



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: SEE BELOW

DATE: February 21, 2023

Approved

Date

3/3/2023

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

RECOMMENDATION

- (a) Accept the status report on the workplan and implementation updates for projects included in approved 2018 Measure T Bond Measure.
- (b) Approve the proposed funding of projects identified in Table 3 of this report to:
 - a. Reallocate the remaining Environmental Protection Funds;
 - b. Rescope the Fire Station 23 Project; and
 - c. Allocate \$7.1 million that had been previously set aside for the cost of bond issuance.

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, as well as the needed decision for funding of projects within the Public Safety Program. The memorandum provides status updates on all the Measure T projects as they are progressing through the feasibility, design, and construction phases. Additionally, this memorandum outlines the details of the funding needs for the Measure T – Public Safety Program and is requesting City Council to provide a policy decision to staff regarding the use of the Program Reserve for Public Safety and program savings and/or budgets to facilitate the design and construction of these projects.

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. As outlined in **Attachment A** (General Obligation Bond Project Categories & Budgets), which includes a brief summary of the initial projects and goals for each category, nearly half of this investment (\$320 million) will be put towards the resurfacing and repair of City streets and bridges in the worst condition. The remaining \$330 million is broken down into the following project categories:

1. Public Safety: \$175 million.
2. Environmental Protection: \$50 million
3. Storm Sewer Conveyance & Flood Protection: \$35 million
4. Clean Water Projects (Green Stormwater Infrastructure): \$25 million
5. LED Lighting (streetlights and City Facility): \$20 million
6. Community Center Improvements: \$12.95 million

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 reference¹²³⁴⁵⁶⁷⁸.

Most recently, on June 28, 2022, City Council approved a report and supplemental memorandum titled *Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Item 3.4*⁹. The report included staff's update on the project workplans and implementation schedules, as well as outlined the projected funding needs for the Public Safety Program. As part of the June 28, 2022 supplemental memorandum, staff requested to defer the decision on the allocation of funding for the projects identified in Table 4 in the June 28, 2022, Measure T Status Report until early 2023, since more detailed cost estimates for the majority of the public safety projects would be available at this time.

ANALYSIS

In the most recent report to City Council, staff identified funding gaps in the Public Safety Program. Subsequently, \$7.1 million which was set aside for the cost of issuing the bonds is now

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

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

³ <https://sanjose.legistar.com/View.ashx?M=F&ID=7319023&GUID=A6FDC251-C03F-4AC5-BF59-7556603BBAA0>

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

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

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

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

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

⁹ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5697307&GUID=04EAD8E7-A463-4DBB-8A3E-EBB6D5C96AC0&Options=&Search=>

available for capital projects. The cost of issuing the bonds is paid from the premium generated. With the available funding of \$15,350,000 (Table 1) from the Public Safety Program Reserve, reallocation of the savings from the Environmental and Flood Protection project, and additional bond proceeds, staff requests the City Council approve the recommendation contained in this memorandum on how to allocate the remaining funding and address the funding shortfall in the Public Safety Program. It is important that the City Council give direction on this policy decision as the cost estimates for the public safety projects have risen drastically since the inception of the bond program with inflation; as we reach the final projects, the remaining Public Safety Program Reserve alone will not be sufficient. Given this, it is important that the City Council weigh in on the use of savings from other Measure T project categories to either keep the savings in the original appropriation or reallocate them to the Public Safety Program.

Attachment B (Public Safety Project Estimates Schedule) shows that five of the seven remaining public safety projects will have a 95% cost estimate completed by the beginning of May this year. The 95% cost estimates are based on construction documents that are nearly completed and include future escalation factors. Typically, during the 95% review period, staff will perform any additional value engineering with the consultants to dissect the cost estimate and, if possible, reduce or remove certain items as appropriate. Therefore, the 95% cost estimates are as close to what the final estimate of the project is expected to be. With the availability of several of the 95% cost estimates, staff now have a clearer understanding of the shortfall within the public safety program.

In order to continue with the timely construction of the needed Police Training and Academy Facility, 9-1-1 Call Center Upgrades, Police Headquarters Infrastructure Upgrades, Fire Station 36, and Police Air Support Unit Hangar projects, Table 2 identifies the additional funding needed for these projects and the funding gap. An estimated additional \$23.3 million is necessary to design and construct the projects listed above meeting the needs to develop a functional facility and deliver on the promises made to the voters when the bond measure was passed, yet \$15.4 million of funding has been identified, thus leaving a program shortfall of \$7.9 million.

The tables below break down the available funding, the staff recommended use and the funding available, and the analysis of the funding needs which was used in developing staff's recommendation.

In particular, staff is recommending to the City Council how to address the shortfall presented in Table 2.

Table 1
Funding Sources Available

Available Funding	
Remaining Program Reserve for Public Safety	\$5,100,000
Environmental and Flood Protection Project Savings*	\$3,200,000
Funding Remaining per the June 28, 2022 memorandum	\$8,300,000
Bond Proceeds – Previously Reserved for Cost of Issuance	\$7,050,000
Total	\$15,350,000

*As identified in the Environmental and Flood Protection Project section later in this report. If this funding is not approved through staff's recommendation as outlined below for the Public Safety Program, the total funding available will be \$12,150,000.

Table 2
Staff Recommended Use and the Funding Available

Projects	Funding Need*	Description/Comments	Notes
Police Training and Academy Facility	\$9,828,000	This would increase the current budget to match the current estimate for a full project build out.	An additional \$9.8 million is needed based on current estimates to facilitate the full build out of the project and facilitate a Southern Patrol Unit to occupy the Substation as well as open the Substation to the public.
Police Air Support Unit Hangar	\$5,709,000	This would increase the budget to match the current estimate for the build out of the base bid and bid-alternate 1, providing two hanger bays for the Police Air Support Unit.	Total current cost estimate is \$16.7 million for the base bid and bid alternate 1 which will build two aircraft bays. Deficit is currently \$5.7 million. This hangar must be relocated prior to the new terminal construction.
9-1-1 Call Center Renovation	\$3,309,000	This would increase the budget to match the current estimate for the build out of all phases of construction.	An additional \$3.3 million would fund both phase I and phase II of the 9-1-1 Call Center Rehabilitation Project, providing a functional space for

Projects	Funding Need*	Description/Comments	Notes
			the end users. This project was specifically named in the bond language presented to voters.
Police Headquarters Infrastructure Upgrades	\$2,693,000	This funding is necessary to address the plumbing need due to the aging piping system which is causing major clogging, increased maintenance calls/concerns, and unsanitary working conditions for employees. If not approved, this project would likely focus on other lower priorities such flooring replacement, and upgrades to security systems, since replacing only a portion of the plumbing infrastructure is not practical.	<p>The current cost estimate is \$6.25 million, with an increase of funding in the amount of \$2.7 million necessary. This allocation would address the primary concern, which is the plumbing, and would include replacement of the piping systems throughout the building.</p> <p>As of the June 28, 2022 memorandum, approx. \$2.27 million was allocated, providing the project a total budget of approx. \$3.55 million. If the funding need of approx. \$2.7 million is not provided, staff would likely focus on other lower priorities.</p>
Fire Station 32 Dual Company Expansion	\$518,000	This would increase the current budget to match the current estimate for the build out of the dual company expansion.	As of the June 28, 2022 memorandum, \$2.5 million was allocated from the Fire Station Rehabilitation and Potential Overages to cover a portion of the identified shortfall at that time. An additional \$518,000 is needed based on current estimates to facilitate the full build out of the project and facilitate a second company to be stationed at this location.
Fire Station 36	\$1,475,000	Shortfall is assuming future build and escalation factors for construction of the new station in year 2024.	

