



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** SEE BELOW

**DATE:** September 25, 2023

Approved

Date

10/5/23

**SUBJECT: STATUS REPORT ON THE NOVEMBER 2018 BALLOT MEASURE T – THE DISASTER PREPAREDNESS, PUBLIC SAFETY, AND INFRASTRUCTURE GENERAL OBLIGATION BOND**

## **RECOMMENDATION**

Accept the status report on the work plan and implementation updates for projects included in the approved 2018 Measure T – The Disaster Preparedness, Public Safety, And Infrastructure General Obligation Bond.

## **SUMMARY AND OUTCOME**

The approval of the recommendation provides the City Council with updated information on the status of projects and programs relating to the voter-approved 2018 Measure T – The Disaster Preparedness, Public Safety, and Infrastructure Bond (Measure T). The memorandum provides status updates on all the Measure T projects as they progress through the feasibility, design, and construction phases.

## **BACKGROUND**

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. Since the time voters approved the bond measure, the City Council has received annual

updates and provided direction on the implementation of the Measure T program. Past updates are linked below for reference<sup>123456789</sup>.

Most recently, on March 14, 2023, Item 3.4<sup>10</sup>, the City Council approved a report titled *Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond*. The report included staff updates on the project work plans and implementation schedules, as well as requested the City Council to make a policy decision about allocating the available funding sources. With \$15,350,000 available from sources such as the Public Safety Program Reserve, unallocated interest earnings, reallocation of funds from the Critical Infrastructure projects, and the savings identified from the Environmental Protection projects, the City Council voted to allocate the funding to bridge the shortfalls within the Public Safety program leaving roughly \$7 million in the Program Reserve for Public Safety. These funds were specifically identified to be used for potential overages pending bid results for the remaining Public Safety projects, with the goal of using any remaining amounts for the design and construction of Fire Station 23. Subsequently, the construction award of Fire Station 8 occurred on August 15, 2023, and the Public Safety Program Reserve was reduced to \$5.3 million to address the funding shortfall for that project.

## ANALYSIS

Since the March 14, 2023 report, several significant activities have taken place. The updated schedules for all Measure T projects are described in **Attachment A - Project Implementation Schedules**. Attachment A is the master schedule list requested by the Measure T Community Oversight Committee at the last annual review and it was shared with the committee in June 2023. The following list provides current project statuses in each of the major program categories:

- 1) **Measure T Community Oversight Committee** – The committee met on June 8, 2023 to approve the creation of an ad hoc committee and vote on a new chair and vice chair. The ad hoc committee is comprised of five members that will review and make recommendations to the larger Measure T Community Oversight Committee based on the annual independent auditor's report and annual expenditures of the Measure T Bond funds. During this meeting, staff presented the 2023-2024 Adopted Capital Budget and

<sup>1</sup> <http://files.constantcontact.com/7a210436601/dbd7436a-7b55-4264-b1e4-e25cc8a0b8a3.pdf>

<sup>2</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3847489&GUID=DCF04188-1A48-4F02-B12D-24873EAD82E5&Options=&Search=>

<sup>3</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7319023&GUID=A6FDC251-C03F-4AC5-BF59-7556603BBBA0>

<sup>4</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7319022&GUID=0BE80643-A261-4A59-B22B-D50B649E3175>

<sup>5</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7930362&GUID=B1D89BAF-37DB-4CEB-A297-96E19FF240EE>

<sup>6</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=8453769&GUID=CC323CC8-820D-408E-84B9-8C2C79491C75>

<sup>7</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=8943050&GUID=A6F24606-B5B8-4514-A76F-3ACD0B667913>

<sup>8</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4970453&GUID=102628A4-C99B-407D-B9D5-E79441D5784A&Options=&Search=>

<sup>9</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5697307&GUID=04EAD87-A463-4DBB-8A3E-EBB6D5C96AC0&Options=&Search=>

<sup>10</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=11738576&GUID=66879752-3E11-49A0-8333-56C874716A49>

2024-2028 Capital Improvement Program to the Measure T Community Oversight Committee members.

The next meeting will be held in November 2023 to review the auditor's report on the expenditures from fiscal year 2022-2023. Currently, there are 13 seats filled and two vacant positions from District 7 and District 10.

**2) Public Safety Projects** – Pursuant to direction from the City Council on March 14, 2023, the current approved Measure T program allocates \$207.1 million to complete public safety projects. Site selection, land acquisition, and scoping are continuing for several projects and are 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 all public safety projects are described in **Attachment B - Public Safety Projects Schedule**.

**(a) New Fire Station 37** – The project was awarded on June 30, 2020, to Gonsalves & Stronck, Inc., in the amount of \$8,715,600, and began construction in September 2020. The project received the Certificate of Occupancy in July 2023 and has been fully operational since May 2022.

**(b) Relocated Fire Station 8** – The project was awarded on August 15, 2023, to the lowest responsive bidder, DL Falk Construction, Inc., in the amount of \$10,526,000. The project will begin construction in October 2023 with final completion anticipated in January 2025.

**(c) New Fire Station 32** – The City acquired property located at 1138 Olinder Court, along the northeast corner of Olinder Court and Felipe Avenue. This station was originally envisioned to be a single-company station, but after further evaluation, it was determined the new station would be better served as a dual-company station to accommodate the service demands in this area.

The project was initially advertised in March 2023. However, three of the four bids were either deemed non-responsive or withdrawn and due to the high non-responsiveness, all bids were rejected. The project was re-advertised in July 2023 but again the bids received were deemed non-responsive and all bids were rejected. The project was advertised in late September 2023 and scheduled to be awarded in winter 2023-2024, with construction expected to begin in early spring 2024.

**(d) Relocated Fire Station 23** – The Fire Station 23 project has a budget of \$4 million, focusing the funds solely on the purchase of a property for the future build of the relocated fire station. The project will need an additional \$15 million to continue with the design and construction. Staff will need to prioritize the remaining public safety projects and identify program savings, or identify other funding opportunities such as

grants or funding in the General Fund and Fire Construction and Conveyance Tax Fund in order to proceed with the design of Fire Station 23. Should funding resources be identified, City staff could start the design in June 2024 with a tentative contract award in 2027.

Fire Station 23 is intended to replace the existing station located on Capitol Avenue at Via Cinco de Mayo. Staff anticipates acquiring a location further from the Milpitas border before the end of the fiscal year, as identified in the informational memorandum dated September 18, 2023 (See **Attachment C** - Measure T Fire Station 23 Land Acquisition). The relocation of Fire Station 23 will improve coverage within the city limits and accounts for planned developments in North San José. Fire Station 23 is the fourth priority station as approved by City Council in the June 18, 2019 memorandum [Measure T – New Fire Station Placement Prioritization \(Item 8.1\)](#).

