

Council Questions

June 27, 2023 - City Council Meeting

ITEM 3.1 Community Workforce Agreement for City Capital Project

1. The Council voted to require this item to return to Council for adoption by the end of the year 2023. The staff report is recommending adoption in early 2024. What can we do to accelerate the vote to happen by the end of 2023 as initially voted on?

The recommended timeline is based on staff's research and input from Renne Public Law Group (RPLG) on a process designed to be fast-tracked while also negotiating a CWA that would be in the best interests of the City for both achieving social policy goals and effectively delivering the City's capital projects. If Council would like to shorten the timeline, it could direct staff not to perform stakeholder outreach over the summer and start negotiations.

2. What is the rationale for unions requiring nonunion contractors to pay the benefits portion of its nonunion workers' wages to the union benefits plan?

Since all workers regardless of their affiliation with (or without) a union hall is in essence working on a union project, the BTC requires that all union benefit structures be accommodated for the length of the project. Northern California building trades councils have been uniformly unwilling to waive the requirement that contractors contribute to pension and health & welfare trusts even for small and disadvantaged businesses, although such terms have been negotiated elsewhere.

3. How local is the typical local hire provision? Within the city? Within a certain number of miles from the project site? Something else?

Local hire provisions typically start with the agency's geographic boundaries as the criteria. However, research indicates that rarely does a jurisdiction's own boundary yield sufficient workforce, so boundaries are often extended to include residents of an entire county or a multi county jurisdiction. Generally, CWAs contain tiers, preferring employees who live closer; however, these tiered plans frequently end up defaulting to the widest jurisdiction.

4. To confirm, would the CWA apply to 100% affordable housing, or any development that receives a City subsidy? Can staff provide more clarity on the scope of projects that would be subject to the CWA?

The intent is to negotiate a CWA that applies only to capital projects that the City is responsible for constructing. Staff plans to negotiate language that excludes housing projects where the City is not the developer. This would include projects where the City has provided the land and/or subsidized with affordable housing funds.

5. Where does the Day Workers Center fit into this?

We have not seen a CWA that specifically references a day workers program; however, many CWAs attempt to tie pre-apprenticeship programs into a pipeline to apprenticeship. The BTC operates such a program. Staff will inquire whether it is possible to list the Day Workers Center as a pre-apprenticeship referral source.

6. The staff report says, “This Agreement shall not apply to any non-Project work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, county, city, or other governmental bodies or their contractors. Work performed by public or private utilities, including all electrical utility, voice-data-video, and security installation work ahead of and up to the electrical service entry connection or the main point of entry into the building, shall be excluded. All electrical utility, voice-data-video, and security installation work performed after the electrical utility service entrance, or the main point of entry shall be Covered Work. Additionally, all contracted work performed ahead of the service entrance connection and main point of entry that is inside the property line and provides for access to the building via a conduit or series of conduits shall be Covered Work.” What is the rationale for this?

This language (or something like it) is generally in every CWA. It is largely driven by the fact that contractors who work on City projects would be the only ones bound by the CWA. The CWA does not, and could not, bind other government workers and workers employed by utilities. Those workers are also generally members of different unions. Also, with certain specified exceptions that have been developed through case law, CWAs only cover on-site work. Hence, the coverage begins at the main point of entry or property line.

7. Table 3 - Section 3. Please provide an example or two of this.

Examples include PG&E or another utility performing off-site work to provide utility services and connections to support the project or another government agency (e.g., Caltrans, Valley Water) performing work up to the project site that may or may not be necessary to tie into or support the City’s project.

8. What methods have been found to avoid contractors needing to pay double benefits?

It would have to be negotiated as part of the CWA and agreed to by the BTC.

9. The staff report says that review of local hire in peer agencies’ CWAs shows local hire goals are hard to meet and that they often require contractors to hire only one new apprentice for the first \$1 million. How might we get more from our CWA agreement?

As noted in another response, local hire goals frequently require defaulting to wider boundaries, including multi-county or regional. Staff proposes to negotiate terms that focus on pre-apprenticeships and apprenticeship targets. Similar to what has been done by other jurisdictions, this could include the hiring of additional apprentices for additional increments in project construction costs above \$1 million. Staff could also seek to incorporate language that seeks to quantify good faith efforts toward minimum apprentice project employment duration (months or hours).

ITEM 4.2 Ordinance Adopting North Bayshore Master Plan Development Agreement (Second Reading)

1. In Section 5.4, "Community Benefits," of the DA, why is the "total estimated value" only \$47 million, instead of the \$48 million referenced in the staff report? Can this be corrected/updated to \$48 million administratively, or will it require Council action?

This was an inadvertent error. The correct amount is \$48 million and will be updated. Staff would like to additionally note that the Development Agreement allows for administrative revisions of this nature to be made.

2. Can the requirements in Section 5.5.6, "Tax Point of Sale Designation," be extended to any development in the City? Can such a "good faith effort" be "required" in the future of any developer?

Tax Point of Sale Designations are typically more applicable to large-scale developments with longer timelines due to the complex nature of determining which construction materials can be taxed at the project location. Moreover, the process of establishing a "Tax Point of Sale Designation" is time-consuming and costly. Therefore, staff has utilized them for large-scale projects that have longer timelines such as the Middlefield Park and North Bayshore Master Plans. Staff will continue to look for similar opportunities that may arise in the future.

3. Sares Regis was required to provide a financial feasibility analysis to demonstrate that they could not provide a full public benefit contribution for their 1001 N. Shoreline project. Was Google also required to provide a financial feasibility analysis to demonstrate that they could not provide the 5% inclusionary housing commitment?