Projects	Funding Need*	Description/Comments	Notes
Fire Station 23	\$2,463,000	Shortfall is assuming future build and escalation factors for construction of the new station in year 2027.	If project is rescoped to focus on land purchase only, this shortfall is no longer accounted for within the funding need outlined below in Table 3.
Fire Stations Rehabilitation and Potential Overages and Savings	(2,698,000)		At the inception of the program, \$5 million was programed from the Public Safety Reserve to cover rehabilitation of existing fire stations. As of June 28, 2022 memo, staff recommended to use that funding to cover the funding needs and potential overages of the fire station projects, including allocating \$2.5 million to Fire Station 32. Remaining funds of \$2.5 million and estimated project savings of \$198,000 are recommended to be used to offset costs.
Total Funding Need	\$23,297,000		
Total Available Funding as Identified in Table 1	\$15,350,000		
Program Shortfall	(\$7,947,000)		

*The funding need is based on current cost estimates. The actual funding need and allocation may change once bids are opened in the upcoming months. Refer to Attachment B for estimated bid opening dates for each project.

Table 3
Staff Recommendation to Utilize the Funds Available of \$15.4 million from Table 1 above

Projects	Allocate Funding	Notes
Police Training & Academy	\$9,828,000	
Police Air Support Hanger	5,709,000	
9-1-1 Call Center Renovations	3,309,000	
Police Headquarters Infrastructure Upgrades	2,693,000	
Fire Station 32	518,000	
Fire Station 36	1,475,000	
Fire Station Rehabilitations and Potential Overages and Savings	(2,698,000)	
Rescoping Fire Station 23 (Land Purchase Only)	(12,434,000)	If we purchase the land only, the funding need for this project is reduced from \$16,509,000 to \$4,075,000.
Total Use of Funds	\$8,400,000	
Total Available Funding	\$15,350,000	See Table 1 for details
Funding Available for Potential Overages and/or Fire Station 23	\$6,950,000	A total of \$6,950,000 would remain in the reserve with the goal of keeping it for the design and construction of Fire Station 23 but shifting it to priority projects pending bid results.

Staff's recommendation to address the overall Public Safety Program shortfall:

1. Allocate \$7.1 million that had been previously set aside for the cost of bond issuance;
2. Reallocate the remaining Environmental and Flood Protection project savings of \$3.2 million; and
3. Rescope the Fire Station 23 project, focusing on the land acquisition only.

Fire Station 23 currently has a budget amount of \$16.5 million, as established in the 2022-2023 Adopted Capital Budget. Staff recommends rescoping Fire Station 23 and using up to \$4.1 million for the purchase of land and associated expenses, reallocating a portion of the remaining funding to cover the other critical public safety projects as identified in Table 3, and allocating \$7.0 million in the Public Safety Program Reserve. The \$7.0 million held in the Public Safety Program Reserve could be used to fund potential overages within the Public Safety Program pending bid results in spring and summer of this year or all or a portion of the funding could be used for the design and construction of Fire Station 23.

If the \$7.0 million is needed solely for other Public Safety project overages and the cost to buy the land and design and construct Fire Station 23 project is estimated to be \$18.8 million, then the funding gap for Fire Station 23 would be approximately \$15 million. Should funding be available for Fire Station 23, staff could potentially restart the project by June 2024, with a tentative contract award in 2027, pending the property has been purchased. Staff will seek to identify General Fund and Fire Construction and Conveyance Tax Fund sources for Measure T overages in the budget process.

Since the June 28, 2022 report, several significant activities have taken place. The following is a list of the progress made, activities currently underway in each of the major project categories, as well as additional information regarding the funding needs if a shortfall has been identified:

- 1) **Community Oversight Committee (COC)** – The COC has held three meetings since the June 28, 2022 report. During the meeting held on August 18, 2022, the COC members voted on a new chair and vice chair. The COC also discussed the plans and approved the creation of an ad hoc committee. The responsibility of the ad hoc committee is preparing the COC's review of the Auditor's report and the expenditures of the Measure T Bonds as reported in the City of San José Public Safety and Infrastructure Bond Projects Fund Annual Auditor's Report. The COC's report on the review and a copy of the Auditor's Report will be presented to City Council on March 7, 2023. A second meeting was held on November 10, 2022 in which the COC reviewed the Auditor's report for the year ending June 30, 2022. The COC also reviewed the schedule of events for the COC's report and discussed plans for filling the COC vacancies. The third meeting was held on January 24, 2023 in which the ad hoc committee reviewed its final report to City Council with the greater COC and staff presented projected revised project costs.

The next meeting will be held in June 2023 to review the 2023-2024 Proposed Capital Budget and 2024-2028 Capital Improvement Program to ensure consistency between the budget for Measure T funds and the voter approved purposes for the funds. Currently, there are nine seats filled and six vacant positions from District 3, District 5, District 8, District 10, the at-large seat for the Citywide Finance role, and the at-large seat for environmental focus.

- 2) **Public Safety Projects** – The approved Measure T Program allocates \$180.9 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 Measure T projects are described in **Attachment C** (Project Implementation Schedules).

(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 a Temporary Certificate of Occupancy and has been fully operational since May 2022.

- (b) Relocated Fire Station 8** – Staff completed the sale of the City’s 575/579 E. Santa Clara Street property to the Santa Clara Valley Transportation Authority in April 2022. The City utilized the sale proceeds to acquire the site located at 601 E. Santa Clara Street from the Santa Clara Valley Housing Authority with the intent to construct Fire Station 8 on this property, as approved by City Council on March 2, 2021¹⁰. This location is envisioned to serve as a single-company station with the capability of expanding to a dual-company station to accommodate future service demands in the area. The design is nearly complete, and staff will proceed to solicit bids in May 2023 and anticipate beginning construction in September 2023.
- (c) New Fire Station 32** – The City acquired the 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. Initial estimates, as reported in the June 28, 2022 memorandum to City Council, showed there was a \$3.8 million shortfall for the full build out of the Fire Station 32 as a dual company station. Because of this shortfall, staff proceeded with designing the dual company expansion as a bid alternate, and recommended in the June 28, 2022 memo to use \$2.5 million of the \$5.0 million set aside specifically for Fire Station Rehabilitation and Potential Overages to close the funding gap identified for the construction of the single company station.
- Since the June update to Council, staff was able to reduce the shortfall by approximately \$800,000. With the added \$2.5 million from the Fire Station Rehabilitation and Potential Overages, the shortfall now identified to construct the dual company station expansion is \$518,000, as identified in Table 2 above.
- The design is complete and the project will proceed to advertise for bidding in March 2023 with an anticipated award in late May 2023. Construction is expected to begin later in the summer of 2023 with a completion date in fall 2024.
- (d) Relocated Fire Station 23** – 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 to improve coverage within City limits and 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).

¹⁰ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4799774&GUID=E15762BB-75C1-4DB5-8E09-86CC5E4D384F&Options=&Search=>

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

This project currently has a budget of \$16.5 million; however, due to construction price escalations, an additional \$2.5 million is estimated to be needed for the full buildout of this fire station — sufficient funding may not be available to complete this project once a site is selected.

