

TO: Honorable Mayor and City Council

FROM: Jeremy Craig, City Manager
(Contact: Jeremy Craig: (707) 449-5100)

**SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VACAVILLE
ADOPTING THE CITY OF VACAVILLE OPERATING BUDGET FOR
MEASURE M FOR FISCAL YEAR 2018-19**

DISCUSSION:

In November of 2016, the City passed an extension to the Measure M general sales tax, which added 20 years to the sales tax and increased the effective rate from 1/4-cent to 3/4-cent. This extension went into effect on April 1, 2018 and the City will begin receiving actual proceeds from the increase in September of 2018. Over the past 8 months, staff has been working with the City Council to identify spending priorities and projects for the new Measure M proceeds. Those priorities and projects were based upon the City's Strategic Plan and the Use of Funds statement that was part of the 2016 ballot materials, which read:

"Use of Proceeds

The Measure is a general tax. Its revenue is used for general municipal purposes such as police and fire protection, gang suppression, ambulance service, street repair, park maintenance, recreation programs, public parks, sports fields, roadway improvements, the McBride Senior Center, the Walter V. Graham Aquatics Center, the Ulatis Community Center, the Vacaville Performing Arts Theater, and other services and facilities for Vacaville residents."

A list of priority projects and their estimated costs was compiled. (See Attachment 1.)

The Measure M process and sample project list was presented by the City at a public forum sponsored by the Chamber of Commerce in February of 2018. In addition, the Downtown Vacaville Business Improvement District provided related correspondence (included as Attachment 2). The City also created and conducted a ranking survey which was distributed and available to the general public for over a 1-month period. There were approximately 900 survey responses and the results were tabulated and included in Attachment 3. The survey was not scientific in its selection of participants, so it is just one more avenue of communication and should not be the sole basis for any decisions.

The spending items that will be considered under Measure M will include both ongoing and project expenses which will be more one-time in nature. As many rehabilitation and new construction projects will need to span several budget years, the FY2018-19 budget includes funding for the design and entitlement work necessary to construct the project, but the actual construction costs will be budgeted in future years. A 5-year projection of Measure M expenditures was drafted to fully capture the total costs of the projects included. This 5-year forecast is a draft based upon current projections and will change as projects are designed and actual costs are refined. It is presented in Attachment 4.

PROPOSED FISCAL YEAR 2018-19 ONGOING EXPENDITURES

Sworn Police Personnel	\$ 2,087,000
Parks Beautification Program	225,000
Street Maintenance Program	2,000,000
Vehicles and Equipment Program	2,000,000
Measure M Staff	275,000
	<u>\$ 6,587,000</u>

Ongoing expenditures include the hiring of additional officers, which was already approved during the Fiscal Year 2017-18 budget process. Other proposed ongoing programs are Parks Beautification, Street Maintenance Program, Vehicles and Equipment Replacement Program and 2 additional staff members to track Measure M projects and ensure they move efficiently through the development process. In addition to the items listed above, staffing for an additional ambulance at Fire Station #73 is being proposed as an ongoing program once the station remodel is completed as part of one-time capital items listed below.

PROPOSED FISCAL YEAR 2018-19 CAPITAL EXPENDITURES

East Monte Vista Pavement repair	\$ 2,000,000
Update City Development Code	450,000
Grass Field Complex (design yr 1)	500,000
Renovate 3 Oaks (design yr 1)	500,000
Dog parks	500,000
Station #73 remodel (design yr 1)	500,000
Downtown alley reconstruction	600,000
Keating Park parking lot repairs	1,100,000
	<u>\$ 6,150,000</u>

Proposed capital expenditures for Fiscal Year 2018-19 include projects which can be completed in the fiscal year, as well as design work for 3 larger projects whose construction will be funded in future budgets. Those larger projects will have more accurate cost estimates once the design process is completed.

The total budgeted expenditures for Fiscal Year 2018-19 Measure M proposed are less than projected revenues. This is due to the timing of the sales tax being received and the anticipation that the 3 capital projects will have final budgets that require greater resources than a single year of Measure M revenues will provide. Given the capital nature of Measure M items, there will be individual years of operating surplus and years of operating deficits depending upon timing of projects, however, the entire fund reserve will remain positive in total.

