



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
Jim Shannon

SUBJECT: SEE BELOW

DATE: November 27, 2019

Approved

Date

11/27/19

**SUBJECT: STATUS REPORT ON MEASURE T – THE DISASTER
PREPAREDNESS, PUBLIC SAFETY AND INFRASTRUCTURE
GENERAL OBLIGATION BOND AND RELATED APPROPRIATION
ORDINANCE AMENDMENTS**

RECOMMENDATION

It is recommended that the City Council take the following actions:

- (a) Accept this status report on the workplan and implementation updates for projects included in the approved Measure T Bond measure.
- (b) Adopt the following Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes:
 - (1) Establish the Aircraft Rescue and Fire Fighting Facility appropriation to the Fire Department in the amount of \$383,000; and
 - (2) Decrease the Unrestricted Ending Fund Balance by \$383,000.
- (c) Increase the Design-Build Contingency for the 8963 - Mineta San Jose International Airport Aircraft Rescue and Fire Fighting Facility - Fire Station No. 20 Project by \$383,000 from \$1,540,000 to \$1,923,000.

OUTCOME

Approval of the recommendation provides the Council with updated information on the status of projects and programs relating to the voter-approved Measure T – The Disaster Preparedness, Public Safety, and Infrastructure Bond, and allows for the potential expansion of the Aircraft Rescue and Fire Fighting Facility to serve non-airport related emergencies.

November 27, 2019

Subject: Status Report on Measure T – The Disaster Preparedness, Public Safety and Infrastructure General Obligation Bond and Related Appropriation Ordinance Amendments

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EXECUTIVE SUMMARY

Measure T, approved by voters in November 2018, provides for the issuance of \$650 million in General Obligation Bonds to fund a variety of important infrastructure projects throughout the City. Nearly half of this investment will be in resurfacing and repairing City streets and bridges in the worst condition. Also included in this program are five new or relocated fire stations and a number of critical public safety, flood protection, LED lighting, and clean water projects that will improve service delivery and quality of life for decades to come. Additionally, as directed by Council on February 12, 2019 relative to Item 3.4: *Measure T – Building a Sustainable Future*¹ and the *Climate Smart San Jose Plan Semi-Annual Update*² presented to the Transportation and Environment Committee on October 7, 2019, Measure T buildings will incorporate Zero Net Carbon (ZNC) technologies and will be evaluated for backup-ready systems to support the City's resiliency goals. The 2020-2024 Adopted Capital Improvement Program (see Attachment A) includes funding for a significant portion of these projects, along with the staffing and financing costs necessary to deliver the program. The formation of a Community Oversight Committee to oversee the expenditures in the program is expected to be approved by the City Council on December 10, 2019. In addition, recommendations are included to allocate design funding from the Fire Construction and Conveyance (C&C) Tax Fund to expand the footprint of the Aircraft Rescue and Firefighting Facility that would allow for Fire personnel to respond to off-airport fire and medical emergencies. Potential construction funding will be considered during the development of the 2020-2021 Proposed Capital Budget and 2022-2025 Capital Improvement Program.

BACKGROUND

On November 6, 2018, the voters of San José passed ballot Measure T - The Disaster Preparedness, Public Safety and Infrastructure Bond with over 70 percent of the electorate voting yes. The measure authorizes the City to issue up to \$650,000,000 in general obligation bonds for infrastructure projects.

On November 27, 2018, City Council unanimously approved a report titled *General Obligation Bond (Measure T – The Disaster Preparedness, Public Safety and Infrastructure Bond) Item 8.4*³, which included Mayor Liccardo's recommendation to add two new Fire Stations and expedite the construction of Fire Station 37.

On December 5, 2018, the Director of Public Works issued an Information Memorandum⁴ updating the proposed project list accordingly. Staff also presented an update on activities and the workplan to the City Council on February 12, 2019⁵.

