



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: July 23, 2018

Approved

Date

7-24-18

INFORMATION

SUBJECT: SAFE NEIGHBORHOOD PARKS AND RECREATION, BRANCH LIBRARIES AND THE PUBLIC SAFETY BOND PROJECTS FROM THE 2000 MEASURES O AND P, AND 2002 MEASURE O

The purpose of this memorandum is to inform the City Council about the status of Bond Programs for Parks, Libraries and Public Safety Improvements that were approved by voters in the years 2000 and 2002.

BACKGROUND

On November 7, 2000, registered City of San José voters approved the following Measures:

1. Measure P, the Safe Neighborhood Parks and Recreation Bond Projects, authorizing the issuance and sale of general obligation bonds not to exceed \$228,030,000 for the purpose of acquiring property and performing construction improvements to parks and recreation facilities throughout the City, and
2. Measure O, the San José Neighborhood Libraries Bond authorizing the issuance and sale of general obligation bonds not to exceed \$211,790,000.

On March 5, 2002, registered City of San José voters approved the following Measure:

1. Measure O, San José 911, Fire, Police, Paramedic, and Public Safety Act, authorizing the City to issue general obligation bonds up to \$159,000,000.

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ANALYSIS

I. Safe Neighborhood Parks and Recreation Bond Project Status:

- a. **Project Status:** FY 2016-17 marked the 17th year of the City's implementation of the Safe Neighborhood Parks and Recreation Bond program which has resulted in the completion of improvements to 67 neighborhood parks, seven regional parks projects, construction/renovation of nine community centers/facilities and five trail projects (See Attachment 1).
- b. **Project Financing and Expenditures:** A total of \$228,030,000 in General Obligation Bonds (the entire Parks and Recreation Bond Program authorization) was issued to fund Parks and Recreation Bond projects. These bond proceeds, combined with interest earnings, operating transfer ins, inter-fund reimbursements, state grants and other miscellaneous revenues of \$26,269,510, provided total revenues of \$254,299,510 through 2016-2017. A total of \$225,237,491 of these funds have been expended or encumbered through June 2017. The remaining \$29,062,019 balance of the funds will be used to complete the projects indicated below.
- c. **Project Unused Funds and Current/Upcoming Uses:** The remaining balance of \$29.1 million is allocated to the Arcadia Ballpark project (\$17.3 million) and the Soccer Complex project (\$11.8 million). It is important to note that both projects also receive additional funding allocations from Parks Construction and Conveyance (C&C) Tax Funds. The Arcadia Ballpark project, to be built on 14.49 acres of land in Council District 8, began construction in the fall of 2017 and is anticipated to complete in spring 2019. Staff is in the process of evaluating site options for the Soccer Complex and expects to return to the City Council with a recommendation in late 2018.

II. Branch Library Bond Project Status:

- a. **Project Status:** FY 2016-17 marked the 17th year of the City's implementation of the Library Bond program which has resulted in the expansion of 15 existing branch libraries and the construction of six new branches. The Library continued its commitment to efficiency and customer service by utilizing funds for AMH (automated materials handling) and RFID (radio frequency identification) equipment and service for self-checkout and entry gates for all 23 Library branches (See Attachment 2).
- b. **Project Financing and Expenditures:** Of the \$211.8 million authorization, a total of \$205.9 million in General Obligation Bonds have been issued to fund Library projects through FY 2016-17. In addition to the bond revenue, interest earned, land sales revenue, and miscellaneous revenue in the amount of \$28.3 million through June 2016, the total revenue of the bond program is \$234.2 million. Through June 2016, approximately \$233.2 million of these funds had been expended or encumbered.

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- c. **Project Unused Funds and Upcoming Uses:** The balance of the funds, currently \$928,431, will be used for additional improvements to older branch libraries and other projects to be determined. There is remaining General Obligation bond authorization (Measure O, November 2000) in the amount of \$5.9 million is anticipated to be issued in 2018-2019. Studies are currently being done by Library and Public Works staff to determine the use of the \$5.9 million.