In the past, the City has required Gatekeeper project applicants, including the 1001 N. Shoreline Boulevard Project, to fund a financial feasibility analysis. This analysis helps assess the community benefit contribution required for any additional density or floor area ratio (FAR) requested above the base requirements. Unlike projects in Precise Plans that allow higher tiers of FAR in return for the provision of community benefits, Gatekeeper projects are not subject to community benefit fees for additional density or floor area.

Public benefits offered by an applicant in exchange for an extended entitlement timeline through a Development Agreement (DA) are treated differently. These "public benefits" are determined through negotiations between the City and the applicant and do not rely on a financial feasibility analysis.

In the case of the North Bayshore Master Plan, the project provided community benefits consistent with the Precise Plan. The 5% inclusionary housing was proposed as part of the public benefit package for the Development Agreement. Therefore, a financial feasibility analysis was not conducted. Additionally, given the 30-year timeline of the DA and the potential for revisions to the phasing plan, it would be challenging to make reliable financial assumptions that would accurately reflect the reality of the situation.

ITEM 4.3 Recommended Fiscal Year 2023-24 through Fiscal Year 2027-28 Capital Improvement Program

1. Can staff explain the recommended changes for “Charleston Road Improvements, Design and Construction (19-34)?” Also, is the “Shoreline Regional Community Park Fund” the same source of funding as the “Shoreline Regional Park Community Fund?” What is the “Shoreline Community Public Benefit Fund,” and where does this funding come from?

Staff recommends modifying the funding sources for the project to utilize the Shoreline 2018 Series A & B Bond Proceeds to ensure more timely use of these bond proceeds. Using the bond proceeds replaces funding from the North Bayshore Transportation Development Impact Fee and the Shoreline Regional Park Community funds for the project. The “Shoreline Regional Park Community Fund” is the name of the fund. Staff inadvertently transposed “Community” and “Park” on page 4 of the report and called it the Shoreline Regional Community Park Fund. The Shoreline Community Public Benefit Fund is the fund specific to the Shoreline Community area that holds public, and community benefit monetary contributions received from developers. These contributions are typically provided as part of a developer’s request for bonus floor area ratio as outlined in the North Bayshore Precise Plan.

2. What happened to the “Shoreline at 101 Ped/Bike Overcrossing (20-38)?” Why is this project delayed?

While the project’s conceptual design (15% design) is complete, staffing challenges due to vacancies have contributed to the delay of several projects, including preliminary design (35%) of this project. Preliminary design completion has also been delayed due to additional Caltrans review timing as well as coordination needed with adjacent property owners to evaluate project modifications to maintain access to those properties. The project has been temporarily put on hold to redirect staffing and funding resources to other City projects further along in design and planned for construction in 2024. Once these other projects are in construction next year, staff expects to have capacity to complete preliminary design and proceed into final design for this project.

ITEM 4.4 Updated Resolution for LifeMoves CDBG Homekey Activities

1. What happens if Lifemoves is not able to conclude either the solar panels or the parking projects? Does the funding have to be returned to the State?

If LifeMoves is unable to complete the solar panel and/or parking project, it will have to return any CDBG Homekey funding that has already been paid out to LifeMoves related to one or both activities. Note that because the HCD Standard Agreement is between the State and the City, the City would reimburse the State first to ensure that we remain in compliance with the program, then the City would seek full reimbursement from LifeMoves. This provision would be included in the City-LifeMoves subrecipient funding agreement (which is in process and is separate from the HCD Standard Agreement).

2. What will happen to the .5acre site? Can there be a provision that the City gets first right of refusal?

LifeMoves has already purchased the site, but it has not been reimbursed by the State because the City-LifeMoves funding agreement has not been completed yet. The intent is to complete and execute the agreement shortly after this Council meeting. Once executed, LifeMoves would submit documentation to get reimbursed.

If LifeMoves does not eventually complete the parking improvements in a manner that meets of all the funding requirements, the funds would need to be returned (again, staff envisions that the City would pay back the State, then seek reimbursement from LifeMoves). If LifeMoves does not have the funds, the City-LifeMoves funding agreement could include a provision that requires LifeMoves to transfer title of the site to the City. Alternatively, the funding agreement could include a provision for LifeMoves to sell the site to generate proceeds, which would allow it to reimburse the City if LifeMoves does not have the funds.

3. If LifeMoves constructs only the minimum number of parking spaces required, approximately how much vacant space will be left over at the 1950 Leghorn Street site?

The site is approximately 0.51 acre, or 22,600 sq ft. Three parking spaces occupies approximately 180 sq ft. Using efficient site planning considerations, including placement of the parking spaces and safe vehicular access and circulation, approximately 19,500 sq ft. of vacant space would be left over at 1950 Leghorn if three parking spaces were constructed.

4. If the solar panel project is constructed, how much in electricity costs will LifeMoves save annually?

LifeMoves provided the following information in response to this question:

“LifeMoves total PG&E expense for FY22 was \$44,767.83. It is expected that the installation of solar there [2566 Leghorn] will be a significant cost savings and environmental benefit. Avg. Monthly costs past 12mos (\$4,000-\$4,800) (FY23 thus far).”

5. When LifeMoves was utilizing a leased parking site approximately 1.6 miles away in the North Bayshore Area, how many cars, on average, were parking there?

LifeMoves used a handful of spaces ranging from a low of 0 to a high of 7 with the lower range being most common. The off-site lot presented several operational challenges including the shuttle operation and monitoring of the site for vehicles that trespassed on the area. In November of 2022, they determined they would no longer use the spaces at Shoreline Lot B and their contract ended on December 31, 2022. The spaces on Lot B have since been repurposed for the expansion of the safe parking by 17 spaces.

6. Please provide a figure for the layout of the parking spaces and solar array. Is this planned to be a parking lot composed of carports with solar on the roof?

LifeMoves intends to select a design/build firm in 2024 to complete the parking improvements. Once selected, the firm will design a layout with City input, and submit a building permit application for City review and approval.

