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COUNCIL AGENDA: 09-25-07
ITEM: 8.1

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Memorandum

TO: Mayor and City Council

FROM: Vice Mayor Dave Cortese
Councilmember Nora Campos
Councilmember Madison Nguyen
Councilmember Kansen Chu

SUBJECT: Fire Station 2 Rebuild

DATE: September 25, 2007

Approved

Date:

9/25/2007

Recommendation

1. Approve the rebuild of Fire Station 2 and designate the following appropriations to the remaining unfunded project costs of the rebuild:
 - Direct the RDA Executive Director to allocate \$1.4 million from the sale of the vacant P1 pad at Plaza de San José, with RDA funds being conditional upon amendment of the Redevelopment Plan. The use of these funds and the amendment of the Redevelopment Plan should be coordinated to prevent any further project delays;
 - Direct the RDA Executive Director to allocate \$1.3 million in future Strong Neighborhoods Initiative reserves;
 - Designate \$500,000 in funds from the Fire Construction and Property Conveyance Tax Fund; and
 - Allocate \$1.8 million from the Public Safety Bond Contingency Reserve.

2. Direct staff to work in good faith towards finalizing an agreement with East Side Union High School District for \$1.5 million to accommodate fire magnet program students. This should be done either by maximizing efficiency of the building to accommodate the program students or by utilizing adjacent property. To the extent that a joint-use agreement is required, this agreement should return to the City Council for approval.

Background

By utilizing the funding recommendations outlined above, the City would retain the \$2.7 million in the General Fund Reserve, which staff stated in its supplemental memorandum would be required to fund the full rebuild of Fire Station 2.

By proceeding with the full rebuild of Fire Station 2, the City would maintain the its bond program commitments, maximize the efficiency of infrastructure investment, promote

revitalization and quality facilities in redevelopment areas, and greatly enhance public safety readiness for a significant proportion of our city's residents.

Maintain Public Safety Commitment: In early 2007, staff asked the City Council to approve additional dollars for a contingency reserve to fund pending bond projects, but the council has not yet taken action to commit funds to fulfilling these commitments. The City must have a fiscally responsible plan to support the bond program projects and restore public confidence that approved initiatives will be maintained as priorities for the City Council. This sentiment has been echoed by the Public Safety Bond Citizens Oversight Committee in their recommendation of the complete rebuild of Fire Station 2: "Failure to complete these projects would result in a significant loss of public confidence and could jeopardize future bond elections."

Nearly \$1 million in bond dollars would be wasted if the city council reneged on a commitment made to residents to invest in the rebuild at the busiest and oldest fire station in the City of San José. A project downgrade would break the promise made to voters to implement essential services facility and gender privacy standards.

Maximize Efficiency: Investing millions into the Fire Station 2 project without addressing the structural and facility flaws is an inefficient use of taxpayer money. Furthermore, by changing the project scope after years of being an approved and funded project, the city would incur substantial sunk costs for the previous planning and designing work already applied to the Fire Station 2 rebuild. Delaying the "project-ready" facilities planned as part of the public safety bond program would result in additional cost escalations and deferred infrastructure commitments that would be more costly to address in the future.

Promote Revitalization and Quality Facilities in Redevelopment Areas: Fire Station 2 is situated in the Alum Rock Redevelopment area and serves a core area of the Strong Neighborhoods Initiative. Improving infrastructure and revitalizing the Alum Rock Corridor are key components of the overall efforts to address blight, improve business districts, and empower the community in East San José. The community should not be shortchanged due to the delays in scheduling the construction for the previously approved Fire Station 2 rebuild. Public safety resources have already been diverted from the underserved, high-need community in East San José, including nearly \$2 million from Neighborhood Security Bond funds previously appropriated to invest in the East San José community policing stations—dollars which are now slated to serve as reserve funds for the South Police Substation.

Proceeding with a project scope that meets current facility standards would build upon our efforts to enhance infrastructure and further enfranchise East San José and build strong neighborhoods throughout the City. RDA staff reports that additional tax increment will be generated by the higher-than-expected tax assessment this year. The City of San José should leverage the additional bond dollars to maintain our commitments to residents regarding public safety and infrastructure.

Enhance Public Safety Readiness: With approximately 4,500 calls annually, Fire Station 2 continues to field the highest volume of service calls of any single station in the City of San José and the entire County of Santa Clara. In addition protecting most of District 5, Fire Station 2 serves a broad, multidistrict area encompassing portions of Districts 4, 7, and 8. City staff has also concluded that the complete rebuild of Fire Station 2 is the most likely of all options to be able to provide continued response to the multidistrict service area after a major seismic event. In

order to protect the residents and families housed in this large area of the City, the elected representatives of these respective districts strongly support appropriating the necessary funding towards the full rebuild of Fire Station 2.