



CITY OF PALO ALTO
Planning & Transportation Commission
Regular Meeting
Wednesday, May 14, 2025
6:00 PM

Agenda Item

3. Review and Recommendation to Finance Committee and the City Council on Proposed 2026-2030 Capital Improvement Plan and Comprehensive Plan Compliance.
At-Places Memo Added
Revised Attachment B
7:10 PM – 8:10 PM



Planning & Transportation Commission Staff Report

From: Planning and Development Services Director
Lead Department: Planning and Development Services

Meeting Date: May 14, 2025
Report #: 2501-4025

TITLE

Review and Recommendation to Finance Committee and the City Council on Proposed 2026-2030 Capital Improvement Plan and Comprehensive Plan Compliance.

RECOMMENDATION

Staff recommends the Planning and Transportation Commission take the following action:

1. Recommend to the Finance Committee and City Council that the proposed 2026-2030 Capital Improvement Projects (CIPs) listed in Attachment A are consistent with the Comprehensive Plan 2030 policies and programs.

EXECUTIVE SUMMARY

Every year, the Planning and Transportation Commission (PTC) reviews the proposed CIPs for consistency with the Comprehensive Plan and forwards its recommendation to the Finance Committee and City Council. This review is part of the annual budget process. The 2026-2030 proposed Capital Improvement Plan consists of a total of 201 active Capital Improvement Projects, or CIPs, including 21 new CIPs. Staff has reviewed these 21 new projects and found that 11 are consistent with the Comprehensive Plan 2030 and that the remaining 10 are placeholder projects that do not require review for consistency with the Comprehensive Plan at this time. The other 180 projects were either previously found consistent with the Comprehensive Plan or are previous placeholder project(s) and do not require additional compliance review. Staff recommends that the PTC find that the 11 proposed new CIPs are consistent with the City's Comprehensive Plan.

BACKGROUND

The authority for this PTC review is contained in Palo Alto Municipal Code (PAMC) Section 19.04.0402. Specifically, this section states:

The planning commission shall submit an annual report to the council regarding the capital improvement program, which shall review each project for its conformity to the master plan; review the program as a whole in order to suggest any improvement in economy or efficiency which might be effected through the combining of various projects; and suggest any needed improvements which do not appear in the program.

The PTC communicates its findings through a letter to the City Council via the Finance Committee. The PTC is asked to consider the draft letter (Attachment C) reflecting staff's recommendations; this letter may be revised to reflect the PTC action. The PTC's recommendation for FY 2026 will be presented during budget hearings to the City Council, which is tentatively scheduled to adopt both the Operating and Capital budgets for Fiscal Year 2026 on June 16, 2025.

ANALYSIS

New Capital Improvement Projects

The 2026-2030 Proposed Capital Improvement Plan includes a total of 201 active projects. Of these projects, 21 new CIPs are recommended to be added this year.

ASD staff have reviewed the 21 new CIPs and has found that ten of these are purely administrative projects with the sole purpose of acting as a placeholder for project-related salaries and benefits. While staff has determined that these CIPs do not require detailed review for Comprehensive Plan compliance, staff did find that each of these CIPs individually and collectively support Comprehensive Plan Goal C-2 and Policies C-2.1 and C2.2, as listed below.

- GOAL C-2: Demonstrate a commitment to excellence and high-quality service to the public among City of Palo Alto officials and employees.
- Policy C-2.1: Develop and train highly motivated, professional and engaged staff and participatory volunteers who are valued for their integrity, commitment and contributions towards the City and community. Encourage innovation and responsible risk taking.
- Policy C-2.2: Strive for continuous improvement in the delivery of City services in a manner that creates and reinforces positive relationships among City employees, residents, businesses and other stakeholders. Treat all with care, respect and dignity, emphasizing mutual responsibility.

The specific placeholder projects that further the above Comprehensive Plan goal and policies are:

New Placeholder Projects:

1. Airport Fund Administration
2. Cubberley Fund Administration
3. Electric Fund Administration
4. Fiber Optics Fund Administration

5. Gas Fund Administration
6. Stormwater Management Fund Administration
7. Vehicle Fund Administration
8. Wastewater Collection Fund Administration
9. Wastewater Treatment Fund Administration
10. Water Fund Administration

The 11 remaining new projects have been reviewed by staff for Comprehensive Plan compliance and have been determined to be consistent with one or more policy or program. Attachment A provides a summary list of these 11 CIPs for quick reference with the associated Comprehensive Plan compliance programs/policies, required reviews by boards and commissions, and anticipated environmental review.

