyota Prius Hybrid; Chevrolet Bolt EV

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2028

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2028.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: one truck, five vans, one fire engine, five marked patrol vehicles, one ambulance, one generator, three trailers, and two pieces of equipment. Of the 19 vehicles and pieces of equipment, 13 support the operations of the General Fund ($3.1 million) and six support the operations of various enterprise funds ($0.5 million). Since the inception of this project, vehicles and equipment have been added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: Expenses were increased by $112,192 to reflect cost escalation and adjustments in the replacement schedule.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	0	0	0	0	0	3,679,192	0	0	3,679,192	0	3,679,192
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,679,192**	**$0**	**$0**	**$3,679,192**	**$0**	**$3,679,192**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	0	0	0	0	3,679,192	0	0	3,679,192	0	3,679,192
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,679,192**	**$0**	**$0**	**$3,679,192**	**$0**	**$3,679,192**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 E. Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2029
Initial Project Completion: Spring 2031

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-29000

New marked Police Dodge Durango, 2023

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2029

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2029.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain, or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding in this project allows for the following replacements: three sedans, five trucks, one tractor, one SUV, one tree aerial, 10 trailers, 7 vans, one sweeper, one wildland fire engine, and one piece of equipment. Of the 31 vehicles and pieces of equipment, 22 support the operations of the General Fund ($2.6 million) and nine support the operations of various enterprise funds ($0.9 million). Since the inception of this project, vehicles and equipment will be added or removed based on the individual needs and available budget of each department.

Significant Changes

2026-2030 CIP: Expenses were reduced by $622,458 to reflect adjustments in the replacement schedule.

VEHICLE REPLACEMENT AND MAINTENANCE FUND

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	0	0	0	0	0	0	3,553,590	0	3,553,590	0	3,553,590
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,553,590**	**$0**	**$3,553,590**	**$0**	**$3,553,590**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	0	0	0	0	0	3,553,590	0	3,553,590	0	3,553,590
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,553,590**	**$0**	**$3,553,590**	**$0**	**$3,553,590**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



Fund: Vehicle Replacement & Maintenance Fund
Category: Vehicle and Equipment Replacement
Project Location: 3201 E. Bayshore Road

Managing Department: Public Works

Initial Project Start: Summer 2030
Initial Project Completion: Spring 2032

Revised Project Start: N/A
Revised Project Completion: N/A

Project Number: VR-30000

2023 Isuzu FVR Dump Truck

Scheduled Vehicle and Equipment Replacement - Fiscal Year 2030

Description

This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2030.

Justification

The ongoing replacement of City fleet vehicles and equipment is prescribed by the City's policy for vehicle replacement, which includes guidelines based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain, or even increase the productivity of client departments, and allows the City to take advantage of new technology. As part of the policy, staff will first consider electric vehicles and then other alternative fuel vehicles when replacing existing vehicles.

Supplemental Information

Funding for this project allows for the replacement of 14 vehicles and pieces of equipment as follows: two trailers, six compressed natural gas (CNG) vans, one fire engine, three trucks, one diesel swat van, and one gasoline van. Of the 14 vehicles and pieces of equipment, nine support the operations of the General Fund ($3.4 million) and five support the operations of various enterprise funds ($0.7 million). Since the inception of this project, vehicles and equipment will be added or removed based on the individual needs and available budget of each department.

Funding Sources Schedule

Funding Source	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Vehicle Replacement Fund	0	0	0	0	0	0	0	4,088,656	4,088,656	0	4,088,656
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,088,656**	**$4,088,656**	**$0**	**$4,088,656**

Expenditure Schedule

Project Phase	Prior Years	FY 2025 Budget	FY 2025 Estimate	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5 Year CIP Total	Beyond 5 Year CIP	Total
Other	0	0	0	0	0	0	0	4,088,656	4,088,656	0	4,088,656
Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,088,656**	**$4,088,656**	**$0**	**$4,088,656**

Operating Impact

Costs to operate and maintain the City's fleet are budgeted annually in the Vehicle Replacement Fund and allocated to other City departments based on historical maintenance and repair needs. There are no additional operating impacts anticipated from this project and maintenance will be absorbed within the available maintenance schedule and annual operating budget.