SUMMARY:

Fiscal Year 2018-19 proposed budget for Measure M includes a mix of ongoing and capital expenditures. Proposed expenditures total \$12,737,000. Projected revenues total \$15,269,000 for the fiscal year. Future budget years will contain larger capital projects which will utilize the projected year-end balance.

FISCAL IMPACT:

If adopted, the Measure M budget would project \$15.269 million in revenues and \$12.737 million in expenditures for Fiscal Year 2018-19. Future budgets will contain construction costs for 3 major projects that will utilize the projected fund reserves.

RECOMMENDATION:

By simple motion, adopt the subject resolution

ATTACHMENTS:

Resolution – Action Item
Attachment 1: Measure M Project List
Attachment 2: Measure M Correspondence
Attachment 3: Online Survey Results
Attachment 4: Measure M 5-year Forecast

RESOLUTION NO. 2018-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VACAVILLE
ADOPTING THE CITY OF VACAVILLE OPERATING BUDGET FOR MEASURE M FOR
FISCAL YEAR 2018-19**

WHEREAS, the City Manager has submitted to the City Council an Operating Budget for Measure M with net appropriations in the amount of \$12,737,000 for Fiscal Year 2018-19; and

WHEREAS, the approval and adoption of the Measure M Budget is necessary and in the best interest of the efficient administration of the City of Vacaville.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Vacaville that the Measure M Budget in the amount of \$12,737,000 for Fiscal Year 2018-19 is approved and ratified in all particulars, and is adopted as the official Measure M Budget for the City of Vacaville.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a meeting of the City Council of the City of Vacaville, held on the 8th day of May, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Michelle A. Thornbrugh, City Clerk

Measure M Project List

Item	Year 1 Cost	20 Year Cost
<u>SP GOAL ONE Public Safety</u>		
(11) New Police Officers - approved by Council as part of 2017/18 budget cycle	\$ 3,000,000	\$ 62,400,000
Ambulance at Station 73 (6FF/pp) reno - add ambulance service to all fire houses and move ladder truck to station in business park where most likely used	\$ 6,600,000	\$ 35,100,000
<u>SP GOAL TWO Strengthen Local Economy</u>		
Downtown Sewer Credits - establish pool of credits to attract specialty retail and restaurant	\$ 150,000	\$ 150,000
Shovel Ready Business Park - Fund CEQA and specific plan updates to make industrial sites available for faster development for attraction	\$ 800,000	\$ 800,000
VacaValley/1505 Interchange - Fund matching part of project to improve overpass to relieve traffic pressures related to development in north area	\$ 8,040,000	\$ 8,040,000
Retail Strategy Studies - Conduct full retail studies of all areas of City to identify how to best develop all City retail centers	\$ 300,000	\$ 300,000
Gateway Overpasses Beautification - Provide funding for improving appearance of all major overpass areas to make City more attractive from I80/I505	\$ 921,600	\$ 921,600
East Monte Vista repair/repaving - Repair East Monte Vista past airport to Vaca Valley to support current/future businesses in the business parks	\$ 3,000,000	\$ 3,000,000
Update Development Code - Much of current development code was adopted in the 1980's & 1990's. Project would hire expert to update and modernize the Code for streamlining and efficiencies	\$ 450,000	\$ 450,000
<u>SP GOAL THREE Promote Community Viability</u>		
Grass Field Complex - Provide turf fields for multiple sports. Complex would also boost tourism.	\$ 12,000,000	\$ 12,000,000
Gymnasiums - City short of gym space. New gym would allow for more programming and rentals	\$ 25,000,000	\$ 25,000,000
AI Patch Fields - Completion of AI patch fields would make turf field available for winter play sports when grass is offline.	\$ 5,564,375	\$ 5,564,375
Renovate 3 Oaks - Cosmetic renovations to current footprint OR	\$ 1,020,000	\$ 1,020,000
Rebuild 3 Oaks - raze current building and build new center	\$ 12,500,000	\$ 12,500,000
Renovate Georgie Duke - cosmetic renovations to existing structure OR	\$ 546,000	\$ 546,000
Rebuild Georgie Duke - raze building and build new	\$ 9,000,000	\$ 9,000,000
Farmer's Market Downtown Structure - Build covered structure to support weekend events such as farmer's market, art/craft, etc..	\$ 1,440,000	\$ 1,440,000
Dog parks (5 acres total various locations)	\$ 1,500,000	\$ 1,500,000
Street maintenance program - Additional funding to regular streets program to catch up from recession and return streets to higher PCI index	\$ 2,000,000	\$ 40,000,000
City Council chambers reno - rehab current chambers for ADA compliance OR	\$ 1,700,000	\$ 1,700,000
City Council chambers - expand AB to form new Council Chambers towards Merchant Street	\$ 3,248,000	\$ 3,248,000
Senior Center Rehab - flooring, carpet, paint and furniture to refresh senior center	\$ 1,250,000	\$ 1,250,000
<u>SP GOAL FOUR Maintain Effective and Efficient City Services</u>		
Alley reconstructions - rehab alleyways in the downtown areas	\$ 1,237,500	\$ 1,237,500
Parks beautification - provide a steady source of revenue for deferred projects such as trails, playgrounds, trees and plants	\$ 225,000	\$ 4,500,000
Keating Park parking lot reconstruction - reconstruct the parking lots throughout Keating Park	\$ 1,100,000	\$ 1,100,000
Fleet program - additional funding to return fleet program to regular scheduled equipment and vehicle replacement	\$ 850,000	\$ 17,000,000
PW Maintenance Building - provide needed gap funding to build admin building and move out of temp buildings and storage sheds.	\$ 720,000	\$ 720,000
Grant Matching Pool for projects - provide a pool of dollars to provide matching requirements to grants available to the City to leverage for more funds	\$ 250,000	\$ 5,000,000

