



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: See Below

DATE: September 3, 2024

Approved

Date:

9/18/24

COUNCIL DISTRICT: Citywide

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

RECOMMENDATION

Accept the bi-annual 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 related 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 and provided direction on the implementation of the Measure T program. Past updates are linked below for reference ¹²³⁴⁵⁶⁷⁸⁹¹⁰¹¹.

Most recently, on March 26, 2024, Item 2.18¹², the City Council approved a bi-annual 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 March 26, 2024 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, and it will be shared with the Measure T Community Oversight Committee at its November 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 May 9, 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 ad hoc committee is comprised of five members that will review and make recommendations to the larger Measure T Community Oversight Committee based on the annual independent auditor's report and annual expenditures of the Measure T Bond funds.

The next meeting will be held in November 2024, to review the auditor's report on the expenditures from fiscal year 2023-2024.

Currently, there are 12 committee seats filled and three vacant seats from District 7, 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=04EAD87-A463-4DBB-8A3E-EBB6D5C96AC0&Options=&Search=>

¹⁰ <https://sanjose.legistar.com/View.ashx?M=F&ID=11738576&GUID=66879752-3E11-49A0-8333-56C874716A49>

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

¹² <https://www.sanjoseca.gov/home/showpublisheddocument/112066/638520560075330000>

- 2) **Public Safety Projects** – Pursuant to direction from the City Council on March 26, 2024, the Measure T program allocates \$211.6 million to complete public safety projects. Site selection, land acquisition, and scoping for majority of projects have been completed and many of the projects are either in design or construction. Now that many projects have moved into the construction phase, staff has 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 Schedules.
- (a) **New Fire Station 37** – The construction project was awarded on June 30, 2020 to Gonsalves & Stronck Construction Company, 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 of 2025.
- (c) **New Fire Station 32** – The project was awarded to the lowest responsive bidder, Gonsalves & Stronck Construction Company, on June 18, 2024, in the amount of \$12,867,777 which includes space for a dual company as well as the installing a rooftop solar photovoltaic system. The project required an additional \$3 million from the Public Safety program reserve to cover the additional costs for the dual company area of the project. The project began construction in August 2024 with final completion anticipated to be spring of 2026.
- (d) **Relocated Fire Station 23 (Land Acquisition Only)** – This project includes a budget of \$4.1 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. To support property acquisition, the project needs to complete an environmental review under the California Environmental Quality Act and gain approval from City Council. California Environmental Quality Act review will begin upon completion of the project schematic design package, which is anticipated to be completed by October 2024. The California Environmental Quality Act review process is estimated to take up to 12 months. Staff anticipates returning to City Council with recommendations for the potential acquisition of the property once the project's California Environmental Quality Act analysis is complete, which is anticipated in the calendar year 2025.

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 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 fire 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 once an architect consultant is selected in fall of 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. 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.
- (g) **Police Training and Academy Facility** – The City acquired 300 Enzo as the site for the relocated 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 construction start date was March 11, 2024 and final completion is anticipated for spring 2026. Originally, the project was expected to be completed late 2025, however the project schedule has been impacted due to unforeseen conditions within the existing building discovered during the course of construction.

Through project planning and design, the project funds were augmented from program reserves and other projects in the amount of \$24.7 million. The project bids came in lower than expected. Therefore, roughly \$9.3 million has been replenished to the program reserve for Public Safety.
- (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 and was extended

through November 2024, with minor punch list items remaining to be completed prior to final project acceptance. The City Manager's Office of Emergency Management staff has relocated to their new offices in Building 1. Building system trouble shooting is underway for Building 2, prior to being fully operational to support emergency events. The Emergency Operations Center is anticipated to be fully operational by end of September 2024. The ribbon-cutting ceremony occurred 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 previously used for the Emergency Operations Center. The 9-1-1 Call Center renovation project is anticipated to be awarded in January 2025 with construction starting in March 2025 and reaching substantial completion by early 2026 calendar year.
- (j) **Police Air Support Unit Hangar** – The location of this project is 1114 Coleman Avenue, at the southwest corner of the airport property, on the corner of 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 in January 2024 with final completion anticipated in spring 2025.

Later this year, Staff will bring forward a council memorandum requesting approval to increase the construction contingency for the work associated with the installation of a foam fire suppression system. This will enable the Police Department to conduct maintenance and repair work within the hangar as needed.

