



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: SEE BELOW

DATE: March 4, 2024

Approved

Date

3/14/24

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

RECOMMENDATION

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

SUMMARY AND OUTCOME

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

BACKGROUND

Measure T, approved by voters in November 2018, provides for the issuance of \$650 million in General Obligation Bonds to fund a variety of important infrastructure projects throughout the City. Since the voters approved the bond measure, the City Council has received annual updates

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and provided direction on the implementation of the Measure T program. Past updates are linked below for reference¹²³⁴⁵⁶⁷⁸⁹¹⁰.

Most recently, on October 17, 2023, Item 2.12¹¹, the 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*. The report included the staff update on project work plans and implementation schedules, as well as outlined the projected funding needs for the public safety program.

ANALYSIS

Since the October 17, 2023 report, several significant activities have taken place. The updated schedules for all Measure T projects are described in **Attachment A - Project Implementation Schedules**. Attachment A is the master schedule list, requested by the Measure T Community Oversight Committee through the last annual review, and it will be shared with the committee at its May 2024 meeting. The following list provides current project statuses in each of the major program categories.

- 1) **Measure T Community Oversight Committee** – The committee met on November 2, 2023, to review the annual independent auditor’s report and annual expenditures of the Measure T bond funds. The Annual Report on Measure T Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Program Proceeds and Allocations for Fiscal Year 2022-2023 was approved by the committee on January 9, 2024. The committee prepared and presented the annual report to City Council on February 27, 2024.

The next meeting will be held in May 2024 to review the 2024-2025 Proposed Capital Budget and 2025-2029 Capital Improvement Program, approve the creation of an ad hoc committee, and vote on a new chair and vice chair. The focus of the ad hoc committee is to prepare the annual report to the City Council on the prior fiscal year’s expenditures.

Currently, there are 10 committee seats filled and five vacant seats from District 5, District 7, District 10, the Citywide - Business, and the Citywide - Finance/Accounting.

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-BF59-75566033BBA0>

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=04EADE87-A463-4DBB-8A3E->

<EBB6D5C96AC0&Options=&Search=>

¹⁰ <https://sanjose.legistar.com/LegislationDetail.aspx?ID=6045681&GUID=27FB9B36-2E13-47F6-B0F5-A7350CE461C3&Options=&Search=>

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¹¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=12354332&GUID=E97EAD34-02C1-4B15-8D4A-3FAEF3C0D996>

2) **Public Safety Projects** – Pursuant to direction from the City Council on October 17, 2023, the current approved Measure T program allocates \$207.1 million to complete public safety projects. Site selection, land acquisition, and scoping are continuing for several projects and are significant factors in ensuring these projects are delivered within the funding allocation. Many projects have moved into the construction phase which has provided staff a clear understanding of the spending and funding need. A summary of current activities in the Public Safety category is below. The updated schedules for all Public Safety projects are shown in **Attachment B- Public Safety Project Estimated Schedule**.

(a) **New Fire Station 37** – The construction 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 has been fully operational since May 2022 and received its Certificate of Occupancy in July 2023.

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

The project bids came in higher than the engineer's estimate; therefore, an additional \$1,687,000 was added to the project from the public safety reserves at the time of award.

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

The project has been advertised three times - in March 2023, July 2023, and November 2023. Each procurement resulted in a single responsive bid and, in the interest of generating sufficient competition for the project, the Public Works Department elected to re-bid each time. The project is scheduled to be advertised for a fourth time in March 2024, with a tentative award in June 2024, and construction expected to begin later in the summer.

(d) **Relocated Fire Station 23** – This project includes a budget of \$4 million, dedicated solely to the purchase of a property for the future relocated fire station. A suitable site for Fire Station 23 has been identified and staff have engaged the landowner in negotiations. California Environmental Quality Act (CEQA) work to support the acquisition of land necessary to construct the station is planned to begin in the coming months. Staff anticipates bringing a recommendation to the City Council to acquire a

suitable property once the project's CEQA analysis has sufficiently progressed, which is anticipated in the calendar year 2024.

The project will need an additional \$15 million to continue with the design and construction. In order to proceed with the design of Fire Station 23, staff will need to prioritize the remaining public safety projects and identify program savings or identify other funding opportunities such as grants or funding in the General Fund and Fire Construction and Conveyance Tax Fund. The relocation of Fire Station 23 will improve coverage within the city limits and accounts for planned developments in North San José. Fire Station 23 is the fourth priority station approved by City Council in the June 18, 2019 memorandum [Measure T – New Fire Station Placement Prioritization \(Item 8.1\)](#), and is the last fire station in need of land acquisition.

