



DATE: January 26, 2021

TO: Mayor and City Council

FROM: Director of Finance

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

RECOMMENDATION

That the City Council receives and reviews the City's Measure C (District Sales Tax) FY 2020 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 included 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. As of November 2020, the fire station retrofit and street improvement projects have been completed, the 21st Century Library project is in its final phases, and construction has begun on the expansion of the fire training center at Fire Station 6. This report provides an overview of Measure C projects to date as well as current financial projections for the funds.

BACKGROUND

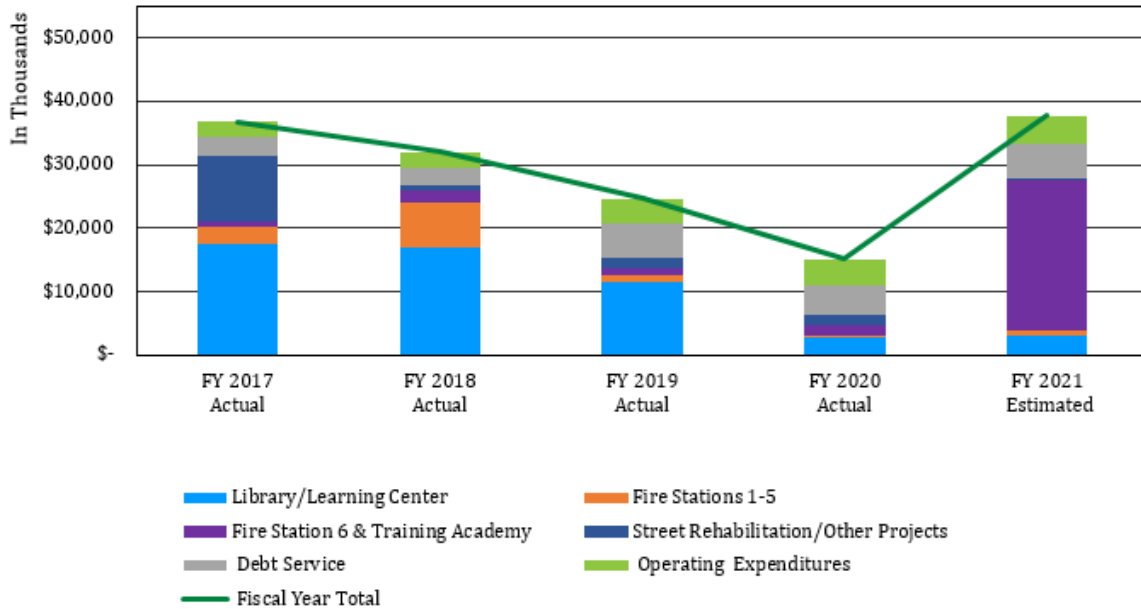
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a District Sales Tax and increase the City's Sales and Use Tax by half a percent for twenty years. Since that time, staff has focused on the completion of current and future capital improvement projects funded by Measure C, 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 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 to project Measure C revenue over time and develop budgets for capital improvement projects and ongoing operating 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 2021.

Graph 1: Measure C - Expenditures



Detailed expenditures of Measure C in FY 2020 and FY 2021 are provided in Table 1. The table below shows projected revenue and expenditure activity as it relates to Measure C in FY 2020 and FY 2021, including a breakdown of capital and operating expenditures.

TABLE 1: MEASURE C FY 2020 ACTUAL AND FY 2021 ESTIMATED

	FY 2020 Actual	FY 2021 Estimated
Revenues		
Measure C District Sales Tax	16,876,487	16,348,000
Other Partnering Contributors	1,837,150	18,162,850
Total Revenues	18,713,637	34,510,850
Expenditures		
Capital		
Library/ Learning Center	2,739,353	3,084,000

Fire Facilities Design	35,898	30,000
Fire Station 1	1,521	25,000
Fire Station 2	95,567	75,000
Fire Station 3	66,950	50,000
Fire Station 4	128,458	75,000
Fire Station 5	58,488	75,000
Fire Station 6	720,032	3,610,000
Fire Training Academy	877,108	20,064,000
Street Rehabilitation	1,337,437	
Debt Service	4,523,594	5,424,438
Other Projects	356,050	300,000
Operating		
Police Services	3,097,313	2,967,172
Maintenance Services	1,058,980	1,257,347
Other Department Services	66,116	106,542
Total Expenditures	15,162,865	37,143,499
Beginning Fund Balance	24,412,738	27,963,510
Annual Surplus/(Shortfall)	3,550,772	(2,632,649)
Ending Fund Cash Balance	27,963,510	25,330,861

Measure C Funded Capital Improvement Projects

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; 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

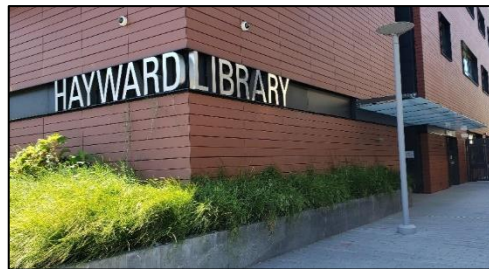


completed in April 2020. City Council awarded the construction contract to SJ Amoroso on July 7, 2020. Construction started on August 17, 2020 and is anticipated to be completed in the Fall of 2022.

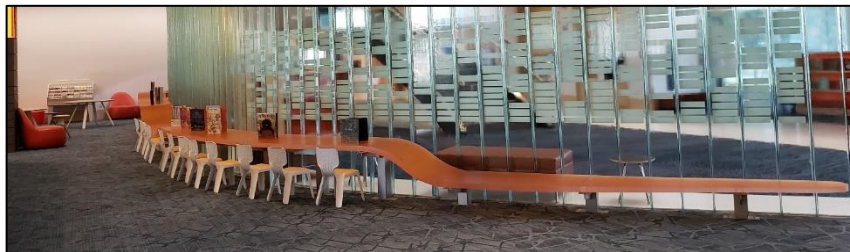
A partnership for the Regional Fire Training Center between the City of Hayward and the Chabot-Las Positas Community College District (District) will serve a mutual benefit. The Regional Fire Training Center will be a joint center and training program with dedicated classroom space, offices, and shared 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.

21st 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 \$62.3 million.



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 is 100% self-sufficient of electricity 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 minor 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. Reopening of 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. Heritage Plaza is currently under construction and is expected to be completed near the end of FY 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.



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.

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 2020. 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:

Positions	Authorized	Budgeted	Filled	Vacant
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
TOTAL FTE	23.0	23.0	23.0	0.0

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 21st 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 and Recommended by: Rick Rivera, Management Analyst I
Nicole Gonzales, Deputy Director of Finance

Approved by:



Kelly McAdoo, City Manager