Measure M Project List

Item	Year 1 Cost	20 Year Cost
<u>Administration</u>		
Project Manager (oversee all Measure M projects) - <i>Provide a position to supervise all Measure M projects from inception to construction</i>	\$ 165,000	\$ 3,300,000
Project Planner (provide planning coordination) - <i>Provide a position to assist in the planning of projects and leading the projects through the City's planning processes</i>	\$ 165,000	\$ 3,300,000
Finance Assistant - <i>Provide a position to track all Measure M revenues and expenses and provide regularly reporting on budget and costs</i>	\$ 110,000	\$ 2,200,000

Measure M Project List

Item

**Year 1
Cost**

**20 Year
Cost**



A locally-funded nonprofit organization created to foster an economically vibrant Downtown Vacaville

313 Parker Street, Vacaville, CA 95688
707-451-2100 www.DowntownVacaville.com

February 9th, 2018

Mr. Jeremy Craig
City Manager, City of Vacaville
650 Merchant Street
Vacaville, CA 95688

Dear City Manager Craig;

On behalf of the Downtown Vacaville Business Improvement District Board of Directors and its' 450+ Member-Businesses, I am requesting that a portion of City of Vacavilles' available Measure M Funds for Year One be directed towards improving the economic vitality and quality of life in Downtown Vacaville.

With thousands of visitors shopping and dining in Downtown Vacaville every week, it is the heart of our city and the envy of neighboring communities for its' safe streets, quaint park setting and local flavor. Although Downtown Vacaville enjoys a low vacancy rate, in order to create a more walkable, retail-friendly district, the ratio between service professionals (Real Estate, Mortgage Companies, etc.) and specialty retail (Apparel, Home Decor, etc.) must be closely curated and improved. In addition, physical infrastructure and existing storefronts must be made "food-service viable" for new restaurant options to emerge. It is our long-term strategy to cultivate a more dynamic retail and dining mix in Downtown Vacaville which will help brand the district as a local and regional destination for entertainment and unique shopping experiences.

In order for Downtown Vacaville to reach its' potential, capital improvement funds and municipal resources must be allocated from the City of Vacaville. In the spirit of the original Measure M re-investment promise, we ask that the City of Vacaville make a commitment of Measure M funds to ensure economic vitality in Downtown Vacaville.