- (e) **New Fire Station 36** – The site has been selected and land has been acquired at the intersection of Capitol Expressway and Tuers Road for the construction of Fire Station 36. The project is currently fully funded. Staff anticipates starting the design process in summer 2024.
- (f) **Fire Station 20 – Aircraft Rescue and Firefighting Facility** – Fire Station 20, located at the southwest portion of the San José Mineta International Airport, replaced the older existing Aircraft Rescue and Firefighting Facility station at the airport. The project was completed at the end of March 2022, with the newly expanded fire station officially online and operational. Project acceptance occurred in September 2022.

As directed by the City Council-approved Mayor's March Budget Message for Fiscal Year 2020-2021, \$4.6 million in Measure T funds were used to expand Fire Station 20 to include landside operations. Another \$1.1 million of Measure T funds generated from interest earnings were allocated to this project in the 2019-2020 Annual Report due to higher than anticipated costs. A transfer of \$2.3 million from the General Fund in 2021-2022 partially replenished the \$4.6 million advanced for this project.

- (g) **Police Training and Academy Facility** – The City acquired 300 Enzo as the site for the Police Training and Academy in March 2021. The project was awarded on December 5, 2023, to the lowest responsive bidder, Midstate Construction, in the amount of \$28,748,000. The project began construction February 2024 with final completion anticipated in late 2025.

The project bids came in lower than expected; therefore, roughly \$9.8 million will replenish the Program Reserve for Public Safety. Staff anticipates allocating the remaining funding in the Program Reserve to Fire Station 23 pending the bid results for Fire Station 32, Fire Station 36, and 9-1-1 Call Center Renovation projects.

- (h) **Emergency Operations Center** – The project, in conjunction with the Fire Department Training Center, was awarded on January 12, 2021 to Zovich Construction, Inc. in the amount of \$54,105,000. The project received a temporary Certificate of Occupancy in February 2024, with minor punch list items remaining to be completed prior to final project acceptance. The Emergency Operations Center will be fully operational by end of March with the ribbon cutting ceremony scheduled to occur on March 28, 2024.

- (i) **9-1-1 Call Center Renovation** – This project will provide improved working conditions and a more efficient space for dispatch personnel to handle the increasing number of calls. This project will also allow the City to take advantage of the changing methods and technologies the public utilizes to call for 9-1-1 service. The 9-1-1 Call Center renovation will expand into the space currently occupied by the existing Emergency Operations Center; therefore, construction cannot proceed until staff from the City Manager’s Office of Emergency Management relocates to the new Emergency Operation Center facility, which is scheduled to occur in March 2024. The project is anticipated to be awarded in August 2024 with construction starting in October 2024 and reaching substantial completion by summer 2025.

- (j) **Police Air Support Unit Hangar** – The location of this project is at the southwest corner of the airport property, near Coleman Avenue and Airport Boulevard, next to the recently completed Aircraft Rescue and Fire Fighting Facility (Fire Station 20) described above. The project was awarded on November 7, 2023, to the lowest responsive bidder, DL Falk Construction, Inc., in the amount of \$12,660,000, and included the bid alternate for the construction of the second aircraft hangar bay for a future fixed wing aircraft. The project began construction January 2024 with final completion anticipated in spring 2025.

The project bids came in higher than the engineer’s estimate, therefore, an additional \$1,180,000 was added to the project from the public safety reserves at the time of award.

- (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. The highest priority projects identified include improvements to the plumbing throughout the facility and improvements to the existing gun range target system. As part of the March 14, 2023 update, City Council approved increasing the project budget to \$6.3 million to address these high priority projects.

The target system replacement for the existing range at the Police Administration Building has been completed. Staff will start the preliminary design for the plumbing system improvements and the HVAC improvements at the existing gun range this summer.

- (1) **Program Reserve for Public Safety** – Originally, \$36.4 million of the Measure T funds were set aside in the reserve for various public safety projects, including Police Headquarters Infrastructure Upgrades, rehabilitation of various fire stations, and a contingency for Public Safety projects. After the budget actions and policy decisions made on March 14, 2023, approximately \$6.95 million remained unallocated. Subsequently, the bids for the Fire Station 8 Relocation Project and Police Air Support Unit Hangar projects came in higher than anticipated and the funding gap of roughly \$2.9 million was addressed by utilizing the Program Reserve for Public Safety. After accounting for \$4.5 million from interest earnings, there is \$8.6 million in the Program Reserve. The bids for the Police Training and Academy Facility project came in lower than the engineer’s estimate, leaving an excess amount of roughly \$9.8 million that will be added to the Program Reserve. The Program Reserve will be trued up through the annual budget process. Once the bid results are known for the new Fire Stations 32 and 36 and the 9-1-1 Call Center Renovation Projects, any remaining funding in the Program Reserve will be used for the design and construction of the relocated Fire Station 23 Project.