¹ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3847489&GUID=DCF04188-1A48-4F02-B12D-24873EAD82E5&Options=&Search=>

² <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4132710&GUID=FAF32B4C-79F1-4270-9EF0-5EC39F33E7C2&Options=&Search=>

³ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3755302&GUID=0ABE3541-A422-4EC1-88EC-714BCE2B0474&Options=&Search=>

⁴ <http://files.constantcontact.com/7a210436601/dbd7436a-7b55-4264-b1e4-e25cc8a0b8a3.pdf>

⁵ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3847489&GUID=DCF04188-1A48-4F02-B12D-24873EAD82E5>

On June 25, 2019, City Council unanimously approved a report titled *Status Report on Measure T - The Disaster Preparedness, Public Safety and Infrastructure General Obligation Bond Item 3.7*, which in addition to Staff's update on the status of the project workplans and implementation schedules, included the resolution authorizing the City Manager to negotiate and execute agreements with PG&E for the financing and installation of up to 27,000 LED streetlights and up to 7,500 LED outdoor lights at park facilities⁶. City Council also approved the resolution to allow the City to, among other items, issue the five series of general obligation bonds of the City which included *The Disaster Preparedness, Public Safety and Infrastructure General Obligation Bond, item 3.8*⁷.

ANALYSIS

Since the June 25, 2019 report, several significant activities have taken place. The following is a list of progress made, and activities currently underway in each of the major project categories:

- 1) **Community Oversight Committee (COC)** – On June 18, 2019, the City Council approved the resolution establishing the size, composition, and specific responsibilities of the committee⁸. The resolution included Mayor Sam Liccardo's memorandum to amend staff's recommendation to identify four at-large seats appointed by the Mayor, representing each of the following categories of stakeholders: public safety, environmental, labor, and business. Each representative shall live and/or work in San Jose, and shall include someone chosen at-large that has a finance/accounting background to oversee expenditure of the intended bond funds. The formation of the COC and its membership is in progress and is intended to be approved by the City Council by December 10, 2019.
- 2) **Public Safety Projects** – The approved Measure T Program allocates \$175 million to complete public safety projects. Site selection, land acquisition and scoping are all significant factors in ensuring these projects are delivered within the funding allocation. A summary of current activities in the Public Safety category is described below. The updated schedules for these, and all Measure T projects, are described in Attachment B.

On June 18, 2019, the City Council heard *Item 8.1 Measure T – New Fire Station Prioritization*⁹, which describes the criteria and setting of priorities for selecting search areas for new and relocated fire stations. The top five priorities are being addressed using Measure T funds and are listed below in priority order. Additionally, per the Mayor's memorandum on June 18, 2019 relative to *Item 8.1: Measure T – New Fire Station Placement Prioritization*¹⁰, all new and relocated fire stations will be evaluated for additional dormitory space and second apparatus bays to address existing and anticipated gaps in coverage in adjoining coverage areas. A specific analysis and recommendation

⁶ <http://sanjose.legistar.com/gateway.aspx?M=F&ID=94651e78-6e51-4f50-a886-eb1a8349e8a9.pdf>

⁷ <http://sanjose.legistar.com/gateway.aspx?M=F&ID=6f9d5e4e-b49d-4070-afbb-7da52a1770c2.pdf>

⁸ <https://records.sanjoseca.gov/Resolutions/RES79165.pdf>

⁹ <http://sanjose.legistar.com/gateway.aspx?M=F&ID=093699ea-a9cf-4926-b27e-0a3147013bd3.pdf>

¹⁰ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3971473&GUID=14E39796-C129-452E-8320-EAC7502605B2&Options=&Search=>

regarding the design and construction of Fire Station 20 (Airport) is provided below.

Site selection for new and relocated fire stations is being targeted in specific areas based on optimizing service response times. Land acquisition for the other Public Safety projects are being evaluated against operational criteria as well. All potential project sites are being vetted for size, access, current land use, zoning, environmental considerations, and seller interest. Once sites have been vetted for suitability, staff will coordinate the acquisition of property with Council offices and the community.

- a. **New Fire Station 37** - A design consultant is currently completing the updated design which is targeted to be completed in December 2019. The bid and award period is scheduled for early 2020, with a construction start date in the summer of 2020. Staff is planning to submit an info memo to City Council in January 2020 with the accommodations that can be made to incorporate ZNC and microgrid infrastructure for Fire Station 37. Final recommendations for this infrastructure will be presented in the construction contract award memo.
- b. **Relocated Fire Station 8** –Site selection for this relocated fire station continues. The existing Fire Station 8 cannot be demolished and rebuilt on its existing site and will therefore be relocated as close as possible to the existing location on Santa Clara Street at South 17th Street. The City's Real Estate team has requested appraisals and title information for a few potential sites. The City Council will consider the purchase once negotiations have been successfully completed. Depending on the location and size of the selected site, this single-company station will be evaluated for potential to add a future apparatus bay to keep up with service demands.
- c. **New Fire Station 32** – Site selection for this new fire station is underway, with a targeted area consistent with the Fire Department's fire station placement prioritization list. The current search area for the new Fire Station 32 is near the intersection of McLaughlin Avenue and Story Road. This station is envisioned to be a single- company station with the ability to expand depending on future service demands.
- d. **Relocated Fire Station 23** –Preliminary site selection for this relocated fire stations continues. Fire Station 23 will be relocated near the station it replaces on Capital Avenue at Via Cinco de Mayo; however, the actual site location will be adjusted further from the Milpitas border to improve coverage within San Jose city limits and planned developments in North San Jose.
- e. **New Fire Station 36** – Site selection for the new Fire Station 36 will be near the intersection of Capitol Expressway and McLaughlin Avenue. This station is envisioned to be a single-company station with the ability to expand depending on future service demands.

