AGENDA DATE: January 31, 2017

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department
       Administrative Division, Finance Department

SUBJECT: Unfunded Infrastructure Needs and Polling Services for Possible
         Revenue Generating Measure

RECOMMENDATION: That Council:

A. Hear an update from staff on the growing backlog of deferred maintenance needs
   including the deficiencies of the Police Department Headquarters;

B. Authorize the City Administrator to negotiate and execute a not-to-exceed $55,000
   contract for professional services with Fairbanks, Maslin, Maullin, Metz & Associates
   to conduct a comprehensive opinion poll and focus groups related to a possible
   revenue generating ballot measure; and

C. Approve an increase in appropriations of $55,000 in the Fiscal Year 2017 City
   Administrator's Office budget from unappropriated reserves to cover the cost of the
   polling services.

DISCUSSION:

Background

Over the past year, this Council has been discussing the increasing backlog of deferred
maintenance of City facilities and the declining condition of those facilities, particularly
streets and related infrastructure such sidewalks, traffic signals, storm drains, and street
lights.

Discussions about the need for additional infrastructure funding have been occurring
periodically since 2008 when Council appointed a citizen Ad-Hoc Infrastructure Task
Force to assess the shortfall of investment in infrastructure and make recommendations
to increase infrastructure investment. The Task Force developed a number of
recommendations, however these recommendations coincided with the recession and
were unable to be implemented at that time.
The infrastructure issue was again studied by Council in 2014 through the appointment of a Council Ad Hoc Committee (Mayor Schneider, Councilmember White, and Councilmember Rowse). The Committee conducted extensive public outreach and obtained input on facility needs and ideas to close the gap in infrastructure funding. Based on extensive outreach and polling, Council learned that the highest ranked priorities were: 1) street maintenance; 2) replacement of the Police Station located on Figueroa Street; and 3) sidewalk maintenance. Council considered placing a sales tax measure on the November 2015 ballot, but did not reach a consensus on the form of such a measure.

The current Council infrastructure discussion was reinitiated at the February 2, 2016, Council meeting when Public Works staff updated Council on the declining condition of City streets. Council referred the item to the Finance Committee for further investigation and recommendations. Over the course of ten meetings, the Finance Committee requested and received extensive information on all City General Fund infrastructure needs.

Finance Committee recommendations to Council were presented on November 22, 2016, and included: 1) transferring downtown shuttle expenses to the Downtown Parking and Waterfront Funds; 2) considering borrowing against future Measure A revenues to fund near-term street repairs; and, 3) considering a sales tax measure that would increase the current local sales tax rate by ¼ cent to up to 1 cent. Council approved the Finance Committee recommendations for the first two recommendations and directed staff to return in January 2017 for further discussion of the sales tax measure.

At today’s meeting, staff will summarize deferred maintenance needs of the City’s General Fund facilities and Streets infrastructure, and provide a more in-depth discussion of the needs of the Police Department Building.

The Police Department building was constructed in 1959 for a staff of 85. Today’s staff of 212 cannot be housed in the building, necessitating the rental of the adjacent building. Over the past several years, a total of $3.7 million was spent to complete projects at the Police Department building to address short term issues to make the building more functional by relocating the 9-1-1 Call Center, renovating the locker room, and updating the HVAC system. Significant building deficiencies remain including: outdated plumbing and electrical systems; insufficient parking; lack of compliance with current building and fire codes; overcrowded work areas; lack of ADA accessibility; lead and asbestos in building materials; and, importantly, lack of seismic reinforcement sufficient to ensure the building would remain operational through an earthquake.

Public Opinion Polling

To help Council consider whether to place a sales tax measure on the ballot, a formal polling effort is needed to gather community input on specific funding options for infrastructure improvements. Staff issued a Request for Proposals to conduct a public opinion poll and focus groups. Two responses were received from Godbe Research and Fairbanks, Maslin, Maullin, Metz & Associates (FM3). Staff reviewed both proposals and
found both firms to have similar qualifications, experience with community polls, and online polling capability. Both firms are able to complete the poll and present results to Council in the spring. After reviewing the proposals, staff recommends contracting with FM3 because they demonstrated a better understanding of community issues and a better strategy to gather voter preferences. FM3 most recently assisted the Santa Barbara School Districts in polling work for successful ballot measures.

Staff recommends Council authorize an agreement with FM3 to conduct a statistically valid survey and to hold two focus groups to identify community priorities. Approximately 400-500 voters will be surveyed via telephone and email, including bilingual survey work to reach Spanish-speaking residents. Staff recommends Council approve a contract with FM3 for an amount not to exceed $55,000.