The effort 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 have approached property owners to find off-market opportunities for site acquisition. Staff has identified a potential site which fits the necessary parameters needed to comply with the Fire Department's optimal travel time requirements. However, staff is actively negotiating with the property owner and will provide further updates to City Council as negotiations progress. Because this station does not have dedicated land to develop and will be the last to proceed forward to design, as part of the policy decision discussed further in this memorandum under the Program Reserve for Public Safety section, staff recommends rescoping the Fire Station 23 project and focusing funds solely on the purchase of a property for the future build of the relocated fire station.

If the policy decision outlined in this memorandum is approved by City Council and funding resources are available, staff could potentially restart the Fire Station 23 project in June of 2024 with a tentative contract award in 2027.

- (e) **New Fire Station 36** – Staff selected a site at the intersection of Capitol Expressway and Tuers Road for the construction of Fire Station 36. The City owns most of the property needed to construct the station, however a portion of the required buildable area is considered to be public right-of-way owned by the County of Santa Clara (County). After extensive negotiations with the County to acquire the needed property to assemble the City and County-owned lands, City Council approved the acquisition on December 13, 2022. The County's Board of Supervisors approved the sale on January 24, 2023. Funds are currently in escrow and the property acquisition is expected to close escrow in late February. The Request for Proposals process will move forward in the upcoming months to hire a consultant for the design services. Overall, this project is estimated to need an additional \$1.5 million.

- (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 of Measure T funding initially allocated to expand Fire Station 20 to include landside operations with the expectation that the advanced cost would be reimbursed from other funding sources at a later date. Due to higher than anticipated costs, interest earnings generated from Measure T funds of \$1.1 million were also allocated to Fire Station 20, bringing the total project cost to \$5.7 million (for reference, an additional \$3.6 million from interest earnings allocated to other Public Safety Measure T projects as described in the June 28, 2022 memorandum). A transfer of \$2.3 million from the General Fund in 2021-2022 partially replenished the \$4.6 million initially advanced for this project. As supplemental resources from the General Fund and the Construction Tax and Property Conveyance Tax Fund: Fire Protection Purposes will be needed in the near term for FF&E needs, the remaining \$2.3 million is not currently scheduled for replenishment. The replenishment of the remaining \$2.3 million may be considered as part of a future budget process, within the context of future additional interesting earnings and other funding needs of the program.

- (g) Police Training and Academy Facility** – The City acquired 300 Enzo as the site for the Police Training and Academy in March 2021. The design is 95% complete and staff expects the project to be advertised for bid in May 2023 and starting construction in late summer of 2023. The project budget as detailed in the 2022-2023 Adopted Capital Budget 2023-2027 Adopted Capital Improvement Program is \$49.7 million.

As outlined in the June 28, 2022 memorandum, staff reported this project to have a shortfall of \$11.1 million. The approved recommendation from City Council allocated \$9 million to this project, increasing the allocation to \$58.7 million. Staff have worked diligently to develop the project design since the last update to City Council but have continued to encounter increases in the construction costs, mainly due to inflation and material costs, specifically steel, electrical, and HVAC equipment.

Staff estimate an additional shortfall of \$9.8 million is needed to complete the full build out of this project. The shortfall includes the Police Department requirements to fully open the South Substation for its intended purpose and to develop the needed space to accommodate two full concurrent academies and training spaces. Staff has

committed to including the full academy as part of the base bid and placing the training spaces as bid alternates. With just the base bid, the project still anticipates a shortfall of \$1.1 million. However, in order to facilitate the southern patrol division to occupy the Substation, the minimum project funding required is \$5.7 million. This will fund the academy spaces and facilitate the move of the academy out of the Substation to 300 Enzo, but funds only a portion of the training spaces which are currently being conducted at the Substation. If all training functions cannot be fully transitioned from the Substation to 300 Enzo, the Police Department will not be able to open the Substation to the public due to space constraints. The Police Department will be able to open the Substation to the public only if training is completely moved to 300 Enzo, which means funding the entire \$9.8 million shortfall. Therefore, Staff recommends adding \$9.8 million as shown in Table 3 to fund the full build out of the project.

- (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. Construction started March 2021. Due to delays experienced by multiple utility coordination efforts, and supply chain delays, the new buildings and the remodel of building D4 are expected to be completed in mid to late summer of this year with beneficial occupancy occurring a month or two after.
- (i) 9-1-1 Call Center Renovation** – The project will provide improved working conditions in a more efficient space to handle the increasing number of calls and to take advantage of the changing methods and technologies the public utilize to call for 9-1-1 service. The 9-1-1 call center will assume the space currently occupied by the existing Emergency Operations Center; therefore, construction is expected to start after the Emergency Operations Center relocates to its new facility at the Central Service Yard.

As part of the delivery of this project, partial demolition, repairs/replacement of walls, floors, and ceiling, and changes to the associated mechanical and electrical components are required. The Measure T (Phase I) work currently includes (1) moving non-dispatch personnel to the space being vacated by the Office of Emergency Management, which includes installing new walls, private and open offices, and workstations; and (2) the addition of 14 new dispatch workstations by windows, which opens the area to natural light. The Phase I work is currently estimated to have a shortfall of approximately \$1.1 million. Additionally, staff has identified a need for added phases of work requiring approximately \$2.2 million in additional funding. These phases include upgrading the existing dispatch areas for the Fire and Police Department outside the expanded dispatch areas, relocation of the training room, two new quiet rooms, four office rooms, a lactation room, a copier room, and additional storage rooms. The design is 95% complete and staff expects to

advertise the project for bidding by summer of this year, with an anticipated construction start date in fall of this year. The bid package will include the additional phases identified above as bid alternates, though the Fire and Police Departments have expressed the need to include these additional phases of the project in order to achieve a cohesive build-out of the facility.

To facilitate the full build out of the 9-1-1 Renovation Project, staff recommends increasing the allocation by \$3.3 million as shown in Table 3.

- (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. This triangular site will also house the relocated Aircraft Rescue and Fire Fighting Facility (Fire Station 20) described above, as well as the Airport Facilities Division. The project budget is \$10.1 million. In the June 28, 2022 memorandum, staff reported this project to have a shortfall of \$780,000 for the base bid only, and the approved recommendation from City Council increased the funding to \$10.9 million. The design is 95% complete and staff expects to issue the project out to bid in late summer of this year and begin construction in the fall. The project is currently designed with one bay to house the existing police helicopter and a bid alternate for a second bay for a fixed wing airplane. With the base bid alone, the project is anticipated to have a shortfall of \$2.9 million, and a shortfall of \$5.7 million for the build out of the base bid and bid alternate.

Historically, the Police Department has had two aircrafts, one fixed-wing and one helicopter. The department's current helicopter, Air3, is being used for a multitude of missions and is cycling through its useful life at an accelerated pace, due to the lack of assistance that can be provided by the second aircraft. The primary duty for Air3 is to assist uniformed patrol, followed by surveillance, critical incident management, search and rescue, and transportation. There is need to supplement the Police Department's Air Support Unit with a fixed-wing aircraft that would relieve Air3 of workload.

It is important to understand that because the eventual purchase of a replacement fixed-wing airplane is a departmental priority, this necessitates the completion of the second bay within the Measure T funded Hangar construction project. If the second bay is not completed at the time of construction of the larger project, additional cost implications will apply including additional costs to lease another, separate hangar on the San José Airport property or the additional costs to build the second bay after the fact.