A third hangar space could be added to house the possible acquisition of a second fixed-wing aircraft. As a separate project, staff will examine the third hangar space expansion in the future should funding be identified and pending prioritization of resources with other Measure T public safety projects.

- (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 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 gun range at the Police Administration Building has been completed. Staff is currently working on the preliminary design for the plumbing system and HVAC improvements at the existing gun range. The goal is to advance to the comprehensive design phase in November 2024. Both projects are expected to begin construction in March 2026 and achieve substantial completion by the end of April 2027.

- (l) ***Program Reserve for Public Safety*** – Initially, \$36.42 million of the Measure T Public Safety and Infrastructure Bond funds were set aside in the reserve for various projects, including: Police Administration Building Upgrades, 9-1-1 Call Center Upgrades, rehabilitation of various fire stations, as well as a contingency for Public Safety projects. Subsequently, funding has been allocated to various public safety projects once the scopes were defined or to offset higher costs of construction awards. Offsetting the use of the reserve was \$9.3 million of savings from the Police Training Center construction bids coming in lower than anticipated, prior year's interest earnings of \$4.5 million and project savings (\$231,000). A total of \$11.1 million was added to the reserve, bringing it to \$18.1 million. The goal of the reserve will be allocated for the design and construction of Fire Station 23; however, these funds could potentially be used for Measure T priority projects pending bid results.

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 designated \$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 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 517 miles of roadway since 2020 utilizing Measure T funds. A map that shows the locations of these 517 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 1,160 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 allocated \$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 \$2,994,130 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 anticipates additional approval of approximately \$2 million in 2025. Staff completed the rehabilitation work for 45 bridges and plan to rehabilitate an additional nine bridges by the end of summer 2024 and apply for Bridge Investment Credits upon completion of the 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's recommendations with respect to prioritization. Staff established a three-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. The three-year plan is to help spend down the funding from the bridge program in compliance with bond issuance and expenditure requirements of Measure T funds.

The Highway Bridge Program funding 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. The Department of Transportation will continue delivering bridge maintenance projects as scheduled and provide further information as it becomes 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. The Public Works Department was able to find two funding sources to cover the remaining 1,045 outdoor facility lights. Staff was able to secure \$500,000 from the Community Development Block Grant program through the Housing Department to address the exterior and interior lighting at the following 10 fire stations; 3, 5, 7, 16, 18, 20, 26, 30, 34, and 35. An additional \$2.4 million was shifted from the LED Streetlights Conversion project to complete the conversion of all City facilities. This work is estimated to be completed by June 2026. 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 August 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	422	269*	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	7,797	1,045	8,842

*Lighting conversion funded by the Community Development Block Grant. All other conversions will be funded by Measure T.

Lighting Controls for City Facilities – To date, there have been 4,836 nodes installed. Staff is working to install the remaining 4,006 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 3,000 lights remaining to be converted, which are unique ornamental, or post-top lights, primarily in the downtown neighborhoods 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 a decrease in the City's streetlight inventory.

A total of \$2.4 million of the funding from the LED Streetlight Conversion project was reallocated as part of the 2024-2025 Adopted Budget to fund the completion of the LED conversion of the City-owned facility lighting. The total funding remaining within the LED Streetlight Conversion project will be \$5.3 million and utilized to convert the ornamental lights as the bulbs burn out. To date, just under 1,000 ornamental lights have been converted in various areas throughout the City. In addition, staff will continue to perform investigations to determine how many streetlight poles require ground wire within the system. Once those locations are determined, the work will fall into the deferred maintenance infrastructure backlog and funding will need to be identified. Staff will also continue 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. This research will also include taking advantage of the emerging Internet of Things functionality to provide additional community-serving benefits, such as emergency response and management, energy conservation, and public safety. Staff will explore alternative funding strategies and availability, such as potential grants, to fund the lighting controls once an appropriate product is identified.

- 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 winter 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 further evaluated 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 was no longer feasible. Instead, staff is pursuing a smaller regional project that requires less permitting with a more straightforward design located within Kelley Park near the Happy Hollow parking lot, known as the Vintage Heritage Regional Stormwater Capture Project.

To evaluate the viability of the Vintage Heritage Regional Stormwater Capture Project, 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 started design in May 2024, with anticipated construction completion in November 2025.

