



**DATE:** November 17, 2021

**TO:** Council Budget and Finance Committee

**FROM:** Director of Finance

**SUBJECT:** Measure C Annual Report: Review Annual Report of Measure C Revenues and Expenditures, Approved by Voters on June 3, 2014

### **RECOMMENDATION**

That the Committee receives and reviews the City's Measure C (District Sales Tax) FY 2021 annual report.

### **SUMMARY**

In 2014, the voters of the City of Hayward approved a ½ cent District Sales Tax (Measure C), which is a general tax that can pay for any services within the City's General Fund. However, when the Council placed the measure on the ballot in 2014, they identified several priorities for the use of these funds based on issues identified by the community: police and public safety services; illegal dumping; litter control; street improvements; graffiti abatement; and capital infrastructure projects. The prioritized capital projects included: the construction of the City's 21<sup>st</sup> Century Library and Community Learning Center; completion of fire station retrofits and improvements; rehabilitation and expansion of the existing fire training center located at Fire Station 6; as well as extensive street improvements. As of November 2021, the fire station retrofit and street improvement projects have been completed, the 21<sup>st</sup> Century Library and Community Learning Center project is pending final project acceptance, and the regional fire training center at Fire Station 6 is well underway with expected completion in Fall 2022. This report provides an overview of Measure C projects to date as well as current financial projections for the funds.

### **BACKGROUND**

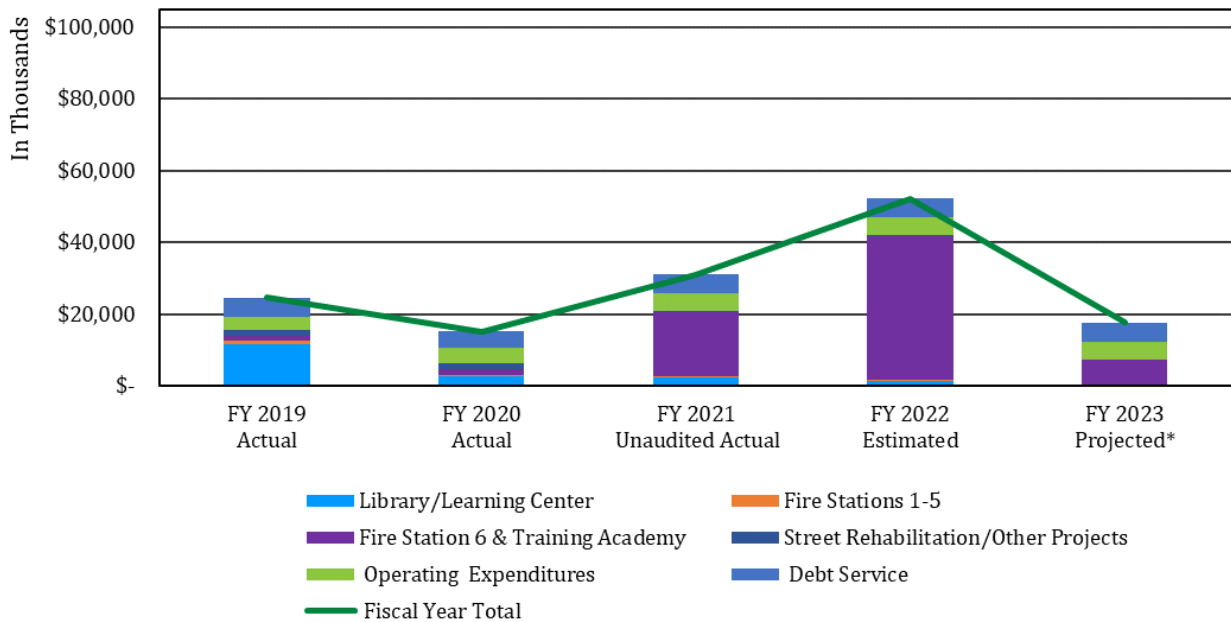
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a District Sales Tax and increase the City's Sales and Use Tax by half a percent for twenty years. Since that time, staff has focused on the completion of current and future capital improvement projects funded by Measure C, and has looked for ways to utilize revenues to achieve the promises of Measure C. Using Measure C funds, the City completed its largest road improvement project in history, reduced graffiti around the City, built a state of the art 21<sup>st</sup> Century Library and Community Learning Center, retrofitted five of the City's fire stations and is currently in the construction phase to complete a comprehensive regional fire training center that will be used by agencies and educational institutions from around the western United States.

## DISCUSSION

### Measure C Performance

With the passing of Measure C, the City developed a 20-Year Financial Forecast to project Measure C revenue over time and develop budgets for capital improvement projects and ongoing operational costs that support the Council’s priorities for Measure C as outlined above. The following graph illustrates the use of Measure C related funds through FY 2023.

Measure C - Expenditures



Detailed expenditures of Measure C in FY 2021 and estimated expenditures in FY 2022 are provided in Table 1. The table shows projected revenue and expenditure activity as it relates to Measure C in FY 2021 and FY 2022, including a breakdown of capital and operating expenditures.