III. Neighborhood Security Bond (NSB) Program Project Status:

- a. **Project Status:** FY 2016-17 marked the 15th year of the City's implementation of the Public Safety Bond program which has resulted in the completion of upgrades to 19 fire stations, construction of nine fire stations (two new fire stations, six relocated fire stations and one rebuilt), the new South San José Police Substation and four community policing center renovations and improvements (See Attachment 3).
- b. **Project Financing and Expenditures:** Of the \$159 million authorization, total of \$155.7 million in General Obligation (GO) Bonds have been issued to fund NSB projects through the fourth quarter of FY 2016-2017. In addition to bond revenue, interest earned, settlement proceeds, and fund transfers totaled approximately \$18.3 million, for total revenue of \$174.0 million. Approximately \$172.1 million of bond funds have been expended or encumbered as of June 30, 2017. The remaining authorization to issue GO bonds for public safety projects under the NSB Program is \$3,325,000 (Measure O, March 2002) and is anticipated to be issued in 2018-2019. The balance of the funds will be used to complete the projects indicated below.
- c. **Project Unused Funds and Current/Upcoming Uses:** As described in the 2017-2018 Adopted Capital Budget and the 2018-2019 Proposed Capital Budget, the remaining bond funds were reallocated to eligible fire station capital improvement projects that would otherwise be budgeted in the Fire Construction and Conveyance (C&C) Tax Fund due to the urgency to use the balance of the Neighborhood Security Act Bond Funds. The capital improvement projects will be prioritized based on previous life cycle and condition assessment reports performed by the Public Works Department in coordination with the Fire Department. Originally, these bond funds were allocated to Fire Station 37. The 2019-2023 Proposed Capital Budget allocates funds to the Fire Station 37 Reserve, the last remaining project from the bond program, from the Fire Construction and Conveyance Tax Fund in the amount of \$4.6 million to preserve funding for this project while allowing use of the remaining bond funds. Additional one-time funding of at least \$7.0 million is required to fully construct and outfit the new fire station, and approximately \$3.7 million will be needed annually for maintenance and operations.

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COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, and the Finance Department.

/s/

MATT CANO

Director of Public Works

For questions, please contact Michael O'Connell, Deputy Director at (408) 535-8300.

Attachments:

1. Measure P (2000), Safe neighborhood Parks and Recreation Bond Projects list
2. Measure O (2000), San Jose Neighborhood Libraries list
3. Measure P (2002), Neighborhood Security Bond list

MEASURE P Projects (Year 2000):

