



DATE: October 2, 2019

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT: Measure C Annual Report

RECOMMENDATION

That the Committee reviews and provides feedback on the City's Measure C (District Sales Tax) FY 2019 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

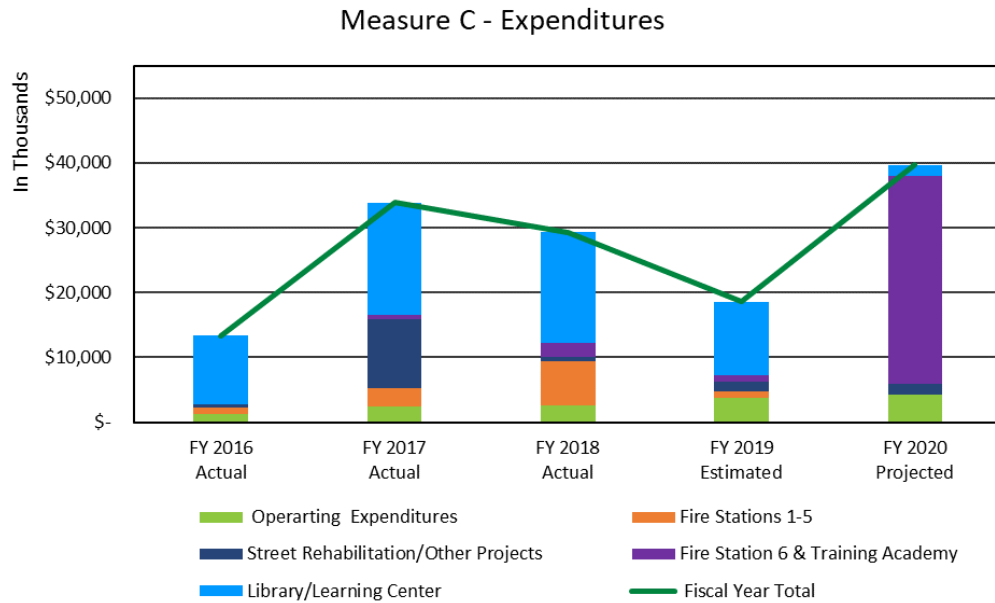
On June 3, 2014, the voters of the City of Hayward passed Measure C to create a district sales tax and increase the City's Sales and Use Tax by half a percent for twenty years. Since that time, staff has focused on the completion of current and future capital improvement projects funded by Measure C, 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 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 2020.



Detailed expenditures of Measure C in FY 2019 and FY 2020 are provided in the following table. The table below shows projected revenue and expenditure activity as it relates to Measure C in FY 2019 and FY 2020, including a breakdown of capital and operating expenditures.

	FY 2019 Estimated (Unaudited)	FY 2020 Projected
Revenues		
Measure C District Sales Tax	16,176,121	\$ 15,883,140
Other Partnering Contributions		20,000,000
Total Revenues	16,176,121	35,883,140
Expenditures		
Capital		
Library/ Learning Center	11,255,976	1,773,786
Fire Facilities Design	149,600	
Fire Station 1	33,618	
Fire Station 2	115,294	
Fire Station 3	101,437	
Fire Station 4	187,088	
Fire Station 5	333,621	
Fire Station 6	277,514	4,000,000
Regional Fire Training Center	732,088	28,050,000
Street Rehabilitation	32,113	
EBRCS Radios	1,314,719	1,285,281
Other Projects	226,221	350,000
Debt Service	5,430,063	5,424,813
Operating		
Personnel	3,331,235	3,690,035
Other Operating	474,851	559,039
Total Expenditures	23,995,436	45,132,954
Beginning Fund Balance	32,118,760	24,299,444
Annual Surplus/Shortfall	(7,819,315)	(9,249,814)
Ending Fund Balance	\$ 24,299,444	\$ 15,049,630

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 includes multiple community

meeting rooms, and a separate Homework Support Center within the Children's Library and will offer additional services to the Hayward community.



The 21st Century Library and Community Learning Center fully opened to the community on Saturday, September 14, 2019.

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 and thank you to the community were held in October 2018.

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. In FY 2019, Measure C funds were used to complete minor construction related items associated with the FY 2019 Pavement Prevention Maintenance and Resurfacing Project.

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.

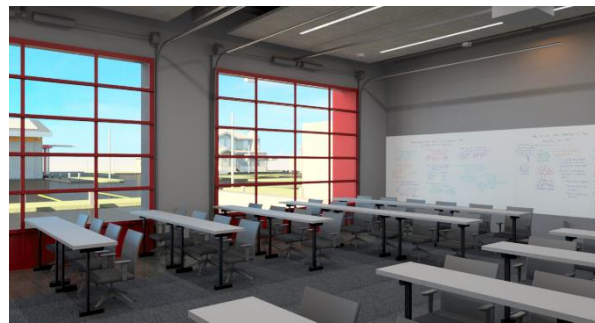
Fire Station 6 and Regional Fire Training Center Improvement



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, and Entry Canopy. Completion of the final design of

Fire Station 6 and Regional Fire Training Center is anticipated by the end of 2019 (pending approval by the Division of State Architect). Construction is estimated to commence in early 2020.

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. The District Board recently approved a ground lease for this facility and had previously approved a \$20 million contribution to the construction of the facility. The Council is scheduled to consider approval of the ground lease on October 1, 2019.



Staffing

The following table lists the positions that are authorized and budgeted in Measure C fund in FY 2020, as well as the status of each position. In FY 2020, Council authorized the addition of 4.0 Full Time Equivalents (FTEs) in the Maintenance Services Department to enhance ongoing landscape maintenance and increase litter control efforts in targeted areas within the Hayward community. The green shading depicts the positions budgeted within the Maintenance Services Department; while the blue shading denotes the positions budgeted in the Police Department.

FY 2020 MEASURE C FUNDED FTES:

Positions	Authorized	Budgeted	Filled	Vacant
Groundskeeper I	5.0	5.0	2.0	3.0
Groundskeeper II	1.0	1.0	0.0	1.0
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	19.0	4.0

Currently, there are four vacancies among the Measure C authorized and budgeted positions in FY 2020. Recruitment efforts have begun to fill the newly authorized 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 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 life 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 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: Nicole Gonzales, Deputy Director of Finance

Approved by:



Kelly McAdoo, City Manager