To facilitate the full build out of the Police Air Support Hanger (base bid and bid alternate), staff recommends increasing funding by \$5.7 million for this project.

- (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 (PAB). Initial estimates identified a need of approximately \$11.7 million to address all backlog infrastructure projects. The highest priority projects identified include improvements to the plumbing throughout the facility and improvements at the existing gun range. To address these needs, the improvements require an estimated \$6.3 million. Staff included \$1 million in the 2022-2023 Adopted Capital Budget to upgrade the ventilation system and HVAC system in the gun range to provide adequate training space for officers, and at the June 28, 2022 City Council meeting, City Council approved allocating approximately \$2.2 million to the PAB program.

The target system replacement for the existing range at PAB is currently being processed for procurement with the City’s Purchasing group leading the procurement. The scope is currently being reviewed to go out to request bids.

As shown in Table 3, an additional \$2.7 million is needed to ensure the high priority projects at the PAB can be addressed.

- (l) Program Reserve for Public Safety** – Originally \$36.4 million of the Measure T funds was 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. Including the budget actions recommended in the June 28, 2022 memorandum, a total of \$31.3 million of the reserve has been allocated to specific projects, with approximately \$5.1 million remaining unallocated. As identified in the previous memorandum, the remaining funds in the reserve will not be enough to cover the shortfall for the existing projects or complete the remaining projects that have not begun. Additionally, as mentioned previously in this report, the continued cost escalations have now likely impacted the delivery of the final public safety project – Fire Station 23. Should the recommendations in the memorandum be approved, there would be \$7.0 million in the Public Safety Program Reserve for Potential Overages and/or the construction of Fire Station 23.

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 400 miles of streets dispersed throughout the City to be resurfaced or reconstructed with this funding.

The Department of Transportation (DOT) has resurfaced 294 miles since 2020 utilizing Measure T funds. A map that shows the locations of these 294 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's 2016 Measure B, DOT has resurfaced a total of 319 miles of streets in poor condition since 2019.

Funds from Measure T, in combination with annual allocations from State gas taxes, 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 memoranda every spring to share tentative construction plans with the public.

In the 2022 construction season, DOT completed maintenance on 230 miles of San José streets, of which 134 miles were resurfaced and 1,755 associated curb ramps were constructed with the annual \$37.5 million Measure T allocation. In the 2023 construction season, DOT plans to maintain 238 miles of San José streets, including 161 miles of local and neighborhood streets.

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 programmed 45 Bridge Investment Credits eligible bridges to be structurally preserved or rehabilitated as part of four projects. The first two projects consisted of 27 bridges and were completed in June and November of 2020. The third project consisted of 15 bridges and was completed in December of 2021. The fourth project which addressed preserving or rehabilitating the remaining three bridges was completed in August 2022. These projects are expected to accumulate approximately \$3 million in Bridge Investment Credits which will be distributed back, as the local match, into future prioritized bridge projects utilizing Highway Bridge Program grants along with Measure T funds.

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. An additional deck treatment project on Story Road was completed in December 2022. An additional deck treatment project on Cropley Avenue is currently in the design phase with construction scheduled to begin in spring 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's funding situation is evolving with the recent passage of the 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 they become available.

4) Light Emitting Diode (LED) Outdoor Lighting Projects

- (a) City Facilities LED Lighting Projects** – Staff continues to evaluate the actual outdoor lighting inventory and the number of fixtures that will be converted for City-owned facilities. Table 4 below provides the facilities listed in order of priority and an overview of the number of fixtures that have been converted using Measure T funding and the remaining number of fixtures to be completed. As mentioned in prior reports, Measure T funding is not sufficient to fully convert all the outdoor facility lights. Though \$800,000 in the General Fund money was included in the 2022-2023 Adopted Operating Budget to replace the LED lighting at Municipal Stadium to comply with Major League Baseball requirements and \$420,000 from the Service Yards Construction and Conveyance Tax Fund was also included in the budget to convert the exterior lighting at the service yards to LED lights, only 6,137 fixtures in parks, libraries, and community centers will be fully converted with Measure T funding. A funding shortfall of \$4,000,000 has been identified if all outdoor lighting was to be converted to LED, and a budget request will likely be submitted for consideration during the 2023-2024 budget process.

The conversion of the lighting in City parks and trails was completed in June 2022, with the exception of 45 fixtures located in St. James Park that need further evaluation due to their historic aspects. Staff has been coordinating this effort with DOT. The conversions for libraries and community centers will be completed by the summer of 2023.

Table 4
City Facility Lighting Conversion Status as of February 2023

Facilities	Converted	Remaining	Total
Parks & Trails	3,481	45	3,526
Community Centers	1,216	67	1,283
Libraries	1,328	0	1,328
Fire Stations	119	572	691
Cultural Facilities	212	509	721
San José Police Department	511	83	594
Corporation Yards	219	200	419
Lighted Sports Facilities	0	300	300
Number of Fixtures	7,086	1,776	8,862

- (b) Lighting Controls for City Facilities** - The solicitation for lighting controllers for City facilities is continuing to move forward to procure a controller with Internet of Things capabilities for potential future implementation of the Internet of Things functionality. The award memorandum was approved by City Council on December 14, 2021, and staff anticipates acquiring the first order of the products by March 2023 using Measure T funds.
- (c) LED Streetlight Conversion Projects** – Previous status reports identified that the City owns and maintains approximately 64,400 streetlights. The majority of the streetlights have been successfully converted either by City crews or through the Pacific Gas & Electric (PG&E) “Turnkey Conversion” project as described below. Roughly 5,500 lights remain which includes approximately 5,000 ornamental (or “post-top”) lights, primarily in the downtown neighborhood and business districts. With the completion of the PG&E streetlight inventory audit there is also a PG&E billing records review under way of over 27,000 streetlight records. Once the PG&E billing records review is complete in the spring of 2023, it is likely to result in an increase in the City’s streetlight inventory.
- (d) Streetlight Replacement by City Crews** - Approximately \$1 million of Measure T funds has been allocated to purchase LED fixtures which are being used by City crews to replace Low-Pressure Sodium and High-Pressure Sodium streetlight fixtures as the bulbs burn out. The City is also replacing approximately 5,000 ornamental fixtures in its streetlight inventory.

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 \$8.5 million of Measure T funding was included in the 2023-2027 Adopted Capital Improvement Program to accomplish this goal by the end of 2024.

- (e) **PG&E “Turnkey” LED Streetlight Conversion** – On June 25, 2019, the City Council authorized the City Manager to negotiate and execute agreements with PG&E for the financing and installation of up to 27,000 LED streetlights. PG&E contractors started the conversion process at the end of December 2020 and completed the majority of the conversion in February 2022. In the previous update to City Council, PG&E still had roughly 450 lights to convert which required unique “shoebox” fixtures that are located around the airport and other areas around the City. PG&E completed those conversions at the end of 2022. Through this turnkey program, the total number of lights converted by PG&E was less than anticipated due to burn outs that City electricians converted to address resident concerns. PG&E converted 18,500, while City crews converted 8,500.