The parking will not include carports due to the cost. The solar will be installed at the interim housing project at 2566 Leghorn, not at the 1950 Leghorn parking site.

7. If this site was used for safe parking, how many vehicles could we park here?

The CDBG Homekey funding was awarded to fund activities intended to benefit the residents/clients at the 2566 Leghorn interim housing project and meet at least one of three CDBG national objectives, including: benefiting low- and moderate-income persons; preventing or eliminating slums or blight; and meeting urgent needs. These requirements apply to the acquisition of 1950 Leghorn for additional parking for the interim housing residents.

With a reduction of the number of parking spaces down to three spaces and the existing single single-story structure to remain on site, approximately 19,500 sq ft. of the site would remain unused. There have been some discussions with HCD and LifeMoves on potential uses for the remaining site should additional funding sources become available, such as storage or outdoor spaces. However, uses other than parking must benefit the interim housing residents and meet at least one of the three national objectives noted above. Uses other than providing parking for the 2566 Leghorn residents – such as a safe parking program – would need to be reviewed and approved by HCD and with LifeMoves' agreement. There would need to be a discussion with HCD whether any CDBG Homekey funding would need to be returned if a portion of the site is used for safe parking if it does not benefit the interim housing residents.

If HCD and LifeMoves agree to a safe parking program on the unused portion of the 1950 Leghorn, a very rough estimate is that 10 safe parking spaces could be added. The actual number of spaces would need to be studied in detail and the final result may be higher or lower, accounting for the three regular parking spaces and the remaining single-story structure on the site.

ITEM 4.5 Water and Sanitary Sewer Main Replacement Crossing U.S. 101, Projects 16-61 and 20-41-Various Actions

1. On page 3 of the staff report it says that on January 17, 2023, staff amended and extended the term from January 31, 2023, to June 30, 2024, for the AECOM agreement as Amendment No. 3 without Council approval. Was this an error that is now being corrected by having council ratify the term extension? If so, are there procedures in place to prevent this from happening again? Are there any consequences of this error?

The City Manager is authorized to extend terms of approved professional services agreements. The inclusion of the term date in the May 5, 2022, Council recommendation was not typical and did not serve a specific purpose; however, by including it in the recommendation, the term became subject to Council approval. Council ratifying Amendment No. 3 is necessary to make it valid.

There are no significant consequences associated with Council's approval of staff's recommendation to ratify the amendment. To avoid this error occurring again, staff will only include the term in the recommended Council action if there is a special reason for doing so and will note in contract files that Council approval is needed for any changes to the term of the agreement.

ITEM 4.6 Fire/Police Training and Classroom Facility at Fire Station 5, Projects 18-41 and 20-35-Various Actions

1. Will the public art recommendation by the VAC come to council for approval?

Yes, following the VAC's recommendation for public art, staff will bring the art recommendation to Council for consideration.

ITEM 4.8 Final 2020 and Preliminary 2021 Community Greenhouse Gas Emissions Inventories

1. On page 5 of the staff report, it says Final 2020 emissions from electricity, water demand, and wastewater treatment were higher than estimated in the Preliminary Inventory due to updated emission factors for PG&E. The emission factor for 2020 (160.1 pounds (lbs.) CO₂e/MWh) was higher than for 2019 (2.98 lbs. CO₂e/MWh), which was used as proxy in the Preliminary Inventory. What caused the huge increase from 2.98 pounds to 160.1 pounds?

As of 2019, all California energy providers are required to calculate their emission factors in compliance with the California Energy Commission's Power Source Disclosure program. Under this new methodology, lower emissions factors are often estimated when a provider has an excess supply of electricity in a given year. This is what happened in 2019 and is the reason why the 2019 emissions factor is significantly lower than previous and subsequent years. This lower emissions factor had little impact on the City's emissions overall because PG&E serves such a small portion of residential and commercial customers (SVCE provides electricity to around 96.4% of residential and commercial customers in its service territory previously served by PG&E).

ITEM 4.11 Negotiation of Advanced Water Purification (Recycled Water) Project Cost-Sharing Agreement with Palo Alto

1. If Sunnyvale's TDS is 1,200 how can LinkedIn be using it for landscape irrigation?

LinkedIn will have their own on-site treatment processes and they will blend Sunnyvale's recycled water with potable water to reduce TDS levels.

2. Will Palo Alto recycled water users be charged for the water after the Salt Removal Facility is up and running? Now, they get to use the recycled water for free, correct? Is that a decision for Palo Alto?

Currently, the production of recycled water is part of wastewater treatment costs and recycled water use is not charged for the cities of Palo Alto and Mountain View by the Palo Alto Regional Water Quality Control Plant. The recycled water system was set up initially to reduce wastewater flow to San Francisco Bay. When the Salt Removal Facility is operational, there will be operation and maintenance costs associated with the production of the recycled water.

City of Palo Alto only uses recycled water for their own facilities (a golf course and a park) and does not sell their recycled water for use within their city. They will need to determine how to recover the operation and maintenance costs for the recycled water they use.

ITEM 4.12 El Monte Corridor Study, Project 19-61

1. Does the bike lane extend onto Springer?

Springer Road is within the City of Los Altos. The southerly project improvements will end at the intersection of El Monte Avenue and Springer Road and will align with the existing bike lanes along Springer Road in Los Altos.

ITEM 4.14 Magical Bridge All-Inclusive Playground, Project 18-36, and Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48-Variou Actions

1. It looks like the funding gap is being covered by the City's Park fees. Can we require Magical Bridge Foundation to continue to fundraise until they reach their initial target of \$1.99M rather than forgiving any shortage? \$700K is a large amount for the City to forego.

