



DATE: November 20, 2017

TO: Mayor and Members of the City Council

VIA: Kevin M. Miller, City Manager

FROM: Jeff Moneda, Public Works Director/District Engineer
Priscilla Tam, Communications Director/City Clerk
Edmund Suen, Finance Director

SUBJECT: UPDATE OF LEVEE PROJECT OUTREACH PLAN AND AGREEMENT
WITH TERRIS BARNES WALTERS BOIGON HEATH, INC, DBA TBWB
STRATEGIES

RECOMMENDATION

It is recommended that the City Council:

1. By Minute Order, receive and accept an update on the Levee Protection Improvements Project Informational Outreach; and
2. Approve a resolution authorizing an agreement with Terris Barnes Walters Boigon Heath, Inc., DBA TBWB Strategies in the amount of \$73,215 for the Levee Protection Improvements Project Informational Outreach: Phase II and Phase III.

EXECUTIVE SUMMARY

On May 8, 2017, the City Council directed staff to proceed with the “2050 Sea Level Rise Plus Adaptability” Scenario for the Levee Protection Planning & Improvements Project, to further develop and analyze a future offshore adaptation strategy, and proceed with a general obligation bond financing alternative over a 30-year period.

On July 17, 2017, the City Council approved an agreement with TBWB Strategies for an amount not-to-exceed \$40,000, for professional consulting services for the anticipated revenue measure to finance the Levee Protection Planning & Improvements

Project.

On September 18, 2017, the City Council received an update on General Obligation Bond Measure Polling Results Summary for Levee Improvements and directed staff to continue working with TBWB Strategies to prepare a general obligation bond measure for the June 5, 2018 ballot and to develop and implement a public engagement and outreach plan to educate the public regarding the Levee Protection Improvements Project and related general obligation bond election to fund levee improvements.

BACKGROUND/ANALYSIS

Staff and the City's expert consultants recommend proceeding to prepare a general obligation bond measure for the June 5, 2018 ballot. The deadline for the City Council to adopt a resolution calling for a June 5, 2018 bond election is March 9, 2018. Staff will collaborate with TBWB Strategies and legal counsel to prepare the general obligation bond measure documents for review and approval by the City Council prior to this deadline.

In addition, Staff and TBWB Strategies have developed and are implementing a thorough informational outreach effort to raise awareness of the issues related to Federal Emergency Management Agency (FEMA)'s determination that Foster City's levee system does not meet minimum flood prevention requirements, the options for funding improvements to the levee and the consequences for Foster City being designated a flood hazard zone by FEMA. This will include information about currently available funding sources, options for securing additional funding needed to complete a project of this scale and the City's process for evaluating these options, including a proposed bond measure.

Staff has already been working with TBWB Strategies to implement Phase I of the Levee Protection Improvements Project Informational Outreach. Some of these efforts include creating informational outreach materials such as a fact sheet summarizing levee improvement needs, an infographic that compares and contrasts the potential bond measure to fund levee improvement option to the FEMA flood insurance if the measure does not pass, and informational materials for the City website. TBWB Strategies has also conducted speaker's bureau training to the City Council and City staff on key messaging related issues. Staff and TBWB Strategies are also currently working on the creation of a microsite that is a website dedicated to educating the community about the need for a potential bond measure to fund levee improvements due to the FEMA flood zone designation.

The next steps are to expand public outreach to external audiences and ensure the City continues to provide good and accurate information, while inviting feedback from the community. Staff and TBWB Strategies have implemented Levee Protection

Improvements Project Informational Outreach: Phase I (November 10 - January 5). Staff is asking the City Council to approve an agreement with TBWB Strategies for Levee Protection Improvements Project Informational Outreach: Phase II (January 6 - February 23) and Phase III (February 24 - March 31). Each stage of messaging involves several components. The proposed sources of messaging include: direct mail to all voter households, online video ads, online display ads, Daily Journal print/online ads, and Foster City Islander ads.

FISCAL IMPACT

The fiscal impact for approving the agreement with TBWB Strategies for the Levee Protection Improvements Project Informational Outreach: Phase II and Phase III is \$73,215 and there are sufficient funds available in Account No. 301-0910-657-4251. There is no fiscal impact associated with receiving this update on the Levee Project Informational Outreach Plan.

Levee Funding Question from City Council

The City Council provided policy direction on May 8, 2017 to proceed with a proposed \$90 Million General Obligation Bond to include as a proposed ballot measure in June 2018. The City Council has requested additional information to determine impacts to property owners if supplemental funding were applied to the project. The following table presents several scenarios:

Impact of Supplement Funding on GO Bond Tax Levy			
GO Bond Amount	Estimated Tax Levy (per \$100,000 Assessed Value)	Approximate cost per year for average homeowner	Annual Reduction for average homeowner (from the \$278.80)
90,000,000	41.00	278.80	
89,000,000	40.54	275.70	3.10
88,000,000	40.09	272.60	6.20
87,000,000	39.63	269.51	9.29
86,000,000	39.18	266.41	12.39
85,000,000	38.72	263.31	15.49
84,000,000	38.27	260.21	18.59
83,000,000	37.81	257.12	21.68
82,000,000	37.36	254.02	24.78

81,000,000	36.90	250.92	27.88
80,000,000	36.44	247.82	30.98
79,000,000	35.99	244.72	34.08
78,000,000	35.53	241.63	37.17
77,000,000	35.08	238.53	40.27
76,000,000	34.62	235.43	43.37
75,000,000	34.17	232.33	46.47
74,000,000	33.71	229.24	49.56
73,000,000	33.26	226.14	52.66
72,000,000	32.80	223.04	55.76
71,000,000	32.34	219.94	58.86
70,000,000	31.89	216.84	61.96

Attachments:

- Attachment 1 - Resolution
- Attachment 2 - Agreement