The following is a list of potential Downtown improvement projects and their estimated costs, as identified by City of Vacaville Staff and our Executive Board:

Study of Downtown Infrastructure:

Conduct full studies of existing infrastructure on Main Street between Davis and Cernon Streets and identify current limitations. **\$75,000**

Downtown Sewer Credits:

Establish pool of credits to attract specialty retail and restaurant **\$150,000**

Downtown Alley Reconstructions:

Rehab alleyways in the downtown areas **\$1,237,500**



Parks Beautification: Andrews Park, Creekwalk:

Provide revenue for deferred projects in Vacaville's "Central Park" such as trails, playgrounds, trees, plants. Create a permanent stage at Creekwalk Plaza. **\$300,000**

Update Development Code:

Much of current development code was adopted in the 1980's & 1990's. Project would update and modernize the Code for streamlining and efficiency. **\$450,000**

Retail Strategy Studies:

Conduct a full retail study of Downtown as part of a city-wide retail study to identify how to best develop the City's Retail centers. **\$300,000**

Farmers Market Downtown Structure:

Build a covered structure on East Main Street to support weekend events such as farmers' market, art/craft, etc **\$1,440,000**

Street Maintenance Program:

Additional funding Downtown as part of a city-wide regular streets program to catch up from recession and return streets to higher PC index. **\$2,000,000**

Grant Matching Pools for Projects:

Pool of dollars to provide matching requirements to grants available to the City. **\$250,000**

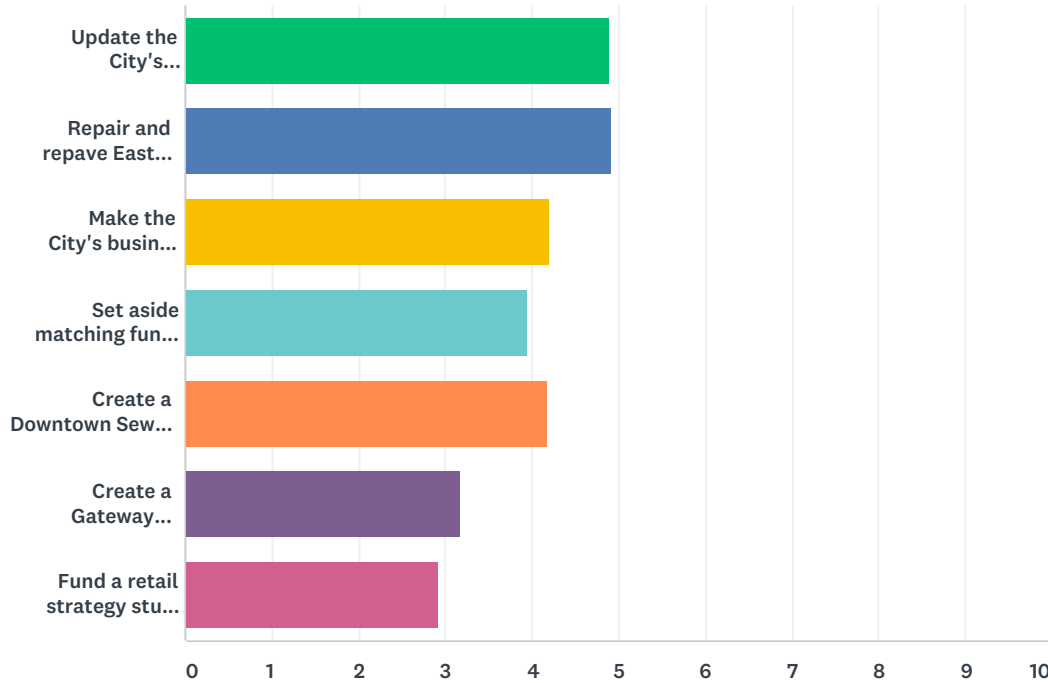
Downtown Vacaville is poised to experience a renaissance as consumer trends swing back towards authentic and specialty retail and dining experiences. Acting now to improve infrastructure and facilitating an entrepreneur-friendly business climate will ensure that Downtown Vacaville is ready to meet that new demand. We welcome the chance to meet with you and your staff to discuss how these and other potential Measure M funded projects can transform our beloved district.