MBF has expressed a commitment to raise as much funds as feasible. The construction of the park and eventual grand opening celebration event will provide additional momentum and donor attention to this park. Staff believes it will be most productive to have a more focused effort on the part of MBF and the City to raise awareness of the project and capitalize on donor interest. Additionally, due to the fundraising shortfall, MBF is coordinating a "Donor Wall" element into the project near the Magical Bridge entry point, providing another incentive for donations. MBF will also continue to advertise the project prominently on their website and distribute literature seeking targeted donations similar to the below postcard recently published by MBF.

After the grand opening, staff anticipates that the momentum of donations will taper off as newer projects will garner greater attention. Staff's recommendation is to amend the agreement for the initial target to allow MBF to receive the progress payment while requiring that they continue to fundraise for a year after the park is opened. Under the agreement terms, MBF would continue to receive 8% of all funds they raise.

Please see the postcard on the next page.

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REDWOOD CITY

COMMUNITY PARK
MORGAN HILL

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SUNNYVALE



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2. Why has this project taken so long? Are there any “lessons learned?”

The Magical Bridge project schedule has been impacted by several factors. Per the agreement between the City and MBF, MBF is responsible for design and permitting of the project. Like many organizations, MBF was impacted by COVID and had significant project management staff turn-over that resulted in delays in production of the final design documents. For the City’s project of the Maintenance and Tennis Building Replacement project, to a lesser extent, some delays were experienced due to incorporation of changes requested by the San Francisco Public Utilities Commission (SFPUC) design review comments and our own staffing shortages.

The lessons learned for future projects include consolidating two projects early in the design process to help streamline design, and for those projects designed and led by outside agencies/organizations, City participation in the consultant selection process to help promote City standards and processes.

3. How can the engineer's estimates for the one-story playhouse and two-story playhouse be so different from the bid? (Page 3 of staff report)

Staff agrees that the bid alternate pricing is very inconsistent with the engineer's estimate and the work documented in the contract documents. In a more competitive bid environment with a greater number of bidders, bid alternate pricing (as well as base bids overall) for most of the bids tends to be more consistent on average with the engineer's estimate. With only one bidder there are no other bids for a comparison. Staff's assessment is that the higher base bid value has likely captured significant portions of the work covered by the bid alternates. Given the marginal costs of the bid alternates and the relatively large benefit they provide, staff considers it in the City's interest to include them in the awarded contract.

4. What is Magical Bridge's incentive to continue to fundraise if the incentive to continue to fundraise is paid out now vs. when their commitment of \$1,990,000 is met, especially since their commitment is in effect reduced to \$1,200,534?

Please see the response to Question 1

5. What programs/activities does Magical Bridge have planned to raise the remaining ~\$790k they committed to raise?

Magical Bridge continues to advertise the project prominently on their website and seek additional targeted donations for this site. They are also distributing postcards with links to the same at various public venues. They are also coordinating a "Donor Wall" element into the project.

ITEM 4.15 Authorization to Extend Operation of the Safe Parking Lots and Execute Various Agreements to Provide Annual and One-Time Funding for Homeless Services Programs

1. The agreements referenced in this staff report are referred to as revenue-sharing agreements and yet these agreements are committing the city to spend money. Why are they referred to as revenue-sharing agreements?

This is the County of Santa Clara's terminology for these types of agreements used for a number of cities that contract for services of this type with the Office of Supportive Housing.

ITEM 4.17 Miramonte Avenue Improvements, Project 20-01-Various Actions

1. Can staff provide information about outreach done to the community that specifically mentioned the road diet concept? Since this was a newer concept, was there a community meeting beyond the March 2023 BPAC meeting that included an opportunity to provide input?

There was not a community meeting on the road diet held before the March 2023 BPAC meeting due to the need to avoid delaying the repaving project. Staff used the BPAC and Council Transportation Committee (CTC) meetings as opportunities to serve as community outreach. To notify the community about the March 2023 BPAC meeting, staff sent out postcard mailers to residents and property owners within 750 ft of the project area, culminating in over 900 mailings.

The postcard also provided contact information for the City’s Project Manager for residents and property owners to submit feedback directly if they were unable to attend the public meeting. In advance of the CTC meeting held in May 2023, staff sent out a similar postcard mailer to the same distribution list as was done with the BPAC meeting, notifying them of the road diet concept to be discussed at the CTC meeting. The emails received from community members in response to the postcards typically requested to see the design details in advance of the meeting or asked if a construction schedule was available. The BPAC and CTC meetings each had approximately 6 public commenters, generally in support of the project.

ITEM 4.21 Memorandum of Understanding for the Preliminary Engineering and Environmental Clearance Phase of the Rengstorff Avenue Grade Separation Project

1. Is there some sort of policy that allows work to continue and invoices to be sent without a current MOU or agreement in place? Or is there some sort of policy that prohibits work to continue and invoices to be sent without a current MOU or agreement in place?

There is not a policy for either allowing or not allowing work to continue and invoices to be sent without an agreement or MOU in place. There is risk to both parties if work continues or is performed without a valid contract. In this case the MOU is between the Peninsula Corridor Joint Powers Board (JPB) and the City – as such, JPB, and by extension their consultant, is at risk of not receiving payment for services performed outside the term dates of a contract/agreement, and the City risks the project slowing or stopping until a contract is in place. In the spirit of collaboration and partnership with the City, JPB continued the project and efforts with their consultant to finalize the preliminary engineering/environmental clearance phase so that start of final design would not be delayed.

ITEM 6.1 Public Safety Building, Project 20-49-Site and Architectural Conceptual Plan

1. Which departments are going to be located at the recently leased space at 888 Villa? Will the departments moving to Villa move to the new Public Safety building when it is completed?

The Fire and Environmental Protection Division (FEPD) of the Fire Department is moving to the 888 Villa site. Other City Hall workgroups are also being considered, but no determination has been made at this time. Upon completion of the Public Safety Building, FEPD will move into the new building.

