



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Councilmember Donald Rocha
SUBJECT: GENERAL OBLIGATION BOND
DATE: June 22, 2018

Approved *Don Rocha* Date *6-22-18*
PH

RECOMMENDATION

1. That the City Council provide staff with the following additional direction:
 - a. Ensure that the final bond proposal includes at least \$300 million to maintain neighborhood streets in the worst condition.
 - b. Explore ballot language that would give the City the option of funding the following project from bond proceeds:
 - i. Improvements and capital maintenance at the Municipal Stadium.
 - ii. A modest contribution to the San Jose Light Tower project.
2. That staff be prepared to provide an overview of how the City's Public Art Ordinance would apply to bond-funded projects, including whether any of the types of work or project categories contemplated in the bond would be excluded from the ordinance's percent for art requirement.

ANALYSIS

I'm excited that this bond measure will allow us to make significant progress in addressing the City's infrastructure maintenance backlog. With this memo, I propose that the Council provide some final direction to staff as they develop the bond proposal.

My recommendation 1a is that we fully fund maintenance of neighborhood streets in the worst condition. Without bond funding, we have poor prospects for maintaining the worst streets. Our existing maintenance money is prioritized for neighborhoods with streets that are predominately in fair condition and suitable for preventative maintenance. On our current trajectory, neighborhoods with the worst streets will continue to see their roads crumble into gravel. I don't believe that's an acceptable future. Our residents, although very patient, will not tolerate driving on dirt roads in the middle of Silicon Valley. We should take this opportunity to solve the problem.

My recommendation 1b proposes asking staff to explore ballot language that would allow bond proceeds to be spent on two projects: improvements to the Municipal Stadium and the San Jose Light Tower project. These projects are not our most critical priorities, but I think they hold great value for our community and should at least be eligible for bond funding. I would certainly not recommend putting them front-and-center in the ballot language or absolutely committing to fund them, but if there is an opportunity to make them eligible for funding and allowing future Councils to decide whether they would be a good investment, I think that would be worthwhile.

The Municipal Stadium provides affordable entertainment for our residents. It's an aging facility that needs repair and upgrade. For example, replacement of the current field lighting with LED lights would significantly increase the facility's energy efficiency, allowing us to make progress towards our carbon reduction goals. I think it would be worthwhile to give ourselves the option to fund this and other projects at Muni Stadium.

The San Jose Light Tower project is a citizen-driven initiative to create an iconic landmark for San Jose. The project, now in its early stages, is intended to be privately funded, though the City may be asked to contribute land. The City does not need to undertake a financial commitment to this project at this point—we should continue to support efforts to fund it through private donations—but I do think it would be prudent to give ourselves the option to make a modest contribution to the project from bond funds. It's a great testament to the imagination and pride of our residents that such a project would be dreamed up and led by private citizens. The City doesn't need to be in the driver's seat, but it would be nice to be able to support the project if that makes sense down the road.

I'll close by noting that meeting our community's infrastructure needs has been one of our most daunting challenges. The potential solutions are very few; this bond is the best opportunity I have seen in my over seven years on the Council to secure significant funding for infrastructure and capital maintenance. I'm very pleased that I have the opportunity to join together with my colleagues on the Council and support this measure.