



City Council Report

Item: 18.
Category: New Business
Date: July 21, 2016

TITLE: PRE-BALLOT MEASURE RECOMMENDATION

RECOMMENDATIONS

It is recommended that the City Council 1) postpone consideration for a revenue ballot measure for the November 2016 General Election and 2) direct staff to perform additional analysis related to the development of a Civic Center project and to continue pre-ballot preparations for November 2018.

BACKGROUND

As part of the development process last year for the Civic Center Master Plan, the City Council expressed interest in placing a revenue measure on the ballot for the November 2016 General Election in order to fund the design and construction of a new police operations center and library.

Results from the City's December 2015 Resident Satisfaction Survey suggested that Campbell voters would support a potential general purpose sales tax revenue measure for City operations and maintenance. If the measure were to pass, the City could use General Funds to support unfunded capital improvements such as a new Civic Center. The requisite threshold for this type of measure to pass in California is 50% + 1.

After considerable review and discussion, the City Council then asked staff to analyze the viability of a specific purpose revenue source (General Obligation bond or parcel tax) which requires 2/3 voter approval.

The City Council held a Study Session on June 7, 2016 to review the results of a baseline survey conducted in May by Godbe Research and Analysis to measure community support to specifically fund a new library or police operations center. The survey data was collected and included a total resident-voter sample size of 501 responses. The survey questions included hypothetical parcel tax and general obligation bond revenue measures requiring voter approval and their associated fiscal impacts. Preliminary results suggest that the requisite support does not exist in the community at this time for a bond measure or parcel tax requiring 2/3 voter approval.

After considerable discussion, and although it would not yield as much revenue at the higher rate of \$39 per \$100,000 assessed value tested in the recent baseline survey, the Council expressed cautious interest in further exploring a potential general obligation bond measure at a rate of \$18 per \$100,000 of assessed value. At this level, the bond would raise approximately \$36 million which is less than half of the amount

initially desired to fully pay for design and construction costs for a new library facility and police operations center. As part of the Study Session discussion, staff offered to develop and provide cost estimates for renovating the existing library building and City Hall, and for designing and constructing a new police operations center. Below are staff's estimates based on current market conditions and on estimates previously developed by Anderson Brule Architects:

	Square Footage	Const. Cost/per sq. ft.	Est. Const. Cost
Renovated City Hall	21,808	\$275	\$5,997,200
Renovated Library	24,000	\$275	\$6,600,000
New Library Annex (Admin./Shipping Functions)	5,000	\$450	\$2,250,000
New Police Building	16,000	\$600	\$9,600,000
TOTAL ESTIMATED CONSTRUCTION COSTS			\$24,447,200
Construction Contingency (5%)			\$1,222,360
Soft Costs Allowance (35%)			\$8,556,520
Project Contingency (10%)			\$2,444,720
Site Work - Site Prep., Development & Utilities			\$1,633,978
TOTAL ESTIMATED PROJECT COSTS*			\$38,304,778

*Does not include Parking costs and FF&E

The total estimated project costs do not include parking costs and fixtures, furnishings and equipment (ie, FF&E). In prior discussion, the Santa Clara County Library District has indicated a willingness to bear the FF&E costs which have been previously estimated at \$1.5 million.

Even if an \$18 per \$100,000 of assessed value General Obligation bond were to be approved this November, the City would still have to identify an additional funding source to make up for the \$2 million shortfall needed to complete the renovations listed above.

DISCUSSION

In contemplation of a revenue measure for this November, the City engaged the services of the Lew Edwards Group last year for pre-ballot consulting services. However, the City released them from their contract at the firm's request last April. Staff

was then in preliminary discussions with Tramutola, another pre-ballot consulting firm, to continue the desired ballot planning and strategizing services. However, that firm has withdrawn from being considered due to its present workload assisting other public agencies prepare for this November, and concern for the remaining time left to conduct an effective public awareness program. A contract for services was not formed.

Staff then identified and contacted an equally qualified and experienced consultant, TBWB, to ascertain its availability and interest. Although it is presently helping other public agencies with their revenue measures prepare for this November, this firm has responded positively to staff and expressed willingness to provide assistance to Campbell staff in the coming three months in the areas of research, strategic planning, identifying risks and opportunities, and public messaging. Even though it was authorized by the City Council to do so on April 5, 2016 under Resolution 11965, staff has not yet entered into a contract with TBWB.

Moreover, there are a number of government agencies in Santa Clara County placing revenue measures on the November 2016 ballot. These jurisdictions and type of measure are listed below:

POTENTIAL MEASURES ON NOVEMBER BALLOT	
Campbell Union School District	Increase current GO Bond by \$12 (from \$55 per \$100,000 of assessed property to \$67 per \$100,000).
Campbell Union High School District	GO Bond of \$30 per \$100,000 of assessed value.
Town of Los Gatos	TBD
City of Morgan Hill	TBD –July 27
Santa Clara County- Increased sales tax rate to help the county's vulnerable homeless population.	\$14 per \$100,000 of assessed value
VTA	Half-cent sales tax

Even with a successful public outreach program, there are no assurances that Campbell's ballot measure would obtain the requisite 67% voter support to pass. A volunteer committee of community leaders to drive a local campaign has not been formed which is an important component of a successful public outreach.