Staff developed a feasibility study that identified five new regional stormwater capture facilities to clean stormwater run-off in the City of San José. From these five sites, two have been prioritized to proceed forward to being design. These projects will collect a combined total runoff of up to approximately 300 acres within the San José region. Similar to the Vintage Heritage Regional Stormwater Capture Project, these projects will provide green stormwater infrastructure benefits to the community, ranging from water quality to flood reduction while reducing generated pollutants. These projects are anticipated to begin design in fall 2024 with construction completed in summer 2027. Staff anticipates utilizing approximately \$12 million of Measure T funds for the River Oaks Regional Stormwater Capture Project, approximately \$3.5 million for the Vintage Heritage

Regional Stormwater Capture Project location, and approximately \$9 million for one or two smaller regional stormwater capture facilities.

- 6) **Storm Drain Improvement Projects for the Charcot Area** – The Storm Drain Improvement Projects for the Charcot area will provide flood protection in the area east of Zanker Road between East Trimble Road and East Brokaw Road. Originally envisioned as a new storm pump station at Charcot Avenue and Hartog Drive, 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 under two packages, due to its size and complexity. Package one will install approximately 4,200 linear feet of a combination of 54-inch fiberglass-reinforced concrete pipe and 72-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 is in the process of executing the contract for package one, which will use all the available Measure T budget for this project at approximately \$24 million. Package two design is scheduled to be completed by the end of calendar year 2024; however, there will not be sufficient funding available for construction. Package one alleviates approximately 60% of flooding in the area and package two will increase that by 20% of the total amount by redirecting flow to Rincon II Pump Station. There is currently a temporary pump station at Charcot Avenue and Hartog Drive 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 seek a potential partnership to complete the construction of package two. Staff will also look into pursuing grant opportunities to obtain funding.

Package one was awarded on June 18, 2024 with the construction bid amount of \$18.2 million. This project is scheduled to begin construction in November 2024, with an anticipated completion end of 2025. Package two is currently at 60% progress design with anticipated design completion by the end of calendar year 2024; 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.
- 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 completed in November 2024.

The Priority 2 project, which includes Camden Community Center, was awarded on June 18, 2024, to the lowest responsive bidder, City Building Inc., in the amount of \$4,599,178. The project is anticipated to start construction October 2024 and is anticipated to be complete in July 2025.

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 completed in January 2025.

After further review of the improvements needed at Cypress Community Center, the Priority 4 project, staff put the design on hold until after the Camden Community Center Project was awarded, due to the anticipated costs exceeding the current budget. The Camden Community Center Project was awarded on June 18, 2024. The Parks, Recreation, and Neighborhood Services Department decided to focus on Camden Community Center rather than Cypress Community Center. The focus shift on Camden Community Center is due to it being the largest community center, will be the department's dedicated Department Operations Center, and is historically one of the most used shelter sites during emergency situations. Cypress Community Center may still be considered as part of a public-private partnership housing redevelopment project site that will build a new facility; however, the Parks, Recreation, and Neighborhood Services Department is currently not pursuing that option and will reevaluate in the future. Any emergency shelter work would be added to the scope of the project, if and when the public-private partnership housing redevelopment project is completed.

- 9) **Public Art** – The public art budget for each capital program is shown in **Table 2** below and included in the 2024-2025 Adopted Capital Budget and the 2025-2029 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 37 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, as well as the second phase of public art projects at the Fire Department Training Center/Emergency Operations Center that addressed the building interior, which commissioned 31 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 Sabogal.

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 the next bi-annual program update in spring 2025.

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 - 2025-2029 Adopted Capital Improvement Program – Measure T Fund demonstrates Measure T funding of \$131.0 million in the 2024-2025 Adopted Capital Budget and \$284.5 million for the five-year 2025-2029 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). It is anticipated the third and possibly final tranche of the Measure T bonds will be issued in summer 2025, but it will be dependent on estimated project activities.

With regard 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 spending by reviewing projects that can move forward faster. Staff will evaluate actual spending 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 June 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 next five years range from approximately \$7.3 million in 2025-2026 to \$26.0 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 (\$7.0 million for single company), the Police Training Center, and corresponding activation of the South San José Substation (\$7.0 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 \$6.0 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.

HONORABLE MAYOR AND CITY COUNCIL

September 3, 2024

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

Page 15

COORDINATION

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

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 24, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

The Measure T Community Oversight Committee will hold its next meeting in November 2024 to review and discuss the 2023-2024 external audit report findings.

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

HONORABLE MAYOR AND CITY COUNCIL

September 3, 2024

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

Page 16

For questions, please contact Sal Kumar, Deputy Director of Public Works Department, at Sal.Kumar@sanjoseca.gov.

