



CITY COUNCIL STAFF REPORT

TO: Public Works & Facilities Committee **DATE:** January 08, 2026

PREPARED BY: Chantell O'Neal, Assistant Director of Engineering

AGENDA TITLE: Discuss the Next Street Rehabilitation Project Location and Scope, and Provide Direction to City Council for Programming and Funding

RECOMMENDATION

Staff is requesting Committee direction on the scope of work for the 2027 construction season. This report summarizes the needs on Oak Street, outlines alternative project scenarios, and provides a staff recommendation to guide preparation of a design services scope of work.

BACKGROUND

In November 2024, the City submitted a Local Partnership Program (LPP) Competitive application for a multi street rehabilitation project including Oak Street, South Harrison, Walnut Street, and West Street. The application was not selected. The next LPP cycle opens in Fall 2026, with construction likely in 2028.

The City anticipates approximately \$1.14 million in street funds available for 2027 construction. Sewer and water enterprise funds will support their respective utility work depending on the selected scenario.

DISCUSSION AND ANALYSIS

I. OAK STREET PROJECT ELEMENTS

Oak Street remains the City's most complex corridor, with multiple failing utilities and deteriorated pavement. The storm drain system between California Way and Sanderson is in a state of collapse and represents a safety hazard. Sewer upsizing and water valve installation are also needed and should be coordinated with storm drain replacement.

Oak Street contains four major infrastructure components:

1. **Storm Drain Replacement** – Collapsed CMP, hydraulic bottlenecks, misaligned inlets
2. **Sewer Upsizing** – Required by the Collection System Master Plan
3. **Water Valve Replacement (V-1)** – Three new isolation valves
4. **Pavement Rehabilitation** – PCI 58–71; structural failures under overlays

Storm drain replacement is the highest safety priority and is expected to consume the majority of available street funds.

II. PUBLIC REQUESTS: COMMERCIAL ALLEYS

Two commercial alleys have been requested by business owners. Both contain water and sewer utilities, and one has significant storm drain issues. Staff recommends pursuing alleys through the **2026 LPP Competitive application**, not the 2027 construction season.

III. PROJECT SCENARIOS

Four scenarios are presented for Committee consideration:

Scenario A – Oak Street Utilities + Pavement Alternates (Staff Recommendation)

- Storm drain replacement
- Sewer upsizing
- Water valves
- Pavement included in design as alternates
- Construct pavement only if bids allow

Scenario B – Other LPP Streets Only

- Pavement rehabilitation on South Harrison, Walnut, and/or West Street
- No work on Oak Street

Scenario C – Alley-Focused Year

- Reconstruction of one or both commercial alleys
- No work on Oak Street

Scenario D – Design-Only Year (No Construction)

- Design Oak Street utilities and pavement
- Optional design of alleys or other LPP streets
- No construction in 2027

A decision matrix summarizing these options is included in the presentation.

STAFF RECOMMENDATION

Staff recommends **Scenario A: Oak Street Utilities + Pavement Alternates**.

This approach:

- Addresses the highest safety risk
- Coordinates sewer and water enterprise-funded work
- Avoids re-digging pavement
- Provides bid-time flexibility
- Produces a complete design package 2027 and positions us for a strong 2026 LPP application to design and construct other locations

REQUESTED ACTION

Staff requests that the Committee:

1. Review the four scenarios presented;
2. Identify priorities for the 2027 construction season; and
3. Provide direction to staff to prepare a scope of work for design services.

ATTACHMENTS:

1. Slide Deck