



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano
John Ristow

SUBJECT: SEE BELOW

DATE: January 31, 2019

Approved

Date

1/31/19

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

RECOMMENDATION

Accept this status report on the workplan and implementation of projects included in the approved Bond measure.

OUTCOME

The City Council's consideration of the attached report provides the Council with updated information on the status of implementation of projects and programs relating to the recently voter-approved Measure T – The Disaster Preparedness, Public Safety and Infrastructure Bond.

BACKGROUND

On November 6, 2018, the voters of San Jose passed ballot Measure T – The Disaster Preparedness, Public Safety and Infrastructure Bond with over 70 percent of the electorate voting yes. The measure authorizes the City to issue up to \$650,000,000 in general obligation bonds for infrastructure projects. On November 27, 2018, City Council unanimously approved the *General Obligation Bond (Measure T – The Disaster Preparedness, Public Safety and Infrastructure Bond) Item 8.4¹*, which included Mayor Liccardo's recommendation to add two new Fire Stations and expedite the construction of Fire Station 37. On December 5, 2018, the Director of Public Works issued an Information Memorandum² updating the proposed project list accordingly.

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

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

ANALYSIS

Following approval of the ballot measure, staff has advanced Measure T projects and programs (“Program”) on several fronts. The following is a list of activities currently underway, and a detailed strategy on moving forward with the Program:

- 1) **Internal Governance** - An administrative governing structure is being developed to ensure proper reporting, teamwork and accountability amongst the various City departments involved in the Program. The following are elements of that structure:
 - a. City Manager’s Measure T Leadership Team (Attachment A). Comprised of a Deputy City Manager and the Directors of Public Works and Transportation, this team will provide high-level decision-making and strategic direction for delivering and communicating the progress of the Program.
 - b. Executive Bond Oversight Committee (EBOC) (Attachment A). This Committee includes the Directors of all departments responsible for financing and delivering the projects contemplated under the Program. This group will provide project definition and priorities, resolve issues, provide leadership and support, and monitor the overall progress of the Program and expenditures.
 - c. Public Works and Department of Transportation Management Teams (Attachment B). The Public Works Department will coordinate the implementation of the projects and will meet regularly with the Project Implementation Teams to monitor progress and resolve issues. Similar to the City Manager’s CIP Action Team of the early 2000’s, this team will help guide projects and resources, overcome project obstacles, prepare reports and Council correspondence, and provide a “One-stop Shop” for communicating all aspects of the Program. Additionally, the Department of Transportation will take the leadership role in delivering the pavement restoration projects, while working closely with Public Works to coordinate monitoring and reporting.
 - d. Project Implementation Teams (Attachment B). These teams will be project-specific and will be responsible for managing and delivering the individual projects. Comprised of subject matter experts, project managers, engineers, architects, field personnel, and analysts and administrative support, these teams will be responsible for scoping, planning, designing, and constructing all projects contemplated under the Bond measure. These teams will also be responsible for land acquisition, environmental permitting, and regulatory compliance.
 - e. Funding/ Bond Administration Team (Attachment B). Primarily comprised of staff from the Finance Department and Budget Office, this team, in consultation with the City Attorney’s Office, will oversee the timing and issuance of bonds, the budgeting of funds and debt repayment, and track revenues, encumbrances and expenditures, including compliance with appropriate state and federal regulations.

Additionally, staff from the implementing departments will work closely with the Bond Administration Team to submit timely reimbursement packets to Finance for the payment/reimbursement of GO bond expenditures.

- 2) **External Governance** (Attachment A) - A reporting structure is being developed to ensure regular and timely progress reports are provided to the Mayor and City Council and the general public. Measure T provides for the appointment of a **Citizen Oversight Committee (COC)** comprised of residents of the City to provide community oversight over the expenditure of the bond funds. The size, composition and duties of the COC are subject to City Council approval. Staff will seek Council approval of the COC members and mission at a future Council date in 2019.
- 3) **Project Scopes, Schedules, and Budgets** – Draft project scopes of work, schedules, capital budgets, and operating budget impacts are being developed. Draft Project Schedules are shown in Attachment C. As seen in the attachment, the final construction schedules for most projects are not yet available. While it is important to set project scopes, schedules, and budgets as early as possible, it is also critical to complete the site identification and scoping work necessary to set realistic expectations. Staff anticipates being able to commit to construction completion schedules for the majority of the Measure T projects later in 2019 once the scope of work and project identification phase is further along. It is also important to note, these proposed schedules are in draft form, pending environmental review, land acquisition (if applicable), and further analysis on programming and scoping work.
- 4) **Staffing Models and Consultant Support** - Resource models are being developed to analyze the levels of City staff and consultant resources that will be required to ensure effective and efficient program delivery. Departments will analyze available staff, where new staffing is needed, vacant positions to be filled, and the judicious use of consultants to fill gaps in capacity or expertise. Consultant support is anticipated to provide scoping support and complex design to support the implementation of the Program. Requests for Qualifications (RFQ) and Request for Proposals (RFP) will be issued within the next month to seek consultant design and/or design-build services for various projects. A staffing plan will be presented as part of the upcoming annual budget process.
- 5) **Fire Station 37:** As approved by a citywide vote in November 2008³, this Fire Station will be located on a portion of the parking lot at Lincoln Glen Park. A Service Order will be issued in February with a design consultant to complete the design work previously started in 2010. The project design was not completed at the time and will need to be

