



DATE: June 15, 2022

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT: Measure C Debt Analysis and Review

RECOMMENDATION

That the Committee receives the report and provides direction to staff on consideration of potential funding of programs and/or projects that meet the promises and priorities of the Measure C ballot initiative.

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 (Attachment II). The prioritized capital projects included: the construction of the City's 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 May 2022, the fire station retrofit and street improvement projects have been completed, the 21st 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.

With several key community projects successfully completed with the use of Measure C funding, this report provides an overview of completed projects, and options for potential future capital infrastructure projects and/or ongoing operational programming. The intent of this report is to solicit feedback and engage the Committee in a discussion for the consideration of future funding of other capital infrastructure projects, and ongoing operational expenses.

BACKGROUND

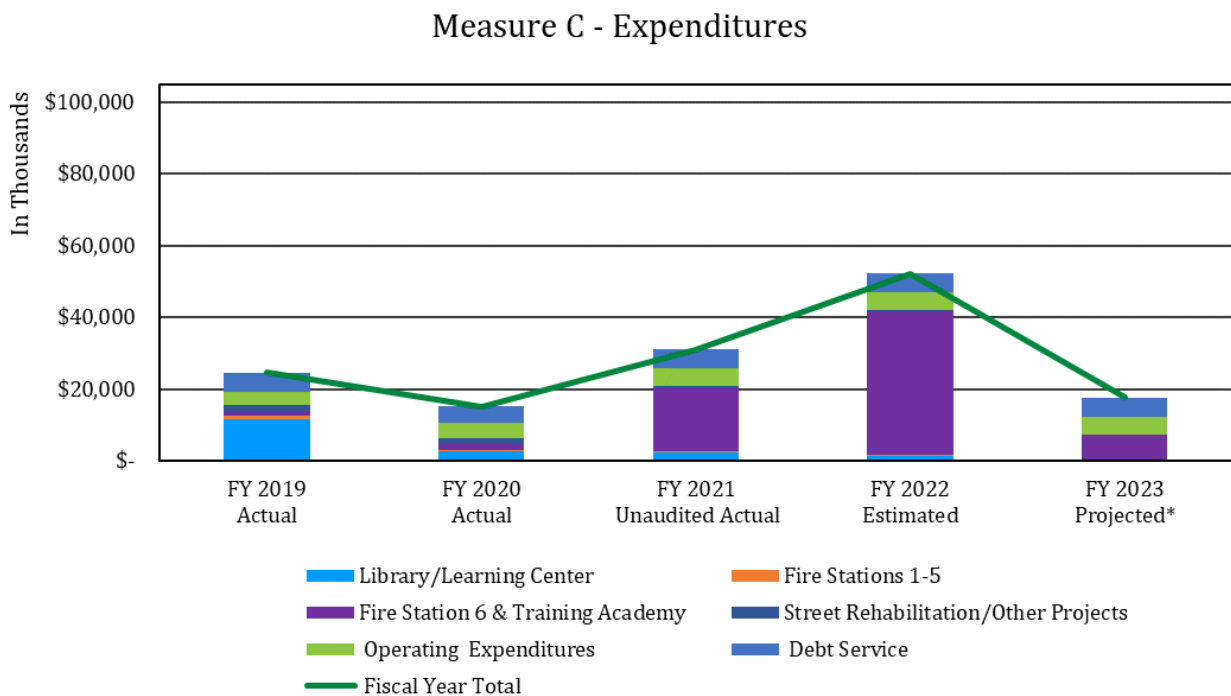
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a District Sales Tax and increase the City's Sales and Use Tax by half a percent for twenty years. Attachments II and III provide the background information on Measure C and the ballot question posed to

Hayward voters. 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 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. Attachment IV to this report provides the full overview of the Measure C fund revenues and expenditures through 2035 (the expiration of the measure).



Measure C Funded Capital Improvement Projects:

When Measure C was approved by the Hayward-voters, the City had identified several priorities based on the needs of the Hayward community. These priorities included police and public safety services, illegal dumping, litter control, street improvements, graffiti abatement,

and capital infrastructure projects. Early in the process, several capital infrastructure projects were identified, including the construction of the 21st Century Library and Community Learning Center, extensive street/roadway improvements, retro-fitting of several fire stations, and the expansion of Fire Station 6 and Regional Fire Training Center.

Fire Station 6 and Regional Fire Training Center

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 Building; Underground Search and Rescue Structure/BART Structure; Covered Outdoor Classroom; Entry Structure; and Parking Lot. This project included a vital partnership with Chabot-Las Positas Community College District and 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. Construction started on August 17, 2020, and it is anticipated that the project will be complete in FY 2023.

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 in 2007, and construction began in January 2016. The 21st Century Library and Community Learning Center is a three-story, 58,000-square-foot building. The facility is 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.

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. 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. 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.

Operational Programing

In addition to capital infrastructure projects, Measure C funds operational expenses related to: police and public safety services; illegal dumping; litter control; street improvements; and graffiti abatement.

To support these operational needs, there are 23 full-time equivalents (FTE) funded by Measure C. The following table lists the positions that are authorized and budgeted in Measure C fund in FY 2022, as well as the status of each position. 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 2022 MEASURE C FUNDED FTES:

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

Potential Future Funding and/or Programming of Measure C Funds:

Over the last several years, the City has successfully completed a number of significant capital infrastructure projects. With the passing of Measure C, the City developed a 20-Year Financial Forecast as a tool to assist with the projection of Measure C revenue over time and develop budgetary needs for capital improvement projects and ongoing operational costs that support the Council's priorities for Measure C. With the completion of several capital infrastructure projects, staff would like to engage the Committee on potential options for future funding of other capital infrastructure projects, and ongoing operational expenses. The Committee is presented with the following potential options for consideration:

1. Future funding for a new Police Facility/Building
2. Reparation Efforts
3. Future funding for facility improvements at the Hayward Animal Shelter
4. Transferring Measure C funding to the General Fund to sustain positions and level of service in the General Fund beyond Measure C sunset
5. Contribution toward The Stack Center
6. Road/Street Improvements

Staff is soliciting feedback and direction from the Committee on potential options for consideration. Upon direction from the Committee, staff will begin exploring and analyzing fiscal feasibility and long-term funding strategies.

ECONOMIC IMPACT

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

FISCAL IMPACT

With direction from the Committee, staff will work to explore and analyze fiscal feasibility of each of the options supported by the Committee. Upon completion of the analysis, staff will facilitate discussions with the full Council on the fiscal viability of each option for consideration.

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 by: Nicole Gonzales, Deputy Director of Finance

Recommended by: Dustin Claussen, Director of Finance

Approved by:



Kelly McAdoo, City Manager