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. In 2019, 420 miles were originally expected to be repaved during Measure T’s lifespan. However, as pavement condition deteriorates over time, more streets fall into the rehabilitation category for the pavement treatment. To deliver the pavement program efficiently, staff divided stretches of roadways into zones and prioritized these zones based on overall conditions. This has proven to have significant benefits by reducing mobilization costs and shortening the project delivery timeline.

The Department of Transportation has resurfaced 521 miles since 2020 utilizing Measure T funds. A map that shows the locations of these 521 completed miles can be found in **Attachment C – City of San José 2020-2024 Local Streets Measure T Streets**. Department of Transportation continues to provide updated memoranda every spring to share tentative construction plans with the public.

In the 2024 construction season, the Department of Transportation plans to complete maintenance on 183 miles of San José local and neighborhood streets, of which 116 miles are programmed to be resurfaced and 777 associated curb ramps are to be constructed with the annual \$37.5 million Measure T allocation. In the 2025 construction season, the Department of Transportation plans to maintain 212 miles of San José streets, including 178 miles of local and neighborhood streets. Out of the 178 miles of local and neighborhood streets, 90 miles will be funded by Measure T.

- (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. 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.

Caltrans has approved \$547,001 in Bridge Investment Credits for the City. The City can use the credits as a matching fund for any future federal-aid bridge projects. Staff is anticipating additional approval of approximately \$2 million this year and next year. Staff completed the rehabilitation work for 45 bridges and has scheduled for 11 bridges this summer under the Bridge Investment Credits projects.

To optimize Measure T funds and maximize the opportunity for grant funding, staff engaged 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. Staff established a five-year Bridge Maintenance Program with a budget of \$14.8 million. Maintenance work includes deck overlay, deck rehabilitation, deck replacement, joint replacement, and substructure preservation. Staff may assess expediting the five-year plan to help spend down the funding from the bridge program and will provide an update to City Council in the next Measure T status report.

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 is unlikely. However, the maintenance of the bridges around the city is still needed. The Highway Bridge Program funding situation is evolving with the recent passage of the federal Infrastructure Investment and Jobs Act. Staff will be ready to apply for grant funds as soon as funding becomes available as the bridge investment credits do not expire. Staff will continue to work with counterparts at Caltrans to maximize grant opportunities and advocate for the increased availability of program funds. Department of Transportation 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** – As staff evaluated the outdoor lighting inventory, the number of fixtures needing to be converted for City-owned facilities grew

by over 1,000. In addition, the cost for the fixtures is higher than originally anticipated. **Table 1** below lists the City-owned facilities in conversion priority order, provides details about the total number of fixtures, as well as the number of fixtures that have been converted to date for each category utilizing Measure T funding. As mentioned in prior reports, Measure T funding is not sufficient to fully convert the remaining 1,174 outdoor facility lights. A funding shortfall of \$2.7 million has been identified if all existing outdoor lighting were to be converted to LED. This summer, staff will evaluate all funding resources within Measure T lighting allotments for potential reallocation to these conversions. Additionally, staff will continue to seek alternative funding solutions with the respective departments, such as Fire and Park, Recreation, and Neighborhood Services. Staff will continue to coordinate with project managers to ensure all new future developments are scoped to include the new LED lighting and controllers in the base design.

**Table 1
City Facility Lighting Conversion Status as of February 2024**

Facilities	Converted	Remaining	Total
Parks and Trails	3,488	38	3,526
Community Centers	1,229	54	1,283
Libraries	1,328	0	1,328
Fire Stations	293	398	691
Cultural Facilities	212	509	721
San José Police Department	534	60	594
Corporation Yards	419	0	419
Lighted Sports Facilities	165	115	280
Number of Fixtures	7,668	1,174	8,842

Lighting Controls for City Facilities – To date there have been 4,359 nodes installed. Staff is working to install the remaining 4,483 nodes, for a total of 8,842 nodes citywide of which Measure T has funded a large portion of these controllers. These nodes are currently being installed at the existing retrofitted sites listed in Table 1 as well as new City facility projects as they come online. There are roughly 1,100 exterior fixtures at new City facilities (i.e., the Emergency Operation Center, Fire Training Center, Municipal Water office buildings, new parks, and fire stations), and staff anticipates purchasing the remaining controllers as sites are completed and as funding becomes available.

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

With the completion of the PG&E streetlight inventory audit, in July 2021, there is also a billing records review under way of over 27,000 streetlight records. The billing records are reviewed as a joint effort with PG&E and City staff. The billing records are to be reviewed and confirmed by PG&E in 2024. It is likely to result in an increase in the City's streetlight inventory.