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 – 2025-2029 Adopted Capital Improvement Program – Measure T Fund

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)						
Public Safety Projects	Fire Station No. 37 - New	COMPLETED					
	Fire Station No. 8 - Relocated						
	Fire Station No. 32 - New						
	Fire Station No. 23 - Relocated						
	Fire Station No. 36 - New						
	Various Fire Stations - Rehabilitation	NOT APPLICABLE					
	911 Center - Upgraded/New						
	Emer. Operations Ctr. - Upgraded/New	COMPLETED					
	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	COMPLETED					
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						
	Vintage Heritage Regional Stormwater Capture Project						
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.						
	Priority 1 (Roosevelt, Mayfair, Bascom, Seven Trees)						
	Priority 2 (Camden)						
	Priority 3 (Berryessa, Almaden, Evergreen)						

	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

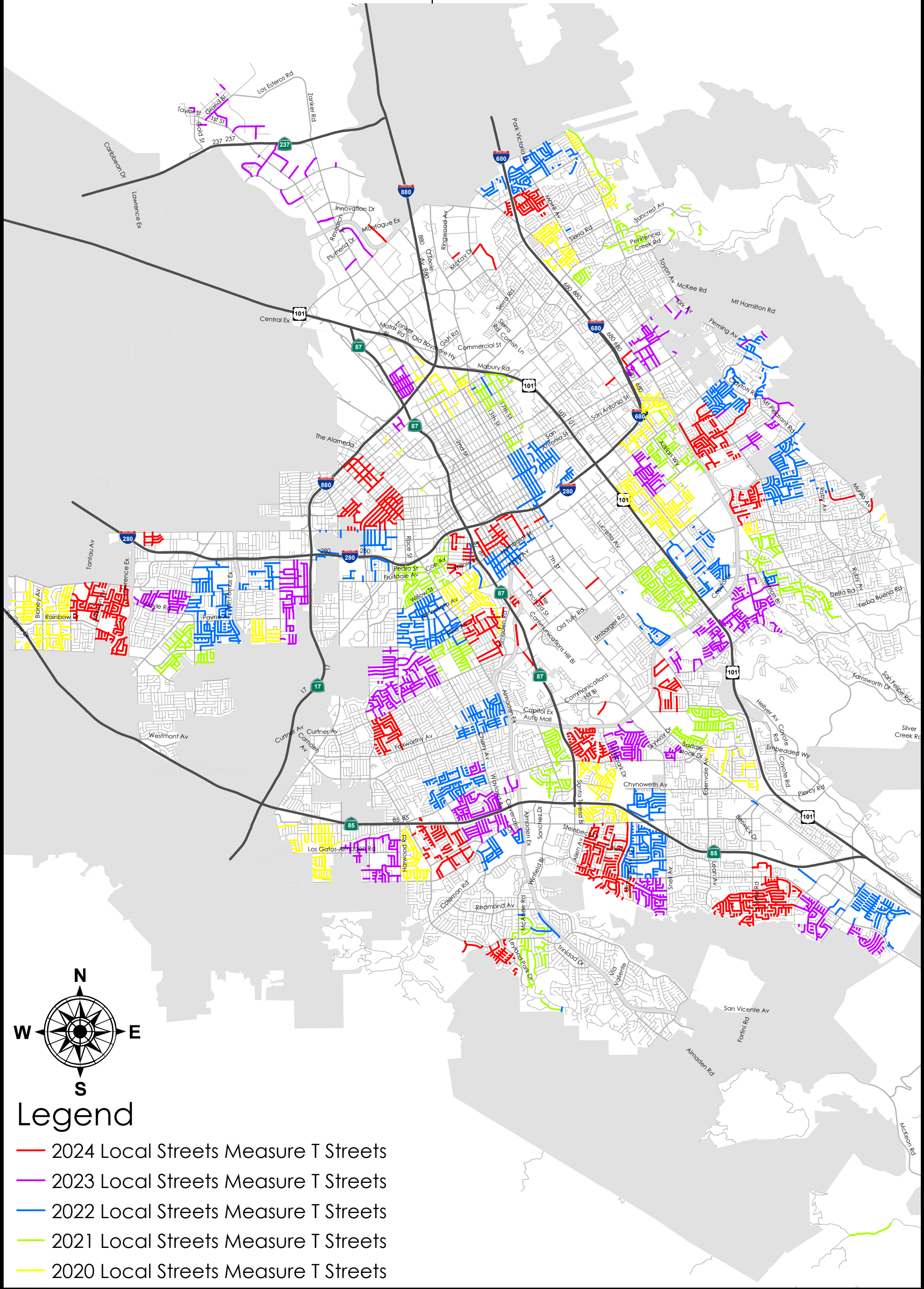
Projects	First Estimate	Adv	Bid Opening	Award	Const	Beneficial Use	Comments
Fire Station 8	-	4/26/23	6/1/23	8/15/23	10/5/23	<i>Mar-25</i>	Awarded to DL Falk. Currently in Construction.
Police Air Support Unit Hangar	-	7/12/23	9/7/23	11/7/23	1/16/24	<i>Mar-25</i>	Awarded to DL Falk. Currently in Construction.
Police Training and Academy Facility	-	8/30/23	10/19/23	12/5/23	2/27/24	<i>Mar-26</i>	Awarded to Midstate Construction. Currently in Construction
Fire Station 32 Re-Bid 4	-	3/20/24	4/25/24	6/18/24	Aug-24	<i>Mar-26</i>	Awarded to Gonsalves & Stronck Construction Company. Currently in Construction
9-1-1 Call Center Renovation	-	10/23/24	12/4/24	1/21/25	3/3/25	<i>Feb-26</i>	
Fire Station 36	<i>Mar-25</i>	<i>Jan-26</i>	<i>Feb-26</i>	<i>Mar-26</i>	<i>July-26</i>	<i>Apr-28</i>	RFP to be issued Fall 2024.

