



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 8, 2017
Action Item for the City Council Meeting of August 15, 2017

DATE: August 3, 2017

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Resolution authorizing moving forward with a Bond 2018 Program

CAPTION:

Resolution authorizing the City Manager to move forward with a 2018 Bond Program including an Implementation Plan as outlined by City Staff at the July 13, 2017 City Council Workshop.

PURPOSE:

The purpose of this Agenda Item is to obtain authorization to move forward with a Bond 2018 package as presented to Council during its July 13, 2017 Workshop.

BACKGROUND AND FINDINGS:

During the April 14, 2015 City Council Meeting presentation on Residential / Local Street Reconstruction funding, Council directed the City Manager to hold a Bond Election in 2018 in the amount of \$110 Million. Over the past several months (May through July), Council was presented a list of projects and an implementation plan for a proposed Bond 2018.

The recommended implementation plan included preparing Preliminary Feasibility Studies to obtain better

scopes and project estimates prior to the Referendum. The anticipated cost of these studies is estimated to be \$2 Million.

In May 2012, Council passed a Resolution (see attachment) which committed “necessary funding of any remaining Bond 2008 – Street proceeds” to fund three additional street project. The Airline intersection is being done as part of the Bond 2014, Proposition 2 Rodd Field Road Expansion Project. The Yorktown Road Extension was performed as a Bond 2012, Proposition 1 project and is complete.

In early 2016 the PR 22 Project design engineer’s opinion of probable construction costs was estimated to be approximately \$11 Million. The amount of funds available for the PR 22 Project in Bond 2004 was close to \$1.2 Million. A reconciliation of Bond 2008 projects performed at that time yielded approximately \$5.9 Million in funds available for the PR 22 Project. The balance of funds needed were to be provided by the Tax Increment Reinvestment Zone #2 (TIRZ#2).

In early 2017, following the completion of several projects, a second reconciliation of Bond 2008 projects identified an additional \$2.5 Million in available funds. Staff recommends that the \$2 Million necessary for the Preliminary Feasibility Studies for Bond 2018 come from this additional available Bond 2008 money.

The implementation plan also included obtaining stakeholder input to further define and prioritize certain projects, and pre-designing projects prior to the 2018 Referendum. Three projects would be designed to “shovel ready” to facilitate beginning construction shortly after passage of the Referendum. Additionally, six projects would be pre-designed to 60% with construction starting early in 2018. The estimated cost of the pre-design work is approximately \$ 5 Million.

On March 15, 2017 bids were opened for construction of the PR 22 Project. Since then, problems have arisen for the developer of the adjacent related private development. The PR 22 Project bids expire on September 11, 2017. With no indication of a resolution of the developer’s problems in sight, staff recommends that the bids be allowed to expire and the project be re-bid when it is apparent the development will proceed. This may allow for some of the Bond 2008 available funds to be used for the Bond 2018 pre-design work. However, staff will evaluate Bond 2012 and 2014 Programs in the September timeframe to determine if the \$5 Million is available from these Bond packages.

During the June 1st Workshop, Council directed staff to return with a revised Bond 2018 package with the following criteria:

1. Proposition 1 - \$52 million including improvements to North Beach related to the new Harbor Bridge and no increase in ad valorem taxes
2. Proposition 2 – additional street projects to be funded by a one-cent increase in ad valorem taxes
3. Proposition 3 – projects to be funded by another one-cent increase in ad valorem taxes

The revised Bond 2018 package was presented at a July 13, 2017 Workshop:

Proposition	Description	# Projects	Budget
1	Streets	23	\$ 52.0 M
2	Additional Streets	13	22.0 M
3	Public Safety & Facilities	13	22.0 M
	TOTAL BOND	49	\$ 96.0 M

The proposed implementation plan was also revised to include addressing streets impacted by, but not included in, the Harbor Bridge Replacement Project (HBRP): Four streets were identified and discussed during a HBRP presentation earlier in the Workshop.

Following discussion of the projects, Council directed staff to move forward with a Bond 2018 package as presented at the July 13, 2017 Workshop.

ALTERNATIVES:

1. Do not approve the Resolution (Not recommended).
2. Approve an amended Resolution (Not recommended).

OTHER CONSIDERATIONS:

Approval of this Resolution is needed to move forward with the feasibility studies early enough to meets deadlines for a November 2018 Bond election.

CONFORMITY TO CITY POLICY:

This item adheres to all City policies.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Engineering Services and Street Operations Departments

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget			
Encumbered / Expended Amount			
This item			
BALANCE			

Fund(s):

Comments: (None).

RECOMMENDATION:

City staff recommends approval of the Resolution.

LIST OF SUPPORTING DOCUMENTS:

Resolution 029485 – Additional funding from Bond 2008
Resolution Regarding Bond 2018
Summary of Proposed Bond 2018 Projects
List of City Streets for Proposed Bond 2018