As discussed in previous status reports, as part of the PG&E conversion program, a comprehensive inventory of the streetlight assets has been completed. Findings of the PG&E program indicate that a significant portion of the current streetlight poles do not have a ground wire at the fixture head. Staff began its investigation of determining how many streetlight poles have a ground wire within the system by developing a map outlining areas that were upgraded or built within the timeframe from when the City standard specifications were updated. Based on this initial investigation, roughly 42,000 streetlights were built or converted under the current standard specifications. This leaves roughly 22,000 lights that will require historical plan reviews prior to performing field investigations. Staff will need to identify resources to assist in the continuation of the investigation.

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

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

Lighting Controls for Streetlights - The solicitation for lighting controllers for streetlights remains in the preparation stage and is being evaluated for maintaining relevance and possible solicitation. Staff is considering this for funding reallocation to more priority LED conversion or ground wire efforts. This summer, staff will decide on the highest need and best use of these funds and come forward with a recommendation to City Council.

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

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

Initially, the City Land South of Phelan Regional Stormwater Capture Project was identified as the next priority project to be completed under Measure T and was approved by City Council in the June 28, 2022 Measure T update. In January 2024, City staff took into further consideration the remaining amount of Measure T funds, constructability, construction costs, and long-term operation and maintenance costs of this project. It was estimated the project could cost upwards of \$29 million and require another 1.5 years of design and permitting before starting construction in late 2025. With the extended schedule, design constraints, increase in cost, and the complexity of the project, staff determined that the City Land South of Phelan project is no longer feasible. Instead, staff is recommending pursuing a smaller regional project that requires less permitting and has a straightforward design proximate to Kelley Park and Happy Hollow parking lot.

To evaluate the viability of the Kelley Park and Happy Hollow parking lot location, staff used the previously established evaluation criteria that consider cost effectiveness, potential partnership, technical feasibility, social/community/equity benefits, and water supply/flood protection. After evaluating the project, staff found, when comparing this project to the City Land South of Phelan, the construction costs and operation and maintenance costs will be significantly less while simultaneously meeting goals set in the Green Stormwater Infrastructure Plan. This project will collect runoff from approximately 80 acres of the surrounding neighborhood. The project offers a high degree of water quality benefit addressing pollutant reduction and trash reduction, while also expanding usable green space for the public. This smaller Regional Stormwater Capture Facility would start design in May 2024 and complete construction in September 2025.

Staff is in the process of developing another feasibility study to identify five new regional stormwater capture facilities to clean stormwater run-off from San José.

Staff anticipates utilizing approximately \$12 million of Measure T funds for the River Oaks Regional Stormwater Capture Project, approximately \$3.5 million for the Kelley Park and Happy Hollow parking lot location, and the remaining funding of approximately \$9 million for one or two smaller regional stormwater capture facilities.

- 6) **Storm Drain Improvement Projects for the Charcot Area** – Design has progressed for the Storm Drain Improvement Projects for the Charcot area, which will provide flood protection in the area east of Zanker Road between Trimble Road and Brokaw Road. Originally envisioned as a new pump station, this project was re-scoped to construct a new and less costly storm drain system that connects to the existing Rincon Pump Station II, which outfalls to the Guadalupe River. This revised project approach provides similar levels of flood protection while saving the City significant costs for building, operating, and maintaining a new pump station. The project will be constructed in two packages,

due to its size and complexity. Package one will install approximately 4,200 feet of 60-inch to 96-inch diameter storm pipe along Charcot Avenue and Bering Drive. Package two will be designed to install approximately 3,100 feet of 60-inch to 96-inch diameter storm pipe along East Brokaw Road and Rodgers Avenue.

Staff received current estimates for package one, which will use all the available Measure T budget for this project, and is approximately \$28 million. Package two will finish design at the end of this year; however, there will not be sufficient budget available for construction. Package one alleviates approximately 60% of flooding in the area and package two increases that by 20% by redirecting flow to Rincon II Pump Station. There is currently a temporary pump station that will provide relief to the storm system in the package two project boundaries that will be in operation until additional funding is identified to complete the construction of package two. Staff has discussed with Valley Water the need for the temporary pump station and will continue to coordinate on a potential partnership to complete the construction of package two. Staff will also look into pursuing grant opportunities to obtain funding.

Package one is anticipated to be awarded in June 2024, with construction starting in August 2024. Package two is anticipated to be at 60% of design in March 2024, with design completed at the end of this year; the construction will be on hold until funding is identified.