- f. **Fire Station 20 - Aircraft Rescue and Firefighting (ARFF) Facility** - The 2020-2024 Airport Capital Improvement Program includes construction of a new Airport Rescue and Fire Fighting Facility (Fire Station 20). This project is funded primarily from a Federal Aviation Administration (FAA) grant and is not a Measure T-funded project. However, as noted above, on June 18, 2019 Council directed that the City Manager:
 - i. Assess benefit of and explore opportunity to add Measure T funding for expanding stations that are either existing or currently planned for construction – e.g., Station 20 (airport) or Station 8 – with the addition of dormitory space and second bays to address existing anticipated critical gaps in coverage in adjoining coverage areas.

Currently, Fire Station 20 equipment, identified as Engine 20 includes three Aircraft Rescue and Firefighting (ARFF) vehicles and Rescue 20, which is a cross-staffed smaller utility vehicle capable of extinguishing small fires and delivering emergency medical equipment. To meet FAA Index D response requirements and support effective operations, six personnel are on duty at all times (1 Captain, 3 Fire Engineers, 2 Firefighters) with two personnel on each of the three ARFF vehicles. Most frequently, Rescue 20 responds to EMS service. When Rescue 20 is dispatched, two firefighters respond leaving two ARFF vehicles to respond with one Fire Engineer each. The Department seeks to minimize this circumstance by dispatching an additional resource from an adjacent Fire Station (most frequently Station 5). Upon arrival of the second due fire resource, Rescue 20 is released to return to Station 20 to resume normal operations.

Fire Station 20's response area does not extend beyond airport property lines and thus does not provide reciprocal response support to surrounding response areas. This circumstance combined with the airport EMS procedures means that the airport and all areas surrounding are incorporated into adjacent Fire Station response areas. An additional resource that could respond off of airport property would enable the creation of a new Fire Station 20 response area that would address gaps in coverage near the west side of the Airport and Avaya Stadium, and eliminate cross-staffing of Rescue 20.

On May 7, 2019, the City Council took actions to award a design-build contract for the design and construction of the 8963 - Mineta San Jose International Airport Aircraft Rescue and Fire Fighting Facility - Fire Station No. 20 Project. The design and construction of this project is underway and there is a unique opportunity to leverage funding to achieve additional station capacity. Staff recommends appropriating \$383,000 from existing Fire Construction and Conveyance (C&C) funds to add to the current design effort to design additional station capacity at the new Fire Station 20 to accommodate four additional personnel and an apparatus bay for an Engine Company. Once the design is

mostly complete, construction funds, currently estimated to be between \$3 million and \$5 million, would then need to be identified by September 2020 to keep the grant-funded project on schedule. Staff will return to Council for further appropriation actions if and when those funds have been identified. Staff also recommends amending the original ARFF Facility Project construction contingency to accommodate this additional scope. Further discussion on the fiscal impacts of adding capacity to Fire Station 20 are outlined in the Cost Summary/Implications section below.

Additional projects in the public safety category, along with their status, are listed below:

- a. **Police Training and Academy Facility** – Site selection continues for this critical facility, which requires a unique site layout and configuration to maintain accreditation under the State's Peace Officers Safety Training program. The facility requires separate training and academy amenities, separate physical training and workout facilities, an indoor gun range, and sufficient parking to allow concurrent academies and exercises to take place. Staff is pursuing several potential sites that can meet the needs of this specialized facility with a minimum level of construction and maintenance costs, while optimizing long-term operational capability. A number of sites have been evaluated and ruled out due to size limitations, cost of land, or the cost of building/site improvements that would be required
- b. **Emergency Operations Center (EOC)** – After a thorough review of several alternatives, staff is currently moving forward with placement of the EOC at the Central Service Yard. In the June 2019 Measure T update, staff indicated that the preferred site location was to relocate the EOC into a portion of the Police Substation once the Police Training and Academy operation have been moved into their new facility. This option would be the least expensive to build since the Substation is already built to "Essential Facility" standards and only requires remodeling the interior of the facility. This option also has ample parking and highway access in case of a large emergency activation. This site, however, is not as centrally located, and will be sharing the facility with the Police Department which will create logistical challenges as both would be active during an emergency event. It also requires the construction of a new backup EOC at a location yet to be determined since the backup EOC is currently at the substation.

