



WORKSESSION

May 8, 2018

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Scott Ferris, Director, Parks, Recreation & Waterfront
Phil Harrington, Director, Public Works
Subject: Bi-Annual Report on Measure T1 City Infrastructure Bond Program

SUMMARY

This is the second bi-annual report on the implementation of the \$100 million Measure T1 bond program to renovate existing City facilities and infrastructure. On June 27, 2017, City Council approved a list of Phase 1 projects to be completed from FY 2018-FY 2021. On November 7, staff presented the [first bi-annual report](#)¹ that covered the first 4 four months of Phase 1 projects. This report provides the City Council with an update on the technical and financial progress of the T1 bond team accomplishments from November 2017 – April 2018.

CURRENT SITUATION & ITS EFFECTS

Since the last bi-annual update in November 2017, staff have completed the following:

- Issued and sold \$35 million in General Obligation bonds for Phase 1 projects of the T1 Bond Measure in November 2017. There is a three year timeline to expend 85% of these funds.
- Completed the first Measure T1 project, the **Tom Bates Regional Sports Complex Synthetic Turf Replacement** project. The grand reopening ceremony was held on March 3, 2018. Measure T1 funds allowed for the use of organic infill, concussion pads, and stronger fibers to make the field safer for all users.

¹ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/T1%20Update%20-%20Worksession%20-%202017-11-07.pdf

- **Community Process/Input:**
 - Held public meetings to obtain input from the community for the following projects:
 - **December 13, 2017:** Grove Park
 - **February 15, 2018:** North Berkeley Senior Center
 - **March 24, 2018:** Live Oak Community Center
 - **April 17, 2018:** Tom Bates North Field House
 - **April 24, 2018:** North Berkeley Senior Center Follow-up Meeting
 - **April 28, 2018:** University Ave, Marina Blvd, Spinnaker Way
 - Upcoming meetings include:
 - **Saturday, May 19, 2018:** Strawberry Creek Park
 - **Saturday, June 2, 2018:** Berkeley Rose Garden Pathways, Tennis Courts, and Pergola; Berkeley Rose Garden Drainage
 - **Saturday, June 9, 2018:** San Pablo Park Play Equipment Upgrade and Tennis Court Renovations; Frances Albrier Community Center
- As a part of the community input process in planning for Phase 1, the Public Works and Parks & Waterfront Commissions obtained feedback from 11 participating City commissions² on projects for this phase. To provide updates and/or seek additional consultation on project-specific coordination, staff have returned to several of the Commissions including: the Civic Arts Commission; the Landmarks Preservation Commission; the Commission on Aging; and the Children, Youth and Recreation Commission. Staff plans to attend the meetings of the remaining seven City commissions to provide an update on Measure T1 by the end of FY 2018.
- Continued to update the Measure T1 webpage to provide the Community with updates on the status of Phase 1 projects, community meetings and events. Staff reorganized the webpage and expanded on information.
- Issued a Request for Proposal (RFP) for the development of a T1 program manual, which will provide staff with a framework for program management. Staff have reviewed proposals and selected a consulting firm to assist with establishing a Measure T1 bond program manual. The manual is expected to be completed by July and will be shared at the next bi-annual update in November 2018.

² Children, Youth and Recreation Commission; Civic Arts Commission; Commission on Aging; Commission on Disability; Community Environmental Advisory Commission; Disaster and Fire Safety Commission; Energy Commission; Housing Advisory Commission; Landmarks Preservation Commission; Transportation Commission; and Zero Waste Commission

- Relocated all 5 FTE T1 and Capital Projects staff in the Public Works and Parks, Recreation & Waterfront Departments to the 5th floor at 1947 Center Street to create a project management hub to increase collaboration and productivity.
- Continued the procurement of professional consulting services needed for T1 projects. Consultant services are being procured through existing City-wide On-Call Contracts, new City-wide On-Call Contracts, and through project-specific RFP's or Requests for Qualifications (RFQs) based on expertise required. Procurement is expected to be continuous as projects are developed.
 - Current On-Call Contracts include:
 - Architectural Services
 - Electrical Engineering Services
 - Upcoming On-Call Contracts include:
 - Geotechnical Engineering Services (Council on 4/24)
 - Project Management/Construction Management Services (Reviewing proposals)
 - Civil Engineering Services - Streets & Drainage (RFQ posted)