2. How is the character of City Hall and the Library reflected in the proposed design of the new building?

As noted in Attachment 2 to the report, the proposed design draws patterning and proportions from City Hall and to a lesser degree the Mountain View Library. The intent of the recommended design was not necessarily to mimic the architectural style of City Hall or the Library – rather reinterpret their elements using a modern aesthetic and inspiration from other downtown urban buildings as well.

3. How many people is the Field Operations area scoped to accommodate?

Per the approved program, the Field Operations area is designed to serve 86 staff, divided into three shifts. Field Operations staff are a combination of patrol and traffic officers that spend the vast majority of their shifts in their patrol areas serving the public.

4. What is the size of the current auditorium vs. the proposed auditorium?

The existing auditorium is approximately 1200 square feet and has a small expansion room of approximately 400 square feet. The new auditorium will be approximately 1500 square feet but configured so it can be divided into two equal medium sized conference rooms.

5. What is included in Special Operations?

Special Operations Division is comprised of various detective units (i.e. Crimes against Persons/Financial Crimes/Cyber Crime/etc.), Operation Services, Evidence/ Emergency Communications (911) and Personnel Training.

6. How many people can the current sleeping quarters in other locations accommodate? Will the current sleeping quarters at other locations go away when the new building is completed?

The current off-site sleeping quarters houses between 6 and 8 staff per night. Upon completion, the new facility staff will provide facilities for 12 staff to sleep on site. As the facility is closer to completion, staff can return to Council with recommendations on the need to maintain or decommission the existing off-site facilities for public safety use.

7. How many people is this building designed to accommodate? How much of an increase is that from today? How many people are already with the city that will be in this building? How much "extra" space is there to accommodate new employees?

The new Public Safety Building will be designed to accommodate approximately 198 staff and be approximately 68,000 square feet which is 52% larger than the current facility. Based on the Fiscal Year 2023-24 Recommended Budget, the total staffing positions that are served by the current Police and Fire Administration building is 152 for Police, Fire and Emergency Services. The new building will accommodate at least 46 additional personnel, which is 30% above Fiscal Year 2023-24 levels. Per the 2021 Police & Fire Space Needs Assessment report that this design is based on, there will be room for the increase of 20% in staffing expected after completion around 2027.

8. Would there be any public parking in the parking structure?

The parking structure is configured and sized for a mix of City marked and specialty vehicles as well as staff personal vehicles. Due to the public safety nature of this facility, these vehicles need to be in a secure facility and cannot be intermingled with public parking. Public parking with 23 visitor spaces will be available in the newly created surface parking lot accessed from Franklin Street, immediately north of the public plaza area at the Franklin Street and Villa Street intersection (see Figure 6).

9. Who is the architect and how were they selected?

The architect for this project is SVA Architects, Inc. On December 11, 2018, Council authorized staff to initiate a Request for Proposal (RFP) process to secure professional architectural design and engineering services for the project. In June of 2019, staff advertised an RFP for comprehensive design services and later received five proposals. After review of the proposals and conducting interviews, staff determined that SVA was best suited to design the project as they demonstrated the greatest depth of understanding of the City's needs for the project and provided the most relevant comparison projects. On December 3, 2019, Council authorized staff to execute an agreement with SVA Architects.

10. Can we do market rate housing on the remainder of the parcel and so not have to do such a big revenue bond?

The parcel will not be available until after the Public Safety Building is constructed. The site will need to be used for construction staging and final dimensions of the site and site preparation will not be settled until construction is completed, making it challenging to plan for and enter into lease agreements for the remainder parcel. In addition, unless the site is used for a City building or other City use, the site is subject to the State Surplus Land Act. For these reasons, the construction of the Public Safety Building will need to be funded before there is a determination of whether there will be revenue proceeds from the remaining parcel.

11. What is the setback from Villa Street? How can we make this path as green and pleasant as possible for the many pedestrians who take it from the SWAN neighborhood to our downtown?

The recommended design has a minimum setback of 20' from the back of the sidewalk along Villa Street, 22' from Oak Street, and over 27' from Franklin Street. As can be seen in the site plan and renderings (Figures 9, 10 and 11 in the report, and Attachments 1 & 3) the proposed landscape design incorporates curves, with natural forms contrasting with the building, and provides public engagement and interest along all three public frontages through a mixture of ground cover, accent plants, trees and gathering spaces with seating. These softer green features are more generous than found elsewhere in the downtown area and provide a gradual transition from the urban to residential environment.

12. How can we make the ground floor of the public safety building interactive with the public as they walk by?

In addition to the qualities noted in response to Question 3 above, the landscape design provides smaller human scale elements at the ground level – including seating, accent plants and public gathering spaces. The main public entry plaza features greater openness and integrated seating areas, providing a clear, high-visibility entry into the building. There is also a separate public entry point on the northeast quadrant of the building to provide access to the large auditorium. Like the current facility, this auditorium can be reserved by the public for evening events.

In addition to the landscape and architectural elements, the project will have a significant public art component that will be incorporated into the project. Once the final design phase commences, staff will work with the Visual Arts Committee to develop an engaging public art program to enhance the public's connection to this facility and the Public Safety mission it serves. Following the VAC's recommendation for public art, staff will bring the art recommendation to Council for consideration.

13. How many stories is the parking garage? Can we do less surface parking?

The parking garage in the design is 2½ stories. The mix of surface and structured parking in the recommended design is a response to the limitations of the site and cost of structured parking. There are significant underground public utilities that cross the site in a south-north direction from Oak Street to W. Evelyn Avenue that restrict development of structures over this area and would significantly increase the costs of the project if relocated. In addition, the cost to provide additional structured parking is approximately \$50,000 per space increase over surface parking. If more structured parking is built and underground or partial underground parking is implemented to reduce the above-ground height, the increase per car will be in the range of \$75,000 each for standard size spaces and twice that for oversized vehicles.