The current option being pursued by staff with the design effort underway is to build the EOC at the City's Central Service Yard on Senter Road, and retain the current backup EOC location at the Substation. This option presents several significant benefits over the location at the substation, including:

- Design and construction can start sooner, and need not wait until the Police Training and Academy Facility is built and portions of the Police Substation are vacated;

- Maximizes the Police Department's ability to grow into the Substation as future demands increase;
- Ensures that the City does not need to find a new alternate EOC location since the alternate EOC can stay at the substation;
- Provides for an EOC location that is located closer to the center of the City resulting in a more conveniently accessible site for City staff deploying for activations and trainings;
- Co-locates the EOC with several other city operational departments, which will create better coordination during an emergency activation.

This option is expected to cost in the range from \$11 to \$16 million more than the current project preliminary budget estimate of \$11.5 million. Staff will make future budget recommendations from the Measure T project reserves and project savings once the cost estimate is finalized. As mentioned above, staff will bring forward a funding recommendation to the City Council in early 2020.

- c. **9-1-1 Call Center Renovation** – Following the anticipated relocation of the EOC, work can begin to expand and renovate the 9-1-1 call center to provide improved working conditions in a more efficient space to handle the increasing number of calls and to take advantage of changing methods and technologies that the public utilize to call for 9-1-1 service. Staff anticipates beginning work on this project once the final scope and location of the EOC project is determined.
- d. **Police Air Support Unit Hangar** – Work has begun to design and build this new facility, to be located at the southwest corner of the Airport property, near Coleman Avenue and Airport Boulevard. This site will also house the relocated Aircraft Rescue and Fire Fighting Facility (Fire Station 20), as well as the Airport Facilities Division. The procurement for a Design-Builder is underway and design is expected to be awarded in early 2020, with construction completed by the end of 2021.

3) **Paving and Bridge Projects**

- a. **Street Resurfacing Projects** – The City's 2,434-mile pavement network includes 944 miles of "major streets", and 1,490 miles of "local and neighborhood" streets. The Measure T Program designates \$300 million for the repair or rehabilitation of local and neighborhood streets in the worst condition. Staff has identified 388 miles of streets dispersed throughout the City to be resurfaced or reconstructed with this funding. A multi-year implementation and expenditure plan has been developed with construction scheduled to begin in the 2020 construction season. Funds from Measure T, in combination with annual allocations from State gas taxes, Santa Clara County Valley Transportation Authority 2016 Measure B and other funding sources, are expected to provide the appropriate and prescribed maintenance to all local and neighborhood streets in the City within a 9-year horizon, while providing the appropriate maintenance to keep the Major Street

Network in good condition. DOT is on track to provide its initial three-year pavement maintenance plan no later than January of 2020 and will provide updates to the plan each successive January for the duration of the program. Details of the 2019 Pavement Maintenance Program can be found in an Information Memorandum released by the Department of Transportation on December 13, 2018¹¹ and an update released on March 7, 2019¹².

- b. Bridge Repair and Rehabilitation Projects** - The Measure T Program designates \$20 million for roadway bridges that are structurally deficient, which could be vulnerable in an earthquake or other disaster. In order to address as many bridge projects as possible, staff is planning a delivery strategy aimed at leveraging multiple funding opportunities which includes Measure T funding and the Highway Bridge Program (HBP) federal-aid funding which consist of Bridge Investment Credits (BIC). Staff has identified 39 BIC eligible bridges which will be structurally preserved, replaced, or rehabilitated in two projects. Project one is made up of 13 bridges and has been approved for BIC. That project is currently in the Bid/Award phase with construction estimated to commence in January 2020 weather permitting. The second project will be made up of the remaining 26 bridges and is currently in the BIC application process. The credits from these two projects will be distributed back into future prioritized bridge projects utilizing HBP grants along with Measure T funds.