**TABLE 1: MEASURE C - FY 2021 ACTUAL AND FY 2022 ESTIMATED**

	FY 2021 Actual	FY 2022 Estimated
<b>Revenues</b>		
Measure C District Sales Tax	18,715,986	18,547,918
Other Partnering Contributors	6,127,662	12,035,189
<b>Total Revenues</b>	<b>24,843,648</b>	<b>30,583,107</b>

**Expenditures**  
**Capital**

Library/ Learning Center	2,449,125	1,482,871
Fire Facilities Design	50,250	208,050
Fire Station 1		
Fire Station 2	3,095	
Fire Station 3	1,269	
Fire Station 4	20,554	
Fire Station 5	1,345	
Fire Station 6	5,298,984	3,911,433
Fire Training Academy	12,719,734	36,244,127
Street Rehabilitation		
Debt Service	5,424,438	5,423,063
Other Projects	263,231	217,009
<b>Operating</b>		
Police Services	3,290,198	3,151,091
Maintenance Services	1,468,931	1,410,360
Other Department Services	106,542	223,969
<b>Total Expenditures</b>	<b>31,097,696</b>	<b>52,271,973</b>
<b>Beginning Fund Balance</b>	<b>28,012,868</b>	<b>21,758,821</b>
<b>Annual Surplus/(Shortfall)</b>	<b>(6,254,048)</b>	<b>(21,688,866)</b>
<b>Ending Fund Cash Balance</b>	<b>21,758,821</b>	<b>69,955</b>

***Measure C Funded Capital Improvement Projects***

**Fire Station 6 and Regional Fire Training Center Improvement**



Building; Underground Search and Rescue Structure/BART Structure; Covered Outdoor Classroom; Entry Structure; and Parking Lot. The final design of Fire Station 6 and Regional Fire Training Center was completed in April 2020. City Council awarded the construction

This project will replace the existing Fire Station 6 with a new fire station and create a regional fire training center that will include: Classroom Buildings; Fire Station 6/Classroom Building; Apparatus Building; Training Tower; Burn Building; Storage Building; Hangar



contract to SJ Amoroso on July 7, 2020. Construction started on August 17, 2020, with site grading, soil off-haul and undergrounding work. The Fire Station/Classroom Building is the most complex building with the longest construction duration. All structural steel, concrete walls and roof are completed at this building and continues with interior walls, mechanical, electrical, plumbing work and interior finishes. With the exception of the Entry Structure, construction on all other buildings have also begun and are at various stages of construction. It is anticipated that the project will be complete in FY 2023. The estimated total project cost is \$70.9 million.

A partnership for the Regional Fire Training Center between the City of Hayward and the Chabot-Las Positas Community College District (District) will serve as a mutual benefit. The Regional Fire Training Center will be a joint center and training program with dedicated classroom space, offices, and shared use of the grounds for City of Hayward fire personnel, as well as Chabot College's Fire Technology Program. Chabot College's Fire Technology Program is an Accredited Regional Fire Academy that will offer training opportunities for entry-level and active-duty fire service professionals from around the region.

### 21<sup>st</sup> Century Library and Community Learning Center



The 21st Century Library and Community Learning Center is an invaluable asset to the Hayward community. Work on the 21st Century Library and Community Learning Center began with the selection of an architect in 2007, and construction began in January 2016. The estimated final project cost is \$63.2 million.

The new 21st Century Library and Community Learning Center is a three-story, 58,000 square foot

building. As a planned net-zero energy facility, the building will be 100% self-sufficient in use of electricity once fully functional and is expected to receive a LEED certified rating of Platinum from the U.S. Green Building Council. In addition to its LEED certification, the library houses 50% more library materials, including books and multi-media for all ages, 53 additional computers made available for public use, and a Makerspace featuring 3D printers, robotics, and textiles. It includes multiple community meeting rooms, a Homework Support Center within the Children's Library, and offers additional services to the Hayward community.



The 21st Century Library opened to the public on September 14, 2019. The City continues to work with the primary contractor to finalize some construction related items prior to final project acceptance by the City. In response to the Covid-19



pandemic, the Library was temporarily closed on March 17, 2020, and resumed limited operations in July 2020. During this period of time, there were minor delays in finalizing outstanding construction related items. It is anticipated that the final project acceptance will be completed in the near future. The 21st Century Library resumed pre-pandemic open hours in October 2021, though not all pre-pandemic services are available. Reopening of all regular operations at the 21st Century Library will be determined based upon the health and safety guidance issued by the State of California and Alameda County.

