



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: June 12, 2019

Approved

D. D. SyL

Date

6/14/19

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

RECOMMENDATION

- (a) Accept this status report on the workplan and implementation schedules for projects included in the approved Measure T Bond measure.
- (b) Adopt a resolution authorizing the City Manager to negotiate and execute loan 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 public facilities, in an amount not to exceed \$18 million, to be paid back through energy savings over a period not to exceed ten years.

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 provides direction to staff to negotiate and execute agreements for the conversion of the City's streetlights and outdoor facility lighting to energy-efficient LED lights utilizing PG&E's Energy Efficiency Programs. Under a separate staff report on the June 25, 2019 agenda will be the recommendation for the approval of the issuance of the first series of bonds under the Measure T voter authorization.

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. 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 in September 2019.

One of the more complex opportunities in this program is to leverage Measure T funds to convert all the City’s remaining streetlights and outdoor lights to energy-efficient LEDs, along with “smart” controls to manage the network and provide opportunities for future community-serving benefits. The funding provided through Measure T is not sufficient to accomplish all these goals on their own. Staff analyzed several approaches to completing this work and developed a balanced strategy that uses in-house capabilities and energy efficiency programs offered by PG&E.

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 8.4¹*, 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 Memorandum² updating the proposed project list accordingly. Staff also presented an update on activities and the workplan to the City Council on February 12, 2019³.

ANALYSIS

Since the February 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) Budget and Staffing-** Measure T projects have been incorporated into the 2020-2024 Adopted Capital Improvement Program (CIP). The staffing resources necessary to

¹ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3755302&GUID=0ABE3541-A422-4EC1-88EC-714BCE2B0474&Options=&Search=>

² <https://myemail.constantcontact.com/Measure-T-Project-List.html?soid=1126946575015&aid=2nudy-SmLE>

³ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3847489&GUID=DCF04188-1A48-4F02-B12D-24873EAD82E5>

deliver the Measure T Program are included in the 2019-2020 Adopted Capital and Operating Budgets.

- 2) **Governance** - An administrative governing structure has been developed to ensure proper reporting, organizational structure and accountability amongst the various City departments involved in the program. The Measure T Leadership team, consisting of Public Works, Transportation and the City Manager's Office, meets weekly to provide strategic planning and direction to the project implementation teams.
- 3) **Community Oversight Committee (COC)** – Framework for a community oversight has been drafted. The committee, comprised of San Jose residents, will oversee expenditure of the bond funds. The size, composition, and duties of the COC are anticipated to be approved by Council action on June 18, 2019. The formation of the COC and its membership are expected to be approved by the City Council by September 2019.
- 4) **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 program funding reserve has been developed in the 2020-2024 Adopted CIP to help manage these variables and stay within budget. A summary of current activities in the Public Safety category is described below. The 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*⁴, 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.

- a. **New Fire Station 37** - As approved by a citywide vote in November 2008⁵, Fire Station 37 will be located on a portion of the parking lot at Lincoln Glen Park. A City-wide vote was required because the proposed site is on dedicated park lands. A design consultant is currently completing the design work previously started in 2010. A community outreach meeting was held on May 22, 2019 to inform the community of the status of the station, proposed design, schedule and site layout. The community was receptive to the fire station location, yet voiced concerns about traffic and sirens. The Fire Chief and project team addressed the concerns and the project is moving forward on schedule. The target is to complete the design by December 2019, followed by a bid and award period in early 2020, with a construction start date in the first half of 2020.

