



DATE: October 2, 2018
TO: Mayor and City Council
FROM: Director of Finance
SUBJECT: Measure C Annual Report

RECOMMENDATION

That Council reviews and provides feedback on the City's Measure C 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; graffiti abatement; and capital infrastructure projects. The prioritized capital projects identified were the construction of the City's new 21st 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. This report outlines progress made on Measure C projects to date as well as current financial projections for the funds.

BACKGROUND

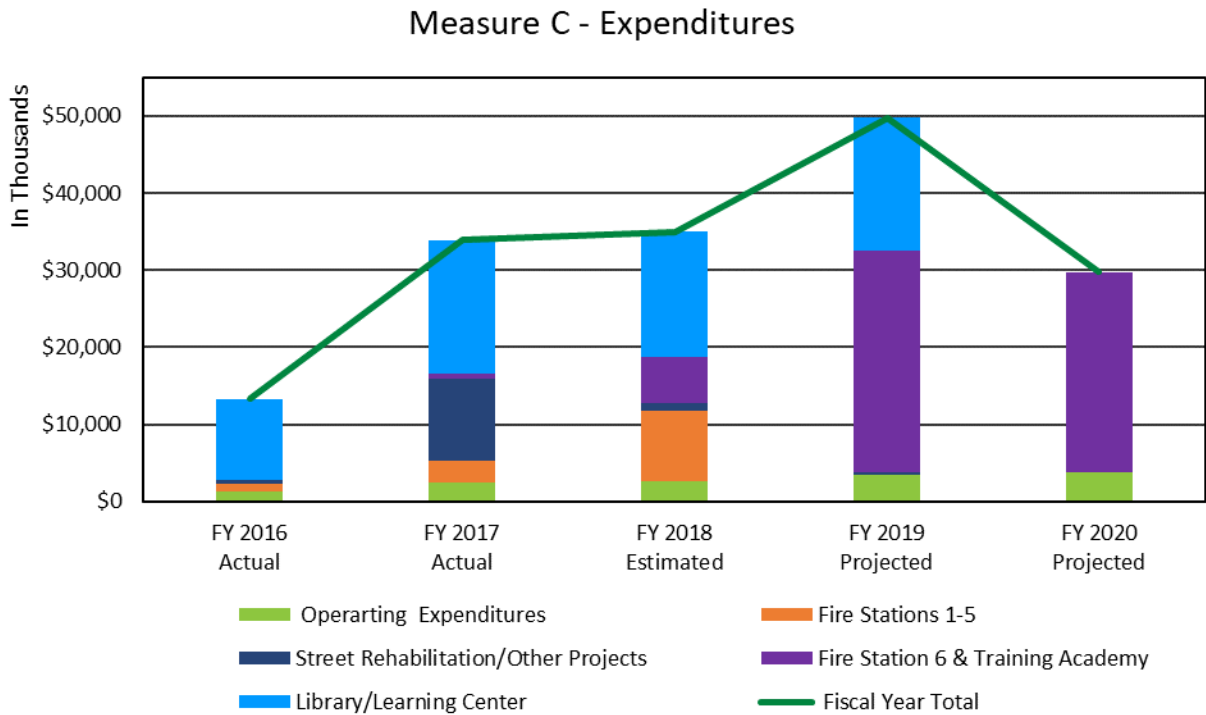
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a district sales tax and increase the City's Sales and Use Tax by half a percent for twenty years. Since that time, staff has focused on the completion of current and future capital improvement projects funded by Measure C, 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 21st Century Library and Learning Center, retrofitted five of the City's fire stations and will create 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 (Attachment II) allowing the City to project Measure C revenue, and develop program budgeting for capital improvement projects and ongoing operating costs that support the promises of Measure C.

The following graph illustrates the use of Measure C related funds through FY 2020.



In FY 2016, the City began using Measure C funds for capital improvements, including funding the largest road improvement project in City history, commencement of the 21st Century Library and Community Learning Center, and significant improvements at several fire stations. While the bulk of capital improvement expenditures occur between FY 2016 and FY 2019, expenditures begin to drop off in FY 2020 with the completion of several projects. Beginning in FY 2020 with the completion of the projects, Measure C funds are primarily earmarked for the completion of the Regional Fire Training Center and ongoing operating costs in the Police and Maintenance Services Department for the staffing that was added with Measure C funds. The City was also able to secure a partnership with the Chabot-Las Positas Community College District to assist in funding the Fire Training facility. Chabot will provide \$20 million in funding to this project to ensure that the facility provides a regional training facility for agencies from around northern California as well as for students pursuing public safety professions.