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 will have to undergo additional research to determine the presence of ground wire at the base of the streetlights which is the minimum requirement to ensure the poles are bonded and grounded within the system. When the existing poles were installed, the National Electric Code (NEC) standard considered the metal pole to be an acceptable grounding path; however, the NEC specifications have been updated to require a separate grounding wire (NEC section 410.44). Therefore, staff will be undergoing office and field investigations utilizing as-built information to determine the required scope for this effort which includes identifying the presence of ground wire at the base of the streetlights. Staff have been able to identify that 70% of the streetlight network were installed or activated after 1971 when the City standards required a ground wire in the base of the pole. The other 30%, more than 20,000 streetlights, need further plan review or field investigation to determine if the ground wire is identified in the plans or present in the field.

- (f) **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 situation mentioned above. Staff will be evaluating whether to recommend utilizing the funding earmarked for the controllers or 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 preservation, and public safety. It is anticipated that the cost of installing these controllers on all the lights, as well as work necessary to get the streetlights up to current NEC code, 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 available funding through the Measure T program.

- 5) Clean Water and Green Stormwater Infrastructure (GSI) 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 GSI Plan that was approved by the City Council on September 10, 2019. Staff advanced the design phase for the River Oaks Regional Stormwater Capture Project, one of the top priority projects identified in the GSI Plan, which is anticipated to cost roughly \$13.7 million, with \$3.2 million to be funded by a state grant. The project is anticipated to start construction summer of 2023 and be completed by summer of 2024.

Additionally, staff have been working with a consultant to determine the feasibility of the short-term projects provided in **Table 5** below which were identified in the last Measure T status report. Staff prepared a feasibility study of the five remaining potential sites. Using evaluation criteria that consider cost effectiveness, potential partnership, technical feasibility, social/community/equity benefits, and water supply/flood protection, staff prioritized two locations to proceed further to the preliminary design, City Land South of Phelan and Monterey Road Green Street Project. However, even though Monterey Road is moving forward with preliminary design, staff is performing additional analysis on water quality benefits and cost effectiveness before recommending this project.

Among these locations, it has been identified that the City Land South of Phelan Regional Stormwater Capture Project is the best candidate to be completed under Measure T and as approved by City Council in the June 28, 2022 Measure T update. Staff has been proceeding with this as the next GSI project site for Measure T. Located on east side of Coyote Creek and south of Yerba Buena High School, the site collects runoff from a large portion of the East San José neighborhood, approximately 639 acres of primary residential land use, with a mix of commercial, agricultural, industrial, and institutional land uses. Treating up to 466 acres of impervious surface, the City Land South of Phelan Regional Stormwater Capture Project offers a high degree of water quality benefit and is likely the most cost-effective project when measuring capital cost of implementation per treated impervious acre along with potential for community benefit if it were to become a more accessible open space.

The Sycamore Terrace and Kelley Park Gravel Parking lot sites are also potential future sites, but, as previously reported, they present significant development challenges such as property control and utility interferences. The Sycamore Terrace site, an undeveloped and unpaved area at the northwest corner of the Coleman Road and Almaden Expressway

intersection, would require additional lands from Valley Water. The Kelley Park Gravel lot, located adjacent to the stables site, has significant technical constraints related to constructability and utility conflicts. Because these locations are not as optimal candidates as the City Land South of Phelan Regional Stormwater Capture Project, they are not being recommended for implementation at this time.

The Hellyer Avenue Property is also not recommended because this site is highly challenging with significant pumping requirements, utility conflicts, and lack of available space to capture 80% of annual average runoff.

Staff anticipates utilizing the Measure T funding for the River Oaks Regional Stormwater Capture Project (approximately \$10 million) and City Land South of Phelan site (approximately \$15 million). After further scoping and refinement of the cost estimate for the City Land South of Phelan site, staff may need to evaluate either reducing the scope or obtaining additional funding if estimates exceed the available budget for the Clean Water program. Staff will return to the City Council later to make a specific project and funding recommendation, if needed.

Story/Keyes is a viable option but a lower priority since the cost per acre treated is not as significant as the River Oaks Regional Stormwater Capture Project and City Land South of Phelan. Therefore, it is not recommended to be funded under Measure T at this time.

Table 5
List of Near Term GSI/Clean Water Projects*

Recommended Measure T Funded Projects	Project Type
River Oaks Regional Stormwater Capture Project	Regional
City Land South of Phelan Regional Stormwater Capture Project	Regional
Potential Projects (pending funding availability and other factors)	Project Type
Story / Keyes (only funding green street components)	Green Street
Monterey (from Umbarger Road to Lewis Road)	Green Street
Not-Recommended Projects	Project Type
Hellyer Avenue Property (minimal water quality benefits)	Regional
Sycamore Terrace	Regional
Kelley Park Gravel Lot	Regional

*Table has been updated from previous City Council updates to reflect prior information shared regarding recommended projects and potential sites are listed in priority order based on feasibility.

- 6) **Storm Drain Improvement Projects for the Charcot Area** – Design has begun for the Storm Drain Improvement Projects for the Charcot area, which will provide flood

protection in the area east of Zanker Road between Trimble Road and Brokaw Road. Originally envisioned as a new pump station, this project has been 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. Funding of \$5.9 million has been shifted from the Storm Sewer infrastructure projects to public safety projects due to the acceleration and funding needs of critical projects. Efforts will be made to replenish the funds in this program as necessary.

Staff has 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. Staff has procured consultants and is evaluating constructing the project in two packages considering the large scope and complexity of the project. Staff anticipates completion of both packages to be in early 2025.

- 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. Currently approximately \$3.2 million remains in the Measure T budget following the completion of this project. During the June 2, 2021 City Council meeting, former Councilmember Sylvia Arenas recommended, and the City Council approved, that staff keep these savings in this project appropriation for additional water quality projects. Lake Cunningham Regional Park was specifically discussed as a potential project.

Additionally, during the June 15, 2021 City Council meeting, the direction provided by City Council was for the City Manager to return to City Council with the results of the above-referenced study and analysis around potential paths forward for water quality improvements at Lake Cunningham and seek City Council approval before allocating any funding for implementation of specific projects.

A study was funded to evaluate the water quality conditions at Lake Cunningham Regional Park and to determine alternatives and potential costs to expand recreational opportunities at the lake. The goals of the project are to study the existing conditions, including water quality and shoreline erosion, identify actions to address these issues, and develop an adaptive management process. The findings of this study will be presented to City Council on March 14, 2023, as directed by the Neighborhood Services and Education Committee.

Conceptual estimates from the water quality study indicate a need of \$27 million to make all the necessary enhancements to Lake Cunningham, over a five-year period, to make the lake water quality viable for recreational use. The \$3.2 million allocation could fund several different projects to start the process of enhancing water quality and user experience, such as vegetated bioswales along shoreline path to intercept sediments and nutrients before they enter the lake or shoreline pathway repairs.

At this time, staff recommends shifting the environmental protection funds to 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. Though the remaining funds in the Environmental Protection program (\$3.2 million) will not cover the full Public Safety Program shortfall as identified in Table 2 above, it will be sufficient to help offset the shortfalls to build out all of the public safety projects in which full build out is necessary for the projects to be fully functional. Should City Council approve staff's recommendation, the utilization of these funds will also decrease the burden on the General Fund, and Fire Construction and Conveyance Tax Fund later when Fire Station 23 project is restarted and ready to enter into construction.

