



COUNCIL AGENDA: 02-12-08

ITEM: 2.7

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Albert Balagso
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 1-22-08

Approved

Date

1/25/08

COUNCIL DISTRICT: 3
SNI AREA: City-wide

SUBJECT: AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF SAN JOSE AND GRACE BAPTIST CHURCH AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE CONSTRUCTION TAX AND PROPERTY CONVEYANCE TAX FUND: CITY-WIDE PARKS PURPOSES

RECOMMENDATION

1. Adoption of a resolution authorizing the City Manager to negotiate and execute a first amendment to the agreement ("Agreement") with the Grace Baptist Church for the lease of 132 South 10th Street, #1, San Jose and additional storage space at 484 E. San Fernando Street to:
 - a) Increase the square footage to be leased by the City by 1,710 square feet; and
 - b) Increase the lease by \$1,566 per month, or \$12,528 effective November 1, 2007 through June 30, 2008 and \$18,794 thereafter.
2. Adoption of the following Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: City-Wide Parks Purposes (Fund 391):
 - a) Increase the appropriation to the Parks, Recreation and Neighborhood Services Department for the Grace Baptist Lease by \$13,000; and
 - b) Decrease the Ending Fund Balance by \$13,000.

OUTCOME

City Council approval of the requested actions will enable staff to maximize program space to provide necessary services to persons with mental disabilities and provide essential additional space for confidential client meetings. On-site management and supervision functions will improve as a result of less crowded conditions.

BACKGROUND

On June 26, 2007, the City Council approved an agreement with the Grace Baptist Church for the lease of property for program and office space to deliver therapeutic programs and services to persons with mental disabilities. In October 2007, the Church presented an opportunity to the City of San Jose to lease more space to enhance program operations. This space will result in an additional 1,710 square feet.

ANALYSIS

The expanded duties of the Grace Community Center Program Manager resulted in the need for additional office space to conduct citywide administrative functions and the supervision of subordinate staff. The recent hiring of therapeutic staff and the expanded use of college interns and community volunteers worsened the existing overcrowded condition.

Individual client counseling services provided by Grace Community Center increased 22% (to 3,338 from 2,742), resulting in the immediate need for increased programming space to provide confidential and timely group sessions, individual conflict resolution, and psychiatric symptom management classes. The existing limited office and counseling space forces staff to conduct these confidential client meetings in public areas not designed for counseling.

The additional leased space will result in better direct service to mentally disabled clients and suitable working space for the Program Manager, Therapeutic Services staff, and volunteers. Action is needed now to secure a lease for this space before another entity occupies it.

If the actions recommended in this memorandum are approved, the lease payment for Grace Baptist Church will increase by \$12,528 in 2007-2008 (from \$117,000 to \$129,528), and will increase by \$18,794 (from \$117,000 to \$135,794) starting in 2008-2009. In order to ensure adequate funding for the increased lease cost in 2007-2008, this memorandum includes a request to increase the Grace Baptist Lease appropriation by \$13,000. The offsetting adjustment to this increase will be the Parks City-Wide Construction and Conveyance Tax Fund Ending Fund Balance.

EVALUATION AND FOLLOW-UP

Annual funding for the lease agreement will be allocated through the Capital Budget process.

POLICY ANALYSIS

Alternative #1: Limit use of space to existing square footage in the current lease.

Pros: The City saves \$13,000 annually, the amount needed to lease additional space.

Cons: Reduces staff effectiveness in delivering services to persons with mental disabilities and continues confidential one-on-one counseling in areas with minimal privacy.

Reason for not recommending: This alternative, while it saves the City minimal funding, will negatively affect staff effectiveness and client confidentiality.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this memorandum does not meet any of the above criteria, it will be posted on the City's website for the February 12, 2008 City Council agenda.

COORDINATION

This agreement has been coordinated with the Office of the City Attorney, Department of Public Works, Department of Planning Building and Code Enforcement, and the Office of the Mayor.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$13,000
2. SOURCE OF FUNDING: 391 - Construction Tax and Property Conveyance
Tax Fund: City-Wide Parks Purposes

1/22/08

Subject: First Amendment to the Grace Baptist Lease

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OPERATING COSTS: Any operating costs associated with this additional office space will be supported from current resources and are expected to be minimal.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. For Contract	2007-2008 Proposed Budget (Page)	Last Budget Action (Date, Ord. No.)
Current Funding Available						
391	5036	Grace Baptist Lease	\$117,000	\$117,000	V - 587	
Recommended Additional Funding						
391	8999	Ending Fund Balance	\$13,000*	\$13,000	V - 554	10/17/07, Ord. No. 28143
		TOTAL	\$130,000	\$130,000		

* Included in this memorandum is a request to re-allocate \$13,000 from the Parks City-wide Construction and Conveyance Tax Fund Ending Fund Balance (total appropriation is \$2,270,149) to ensure sufficient funding is available for the increased lease cost.

CEQA

Exempt, File No. PP08-012.


 ALBERT BALAGSO
 Director of Parks, Recreation
 and Neighborhood Services


 LARRY D. LISENBEE
 Budget Director

For questions, please contact Lisa Blevins, PRNS Therapeutic Services Manager, at 408-293-0123.