Relationship to Comprehensive Plan Primary Connection

Element: Natural Environment
Section: Air Quality
Goal: N-5
Policy: N-5.2

Potential Board/Commission Review:

Planning and Transportation Commission
Fleet Review Committee

Environmental Impact Analysis:
This project is expected to have a possible exemption from CEQA under Section 15301.



CITY OF
PALO
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SUPPLEMENTAL INFORMATION



CITY OF
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Key Budget Terms

Accrual Accounting:A method of accounting that recognizes expenses when incurred and revenues when earned rather than when payment is made or received.

Adopted Budget: The budget that is approved and enacted by the City Council annually before June 30th.

American Rescue Plan Act (ARPA):A Federal economic stimulus plan signed into law by the President Biden on March 11, 2021. The stimulus package provided direct, flexible relief funds to cities, counties and states to combat the negative financial impact of the pandemic.

Appropriation: The allocation of an expense budget for a particular project or program usually for a specific period of time.

Balanced Budget:A balanced budget exists when total revenues are equal to, or greater than, total expenses.

Bond:A debt investment in which an investor loans money to an entity (governmental or otherwise) that borrows the money for a defined period of time at a fixed interest rate to pay for a variety of projects.

Budget Stabilization Reserve (BSR): The BSR was established as a prudent measure to maintain the City's fiscal stability in the event that unanticipated events reduce revenue or create obligations that significantly impact the current-year budget. Examples of such events include a downturn in the economy, a natural disaster or actions that may be taken by another governmental agency that reduce revenues and/or increase expenses for the City.

Capital Budget:A plan of proposed capital outlays and the means of financing them for the current fiscal period. In a two-year budget, the second year of the Capital Improvement Program is adopted-in-concept.

Capital Improvement Program (CIP): The City's plan for current and future projects related to the acquisition, expansion, or rehabilitation of buildings, equipment, parks, streets, and other public infrastructure.

Capital Projects Fund:A fund created to account for all resources to be used for the construction or acquisition of designated capital assets by a governmental unit except those financed by proprietary or fiduciary funds.

City Manager's Report (CMR): Staff reports for City Council meetings as well as boards and commissions that are prepared by City staff and submitted through the City Manager's Office.

Comprehensive Plan: The Palo Alto Comprehensive Plan contains the City's official policies on land use and community design; transportation; natural environment; safety; community services and facilities; and business and economics. Its focus is on the physical form of the City and is applicable to both public and private properties. The Budget integrates the 2030 Comprehensive Plan into the budget process.

Cost Accounting: The branch of accounting that provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, carry on an activity or operation, or complete a unit of work or a specific job.

Enterprise Funds: Funds used to account for services that are provided to the public on a user charge basis, similar to the operation of a commercial business. The City's enterprise funds include the gas, electric, water, fiber optics and wastewater collection and treatment funds.

Fiduciary Fund:A fund used to account for assets held by the City acting in a fiduciary capacity for other individuals or entities. These funds are operated to carry out the specific actions required by the trust agreements, ordinances and other governing regulations.

Fiscal Agent:A bank or other corporate fiduciary that performs the function of paying, on behalf of the governmental unit, or other debtor, interest on debt or principal of debt when due.

Fiscal Year:A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of operations. Palo Alto's fiscal year begins on July 1st and ends on June 30th.

GLOSSARY

Fixed Assets: Assets such as land, structures and improvements, furniture and/or equipment that are expected to last and/or be used for more than one year.

Full-Time Equivalent (FTE): Used to quantify staffing hours for permanent and temporary employees. A 1.00 FTE employee works full time; a 0.50 FTE employee works half-time.