**BUDGET/FINANCIAL INFORMATION:**

The funding gap for investment in City infrastructure has been estimated at $27 million per year. This includes the estimated annual debt service requirements to finance the Police Station through a bond issue that would be repaid over 20 years.

Infrastructure funding is not just a local issue, but has emerged as one of the key financing issues in the nation. At the state level, several transportation funding measures have been discussed. While these discussions have been favorable and Governor Brown has been supportive of raising revenues for both state and local transportation needs, the amount of funding that will accrue to the City will likely be in the range of $3-4 million based on recent proposals. The most recent proposals, AB1 (Frazier) and SB1 (Beall), would provide an estimated $3.1 million annually to the City of Santa Barbara. Assuming the legislature actually approves such a funding plan, this represents only a fraction of the overall annual needs, which for the City is estimated to be $27 million.

The City’s General Fund currently receives approximately $22 million in sales tax revenues from the 1 percent local portion of the 7.75 percent sales tax. Therefore, every 0.25 percent increase to the local rate would generate approximately $5.5 million.

Since the cost for public opinion polling services are not budgeted, additional appropriation authority will be needed from unappropriated reserves.

**PREPARED BY:**  
Brian D’Amour, City Engineer  
Nina Johnson, Senior Assistant to the City Administrator

**SUBMITTED BY:**  
Rebecca J. Bjork, Public Works Director  
Robert Samario, Finance Director

**APPROVED BY:**  
City Administrator’s Office
PUBLIC WORKS DEPARTMENT
UNFUNDED INFRASTRUCTURE NEEDS & POLLING SERVICES FOR POSSIBLE REVENUE GENERATING BALLOT MEASURE

January 31, 2017
Presentation Overview

- Brief Summary of Current Capital Needs
- Update on Needs of Police Headquarters
- Update on Sales Tax Revenue Options
- Recommendation for Community Polling
Infrastructure Needs Highlights

- City Council
- Finance Committee 2016
  - Emphasis on General Fund & Streets Infrastructure Needs
  - Maintenance of existing infrastructure prioritized
  - Identified $546M Unfunded Infrastructure Needs Over 20 Years
- Returned to City Council November 2016
## Priority Unfunded Infrastructure Needs

<table>
<thead>
<tr>
<th>Need</th>
<th>20-Year Cost</th>
<th>Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Police Department Headquarters</td>
<td>Building - $80M Interest - $50M</td>
<td>$6.5M</td>
</tr>
<tr>
<td>Pavement Maintenance</td>
<td>$200M</td>
<td>$10.0M</td>
</tr>
<tr>
<td>Traffic Signals, Sidewalks, Storm Drains, &amp; Streetlights</td>
<td>$56M</td>
<td>$2.8M</td>
</tr>
<tr>
<td>Fire Department</td>
<td>$8M</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Major General Fund Facility Renewals</td>
<td>$110M</td>
<td>$5.5M</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>$34M</td>
<td>$1.7M</td>
</tr>
<tr>
<td>Library</td>
<td>$8M</td>
<td>$0.4M</td>
</tr>
</tbody>
</table>

**Total Unfunded Need**  
$546M  
$27.3M
## Pavement Maintenance

- Pavement Management System Report Updated every 2 years

<table>
<thead>
<tr>
<th></th>
<th>August 2014</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCI</td>
<td>64</td>
<td>61</td>
</tr>
<tr>
<td>Projected PCI in 5 Years at Current Funding</td>
<td>58</td>
<td>54</td>
</tr>
<tr>
<td>Annual Cost to Maintain PCI</td>
<td>$7.5M</td>
<td>$8.2M</td>
</tr>
<tr>
<td>5-year Annual Cost to Achieve 70</td>
<td>$12.6M</td>
<td>$17.1M ($15M unfunded)</td>
</tr>
<tr>
<td>20-year Annual Cost to Maintain 70</td>
<td>$8.6M*</td>
<td>$12.0M ($10.0M unfunded)</td>
</tr>
</tbody>
</table>

*Interpolated
Pavement Maintenance

PCI

Time (years)

$2-4/\text{yd}^2$ – Good / Excellent

$20-25/\text{yd}^2$ – At Risk

$30-40/\text{yd}^2$ - Poor

$60-100/\text{yd}^2$ - Very Poor / Failed

61
Pavement Maintenance

- Degradation accelerated by recent rainfall
Police Department Headquarters
Current Police Headquarters (215 E. Figueroa St)
# Police Department Headquarters

