



**Meeting Date:** 5/25/2022  
**Item Number:** 3b  
**Time Estimate:** N/A

## **PLANNING COMMISSION AGENDA REPORT**

**SUBJECT:** FY22-23 BUDGET SUPPLEMENT CAPITAL IMPROVEMENT PLAN  
GENERAL PLAN CONFORMITY

**BY:** Brian Nelson, City Engineer  
Phone Number: 805-781-7113  
Email: [bnelson@slocity.org](mailto:bnelson@slocity.org)

**FROM:** Rachel Cohen, Senior Planner  
Phone Number: 805-781-7574  
Email: [rcohen@slocity.org](mailto:rcohen@slocity.org)

**APPLICANT:** City of San Luis Obispo

**REPRESENTATIVE:** Matt Horn, Director

### **RECOMMENDATION**

Report to the City Council that all projects in the Capital Improvement Plan proposed as part of the 2022-2023 Budget Supplement conforms with the City's General Plan.

### **1.0 COMMISSION'S PURVIEW**

State law requires the City to prepare a coordinated program of "proposed public works for the ensuing fiscal year" and to submit the plan to its planning agency "for review and report...as to conformity with the adopted general plan or part thereof".<sup>1</sup> San Luis Obispo's multi-year budget approach complies with the intent of this section, with the Planning Commission fulfilling the role of "planning agency" in its review of the proposed Capital Improvement Plan (CIP) every two years.

The Commission's reporting that a proposed CIP conforms with the General Plan does not necessarily mean that the City endorses the project in a particular form. Individual projects must be more fully scoped, planned, designed, and undergo environmental review prior to receiving approval to be implemented. The City Council has full discretion in deciding CIP items. There are no specific sanctions in State law if a CIP item is found not to conform with the General Plan; however, a finding of non-conformance would indicate that the plan should be re-evaluated.

### **2.0 SUMMARY**

The CIP proposed as part of the 2022-23 Budget Supplement includes a variety of projects. Construction projects and equipment purchases costing \$25,000 or more are included in the CIP. Capital outlays of less than \$25,000 are included in the Financial Plan operating program budgets. Through the CIP, the City systematically plans, schedules, and finances capital projects to ensure cost-effectiveness and conformance with established policies and longer-term plans.

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<sup>1</sup> California Government Code Section 65401

The City Council prioritizes and allocates limited resources every two years after carefully considering community input. Not all General Plan goals, Specific Plans, or Concept Plans may be funded. Consequently, the proposed CIP must prioritize funding based on the Council's assessment of community needs and priorities. The proposed CIP Budget Supplement is an amendment to the second year of the five-year plan established with the 2021-23 Financial Plan, where funding is approved by Council for the first two years and the last three years are projected for consideration in the next Financial Plan.

### 3.0 PREVIOUS REVIEW

At the April 2021 Planning Commission meeting, the 2021-23 Financial Plan's CIP was reviewed by the Planning Commission and the Commission reported to Council that the CIP conformed with the General Plan.

### 4.0 PROJECT ANALYSIS

Evaluation of General Plan conformity focuses on the objects of proposed spending, not the sources of funds. CIP projects can be funded from various funding sources which include the General Fund, Grants, Impact Fees as well as the City's Enterprise Funds which include the Sewer Fund, Water Fund, Whale Rock Fund, Parking Fund, and Transit Fund which are typically supported by user fees.

A General Plan policy audit was conducted and the tables below document how each proposed capital improvement in the 2022-23 Budget Supplement conforms to the City's General Plan. Each CIP item implements a program or policy in the General Plan, indicated in blue.

The tables below provide a summary of the new projects recommended for funding in FY 2022-23. Many of these new requests reflect emergent or urgent needs.

#### **Circulation Element: Parking Management**

The City shall manage curb parking in the downtown to encourage short-term use to those visiting businesses and public facilities.

<b>Project No.:</b>	<b>Project Name:</b>	<b>Proponent Department:</b>
1000163	Installation of pay stations on Upper Monterey Street	Parking

**Project Summary:** Council approved the expansion of paid parking in the upper Monterey area with the 2021-23 Financial Plan as part of the long-term approach to address the Parking Fund's health and ensure it was able to meet debt service. This project is for the infrastructure needed to complete the implementation of paid parking.

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Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Parking	\$ 122,000	Parking fund undesignated capital	N/A
<b>Project No.: 1000163</b>	<b>Project Name:</b> Installation of pay stations in the Railroad Square parking lots		<b>Proponent Department:</b> Parking
<b>Project Summary:</b> Council approved the expansion of paid parking in the Railroad Square parking lots with the 2021-23 Financial Plan as part of the long-term approach to address the Parking Fund's health and ensure it was able to meet debt service. This project is for the infrastructure needed to complete the implementation of paid parking.			
Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Parking	\$ 66,200	Parking fund undesignated capital	N/A

**Safety Element: Emergency Preparedness and Response.**

There should be adequate planning, organization, and resources for emergency preparedness and emergency response.