New Project List for Comprehensive Plan Compliance Review:

1. PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System
2. Gas Main Replacement – Project 28
3. Library Furniture Replacements
4. West Las Trampas Valley Access and Grassland Restoration
5. Ramona Street Streetscape Update
6. Tree Grate Alternatives
7. Charging Stations Repair and Maintenance
8. Baylands Golf Links Sand Topdressing
9. Lucie Stern Community Center Irrigation Main Lines Replacement
10. Scheduled Vehicle and Equipment Replacement - Fiscal Year 2030
11. Closed Circuit Television (CCTV) Sewer Main Inspection

Table 1 below shows the distribution of the new CIPs by individual Comprehensive Plan elements.

Table 1. Distribution of New CIPs by Comprehensive Plan Elements

Comprehensive Plan Element	Number of New CIPs
Community Services & Facilities	5
Natural Environment	5
Land Use & Community Design	1
Total	11

Source: City of Palo Alto Planning Department & ASD Office of Management and Budget 2025

Attachment B provides an expanded project description for each of the 21 new CIPs. Additional information about all 21 of the new projects, including the 10 placeholder projects listed above, and their funding can be found on the respective project pages in the FY 2026 Proposed Capital Budget document.

Existing Capital Improvement Projects

In addition to the new CIPs, the FY 2026 Proposed Capital Budget includes 180 existing and/or continuing CIPs from previous years. These projects account for the rest of the 90% of the 2026-2030 CIPs in the budget book. One of the 180 existing CIPs is also a placeholder project and does not require Comprehensive Plan consistency. The remaining 179 existing and/or continuing CIPs have been previously reviewed for consistency with the Comprehensive Plan and, therefore, do not require additional consistency review, as those previous findings are carried over to the FY 2026 Proposed Capital Budget.

Table 2 below shows the distribution of active CIPs by individual Comprehensive Plan elements.

Table 2. Distribution of Active CIPs by Comprehensive Plan Elements

Comprehensive Plan Element	Number of Active CIPs
Community Services & Facilities	69
Natural Environment	66
Transportation	15
Safety	8
Land Use & Community Design	17
Business & Economics	4
Governance	0
Total	179

Source: City of Palo Alto Planning Department & ASD Office of Management and Budget 2025

FISCAL/RESOURCE IMPACT

Funding for the new CIPs is subject to the Council’s review and adoption of the FY 2026 Budget. Council only appropriates funding for the first year of the recommended five-year Capital Improvement Plan, the remaining four years are used as a planning tool for future budget cycles.

STAKEHOLDER ENGAGEMENT

The Palo Alto Municipal Code requires publication of a notice of this public hearing in a local paper at least ten days in advance of the meeting. Notice of the PTC public hearing was published in the Daily Post on May 2, 2025. Staff did not perform specific community outreach for this PTC agenda item. Members of the public will have the opportunity to comment during the PTC hearing.

ENVIRONMENTAL REVIEW

The review of the CIPs for Comprehensive Plan consistency does not constitute a project under the California Environmental Quality Act (CEQA). Individual CIPs may or may not be subject to CEQA. The environmental determination will be made on each individual project at the time of project implementation.

ALTERNATIVE ACTIONS

PTC may choose to find one or more of the proposed CIPs inconsistent with the 2030 Comprehensive Plan and may modify its recommendation to Finance Committee and City Council accordingly.

ATTACHMENTS

Attachment A: List of New CIPs & Comprehensive Plan Goals, Policies and Programs (PDF)

Attachment B: FY 2026 New CIPs with Project Description (PDF)

Attachment C: PTC Conformance Letter, 2025

AUTHOR/TITLE:

Julia Knight, Senior Program Manager

Attachment A: List of New CIPs & Comprehensive Plan Goals, Policies and Programs

Number	Title	Division	Project Category	Default Fund	Recurring Project	Primary Comp Plan Element	Primary Comp Plan Section	Primary Comp Plan Goal	Primary Comp Plan Policy	Primary Comp Plan Program	Year Identified	Environmental Review	Project Location	Project Lead
AC-26001	PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System	CSD CIP General Fund	Buildings and Facilities	471 - Capital Improvement Fund	No	Community Services & Facilities	Maintenance of Parks and Community Facilities	C-3	C-3.2		2025		1313 Newell Road	Community Services
GS-30000	Gas Main Replacement- Project 28	UTL CIP Gas Fund	Gas Main Replacements	524 - Gas Fund	No	Natural Environment	Energy	N-7	N-7.1		2026	This project is expected to have a possible exemption from CEQA under Section 15301.	Various locations	Utilities
LB-26001	Library Furniture Replacements	LIB CIP General Fund	Buildings and Facilities	471 - Capital Improvement Fund	No	Community Services & Facilities	Community Health and Well-Being	C-3	C-1.4	C3.3.1	2026	This project is expected to have a possible exemption from CEQA under Section 15302.	All library branches	Library