All the best,

Karen Seymour
President, Downtown Vacaville BID

Q1 Strengthen the Local Economy

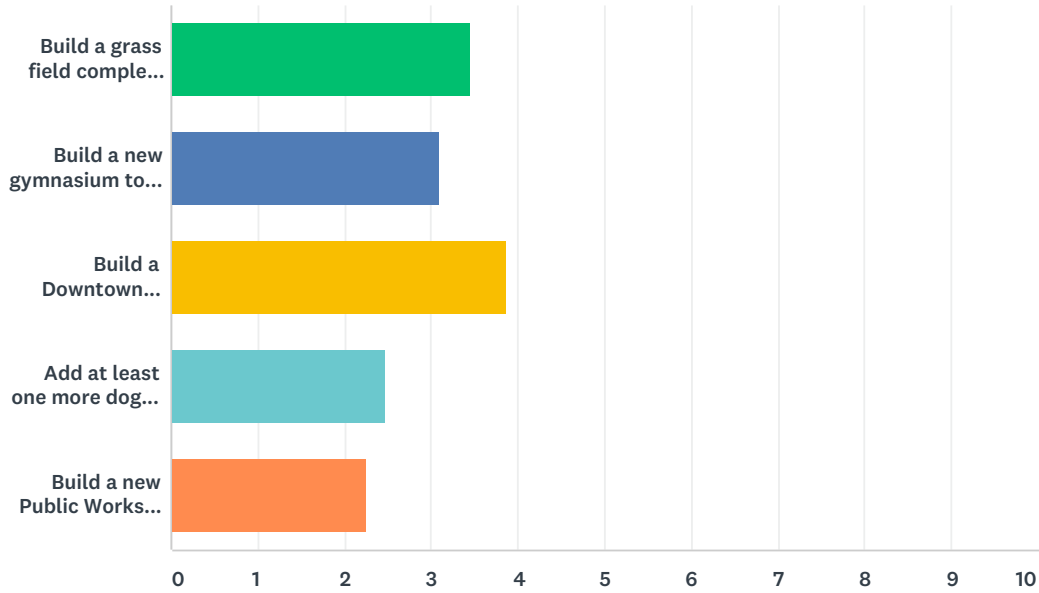
Answered: 843 Skipped: 39



	1	2	3	4	5	6	7	TOTAL	SCORE
Update the City's Development Codes to help the City compete for new businesses.	26.54% 207	21.79% 170	15.38% 120	11.03% 86	9.23% 72	8.46% 66	7.56% 59	780	4.90
Repair and repave East Monte Vista Avenue east of the Nut Tree Airport and along the business parks.	26.42% 209	23.51% 186	12.26% 97	11.88% 94	11.25% 89	8.34% 66	6.32% 50	791	4.92
Make the City's business parks and available land "shovel-ready" to increase our competitiveness	10.67% 83	13.62% 106	25.71% 200	15.68% 122	13.24% 103	12.85% 100	8.23% 64	778	4.21
Set aside matching funds to facilitate improvements to the Vaca Valley/I-505 Interchange	9.25% 73	12.17% 96	13.43% 106	27.25% 215	15.34% 121	12.93% 102	9.63% 76	789	3.95
Create a Downtown Sewer Credit Pool to attract specialty retail/restaurants to Downtown Vacaville	17.03% 134	12.83% 101	11.82% 93	12.07% 95	28.59% 225	11.69% 92	5.97% 47	787	4.19
Create a Gateway Overpass Beautification Fund to improve the appearance of our key gateways/entrances	6.10% 48	7.88% 62	13.09% 103	10.67% 84	12.33% 97	32.02% 252	17.92% 141	787	3.17
Fund a retail strategy study to determine best retail uses throughout the city.	8.91% 71	9.16% 73	8.91% 71	10.04% 80	8.53% 68	11.17% 89	43.29% 345	797	2.93