³ <http://www.smartvoter.org/2008/11/04/ca/scl/meas/L/>

modified to meet current codes and minor layout adjustments. A community outreach meeting will be held in Spring 2019 to inform the community the status of the station and the proposed design and site layout. The target is to complete the design in December 2019, followed by a bid and award period in early 2020, with a tentative construction start date in the first half of 2020. The Fire Station 37 Reserve of \$2.96 million in the Fire Construction and Conveyance Tax Fund is available to support the work in 2018-2019. The Administration plans to bring forward a recommended budget action in the 2018-2019 Mid-Year Budget Review to move funding from this reserve to a project appropriation.

- 6) **Land and Property acquisition:** Staff is reviewing various properties for the projects with an identified need for land acquisition. Staff is analyzing site locations, sizes, and proportions to ensure project needs are met, prior to starting discussions with property owners and prospective sellers. Staff is also analyzing city owned properties to determine if certain projects, such as a new Emergency Operations Center, can be suitably situated. The Fire Department is currently updating the 2015 San Jose Fire Department Strategic Business Plan with timelines for rebuilding/relocating Fire Stations 8 and 23 and a response time analysis for locating the two new stations.

Staff anticipates that land will potentially need to be identified for at least six projects in the public safety category. These include:

- a. two new locations to relocate Fire Stations 8 and 23;
- b. two new fire station locations, identified as Fire Stations 32 and 36;
- c. a new police training facility;
- d. a new Emergency Operations Center.

The Fire Department is reviewing 2016 Standards of Cover Assessment findings and employing internal GIS and performance data analysis capabilities and other information to identify optimal fire station placement. The Department will factor Envision San Jose 2040 General Plan land use goals, call volume trends, current fire station response time performance, and travel distance and travel time performance (including third party traffic data). Identified optimal fire station placement locations will guide property acquisition efforts.

The Office of Emergency Management reviewed the 2017 Coyote Creek After Action Report on the deficiencies of the current Emergency Operations Center (EOC) and will integrate federal and state guidance on the design and considerations for the new, or upgraded, EOC facility. As the central command and control facility for the city during response to a disaster or multi-agency emergency situation, EOC personnel are responsible for strategic direction and operational decisions under stressful conditions, in short timeframes, which require specific EOC design considerations. The common

function(s) of an EOC include collecting and analyzing data; policy and operational decision making that protect life, property, environment and local economy; continuity of business and government operation, within the scope of applicable city plans and authorities; and dissemination of emergency information to the public and responding agencies. Considerations include co-location with police and/or fire training or administrative facilities, with an optimal location away for hazards, yet central to city center or site where other city resources gather for deployment in an emergency.

- 7) **Streets, Bridges and LED Lighting** – The Program designates at least \$300 million for the repair or replacement of local and neighborhood streets in the worst condition. Staff has identified 388 miles of streets dispersed throughout the City to be resurfaced or reconstructed with this funding. A multi-year implementation and expenditure plan is being developed with construction tentatively scheduled to begin in the 2020 construction season. Funds from Measure T, in combination with annual allocations from state gas taxes, VTA 2016 Measure B and other funding sources, are expected to provide the appropriate and prescribed maintenance to all 1490 miles of local and neighborhood streets in the City within a 10-year horizon while providing the appropriate maintenance to keep the 944-mile Major Street Network in good condition. Details of the 2019 Pavement Maintenance Program can be found in an Information Memorandum⁴ released by the Department of Transportation on December 13, 2018.

Also included in this category of projects are bridge repairs and LED streetlights and lighting at outdoor City-owned facilities. For these projects, Staff is evaluating grant opportunities to leverage Measure T Bond funds. Several State and Federal bridge programs are being explored as are energy efficiency programs offered by PG&E and other agencies. Since the approach to delivering these projects is being developed, the draft schedules shown on Attachment C only include the scoping phase.