**Constructed in 1959**

<table>
<thead>
<tr>
<th></th>
<th>1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Population</td>
<td>58,000</td>
</tr>
<tr>
<td>PD Staff</td>
<td>97</td>
</tr>
<tr>
<td>Building Size</td>
<td>28,000 square feet</td>
</tr>
<tr>
<td>Building Code</td>
<td>1958 Building Code</td>
</tr>
<tr>
<td>Seismic Standards</td>
<td>Not required, only included as suggestion in Appendix to Code</td>
</tr>
<tr>
<td>Accessibility Standards</td>
<td>Minimal – (ADA was adopted in 1990)</td>
</tr>
</tbody>
</table>
Police Department Headquarters

• Deficiencies/Issues Discussed Since 1986
  • Space
  • Seismic
    • 9-1-1 Call Center Relocation
  • Accessibility
  • MEP (Mechanical, Electrical & Plumbing)
  • Contaminated Soils – ongoing remedial action
**Police Department Headquarters**

- Recently Completed Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Year Completed</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lobby Remodel</td>
<td>2006</td>
<td>$100,000 (estimated)</td>
</tr>
<tr>
<td>Fitness Room Remodel</td>
<td>2015</td>
<td>$80,000</td>
</tr>
<tr>
<td>9-1-1 Call Center Relocation</td>
<td>2015</td>
<td>$2.4M</td>
</tr>
<tr>
<td>HVAC Replacement</td>
<td>2015</td>
<td>$1.4M</td>
</tr>
<tr>
<td>Locker Room Remodel</td>
<td>2016</td>
<td>$200,000</td>
</tr>
<tr>
<td>Armory Remodel</td>
<td>2016</td>
<td>$200,000</td>
</tr>
<tr>
<td>Access Control</td>
<td>2017</td>
<td>$40,000</td>
</tr>
<tr>
<td>Contaminated Soils</td>
<td>ongoing</td>
<td>$600,000</td>
</tr>
</tbody>
</table>

- Over $5M
### Police Department Headquarters

- **1959 vs. Today**

<table>
<thead>
<tr>
<th></th>
<th>1959</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Population</td>
<td>58,000</td>
<td>91,196</td>
</tr>
<tr>
<td>PD Staff</td>
<td>97</td>
<td>225</td>
</tr>
<tr>
<td>Building Size</td>
<td>28,000 square feet</td>
<td>28,000 square feet plus PD Annex</td>
</tr>
<tr>
<td>Seismic Standards</td>
<td>Not required, only included as suggestion in Appendix to Code</td>
<td>Essential Facility to be occupied following an earthquake</td>
</tr>
<tr>
<td>Accessibility Standards</td>
<td>Minimal – (ADA was adopted in 1990)</td>
<td>2010 ADA Standards for Accessible Design</td>
</tr>
</tbody>
</table>
Police Department Headquarters

• Numerous Studies to Address Needs
  • 1999 – Facility Expansion Study (Leach Mounce Architects)
  • 2009 – Structural Report (Ehlen, Spiess & Haight, Inc.)
  • 2010 – Seismic Retrofit Study (Coffman Engineers)
  • 2010 – Renovation/Relocation Summary Report (Paul Poirier + Michael David Architects)
  • 2012 – Needs Assessment Study (Leach Mounce Architects)
Police Department Headquarters

• Seismic Deficiencies
  • Shear Wall Strength
  • Shear Wall Details
  • Discontinuous Shear Walls
  • Diaphragms
  • High Roof to Wall Connections
Police Department Headquarters

- Seismic Retrofit Study - 2010
- Two options
- Included upgrades only to portions of MEP impacted by retrofit
- Did not address accessibility improvements, hazardous materials, or temporary relocations
- Project would make space limitations worse by increasing the thickness of existing or adding new or walls/columns
Police Department Headquarters

• Numerous Studies to Address Needs
  • 1999 – Facility Expansion Study (Leach Mounce Architects)
  • 2009 – Structural Report (Ehlen, Spiess & Haight, Inc.)
  • 2010 – Seismic Retrofit Study (Coffman Engineers)
  • 2010 – Renovation/Relocation Summary Report (Paul Poirier + Michael David Architects)
  • 2012 – Needs Assessment Study (Leach Mounce Architects)
Police Department Headquarters

- 2012 Needs Assessment Study
  - *Studied 3 Options*

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Site</strong></td>
<td>2.50 Acre Site</td>
<td>4.00 Acre Site</td>
</tr>
<tr>
<td><strong>$70M</strong></td>
<td><strong>$58M</strong></td>
<td><strong>$54M</strong></td>
</tr>
<tr>
<td>Includes Temporary</td>
<td>Does not include land acquisition</td>
<td>Does not include land acquisition</td>
</tr>
<tr>
<td>Relocation of PD</td>
<td>cost</td>
<td>cost</td>
</tr>
</tbody>
</table>