**(e) New Fire Station 36** – The site has been selected at the intersection of Capitol Expressway and Tuers Road for the construction of Fire Station 36. The project is currently fully funded. However, as the estimates of the remaining public safety projects continue to increase due to construction price escalation, staff is concerned that sufficient funding may not be available to complete this project. Currently, the design process is on hold as staff focuses on progressing other public safety projects. Staff anticipates starting the design process in early 2024, pending the bid results for the Police Training and Academy Facility, new Fire Station 32, Police Air Support Unit Hangar, and the 9-1-1 Call Center Renovation projects. Staff will continue to update the City Council on this project in future Measure T updates.

**(f) Fire Station 20 – Aircraft Rescue and Firefighting Facility** – Fire Station 20, located at the southwest area of the Airport, replaced the older existing Aircraft Rescue and Firefighting Facility station in that area. During construction, the City took the opportunity to add a landside bay to the project, increasing operational efficiency to the Fire Department’s emergency response to the surrounding area. The project was completed at the end of March 2022, with the newly expanded fire station officially online and operational.

As directed by the City Council-approved Mayor’s March Budget Message for Fiscal Year 2020-2021, \$4.6 million in Measure T funds were used to expand Fire Station 20 to include landside operations. Another \$1.2 million of Measure T funds generated from interest earnings were allocated to this project in the 2019-2020 Annual Report due to higher than anticipated costs. A transfer of \$2.3 million from the General Fund in 2021-2022 partially replenished the \$4.6 million advanced for this project. The remaining \$2.3 million may be replenished in a future budget process though a specific funding source has not yet been identified.

- (g) Police Training and Academy Facility** – The City acquired 300 Enzo as the site for the Police Training and Academy in March 2021. The project is currently being advertised with bid opening scheduled to occur in October 2023. Staff expects to award the project in December 2023 with construction starting in January 2024.

As part of the March 14, 2023 memorandum, the project budget was increased by \$9.8 million to match the Engineer’s Estimate for the full build out of the project. After this increase, there is now approximately \$68.3 million allocated for the project. As staff refined the estimates for the project prior to advertisement, it is anticipated that the project may have an additional shortfall of \$5.5 million. The shortfall is due to the added need to incorporate repairs and replacement of the roof to the project scope highlighted and made worse by the intense storms that occurred earlier this year. Staff will return to City Council after bids are received for this project, to report on bids and potential funding needs. Staff is committed to ensuring all training and academy spaces are built at 300 Enzo to facilitate the full opening of the South Substation to the public as its original intended purpose.

- (h) Emergency Operations Center** – The project, in conjunction with the Fire Department Training Center, was awarded on January 12, 2021, to Zovich Construction, Inc., in the amount of \$54,105,000. The construction is nearing completion with the project reaching beneficial use in October 2023.
- (i) 9-1-1 Call Center Renovation** – This project will provide improved working conditions and a more efficient space to handle the increasing number of calls. This project will also allow the City to take advantage of the changing methods and technologies the public utilizes to call for 9-1-1 service. The 9-1-1 call center renovation will expand into the space currently occupied by the existing Emergency Operations Center; therefore, construction is expected to start after the Emergency Operations Center relocates to the new facility at the Central Service Yard. The project is anticipated to be awarded in winter of 2023-2024 and construction starting in the spring of 2024.
- (j) Police Air Support Unit Hangar** – The location of this project is at the southwest corner of the Airport property, near Coleman Avenue and Airport Boulevard, next to the recently completed Aircraft Rescue and Fire Fighting Facility (Fire Station 20) described above. The project is anticipated to be awarded in October 2023 with construction starting at the end of 2023.

As part of the March 14, 2023 memorandum, the project budget was increased by \$5.7 million to match the Engineer’s Estimate for the build out of the base bid and Bid-Alternate No. 1, providing two hanger bays for the Police Air Support Unit. After

this increase, there is now approximately \$16.6 million allocated for the project. As staff refined the estimates for the project prior to the advertisement period, it was identified that the project may have an additional shortfall of \$1 million to fully construct the project as identified in the March 14, 2023 report to City Council. Staff will return to City Council to report on bids in November 2023.

- (k) Police Headquarters Infrastructure Upgrades** – Staff completed preliminary scoping exercises working closely with the Police Department to identify potential projects to be completed at the Police Administration Building. Initial estimates identified a need of approximately \$11.7 million to address all backlogged infrastructure projects. The highest priority projects identified include improvements to the plumbing throughout the facility and improvements to the existing gun range target system. As part of the March 14, 2023 update, City Council approved increasing the project budget to \$6.3 million to address these high priority projects.

The target system replacement for the existing range at the Police Administration Building has completed the procurement process and staff issued a purchase order to InVeris Training Solutions for \$147,850. This work is expected to be completed within this fiscal year. Staff will start the preliminary design for the plumbing system improvements at the end of this year. Staff may need to re-scope or re-evaluate the commitments for the plumbing system project pending bid results for the Police Training and Academy Facility, new Fire Station 32, Police Air Support Unit Hangar, and 9-1-1 Call Center Renovation projects.

- (l) Program Reserve for Public Safety** – Originally, \$36.4 million of the Measure T funds were set aside in the reserve for various public safety projects, including Police Headquarters Infrastructure Upgrades, rehabilitation of various fire stations, as well as a contingency for Public Safety projects. After the budget actions and policy decisions made on March 14, 2023, approximately \$6.95 million remained unallocated. Subsequently, the bids for the Fire Station 8 Relocation Project came in higher than anticipated and the funding gap of \$1.7 million was addressed by utilizing the Program Reserve for Public Safety. The [2022-2023 Annual Report](#) contains a recommendation to allocate \$4.5 million in unallocated interest earnings from the various Measure T Capital Programs to this reserve to ensure there is additional funding available to award the remaining public safety projects, bringing the total amount in the reserve to \$9.7 million. Staff will return to City Council to seek approval on the use of the reserve should there be a shortfall once the bids are open for the Police Training and Academy Facility, new Fire Station 32, 9-1-1 Call Center Renovation, and Police Air Support Unit Hangar projects.

### **3) Pavement and Bridge Maintenance**

**(a) Street Resurfacing Projects** – The City’s 2,519-mile pavement network includes 967 miles of “major streets” and 1,552 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 identified over 700 miles of streets dispersed throughout the city to be resurfaced or reconstructed with this funding.

The Department of Transportation (DOT) has resurfaced 342 miles since 2020 utilizing Measure T funds. A map that shows the locations of these 342 completed miles can be found in **Attachment D - City of San José 2020-2023 Local Streets Measure T Streets**. Combined with funding from Santa Clara Valley Transportation Authority 2016 Measure B, DOT has resurfaced a total of 369 miles of streets in poor condition since 2019.