Dates in grey shaded area are actual dates that occur in the past

Dates italicized are the estimated dates



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



CITY OF SAN JOSE
2025-2029 ADOPTED CAPITAL IMPROVEMENT PROGRAM
Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

Program	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
<u>SOURCE OF FUNDS</u>						
Beginning Balance*	\$74,927,084	(\$56,097,000)	\$61,977,000	\$6,104,000	\$3,901,000	\$74,927,084
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	\$74,927,084	\$153,473,000	\$61,977,000	\$6,104,000	\$3,901,000	\$284,497,084
<u>USE OF FUNDS</u>						
<u>Traffic</u>						
Bridges	3,300,000	2,600,000	1,900,000	1,900,000	3,901,000	13,601,000
Pavement Maintenance	39,898,200	37,500,000	37,500,000			114,898,200
LED Streetlight Conversion	1,500,000	1,500,000	2,297,000			5,297,000
Admin – Traffic	22,000					22,000
Admin Reserve – Traffic	42,000					42,000
Total Traffic	\$44,762,200	\$41,600,000	\$41,697,000	\$1,900,000	\$3,901,000	\$133,860,200
<u>Public Safety</u>						
Emergency Operations Center	1,200,000					1,200,000
Fire Station 37	8,000					8,000
Fire Station 8 Relocation	2,928,000					2,928,000
Fire Station 23 Relocation	330,000	3,539,000				3,869,000
New Fire Station 32	7,430,000	2,483,000				9,913,000
New Fire Station 36	1,200,000	8,040,000	8,000,000	303,000		17,543,000
Police Training Center Relocation	23,363,000	10,557,000				33,920,000
Police Air Support Unit Hangar	2,490,000	100,000				2,590,000
911 Call Center Upgrades	4,927,000	108,000				5,035,000
Police Administration Building Upgrades	473,000	5,084,000				5,557,000
Public Safety Reserves	18,092,884	0				18,092,884
Public Art - Pub Safety	676,000	0				676,000
Admin WC - Public Safety	372,000	0				372,000
Admin Reserve - Public Safety	710,000	0				710,000
Total Public Safety	\$64,199,884	\$29,911,000	\$8,000,000	\$303,000		\$102,413,884
<u>Storm Sewer</u>						
Storm Drain Improvements at Charcot Ave	11,723,000	12,748,000				24,471,000
Clean Water Projects	2,600,000	4,450,000	6,171,000			13,221,000
Public Art – Storm Sewer	40,000	5,000	5,000			50,000
Admin – Storm Sewer	132,000					132,000
Admin Reserve – Storm Sewer	250,000					250,000
Total Storm Sewer	\$14,745,000	\$17,203,000	\$6,176,000			\$38,124,000

CITY OF SAN JOSE
2025-2029 ADOPTED CAPITAL IMPROVEMENT PROGRAM
Measure T Public Safety and Infrastructure Bond Fund (498)

