



**DATE:** December 12, 2023

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Clifford Moss in an Amount Not to Exceed \$90,000 Plus Direct Communications Expenses Estimated at \$155,000 and with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an Amount Not to Exceed \$45,750 for Education and Outreach Services Relating to a Potential Early Extension of the ½ cent Local District Sales Tax and Appropriating Funds for these Agreements

## **RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute a Professional Services Agreement (PSA) with Clifford Moss and FM3 in an effort to better determine viability of an early extension of the ½ cent local district sales tax better known in Hayward as “Measure C,” which voters approved for 20 years in 2014.

## **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. In May of 2023, the Council Budget and Finance Committee and Council directed staff to explore the viability of an early extension of the ½ cent District Sales Tax to fund additional capital infrastructure projects and key City priorities.

## **BACKGROUND**

In 2014, the voters of the City of Hayward approved a ½ cent District Sales Tax (Measure C), which is a locally controlled general tax that can pay for any expenses in 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 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 October 2023, the fire station retrofit and street improvement projects have been completed, the 21st Century Library and Community Learning Center project opened to the community in September 2019, and a ribbon cutting was held on June 21, 2023 for the regional fire training center at Fire Station 6. In May of 2023, the Council Budget and Finance Committee and Council directed staff to explore the viability of an early extension of the ½ cent District Sales Tax to fund additional capital infrastructure projects and key City priorities. Since that time, staff have identified important steps that will provide information to the Council to decide whether it is appropriate to place a measure on the November 2024 ballot.

## **DISCUSSION**

In the lead-up to the June 2014 election, the City used the information gathered in community surveys and community conversations to determine how best to use the funds generated by what came to be known as Measure C. The Council heard what the community supported most were a new library and learning center, improvement of streets and roads, the reduction of response times for calls for emergency services, and reducing graffiti throughout the City.

Staff is recommending Council authorize the City Manager to engage Clifford Moss in an amount not to exceed \$90,000 plus direct communications expenses estimated at \$155,000 and Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not to exceed \$45,750 for services relating to community outreach and engagement to understand the community's priorities for a future extension of the ½ cent local sales tax.

## **ECONOMIC IMPACT**

This action is routine and although an extension of the district sales tax may have an economic impact, it is currently not estimable.

## **FISCAL IMPACT**

The total cost for this action is estimated at \$290,750 and is currently not included in the FY 2024 Operating Budget. Staff recommends that Council authorize and appropriate funds for these expenses from the Measure C Operating Fund (Fund 101).

## **STRATEGIC ROADMAP**

This agenda item does not specifically address any specific strategic priority; however, the research it creates may direct future expenditures to address many.

## **PUBLIC CONTACT**

A potential extension of the local district sales tax was discussed at the May 3, 2023 Council Budget and Finance Committee meeting<sup>1</sup>.

**NEXT STEPS**

If Council approves this request, the City Manager will execute agreements with both vendors and begin work immediately towards bringing Council information to decide whether or not to place a measure to extend the local district sales tax in 2024.

*Prepared and Recommended by:*                      Dustin Claussen, Assistant City Manager

Approved by:



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Kelly McAdoo, City Manager

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<sup>1</sup> [CITY OF HAYWARD - Meeting of Council Budget and Finance Committee on 5/3/2023 at 5:30 PM \(legistar.com\)](https://legistar.com)