Funds from Measure T, in combination with annual allocations from State Gas Taxes, Santa Clara Valley Transportation Authority 2016 Measure B and other funding sources, are expected to ensure the appropriate and prescribed maintenance to all local and neighborhood streets in the city by 2028, while providing the appropriate maintenance to keep the major street network in good condition. DOT continues to provide updated memorandums every spring to share tentative construction plans with the public.

In the 2023 construction season, DOT planned to complete maintenance on 157 miles of San José local and neighborhood streets, of which 107 miles were programmed to be resurfaced and 995 associated curb ramps were constructed with the annual \$37.5 million Measure T allocation. In the 2024 construction season, DOT plans to maintain 266 miles of San José streets, including 182 miles of local and neighborhood streets. Out of the 182 miles of local and neighborhood streets, 110 miles will be funded by Measure T.

Currently, DOT remains on track to provide maintenance to each of the 1,552 miles of local and neighborhood streets by 2028.

**(b) Bridge Repair and Rehabilitation Projects** – The Measure T program allocates \$20 million for City-owned bridges that are designated as structurally deficient and could be vulnerable in an earthquake or other disaster. In order to address as many bridge projects as possible, staff is implementing a delivery strategy aimed at leveraging multiple funding opportunities, such as Measure T and the Highway Bridge Program federal-aid funding, which consists of Bridge Investment Credits.

Staff recently submitted a new Bridge Investment Credits application package to Caltrans for 17 bridges and has received approval. This project is anticipated to

accumulate approximately \$1.3 million in Bridge Investment Credits. A deck treatment project on Story Road was completed in December 2022. In addition, a deck treatment project on Cropley Avenue was recently awarded and the project reached beneficial use in September 2023.

In order to optimize Measure T funds and maximize the opportunity for grant funding, staff procured a consultant to assess the City's bridge inventory using prioritization factors to provide major bridge rehabilitation project recommendations. The consultant found that bridges in San José are in better condition than anticipated, and staff reviewed the consultant recommendations with respect to prioritization.

Due to oversubscription and recent funding shortfalls in the Highway Bridge Program, the eligibility criteria for bridge repairs and replacement have changed and funding is now limited to bridges that are either non-operational or need to be completely replaced. Because the City's bridges all fall outside of this new eligibility criteria, the City's original plan to leverage Measure T and Bridge Investment Credits for up to \$80 million in grant funds is facing challenges. However, the Highway Bridge Program program's funding situation is evolving with the recent passage of Infrastructure Investment and Jobs Act and staff will be ready to apply for grant funds as soon as funding becomes available. Staff will continue to work with counterparts at Caltrans to maximize grant opportunities, and advocate for the increased availability of program funds. DOT will continue delivering bridge maintenance projects as scheduled and provide further information as it becomes available.

#### **4) Light Emitting Diode (LED) Outdoor Lighting Projects**

- a) City Facilities LED Lighting Projects** – As staff evaluated the actual outdoor lighting inventory, the number of fixtures needing to be converted for City-owned facilities grew by over 1,000. In addition, the cost for the fixtures is higher than originally anticipated. **Table 1** below lists the City-owned facilities in conversion priority order and provides details about the total number of fixtures as well as the number of fixtures that have been converted for each category utilizing Measure T funding totaling \$8.8 million. As mentioned in prior reports, Measure T funding is not sufficient to fully convert the remaining 1,194 outdoor facility lights. A funding shortfall of \$2.7 million has been identified if all existing outdoor lighting were to be converted to LED. Staff will continue to seek alternative funding solutions as well as work with respective departments such as the Fire Department and the Parks, Recreation, and Neighborhood Services Department. Staff is also coordinating with project managers to ensure all new future developments are scoped to include the new LED lighting and controllers in the base design.



**Table 1  
City Facility Lighting Conversion Status as of August 2023**

<b>Facilities</b>	<b>Converted</b>	<b>Remaining</b>	<b>Total</b>
Parks and Trails	3,481	45	3,526
Community Centers	1,216	67	1,283
Libraries	1,328	0	1,328
Fire Stations	293	398	691
Cultural Facilities	212	509	721
San José Police Department	534	60	594
Corporation Yards	419	0	419
Lighted Sports Facilities	165	115	280
<b>Number of Fixtures</b>	<b>7,648</b>	<b>1,194</b>	<b>8,842</b>

**Lighting Controls for City Facilities** – To date there have been 3,465 nodes installed. Staff is working to install the remaining 4,224 nodes, for a total of 7,689 nodes citywide of which Measure T has funded a large portion of these controllers. These nodes are currently being installed at the existing retrofitted sites listed in Table 1 as well as new City facility projects as they come online. There are roughly 1,100 exterior fixtures at new City facilities (i.e., the Emergency Operation Center, Fire Training Center, Municipal Water office buildings, new parks, and fire stations), and staff anticipates purchasing the remaining controllers as sites are completed and as funding becomes available.

- b) LED Streetlight Conversion Projects** – Previous status reports identified that the City owns and maintains approximately 64,400 streetlights. Most of the streetlights have been successfully converted either by City crews or through Pacific Gas and Electric’s (PG&E) “Turnkey Conversion” project. There are roughly 5,000 lights remaining to be converted, which are unique ornamental (or “post-top”) lights, primarily in the downtown neighborhood and business districts.

With the completion of the PG&E streetlight inventory audit, in July 2021, there is also a billing records review under way of over 27,000 streetlight records. The billing records are reviewed as a joint effort with PG&E and City staff. Once the billing records review is confirmed by PG&E by the end of 2023, it is likely to result in an increase in the City’s streetlight inventory.

As discussed in previous status reports, as part of the PG&E conversion program, a comprehensive inventory of the streetlight assets has been completed. Findings of the PG&E program indicate that a significant portion of the current streetlight poles do not have a ground wire at the fixture head. Staff began its investigations of determining how many streetlight poles have a ground wire within the system by developing a map outlining areas that were upgraded or built within the timeframe

from when the City of San José standard specifications were updated. Based on this initial investigation, roughly 42,000 streetlights were built or converted under the current standard specifications. This leaves roughly 22,000 lights that will require historical plan reviews prior to performing field investigations. Staff will need to identify resources to assist in the continuation of the investigation.

**Streetlight Replacement by City Crews** - Approximately \$1 million of Measure T funds have been allocated to purchase LED fixtures that have been used by City crews to replace low-pressure sodium and high-pressure sodium streetlight fixtures as the bulbs burn out.

This is being accomplished in a similar manner as described above, where City crews replace burned out lights with new LED fixtures rather than just replacing the bulbs. A total of \$8.2 million of Measure T funding was included in the 2024-2028 Adopted Capital Improvement Program to address burn outs as they occur. This funding was also identified to be potentially shifted to assist in the grounding and lighting controls investigation work that staff continue to pursue.