ITEM 7.1 Public Hearing on Recommended Trash/Recycling/Organics Rate Increase

1. Page 2 of the staff report says that there is an operating deficit. In what fiscal year does the city estimate that the operating budget will be balanced?

The Solid Waste Fund will have a balanced operating budget by the fiscal year 2025-26 if we keep a similar rate increase for the next two years. However, various factors could change this assumption, such as the rate increase from Recology and SMarT station and the upcoming fee study which may also have an impact on the current fee structure.

2. Water does the unit of measure "ccf" mean and how does it relate to a gallon or acre-foot?

CCF means one hundred cubic feet, and one CCF equates to 748 gallons.

3. What happens if someone can't pay their water or trash fees? Is there help available?

The City offers the option of payment plans to customers if they need more time paying their utility bills. In addition, there are two utility assistance programs available to Mountain View customers that are administrated by Sacred Heart Community Service.

1. Low Income Household Water Assistance Program (LIHWAP) is a federally funded program that provides financial assistance to low-income Californians to help them manage their residential water and/or wastewater bills.
2. VW Water Rate Assistance Program (WRAP) is a program being offered by Sacred Heart Community Service in partnership with Santal Clara Valley Water District. Qualified applicants may receive up to \$1,000 towards their water bill.

Additional information on these two programs is posted on the City's website and is also provided to customers who call or inquire in person. In addition, the City provided over \$750,000 in utility bill assistance towards hardship and/or unpaid accounts during the pandemic.

ITEM 7.2 Adoption of Fiscal Year 2023-24 Budgets, Appropriations Limit, Fee Modifications, and Funding for Fiscal Year 2023-24 Capital Improvement Projects

1. Page 4 of the staff report says that the Adopted Budget will be amended to include costs associated with approved labor agreements. What does this sentence mean? Don't the current labor agreements go through FY23-24 and therefore should already be included in the Adopted Budget?

This a standard sentence that is intended to communicate that the Resolution allows the Adopted Budget to be amended if there are any changes in labor agreements during FY 2023-24. Currently, the Adopted Budget includes all costs for all current labor agreements.

2. Page 7 of the staff report has a paragraph that starts with Salary for Mayor and Councilmembers and yet the paragraph seems to be about regular employees. Please clarify what this paragraph is about.

The first sentence on page 7 should have stated "The City's Salary Plan for elected officials (Attachment 6) reflects the automatic annual adjustment made in accordance with...". Councilmembers received a cost-of-living adjustment (COLA) of 3.6% based on the April San Francisco Bay Area Consumer Price Index (CPI) for urban wage earners. Regular employees received a 4% COLA based on the labor agreement.

3. In that same paragraph it says that the cost-of-living adjustment will be included in the FY 2023-24 Adopted Budget. Isn't it already included? If not, why hasn't it been included in previous versions of the budget?

The cost-of-living adjustment was estimated at 4% for Councilmembers for the Recommended Budget, prior to receiving CPI data. For the Adopted Budget, the adjustment will be revised to 3.6% to match the San Francisco Bay Area Consumer Price Index for urban wage earners.

4. Did staff look at increasing funds available for road maintenance? If so, what was the result?

Councilmembers have requested information on whether additional funding was needed for the City's pavement program to maintain and improve pavement conditions in the City. Attached is a memo that provides information on the current paving projects already funded in the CIP and an evaluation of future funding needs.

Page 1 of the memo includes an Executive Summary with the following key information:

- In 2021, the City's network Pavement Condition Index (PCI) was 72; however, it is anticipated that the upcoming 2023 evaluation will show a drop in the PCI to around 70 due to delays in delivering road pavement projects.
- The City has accumulated \$29.5 million from various funding sources for paving projects, which are included in the CIP and planned to be delivered over the next two years.

- After the accumulated funding from the backlog of projects is expended, there will not be sufficient funding from existing sources to maintain a PCI of 70. The currently available funding from various sources for pavement maintenance is approximately \$5 million a year. An additional \$5 million a year (\$10 million total annually) will be needed to maintain the PCI at 70.
- Another \$7 million a year (\$17 million total annually) would be needed to increase the PCI to 75.
- Staff will return to Council prior to the next Five-Year CIP in spring 2025 to identify strategies to add a minimum of \$5 million of additional funding per year for pavement maintenance.

ITEM 7.3 Vesting Preliminary Parcel Map Extension for Google Landings Office Project at 1860-2159 Landings Drive

1. In the past, have other applicants requested extensions like this? Have any been denied?

To the best of staff's knowledge, there have been no previous requests that have requested such extensions, and as a result, none have been denied.

2. Can staff list any projects in recent history that have had maps expire?

In the last couple of years, the only expired project that included a map is 355, 365, 401, and 415 East Middlefield Road, which expired on May 4, 2022. The project proposed by Summerhill Homes, included 427 Units (157 Condominiums and 270 Apartments) on a 6-acre lot in the East Whisman Precise Plan area and was approved on May 5, 2020. In this case, Summerhill determined that the project was not financially feasible for them and did not pursue even the standard project and map extension allowed in the ordinance.

DATE: June 26, 2023

TO: Honorable Mayor and City Council

FROM: Edward Arango, Assistant Public Works Director/City Engineer
Dawn S. Cameron, Public Works Director

VIA: Kimbra McCarthy, City Manager

SUBJECT: **Pavement Management Program Status and Funding**

PURPOSE

During the May 9, 2023 Council Study Session on the Capital Improvement Program (CIP) for Fiscal Years 2023-24 to 2027-28, Councilmembers requested information on whether additional funding was needed for the City's pavement program to maintain and improve pavement conditions in the City. This memo provides information on the current paving projects already funded in the CIP and an evaluation of future funding needs.