While voters voiced a desire to prioritize certain capital infrastructure projects, voters also voiced their desire to address concerns surrounding illegal dumping, litter control, and graffiti abatement. While the graph above illustrates high priority expenditures associated with capital improvement driven projects, the City continues to effectively utilize Measure C funds for targeted operating costs, such as police personnel, landscape enhancements and beautification, homeless encampment abatement, litter control, and graffiti abatement as promised. The minimal increase in annual operating costs are primarily associated with personnel costs and increase in field supplies to address concerns voiced by the Hayward

community.

Detailed expenditures of Measure C in FY 2018 and FY 2019 are provided in the following table. The table shows projected revenue and expenditure activity as it relates to Measure C for FY 2019, including a breakdown of capital and operating expenditures.

	FY 2018 Estimated	FY 2019 Projected
Revenues		
Measure C District Sales Tax	15,154,973	\$ 15,187,504
Other Partnering Contributions		10,000,000
Total Revenues	15,154,973	25,187,504
Expenditures		
Capital		
Library/ Learning Center	16,217,628	17,282,372
Fire Facilities Design	686,008	
Fire Station 1	766,707	
Fire Station 2	2,060,513	
Fire Station 3	1,902,173	
Fire Station 4	2,083,700	
Fire Station 5	1,774,027	
Fire Station 6	5,981,992	3,500,000
Regional Fire Training Center		25,187,000
Street Rehabilitation	954,923	
Other Projects	15,000	300,000
Debt Service	2,734,488	5,426,563
Operating		
Personnel	1,935,132	3,065,193
Other Operating	610,926	415,733
Total Expenditures*	37,723,216	55,176,861

**While expenditures outpace projected revenues in FY 2018 and FY 2019, the City issued Certifications of Participation (COPs) in September 2015 for \$67.5 million to fund capital improvement projects, resulting in adequate fund balance to fund the capital improvement projects (payments for the COPs are shown on the Debt Service line of the table).*

Measure C Funded Capital Improvement Projects

21st Century Library and Community Learning Center

The 21st Century Library and Community Learning Center will serve as 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 total project cost is \$65,680,000.

The new 21st Century Library and Community Learning Center is a three-story, 58,000 square foot building. As a net-zero energy facility, the building will be 100% self-sufficient of electricity and will receive a LEED certified rating of Platinum from the U.S. Green Building Council. In addition to its LEED certification, the library will house 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 will include multiple community meeting rooms, and a separate Homework Support Center within the Children's Library and will offer additional services to the Hayward community.

A grand opening and celebration of the 21st Century Library and Community Learning Center is scheduled for Saturday, October 27, 2018.

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. A celebration of the completion of these projects and a thank you to the community will take place on Saturday, October 13, 2018 at Station 2.

Roads / Street Improvements

Measure C funds were used for two projects in the Roads/Street Improvements program. The FY 2016 Pavement Preventive Maintenance and Resurfacing Project was a two-year project that was completed in February 2018.

The project provided new asphalt surfaces, and both intensive and minor roadway repairs on 312 street segments. 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. 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.

Future CIP – Fire Station 6 and Regional Fire Training Center Improvement

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

and Parking Lot; and an alternate design for an Outdoor Classroom, BART Station, and Entry Canopy. Final Design of Fire Station 6 and Regional Fire Training Center is anticipated in Spring 2019. Construction is anticipated to begin in 2019.

A partnership for the Regional Fire Training Center between the City of Hayward and the Chabot-Las Positas Community College District (District) will serve 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.

Staffing

The following table lists the positions that are authorized and budgeted for in FY 2019 from Measure C funds, as well as the status of each position. The green shading depicts the positions budgeted within the Maintenance Department; while the blue shading denotes the positions budgeted in the Police Department.

Positions	Authorized	Budgeted	Filled	Vacant
Grounds Keeper I / Laborer	2.0	2.0	2.0	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
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	6.0	1.0
TOTAL FTE	19.0	19.0	18.0	1.0

Currently, there is one vacancy among the 19 FTEs authorized by Measure C and budgeted in FY 2019.

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 INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

Goal 1: Improve quality of live for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

Objective 5: Actively value diversity and promote inclusive activities.

This agenda item also supports the Tennyson Corridor Strategic Initiative. The purpose of the Tennyson Corridor initiative is to develop an attractive, cohesive, thriving Tennyson Corridor through thoughtful engagement of residents, businesses and community partnerships. This item supports the following goal and objective:

Goal 3: Improve Community Appearance

Objective 3: Enhance landscaping – Update Existing Landscape along the Corridor

SUSTAINABILITY FEATURES

The 21st Century Library and Community Learning Center is a net-zero energy facility qualifying for LEED Platinum Certification. The Regional Fire Training Center Improvement Project will include sustainability features such as minimum LEED Silver Certification, or better, and zero net 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 compliances 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 and Recommended by: Nicole Gonzales, Budget Officer
Dustin Claussen, Director of Finance

Approved by:

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

Kelly McAadoo, City Manager