STATEMENT OF SOURCE AND USE OF FUNDS

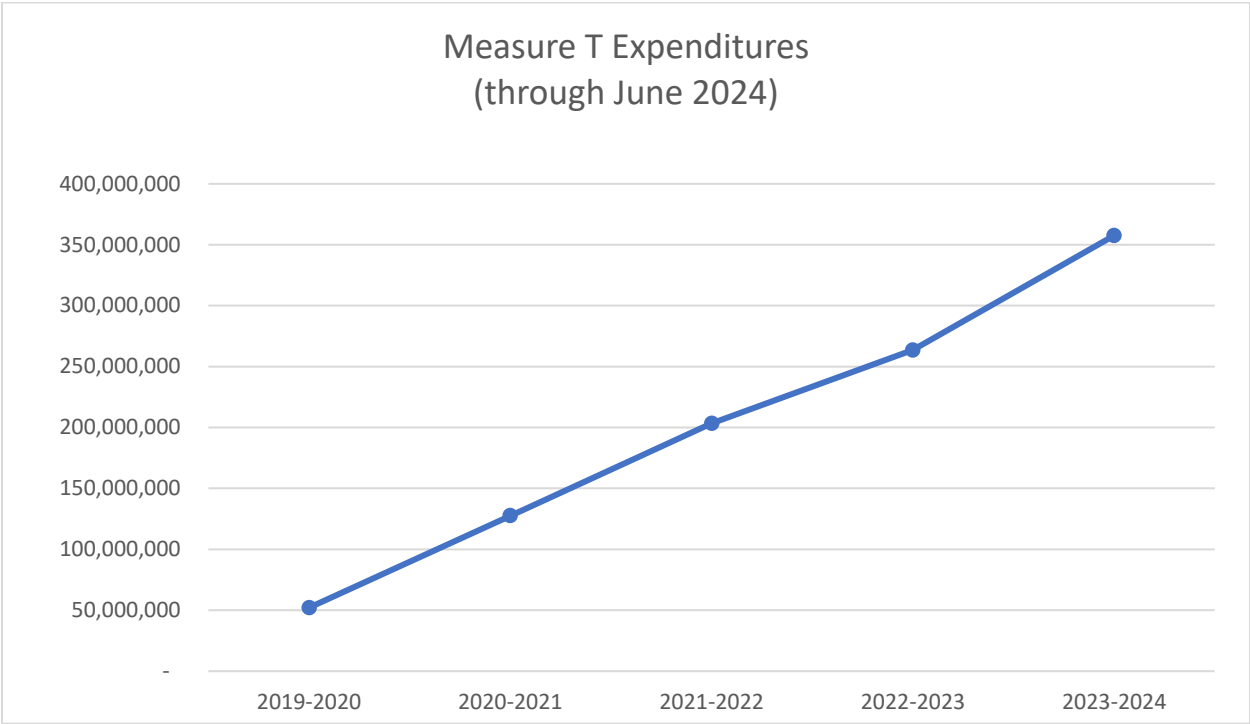
Program	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
<u>Municipal Improvements</u>						
City Facilities LED Lighting	1,200,000	1,200,000				2,400,000
Total Municipal Improvements	\$1,200,000	\$1,200,000				\$2,400,000
<u>Parks & Community Facilities</u>						
Community Centers/Emergency Shelters	\$6,000,000	\$1,582,000				\$7,582,000
Public Art – Parks	15,000					15,000
Admin – Parks	29,000					29,000
Admin Reserve Parks	73,000					73,000
Total Parks & Community Facilities	\$6,117,000	\$1,582,000				\$7,699,000
Total Expenditures	\$131,024,084	\$91,496,000	\$55,873,000	\$2,203,000	\$3,901,000	\$284,497,084
Ending Fund Balance**	(\$56,097,000)	\$61,977,000	\$6,104,000	\$3,901,000	\$ -	\$ -
Total Uses	\$74,927,084	\$153,473,000	\$61,977,000	\$6,104,000	\$3,901,000	\$284,497,084

*The 2025-2026 through 2028-2029 Beginning Fund Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

**The 2024-2025 through 2027-2028 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 2025. This results in a 2023-2024 Ending Fund Balance over-expended on a budgetary basis by \$56.1 million; however, there is a sufficient cash balance in this fund to cover expenditures in 2024-2025 and once the bonds are issued in 2025-2026, the Ending Fund Balance becomes positive.

Attachment E - YTD Measure T Expenditures



Fiscal Year	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Expenditures*	\$52,143,312	\$75,472,897	\$75,736,192	\$60,341,925	\$93,838,949

*excludes encumbrances