- 8) **Clean Water and Green Infrastructure Projects** – This category of projects is being refined and the implementation teams are being assembled to scope, schedule and deliver. Currently, staff is performing a criteria based evaluation of potential projects and will receive community feedback on this evaluation prior to making a recommendation to the Mayor and City Council. As land acquisition and regulatory permitting are being evaluated, staff anticipates returning to City Council with updated scopes and schedules in June 2019.
- 9) **Environmental Protection Projects**: Staff is scheduled to hold a study session with the Mayor and City Council on Coyote Valley on January 22, 2019. Staff will make a recommendation on the use of bond funds authorized by Measure T for “preventing

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

flooding and water quality contamination, including the acquisition of open space in Coyote Valley for these purposes” later in 2019, following input from this study session.

- 10) **Bond Issuance Timing** – Measure T Bond issuances will occur in phases in order to comply with IRS regulations that the City have a reasonable expectation that the proceeds from each issuance can be spent on near-term projects within a three-year time frame. Staff is preliminarily targeting the first issuance to occur early summer 2019 followed by additional issuances every two years until all of the \$650 million in Measure T Bonds are issued and the projects are completed. Budget actions are forthcoming that will allow staff to begin work, hire consultants, prepare for land acquisition and develop the analysis and scoping phase of various projects, prior to summer 2019. Preliminary costs for design and engineering of projects may be reimbursed from the bond proceeds following bond issuance.
- 11) **Project Delivery** - Delivering a program of this size will require a variety of project management and procurement tools. Much of the work will be designed and managed by in-house resources, utilizing consultants where capacity or expertise is insufficient. It is expected that the use of design-build contracting will be an effective method to deliver the more complex portions of the work, and the more traditional low bid approach will be used where sufficient competition in the market place. The recently voter-approved Measure S will offer some additional procurement tools that will help deliver the Measure T projects. Project teams are developing workplans that will discuss the approach for selecting the most advantageous delivery method to build projects efficiently and effectively.
- 12) **Contract and Wage Compliance** – It is critical that all workers on City of San Jose Public Works projects are paid appropriate wages that are aligned with the work they are performing. The Office of Equality Assurance within the Department of Public Works oversees wage compliance and is coordinating closely with the project delivery teams to ensure strong collaboration as these projects move forward. Additionally, through the recently established “Public Works Academy”, the Department of Public Works is working with the local business community to perform proactive outreach events and seminars to provide greater opportunities for local worker and local and small business participation in these projects.

Staff will return to the Mayor and City Council before the end of the fiscal year with updated information on items that are in draft form or unknown at the time this writing. The proposed bond projects will also be incorporated into the 2019-2020 Proposed Capital Budget and 2020-2024 Capital Improvement Program that are scheduled to be released on April 22, 2019.

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EVALUATION AND FOLLOW-UP

Staff will return to City Council in June 2019 with an update of the Program, with further developed project scopes, schedules and budgets. Staff will return by the end of 2019 with recommendations to establish a Citizen's Oversight Committee and regular reporting to the City Council on the progress of the Program. All Bond issuances will be brought to City Council for approval, as will project-specific actions as required.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the February 12, 2019, City Council meeting.

COORDINATION

This memorandum and workplan have been coordinated with the City Attorney's Office; the Departments of Finance, Police, Fire, Environmental Services, and Parks, Recreation and Neighborhood Services; the Budget Office; the Office of Emergency Management; and the Office of Economic Development.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from a board or commission. The formation of a Citizen's Oversight Committee will occur in 2019.

FISCAL/POLICY ALIGNMENT

The proposed project aligns with the adoption of the Greenprint 2009 Update by City Council, the City's General Plan and the Measure T Bond program.