Additionally, grants are widely more available for projects that are environmentally focused or clean water than those for public safety. Staff have tried several times to obtain Earmark funds for public safety projects and each time have been informed that only those with positive environmental impacts have been successful in progressing forward.

- 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.

Staff continues to move forward with the design for the community centers that were approved during the June 15, 2021 City Council meeting on the Measure T Status Report. The report also mentioned that the projects will be built to the budget focusing on priority groupings 1, 2, and 3 since the Southside and Cypress Community Centers had been identified to be part of a private public partnership redevelopment and would not likely need improvements using Measure T funding. However, since the previous update to City Council, the timeline for the potential private public partnership at the Cypress Community Center has been delayed and staff reprioritized this site to proceed with the improvements as part of the Measure T program. The table below provides the projected schedules for each community center. Staff expects that there will be sufficient Measure T funding to complete groupings 1, 2,3 and the Cypress Community Center.

Table 6
Priority Sites in Order of Completion

Priority Grouping		Award Date	Construction Completion
Funded Projects			
1	Roosevelt, Mayfair, Bascom, Seven Trees	March 2023	Summer 2024
2	Camden	End of 2023	Beginning of 2025
3	Berryessa, Almaden, Evergreen	Summer 2023	Fall 2024
4	Cypress	Winter 2024	Winter 2025
Unfunded Projects – Potential for Public Private Partnership			
*	Southside	End of 2023	Beginning of 2025

*Southside is no longer a priority site for measure T, and is progressing forward as a private public partnership Housing redevelopment project site for affordable housing with new community center space on the ground floor.

- 9) **Public Art** – The public art budget for each program capital program is shown in Table 7 below and included in the 2022-2023 Adopted Capital Budget 2023-2027 Adopted Capital Improvement Program. The allocation for public art may be refined as the scopes for the projects are completed. Staff is working on finalizing the design by Bay Area artist Johanna Poethig for the exterior at the Fire Training Center/Emergency Operations Center. A second phase of public art projects at the Fire Training Center/Emergency Operations Center will address the building interior and will seek to commission up to 30 local artists. Staff has also completed the public art for the Police Department Memorial with Bay Area artist Gordon Huether and is waiting for the construction of the landscaping component to the memorial to be completed in which the public art will be installed and displayed. Public art projects are in the planning phase for Fire Stations, 8, 32, 36 as well as a series of projects at the River Oaks Regional Stormwater Capture Project and at Parks and Community Facilities.

Table 7
Public Art Estimated Allocation

Program	Total
Public Safety	\$ 1,606,000
Storm Sewer	\$ 523,000
Parks and Community Facilities	\$ 128,000
Total	\$ 2,257,000

EVALUATION AND FOLLOW-UP

Staff will provide City Council with an annual update and will return to City Council in early to mid-2024 with an update on the progress of the program.

COST SUMMARY/IMPLICATIONS

As shown in **Attachment E** (2023-2027 Adopted Capital Improvement Program – Measure T Fund), Measure T funding in the amount of \$218.7 million was included in the 2022-2023 Adopted Capital Budget and a total of \$423.5 million was included in the 2023-2027 Adopted Capital Improvement Program. The next bond issuances are expected to occur in 2023-2024 and 2025-2026, for \$127.5 million and \$75.0 million, respectively, and these amounts 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 rules, 85% of the bond proceeds issued for the Measure T projects must be expended within the 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 Internal Revenue Service 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 (YTD Measure T Expenditures) shows the actual year-to-date Measure T expenditures through January 2023.

As previously discussed, the Public Safety Program Reserve will not be sufficient to complete the remaining public safety projects and there is a shortfall of \$7.9 million. This memorandum recommends the use of the remaining available funds and to address the funding shortfall in Table 3. Actions approved in this memorandum will be reflected in the 2023-2024 Proposed Capital Budget and the 2024-2028 Proposed Capital Improvement Program which will be released in late April. Staff has also strategized to place the shortfalls in the project scopes

identified the Police Training and Academy, Police Air Support Hanger, and 9-1-1 Call Center Renovations as bid alternatives and originally planned to determine at time of bid if funding would be available to fund the additional scope. Staff's recommendation, if approved, would allow for these projects to proceed forward with the full build out of the base bid and bid alternates creating better functional facilities for the end users.

As noted in the 2024-2028 Five-Year Forecast and Revenue Projections, 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 new 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 ranges from \$463,000 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 Stations 32 and 36 (over \$11.0 million and approximately \$6.0 million respectively), and the Police Training Center (over \$2.0 million) and corresponding activation of the South San José Substation (over \$2.6 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 scope has 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, Police Training Facility and Academy, Police Hangar, and 9-1-1 Call Center is estimated to have significant costs 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, workplan, and implementation schedules have been coordinated with the City Attorney's Office, City Manager's Budget Office, 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.

HONORABLE MAYOR AND CITY COUNCIL

February 21, 2023

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

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PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 14, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

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

Acting Director of Public Works

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

Attachments:

A – General Obligation Bond Project Categories & Budgets

B – Public Safety Project Estimates Schedule

C – Project Implementation Schedules

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

E – 2023-2027 Adopted Capital Improvement Program – Measure T Fund







F – YTD Measure T Expenditures

Attachment A
General Obligation Bond Project Categories Budgets

Bond Project List	Original Dollar Amount	Revised Dollar Amount as of 2/2023	Description of Projects	Status
Pavement Projects	\$ 300,000,000	\$ 300,000,000	Repair/replacement of neighborhood streets in worst condition	In progress
Public Safety Projects	\$ 175,000,000	\$ 185,900,000	Build new Fire Station 37	Completed
			Rebuild/relocate or build five Fire Stations, including property acquisition	In progress
			Rehabilitation of various stations	Not Started
			Upgraded 911 Call Center and build new Emergency Operations Center	In progress
			Public Safety Headquarters Infrastructure Needs	Not Started
			New police training center (land acquisition and rehabilitation of an existing building)	In progress
			New police dept. Air Support Unit Hangar helicopter terminal on existing city property at Mineta SJIA	In progress
Environmental Protection Projects	\$ 50,000,000	\$ 50,000,000	Water supply, flood control, open space and environmental protection of lands such as Coyote Valley	Completed
Storm System Conveyance & Flood Prevention Projects	\$ 35,000,000	\$ 29,100,000	Initially planned to be the construction of a pump station. It has been re-scoped to construct a storm drain diversion along Charcot Avenue	In progress
Clean Water and Green Stormwater Infrastructure (GSI) Projects	\$ 25,000,000	\$ 25,000,000	Priority projects would be partnerships to simultaneously provide clean water to our Bays and beautify existing City owned open space. River Oaks Pump Station has already been identified as one potential project	In progress
Bridge Repair and Rehab Projects	\$ 20,000,000	\$ 20,000,000	Initially planned to leverage up to or more than \$80 million in outside funds for bridge overpasses to be seismically retrofitted or repaired. The program is currently being re-assessed	In progress
LED Lighting	\$ 20,000,000	\$ 20,000,000	Replacement of both streetlights and other outdoor lights in city facilities, such as the parks, libraries, community centers and corporation yards to reduce ongoing General Fund impacts.	In progress
Community Center/Emergency Shelters	\$ 12,950,000	\$ 12,950,000	Upgrading community centers/emergency shelters and parks facilities to support public safety	In progress
Other Priority Critical Infrastructure	\$ 5,000,000	\$ -	Priority critical infrastructure repairs to reduce ongoing General Fund impacts	Funding was shifted to Public Safety per June 2022 Memo
Bond Issuance Fee	\$ 7,050,000	\$ 7,050,000		Requesting Council Policy decision to shift funding to Public Safety per this memorandum
Total	\$ 650,000,000	\$ 650,000,000		

Attachment B
Public Safety Project Estimates Schedule

Public Safety Projects	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Fire Station No. 8 - Relocated						4								
Fire Station No. 32 - New				4										
Fire Station No. 23 - Relocated														
Fire Station No. 36 - New														1
911 Call Center Renovation - Upgraded/New			3					4						
Police Training and Academy - New/Relocated from South Substation	2		3				4							
Police Air Support Unit Hangar - New at Airport			3				4							

	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

Notes

- 95% cost estimates are the closest to the final estimate. Staff will perform some value engineering (VE) in between 95% estimate and the final estimate prior to issuing the project for advertisement.
- The red line denoted within the above schedule is identifying that five of the seven public safety projects will have 95% cost estimates by the May 2023.

