

**DATE ISSUED:** August 7, 2000 **REPORT NO.** 00-166

**ATTENTION:** Honorable Mayor and City Council

**SUBJECT:** Implementation Status of Fire Station Reinvestment Project

**REFERENCE:** Manager's Report No. 00-122, dated June 1, 2000  
Manager's Report No. 00-20, dated January 28, 2000

**SUMMARY**

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

**BACKGROUND**

On June 5, 2000, the City Council approved the use of Proposition 172 revenues to fund the rehabilitation of aging fire stations. In addition, the City Council directed that Council Policy 500-07 (The Use of Proposition 172 Funds) be amended; that \$150,000 from FY 2001 Proposition 172 funds be set aside to facilitate implementation of the project; and that in the event the State allocated funding for the Point Loma Fire Station in their annual budget, an equivalent amount of funds be set aside for improvements to the Kearney Mesa Repair Facility.

**DISCUSSION**

Over the past two months, Fire and Life Safety Services (F&LSS) and Engineering and Capital Projects staff have been working diligently on evaluating the scope of work, timeline, and refining the costs associated with the design, demolition and construction or rehabilitation of each fire station identified in Manager's Report No. 00-122.

Additionally, staff is reviewing current building design specifications, identifying relocation needs during construction, and developing a preliminary schedule of work associated with the replacement of major station components. Planning and coordination efforts are also underway

for the land acquisition required for the new fire stations, as well as relocation sites for some existing facilities. It is anticipated that the \$150,000 included in the FY 2001 budget for the project will be utilized to prepare preliminary architectural concept plans for those fire stations scheduled to undergo construction first. Over the next several months, as preliminary design and project review progresses, it is anticipated that the project's scope of work, schedule, and total cost will be defined.

The major component replacement and equipment rehabilitation aspect of the project will provide for improvements, such as emergency generator replacement, roof replacement, and exhaust extraction system replacement, to fire stations throughout the City. The individual projects will be completed utilizing a Job Order Contract, which will be phased over three years.

The State allocated \$400,000 from their FY 2001 budget for the rehabilitation of the Point Loma Fire Station. At this time, it is anticipated that this funding will be directly appropriated by the State Controller and that it must be used only for the Point Loma Fire Station. It is also anticipated that the City can expect to receive the funds by December of this year. Intergovernmental Relations Department staff will continue to monitor the status of these funds and will make the Mayor and City Council aware of any new information.

The scope of work, timeline, and costs associated with each individual project will be utilized in generating the overall Fire Station Reinvestment Project financing plan. For discussion purposes, City Manager's Report 00-122, dated June 1, 2000, assumed a January 1, 2001 issuance date for funding these improvements. Once the engineering assessment is completed and analyzed, the financing team can establish an accurate financing schedule, including an appropriate issuance date or dates. Analysis of the engineering assessment will also enable staff to: Identify costs that are eligible to be funded with bond proceeds; determine if the financing should be executed in a single issuance or in multiple issuances; and determine the cost effectiveness of utilizing multiple issuances versus utilizing a combination of interim funding with a single issuance.

The financing plan will be predicated upon the cash flow requirements of the program. At the time of the financing, the Bond Counsel for this financing will require that the City be reasonably certain that most of the bond proceeds will be spent within three years of the bond issuance date. As a result, it may be necessary to incur certain project expenditures in advance of the bond issuance, and then, once the bonds are issued, reimburse the identified funding source for these expenditures with bond proceeds.

The City Manager's Office has met, and will continue to meet, with Local 145 regarding this issue in an effort to keep them informed of the progress of the project and address any concerns they have.

Based upon City Council direction, the Fire Station Reinvestment Project includes financing for the rehabilitation of Fire facilities and replacement of Fire equipment only. The Municipal Employees Association (MEA) has requested that funding for the replacement or rehabilitation of aging Lifeguard facilities be considered, as well. Per MEA, Lifeguard facility improvement

priorities have been identified and total \$405,000.

**CONCLUSION**

It is anticipated that the Manager's Office will seek further direction from the City Council within the next two months, once the project's scope, costs and financing needs have been thoroughly evaluated. In addition, at that time, revisions to Council Policy 500-07 will be brought before the City Council for approval.

Respectfully Submitted,

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MCW