- 7) **Environmental and Flood Protection Projects** – On November 6, 2019, City Council approved the purchase of approximately 672 acres of real property in Coyote Valley. After the purchase of the property, there was approximately \$3.2 million remaining in the Measure T budget. As approved by City Council as part of the March 14, 2023 memorandum, these funds were shifted 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.
- 8) **Community Center/Emergency Shelters** – The City Emergency Operations Plan includes the coordination of mass care and sheltering facilities. These facilities will be retrofitted to provide basic human needs, including food, water, shelter, and security. While the operation of an emergency shelter is considered an emergency protective measure under the Stafford Act, facilities identified for such a purpose are required to meet basic facility standards. These standards include per capita allowances for space, feeding, and personal hygiene.

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

The Priority 3 project, which includes the Berryessa, Almaden and Evergreen Community Centers, was awarded on June 13, 2023 to the lowest responsive bidder, City Building, Inc., in the amount of \$1,198,780. The project began construction in September 2023 and is anticipated to be complete in fall 2024.

Staff continues to progress the design for the Priority 2 project, Camden Community Center, and anticipates awarding the project this summer with construction completion in summer 2025.

After further review of the improvements needed at the Priority 4 project, Cypress Community Center, staff has put the design on hold until after the Camden Community Center Project is awarded due to the anticipated costs exceeding the current budget. The Cypress Community Center may still be considered as part of a public-private partnership housing redevelopment project site which will build a new facility; however, Parks, Recreation, and Neighborhood Services Department currently is not pursuing that option and will reevaluate this option in the future.

- 9) **Public Art** – The public art budget for each capital program is shown in **Table 2** below and included in the 2023-2024 Adopted Capital Budget and the 2024-2028 Adopted Capital Improvement Program. The allocation for public art may be refined as the scopes for the projects are completed. The first public art project completed was an exterior ceramic mural and interior window treatment for Fire Station 14 by artist Sam Tubiolo. The artwork on the exterior of the Fire Department Training Center/Emergency Operations Center has also been completed by Bay Area artist Johanna Poethig. A second phase of public art projects at the Fire Department Training Center/Emergency Operations Center will address the building interior and will seek to commission up to 30 local artists. The installation of public art by Bay Area artist Gordon Huether for the Police Department Memorial was completed in November of 2023. Additional public art projects are in the planning phase for Fire Stations 8, 32, and 36 as well as a perimeter fencing project at the River Oaks Regional Stormwater Capture Project and mural projects at parks and community center facilities such as the memorial mural at the Mayfair Community Center by artist Jessica Sabogals.

Table 2
Public Art Budget Allocation

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

EVALUATION AND FOLLOW-UP

Staff will provide City Council with a biannual update, with the next update on the program to occur in fall 2024. Construction bids for the new Fire Station 32 and the 9-1-1 Call Center Renovation Project are expected to be opened within the next six months. Staff will return to City Council to report on the bids received and award construction contracts for each project separately.

COST SUMMARY/IMPLICATIONS

As the Measure T program evolves, project budgets are recommended for modification, as appropriate, as they proceed through site selection, design, and construction. **Attachment D - 2024-2028 Adopted Capital Improvement Program – Measure T Fund** demonstrates Measure T funding of \$150.1 million in the 2023-2024 Adopted Capital Budget and \$359.7 million for the five-year 2024-2028 Adopted Capital Improvement Program. Vis-à-vis Measure T debt, \$440.4 million of the three-tranche, \$650 million in Measure T bonds have been issued thus far (\$239.9 million in 2019 and \$200.5 million in 2021). The third Measure T bond tranche was contemplated to occur in fiscal year 2024-2025. However, there are sufficient bond proceeds remaining from the first two debt tranches to support Measure T activities through fiscal year 2024-2025.

With regards to Internal Revenue Service rules that tax-exempt bonds expend 85% of the respective tranche within three years of issuance, staff is making a good faith effort to progress with various projects and have been diligently documenting the project delays that have occurred since the beginning of the program. Staff is also working to expedite the spending by reviewing projects that can move forward faster. Over the next several months and into the coming fiscal year, staff will evaluate actual spending to date and anticipated project expenditures to determine the timing of the third and final tranche of Measure T bonds.

Attachment E – Measure T Expenditures shows the actual year-to-date Measure T expenditures through January 2024. As previously discussed, the Program Reserve for Public Safety may not be sufficient to complete the remaining public safety projects. Staff will need to prioritize the remaining public safety projects and identify program savings or identify other funding opportunities such as grants.

As noted in the 2025-2029 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, and the 9-1-1 Call Center Renovation. This would also necessitate adding staff in the Fire, Police, and Public Works 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 approximately \$161,000 in 2023-

2024 to \$23.0 million in 2028-2029 when the majority of the Measure T projects will be completed.