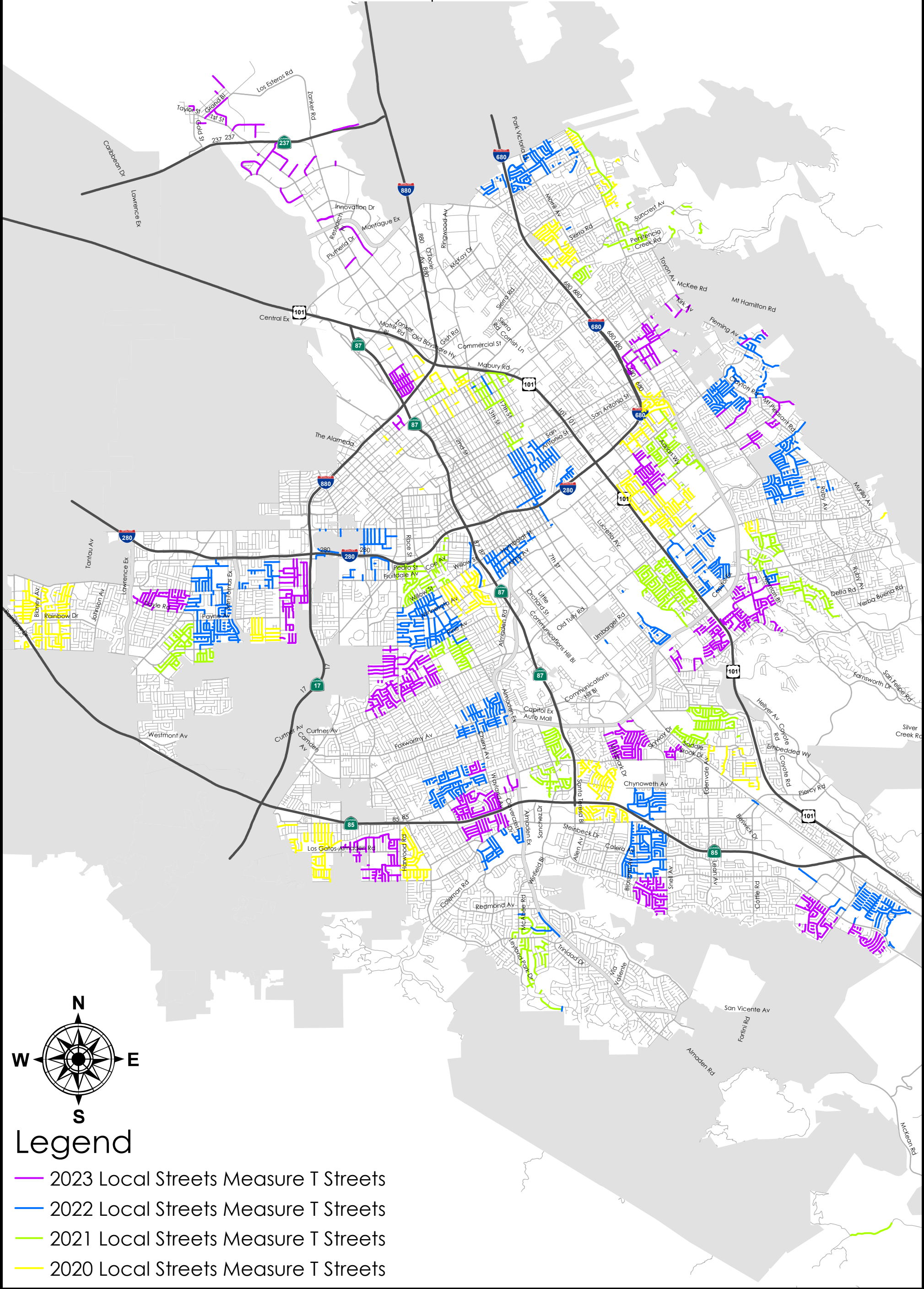
Attachment C
Project Implementation Schedules

Bond Project List Category	Proposed Projects Scope and Locations	2022	2023	2024	2025	2026	2027	2028
Pavement Projects	388 Miles of Street Repair (approx. 58 mi./year)							
Public Safety Projects	Fire Station No. 37 - New							
	Fire Station No. 8 - Relocated							
	Fire Station No. 32 - New							
	Fire Station No. 23 - Relocated							
	Fire Station No. 36 - New							
	Various Fire Stations - Rehabilitation							
	911 Center - Upgraded/New							
	Emer. Operations Ctr. - Upgraded/New							
	Police Headquarters - Infrastructure needs							
	Police Dept. Training Center - New/Relocated from South Substation							
	Police Dept. Air Support Unit Hangar - New at Airport							
Environmental Protection Projects	Flood Control, open space and environmental protection of lands such as Coyote Valley							
Storm System Conveyance & Flood Prevention Projects	Charcot Area Storm Drain Improvement Phase I							
	Charcot Area Storm Drain Improvement Phase II							
Clean Water and Green Stormwater Infrastructure (GSI) Projects	River Oaks Regional Stormwater Capture Project							
	Provide clean water to our Bays and beautify existing City owned open space.							
Bridge Repair and Rehab Projects	Various bridge overpasses to be seismically retrofitted or repaired.							
LED Lighting - Streetlights	Replacement of both standard and decorative streetlights to LEDs to reduce ongoing General Fund impacts.							
LED Lighting - City Facilities	Replacement of outdoor lights in city facilities to reduce ongoing General Fund impacts.							
Community Center/Emergency Shelters	Upgrading community centers/emergency shelters and parks facilities to support public safety.	(See Table 6 in the memorandum)						
Other Priority Critical Infrastructure	Priority Critical Infrastructure repairs to reduce ongoing General Fund impacts							