Attachment 1 provides a list of the 34 approved [Phase 1 projects](#)³ including; project description, budget, timeline, project manager, and status update. This attachment and the below list combines some of the approved projects. For example, 2nd Street, Adeline Street, Monterey Avenue, and Ward Street are listed as separate projects on the Council approved list, but listed as one project in the attachment and the list below. Below is a summary of projects that are currently underway:

- **City-Wide Restroom Needs Assessment:** Staff have begun a scope of work for the assessment. A RFP is expected to be released in May 2018.
- **Tom Bates Fields North Field House and Restroom Planning and Design:** A landscape architect was hired for siting and conceptual design. Conceptual design is in process. A field users meeting to obtain community input on the functionality, siting, and space needs was held on April 17, 2018.
- **Live Oak Community Center Seismic Upgrade and Renovation:** Staff engaged with a design consultant for conceptual design and to assess the renovation needs for the Center. A public meeting was held on March 24,

³ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/6-27-17%20Adopted%20list%20of%20projects.pdf

Phase 1 projects include a mix of types of projects:

- *Planning* projects will focus on public processes, feasibility studies and analyses that culminate in a preferred project plan and cost estimate. These projects will be ready for the design and construction phase when funding is identified.
- *Planning & Design* projects will include public process, design, permits and bid package, and are intended to produce shovel-ready projects for a later phase of T1 funding, grant funding, or other funding.
- *Planning, Design & Construction* projects will be entirely designed and built during Phase 1.

2018 to seek feedback from the community. Staff is currently awaiting response from FEMA regarding potential additional funding.

- **North Berkeley Senior Center (NBSC) Seismic Upgrade and Renovation:** A public meeting was held on February 15, 2018 to gather input and comments from the community. Staff met with the NBSC Advisory Council on March 3, 2018 to review priorities before the follow-up public meeting, which was held on April 24, 2018. Staff also coordinated with various stakeholders, such as senior center staff and commissions (Public Works, Parks & Waterfront, Public Art). The project is at the 50% level. Construction is expected to start in early 2019 and will be completed by the first quarter of 2020.
- **Strawberry Creek Park Restroom Replacement:** Phase 1 improvements will commence this summer and will be funded by Parks Tax and PRW Capital Improvement Funds. The restroom scope will be added to Phase 2 improvements, also funded by Parks Tax and PRW Capital Improvement Funds, to leverage scope, services and funding sources. A community meeting for Phase 2 improvements will be held on May 19, 2018.
- **Mental Health Building Renovation:** On January 23, 2018, Council approved [Resolution No. 68,290-N.S.](#)⁴, which authorized \$2 million from Measure T1 Phase 1 funds to renovate the City of Berkeley's Adult Mental Health Clinic located at 2640 Martin Luther King Jr. Way. The total construction cost is estimated to be \$6.5M.
- **Corporation Yard Roof and Electrical Upgrade:** Electrical scoping has been completed. Staff is entering into a contract with an on-call electrical consultant.
- **Marina Corporation Yard Electrical Upgrade:** Electrical scoping has been completed. Staff is entering into a contract with an on-call electrical consultant.
- **Berkeley Municipal Pier Planning and Design:** A draft study and conceptual design alternatives were presented for discussion at the Parks & Waterfront commission meeting in January 2018. A notice to proceed was issued to a design/planning consultant for a ferry study.
- **Rose Garden Drainage:** Staff met with the design consultant and property owner to complete a field review at Cordonices Creek and the Rose Garden.