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CEQA

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

/s/
MATT CANO
Director of Public Works

/s/
JOHN RISTOW
Acting Director of Transportation

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

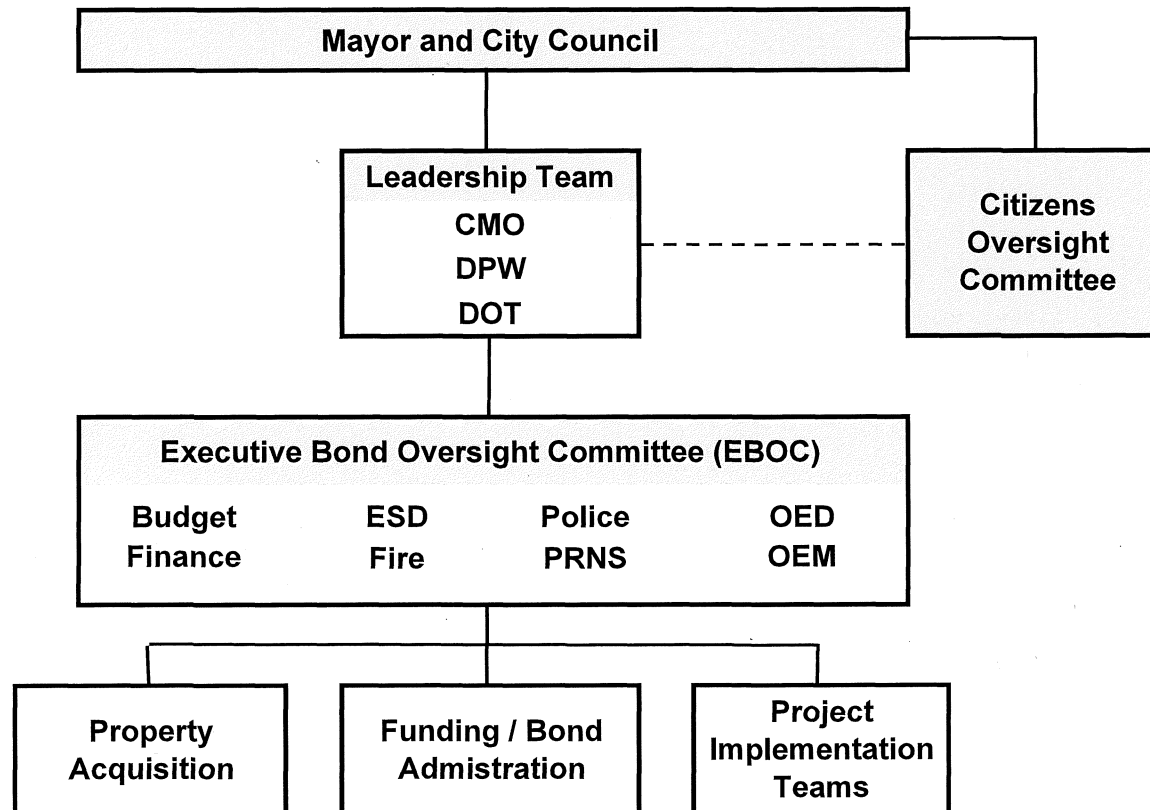
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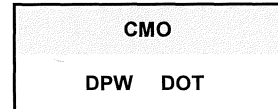
Attachment A: Governance Structure

Attachment B: Draft Organizational Charts

Attachment C: Draft Project Schedules

MEASURE T - GOVERNANCE STRUCTURE



MEASURE T - IMPLEMENTATION MANAGEMENT TEAM**PROJECT IMPLEMENTATION TEAMS**

Project Categories	Lead	Partner Dept.
Road Repairs	DOT	DPW
Bridges and LED Lighting Projects	DPW	DOT, PRNS
Public Safety Projects	DPW	PD, FD, OEM
Clean Water, Green Infra. and Flood Projects	DPW	ESD, DOT, PRNS
Other Facility Improvements	DPW	PRNS

FUNDING / BOND ADMINISTRATION TEAM

Function	Lead	Partner Dept.
Bond Funding, Timing, Debt Administration	FIN	Budget, CAO
Project Estimates and Budgets	DPW	Budget, DOT
Staffing / Resources	DPW	Budget, HR
Legal	CAO	
Budgeting / Programming Funds	Budget	FIN

Budget: City Manager's Budget Office

CAO: City Attorney Office

CMO: City Manager Office

DPW: Department of Public Works

DOT: Department of Transportation

ESD: Environmental Services Department

FD: Fire Department

FIN: Finance Department

HR: Human Resources

OEM: Office of Emergency Management

PRNS: Parks, Recreation and Neighborhood Services

PD: Police Department

DRAFT PROJECT SCHEDULES

Bond Project List Category	Proposed Projects Scope and Locations	2019	2020	2021	2022	2023	2024	2025	2026	2027
Street Repair	388 Miles of Street Repair (approx. 58 mi./year)									
Police/Fire/Emergency Operations Center	Fire Station No. 37 - New (At 2191 Lincoln Ave.)									
	Fire Stations No. 8 and 23 - Relocated									
	Fire Stations No. 32 and 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									
Environmental Protection Projects	Flood Control, open space and environmental protection of lands such as Coyote Valley									
	Charcot Ave. Pump Station - New									
Storm System Conveyance & Flood Prevention Projects										
Clean Water Projects	Provide clean water to our Bays and beautify existing City owned open space.									
Bridges - Seismic Repairs	Various bridge overpasses to be seismically retrofitted or repaired.									
LED Lighting - Streetlights	Replacement of both streetlights and other outdoor lights in city facilities to reduce ongoing General Fund impacts.									
LED Lighting - City Facilities										
Public Safety Parks/Community Center Facility Improvements	Upgrading community centers/emergency shelters and parks facilities to support public safety.									
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 Studies, Environmental Review
	DESIGN: Consultant Selection, Design and Bid/Award
	CONSTRUCTION: Construction, Commissioning, Beneficial Use / Occupancy, Acceptance