Agenda Item No: 3.b

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: March 17, 2026

Submitted by: Gabriel Guerrero-Gabany

From: Public Works

Subject:
STUDY SESSION: FISCAL YEAR 2026-27 CAPITAL IMPROVEMENT PROGRAM

Financial Impact:
Fiscal Impact:
The fiscal impact will be determined with final adoption of the Fiscal Year 2026-27 CIP Budget.

Summary:
The Capital Improvement Program (CIP) represents a critical part of the City's long-term planning and budgeting efforts. The CIP includes planned investments in our infrastructure, which includes streets, facilities, parks, fleet, technology and other longer-term capital assets necessary to maintain and improve the quality of life for our community. These projects proposed in the CIP are typically significant in the scope and cost and some may require one to several years to complete. This Study Session serves as an opportunity for the City Council to review and discuss the proposed projects and funding, evaluate priorities, and provide guidance to Staff.

Recommendation:
Recommended Action: It is recommended that the City Council:

1. Approve Staff's recommendation to allocate 50% of Measure U towards infrastructure; and
2. Confirm use of Measure U funds towards the recommended projects or provide guidance on City Council priority projects.

Strategic Plan Statement:
This item conforms to multiple Strategic Plan Goals by ensuring long-term fiscal sustainability, ensuring that public safety continues to be a high priority, and implementing public infrastructure to meet community needs.

Discussion:
The City's Capital Improvement Program (CIP) identifies major public improvements to the City's infrastructure and includes new projects, upgrades to existing facilities, park upgrades, rehabilitation of streets and roadways, as well as other infrastructure needs. Funding for proposed projects for FY 2026-27 are included in the future budget, with the majority of the scheduled projects funded by Measure U, Gas Tax, Community Facility Districts (CFDs),

Development Impact Fees (DIFs), grants and other reimbursements.

The total recommended CIP for FY 2026-27 includes 17 new projects/capital purchases for a combined total of $10,364,000 (Attachment 1). Recognizing the number of projects requesting Measure U funds given the limited funding available, Staff underwent a project prioritization process. Projects were ranked on a scale from 0 (least priority) to 100 (highest priority). Prioritization criteria can be found in Attachment 2. The proposed projects to be funded by Measure U are shown in Attachment 3. Major proposed projects include street improvements, replacing the City Hall Roof, sewer improvements, replacing a storm drain line, fire station maintenance and safety upgrades.

This Study Session serves as an opportunity for the City Council to review and discuss the proposed projects and funding, evaluate priorities, and provide guidance to staff.

Attachments
Attachment 1_FY 2026-27 Proposed CIP Project List_final.pdf
Attachment 2 CIP Prioritization Criteria.pdf
Attachement 3_FY 26-27 Measure U Project Priority List_final.pdf