⁴ See <https://www.cityofberkeley.info/recordsonline/export/17556932.pdf>

Proposal for preparing the plans, specifications and estimate, and environmental permitting was received. Construction is anticipated to start in the spring of 2019.

- **Rose Garden Pathways, Tennis Courts, and Pergola:** Work for the pathways and tennis courts has been bundled with Phase 2 of the Pergola Replacement and ADA renovation project. The goal is to leverage other funding sources, combine design effort, consolidate construction time, and park closures. Staff met with the LPC Subcommittee to resume coordination from previous Phase 1 work. Construction is anticipated to start July 2019. Survey work and Schematic Design is currently in progress. A public meeting is scheduled for June 2, 2018.
- **Citywide Irrigation System:** A RFP was released in December 2017 and proposals were received in January 2018. The vendor has been selected and the contract was awarded on May 1, 2018. Installation of the system, testing, and training for the pilot sites are expected to be completed by October 2018 with full implementation anticipated in the summer of 2019.
- **Grove Park Field and Restroom Renovation:** A public meeting was held on December 13, 2017. Staff responded to questions regarding the proposed construction timeline and discussed preliminary scope with the community. This discussion lead to clear feedback of priorities on the proposed work. A RFP is expected to be posted in the summer of 2018 to retain a design consultant.
- **San Pablo Park Play Equipment Upgrade and San Pablo Park Tennis Courts Renovation:** Staff recommends combining these projects to leverage the design process and consolidate construction timelines. A public meeting is scheduled for June 9, 2019. A RFP is expected to be released in the summer of 2018 for a design consultant.
- **King School Park Green Infrastructure:** There are concerns that the proposed location of the bio swale would severely impact street trees. Staff met with the Public Works Commission in early April and it was decided that the PW commission would be proposing alternate location(s) for this project. Staff will meet with Council separately in the next few months to discuss the proposed alternate location(s).
- **2nd Street, Adeline Street, Monterey Avenue, and Ward Street:** Staff is confirming scope, cost estimates, and utility coordination.

- **Hearst Avenue, Hopkins Street, and Bancroft Way:** Staff is confirming scope, cost estimates, and utility coordination.
- **University Avenue (West Frontage Road to Marina Boulevard), Marina Boulevard, and Spinnaker Way:** Design proposals have been received. Staff is in the process of awarding a contract to complete final design. A community meeting was held on April 28, 2018.

The following projects are scheduled to start in FY 2019:

- **Old City Hall/ Veteran's Building/ Civic Center Park Conceptual Design**
- **West Berkeley Service Center Planning and Conceptual Design**
- **Frances Albrier Community Center Planning and Design** (Public meeting scheduled for June 9, 2018)
- **Willard Clubhouse Planning and Design**
- **Berkeley Health Clinic Electrical Improvements**
- **Public Safety Building Mechanical and HVAC Efficiency Improvements**
- **Aquatic Park Tide Tubes**
- **George Florence Mini-Park Play Equipment Upgrade**

DISCUSSION

As Phase 1 projects progress, several issues will require ongoing monitoring and discussion.

1. **Construction Costs:** In addition to a strong economy, the California wildfires of Fall/Winter 2017 have further strained the labor shortage in the construction industry. Construction bids throughout the City have come in higher than expected and costs are anticipated to continue to rise.
2. **Difference between Phase 1 budget and bond issue:** As discussed in the November 6, 2017 bi-annual report, Council authorized \$37.365 million for Phase 1 projects. Due to bond sale limits, the funds available for T1 projects is \$35 million. This limit is set by the terms of the bond program which requires that the upper limit of bond sales cannot exceed the total debt covered by the current 10-year average tax rate for a Berkeley resident.

