



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT:** SEE BELOW

**DATE:** 02-21-07

Approved

*Delma Santana*

Date

*2/23/07*

**COUNCIL DISTRICTS:** 5, 6, 8

**SNI AREAS:** Burbank/Del Monte;  
Gateway East

**SUBJECT: ADOPTION OF A RESOLUTION AMENDING THE APPLICATION FOR LOCAL ASSISTANCE FROM THE STATE OF CALIFORNIA UNDER THE 2000 AND 2002 PARKS BOND ACTS**

## RECOMMENDATION

1. Adoption of a resolution amending the application for local assistance funds from the State of California 2000 and 2002 Parks Bond Acts for projects as follows:
  - a. Overfelt House Renovation: Shift \$1,241,000 to the Lake Cunningham Skatepark project from the following sources:
    1. \$610,000 - Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12)
    2. \$631,000 - Per Capita Grant Program under the 2002 Resources Bond Act (Proposition 40)
  - b. Lake Cunningham Skatepark Project: Shift \$1,037,000 to the Overfelt House Renovation project from the Per Capita Grant Program under the 2000 Resources Bond Act (Proposition 12)
  - c. Cinnabar Commons Park Development: Shift \$100,000 from the O'Connor Park Restroom project to the Cinnabar Commons Park Development project from the Roberti-Z'berg-Harris Urban Open Space and Recreation Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12)
2. Authorize the City Manager to negotiate, execute, and submit all necessary documents for obtaining and accepting local assistance funds under these grant programs.

## **OUTCOME**

City Council approval of the recommended actions would authorize the City Manager to negotiate and execute agreements with the State for use of grant funds and to realign and reallocate planned use of those funds to maximize the use of local assistance grant funds available from three State Bond funding programs to complete various parks, trails, and community recreation facilities projects throughout the City. It will also provide staff with the ability to extend the deadline for the use of grant funds on the Lake Cunningham Skatepark project from March 2008 to March 2009 and to provide additional funding to the Cinnabar Commons Park Development project as a result of additional scope elements generated by the community process.

Approval of the funding shift between the Overfelt House Renovation project and the Lake Cunningham Skatepark project allows the City to receive reimbursement in the amount of \$1,037,000 from the State in the current fiscal year for expenditure on the completed Overfelt House Renovation project.

## **BACKGROUND**

On January 22, 2002, the City Council adopted Resolution Number 70810 that approved the filing of an application for local assistance funds of up to \$4,293,089 from the Roberti-Z'berg-Harris (RZH) Urban Open Space and Recreation Grant Program under the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12) and authorized the City Manager to negotiate and execute all documents relating to the grant funding agreement. The City will be reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2009.

On December 18, 2001, the City Council adopted Resolution Number 70776, which authorized the City Manager to negotiate, execute and submit an application and all necessary documents for local assistance grant funding of up to \$5,942,000 in funds from the Per Capita Grant Program under the 2000 Resources Bond Act (Proposition 12). The City will be reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2008.

On January 27, 2004, the City Council adopted Resolution Number 71944, which authorized the City Manager to negotiate, execute and submit an application and all necessary documents for local assistance grant funding of up to \$4,037,000 in funds from the Per Capita Grant Program under the 2002 Resources Bond Act (Proposition 40). The City will be reimbursed by the State for eligible project costs under this grant provided that the projects are approved and completed by June 30, 2011.

On August 29, 2006, the City Council approved the reallocation of various project amounts within the grant program to ensure that savings were shifted to projects which were moving forward and to ensure that the City was maximizing the use of the available grant funding.

## ANALYSIS

### Shift of Funding between Overfelt House Renovation and Lake Cunningham Skatepark

The Overfelt House Renovation project consisted of restoration of the historic Overfelt House and Tank House and an additional 1,790 square feet for a visitor center and staff offices. This project was accepted in early 2006. Grant funding for this project was obtained from RZH 2000 (\$610,000) and Per Capita 2002 (\$631,000). The deadlines for use of these grant funds are June 2009 and June 2011, respectively.