Fund Balance: An excess of the assets of a fund over its liabilities.

General Fund: The primary fund used to account for the City's general purpose revenues such as sales, property, utility users and transient occupancy taxes. General Fund revenues typically pay for citywide services such as public safety, community development, recreation, libraries and parks. The General Fund is distinguished from Special Funds in that the latter are used to account for revenues that have restricted uses (e.g. gas tax funds that must be used for street maintenance or repair).

Governmental Funds: Aclassification used to refer to all funds other than proprietary and fiduciary funds. Governmental funds include the general fund, capital fund, special revenue funds and debt service funds.

Infrastructure Assets: Roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems installed for the common good.

Infrastructure Management Plan (IMP):A portion of the General Fund capital improvement program which focuses on rehabilitating the City's infrastructure. In 1998-99, an outside consultant on the City's infrastructure prepared a report known as the Adamson report. Within this report the City's infrastructure was cataloged and ranked based on when the infrastructure needed to be upgraded or replaced and the cost for each item. At that time, the City Council decided to establish a plan using the Adamson report as a guide for both timeline and cost.

Internal Service Funds: These funds provide services to City departments and recover their costs through user charges. For example the Vehicle Replacement Fund is an Internal Service Fund managing the replacement and maintenance of the City fleet.

Major Funds: These are any budgeted funds that have annual revenues or expenses of more than 10% of the operating budget.

Method of Accounting: The City's General Fund budget is developed using a modified accrual basis of accounting, with revenues being recorded when measurable and available, and expenditures recorded when the liability is incurred. Enterprise Funds and Internal Service Funds are budgeted on a generally accepted accounting principles (GAAP) basis, which for Proprietary Funds is on a full accrual accounting basis.

Net Position: Net Position is the excess of the City's assets and deferred outflows of resources over its liabilities and deferred inflows of resources.

Operating Transfer: Amounts transferred between funds, not considered a revenue or expense. For example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Pay-As-You-Go-Basis:A term used to describe the financial policy of a governmental unit that finances all of its capital outlays from current revenues rather than by borrowing.

Proposed Budget: The proposed budget is the preliminary version of the budget that is sent to the Finance Committee and City Council by the City Manager. The proposed budget is reviewed by the Finance Committee and the City Council, updated with any changes, and then adopted by the City Council prior to the beginning of the next fiscal year.

Proprietary Funds:A generic classification used to refer to all funds other than governmental funds or fiduciary funds. Proprietary funds include internal service funds and enterprise funds.

Reimbursements: Inter-fund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it but that properly apply to another fund. For example, the Enterprise Funds reimburse the Technology Fund for CIP projects from which the Enterprise Funds benefit.

Reserve: Represents the portion of fund balance set aside for financing future financing needs and addressing one-time emergency or unanticipated events.

Revenues: Revenues include compensation received by the project for specific services to the public (external revenues), as well as revenues received from other funds (internal revenues).

Special Revenue Funds: These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes. The Street Improvement Fund (SIF) is a Special Revenue Fund that derives its funding from state gas tax revenues. Capital appropriations from the SIF must be spent on the construction and maintenance of the road network system of the City.

AMERICANS WITH DISABILITIES ACT

CITY OF PALO ALTO

IN COMPLIANCE WITH
AMERICANS WITH DISABILITIES ACT (ADA) OF 1990,
THIS DOCUMENT MAY BE PROVIDED
IN OTHER ACCESSIBLE FORMATS.

For information contact:
Building Chief Official/ADA Coordinator
City of Palo Alto
285 Hamilton Ave,Suite 100
(650) 329-2550
ADA@paloalto.gov

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PALO ALTO

Spanish explorers named the area for the tall, twin-trunked redwood tree they camped beneath in 1769. Palo Alto incorporated in 1894 and the State of California granted its first charter in 1909. The City has long been known for its innovative people and its exploration of ideas that have changed the world. In Palo Alto, our history has always been about the future.

CITY OF PALO ALTO

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