⁴ <http://sanjose.legistar.com/gateway.aspx?M=F&ID=093699ea-a9cf-4926-b27e-0a3147013bd3.pdf>

⁵ <http://www.smartvoter.org/2008/11/04/ca/scl/meas/L/>

- b. Relocated Fire Stations 8 and 23** –Site selection for two relocated fire stations are underway. Fire Station 8 cannot be demolished and rebuilt on its existing site and will 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 on a preferred site. The City Council will consider the purchase once negotiations have been successfully completed. 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.
- c. New Fire Stations 32 and 36** – Site selection for these two new fire stations are underway, with targeted areas consistent with the Fire Department’s new fire station placement prioritization list. The current search area for the new Fire Station 32, is in the Santee Neighborhood. near the intersection of Story Road at McLaughlin Avenue. The current search area for the new Fire Station 36 is in the Ramblewood/Sylvandale neighborhoods near Capitol Expressway and McLaughlin Avenue. Both stations are envisioned to be single-company stations with the ability to expand depending on future service demands.
- d. 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 separated 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.
- e. Emergency Operations Center (EOC)** – Staff is currently exploring the feasibility of relocating the EOC into the Police Substation once the Police Training and Academy operation move into their new facility. The EOC would be co-located with Police in an “essential facility” that is designed to withstand a significant seismic event. Moving into an existing “essential facility” is significantly less expensive than purchasing a site and constructing a new facility. The Police Substation also has communications and backup power systems designed to serve an emergency operations function. And given that the Police Substation already houses the backup EOC, the move should require minimal building improvements and allow for a faster move-in.
- f. 9-1-1 Call Center Renovation** – Once the EOC has been relocated, 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.

- g. Police Air Support Unit Hangar** – Work has begun to plan and program 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. Design work of the Police Air Support Unit Hangar is expected to begin in summer 2019, with construction completed by the end of 2021.

5) 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 tentatively 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 Transit Authority 2016 Measure B and other funding sources, will 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 will provide a planned three-year look ahead for streets to be maintained in January of 2020, and in 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, 2018⁶ and an update released on March 7, 2019⁷.
- 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. Staff have identified candidate bridges to be structurally preserved, replaced, or rehabilitated, some of which may be eligible for grants to augment Measure T funding. Funds from Measure T may be allocated towards structural preservation and preventive work as early as the summer of 2019. Bridges that need significant rehabilitation or replacement will be selected and scheduled later based on the priority criteria

⁶ <https://files.constantcontact.com/7a210436601/d63418ad-a687-4ffa-b97e-1171a75891b6.pdf>

⁷ <https://myemail.constantcontact.com/2019-Pavement-Maintenance-Program-Update.html?soid=1126946575015&aid=4in81zh6Opwhttps://myemail.constantcontact.com/2019-Pavement-Maintenance-Program-Update.html?soid=1126946575015&aid=4in81zh6Opw>

comprised of structural conditions, grant eligibility, project readiness, transportation network value, and other established criteria.

- 6) **Light Emitting Diode (LED) Lighting Projects** – The overarching goal of this category of projects is to maximize the use of Measure T funding to complete the conversion of all existing City streetlights and exterior lighting at City parks and public facilities from low-pressure and high-pressure sodium vapor lights (LPS and HPS) to more efficient and longer-lasting LED lights, along with “smart” controls to manage the system and possibly provide for a range of community-serving benefits. The total number of fixtures is nearly 49,000, with about 37,000 streetlights and about 12,000 parks and facilities exterior lights. Accomplishing this work within the \$20 million of earmarked Measure T funds is a significant challenge that can only be achieved through leveraging outside funds. However, staff believes the mix of delivery options described below achieves the greatest proportion of the conversions in the shortest amount of time.

Several options were explored to maximize the use of Measure T funds to complete the LED streetlight conversion process. These included installations by City crews, publicly bidding and awarding a construction contract, utilizing PG&E on-bill financing programs, or through an energy services contract (ESCO). Staff analyzed individual options as well as several combinations of alternatives to develop the recommended approach described below, and shown in Attachment C.

- a. **Streetlight Replacement by City Crews** - The City owns and maintains approximately 64,400 streetlights, of which approximately 27,400 have been converted to LED over the past decade. The remaining 37,000 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.