In order to effectively prioritize bridges from the City's bridge inventory, staff has procured a consultant to assess bridges using prioritization factors to provide project recommendations. A draft list of prioritized projects is scheduled to be made available to staff at the end of December 2019. Additionally, the consultant will assist in generating a multi-year plan and funding strategy for the Measure T program to address both short term and long-term projects and maximize the opportunity for grant funding.

4) Light Emitting Diode (LED) Outdoor Lighting Projects

- a. City Facilities LED Lighting Projects** – The Measure T Program reported in June that the City had approximately 12,000 outdoor lights at City facilities in its inventory based on historically available data. As the project team continues to evaluate the actual lighting inventory, it appears that there are far fewer lights than were originally thought. The exact number of lights in the system as well as the number that will be converted through a combination of Measure T funding and PG&E on bill financing, will be finalized by Spring 2020. However, based on the current analysis, staff is confident that the Measure T funding will be sufficient to convert all of the park and trail lighting. Staff will coordinate with the Department of Parks, Recreation & Neighborhood Services to utilize the

¹¹ <https://files.constantcontact.com/7a210436601/d63418ad-a687-4ffa-b97e-1171a75891b6.pdf>

¹² <https://files.constantcontact.com/7a210436601/bec2582b-8362-46a7-a009-cb2a972e8c91.pdf>

Mayor's Gang Prevention Task force hot spot areas map as a primary tool to prioritize conversion of park and trail lighting to LED.

- b. **LED Streetlight Conversion Projects** – The City owns and maintains approximately 64,400 streetlights, of which approximately 28,400 have been converted to LED over the past decade. The remaining 36,000 non-LED lights consist mainly of standard mast-arm style “cobra head” fixtures, and includes approximately 5,000 ornamental (or “post-top”) lights, primarily in the downtown, and in neighborhood and business districts.

- i. **Streetlight Replacement by City Crews** - Approximately \$1 million of Measure T funds has been allocated in the Adopted 2020-2024 CIP Budget to purchase LED fixtures that are being be used by City crews to replace LPS and HPS streetlight fixtures as the bulbs burn out. New LED fixtures are being installed as part of DOT's regular program of replacing burned out bulbs, with a plan to convert approximately 5,000 streetlights to LED in this fiscal year. Approximately 1,000 streetlights have been converted to LED since July 1, 2019.

The City is also replacing the approximately 5,000 ornamental fixtures in its street lighting inventory. This is being accomplished in the same manner as described above, where City crews would replace burned out bulbs with new LED fixtures rather than just replacing the bulbs. Approximately \$7 million of Measure T funding has been identified in the Adopted 2020-2024 CIP to accomplish this goal by early 2024.

- ii. **PG&E “Turnkey” LED Streetlight Conversion** – On June 25, 2019, the City Council authorized the City Manager to negotiate and execute agreements with PG&E for the financing and installation of up to 27,000 LED streetlights. City staff is working to have the streetlight agreement executed with PG&E by December 2019. The terms of the agreements provide for PG&E to fund, procure and install the new fixtures, remove and dispose of the old fixtures, and finance the entire effort at 0% interest. These costs are paid back using an energy- savings calculation based on the flat rate streetlight tariff. The municipality continues to pay their current electric bill, however the estimated cost savings (due to lower-wattage, energy-efficient LEDs) are used to pay off the materials and installation costs.

- c. **Lighting Controls** - Streetlights and outdoor facility lights typically come with basic lighting controllers (usually a photocell), that controls when the lights turn on and off. Controllers are about the same size as a soda can and plug into standard receptacles found on most modern streetlight fixtures and facility lighting systems. Recent advances in controls technologies have added other features that allow for more effective monitoring and management of the lights.

Lights can be monitored and controlled from a central location, allowing operators to know when lights turn on and off, which lights might be out or “dayburning”, dim lights during certain times to save energy, and to become instantly aware of and responsive to potential copper wire theft.

Smart streetlight controllers will also be a critical piece for future Smart City applications. San Jose’s Internet of Things (IoT) Strategy identified the streetlight infrastructure and smart controllers as a foundational piece for building out the IoT sensor ecosystem by providing a prominent means of connectivity and communication. There are many potential IoT and Smart City use cases that would improve effectiveness of City services. By increasing the deployment of smart controllers and sensors throughout the City, significant operational efficiencies, cost savings and community benefits are possible. Some examples include reduced energy consumption, better understanding of facilities usage through analytics, seismic detection for pre-quake warnings and emergency response, to name a few.