### Heritage Plaza



The Heritage Plaza project is Phase II of the 21st Century Library and Community Learning Center. The Plaza is substantially complete and open to the public as of July 17, 2021. Work for Phase II has included the demolition of the prior Library facility, the

construction of an underground rainwater catchment system, and installation of landscaping features. Demolition of the Main Library structure took place in July 2018. This was followed by the construction of the underground catchment, filtration, and storage system. When complete, this system will recycle rainwater for irrigation and graywater uses in the 21st Century Library and Heritage Plaza and will be a major component of the project's expected LEED certification. Landscaping features are expected to include an event space, an arboretum housing 40 rare and mature trees, and a Children's Garden. Final project completion and acceptance is expected in the near future.

### Fire Stations 1 through 5 Improvements

This project involved considerable renovations of Fire Stations 1-5. Substantial improvements included seismic retrofits, energy efficient enhancements, and accessibility upgrades. Seismic retrofits at all stations will allow for immediate occupancy following a 7.0 earthquake, facilitating a smooth transition into emergency response following a natural disaster. Traffic Pre-Emption systems were installed to speed response times and minimize negative effects of Code 3 responses on traffic patterns. Energy efficiency improvements were completed at each

fire station, including the installation of solar panels on Stations 2-5, which are designed to offset 70% of electricity consumption of the old buildings. However, the solar panels are projected to offset more, as the building upgrades included new energy efficient lighting and windows. Improvements were completed in August 2018. A celebration and thank you to the community were held in October 2018.

Roads / Street Improvements

Measure C funds were used in the FY 2016 Pavement Preventive Maintenance and Resurfacing Project. This was a two-year project that was completed in February 2018. The City leveraged funds from a combination of funding sources (i.e., Gas Tax, Measure B & BB), including \$12 million from Measure C to complete the City’s largest road improvement project to date.

The project provided new asphalt surfaces, and both intensive and minor roadway repairs on 312 street segments. These projects also included new and upgraded curb ramps, new striping for lane delineation, crosswalks, and bike lanes. With the completion of this project, the City’s average Pavement Condition Index (PCI) increased from 66 to 70 in two years. Measure C funds may be used in future pavement preventive maintenance and resurfacing projects to expand the number of roadway segments treated by the City.

**Staffing**

The following table lists the positions that are authorized and budgeted in Measure C fund in FY 2021, as well as the status of each position. Measure C funded positions were not changed from FY 2021. The green shading depicts the positions budgeted within the Maintenance Services Department; while the blue shading denotes the positions budgeted in the Police Department.

**TABLE 2: FY 2021 MEASURE C FUNDED FTE'S:**

<b>Positions</b>	<b>Authorized</b>	<b>Budgeted</b>	<b>Filled</b>	<b>Vacant</b>
Groundskeeper I	5.0	5.0	5.0	0.0
Groundskeeper II	1.0	1.0	1.0	0.0
Maintenance Worker / Laborer	2.0	2.0	2.0	0.0
Maintenance Lead	1.0	1.0	1.0	0.0
Police Officer	3.0	3.0	3.0	0.0
Police Lieutenant	1.0	1.0	1.0	0.0
Crime Analyst	1.0	1.0	1.0	0.0
Certified Latent Print Examiner	1.0	1.0	1.0	0.0
Communications Supervisor	1.0	1.0	1.0	0.0
Communications Operator	7.0	7.0	7.0	0.0
<b>TOTAL FTE</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>0.0</b>

At the time of this report, all positions are filled among the Measure C authorized and budgeted positions.

## **ECONOMIC IMPACT**

There is no economic impact associated with this report as it is informational only.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report; however, staff will continue to manage the Measure C 20-Year Financial Forecast to identify opportunities for City capital improvement projects, and other costs to fulfill the promises of Measure C.

## **STRATEGIC ROADMAP**

Measure C funding directly supports the Strategic Priorities of Improve Infrastructure and Support Quality of Life. Specifically, this item relates to the implementation of the following project(s):

Improve Infrastructure, Project 5, Part 5.a: Maintain Pavement Condition Index (PCI) at 70.

Improve Infrastructure, Project 12: Construct the fire station and Fire Training Center.  
Support Quality of Life, Project 6: Plan Library operations and hours to leverage the new facility.

Support Quality of Life, Project 13: Evaluate Options for adding bathrooms to Heritage Plaza for Council consideration.

## **SUSTAINABILITY FEATURES**

The 21<sup>st</sup> Century Library and Community Learning Center is a net-zero energy facility, which is expected to qualify for LEED Platinum Certification. The Regional Fire Training Center Improvement Project will include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Additional energy efficiency improvements, such as LED lighting improvements and energy efficient windows, were completed as part of the retrofits at Fire Stations 1-5.

## **PUBLIC CONTACT**

The agenda for this item was posted in compliance with the California Brown Act.

## **NEXT STEPS**

Staff will continue to prioritize the completion of current and future Capital Improvement Projects, and look for ways to utilize revenues to achieve the promises of Measure C and remain exemplary stewards of the funds available through Measure C.

*Prepared by:* Rick Rivera, Management Analyst I

Nicole Gonzales, Deputy Director of Finance

*Recommended by:*

Dustin Claussen, Director of Finance

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

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Kelly McAdoo, City Manager