The preliminary annual operating and maintenance costs for Fire Station 32 (approximately \$12.0 million for dual company), Fire Station 36 (\$6.8 million for single company), the Police Training Center (\$2.0 million), and corresponding activation of the South San José Substation (\$2.6 million) will be brought forward for City Council certification prior to awarding a contract for construction or recommended for certification as part of the Proposed Capital Improvement Program. In March 2008, the City Council approved Budget Principle #8 that stated capital improvement projects “shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact.” Annual costs for other Measure T projects, such as the upgrades at the Police Headquarters, will be brought forward as part of future budget processes once their scopes have been refined.

Aside from the operating and maintenance costs, future funding is required to outfit the new facilities with the necessary furnishings, fixtures, and equipment – including new fire apparatus – that are not eligible to be paid with Measure T general obligation bonds. Based on preliminary information, the furnishings, fixtures, and equipment for the fire stations, Police Training Facility and Academy, Police Hangar, 9-1-1 Call Center Renovation, and Emergency Operations Center is estimated to cost approximately \$9 million within the next five years. It is anticipated that refinements of these estimates, as well as determining funding for furnishings, fixtures, and equipment, will be completed prior to bringing them forward for consideration by the City Council in any given year.

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 26, 2024 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

March 4, 2024

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

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COMMISSION RECOMMENDATION AND INPUT

The Community Oversight Committee will hold its next meeting in May 2024 to review the 2024-2025 Proposed Capital Budget 2025-2029 Proposed Capital Improvement Program.

CEQA

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

PUBLIC SUBSIDY REPORTING

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

/s/

MATT LOESCH
Director of Public Works

For questions, please contact Katherine Brown, Assistant Director of Public Works, at Katherine.Brown@sanjoseca.gov or (408) 535-8300.

ATTACHMENTS:

Attachment A – Project Implementation Schedules

Attachment B – Public Safety Project Estimated Schedules






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

Attachment D – CIP Program

Attachment E – Measure T Expenditures

Attachment A
Project Implementation Schedules

Bond Project List Category	Proposed Projects Scope and Locations	2024	2025	2026	2027	2028	2029
Pavement Projects	388 Miles of Street Repair (approx. 58 mi./year)	[Gantt bars showing construction from 2024 to 2029]					
Public Safety Projects	Fire Station No. 37 - New	COMPLETED					
	Fire Station No. 8 - Relocated	[Gantt bar showing construction in 2024-2025]					
	Fire Station No. 32 - New	[Gantt bar showing construction from 2024 to 2026]					
	Fire Station No. 23 - Relocated	[Gantt bar showing construction in 2024]					
	Fire Station No. 36 - New	[Gantt bar showing construction from 2024 to 2028]					
	Various Fire Stations - Rehabilitation	NOT APPLICABLE					
	911 Center - Upgraded/New	[Gantt bar showing construction in 2024-2025]					
	Emer. Operations Ctr. - Upgraded/New	COMPLETED					
	Police Headquarters - Infrastructure needs	[Gantt bar showing construction in 2024-2025]					
	Police Dept. Training Center - New/Relocated from South Substation	[Gantt bar showing construction from 2024 to 2026]					
Police Dept. Air Support Unit Hangar - New at Airport	[Gantt bar showing construction in 2024-2025]						
Environmental Protection Projects	Flood Control, open space and environmental protection of lands such as Coyote Valley	COMPLETED					
Storm System Conveyance & Flood Prevention Projects	Charcot Area Storm Drain Improvement Phase I	[Gantt bar showing construction from 2024 to 2026]					
	Charcot Area Storm Drain Improvement Phase II	[Gantt bar showing construction from 2024 to 2027, with a red segment from 2025 to 2027]					
Clean Water and Green Stormwater Infrastructure (GSI) Projects	River Oaks Regional Stormwater Capture Project	[Gantt bar showing construction in 2024-2025]					
	City Land South of Phelan	PROJECT					
Bridge Repair and Rehab Projects	Various bridge overpasses to be seismically retrofitted or repaired.	[Gantt bars showing construction from 2024 to 2029]					
LED Lighting - Streetlights	Replacement of both standard and decorative streetlights to LEDs to reduce ongoing General Fund impacts.	[Gantt bar showing construction in 2024-2025]					
LED Lighting - City Facilities	Replacement of outdoor lights in city facilities to reduce ongoing General Fund impacts.	[Gantt bar showing construction in 2024-2025]					
Community Center/Emergency Shelters	Upgrading community centers/emergency shelters and parks facilities to support public safety.	[Gantt bars showing construction from 2024 to 2029]					
	Priority 1 (Roosevelt, Mayfair, Bascom, Seven Trees)	[Gantt bar showing construction in 2024-2025]					
	Priority 2 (Camden)	[Gantt bar showing construction from 2024 to 2026]					
	Priority 3 (Berryessa, Almaden, Evergreen)	[Gantt bar showing construction in 2024-2025]					