The City’s Office of Civic Innovation is leading a cross-department team to solicit bids for Smart Controllers that will control the new LED lights and lay the foundation for a city wide IoT connectivity network and enable current and future IoT use cases. The total cost of the controllers is estimated to be approximately \$7 million to purchase the 43,500 controllers needed to be installed along with the light fixtures described above.

The Finance Department will manage the procurement of the controllers with a target for awarding the contract in July 2020. This would allow the City to provide PG&E with the control devices to attach to the fixtures that they will begin installing in August 2020, pending the execution of the Turnkey and On-Bill Financing agreements.

- 5) **Clean Water and Green Infrastructure Projects** – The Measure T Program has dedicated \$25 million for this category of projects. Each of the projects is being developed in conjunction with the Green Stormwater Infrastructure (GSI) plan that was approved by the City Council on September 10, 2019. Staff has advanced with the planning phase for the River Oaks Pump Station Stormwater Capture Project, one of the top priority projects identified in the GSI Plan. The planning phase, including all permitting is scheduled to be completed in October of 2020. Additionally, Staff will develop a list of other near-term projects and approaches from those identified in the GSI Plan and provide a corresponding funding strategy, consistent with the City Council’s recommendations. This effort is anticipated to be completed in June 2020.
- 6) **Storm Drain Improvement Projects for the Charcot Area** – Planning has begun for the Storm Drain Improvement Projects for the Charcot area, which will provide flood protection in the area east of Zanker Road between Trimble Road and Brokaw Road. The program has allocated \$35 million for these improvements and Staff is refining the

approach to determine the most cost-effective projects (including a pump station if required) to eliminate flooding in the Charcot area. Limited site investigations have started and staff has continued with the project analysis. Final project recommendation, with refined project scopes, is anticipated to be complete in Spring 2020.

- 7) **Environmental and Flood Protection Projects** – On November 6, 2019, Council approved the purchase of approximately 672 acres of real property in Coyote Valley using \$48.3 million in bond funds authorized by Measure T for flood prevention and water quality contamination.
- 8) **Zero Net Carbon and Microgrid Infrastructure** – As mentioned earlier in this report, Measure T buildings will be designed to incorporate Zero Net Carbon (ZNC) technologies to meet the City's Climate Smart goals. Project teams will be conducting the following tasks in alignment with Council direction from February 12, 2019 relative to item 3.4: *Measure T – Building a Sustainable Future*¹³:
 - i. Perform a review of incorporating ZNC technologies with an analysis of impacts on construction cost, life-cycle cost, and meeting the City's Climate Smart goals; and
 - ii. Provide an analysis of the potential for the use of photovoltaics and storage to meet energy load requirements.

Public Works is in the process of creating formalized evaluation criteria to use when designing new or upgrading existing facilities for the inclusion of microgrid infrastructure to further support the City's Climate Smart goals. Considerations taken into account to make this determination include, but are not limited to, the size of the project site, the type of building being constructed, the emergency support function of the building, and the cost of designing and constructing the microgrid infrastructure.

CONCLUSION

This recommendation provides the Council with updated information on the status of projects and programs relating to the voter-approved Measure T – The Disaster Preparedness, Public Safety, and Infrastructure Bond. The Measure T Program is continuing to move forward in land acquisition and the planning and designing of multiple projects within the program.

EVALUATION AND FOLLOW-UP

Staff will return to City Council in June 2020 with a semi-annual update on the progress of the Program.

¹³ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4132710&GUID=FAF32B4C-79F1-4270-9EF0-5EC39F33E7C2&Options=&Search=>

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CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 10, 2019, City Council meeting.

COORDINATION

This memorandum, workplan and implementation schedules have been coordinated with the City Attorney's Office; the Departments of Environmental Services, Transportation, Parks, Recreation and Neighborhood Services, Police, Fire, Finance, the Office of Emergency Management, and the Office of Economic Development.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from a board or commission. The formation of a Community Oversight Committee will come to the City Council for approval on December 10, 2019.

FISCAL/POLICY ALIGNMENT

The proposed project aligns with the adoption of the Greenprint 2009 Update by City Council, the City's General Plan and the Measure T Bond program.