EXECUTIVE SUMMARY

- In 2021, the City's network Pavement Condition Index (PCI) was 72; however, it is anticipated that the upcoming 2023 evaluation will show a drop in the PCI to around 70 due to delays in delivering road pavement projects.
- The City has accumulated \$29.5 million from various funding sources for paving projects, which are included in the CIP and planned to be delivered over the next two years.
- After the accumulated funding from the backlog of projects is expended, there will not be sufficient funding from existing sources to maintain a PCI of 70. The currently available funding from various sources for pavement maintenance is approximately \$5 million a year. An additional \$5 million a year (\$10 million total annually) will be needed to maintain the PCI at 70.
- Another \$7 million a year (\$17 million total annually) would be needed to increase the PCI to 75.
- Staff will return to Council prior to the next Five-Year CIP in spring 2025 to identify strategies to add a minimum of \$5 million of additional funding per year for pavement maintenance.

BACKGROUND

The City coordinates with the Metropolitan Transportation Commission (MTC) to evaluate the overall condition of the City's street network and develop a rehabilitation and maintenance strategy that will improve the overall condition of the street network. The City's street network is typically evaluated biennially by MTC's consultant who provides a Pavement Management Plan (PMP) report with a network PCI rating. PCI is a measurement of pavement condition that ranges from 0 to 100. A newly constructed or overlaid street would have a PCI of 100, while a poor/failed roadway (requiring major rehabilitation or reconstruction) would have a PCI under 49 (see Table 1).

Table 1 – Pavement Condition Categories

Very Good - Excellent PCI = 80-100	Newly constructed or resurfaced pavement with few signs of distress.
Good PCI=70-79	Pavement requiring mostly preventive maintenance and showing only low levels of distress.
Fair PCI=60-69	Pavement at the low end of this range is significantly distressed and may require a combination of rehabilitation and preventive maintenance.
At Risk PCI=50-59	Deteriorated pavement requiring immediate attention, including rehabilitative work.
Poor PCI=25-49	Pavement showing extensive distress and requiring major rehabilitation or reconstruction.
Failed PCI=24	Extremely rough pavement that needs complete reconstruction.

MTC and the Santa Clara Valley Transportation Authority (VTA) expect cities to strive for a minimum network PCI of 70, representing a good condition. Below 70, it becomes exponentially more expensive to repair and maintain pavement. The most cost-effective way to maintain a good pavement condition is to avoid deferred maintenance and invest in preventive maintenance and pavement preservation.

MTC's PMP report published in 2022 identified the City's PCI at 72 in 2021, with a rolling three-year average of 71. The City's goal is to maintain a citywide network PCI above 75. More information about the City's PCI and maintenance strategies can be found on the City's website at [Roadway Pavement | Mountain View, CA](#).

MTC's next biennial pavement evaluation will begin with MTC's consultant conducting field reviews of the City's pavement condition this fall. MTC will provide a PMP report with the City's updated network PCI rating in spring 2024. Due to the City's backlog of paving projects (discussed further below), staff anticipates the City's PCI rating for 2023 will drop to around 70.

DISCUSSION

Funded Pavement Projects

Over the past three years, the Engineering Division of the Public Works Department has faced significant staffing challenges and has had to prioritize capital projects with grant funding deadlines and other critical time-sensitive needs. The Civil Infrastructure Section of the Engineering Division manages the pavement program and has only recently been able to fill most of its vacancies. In addition, consultant Project Managers/Engineers are now being used to further support this section in catching up with capital projects, including pavement projects.

Staff has been able to complete the design, or will soon be completing the design, of the projects shown in Table 2. Projects 19-48 and 21-01 have been out to bid and construction will begin this summer. With Council approval on June 27, 2023, Project 21-30 will go out to bid in July with construction beginning by October 2023. Project 20-01 will complete design this fall with construction planned to start in early 2024.

Table 2 – Pavement Projects Starting Construction in 2023/Early 2024

Project No.	Category	Streets	Funding (millions)
19-48	Street Reconstruction	Park Avenue and Sonia Way	\$3.27
20-01	Annual Street Maintenance	Miramonte Avenue: Cuesta Avenue to Castro Street	\$3.05
21-01	Annual Street Maintenance	Leong Avenue and Fairchild Drive	\$3.78
21-30	SB 1 Streets	Various neighborhood streets, including 100-300 blocks of Castro Street	\$1.30
TOTAL			\$11.40

Table 3 lists the remaining backlog of currently funded pavement projects and the pavement projects to be funded in the Fiscal Year 2023-24 CIP.

Table 3 – Funded Pavement Projects

Project No.	Category	Streets	Funding (million)
21-41	Street Reconstruction	Crittenden Lane	\$1.27
22-01	Annual Street Maintenance	Middlefield Complete Streets	\$2.74
22-31	Street Reconstruction	N. Shoreline Boulevard	\$1.00
23-31	Street Reconstruction	Miramonte Avenue: Castro Street to El Camino Real	\$1.00
22-03	SB 1 Streets	Various neighborhood streets	\$3.08
23-01	Annual Street Maintenance	Various neighborhood streets	\$2.58
23-03	SB 1 Street	Various neighborhood streets	\$1.65
24-01	Annual Street Maintenance	Various neighborhood streets	\$2.10
24-03	SB 1 Streets	Various neighborhood streets	\$1.64
24-28	Street Reconstruction	Various neighborhood streets	\$1.00
TOTAL			\$18.06

To catch up with this workload, staff will be combining several similar projects listed in Table 3 for construction in 2024 and 2025. In total, staff will be delivering approximately \$29.5 million (Tables 1 and 2 combined) in pavement projects through 2025. **This is a high volume of projects and additional funding at this time would not likely result in delivering more pavement projects due to workload constraints even with full staffing and consultant assistance.**

Pavement Funding Analysis

Staff evaluated the program funding needs to maintain the network PCI at around 70, as well as to increase the network PCI to 75, using the financial analysis information from the 2021 PMP report and escalating costs due to inflation.