**Lighting Controls for Streetlights** - The solicitation for lighting controllers for streetlights is currently on hold pending staff gaining a better understanding of the scope, costs, and benefits of the grounding wire investigation mentioned above. Over the next year, staff will evaluate whether to recommend utilizing the funding for the controllers or for the grounding installation. In the meantime, staff will use this opportunity to conduct further research on the lighting controller market and work with the industry to develop a solution that meets the City's need for efficient management of the streetlight network and takes advantage of the emerging Internet of Things functionality to provide additional community-serving benefits such as emergency response and management, energy conservation, and public safety. The Internet of Things describes the network of physical objects—"things"—that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the internet. It is anticipated that the cost to install controllers on all streetlights, as well as complete the work necessary to bring the streetlights up to current National Electrical Code standards, will be substantially more than what is currently available in the Measure T budget, therefore staff have been diligently looking into alternative funding strategies, such as grants, to supplement the funding available through the Measure T program.

- 5) **Clean Water and Green Stormwater Infrastructure Projects** – The Measure T program has dedicated \$25 million for this category of projects. Each of the projects are being developed in conjunction with the Green Stormwater Infrastructure Plan that was approved by the City Council on September 10, 2019. Staff identified the River Oaks Regional Stormwater Capture Project as one of the top priority projects in the Green Stormwater Infrastructure Plan. The project was awarded on June 13, 2023, to Andrew

M. Jordan Inc. dba A & B Construction, in the amount of \$10,999,618. The project started construction in September 2023 and is anticipated to be completed in June 2024.

Additionally, the City Land South of Phelan Regional Stormwater Capture Project was identified as the next priority project to be completed under Measure T and was approved by City Council in the June 28, 2022 Measure T update. Preliminary design for the project has been completed and staff are now in the process of selecting a consultant for final design.

Staff anticipates utilizing approximately \$12 million of Measure T funds for the River Oaks Regional Stormwater Capture Project and approximately \$13 million for the City Land South of Phelan Project. As scoping and design of the project progress, and cost estimates are developed for the City Land South of Phelan Project, staff may need to evaluate either reducing the scope or obtaining additional funding if estimates exceed the available budget for the clean water program. If needed, staff will return to the City Council to make a specific project and funding recommendation.

- 6) Storm Drain Improvement Projects for the Charcot Area** – Design has progressed 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. Originally envisioned as a new pump station, this project was re-scoped to construct a new and less costly storm drain system that connects to the existing Rincon Pump Station II, which outfalls to the Guadalupe River. This revised project approach provides similar level of flood protection while saving the City significant costs for building, operating, and maintaining a new pump station. The project will be constructed in two packages, due to its size and complexity. Package one will install approximately 4,200 feet of 60-inch to 96-inch diameter storm pipe along Charcot Ave and Bering Drive. Package two will install approximately 3,100 feet of 60-inch to 96-inch diameter storm pipe along East Brokaw Road and Rodgers Avenue.

Staff received recent estimates for package one and the current estimate requires utilizing all the Measure T budget available for this project. Package two will finish design at the end of this year, however, there will not be budget available for construction. Therefore, staff will reach out to Valley Water on a potential partnership to complete the construction of package two. Staff will also look into pursuing grant opportunities to obtain funding.

Staff informed Valley Water of the change in scope and the future use of the existing Rincon Pump Station II and continues to work with Valley Water in moving forward with the project. Currently, package one is anticipated to be awarded late spring 2024 and construction starting in summer 2024. Package two is anticipated to complete design at the end of this year but the construction will be on hold until funding is identified.

- 7) **Environmental and Flood Protection Projects** – On November 6, 2019, City Council approved the purchase of approximately 672 acres of real property in Coyote Valley. After the purchase of the property, there was approximately \$3.2 million remaining in the Measure T budget. As approved by City Council as part of the March 14, 2023 memorandum recommendation, these funds were shifted the Public Safety Program to offset the significant shortfalls that are being experienced on multiple projects due to inflation since the inception of the Measure T program.
- 8) **Community Center/Emergency Shelters** – The City’s Emergency Operations Plan includes the coordination of mass care and sheltering facilities. These facilities will be retrofitted to provide basic human needs, including food, water, shelter, and security. While the operation of an emergency shelter is considered an emergency protective measure under the Stafford Act, facilities identified for such a purpose are required to meet basic facility standards. These standards include per capita allowances for space, feeding, and personal hygiene.

The priority 1 project, which includes the Roosevelt, Mayfair, Bascom, and Seven Trees Community Centers, was awarded on April 4, 2023 to the lowest responsive bidder, City Building, Inc., in the amount of \$1,938,436. The project started construction in June 2023 with final completion anticipated in November 2024.

The priority 3 project, which includes the Berryessa, Almaden, and Evergreen Community Centers, was awarded on June 13, 2023 to the lowest responsive bidder, City Building, Inc., in the amount of \$1,198,780. The project started construction in September 2023 with final completion anticipated in January 2025.

Staff continues to progress the design for the priority 2 project, Camden Community Center, and anticipates awarding the project in early 2024. Additionally, staff plan to start designing the priority 4 project, Cypress Community Center, after the Camden Community Center has been awarded. The Cypress Community Center may still be considered as part of a public-private partnership housing redevelopment project site; however, Parks, Recreation, and Neighborhood Services Department is currently not pursuing that option and will reevaluate this option in the future.

- 9) **Public Art** – The public art budget for each capital program is shown in **Table 2** below and included in the 2023-2024 Adopted Capital Budget and the 2024-2028 Adopted Capital Improvement Program. The allocation for public art may be refined as the scopes for the projects are completed. The artwork on the exterior of the Fire Department Training Center/Emergency Operations Center has already been completed by Bay Area artist Johanna Poethig. A second phase of public art projects at the Fire Department Training Center/Emergency Operations Center will address the building interior and will seek to commission up to 30 local artists. The installation of the public art by Bay Area artist Gordon Huether for the Police Department Memorial was also recently completed.

Additional public art projects are in the planning phase for Fire Stations, 8, 32, and 36 as well as a series of projects at the River Oaks Regional Stormwater Capture Project and at parks and community center facilities.

**Table 2  
Public Art Budget Allocation**

<b>Program</b>	<b>Total</b>
Public Safety	\$ 1,897,000
Storm Sewer	\$ 527,000
Parks and Community Facilities	\$ 126,000
<b>Total</b>	<b>\$ 2,550,000</b>

**EVALUATION AND FOLLOW-UP**

Staff will provide City Council with a biannual update, with the next update on the program to occur in early to mid-2024. Construction bids for the Police Training and Academy Facility, new Fire Station 32, Police Air Support Unit Hangar, and the 9-1-1 Call Center Renovation projects are expected to be opened within the next six months. Staff will return to City Council to report on the bids received and award construction contracts for each projects separately. During this time, should the bids come in higher than anticipated and a funding shortfall is identified, staff will seek approval on the use of the remaining unallocated funding of \$5.3 million in the Program Reserve for Public Safety Program.