- 3. New Projects Added:** In January 2018, Council authorized \$2 million of T1 funds to be used for the Mental Health Building Renovation project. This action raised the City's total estimated Phase 1 costs to \$39.365 million; however, the City was limited to selling \$35 million in bonds to complete these projects. No action is required at this time, but continued monitoring of project budgets will be needed.
- 4. Additional Funding Sources:** Staff continues to pursue grants and other funding sources to mitigate the gap between the Council-authorized budget and actual funding. For instance, the Transfer Station Master Plan will be funded by the Zero Waste Program instead.
- 5. Sequencing of Phase 1 projects:** Under federal tax law, 85% of funds are required to be expensed within 3 years. Phase 1 projects have been sequenced to ensure this requirement is met.

Given that actual costs are still unknown, it is too soon to discuss postponement of projects. As we are only 11 months into Phase 1, our approach is to proceed with all projects adopted by Council.

As Phase 1 progresses, there may be additional grant opportunities or project savings. For example, \$750k was allocated to the Citywide Irrigation system project; however, the contract awarded for this project was \$531,507. Additionally, staff was able to secure \$500k from an alternate funding source for the Transfer Station Masterplan. The savings from these two projects help mitigate the gap between the Council-approved budget and actual funding.

Staff will continue to closely monitor these issues and provide updates as projects progress.

Bond Program Management

The T1 Management Team, comprised of PRW and PW management, will continue to manage the Measure T1 bond program. The Team continues to meet regularly to review the T1 budget, expenditures, project progress, and to prepare detailed reports for Council, Commissions and the community.

Staff recently issued a RFP for a consultant to develop a Policies and Procedures manual for the T1 program. The goal of the T1 Manual is to provide clear and concise guidelines on the management of T1 funds. This manual is expected to improve the understanding of policies and procedures by staff and the community. Also, it will help prepare the City for future audits.

The manual will include the following:

- Program management structure and processes
- Program goals and performance metrics
- Project management guidelines (Personnel changes, continuous improvement, progress communication, problem solving process, and data collection for evaluation of project progress)
- Bond requirements and restrictions
- Expenditure control policies and procedures

The contract is anticipated to be executed in May and the manual is expected to be completed July. Once completed, the manual will be shared at the next bi-annual update in November 2018.

Staff plans to hire an external auditor in FY 2019 to perform a financial audit on Measure T1 bond expenditures to ensure that expenses are in accordance with bond measure requirements. Audits are planned for every two years and staff expects to have approximately six financial audits during the life of Measure T1.

Communication

Staff will continue to provide bi-annual updates to the Parks & Waterfront and Public Works Commissions and to City Council. The next report will be in October 2018. Staff continues to use the City's [T1 website](#)⁵ to update the community on the bond program. This includes an updated [story map](#)⁶, providing photos, mapping, and summaries of each approved T1 project. Community members can visit the [Measure T1 Phase 1 Project Updates](#)⁷ page for project updates, community meeting dates, and quarterly updates. For questions or information about T1, community members are encouraged to email T1@CityofBerkeley.info.

Planning for Phase 2

Phase 1 is expected to run from July 2017 through June 2021. The Phase 1 projects that are planning and planning & design in nature may then be eligible for a variety of state and federal grants or T1 phase 2 and 3 funding. The planning and public process for Phase 2 is anticipated to start in June 2019, approximately two years before Council approves Phase 2 projects. As part of this process, staff will explore grants and other sources of funding to continue projects planned and designed in Phase 1 or supplement potential Phase 2 projects.

⁵ See <https://www.cityofberkeley.info/MeasureT1/>

⁶ See <https://berkeley.maps.arcgis.com/apps/MapTour/index.html?appid=6a32f8ecb2924aebbb952bd59cb8b7fc>

⁷ See <https://www.cityofberkeley.info/MeasureT1Updates.aspx>

FISCAL IMPACTS**Expenditures to Date**

As shown in Table 1, \$832,071 of T1 funds have been expended as of 4/30/18.