Approximately \$1 million of Measure T funds has been allocated in the Adopted 2020-2024 CIP Budget to purchase LED fixtures that will be used by City crews to replace LPS and HPS streetlight fixtures as the bulbs burn out. The City has been notified that LPS bulbs are being phased out by the manufacturers and the City’s suppliers will no longer carry them effective July 1, 2019. Rather than stock up on a large supply of LPS bulbs, new LED fixtures will be 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 FY2019-2020.

In addition to the typical mast-arm style streetlights, the City also plans to replace the approximately 5,000 ornamental fixtures in its street lighting inventory. This is proposed to be 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 \$4 million of Measure T funding has been identified in the Adopted 2020-2024 CIP to accomplish this goal by early 2024.

- b. Lighting at City Parks and Trails** - The City also has an inventory of approximately 4,500 exterior lights at parks and trails throughout San José. Similar to the streetlight conversion program described above, City staff plans to replace burnouts at parks and trails with new fixtures and lighting controls. Current estimates are that the conversion of these 4,500 lights would cost approximately \$6.3 million, and take approximately four years to complete. The unit costs for park and trail lights is higher than for streetlights primarily due to the large variability in the types of architectural lighting that is unique to each park or trail development. These are not mass produced on the same scale as streetlight fixtures.

This approach of having City crews replace lights will utilize approximately \$11.3 million in Measure T funds over the next four years. Full energy savings to the General Fund will be realized as soon as the conversions are completed.

- c. PG&E “Turnkey” and On-Bill Financing Agreements** – PG&E participates in energy efficiency programs authorized by the California Public Utilities Commission. Two of these programs can be utilized to finance, procure and install energy efficient lighting replacements for streetlights and at City-owned facilities. The terms of the agreements provide for PG&E to fund, procure and install the new fixtures, remove and dispose of the old ones, and finance the entire effort at 0% interest. These costs are paid back using an energy-savings calculation. 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.

Under the Turnkey Program, the City and PG&E estimate that the cost to convert all the City’s remaining 27,000 streetlights will cost less than \$11 million and that the City would repay this amount back to PG&E through the energy savings occurring over an estimated seven-year payback period. Although this requires no Measure T money up front, the City does forgo approximately \$11 million of energy savings in the General Fund during this payback period.

PG&E has completed Turnkey projects for streetlight replacements in San Francisco and Bakersfield, and is currently performing work in the City of Fresno. San José staff met with Fresno staff in March 2019 to discuss their views on the effectiveness of the Turnkey program, the challenges they faced, and any lessons learned. Fresno has had a good overall experience to date and are excited about the rapid installation schedule and favorable payback terms. As of this writing, PG&E has completed over one-quarter of Fresno’s streetlight conversions.

PG&E offers a similar program for metered electrical services, called the “On-Bill Financing”, or OBF, Program. The terms of the agreement are similar to the Turnkey agreements, however the energy savings is actually verified through meter readings and is not calculated, as with streetlights, since they are not

metered. The City most recently approved an On-Bill Financing agreement with PG&E on September 11, 2018⁸ to support the conversion of non-LED streetlights to LED. The City proposes utilizing this program to convert approximately 7,500 outdoor lights at City Facilities, such as community centers, libraries and fire stations. Staff is in early discussions with PG&E on the feasibility of using OBF financing to complete this work. Current estimates are that this would cost approximately \$7 million with a payback period of less than 10 years. Similar to the Turnkey agreement, the City would forgo approximately \$7 million of energy savings in the General Fund during this payback period.

- d. 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.

At the direction of the City Manager, the 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 \$7.7 million to purchase the 48,000 controllers needed to be installed along with the light fixtures described above.

⁸ <https://sanjose.legistar.com/View.ashx?M=F&ID=6571402&GUID=0D9A3AEA-C08C-4448-A75F-7BDF2AF4FC65>

The Finance Department will manage the procurement of the controllers with a target for awarding the contract in March 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 April 2020, pending the approval of the recommendations contained in this memorandum.