- **Current Estimate: $80 Million**
Police Station Highlights

Below is a list of highlights that make our Police Station unique from any other City Facility:

- Occupied 24/7
- Holding Cells & Interrogation Rooms
- Shooting Range
- Chemical and Special Weapons and Tactics (SWAT) Equipment Storage
- Criminal Records (CLETS – California Law Enforcement Telecommunication System)
- Secure Crime Scene Evidence Storage Area
- Secure lobby
Police Station Highlights

Space Constraints

- **Significant increase in staff since 1959**
- **Department is now in 4 locations**
  - Headquarters - 215 East Figueroa
  - Annex - 222 East Anapamu
  - Animal Control – 415 East Sola
  - 911 Dispatch – Granada Garage
Current Police Buildings in Downtown

9-1-1 Call Center

Annex

Animal Control

Headquarters
Police Station Highlights

Accessibility / Parking Limitations

• Third floor does not have elevator access
• No designated public parking spots on-site
• Insufficient number of spots for staff
Police Station Highlights

Property / Security

- Off-site storage at different locations
- Cameras
Sales Tax Revenue Options
Sales Tax

- On January 1, 2017, rate dropped to 7.75% from 8% (expiration of temp sales tax – Prop 30)
  - Cities receive 1%
  - Generates approximately $22M per year
- Each ¼ cent increase = $5.5M per year
  - Historically has grown 2-4% per year
What Can You Fund with a Sales Tax Increment?

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Need</th>
<th>Annual Average Need</th>
<th>1/4-cent</th>
<th>1/2-cent</th>
<th>3/4-cent</th>
<th>1-cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic Signals</td>
<td>$8M</td>
<td>$0.4M</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Streets</td>
<td>$200M</td>
<td>$10.0M</td>
<td>3.8</td>
<td>3.5</td>
<td>5.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>$30M</td>
<td>$1.5M</td>
<td>0.5</td>
<td>0.3</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Stormdrains</td>
<td>$10M</td>
<td>$0.5M</td>
<td>0.5</td>
<td>0.2</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Streetlights</td>
<td>$8M</td>
<td>$0.4M</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>New Police Headquarters</td>
<td>Building - $80M Interest - $50M</td>
<td>$6.5M</td>
<td>0.0</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Fire</td>
<td>$8M</td>
<td>$0.4M</td>
<td>0.0</td>
<td>0.0</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Major Facility Renewals</td>
<td>$110M</td>
<td>$5.5M</td>
<td>0.0</td>
<td>0.0</td>
<td>1.6</td>
<td>3.0</td>
</tr>
<tr>
<td>P&amp;R</td>
<td>$34M</td>
<td>$1.7M</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Library</td>
<td>$8M</td>
<td>$0.4M</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Actual Annual Allocation</th>
<th>5.5</th>
<th>11.0</th>
<th>16.5</th>
<th>22.0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available Annual Revenue</td>
<td>5.5</td>
<td>11.0</td>
<td>16.5</td>
<td>22.0</td>
</tr>
</tbody>
</table>
Data Related to Approved Sales Tax Increases or Extensions

- From 2001 – 2014:
  - 407 out of 578 (70%) general tax measures passed (sales tax, UUT, TOT, etc.)

- From 2002 – 2013:
  - 116 out of 174 (67%) general sales tax measures

- June 2016 and November 2016:
  - 56 out of 66 (85%) sales tax measures passed
# Approved Sales Tax Increases or Extensions – June & November 2016

<table>
<thead>
<tr>
<th></th>
<th>¼ cent</th>
<th>½ cent</th>
<th>¾ cent</th>
<th>1 cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>November 2016</strong></td>
<td>4</td>
<td>19</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td><strong>June 2016</strong></td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>
Status of State Transportation Funding Bills

- Several transportation bills have been discussed in the last year
- Governor’s proposal would provide $4.3 million to the City of Santa Barbara
- Recent bills (AB1 and SB1) would provide ~$3.1 million annually to the City of Santa Barbara
Community Polling

- Formal poll needed to gauge public interest in new revenue source for basic infrastructure improvements
- Two responses to Request for Proposals
- Fairbanks, Maslin, Maullin, Metz & Associates selected
  - Recently worked with SB Unified on recent successful ballot measure
- Focus groups also planned to identify community priorities
- Scientifically valid survey of 400-500 voters
Staff Recommendations

- That Council:
  - Authorize the City Administrator to negotiate and execute a not to exceed $55,000 contract with Fairbanks, Maslin, Maullin, Metz & Associates to conduct a comprehensive opinion poll and focus groups related to a possible revenue generating ballot measure.
Questions?