Table 1 – Phase 1 Expenditures as of 4/30/18

Category	Sub-Category/Project	Spent	Allocated	Remaining
Staff/ Project Management		\$ 447,888	\$ 4,200,000	\$ 3,752,112
Facilities, Equipment, Supplies, Services		\$ 38,888	\$ 400,000	\$ 361,112
Projects	Facilities/Buildings	\$ 29,900	\$ 15,900,000	\$ 15,870,100
	City Wide Safety Improvements	\$ -	\$ 900,000	\$ 900,000
	Park Improvements	\$ 315,220	\$ 6,965,000	\$ 6,649,780
	Green Infrastructure	\$ -	\$ 1,200,000	\$ 1,200,000
	Complete Streets	\$ 175	\$ 8,500,000	\$ 8,499,825
Total		\$ 832,071	\$ 38,065,000	\$ 37,232,929

Functional Art

In [Resolution 67,795-N.S.](#)⁸, Council resolved that 1% of bond proceeds shall be available for functional art integrated into T1-funded projects. The bond proceeds for Phase 1 of Measure T1 was \$35 million, resulting in a 1% functional art contribution of \$350,000. The total amount of \$350,000 has been deducted from Phase 1 T1 projects. To date, no T1 funds have been spent on functional art.

T1 staff has met with the Civic Center Arts Commission to coordinate the inclusion of functional art into identified projects. The Civic Arts Commission has reviewed T1 projects and preliminarily identified the following sites for functional art installation:

- San Pablo Park Tennis Courts
- North Berkeley Senior Center
- George Florence Mini-Park
- (Alternate) San Pablo Park Ages 5-12 Play Area
- (Alternate) Strawberry Creek Restroom
- (Alternate) Grove Park Field and Restroom

⁸ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Resolution%20No%2067,795.pdf

BACKGROUND

In November 2016, Berkeley voters approved [Measure T1](#)⁹ – a \$100 million dollar general obligation bond to repair, renovate, replace or reconstruct the City’s aging existing infrastructure including; facilities, streets, sidewalks, storm drains, and parks. Measure T1 passed with 86.5% of the vote.

City Council [authorized the issuance of the infrastructure bond](#)¹⁰ in order to help address significant and growing unfunded infrastructure needs which total over \$500 million. Bond funded capital projects will be implemented in addition to projects that are currently funded and proposed for funding in the City’s fiscal years 2018 – 2019 capital budget.

After the passage of Measure T1, the City Manager proposed a [three phase implementation plan](#)¹¹ and requested a list of proposed Phase 1 projects to be considered by the Council, the City’s commissions, and the general public.

From December 2016 through June 2017, the City undertook a robust public process to gather input on the proposed projects. Staff conducted three Measure T1 Workshops for the general public, the Parks & Waterfront and Public Works Commissions invited and received input from the public and through ten additional existing City Commissions. The Public Works and Parks & Waterfront Commissions submitted a [joint report to Council in June 2017](#)¹² detailing their recommendations. The City Manager incorporated this input and submitted a [final recommended list of projects](#)¹³. Council adopted this list and proposed plan for implementing Phase 1 of the T1 bond program on June 27, 2017.

ENVIRONMENTAL SUSTAINABILITY

Measure T1 provides an opportunity to advance the City’s environmental sustainability goals. Facility upgrade projects will be designed and constructed to not only improve safety and address deferred improvements, but also to increase resource efficiency and access to clean energy. Measure T1 also provides an opportunity to accelerate investment into green stormwater infrastructure and street improvements that advance the goals of the City Bike and Pedestrian plans.

⁹ See <https://www.cityofberkeley.info/MeasureT1/>

¹⁰ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Resolution%20No%2067,795.pdf

¹¹ See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Measure%20T1%20GO%20Bonds%20Recommendations.pdf

¹² See https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Measure%20T1%20-%20Joint%20Commission%20Report%20-%20June%202017%20w%20attachments.pdf

¹³ See https://www.cityofberkeley.info/Clerk/City_Council/2017/06_June/Documents/2017-06-27_Item_49_Implementing_Phase_1.aspx

CONTACT PERSONS

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Attachments:

- 1: T1 Project Schedule, Funding and Project Management