Q2 New Community Assets

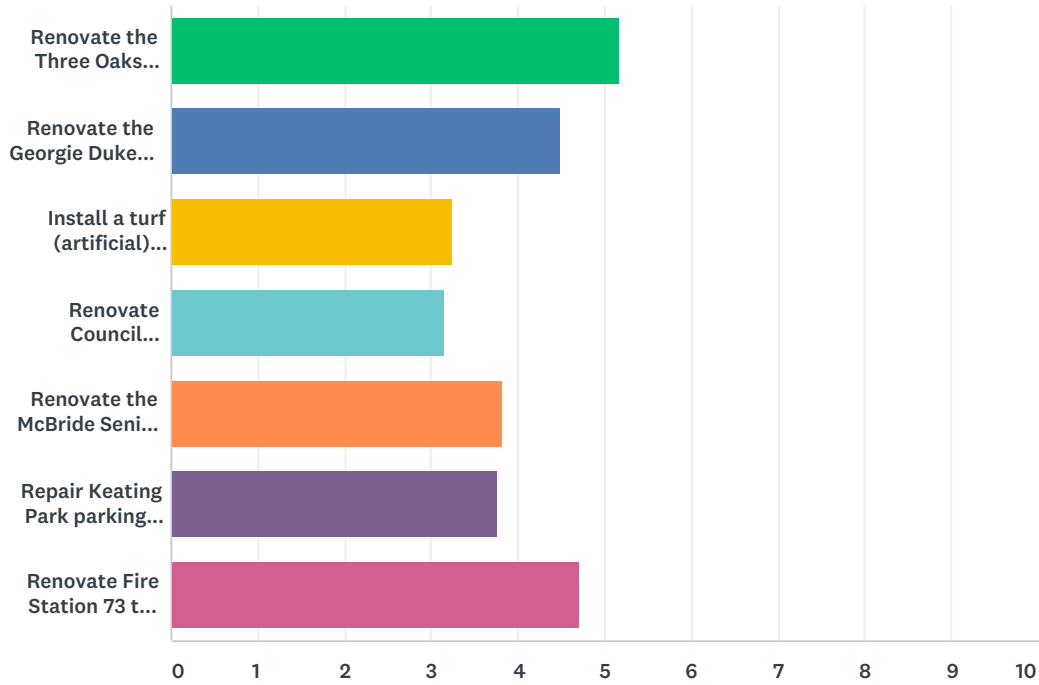
Answered: 839 Skipped: 43



	1	2	3	4	5	TOTAL	SCORE
Build a grass field complex for soccer, lacrosse, rugby and other sports.	24.74% 194	28.57% 224	21.56% 169	17.60% 138	7.53% 59	784	3.45
Build a new gymnasium to create more indoor space and hosting of tournaments.	9.66% 75	28.09% 218	32.86% 255	21.01% 163	8.38% 65	776	3.10
Build a Downtown Pavilion for a permanent Farmers Market/art shows/other community events.	42.70% 342	20.85% 167	19.48% 156	13.23% 106	3.75% 30	801	3.86
Add at least one more dog park for more off-leash space.	13.26% 105	13.64% 108	13.89% 110	25.38% 201	33.84% 268	792	2.47
Build a new Public Works Maintenance Building at the Corporation Yard.	13.81% 109	9.63% 76	11.15% 88	19.77% 156	45.63% 360	789	2.26