Through the CIP process, the pavement program currently receives an annual allocation of approximately \$5 million from various pavement fund sources, including State Gas Tax, VTA 2010 Measure B Vehicle License Fee, VTA 2016 Measure B Sales Tax, State Senate Bill 1 (SB 1), and CIP Unrestricted Funds (Construction/Conveyance Tax and CIP Reserve). At the April 3, 2023 Council Study Session reviewing the Fiscal Year 2023-23 through 2027-28 Capital Improvement Program (Five-Year CIP), staff provided a status of these funding sources as follows:

- **Gas Tax** – The gas tax has experienced a significant decline in revenues due to the pandemic and new hybrid remote work trends. Prior to FY 2022-23, the annual allocation of gas tax for road maintenance and improvements ranged from \$1.5 million to \$1.9 million. This was

reduced to \$299,000 in Fiscal Year 2022-23. The forecast for Fiscal Year 2023-24 is currently \$869,000, a reduction of over \$500,000 per year received prior to COVID-19.

- Transportation Funds — The funding received from the Vehicle License Fee, Measure B Sales Tax, and SB 1 for road infrastructure maintenance and repair is expected to remain relatively stable. These three funds combined provide an average of \$3.4 million per year, which provides most of the City’s funding for road maintenance and improvements.
- CIP Unrestricted Funds – The availability of these funds fluctuates each year based on the level of private sector construction activity, property transactions, and General Fund allocations. The Construction/Conveyance Tax, in particular, is currently on a downward trend. In addition, the City uses these CIP funds for a variety of projects that do not have dedicated funding, including City buildings/facilities, information technology projects, park maintenance, and other transportation improvements. The CIP Unrestricted Funds have typically supplemented pavement maintenance projects by approximately \$1 million per year.

The \$5 million currently available annually for pavement funding is not sufficient to maintain the City’s network PCI level at around 70. As shown in Figure 1 below, to maintain a network PCI level of around 70, an additional \$5 million per year is needed, for a total of approximately \$10 million per year. This level of funding would be needed starting in approximately two years after the existing project backlog is addressed.

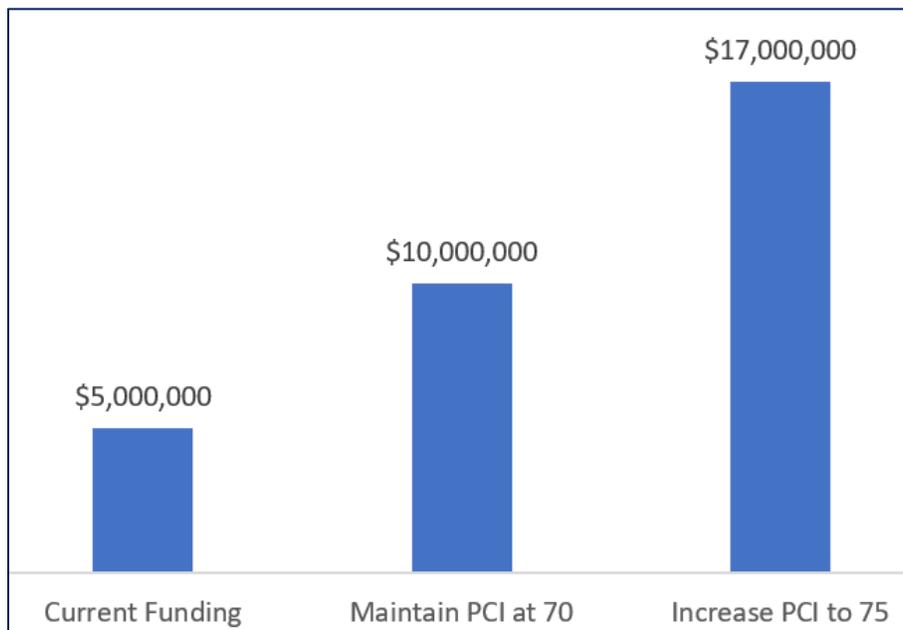


Figure 1: Annual Funding Needs for Pavement Maintenance

To increase the network PCI by five points to approximately 75, an additional investment of \$7 million per year would be needed for five years. Once the PCI is increased to around 75, the City may be able to maintain a PCI of 75 for less than \$17 million a year but it will take more than the \$10 million a year needed to maintain a PCI of 70.

The cost estimates shown are based on the financial analysis information from the PMP. These cost estimates assume the pavement funding is primarily used for pavement work, including associated pavement striping and markings. These estimates do not include adding in bicycle and pedestrian elements beyond bike lane striping and crosswalks. More extensive bicycle and pedestrian improvements along with green complete streets enhancements can significantly increase project costs and result in reducing the number of pavement miles that can be maintained with these funding sources unless supplemented by grants or other funding sources.

NEXT STEPS

Staff recommends continuing to prioritize pavement projects, aiming to maintain and improve the PCI toward our goal of a citywide average of 75. Staff will return to Council prior to the next Five-Year CIP in spring 2025 to identify strategies to add a minimum of \$5 million of additional funding per year for pavement maintenance. Staff anticipates that this will require a new revenue source and/or redirecting CIP Unrestricted Funds from other discretionary projects, such as City buildings/facilities and bicycle/pedestrian improvement projects, into pavement maintenance.

cc: ACM-Andrews, FASD, AFASD, PCE-Gonzales

!Memorandum Template – Calibri (Rev. 03-01-22)