	PROJECTS	Square Feet	BOND Funding (Spent to 6/2017)	Completion
	Neighborhood Parks/Playground Renovations/Restrooms (New and Rem.):			
1	Almaden Meadows Youth Lot		\$ 371,178	2003
2	Alviso Park Youth & Tot Lot		\$ 513,737	2003
3	Backesto Youth & Tot Lot/ Restroom		\$ 639,294	2003
4	Biebrach Park Play Lots & Restrooms		\$ 626,674	2004
5	Bramhall Park Restroom (early renovation)		\$ 179,840	2003
6	Brigadoon Tot Lot Renovation		\$ 234,593	2002
7	Butcher Park Youth/Tot Lot		\$ 453,818	2003
8	Cahalan Park Tot Lot 3		\$ 632,818	2002
9	Calabazas Park Restroom		\$ 291,101	2003
10	Capitol Park Tot Lot Renovation		\$ 360,292	2002
11	Cataldi Park Youth & Tot Lot 4		\$ 396,424	2002
12	Children of the Rainbow		\$ 199,620	2003
13	Cimarron Park Play Area Renovation		\$ 264,728	2003
14	Erickson Park Play Area		\$ 242,017	2002
15	Evergreen Park Play Area 3		\$ 490,374	2004
16	Fernish Park Play Area		\$ 179,644	2004
17	Flickinger Youth Tot Lot		\$ 650,359	2003
18	Fontana/ Golden Oaks Youth		\$ 272,519	2003
19	Forestdale Park Tot Lot Renovation		\$ 265,436	2003
20	Graystone Park Tot Lot 2		\$ 499,431	2002
21	Great Oaks Park Tot Lot		\$ 253,991	2002
22	Guadalupe Oak Grove Restroom		\$ 131,246	2003
23	Hamann Park Lot & Restroom		\$ 538,236	2003
24	Hathaway Parking Lot & Restroom		\$ 452,724	2003
25	Hillview Park Play Area		\$ 509,220	2003
26	Houge Park Play Area & Restroom		\$ 520,725	2002
27	Huerta Park Youth & Tot Lot Renovation		\$ 349,502	2002
28	Kirk Park Youth & Tot Lot		\$ 357,703	2003
29	Lone Hill Park Tot Lot		\$ 665,787	2004
30	Los Paseos Park Youth Lot & Restroom		\$ 437,206	2002
31	Martin Park Youth & Tot Lot		\$ 518,196	2003
32	Meadowfair Center Play Area -		\$ 234,874	2003
33	Meadows Youth & Tot Lot		\$ 368,789	2003
34	Melody Park Youth Lot Renovation		\$ 211,903	2002
35	Mise Park Restroom Renovation		\$ 272,302	2004
36	Murdock Park Youth Lot Renovation		\$ 225,229	2002
37	Noble Park Play Area Renovation		\$ 243,072	2005
38	Northwood Youth & Tot Lot		\$ 473,901	2003
39	Parkview II Play Area		\$ 322,038	2001
40	Parkview Park 1 Play Area		\$ 267,235	2003
41	Parma Park Youth & Tot Lot		\$ 451,598	2002
42	Paul Moore Park Restroom		\$ 275,378	2003
43	Plata Arroyo Park Play Area		\$ 269,630	2004
44	Playa Del Rey Park Play Area		\$ 244,307	2002
45	Rainbow Park Play Area		\$ 436,365	2003
46	Ramblewood Play Area Renovation		\$ 436,216	2003
47	River Glen Tot Lot		\$ 665,094	2002
48	Roy Avenue Play Area Renovation		\$ 263,331	2003
49	Ryland Park Tot Lot & Restroom		\$ 625,501	2003
50	San Tomas Park Youth and Tot lot Ren.		\$ 733,954	2003
51	Saratoga Creek Park Youth Lot and Restroom		\$ 605,973	2004
52	Shady Oaks Park Play Area		\$ 186,346	2002
53	Silver Leaf Park Play Area		\$ 418,237	2003
54	Silvia Cassell Park Play Area		\$ 260,448	2003
55	Solari Park Play Area		\$ 293,485	2003
56	Stonegate Park Youth & Tot Lot		\$ 488,139	2003
57	Terrell Park Play Area		\$ 283,663	2004
58	Thousand Oaks Play Area		\$ 247,974	2003
59	TJ Martin Park Play Area		\$ 267,957	2004
60	Townsend Park Youth & Tot Lot		\$ 434,591	2003
61	Turtle Rock Park Play Area		\$ 238,110	2003
62	Vinci Park Play Area Renovation		\$ 199,656	2003

MEASURE P Projects (Year 2000):