<b>Project No.:</b> NEW	<b>Project Name:</b> Fire Department Extractors		<b>Proponent Department:</b> Fire
<b>Project Summary:</b> Project to install washing machine extractors at Stations 2, 3 and 4. Washing Machine Extractors are used to extract carcinogenic material from personal protective equipment after structure fires or hazardous materials exposures. Currently the department only has one extractor located at Station 1, which cannot keep up with demand after a large incident. Project was paused in FY 2020 due to COVID-19 and is being funded through the Public Safety Equipment Fund.			
Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Public Safety Equipment	\$ 135,000	Public Safety Equipment Fund	Department had initially intended to do this project in FY 2019-20, but it was delayed due to COVID-19. Unable to accommodate in FY 2022 due to staffing constraints. Budget was set at \$120,000 in January 2020. Increase to \$135,000 to accommodate inflation.

**Conservation and Open Space Element:**

The City will use material efficiently in its buildings and facilities, services and operations, and encourage others to do the same.

<b>Project No.:</b> NEW	<b>Project Name:</b> Tenant Improvements at 1260 Chorro	<b>Proponent Department:</b> Transit	
<b>Project Summary:</b> This project will redesign the 1260 Chorro Street office to accommodate all of the mobility services that the City offers. Transit Services staff will be relocating and share the office currently occupied by Parking Services. This project will provide one counter where the community can reach both services.			
Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Transit	\$ 250,000	Undesignated Capital Transit Fund	N/A

**Water and Wastewater Management Element:**

Manage the City's water resources to meet the current and future water demand requirements associated with development envisioned by the General Plan.

<b>Project No.:</b> NEW	<b>Project Name:</b> Chorro - Palm to Monterey Pipeline Replacement	<b>Proponent Department:</b> Utilities
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**Project Summary:** The City’s wastewater collection system includes approximately 140 miles of sewer pipelines with some portions of the system being older than 100-years. The older areas of the wastewater collection system are near the end of their useful life and have been prioritized based on need as recorded by field inspections. The objective of this project is to replace sewer pipeline along Chorro from Palm to Monterey Street. The existing ductile iron pipe crossing the creek experienced a corrosion problem and is need of replacement as a high priority project since the sewer system serves key components of the downtown area. The new pipeline will meet City Engineering Standards and will provide resiliency in the wastewater collection system against corrosion problems normally encountered near the creek.

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Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Sewer	\$ 60,000	Project is recommended to be funded through the reallocation of funding approved for other FY 2022-23 projects included in the 2021-23 Financial Plan which are recommended to be deferred to a future fiscal year.	FY 2022-23 recommended project budget funds design for the project. An additional \$253,000 will be recommended in FY 2023-24 for project construction.
<b>Project No.: NEW</b>	<b>Project Name:</b> Johnson - Iris to Bishop Pipeline Replacement		<b>Proponent Department:</b> Utilities

**Project Summary:** The objective of the project is to replace a critical water transmission pipeline along Johnson Avenue from Iris to Bishop Street. The existing cast iron pipe has been deteriorating faster than anticipated and is need of replacement as a high priority project given this pipeline serves a major hospital and other essential facilities along Johnson Avenue. The new pipeline will meet standards by the American Water Works Association (AWWA) that will provide resiliency in the distribution network against variations in pressure and flows for current and future developments.

Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Water	\$ 180,000	Project is recommended to be funded through the reallocation of funding approved for other FY 2022-23 projects included in the 2021-23 Financial Plan which are recommended to be deferred to a future fiscal year.	FY 2022-23 recommended project budget funds design for the project. An additional \$1,890,000 will be recommended in FY 2023-24 for project construction.

**Water and Wastewater Management Element:**

The City will make available recycled water to substitute for existing potable water uses as allowed by law and to supply new non-potable uses

Project No.: NEW	Project Name: Recycled Water System Retrofits	Proponent Department: Utilities	
<p><b>Project Summary:</b> The City operates and maintains the recycled water system comprised of one distribution zone, one booster-pump station, and a concrete tank located at the Water Resource Recovery Facility (WRRF). With the on-going efforts for water conservation, this project will convert existing irrigation systems from potable water use to recycled water systems. In 2017, a series parcels were identified as priority projects that could provide water conservation measures of the City’s potable water portfolio by changing into recycled water systems; “purple pipe”. The objective of this project is to follow the recommendations from the 2017 study and expand the use of recycled water systems within the City’s service areas approved by the Regional Board.</p>			
Budget Information			
Fund	2022-23 Rec Budget	Funding Source	Notes
Water	\$ 200,000	Project is recommended to be funded through the reallocation of funding approved for other FY 2022-23 projects included in the 2021-23 Financial Plan which are recommended to be deferred to a future fiscal year.	FY 2022-23 recommended project budget funds design for the project. An additional \$200,000 will be recommended in FY 2024-25 further efforts.

## 5.0 ENVIRONMENTAL REVIEW

The determination of conformity with the General Plan is exempt from environmental review as a Statutory Exemption Section 15262, Feasibility and Planning Studies (CEQA Guidelines Section 15262). Each project listed as part of the CIP will need future authorization and environmental review prior to construction.

## 6.0 OTHER DEPARTMENT COMMENTS

Comments from the other departments have been incorporated into the recommended CIP projects proposed as part of the 2022-23 Budget Supplement.

## 7.0 ALTERNATIVES

7.1 Continue Review. The Planning Commission may direct staff to revise the report. There is no legally mandated deadline for Commission action.