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



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



CITY OF SAN JOSE
2023-2027 ADOPTED CAPITAL IMPROVEMENT PROGRAM
Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

Program	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	5-Year Total
<u>SOURCE OF FUNDS</u>						
Beginning Balance*	\$218,698,710	\$39,835,710	\$56,830,680	\$3,199,680	\$40,687,979	\$218,698,710
Replenish Funds for Fire Station 20**		2,300,000				2,300,000
Financing Proceeds						
Traffic		84,000,000		75,000,000		159,000,000
Public Safety		16,822,000				16,822,000
Storm Sewer		15,700,000				15,700,000
Municipal Improvements		5,000,000				5,000,000
Parks & Community Facilities		6,000,000				6,000,000
Total Financing Proceeds		\$127,522,000		\$75,000,000		\$202,522,000
Total Sources	\$218,698,710	\$169,657,710	\$56,830,680	\$78,199,680	\$40,687,979	\$423,520,710
<u>USE OF FUNDS</u>						
<u>Traffic</u>						
Bridges	\$8,000,000	\$3,000,000	\$4,000,000			\$15,000,000
Pavement Maintenance	53,500,000	37,500,000	37,500,000	37,500,000	37,500,000	203,500,000
LED Streetlight Conversion	5,000,000	3,528,000				8,528,000
Admin – Traffic	31,000					31,000
Admin Reserve – Traffic	93,000					93,000
Total Traffic	\$66,624,000	\$44,028,000	\$41,500,000	\$37,500,000	\$37,500,000	\$227,152,000
<u>Public Safety</u>						
Fire Station 20 ARFF	\$100,000					\$100,000
Fire Station 8 Relocation	14,000,000	408,000	383,000			14,791,000
Fire Station 23 Relocation	5,383,000	9,999,000	993,000			16,375,000
New Fire Station 32	10,007,000	566,000	382,000			10,955,000
New Fire Station 36	2,112,000	13,874,000	386,000			16,372,000
New Fire Station 37	200,000					200,000
Emergency Operations Center Relocation	3,288,000					3,288,000
Police Training Center Relocation	26,006,000	1,765,000	386,000			28,157,000
Police Air Support Unit Hangar	8,400,000	100,000				8,500,000
911 Call Center Upgrades	1,978,000	198,000				2,176,000
PD Headquarters Upgrades	1,010,000					1,010,000
Public Safety Reserves	3,700,000	978,000	650,000			14,132,000
Public Art - Pub Safety	926,000	222,000	22,000			1,170,000
Admin WC - Public Safety	411,000	12,030				423,030
Admin Reserve - Public Safety	1,388,000					1,388,000
Total Public Safety	\$78,909,000	\$36,926,030	\$3,202,000			\$119,037,030
<u>Storm Sewer</u>						
Storm Drain Improvements at Charcot Ave	\$15,216,000	\$10,988,000	\$392,000			\$26,596,000
Clean Water Projects	7,007,000	10,546,000	4,949,000			22,502,000
Public Art – Storm Sewer	292,000	118,000	51,000			461,000
Admin – Storm Sewer	31,000	33,000				64,000
Admin Reserve – Storm Sewer	492,000					492,000
Total Storm Sewer	\$23,038,000	\$21,685,000	\$5,392,000			\$50,115,000

CITY OF SAN JOSE
2023-2027 ADOPTED CAPITAL IMPROVEMENT PROGRAM
Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

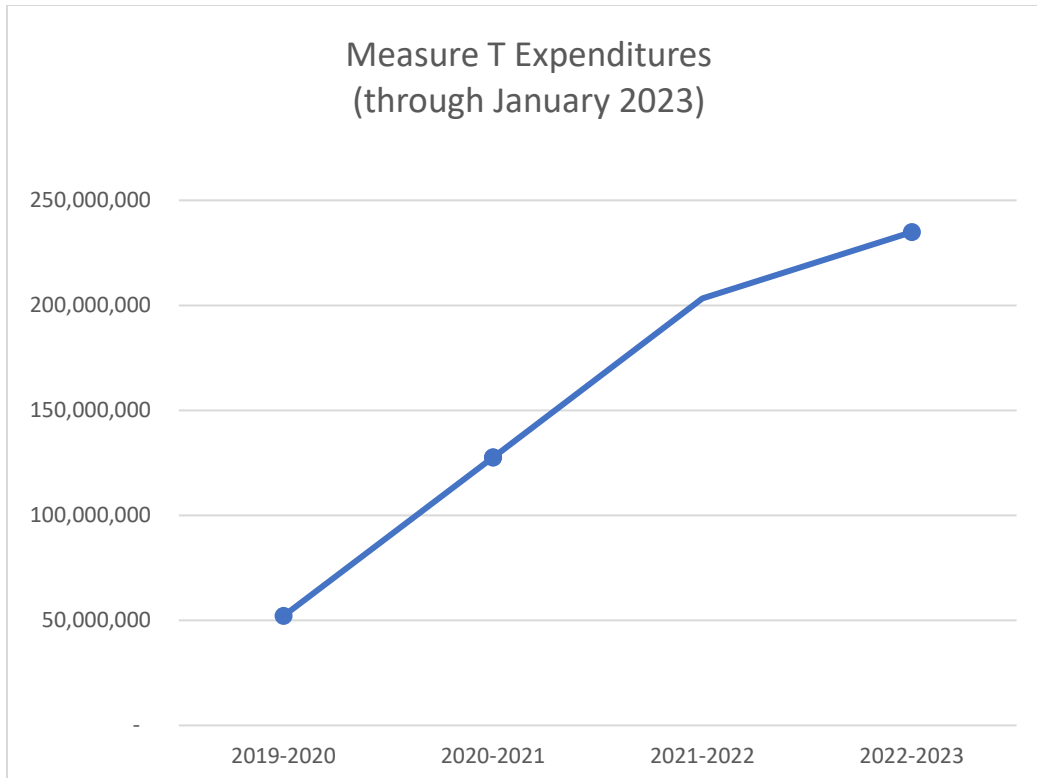
Program	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	5-Year Total
USE OF FUNDS						
Municipal Improvements						
Environmental Protection Projects	\$400,000	\$2,800,000				\$3,200,000
City Facilities LED Lighting	2,800,000					2,800,000
Critical Infrastructure		2,955,000	1,970,000			4,925,000
Admin – Muni Improvements	6,000					6,000
Admin Reserve – Muni Improvements	96,000					96,000
Total Municipal Improvements	\$3,302,000	\$5,755,000	\$1,970,000			\$11,027,000
Parks & Community Facilities						
Community Centers/Emergency Shelters	\$6,868,000	\$4,306,000	\$1,515,000	\$11,701		\$12,700,701
Public Art – Parks	69,000	44,000	15,000			128,000
Admin – Parks	41,000	28,000	29,000			98,000
Admin Reserve Parks	12,000	55,000	8,000			75,000
Total Parks & Community Facilities	\$6,990,000	\$4,433,000	\$1,567,000	\$11,701		\$13,001,701
Total Expenditures	\$178,863,000	\$112,827,030	\$53,631,000	\$37,511,701	\$37,500,000	\$420,332,731
Ending Fund Balance***	\$39,835,710	\$56,830,680	\$3,199,680	\$40,687,979	\$3,187,979	\$3,187,979
Total Uses	\$218,698,710	\$169,657,710	\$56,830,680	\$78,199,680	\$40,687,979	\$423,520,710

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

**Measure T Public Safety and Infrastructure Bond funds (\$4.6 million) have been used for the reconstruction and expansion of Fire Station 20, which was not part of the original list of projects identified to be funded through Measure T. The transfer of \$2.3 million from the General Fund was included in the 2021-22 Adopted Capital Budget to partially replenish funding for Fire Station 20 with the remaining \$2.3 million budgeted to be transferred in 2023-2024.

***The 2022-2023 through 2025-2026 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Attachment F
YTD Measure T Expenditures



*Totals above do not include any encumbrances.