COST SUMMARY/IMPLICATIONS

As shown in Attachment A, Measure T funding in the amount of \$568.0 million has been programmed into the 2019-2020 Adopted Capital Budget and 2020-2024 Capital Improvement Program. The remaining amounts will be programmed in future years. As the Measure T program is still in an early phase, project budgets may be recommended for modification, as appropriate, in future years as they proceed through site selection, design, and construction. In order to maintain a tax-exempt status, per IRS rules, 85% of the bond proceeds issued for the Measure T projects must be expended within the first three years of the issuance. As such, staff is tracking Measure T expenditures on a monthly basis to ensure the bond proceeds are spent in a manner that stay compliant with IRS tax-exempt guidelines for municipal bonds. Council authorized the issuance of \$239.9 million in General Obligation bonds, on June 25, 2019, for the purpose of providing funds for Measure T projects, allocated and budgeted for various Measure

T projects in the amount of \$154.2 million in FY 2019-20 and \$85.7 million in FY 2020-21. Attachment C shows the actual year-to-date Measure T expenditures through October 2019.

Expanded Fire Station 20 (Airport)

Included in this memorandum's recommendations is to appropriate \$383,000 from Ending Fund Balance in the Fire C&C Fund to support the design of Fire Station 20 to provide capacity for an additional engine company to respond to fire and medical emergencies off airport property. Allocating design funds now preserves the City's ability to leverage a potentially more cost-effective construction project in the future. However, as the final construction costs are not yet known and construction funding for the additional expansion is not identified, the City is not committing to expanding Fire Station 20 beyond its existing operating footprint. Options to fund the additional construction cost, which may range from \$3 million to \$5 million, will be considered in the development of the 2020-2021 Proposed Capital Budget and 2021-2025 Capital Improvement Program.

Though an additional Engine Company (four-person resource) provides maximum benefit to fortify response capabilities through improved response times and coverages off-airport over the long-term at an annual cost of \$4.2 million, other near-term alternatives include the addition of a Squad (two-person resource) at an annual cost of \$2.0 million, or the relocation of the existing Squad at Fire Station 5 to Fire Station 20 with minimal to no cost increase. Should construction funding for an expanded Fire Station 20 be identified, the Administration would first relocate the Squad from Fire Station 5 to Fire Station 20. Future service enhancement of an additional Squad or Engine Company would be considered in alignment with the other new fire stations coming online in the near future, balanced against city-wide service demands and fiscal conditions.

BUDGET REFERENCE

The table below identifies the fund and appropriations recommended to be amended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Current Appn.	Rec'd. Budget Action	2019-2020 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
392	NEW	Aircraft Rescue and Fire Fighting Facility	N/A	\$383,000	V-679	N/A
392	8999	Unrestricted Ending Fund Balance	\$1,927,299	(\$383,000)	V-616	10/22/19, Ord No. 30325

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CEQA

Not a Project, File No. PP17 009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

MATT CANO

Director of Public Works



JIM SHANNON
Budget Director

For questions, please contact John Cannon, Deputy Director, Public Works at (408) 535-8340 or David French, Division Manager, Public Works at (408) 975-7276.

Attachments:

A - 2020-2024 Adopted Capital Improvement Program – Measure T Fund

B - Project Implementation Schedules

C - YTD Measure T Expenditures

CITY OF SAN JOSE

2020-2024 ADOPTED CAPITAL IMPROVEMENT PROGRAM

Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

Program	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	5-Year Total
SOURCE OF FUNDS						
Beginning Balance		\$85,700,000		\$103,000,000		
Financing Proceeds						
Traffic	96,000,000		83,000,000		79,000,000	258,000,000
Public Safety	70,800,000		102,900,000		1,300,000	175,000,000
Storm Sewer	17,600,000		40,700,000		1,700,000	60,000,000
Municipal Improvements	55,000,000		7,000,000			62,000,000
Parks & Community Facilities	500,000		4,500,000		7,950,000	12,950,000
Total Financing Proceeds	\$239,900,000		\$238,100,000		\$89,950,000	\$567,950,000
Total Sources	\$239,900,000	\$85,700,000	\$238,100,000	\$103,000,000	\$89,950,000	\$567,950,000
USE OF FUNDS						
Traffic						
Bridges	\$2,000,000	\$8,000,000	\$3,000,000	\$3,000,000	\$4,000,000	\$20,000,000
Pavement Maintenance	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	187,500,000
LED Streetlight Conversion	5,000,000	6,000,000	2,000,000			13,000,000
Total Traffic	\$44,500,000	\$51,500,000	\$42,500,000	\$40,500,000	\$41,500,000	\$220,500,000
Public Safety						
Fire Station 37	\$6,180,000	\$500,000				\$6,680,000
Fire Station 8 Relocation	4,500,000	2,000,000	9,600,000	400,000		16,500,000
Fire Station 23 Relocation	4,500,000	2,000,000	9,600,000	400,000		16,500,000
New Fire Station 32	100,000	5,000,000	1,600,000	9,900,000	400,000	17,000,000
New Fire Station 36	100,000	5,000,000	1,600,000	9,900,000	400,000	17,000,000
Emergency Ops Ctr. Relocation	500,000	500,000	1,000,000	9,000,000	500,000	11,500,000
Police Training Ctr. Relocation	30,100,000	1,000,000	13,500,000	400,000		45,000,000
Police Air Support Unit Hangar	500,000	1,000,000	6,500,000	400,000		8,400,000
Program Reserve (Public Safety)	7,320,000		29,100,000			36,420,000
Total Public Safety	\$53,800,000	\$17,000,000	\$72,500,000	\$30,400,000	\$1,300,000	\$175,000,000
Storm Sewer						
Charcot Pump Station	\$1,600,000	\$6,600,000	\$600,000	\$24,700,000	\$1,500,000	\$35,000,000
Clean Water Projects	1,300,000	8,100,000	14,500,000	900,000	200,000	\$25,000,000
Total Storm Sewer	\$2,900,000	\$14,700,000	\$15,100,000	\$25,600,000	\$1,700,000	\$60,000,000
Municipal Improvements						
Environmental Protection Projects	\$50,000,000					\$50,000,000
City Facilities LED Lighting	3,000,000	2,000,000	2,000,000			7,000,000
Critical Infrastructure			2,000,000	3,000,000		5,000,000
Total Municipal Improvements	\$53,000,000	\$2,000,000	\$4,000,000	\$3,000,000		\$62,000,000
Parks & Community Facilities						
Community Centers/Emergency Shelters		\$500,000	\$1,000,000	\$3,500,000	\$5,500,000	\$10,500,000
Total Parks & Community Facilities		\$500,000	\$1,000,000	\$3,500,000	\$5,500,000	\$10,500,000
Total Expenditures	\$154,200,000	\$85,700,000	\$135,100,000	\$103,000,000	\$50,000,000	\$528,000,000
Ending Fund Balance	\$85,700,000		\$103,000,000		\$39,950,000	\$39,950,000
Total Uses	\$239,900,000	\$85,700,000	\$238,100,000	\$103,000,000	\$89,950,000	\$567,950,000

MEASURE T Project Schedules

ATTACHMENT B

Bond Project List Category	Proposed Projects Scope and Locations	2019	2020	2021	2022	2023	2024	2025	2026	2027
Street Repair	388 Miles of Street Repair (approx. 58 mi./year)									
Police/Fire/Emergency	Fire Station No. 37 - New									
	Fire Station No. 8 - Relocated									
	Fire Station No. 32 - New									
	Fire Station No. 23 - Relocated									
	Fire Station No. 36 - New									
	Various Fire Stations - Rehabilitation									
	911 Center - Upgraded/New									
	Emer. Operations Ctr. - Upgraded/New									
	Police Headquarters - Infrastructure needs									
	Police Dept. Training Center - New/Relocated from South Substation									
	Police Dept. Air Support Unit Hangar - New at Airport									
Environmental Protection Projects	Flood Control, open space and environmental protection of lands such as Coyote Valley									
Storm System Conveyance & Flood Prevention Projects	Charcot Ave. Pump Station - New									
Clean Water Projects	Provide clean water to our Bays and beautify existing City owned open space.									
Bridges - Seismic Repairs	Various bridge overpasses to be seismically retrofitted or repaired.									
LED Lighting - Streetlights	Replacement of both streetlights and other outdoor lights in city facilities to reduce ongoing General Fund impacts.									
LED Lighting - City Facilities										
Public Safety Parks/Community Center Facility Improvements	Upgrading community centers/emergency shelters and parks facilities to support public safety.									
Other Priority Critical Infrastructure	Priority Critical Infrastructure repairs to reduce ongoing General Fund impacts									

	PROJECT SELECTION PROCESS AND IDENTIFICATION: Evaluation and Prioritization of Options
	SCOPING/CEQA/PROPERTY ACQUISITION: Consultant Selection, Programming/Feasibility Studies, Environmental Review
	DESIGN: Consultant Selection, Design and Bid/Award
	CONSTRUCTION: Construction, Commissioning, Beneficial Use / Occupancy, Acceptance

November 18, 2019

ATTACHMENT B

YTD MEASURE T EXPENDITURES FOR FISCAL YEAR 2019/20