**COST SUMMARY/IMPLICATIONS**

As shown in **Attachment E - 2024-2028 Adopted Capital Improvement Program – Measure T Public Safety and Infrastructure Bond Fund, Statement of Sources and Use of Funds, Measure T** funding in the amount of \$150.1 million has been programmed in the 2023-2024 Adopted Capital Budget and a total of \$359.7 million has been programmed for the five-year 2024-2028 Adopted Capital Improvement Program. The third and final bond issuance is anticipated to occur in fiscal year 2024-2025, in the amount of \$209.6 million, which will be programmed in future years. As the Measure T program is evolving, 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 Internal Revenue Service’s rules, 85% of the bond proceeds issued for the Measure T projects must be expended within three years of issuance. As such, staff is tracking Measure T expenditures on a monthly basis to ensure the bond proceeds are spent in accordance with the IRS tax-exempt guidelines for municipal bonds. City Council authorized the first issuance of \$239.9 million in General Obligation Bonds on June 25, 2019, for the purpose of providing funds for Measure T projects for the first two years of the program. On June 22, 2021, City Council authorized the second issuance of General Obligation

Bonds in the amount of \$200.5 million to provide funds for the continuation of projects.

**Attachment F** - Measure T Expenditures shows the actual year-to-date Measure T expenditures through June 2023.

As mentioned previously, there is concern that the Program Reserve for Public Safety may not be sufficient to complete the remaining public safety projects due to the impact of continued cost escalations. Staff will continue to research and pursue grants to help fund the remaining public safety projects and will return to City Council to seek approval on the use of the reserve should there be a shortfall.

Staff also identified that there is not enough funding to complete the construction of package two of the Storm Drain Improvement Projects for the Charcot Area as mentioned above. Staff is working diligently to identify scopes of the project that can be separated out as bid alternates. This will give staff the flexibility to award the project and possibly bid alternates based on the received bids. To help identify additional funding sources, staff continues to research and pursue grant opportunities and have been directed to reach out to Valley Water to try to form a partnership such that the City can complete the project in its entirety.

As noted in the 2024-2028 Five-Year Forecast and Revenue Projections, released March 1, 2023, several of the Measure T projects will incur significant operating and maintenance costs in the future, including the new fire stations, the Police Training Center and corresponding activation of the South San José Police Substation, the 9-1-1 Call Center Renovation, and the Emergency Operations Center. This would also include adding staff in the Fire, Police, Public Works, and Information Technology Departments to help support the additional facilities and expansions. Preliminary estimates for the operating and maintenance costs for the Measure T projects coming online during the forecast period range from approximately \$500,000 in 2023-2024 to \$21.7 million in 2027-2028, when the majority of the Measure T projects will be completed.

The preliminary annual operating and maintenance costs for Fire Station 32 and 36 (approximately \$11.0 million and \$6.0 million respectively), and the Police Training Center (\$2.0 million) and corresponding activation of the South San José Substation (\$2.7 million) will be brought forward for City Council certification prior to awarding a construction. In March 2008, the City Council approved Budget Principle #8 that states capital improvement projects “shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact.” Annual costs for other Measure T projects, such as the upgrades at the Police Headquarters, will be brought forward as part of future budget processes once their scopes have been refined.

Aside from the operating and maintenance costs, future funding is required to outfit the new facilities with the necessary furnishings, fixtures, and equipment – including new fire apparatus – that are not eligible to be paid with Measure T General Obligation Bonds. Based on preliminary information, the furnishings, fixtures, and equipment for the Fire Stations 8 and 36, Police

Training Facility and Academy, and the Police Hangar is estimated to cost over \$4.5 million within the next five years. It is anticipated that refinements of these estimates, as well as determining funding for furnishings, fixtures, and equipment, will be completed prior to bringing them forward for consideration by the City Council in any given year.

### **COORDINATION**

This memorandum, work plan, and implementation schedules have been coordinated with the City Attorney's Office, City Manager's Budget Office, the City Manager's Office of Economic Development and Cultural Affairs, City Manager's Office of Emergency Management, and the departments of Finance; Fire; Parks, Recreation and Neighborhood Services; Police; and Transportation.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the October 17, 2023 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

The Community Oversight Committee will be holding the next meeting in November 2023 to review the Auditor's Report for the expenditures that occurred in fiscal year 2022-2023.

### **CEQA**

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

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH  
Director of Public Works

HONORABLE MAYOR AND CITY COUNCIL

September 25, 2023

**Subject: Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety and Infrastructure General Obligation Bond**

Page 16

For questions, please contact Katherine Brown, Interim Assistant Director of Public Works, at (408) 795-1679.

**ATTACHMENTS:**

Attachment A – Project Implementation Schedules

Attachment B – Public Safety Projects Schedule

Attachment C – Measure T Fire Station 23 Land Acquisition

Attachment D – City of San José 2020-2023 Local Streets Measure T Streets






Attachment E – 2024-2028 Adopted Capital Improvement Program Measure T Public Safety and Infrastructure Bond Fund, Statement of Sources and Use of Funds