OS-30001	West Las Trampas Valley Access and Grassland Restoration	CSD CIP General Fund	Parks and Open Space	471 - Capital Improvement Fund	No	Natural Environment	Open Space	N-1	N-1.2	2025	This project is expected to have a possible exemption from CEQA under Section 15301. This project is design only. This project is anticipated to require an environmental assessment in accordance with CEQA guidelines.			
											3300 Page Mill Road	Community Services		
PE-26002	Ramona Street Streetscape Update	PWD CIP General Fund	Traffic and Transportation	471 - Capital Improvement Fund	No	Land Use and Community Design	Commercial Centers	L-4	L-4.3	2026				
											Ramona Street	Public Works		
PF-26000	Tree Grate Alternatives	PWD CIP General Fund	Streets and Sidewalks	471 - Capital Improvement Fund	Yes	Natural Environment	Urban Forest and Understory	N-2	N-2.1	N2.1.1	2026	This project might have a possible exemption from CEQA under Section 15308.		
												Various locations	Public Works	
PF-26001	Charging Stations Repair and Maintenance	PWD CIP General Fund	Buildings and Facilities	471 - Capital Improvement Fund	Yes	Community Services & Facilities	Sustainable Transportation	T-1	T-1.4	2026		Various locations	Public Works	

PG-26001	Baylands Golf Links Sand Topdressing	CSD CIP General Fund	Buildings and Facilities	471 - Capital Improvement Fund	No	Community Services & Facilities	Maintenan ce of Parks and Community Facilities	C-3	C-3.2	2025	This project is expected to have a possible exemptions from CEQA under section 15301.	1875 Embarcad ero Road	Community Services
PG-28000	Lucie Stern Community Center Irrigation Main Lines Replacement	CSD CIP General Fund	Buildings and Facilities	471 - Capital Improvement Fund	No	Community Services & Facilities	Maintenan ce of Parks and Community Facilities	C-3	C-3.2	2026	This project is expected to have possible exemption from CEQA under Section 15301.	1305 Middlefie ld Road	Public Works
VR-30000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2030	PWD CIP Vehicle Fund	Vehicle and Equipment Replacement	681 - Vehicle Replacement & Maintenance Fund	No	Natural Environment	Air Quality	N-5	N-5.2	2025	This project is expected to have a possible exemption from CEQA under Section 15301.	3201 E. Bayshore Road	Public Works
		UTL CIP											
WC-26001	Closed Circuit Television (CCTV) Sewer Main Inspection	Wastewater Collection Fund	System Improvements	527 - Wastewater Collection Fund	No	Natural Environment	Water Resources	N-4	N-4.16	N4.16.1	2026	Various locations	Utilities

Attachment B: FY 2026 New CIPs with Project Description

Number	Title	Division	Project Category	Project Description <i>Or justification, if no description was provided</i>
AC-26001	PAAC Auditorium Audio Visual Equipment and Facility Public Announcement System	CSD CIP General Fund	Buildings and Facilities	This project will update the current audio-visual equipment in the Palo Alto Art Center auditorium, making it more functional for facility rentals, City of Palo Alto and Art Center events. In addition, the project includes new chairs and a facility-wide Public Announcement System for community safety.
AP-26000	Airport Fund Administration	PWD CIP Airport Fund	Unallocated Salaries and Benefits	No description or justification provided.
CB-26001	Cubberley Fund Administration	PWD CIP Cubberley	Unallocated Salaries and Benefits	No description or justification provided.
EL-26000	Electric Fund Administration	UTL CIP Electric Fund	Unallocated Salaries and Benefits	This project provides funding for estimated administrative costs, including salaries and benefits costs of City staff assigned to manage the oversight of the General Fund Capital Improvement Program (CIP).
FO-26000	Fiber Optics Fund Administration	UTL CIP Fiber Optics Fund	Unallocated Salaries and Benefits	This project provides funding for estimated administrative costs, including salaries and benefits costs of City staff assigned to manage the oversight of the Fiber Optics Fund Capital Improvement Program (CIP).
GS-26000	Gas Fund Administration	UTL CIP Gas Fund	Unallocated Salaries and Benefits	This project provides funding for estimated administrative costs, including salaries and benefits costs of City staff assigned to manage the oversight of the Gas Capital Improvement Program (CIP).