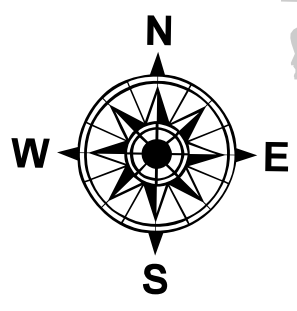
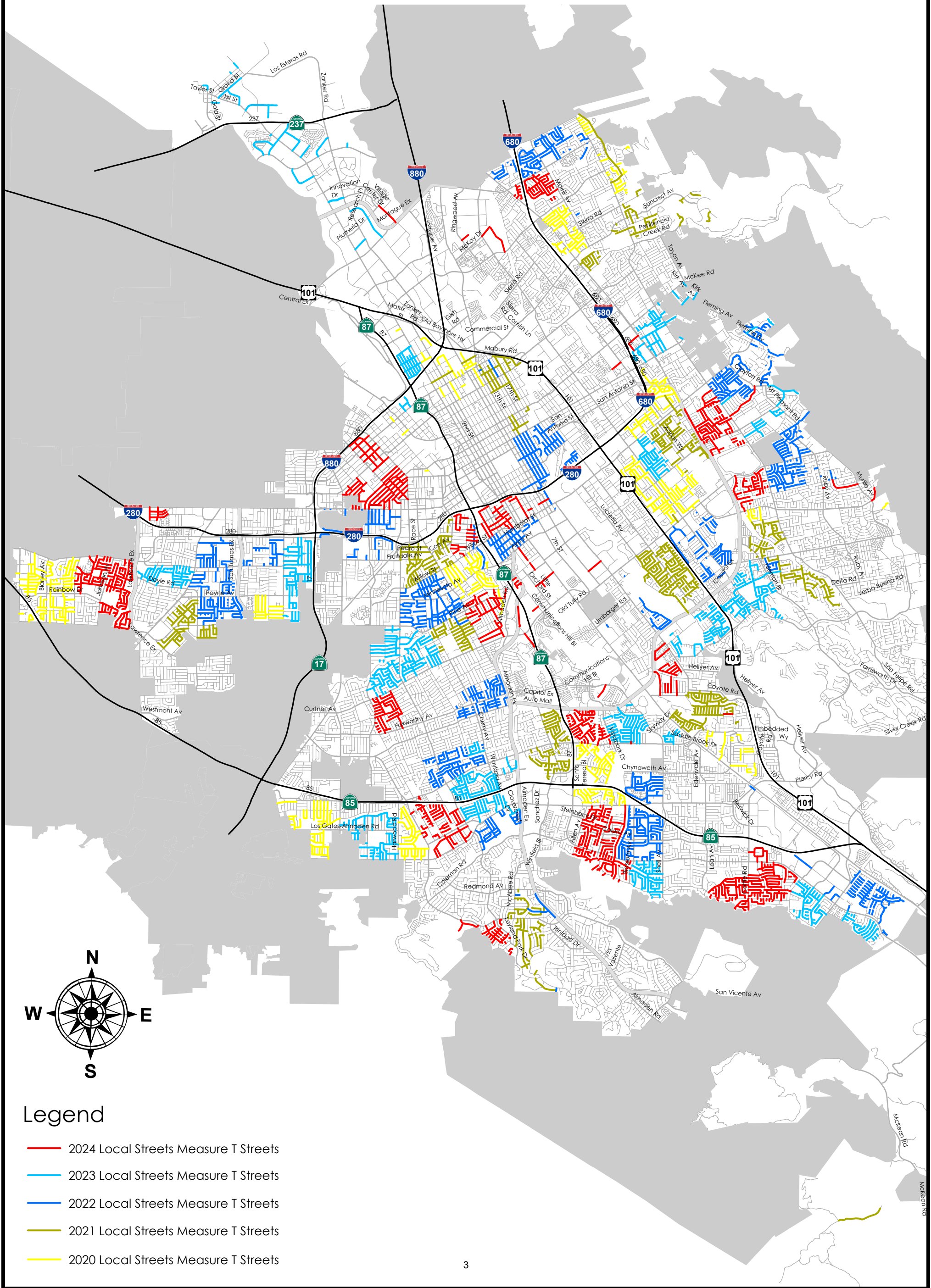
	ON HOLD: Project is on hold due to funding constraints
	PROJECT SELECTION PROCESS AND IDENTIFICATION: Evaluation of Options
	SCOPING/CEQA/PROPERTY ACQUISITION: Consultant Process, Feasibility & Envir Studies
	DESIGN: Consultant Selection, Design and Bid/Award
	CONSTRUCTION: Construction, Commissioning,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