The City has been approached by several private companies offering to provide Energy Services Contracts to convert the City's remaining streetlight inventory to LEDs. This is the mechanism the City used to convert most of the 27,400 streetlights that have already been converted to LED. These proposals require the City to obtain financing that must be paid back regardless of actual energy savings. In addition to the financing costs, these proposals also included markups that are reflected in their costs to procure and install the lights.

Staff has performed a review of the various proposals for converting the City's remaining 27,000 streetlights and has concluded that all of the proposals that rely on some sort of outside financing to perform the work will not provide the net-present-value that the PG&E Turnkey program offers. To create an apples-to-apples comparison, staff used the same estimated numbers of fixtures, energy consumption, energy and maintenance cost escalation rates, and same installation completion date. The difference came down to the equipment, installation and financing costs. While all the proposals rely on using the monetary savings to pay back some or all of the loan, none can match the 0% interest financing offered by the PG&E Turnkey program, nor the short seven-year payback period. PG&E also had the most competitive cost per fixture that, when considered with financing costs, resulted in the highest net-present-value conversion strategy. The simplicity of continuing to pay the City's current electricity bill results in fewer transactions to manage, an efficiency that cannot be matched by other options.

Staff also considered the cost of simply bidding this LED conversion work out to a contractor. Given that there is \$20 million in available funds, and the total project value is estimated to be \$40 million, this option was not found to be viable without securing the additional funds needed to award a construction contract.

Recommended Approach:

Considering the various factors described above, staff recommends a blended approach that will result in converting most, if not all, of the City's remaining LPS and HPS lighting inventory along with smart controllers. City crews will replace approximately 14,500 streetlights and parks/trails lights using Measure T funds, and will provide for all smart controls to be funded through Measure T. To complete the conversion work, staff recommends authorizing the City Manager to negotiate and execute OBF agreements with PG&E to convert up to 27,000 streetlights (estimated at \$12 million), and up to 7,500 parks/facilities lights (estimated at \$7 million) in an amount not to exceed \$18 million for both projects, to be paid using energy savings over a period not to exceed seven years for streetlights and 10 years for City Facilities.

A combined \$11.3 million in Measure T funds will be used for the purchase of approximately 10,000 streetlight fixtures and 4,500 architectural lighting fixtures for parks and trails. Lighting controllers will be procured by separate procurement as described above. The installation of these fixtures and controllers will be performed by City crews within their regular bulb replacement program, therefore there will be no additional labor costs for the installation of the new LED fixtures and controllers.

PG&E has confirmed in writing that it is able, interested and willing to pursue Turnkey and OBF agreements to convert 27,000 City's streetlights and 7,500 City facilities lights, even as they undergo reorganization through bankruptcy. The Bankruptcy Court has provided PG&E "...with the authority to continue existing customer programs, including low income support, energy efficiency and other programs..."

The PG&E contract will be considered a major public works contract because it will exceed \$600,000. Under the City Charter, a major public works contract generally must be procured through a public bidding process. However, Section 1217(i)(2) of the City Charter does not require the procurement of City-Public Utility Contracts via public bidding if the work is "of direct concern to both the City and the public utility". The proposed work would reduce electric consumption, which is something of great importance to both the City and PG&E. Thus, the City can enter into the described agreement with PG&E without public bidding.

In the event the City is not able to successfully negotiate an agreement with PG&E, the City would explore other financing and delivery options and return to Council with recommendations or approvals. This might include a phased approach where staff from PW and PRNS evaluate needs and identify priorities based on safety and neighborhood considerations to prioritize which lights to convert first. For example, priority might generally be given to sites with the highest use by the public, high-crime areas, disadvantaged neighborhoods, potential for energy savings, facility size, and sites with a history of light fixture maintenance issues.