Based on present information and on its analysis that includes recent voter survey data, significant expenses to be incurred related to additional polling and pre-ballot advice and community messaging services, and given other competing revenue measures in Santa Clara County now known to appear on the November 2016 ballot and the City Council's mixed level of support at this time to proceed with a ballot measure, staff is recommending that the City postpone efforts to place a revenue measure until

November 2018. If Council concurs, staff will continue developing a project scope that is more in line with revenue projections associated with a proposed ballot measure.

FISCAL IMPACTS

Excluding staff time, cost savings associated with not proceeding with a November 2016 ballot measure at this time are estimated at \$105,500 as follows:

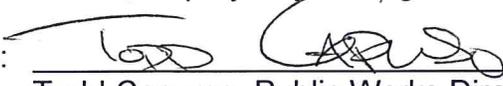
Strategy	Unit	Estimate
Pre-Ballot Consulting	\$7,500/month	\$ 22,500
Informational Mailer	11"x17" brochure; print; mailing; postage	\$ 14,000
Tracking Survey	8-min. phone only	\$ 20,000
Voter Guide	County Registrar's Fee	\$ 48,500
	Total	\$ 105,000

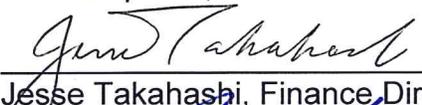
The source of funding is derived from the City's Civic Center Master Plan Reserve.

ALTERNATIVES

1. Proceed with placing a ballot measure for this November 2016. This effectively directs staff to prepare strategies including informational materials, organize and conduct community outreach, direct the City Attorney to prepare ballot language and to conduct an impartial legal analysis.
2. Provide other direction to staff.

Prepared by: 
Al Bito, Deputy City Manager

Reviewed by: 
Todd Capurso, Public Works Director

Reviewed by: 
Jesse Takahashi, Finance Director

Approved by: 
Mark Linder, City Manager

CITY COUNCIL MEMORANDUM

TO: CAMPBELL CITY COUNCIL
FROM: JASON T. BAKER, MAYOR *JB*
VIA: MARK LINDER, CITY MANAGER *ML*
SUBJECT: ITEM 18: BALLOT MEASURE TO MEET LIBRARY AND POLICE NEEDS
DATE: JULY 19, 2016

Colleagues,

As a public official who has been in elected office for the better part of a decade, served as Mayor twice and as chair of regional bodies a half a dozen times or more, I can offer with some perspective and humility that opportunities to exercise true leadership on important issues are rare and fleeting.

We are presented with such an opportunity now. A pollster cannot lead, but our pollster has uncovered the need for leadership.

We council members are unanimous in our common understanding that Campbell has basic needs that must be met. We know our library is too old and too small. Hundreds of thousands of dollars of taxpayer money has been spent or is at risk of being spent propping up an aging building that no longer meets our community's needs. Our police personnel work in portable buildings that are insufficient and not earthquake safe. We need to do better; I think we can, now.

It will not be easy. Any measure we put on the ballot may not pass. I am not afraid. If we enter into this challenge together, if we work and explain the facts to every voter we can, it will be an appropriate exercise of leadership. It will be right, win or lose.

This will not be leading for the sake of it, but because libraries are essential. Libraries are safe spaces where young people can go to study and talk and laugh. They are where seniors gather and bond with their grandchildren and where parents watch the dreams they hold for their children begin to take shape. Libraries are the great equalizer, because knowledge is too. And any person, no matter race or religion, native language or socio-economic status can go to the Campbell library and learn or dream or escape for awhile. The Campbell library is an indispensable community resource. It merits our investment and our courage.

Campbell should put General Obligation bond on the ballot this November for \$34 per \$100,000 to replace our outdated library, update our police facilities and help downtown parking.

Some still favor putting a measure on the ballot that would raise the \$125 million that a full civic center master plan would cost. This effort is noble, but misguided. Raising funds for a full rebuild of our entire civic center all at once is a clear loser we cannot afford in the short or medium term. The council has been well advised to show restraint by rejecting this plan. Even raising \$75 million is likely too high a burden at this point. We need to show a strong message that we are building only what we need now, not simply what would be nice.

Others would pare down the project so far - to \$36 million or less- that we would not raise enough funds to meet even our short term needs - the very needs we would be telling the public we would fulfill with such a measure. This path, although easier, is retreat to the point of surrender. I also believe it is not without its own brand of risk. Even the most ardent supporters who understand our needs will have a difficult time getting behind a project so far from being done right.

Staff estimates that a general obligation bond of \$34 per \$100,000 of assessed value will net, conservatively, in the range of \$65 million. This amount would be enough to build a new library and some shared parking for downtown, while allowing us to get our police out of portable buildings, at least. This is the fiscally conservative path that still gets our city what it needs.