Attachment F – Measure T Expenditures



**Attachment A**  
Project Implementation Schedules

Bond Project List Category	Proposed Projects Scope and Locations	2023	2024	2025	2026	2027	2028
<b>Pavement Projects</b>	<b>388 Miles of Street Repair</b> (approx. 58 mi./year)	[Gantt bars showing continuous work from 2023 to 2028]					
<b>Public Safety Projects</b>	<b>Fire Station No. 37 - New</b>	COMPLETED					
	<b>Fire Station No. 8 - Relocated</b>	[Gantt bar: 2023-2024]					
	<b>Fire Station No. 32 - New</b>	[Gantt bar: 2023-2025]					
	<b>Fire Station No. 23 - Relocated</b>	[Gantt bar: 2023-2024]					
	<b>Fire Station No. 36 - New</b>	[Gantt bar: 2023-2027]					
	<b>Various Fire Stations - Rehabilitation</b>	RESCOPED					
	<b>911 Center - Upgraded/New</b>	[Gantt bar: 2023-2025]					
	<b>Emer. Operations Ctr. - Upgraded/New</b>	[Gantt bar: 2023-2024]					
	<b>Police Headquarters - Infrastructure needs</b>	[Gantt bar: 2023-2024]					
	<b>Police Dept. Training Center - New/Relocated from South Substation</b>	[Gantt bar: 2023-2026]					
<b>Police Dept. Air Support Unit Hangar - New at Airport</b>	[Gantt bar: 2023-2025]						
<b>Environmental Protection Projects</b>	Flood Control, open space and environmental protection of lands such as Coyote Valley	COMPLETED					
<b>Storm System Conveyance &amp; Flood Prevention Projects</b>	Charcot Area Storm Drain Improvement Phase I	[Gantt bar: 2023-2025]					
	Charcot Area Storm Drain Improvement Phase II	[Gantt bar: 2023-2025, with 2024-2025 in red]					
<b>Clean Water and Green Stormwater Infrastructure (GSI) Projects</b>	River Oaks Regional Stormwater Capture Project	[Gantt bar: 2023-2024]					
	City Land South of Phelan	[Gantt bar: 2023-2027]					
<b>Bridge Repair and Rehab Projects</b>	Various bridge overpasses to be seismically retrofitted or repaired.	[Gantt bar: 2023-2024]					
<b>LED Lighting - Streetlights</b>	Replacement of both standard and decorative streetlights to LEDs to reduce ongoing General Fund impacts.	COMPLETED					
<b>LED Lighting - City Facilities</b>	Replacement of outdoor lights in city facilities to reduce ongoing General Fund impacts.	[Gantt bar: 2023-2024]					
<b>Community Center/Emergency Shelters</b>	Upgrading community centers/emergency shelters and parks facilities to support public safety.						
	Priority 1 (Roosevelt, Mayfair, Bascom, Seven Trees)	[Gantt bar: 2023-2025]					
	Priority 2 (Camden)	[Gantt bar: 2023-2026]					
	Priority 3 (Berryessa, Almaden, Evergreen)	[Gantt bar: 2023-2025]					
	Priority 4 (Cypress)	[Gantt bar: 2023-2027]					

	<b>ON HOLD:</b> Project is on hold due to funding constraints
	<b>PROJECT SELECTION PROCESS AND IDENTIFICATION:</b> Evaluation of Options
	<b>SCOPING/CEQA/PROPERTY ACQUISITION:</b> Consultant Process, Feasibility & Envir Studies
	<b>DESIGN:</b> Consultant Selection, Design and Bid/Award
	<b>CONSTRUCTION:</b> Construction, Commissioning, Beneficial Use / Occupancy, Acceptance

Attachment B  
Public Safety Projects Schedule

Public Safety Projects	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Fire Station No. 8 - Relocated										
Fire Station No. 32 - New										
Fire Station No. 23 - Relocated										
Fire Station No. 36 - New										
911 Call Center Renovation - Upgraded/New										
Police Training and Academy - New/Relocated from South Substation										
Police Air Support Unit Hangar - New at Airport										

- SCOPING/CEQA/PROPERTY ACQUISITION:** Consultant Selection, Programming/Feasibility and Environmental Studies
- DESIGN:** Consultant Selection, Design, Review, Permitting
- AWARD AND CONSTRUCTION:** Advertise, Bid Opening, Council Award & Contract Execution, Construction
- ESTIMATES:** Including refined cost estimates throughout design and final est (1 = initial estimate, 2 = 50% estimate, 3 = 95% estimate, 4 = final estimate/VE)
- BID OPENING:** Final project cost will be determined
- ESTIMATED CONSTRUCTION START DATE**



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch  
Nanci Klein

**SUBJECT: MEASURE T FIRE STATION  
23 LAND ACQUISITION**

**DATE:** September 18, 2023

Approved

Date

9/19/23

## INFORMATION

The purpose of this memorandum is to update the City Council on City staff's efforts to acquire a property suitable to relocate Fire Station 23.

## BACKGROUND

Measure T, approved by voters in November 2018, provides for the issuance of \$650 million in general obligation bonds to fund various important infrastructure projects throughout the City, including \$175 million for the Public Safety Program.

The relocated Fire Station 23 is intended to replace the existing station located on Capitol Avenue at Via Cinco de Mayo. City staff anticipates acquiring a location further from the Milpitas border to improve coverage within City limits and better serve planned developments in North San José. Fire Station 23 is the fourth highest priority station as approved by the City Council in the June 18, 2019 memorandum Measure T – New Fire Station Placement Prioritization<sup>1</sup>.

This relocation project was initially intended to be a co-development partnership with the Departments of Public Works and Housing, constructing both a fire station and an affordable housing complex on the shared lot. Due to the limited availability of funds to purchase the property in its entirety, City staff shifted the focus away from the shared use to solely focusing on property acquisition for a future fire station.

<sup>1</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7296426&GUID=8097B35E-F3AA-441B-A951-9B6135862F50>

On March 14, 2023, the City Council approved a report titled Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Item 3.5<sup>2</sup>. The report included City staff’s recommendation of rescoping the Fire Station 23 project to focus on land acquisition only, using up to \$4.1 million for the purchase of land and associated expenses, and reallocating the remaining funding to cover the other critical public safety projects as needed.

### **Potential Site Selection**

Efforts to find a suitable site has proven to be the most difficult task associated with this relocation project. Properties that provide suitable travel times to the station’s service area are limited and tend to be large parcels that are fully developed or slated for development. Due to the limited supply of suitable sites, staff worked with brokers to find off-market opportunities for site acquisition. City staff identified a potential site located at 1500 Lundy Avenue which fits the necessary parameters needed to comply with the Fire Department’s optimal travel time requirements. Previously, the City considered attempting to acquire the entire 1500 Lundy Avenue property for a project that would have included housing and a fire station. However, the City’s offer is for a portion of the parcel area, approximately 28,350 square feet, located at the southwest corner of Frost Drive and Vennum Drive. This area is unimproved with permanent structures. City staff have been actively negotiating with the property owners since the beginning of 2023. The latest offer package was sent on July 10, 2023, for the purchase price of \$3,360,000, based on a City-commissioned appraisal. The property owners have not yet accepted the offer, but have retained counsel and are in the process of having the property appraised, with an expected completion date of the end of October.

### **Next Steps**

Negotiations are ongoing. Once the property owners receive an appraisal, City staff will meet with them to discuss the terms of a potential property acquisition. If funding resources are identified, City staff would start the design in June 2024 with a tentative contract award in 2027.

