THE CITY OF SAN DIEGO

# REPORT TO THE CITY COUNCIL

DATE ISSUED: March 23, 2016 REPORT NO:

ATTENTION: Rules Committee

SUBJECT: San Diego Firehouse Bond 2016. A General Obligation Bond for $205 Million to build additional fire stations identified in Citygate Report and Working Group Fire Year Plan.

REFERENCE: Citygate Associates report 2010 recommending construction of 19 new fire stations and other fire safety improvements in San Diego. Five year action plan approved by working group, chaired by Councilmember David Alvarez, and approved at Public Safety Committee and full council 2011.

REQUESTED ACTION: Forward proposed General Obligation Bond Measure to full City Council for discussion and vote, requesting City Attorney draft language for Firehouse Bond to be placed on November 2016 ballot.

STAFF RECOMMENDATION:

SUMMARY: In 2010, as the City of San Diego struggled through the Great Recession, we also struggled with meeting the Citys critical public safety needs. The City had grown tremendously over the past four decades but our Fire Rescue Department had not kept pace. Then-Mayor Jerry Sanders hired the nationally reknowned Citygate Associates to assess our Fire Rescue resources and needs. Citygate returned with a dire report, describing our critical lack of fire stations, communications and manpower. The key recommendation from Citygate was to build 19 extra fire stations, as soon as reasonably possible. These extra stations and crews would bring down critical response times, needed to save lives and property. The report identified where the stations should be located, down to a half-mile radius. These recommended stations are in every City Council District in San Diego.

The Public Safety and Livable Neighborhoods Committee used these recommendations and input from a multi-disciplinary working group, to draft a Five Year Action Plan to implement the Citygate recommendations. The Committee Approved the plan and forwarded it to full council, which voted to accept the report.

In the past five years, the City has managed to upgrade the Fire Rescue Departments in-station alerting system, per the Citygate recommendations. The City has also opened a temporary fire

station in Skyline, a Citygate top priority, and has embarked on a pilot program testing the efficiencies of two-person Fast Response Squads in Encanto and most recently in University City, a lower priority Citygate recommendation. The City has made little to no progress on higher priority Citygate recommendations, most notably the fire stations we need to build citywide to cut emergency response times.

During the intervening years, Public Safety Chair, Council President Pro-Tem Marti Emerald has worked with San Diego's City Engineer, Independent Budget Analyst and our Fire Rescue Department to craft a plan to build these fire stations in the quickest, most efficient and inexpensive way possible. The San Diego Fire House Bond of 2016 is the product of this continued and focused collaboration.

In short, the City would ask voters to approve a $205 Million General Obligation Bond to build the fire stations we need, citywide. The City would choose only two or three station designs and would use Multiple Award Construction Contracts to pre-qualified contracting teams that would bid to build several fire stations simultaneously. The City Engineer says building our fire stations with a MACC would save more than a quarter of its soft costs and building on volume will bring down construction costs.

The bond money would be borrowed in two traunches of $100 Million each, to minimize interest debt and payments by property owners. The Citys Debt Management Director says property owners would pay $5 for every $100,000 in assessed value. Example: The average $500,000 home would be assessed $25 a year. That would be a total of $2.08 per month, or $750 over the 30 year life of the bond.

During these intervening years, two communities have collected enough money through Developer Impact Fees, to build their Citygate recommended fire stations. These are in UTC-North and in Black Mountain Ranch. Civic San Diego has also set aside a lot at 13th and Broadway in San Diegos East Village for a fire station, which we are adding to the Citygate construction list. This brings the number fire stations paid for with this bond to 18. If approved by a 2/3 majority of San Diego voters, fire house construction would begin in early 2018, according to our City Engineer, and would be complete within a ten year window.

FISCAL CONSIDERATIONS: Per Municipal Code Section 27.0506, after the matter is placed on the ballot the Mayor, Independent Budget Analyst, and the City Auditor shall prepare a fiscal impact analysis. The analysis shall include an estimate of the amount of any increase or decrease in revenues or costs to the City, or an option as to whether or not significant change in City finances would result if the proposed measure is adopted. The fiscal impact analysis must reasonably inform the voters of the proposed measures fiscal impact, if any, and be true, impartial and not arumentative. The analysis shall then be printed in the voter pamphlet.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: 2010 Approval of Citygate Associates Contract, 2011 Approval of Five Year Action Plan at Public Safety Livable Neighborhoods Committee and Full Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: The City Engineer, Independent Budget Analyst, former Fire Chief, firefighters, and fellow Council Members have joined Council President Pro-Tem for 19 presentations at Community Planning Groups throughout the City. All have endorsed the plan, either directly or in concept. Letters of endorsement are attached. Council President Pro-Tem has made informational presentations to additional 9 trade, public policy, and emergency medical and safety organizations, which are also listed in attachments.