- 7) **Clean Water and Green Infrastructure Projects** - This category of projects is being developed in conjunction with the Green Stormwater Infrastructure (GSI) plan that was heard at the Transportation and Environment Committee on June 3, 2019, to the Parks and Recreation Commission on June 5, 2019, and is scheduled to be approved by the City Council in September 2019. If approved, staff will advance at least two of the top priority projects in the GSI Plan, subject to available funds (Measure T will provide up to \$25 million for this category of projects). Staff is currently assembling the implementation teams that will scope, schedule and deliver these projects.
- 8) **Charcot Pump Station** – Planning has begun for the new \$35 million Charcot Pump Station, which will provide flood protection in the area east of Zanker Road between Trimble Road and Brokaw Road. Site investigations have started and staff is developing the Request For Qualifications to hire a consultant to assist with planning, preliminary

design, permitting, procurement and technical support during construction. Staff estimates that a design-build contract will be awarded in 2021.

- 9) **Environmental and Flood Protection Projects** – City Council held a study session on Coyote Valley on January 22, 2019. Staff is proceeding with land acquisition using bond funds authorized by Measure T for “preventing flooding and water quality contamination, including the acquisition of open space in Coyote Valley for these purposes”. Staff will return to the City Council for approval of the purchase agreements upon successful negotiations with the property owners.

EVALUATION AND FOLLOW-UP

Staff will return to City Council in December 2019 with a semi-annual update on the progress of the Program.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 25, 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 City Manager's Budget Office, 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 in September 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.

HONORABLE MAYOR AND CITY COUNCIL

June 12, 2019

Subject: Status Report on Measure T– The Disaster Preparedness, Public Safety and Infrastructure Bond

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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 Proposed 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.

CEQA

Categorically Exempt; File No. PP18-029, CEQA Guidelines Section 15301 (c) Existing Facilities and File No. PP19-024, CEQA Guidelines Section 15303(d), New construction of Small Structures.

/s/

MATT CANO

Director of Public Works

For questions, please contact John Cannon, Interim Deputy Director, Public Works at (408) 535-8340.

Attachments: A - 2020-2024 Proposed Capital Improvement Program – Measure T Fund
B - Project Implementation Schedules
C - LED Lighting Replacement Recommendation

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

 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

LED Replacement Recommendation

| Type of Equipment | Delivery Method | Approx. No. | Unit Cost or Est. Amount | Estimated Costs | | Completion Date | General Fund Impacts ¹ |
|------------------------------------|--------------------------------|-------------|--------------------------|---------------------|---------------------|-----------------|---|
| | | | | PG&E 0% Financing | Measure T Funds | | |
| Streetlights - Standard | PG&E Turnkey | 27,000 | \$11,000,000 | \$11,000,000 | - | Early 2021 | Est. 7 year payback ending 2028. Approx. \$2.2M/yr energy savings thereafter. |
| Streetlights - Standard | CSJ Installed ² | 5,000 | \$200 | - | \$1,000,000 | Mid 2020 | Approx. \$300K/yr energy savings upon completion |
| Streetlights - Decorative | CSJ Installed ^{2,3} | 5,000 | \$800 | - | \$4,000,000 | Early 2024 | Approx. \$250K/yr energy savings upon completion |
| City Facilities ^{3,4} | PG&E On-Bill Financing | 7,500 | \$7,000,000 | \$7,000,000 | - | Early 2022 | Est. 10 year payback ending 2031. Approx. \$700K/yr energy savings thereafter. |
| City Parks and Trails ³ | CSJ Installed | 4,500 | \$1,400 | - | \$6,300,000 | Late 2023 | Approx. \$250K/yr energy savings upon completion |
| Controls ⁵ | City Furnished, PG&E Installed | 34,000 | \$160 | - | \$5,440,000 | Early 2021 | |
| | CSJ Installed | 14,000 | \$160 | - | \$2,240,000 | Early 2024 | |
| Total | | | | \$18,000,000 | \$18,980,000 | | |

¹ Assumes 4.5% escalation in energy costs per year

² Cost shown is for materials only. Installation is included in existing City budgets.

³ Decorative streetlights, parks and facilities light fixtures are significantly more expensive than regular streetlight fixtures.

⁴ Does not include Team SJ Facilities, leased facilities, Airport or RWF

⁵ Most, but not all lights require controls.