/s/  
MATT LOESCH  
Director, Public Works

/s/  
NANCI KLEIN  
Director, Economic Development  
and Cultural Affairs

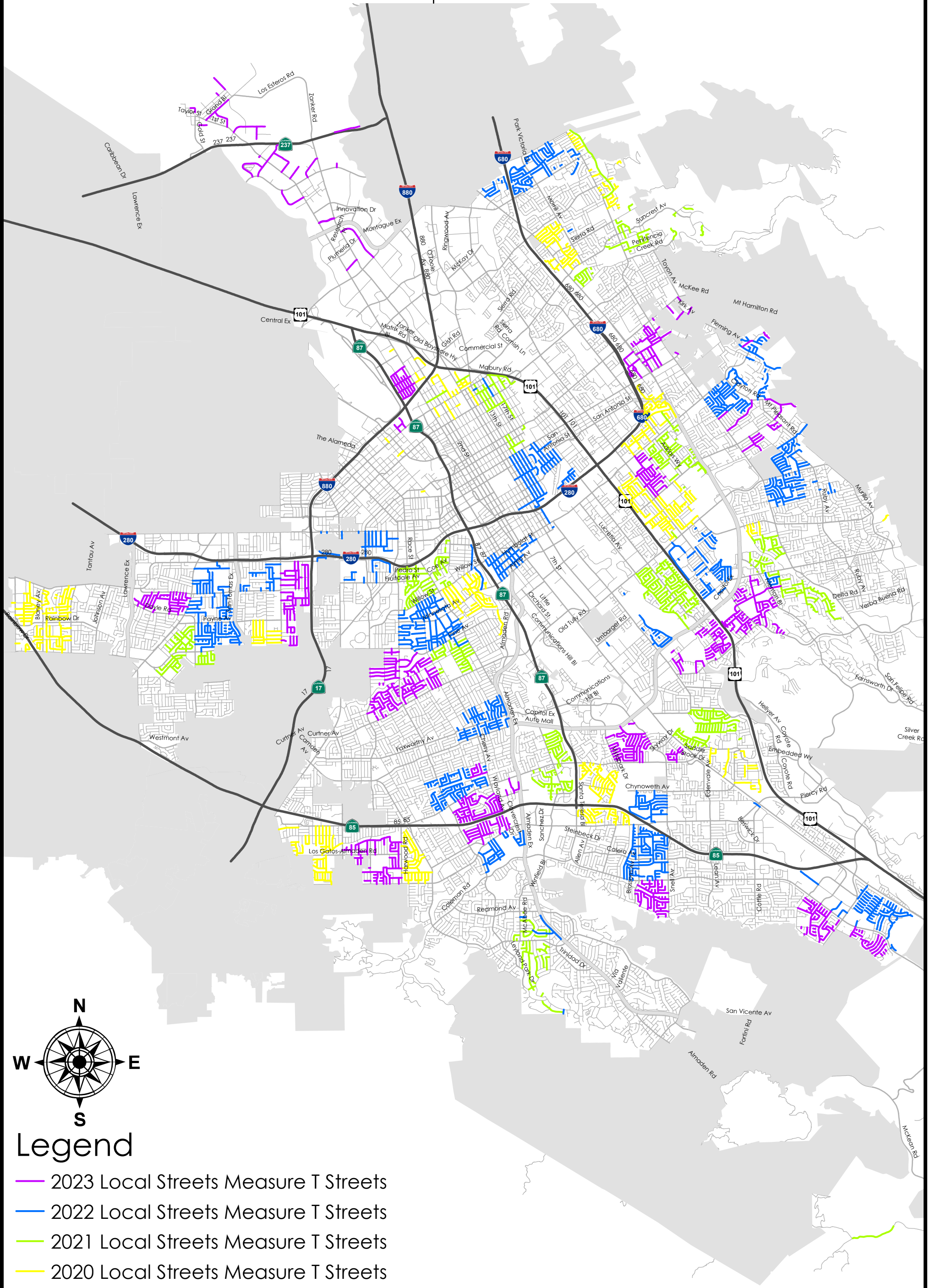
For questions, please contact Katherine Brown, Interim Assistant Director of Public Works, at (408) 795-1679, or Kevin Ice, Senior Manager of Real Estate Services, Office of Economic Development and Cultural Affairs, at (408) 535-8197.

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<sup>2</sup><https://sanjose.legistar.com/View.ashx?M=F&ID=11738576&GUID=66879752-3E11-49A0-8333-56C874716A49>



# CITY OF SAN JOSE 2020-2023 LOCAL STREETS MEASURE T STREETS



- Legend**
- 2023 Local Streets Measure T Streets
  - 2022 Local Streets Measure T Streets
  - 2021 Local Streets Measure T Streets
  - 2020 Local Streets Measure T Streets

**CITY OF SAN JOSE**  
**2024-2028 ADOPTED CAPITAL IMPROVEMENT PROGRAM**

**Measure T Public Safety and Infrastructure Bond Fund (498)**

**STATEMENT OF SOURCE AND USE OF FUNDS**

Program	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	5-Year Total
<b><u>SOURCE OF FUNDS</u></b>						
<b>Beginning Balance*</b>	\$150,117,114	(\$78,727,329)	\$76,592,671	\$38,592,671	\$592,671	\$150,117,114
<b>Financing Proceeds</b>						
Traffic		159,000,000				159,000,000
Public Safety		28,870,000				28,870,000
Storm Sewer		15,700,000				15,700,000
Parks & Community Facilities		6,000,000				6,000,000
<b>Total Financing Proceeds</b>		<b>\$209,570,000</b>				<b>\$209,570,000</b>
<b>Total Sources</b>	<b>\$150,117,114</b>	<b>\$130,842,671</b>	<b>\$76,592,671</b>	<b>\$38,592,671</b>	<b>\$592,671</b>	<b>\$359,687,114</b>
<b><u>USE OF FUNDS</u></b>						
<b><u>Traffic</u></b>						
Bridges	\$8,000,000	\$4,000,000				\$12,000,000
Pavement Maintenance	37,651,000	37,500,000	\$37,500,000	\$37,500,000		\$150,151,000
LED Streetlight Conversion	5,036,827	3,138,000				\$8,174,827
Admin – Traffic	29,000					\$29,000
Admin Reserve – Traffic	64,000					\$64,000
<b>Total Traffic</b>	<b>\$50,780,827</b>	<b>\$44,638,000</b>	<b>\$37,500,000</b>	<b>\$37,500,000</b>		<b>\$170,418,827</b>
<b><u>Public Safety</u></b>						
Emergency Operations Center	\$2,500,000					\$2,500,000
Fire Station 8 Relocation	\$12,014,000	\$388,000				\$12,402,000
Fire Station 23 Relocation	3,013,000	1,000,000				\$4,013,000
Fire Station 37	50,000					\$50,000
New Fire Station 32	12,867,000	371,000				\$13,238,000
New Fire Station 36	17,136,000	386,000				\$17,522,000
Police Training Center Relocation	46,034,000	385,000				\$46,419,000
Police Air Support Unit Hangar	14,625,000					\$14,625,000
911 Call Center Upgrades	5,174,000					\$5,174,000
Police Administration Building Upgrades	5,785,870					\$5,785,870
Public Safety Reserves	6,950,000					\$6,950,000
Public Art - Pub Safety	970,000	22,000				\$992,000
Admin WC - Public Safety	318,030					\$318,030
Admin Reserve - Public Safety	1,082,000					\$1,082,000
<b>Total Public Safety</b>	<b>\$128,518,900</b>	<b>\$2,552,000</b>				<b>\$131,070,900</b>
<b><u>Storm Sewer</u></b>						
Storm Drain Improvements at Charcot Ave	\$23,335,000	\$1,492,000				\$24,827,000
Clean Water Projects	17,201,739	3,961,000	\$495,000	\$495,000		\$22,152,739
Public Art – Storm Sewer	189,000	40,000	5,000	5,000		\$239,000
Admin – Storm Sewer	143,000					\$143,000
Admin Reserve – Storm Sewer	382,000					\$382,000
<b>Total Storm Sewer</b>	<b>\$41,250,739</b>	<b>\$5,493,000</b>	<b>\$500,000</b>	<b>\$500,000</b>		<b>\$47,743,739</b>

