



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Dev Davis

SUBJECT: Measure T Status Report

DATE: May 13, 2022

Approved

Date

Recommendation

- 1) Accept staff recommendations (a)(b)(c)(d) and (f), and;
- 2) Regarding recommendation (e), as described in Tables 2&4 of the Public Safety Program Reserve section of this report, approve option #2, which funds the Measure T public safety reserves to help ensure delivery of the public safety program of projects put before the voters.
- 3) Direct IGR team - and state and federal lobbyists - to identify, and have staff actively pursue, state and federal funding to support Lake Cunningham restoration.
- 4) Direct PRNS staff to explore public private partnership (P3) opportunities that would deliver restoration - and enhanced recreational benefits - to Lake Cunningham.

Background

Voter approval of any bond or tax measure requires trust. When we urged voters to approve Measure T, the largest bond measure in San Jose history, on November 6, 2018, we were clear about asking them to pay for public safety and street improvements. The very title of the measure, “The Disaster Preparedness, Public Safety and Infrastructure Bond,” said as much. They were clear about what they were voting for. More than 70 percent of the electorate voted yes, authorizing up to \$650 million in General Obligation Bonds for infrastructure projects, because [according to the polling we reviewed extensively, our residents were willing to pay for public safety and streets](#). We put out campaign mail with photos of cops and firefighters. We even framed the [funding used for Coyote Valley’s protection](#) in public safety

terms, focusing on [the benefits of preserving open space in preventing flooding and drinking water contamination](#), as suggested by the polling.

The ballot language for the measure—which resulted from our extensive poll testing and discussions of critical needs with staff—followed:

Disaster Preparedness, Public Safety, and Infrastructure Bond

To:

- *Upgrade 911 communications, police, fire and paramedics facilities to improve emergency and disaster response;*
- *Repair deteriorating bridges vulnerable to earthquakes;*
- *Repave streets and potholes in the worst condition;*
- *Prevent flooding and water quality contamination;*
- *Repair critical infrastructure;*

Shall San José issue \$650,000,000 in general obligation bonds with an average levy of 11 cents per \$1,000 of assessed value, averaging \$34,208,000 annually until repaid, requiring community oversight and annual audits?

Two months before the November election, on September 11, 2018, [the Council unanimously approved a proposed Measure T project list](#), to ensure transparency with our voters. In passing the bond measure, the voters reaffirmed the importance of investing in our public safety infrastructure. Our City will need future measures to make major investments like these, to be sure. To keep the trust of our voters and taxpayers, we recommend keeping a total of \$3.5 million in the public safety reserve until staff has received bids for the majority of the public safety projects that we promised our voters.

Seven public safety projects remain to be bid. Sharp construction escalations threaten to undermine our delivery of what we promised, and according to the staff report, we’ve already encountered challenges:

- A \$2 million shortfall is forcing a reduced buildout of Fire Station 32 in District 7, to allow for only a single company in a high-need area.
- The construction of Fire Station 23 on Capitol Avenue in District 4 faces uncertainty with the rapid escalation of construction bids.
- Station 20 requires a backfill of \$2.3 million to keep Measure T funds intact.
- The new 911 call center appears \$4 million short.

We must fund our public safety project reserve to help meet the original commitments made to the voters in 2018, to ensure the remaining seven projects get built.

We agree that investments in Lake Cunningham are important, but Lake Cunningham was never articulated by the Council as a priority when the measure’s project list was assembled or presented to the voters in September of 2018. Lake Cunningham was never discussed with voters as part of the public campaign. It [does not fit squarely within any of the five categories of expenditures described in the measure’s resolution language](#). Rather, it was added as a potential project well after voter approval, and with no analysis that compared the benefits or costs of that project to any other water quality project in the City.

The lake should be restored to support recreational use, support our underserved communities, and increase access to green resources for East Side families. But that's not what we told the voters they'd be paying for when they approved Measure T. Preventing contamination of a critical source of drinking water in an underground aquifer is not the same as restoring the recreational use of a lake.

Preliminary estimates indicate a need of \$26 million to make the necessary enhancements for Lake Cunningham's restoration, over a 5-year period – investments that would make the lake's water quality viable for recreational use. While the \$3.2 million allocation could fund several near-term projects to start the process of enhancing water quality and user experience, it's only a small step towards the larger vision for Lake Cunningham.

The significant parks and environmental funding available at the state and federal level provides tenable hope that we could get the broader project funded, one that would deliver significant improvements to Lake Cunningham. Our IGR team, and state and federal lobbyists should identify opportunities for funding, and with PRNS, pursue these resources to deliver this project. Further, staff should explore P3 opportunities to deliver restoration and recreation benefits at Lake Cunningham.

Delivering Measure T's promised projects - as our voters have told us to - should be our #1 priority. After Measure O's passage in 2002, it took another 20 years to deliver Fire Station 37. Those failures undermine voters' trust.

We should fund our public safety project reserves and ensure we deliver the program of projects our voters expect, while simultaneously identifying - and actively pursuing - needed resources to deliver the larger program of projects to fully restore Lake Cunningham.