Passing such a measure will be difficult, but it can succeed.

Based on our previous polling, a measure at this level will be something of an uphill battle, but it can be done. I believe we owe it to our community to try. Several factors have led me to this conclusion.

First, the facts in favor of such a measure are powerful. Our library is falling apart, and is too small for patrons and staff; yet we are using a steady stream of taxpayer dollars to prop it up. At the same time, our police deserve to work in a permanent home. And we all know downtown could use any parking help it can get. Even the short message summing up some of these facts that we shared in our polling was effective - poll recipients were moved towards support once they had even a passing understanding of the need.

Second, if we are each put our effort into exercising leadership on this, tonight and until November, we can personally make a difference beyond what the survey showed. You are each community leaders who have powerful voices that can help explain the need for a community a library and better police facilities if you are willing to try.

I have also come to believe that there is enough energy in the Campbell community to help get the message home to voters in a way that is more clear and comprehensive than is possible in a short survey. Library supporters have begun to speak out in support; they are a formidable force once mobilized. Librarians are fierce.

Some if not all of the candidates for City Council this term have already publicly supported a new library. That could help get the facts out to voters, too.

I have also been particularly impressed with our local newspapers' willingness to dedicate time, talent and column inches - sometimes even on the front page - to important Campbell issues of the day. If our newspapers are active in helping distribute facts, bolstered by Facebook and Nextdoor and other means of getting the facts out, voters will enter the voting booth armed with a much more fleshed out understanding of the true need than what we were able to offer in a few sentences in a poll.

The margins are small; there is a real opportunity for community leaders and supporters and well written news articles to make a difference. Just 12,700 voters voted on measure M in 2010 (both for and against). Just a few hundred voters one way or another makes a big difference.

Third, in addition to supporters and others helping flesh out the facts behind the need, there are new facts available. This measure may bring us additional hours of operation. While this measure will not fund new hours itself, a new building would be configured to take advantage of modern automation equipment being used at other libraries in the district right now. I have spoken with library district staff and I am convinced that, by building a building that can make the most of automation technology and staff resources, this measure could free up library staff to keep the library open more hours. This is important new information, not offered to our survey respondents.

Finally, Campbell voters have a history of supporting libraries and additional opening hours at the library. Campbell had the highest support for the last county library measure in the county, voting for it at well over 80%. When it comes to libraries and, I think, police, Campbell voters get it.

Conclusion

There are risks. Staff estimates putting this measure to a vote will cost approximately \$105,000. This is not an insignificant amount. However it is less than we have invested in time and treasure planning the library – twice. It is less than the upcoming replacement (approximately \$155,000) of the HVAC system in the library (which already has required costly repairs), and just about a third the initial estimated cost (\$300,000) for one single incident last year – when there was a plumbing leak that caused mold damage in our library.

The Library District has been there all the way backing Campbell, as it should. But these are taxpayer dollars being spent and at risk. Campbell choosing to shrink from its responsibility now, refusing to spend \$100,000 to offer voters the opportunity to do the right thing would be easier, certainly, but it would be wrong.

We should offer library and police supporters an opportunity to have the conversation, to explain that the measure would save taxpayer money in the short and long term, that it would be an investment in our community and our children that would pay dividends in productivity, property values and community well into Campbell's bright future.

I respectfully urge you to give voters the chance to vote for this important measure this November.

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: July 19, 2016

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 18 – E-mail from Cheryl Houts

On July 19, 2016 an e-mail was received in the Clerk's Office from Cheryl Houts, as part of the public record in regards to Item 18.

Attached is the e-mail for your consideration.

Wendy Wood

Subject: FW: Item 18 on City Council Meeting tomorrow evening

From: Jason Baker
Sent: Monday, July 18, 2016 11:31 PM
To: Wendy Wood
Subject: Fwd: Item 18 on City Council Meeting tomorrow evening

Begin forwarded message:

From: Cheryl Houts
Date: July 18, 2016 at 11:23:13 PM PDT
To: jasonb@cityofcampbell.com
Subject: **Item 18 on City Council Meeting tomorrow evening**

Dear Mayor Baker:

I am writing to express my concern that the City Council may be voting to postpone putting a ballot measure on the November 2016 that would give the voters a chance to vote on construction of a new library. Many years ago it was determined that there is a need for a new library. The City of Campbell has spent a great deal of money on consultants and experts over the last 15 years in an effort to clarify the plans for a new library, and they have never put forward the opportunity for the community to vote on this issue.

I believe that it is time to let the voters decide. Please do not postpone this opportunity for the members of our community. Remember, Campbell is the community that had the highest support for Santa Clara County Library District's last ballot measure. It passed in Campbell at the rate of 87 percent!

Please share my letter at the council meeting tomorrow evening. I am very sorry I am out of town and unable to attend.

Sincerely,

Cheryl Houts
Retired Campbell Library Manager

Sent from my iPad