Q3 Repair Existing Assets

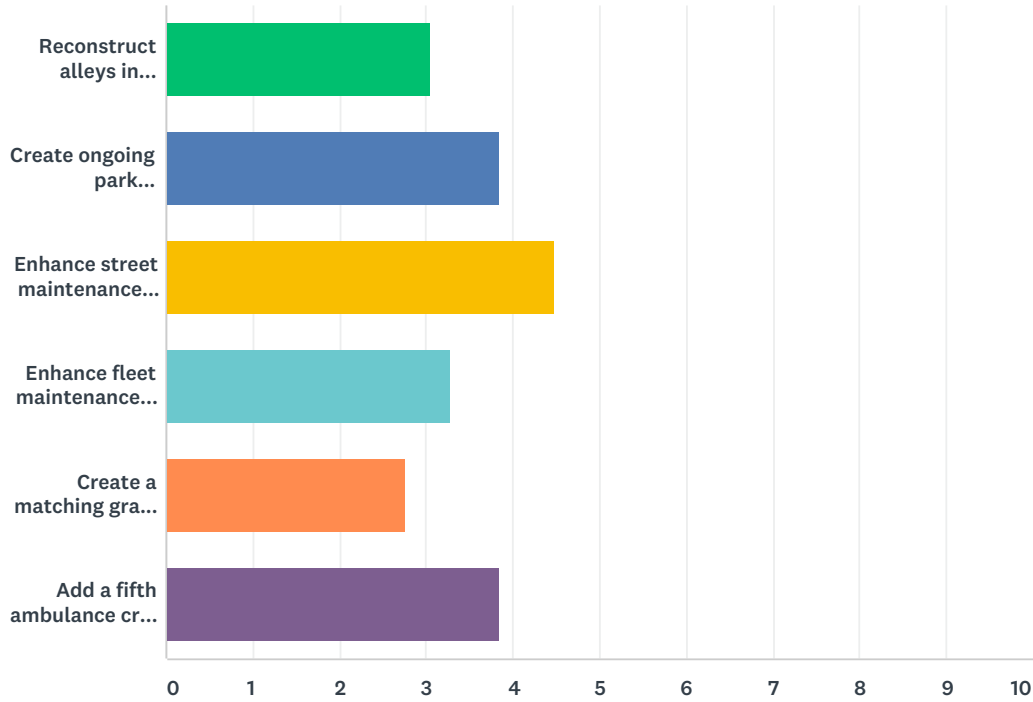
Answered: 857 Skipped: 25



	1	2	3	4	5	6	7	TOTAL	SCORE
Renovate the Three Oaks Community Center.	22.63% 177	27.11% 212	20.84% 163	14.58% 114	6.39% 50	5.37% 42	3.07% 24	782	5.17
Renovate the Georgie Duke Sports Center.	6.92% 54	22.95% 179	23.59% 184	20.13% 157	15.26% 119	7.95% 62	3.21% 25	780	4.49
Install a turf (artificial) field at Al Patch Park.	4.52% 35	7.24% 56	14.21% 110	17.96% 139	17.96% 139	15.37% 119	22.74% 176	774	3.25
Renovate Council Chambers for ADA accessibility.	6.08% 47	8.67% 67	8.93% 69	16.30% 126	15.52% 120	19.92% 154	24.58% 190	773	3.15
Renovate the McBride Senior Center.	8.66% 68	14.01% 110	15.03% 118	14.01% 110	20.00% 157	18.85% 148	9.43% 74	785	3.83
Repair Keating Park parking lots.	16.27% 130	10.64% 85	11.26% 90	9.14% 73	16.15% 129	21.28% 170	15.27% 122	799	3.77
Renovate Fire Station 73 to accommodate a ladder truck.	41.28% 336	11.06% 90	6.51% 53	6.76% 55	6.76% 55	8.23% 67	19.41% 158	814	4.71