Projects	First Estimate	Adv	Bid Opening	Award	Const	Beneficial Use	Comments
Fire Station 8	-	4/26/23	6/1/23	8/15/23	10/5/23	Mar-25	Awarded to DL Falk. Currently in Construction
Police Air Support Unit Hangar	-	7/12/23	9/7/23	11/7/23	1/16/24	Mar-25	Awarded to DL Falk. Currently in Construction
Police Training and Academy Facility	-	8/30/23	10/19/23	12/5/23	2/27/24	Oct-25	Awarded to Midstate Construction. Currently in Construction
Fire Station 32 Re-Bid 3	-	3/20/24	5/2/24	6/25/24	Aug-24	Jan-26	Going out to bid for the 4th time
9-1-1 Call Center Renovation	-	4/24/24	5/30/24	8/6/24	Oct-24	Jul-25	
Fire Station 36	Nov-24	Dec-25	Jan-26	Mar-26	Dec-26	Apr-28	Currently preparing service agreement

Light grey dates are actual dates that occur in the past
 Dates in black and italicized are the estimated dates



CITY OF SAN JOSE 2020 - 2024 LOCAL STREETS MEASURE T STREETS



Legend

- 2024 Local Streets Measure T Streets
- 2023 Local Streets Measure T Streets
- 2022 Local Streets Measure T Streets
- 2021 Local Streets Measure T Streets
- 2020 Local Streets Measure T Streets

CITY OF SAN JOSE
2024-2028 ADOPTED CAPITAL IMPROVEMENT PROGRAM

Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

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

CITY OF SAN JOSE
2024-2028 ADOPTED CAPITAL IMPROVEMENT PROGRAM

Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

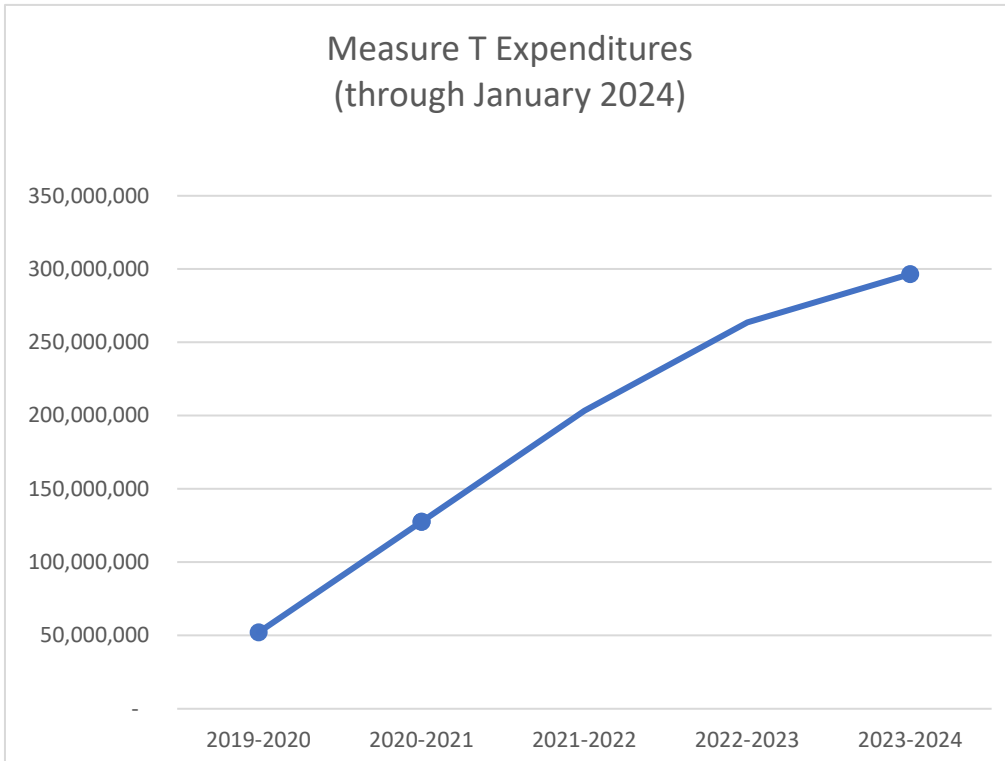
Program	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	5-Year Total
<u>Municipal Improvements</u>						
City Facilities LED Lighting	\$415,000					\$415,000
Total Municipal Improvements	\$415,000	\$0	\$0	\$0	\$0	\$415,000
<u>Parks & Community Facilities</u>						
Community Centers/Emergency Shelters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

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

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

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

Attachment E - Measure T Expenditures



FY	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Exp	52,143,312	75,472,897	75,736,192	60,341,925	32,878,737
Cumm Exp	52,143,312	127,616,209	203,352,401	263,694,326	296,573,063

*don't include encumbrances