The Lake Cunningham Skatepark project was awarded on January 9, 2007, and is currently under construction. The project consists of a 40,000 square-foot concrete skate area, asphalt concrete decking areas, concrete pathway, staff/restroom building, security cameras, fencing, irrigation and landscaping, security lighting and other site amenities. Grant funding for this project was obtained from Per Capita 2000 (\$1,037,000). The deadline for use of these grant funds is June 2008.

Currently, the skatepark project is on schedule for completion in May 2008, in time for the deadline to use the grant funds. However, as a precaution, staff has engaged in discussions with the State of California and learned that the City can swap the grant allocations between the Overfelt and Lake Cunningham projects. A grant swap will allow a schedule cushion for the Lake Cunningham Skatepark project to allow the project completion date for grant funding to extend to June 2009. While the Skatepark project is still on schedule for early 2008 completion, this will ensure that unanticipated project delays do not result in the possible loss of grant funding. The grant swap will have no impact on the delivery of the Overfelt House project, which is already completed. In order to swap the grant allocations the State has asked the City to amend the grant application describing the proposed swap. Once the grant swap is approved, funding reimbursement will be requested for the Overfelt House project under the Per Capita 2000 grant program.

Although there is a difference of \$204,000 between the grant amounts of the two projects, there is no additional impact to the Parks City-Wide Construction and Conveyance Tax Fund, which advanced the moneys for the projects. The Ending Fund Balance for this fund will be reimbursed upon receipt of the grant funds for both projects.

### Shift of Funding between O'Connor Park Restroom and Cinnabar Commons Park

The O'Connor Park Restroom project was to be funded through multiple sources, including Community Development Block Grant (CDBG) and Proposition 12 RZH funds. On December 13, 2005, the City Council approved a change in the CDBG funding program to delete construction of a restroom facility at O'Connor Park. This recommendation was based upon community input, which resulted in the decision to remove funding for the proposed restroom facility at O'Connor Park. The CDBG funds have previously been reallocated to an alternate

project. Since the restroom project is no longer proceeding, staff is recommending the reallocation of \$100,000 in Proposition 12 RZH grant funds to the Cinnabar Commons Park Development project. The proposed recommendation is consistent with community input and prior Council action; and Cinnabar Commons is a high priority park project within Council District 6. The master plan for Cinnabar Commons Park was approved by Council in January 30, 2007, and the project design is underway.

### **POLICY ALTERNATIVES**

Staff has proposed the above recommendations to be as close and consistent as possible with previous Council action and direction regarding the allocation of State Parks and Recreation grant funds. Other alternative projects could be funded through these sources of funds. However, the City must submit new grant applications for specific alternate projects and it may not be possible to secure State approval of these alternates as well as complete all environmental, design and construction activities by the program termination dates. Project delays could place State grant funding for these projects in jeopardy, which could result in project cancellations, additional delays or transfer funding responsibility to other City funding sources.

### **PUBLIC OUTREACH/INTEREST**

- ✓ **Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 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)**
- Criteria 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)**

No specific public outreach has occurred regarding the proposed action. However, all projects will have completed the regular public input process used by PRNS for construction projects. Furthermore, these projects are implementing initiatives stated in the Greenprint, a Twenty-Year Strategic Plan for Parks and Community Facilities and Programs. These funding sources and proposed project uses have previously been approved through the Capital Budget and Five-Year Capital Improvement Program.

### **COORDINATION**

These actions have been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Department of Planning, Building and Code Enforcement and the Department of Public Works. Appropriate revisions to the City's grant inventory and single audit functions will

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be coordinated with the Finance Department upon City Council approval of the recommended actions.

**COST SUMMARY/COST IMPLICATIONS**

There is no impact to the project budgets of the three projects resulting from the shift of grant funds between projects.

**CEQA**

CEQA: Lake Cunningham Skate Park, Mitigated Negative Declaration, PP06-043  
Overfelt House Renovation, Exempt, H03-007

  
ALBERT BALAGSO  
*for* Director of Parks, Recreation  
and Neighborhood Services

For questions, please contact Matt Cano, Division Manager, (408) 535-3580.