	PROJECTS	Square Feet	BOND Funding (Spent to 6/2017)	Completion
	<i>Measure P (Cont.):</i>			
63	Vista Park Youth Lot Renovation		\$ 120,827	2003
64	Wallenberg Park Play Area		\$ 434,114	2004
65	Watson Park Youth Lot Renovation		\$ 336,115	2003
66	Welch Park Restroom Renovation		\$ 238,060	2003
67	William Street Restroom (Selma Olinder Park)		\$ 227,114	2005
	Regional Parks:			
1	Municipal Rose Garden		\$ 1,870,787	2004
2	Emma Prusch Memorial Park		\$ 2,036,579	2007
3	Emma Prusch Memorial Park - LeFevre House (Renov.)		\$ 1,899,241	2010
4	Almaden Lake Park (Improvements) Phase 1		\$ 3,013,318	2005
5	Almaden Lake Park (Improvements) Phase 2			2007
6	Happy Hollow PH 1 and 2-Strategy		\$ 1,802,267	2010
7	Happy Hollow Park and Zoo		\$ 58,578,840	2012
P	Soccer Complex		\$ 4,526,868	TBD
C	Arcadia (Softball Facility) Ballpark (In construction, See Below)		\$ 1,601,568	Spr. 2019
	<i>(P= Pending, C= In Construction)</i>			
	Community Centers/Facilities:			
1	Gardner Community Center	12,400	\$ 4,834,828	2004
2	Camden Multi-Service Center (Ren. and Additions)	17k Ren/23k New	\$ 9,896,199	2005
3	Morril Community Center- Multi-Service (w/School Dist.) (Renovation)	21,000	\$ 4,100,000	2005
4	Southside Community Center (Renovation)	3,000	\$ 1,811,464	2005
5	Almaden Joint Facility - Community Center (& Library)	46,700	\$ 16,407,615	2006
6	Roosevelt Community Center - Multi-Service	30,000	\$ 20,244,064	2008
7	Mayfair Community Center	24,575	\$ 11,769,601	2009
8	Bascom Community Center (& Library)	20,500	\$ 11,771,335	2010
9	Solari/Seven Trees Community Center (& Library)	40,000	\$ 20,531,334	2010
	Trails:			
1	Saratoga Creek Trail Reach 6 / San Tomas Aquino		\$ 2,221,220	2005
2	Los Alamitos/ Calero Creek Trail (Pedestrian Safety Improv.)		\$ 27,204	2006
3	Los Gatos Creek Trail Reach 4		\$ 2,108,644	2007
4	Coyote Creek Trail - Los Lagos Golf Course		\$ 1,987,672	2009
5	Guadalupe River Trail		\$ 2,878,936	2011
	Other:			
-	Public Art Designs		\$ 3,909,255	-
-	Program Administration (PRNS Dept. Staff)		\$ 8,702,693	-
-	Intergovernmental (Operating Transfer In/ Inter-fund Reimbursement)		\$ 1,339,000	-
	Debt service:			
-	Arbitrage rebate payment		\$ 567,000	-
	Total Expenditures:		\$ 225,237,491	
	Revenues:			
	Investment Income (Interest earnings)		\$ 23,012,152	
	Intergovernmental (Operating Transfer In/ Inter-fund Reimbursement)		\$ 2,384,538	
	Intergovernmental from State (State Grant for the Guadalupe Trail Proj.)		\$ 651,975	
	Other Miscellaneous (Per Auditors' Report)		\$ 220,845	
	Total Revenues:		\$ 26,269,510	
	BOND PROCEEDS:		\$ 228,030,000	
	BOND FUNDS (Incl. Revenues):		\$ 254,299,510	
	FUND BALANCE (As of end of June 30, 2017):		\$ 29,062,019	
	Outstanding:			
	Public Art Design		\$ 2,000	
	Soccer Complex - Site TBD		\$ 17,312,019	
	Arcadia (Softball Facility) Ballpark (in Construction, Spring 2019)		\$ 11,748,000	

- 1 The projects above only include bond funds, supplemental funds, if any to a project, are not identified in this list.
- 2 The noted values above are from the Auditors report dated October 2017, for the year ending June 30, 2017.

MEASURE O Projects (Year 2000):

	PROJECTS	Square Feet	BOND Funding (\$ Spent to 6/2017)	Completion
	Branch Libraries:			
1	Vineland Branch Library	24,000	\$ 9,138,611	2003
2	Tully Community Branch Library	24,000	\$ 11,705,750	2004
3	Berryessa Branch Library	26,000	\$ 10,170,216	2005
4	Dr. Roberto Cruz Alum Rock Branch Library	26,000	\$ 13,719,317	2005
5	Rose Garden Branch Library	19,000	\$ 9,389,639	2005
6	Almaden Branch Library (& Community Center)	20,000	\$ 8,212,593	2006
7	Cambrian Branch Library	27,800	\$ 11,965,397	2006
8	Evergreen Branch Library	21,000	\$ 10,403,741	2006
9	Hillview Branch Library	21,000	\$ 11,103,362	2006
10	Edenvale Branch Library	22,000	\$ 10,000,243	2007
11	Joyce Ellington Branch Library	14,500	\$ 9,720,972	2008
12	Pearl Avenue Branch Library	14,000	\$ 8,085,039	2008
13	Willow Glen Branch Library	13,000	\$ 8,756,809	2008
14	East San Jose Carnegie Branch Library	10,220	\$ 9,781,568	2009
15	Santa Teresa Branch Library	22,000	\$ 11,838,576	2010
16	Seven Trees Branch Library (& Community Center)	20,000	\$ 11,741,593	2010
17	Bascom Branch Library (& Community Center)	20,000	\$ 19,741,551	2011
18	Calabazas Branch Library	10,420	\$ 7,860,013	2011
19	Educational Park Branch Library	18,000	\$ 10,640,641	2011
20	Village Square Branch Library (aka Southeast)	16,000	\$ 14,166,251	2016
	Other:			
	- Branch Efficiencies Projects		\$ 3,466,059	-
	- Materials Handling Technology		\$ 955,035	-
	- Misc. Post Const. Costs		\$ 190,575	-
	- Project Administration (Library Dept. Staff)		\$ 7,626,951	-
	- Intergovernmental (Operating Transfer In/ Inter-fund Reimbursement)		\$ 2,168,000	-
	Debt Service:			
	- Arbitrage rebate payment		\$ 683,000	-
	Total Expenditures:		\$ 233,231,502	