GS-30000	Gas Main Replacement-Project 28	UTL CIP Gas Fund	Gas Main Replacements	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. 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 risks ratings of the Distribution Integrity Management Plan.
LB-26001	Library Furniture Replacements	LIB CIP General Fund	Buildings and Facilities	Furniture replacements for library branches first appeared in the FY23 CIP book under CIP # PF-02022 (Facility Interior Finishes Replacement, aka, FF&E) which is managed by PWD. Mitchell Park Library was slated to get furniture replacements in FY24, with all other branches supposed to have followed in FY25. None of these replacements have happened yet.
OS-30001	West Las Trampas Valley Access and Grassland Restoration	CSD CIP General Fund	Parks and Open Space	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

				<p>prioritizes ecological stewardship and sustainable access.</p> <p>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.</p>
PE-26002	Ramona Street Streetscape Update	PWD CIP General Fund	Traffic and Transportation	No description or justification provided.
PF-26000	Tree Grate Alternatives	PWD CIP General Fund	Streets and Sidewalks	Creating a new Capital Improvement Program Urban Forest project for the metal tree grate-alternatives throughout the city limits.
PF-26001	Charging Stations Repair and Maintenance	PWD CIP General Fund	Buildings and Facilities	Creating a new Capital Improvement Program Facilities project for the maintenance and repair of public charging stations city-wide.
PG-26001	Baylands Golf Links Sand Topdressing	CSD CIP General Fund	Buildings and Facilities	<p>This project provides sand topdressing of the natural turf fairways and putting greens at the Baylands Golf Links course. The topdressing is an essential application of sand to improve growing conditions, drainage, and course playability.</p> <p>Specifically after rain events and throughout the wet winter season.</p>
PG-28000	Lucie Stern Community Center Irrigation Main Lines Replacement	CSD CIP General Fund	Buildings and Facilities	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.

SD-26002	Stormwater Management Fund Administration	PWD CIP Stormwater Management Fund	Unallocated Salaries and Benefits	No description or justification provided.
VR-26001	Vehicle Fund Administration	PWD CIP Vehicle Fund	Unallocated Salaries and Benefits	No description or justification provided.
VR-30000	Scheduled Vehicle and Equipment Replacement - Fiscal Year 2030	PWD CIP Vehicle Fund	Vehicle and Equipment Replacement	This project provides funding for the existing City fleet vehicles and equipment scheduled for replacement in Fiscal Year 2030.
WC-26001	Closed Circuit Television (CCTV) Sewer Main Inspection	UTL CIP Wastewater Collection Fund	System Improvements	Established 2026 The 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.
WC-26002	Wastewater Collection Fund Administration	UTL CIP Wastewater Collection Fund	Unallocated Salaries and Benefits	This project provides funding for estimated administrative costs, including salaries and benefits costs of City staff assigned to manage the oversight of the Wastewater Collection Fund Capital Improvement Program (CIP).

WQ-26000	Wastewater Treatment Fund Administration	PWD CIP Wastewater Treatment Fund	Unallocated Salaries and Benefits	No description or justification provided.
WS-26000	Water Fund Administration	UTL CIP Water Fund	Unallocated Salaries and Benefits	This project provides funding for estimated administrative costs, including salaries and benefits costs of City staff assigned to manage the oversight of the Wastewater Collection Fund Capital Improvement Program (CIP).



CITY OF
**PALO
ALTO**

Planning & Transportation Commission At-Places Memorandum

From: Julia Knight, Senior Program Manager

Meeting Date: May 14, 2025

Item Number: 3

Report #:2501-4025

TITLE

Review and Recommendation to Finance Committee and the City Council on Proposed 2026-2030 Capital Improvement Plan and Comprehensive Plan Compliance.

RECOMMENDATION

This At-Places Memorandum includes a correction to the staff report. Staff inadvertently left out Attachment C: PTC Conformance Letter, 2025.

ATTACHMENTS

Attachment C: PTC Conformance Letter, 2025

APPROVED BY:

Jennifer Armer, Assistant Director



CITY OF
**PALO
ALTO**

May 14, 2025

Honorable City Council
C/O City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

RE: Review of 2026-2030 Capital Improvement Projects

The Planning and Transportation Commission (PTC) reviewed the proposed 2026-2030 Capital Improvement Projects (CIPs) on Wednesday May 14, 2025. The PTC determined that the new projects included in the 2026-2030 Capital Budget are consistent with the Comprehensive Plan 2030 policies and programs. The PTC recommends forwarding this finding to the Finance Committee and City Council at this time.

The motion was made by Commissioner _____ and it was seconded by Commissioner _____. The motion was approved by a vote of _____.

Respectfully,

Allen Akin, Chair
Planning and Transportation Commission