Q4 Maintain Effective and Efficient City Services

Answered: 852 Skipped: 30

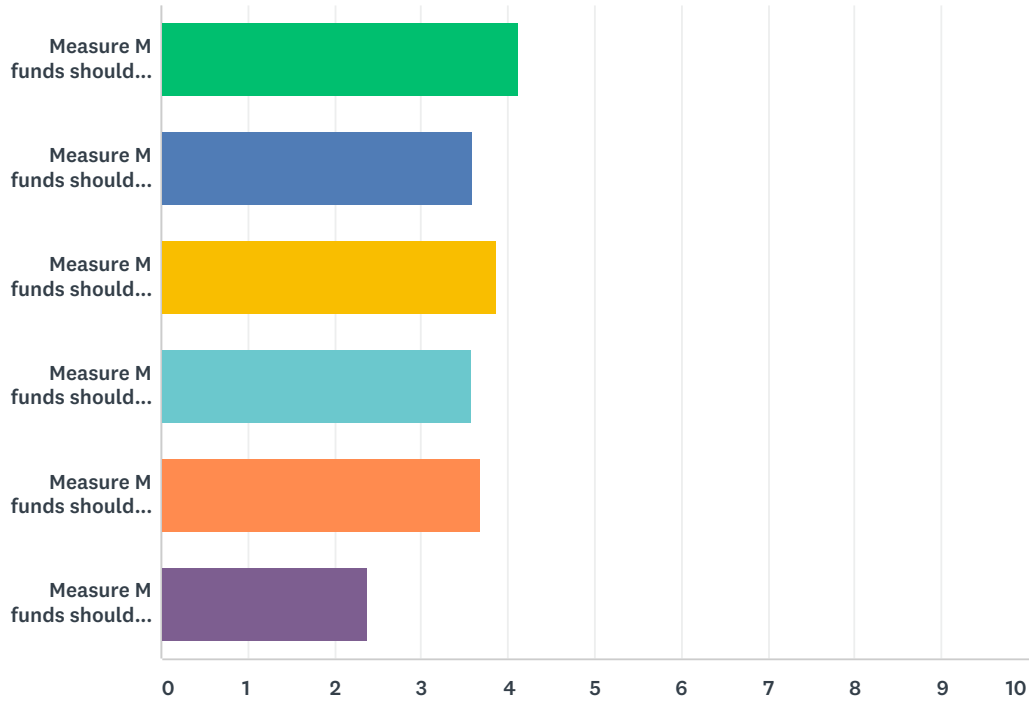


	1	2	3	4	5	6	TOTAL	SCORE
Reconstruct alleys in Downtown Vacaville.	10.50% 80	13.78% 105	14.57% 111	18.37% 140	16.80% 128	25.98% 198	762	3.05
Create ongoing park beautification fund.	19.75% 156	20.25% 160	16.46% 130	19.37% 153	15.70% 124	8.48% 67	790	3.84
Enhance street maintenance program for more timely road repairs.	28.06% 227	25.22% 204	24.23% 196	13.72% 111	6.30% 51	2.47% 20	809	4.48
Enhance fleet maintenance program to keep fleet/equipment working.	2.58% 20	21.94% 170	18.06% 140	25.29% 196	22.45% 174	9.68% 75	775	3.28
Create a matching grant fund to leverage grants to pay for projects.	7.20% 56	8.61% 67	16.58% 129	14.01% 109	27.38% 213	26.22% 204	778	2.76
Add a fifth ambulance crew to the Vacaville Fire Department.	36.72% 296	11.91% 96	9.80% 79	7.20% 58	9.68% 78	24.69% 199	806	3.85

Measure M

Q5 Please rank the following Measure M statements in order of priority

Answered: 859 Skipped: 23



	1	2	3	4	5	6	TOTAL	SCORE
Measure M funds should be invested in ways that grow the economy and create jobs.	27.35% 218	17.69% 141	21.71% 173	15.18% 121	10.41% 83	7.65% 61	797	4.13
Measure M funds should be used to create new recreation assets.	14.74% 116	20.33% 160	17.03% 134	19.06% 150	14.99% 118	13.85% 109	787	3.59
Measure M funds should be used to cover the costs of current services.	24.59% 197	16.23% 130	16.85% 135	16.48% 132	16.48% 132	9.36% 75	801	3.88
Measure M funds should be used to renovate community recreation assets.	9.98% 80	19.20% 154	19.33% 155	26.43% 212	20.95% 168	4.11% 33	802	3.58
Measure M funds should be used to repair roads and bridges.	20.12% 166	15.88% 131	18.30% 151	14.06% 116	22.06% 182	9.58% 79	825	3.69
Measure M funds should be used to maintain the General Fund reserve.	8.91% 72	12.38% 100	5.94% 48	7.18% 58	12.50% 101	53.09% 429	808	2.39

CITY OF VACAVILLE
 MEASURE M 5 YEAR FORECAST - DRAFT

Project	2019	2020	2021	2022	2023
<i>Projected Revenues</i>	15,269,000	15,681,000	15,916,000	16,155,000	16,397,000
<i>ONGOING -</i>					
Police Officers	\$ 2,087,000	2,170,480	2,257,299	2,347,591	2,441,495
Parks Beautification Program	225,000	225,000	225,000	225,000	225,000
Street Maintenance Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Vehicles and Equipment Program	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Staffing Ambulance at Station #73		1,200,000	1,260,000	1,323,000	1,389,150
Measure M Staff	275,000	283,250	291,748	300,500	309,515
	\$ 6,587,000	\$ 7,878,730	\$ 8,034,047	\$ 8,196,091	\$ 8,365,160
<i>ONE-TIME -</i>					
East Monte Vista Pavement repair	\$ 2,000,000				
Update City Development Code	450,000				
Grass Field Complex (design yr 1)	500,000	5,000,000	5,000,000	2,000,000	
Renovate 3 Oaks (design yr 1)	500,000			6,000,000	6,000,000
Dog parks	500,000		500,000	-	
Station #73 remodel (design yr 1)	500,000	2,500,000	2,000,000		
Downtown alley reconstruction	600,000				
Public Works maintenance building		500,000	250,000		
Keating Park parking lot repairs	1,100,000				
	\$ 6,150,000	\$ 8,000,000	\$ 7,750,000	\$ 8,000,000	\$ 6,000,000
Total	12,737,000	15,878,730	15,784,047	16,196,091	14,365,160