Revenues:			
Investment Income		\$ 19,712,527	
Intergovernmental (Operating Transfer In/ Inter-fund Reimbursement)		\$ 6,009,248	
Other Miscellaneous (Per Auditors' Report)		\$ 74,158	
Proceeds from Sale of Land:		\$ 2,479,000	
Total Revenues:		\$ 28,274,933	

BOND PROCEEDS		\$ 205,885,000	
BOND FUNDS (Incl. Revenues):		\$ 234,159,933	
FUND BALANCE (As of End of June 30, 2017):		\$ 928,431	
Outstanding:			
Authorized Bonds UNISSUED:		\$ 5,905,000	
Above balance to be used:	1. For additional efficiency improvements to older branch libraries and other projects to be determined. (\$928,431) 2. Studies are currently being done by the library to determine on the use of the \$5.9 million.		

- 1 The projects above only include bond funds, supplemental funds, if any to a project, are not identified in this list.
- 2 The noted values above are from the Auditors report dated October 2017, for the year ending June 30, 2017.

	PROJECTS	Square Feet	BOND Funding (Spent to 6/2017)	Completion
	Policing:			
1	Central Community Police Station Exterior Improvements	-	\$ 323,382	2004
2	West Community Policing Center	Renov.	\$ 2,035,704	2006
3	East Community Policing Center	Renov.	\$ 50,257	2008
4	Emergency Communication and Dispatch Center	Renov.	\$ 1,479,799	2009
5	South San Jose Police Substation	107,000	\$ 88,355,887	2015
	Fire Stations:			
1	Fire Station 34 - New (Las Plumas)	11,500	\$ 6,768,148	2008
2	Fire Station 35 - New (Poughkeepsie)	12,600	\$ 6,586,899	2008
3	Fire Station 25 - Relocation (Alviso)	6,360	\$ 5,599,924	2008
4	Fire Station 17 - Relocation (Coniston)	6,400	\$ 4,748,964	2009
5	Fire station 12 - Relocation (Cahalan)	6,326	\$ 4,735,603	2010
6	Fire Station 2 - Rebuild (Alum Rock)	12,466	\$ 5,088,664	2011
7	Fire Station 19 - Relocation (Sierra)	6,400	\$ 5,701,252	2012
8	Fire Station 36 (now known as FS 24- Silver Creek)	11,378	\$ 8,303,173	2015
9	Fire Station 21 - Relocation (So. White Rd.)	8,800	\$ 8,409,704	2015
-	Fire Stations Upgrades (19 stations)	varies	\$ 8,576,078	2003-2008
	- Fire Training Center (Studies and Reports)		\$ 2,134,954	-
	- Land Acquisition - Fire Stations		\$ 6,283,551	-
	- Driver Safety Training Center (Studies and Reports)		\$ 681,415	-
	- Fire Station 37 -(Consultant and Mgnt.-50% Design Pack on Hold)		\$ 1,105,330	-
	Other:			
-	Program-Wide Administration (FD and PD Depts. Staff)		\$ 4,862,952	-
	Debt Service:			
-	Arbitrage rebate payment		\$ 254,000	-
	Total Expenditures:		\$ 172,085,640	

	Revenues:		
	Investment Income		\$ 14,930,878
	Intergovernmental (Various Operating Transfer In/ Inter-fund Reimbursement)		\$ 862,295
	Other Miscellaneous (Per Auditors' Report)		\$ 2,722,549
	Total Revenues:		\$ 18,515,722
	Transfer out (In order to complete FS 24 w/new contractor)		\$ (200,000)

	BOND PROCEEDS		\$ 155,675,000
	BOND FUNDS (Incl. Revenues):		\$ 173,990,722
	FUND BALANCE: (as of End of June 30, 2017)		\$ 1,905,082
	Outstanding:		
	Authorized Bonds UNISSUED:		\$ 3,325,000
	Above balance to be used:		
	1. For capital improvement projects of the existing Fire Stations.		

1 The projects above only include bond funds, supplemental funds, if any to a project, are not identified in this list.

2 The noted values above are from the Auditors report dated October 2017, for the year ending June 30, 2017.