**CITY OF SAN JOSE**  
**2024-2028 ADOPTED CAPITAL IMPROVEMENT PROGRAM**

**Measure T Public Safety and Infrastructure Bond Fund (498)**

**STATEMENT OF SOURCE AND USE OF FUNDS**

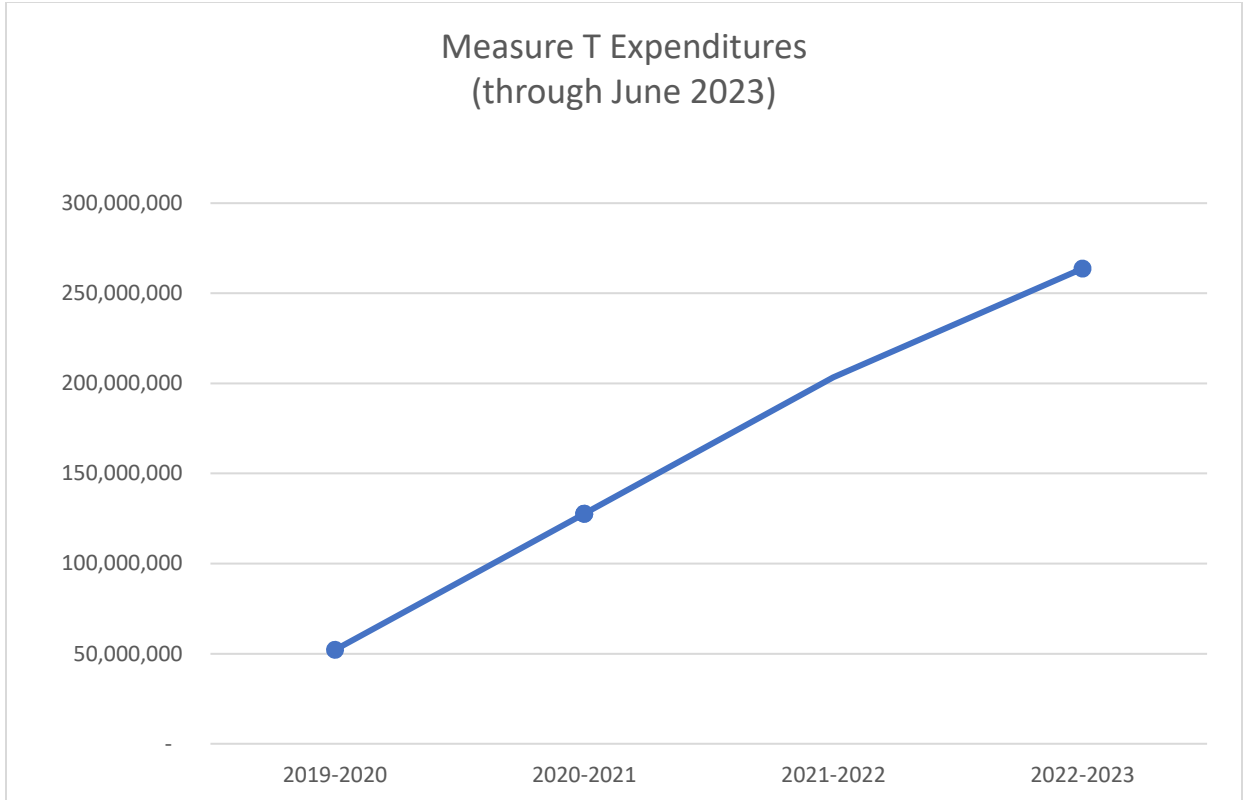
Program	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	5-Year Total
<b><u>Municipal Improvements</u></b>						
City Facilities LED Lighting	\$415,000					\$415,000
<b>Total Municipal Improvements</b>	<b>\$415,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$415,000</b>
<b><u>Parks &amp; Community Facilities</u></b>						
Community Centers/Emergency Shelters	\$7,709,977	\$1,515,000				\$9,224,977
Public Art – Parks	74,000	15,000				\$89,000
Admin – Parks	30,000	29,000				\$59,000
Admin Reserve Parks	65,000	8,000				\$73,000
<b>Total Parks &amp; Community Facilities</b>	<b>\$7,878,977</b>	<b>\$1,567,000</b>				<b>\$9,445,977</b>
<b>Total Expenditures</b>	<b>\$228,844,443</b>	<b>\$54,250,000</b>	<b>\$38,000,000</b>	<b>\$38,000,000</b>	<b>\$0</b>	<b>\$359,094,443</b>
<b>Ending Fund Balance**</b>	<b>(\$78,727,329) ***</b>	<b>\$76,592,671</b>	<b>\$38,592,671</b>	<b>\$592,671</b>	<b>\$592,671</b>	<b>\$592,671</b>
<b>Total Uses</b>	<b>\$150,117,114</b>	<b>\$130,842,671</b>	<b>\$76,592,671</b>	<b>\$38,592,671</b>	<b>\$592,671</b>	<b>\$359,687,114</b>

\*The 2024-2025 through 2027-2028 Beginning Fund Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

\*\*The 2023-2024 through 2026-2027 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

\*\*\*Originally, the final bond issuance was planned for 2023-2024 but will be deferred to summer 2024. This results in the 2023-2024 Ending Fund Balance over-expended on a budgetary basis by \$78.7 million; however, there is a sufficient cash balance in this fund to cover expenditures in 2023-2024 and once the bonds are issued in 2024-2025, the Ending Fund Balance becomes positive.

# Attachment F



Fiscal Year	2019-2020	2020-2021	2021-2022	2022-2023
Expenditures*	52,143,312	75,472,897	75,736,192	60,341,925

\*excludes encumbrances