



# Memorandum

TO: HONORABLE MAYOR AND  
CITY COUNCIL

FROM: Albert Balagso  
Katy Allen

SUBJECT: **HAPPY HOLLOW PARK AND ZOO BOND-FUNDED IMPROVEMENTS**      DATE: 04-28-06

Approved

Date

5/3/06

COUNCIL DISTRICT: City-Wide  
SNI AREA: Tully/Senter

## RECOMMENDATION

It is recommended that the City Council accept this status report on the Bond-funded Happy Hollow Park and Zoo project.

## OUTCOME

This report is designed to update the City Council on the current scope of work and timeline for the Happy Hollow Park and Zoo Bond-funded project.

## BACKGROUND

In November 2000, City voters approved the \$228 million San José Safe Neighborhood Parks and Recreation Bond for the purpose of acquiring property for and constructing improvements to parks and recreation facilities throughout the City. Of the \$228 million bond, \$52.3 million is designated for the implementation of prioritized program elements from the 1991 Kelley Park and 1994 Happy Hollow Park and Zoo Master Plans.

The 1991 Kelley Park and 1994 Happy Hollow Park and Zoo (HHPZ) Master Plans established "a framework for the integration of an expanded HHPZ with the park's other recreational elements" including the retention of an improved attractions area and zoo area, expanded zoo development into Kelley Park, new administration building, education center, retail outlet, restrooms, commissary, special events area, entry area as well as utilities and infrastructure upgrades.

In January 2002, Council approved a master agreement with Portico, Inc. of Seattle, Washington, for consultant design services for the entire project. Since that time, City staff from many departments has worked with Portico to further refine the concept for schematic design and design development. The project is currently at the 30% document development stage.

The Mayor was provided an update on the site development process on October 31, 2005, subsequently directing PRNS to provide an update to Council.

### ANALYSIS

Portico began their work by examining the assumptions that led to the original six-phase plan in terms of program, schedule and budget, and to make recommendations for the most efficient and cost-effective approach to implementing the project. Portico conducted a comprehensive analysis of the project in a series of workshops between February and May 2002. The workshop participants included stakeholders from the Departments of Parks, Recreation and Neighborhood Services (PRNS), Environmental Services, Public Works, and a Technical Advisory Committee that included other City departments, outside agencies and the non-profit Happy Hollow Corporation. As a result of these workshops the project was restructured to reflect a two-phase development with a long-range plan for those elements that will not be funded as part of this project.

On June 3, 2003, Council approved the phasing of the project along with its projected economic impact, reflecting a continued cost-recovery ratio averaging 87% over the project's initial five-year operating period as part of a Manager's Budget Addendum.

City staff has continued its work with Portico in a series of project development workshops in December 2004, May and November 2005 and January and March of 2006. Over the course of development, numerous scope adjustments have occurred in an effort to maintain a deliverable project that will address the highest priority needs of the facility, facilitates achieving programming and revenue goals, and is attainable within the available budget. In recent years, this project has been impacted by cost escalation greater than that originally anticipated. As part of a program valuation exercise, staff identified a number of elements that were considered critical, such as accessibility improvements and ADA modifications, additional funding for utility work, and an increase in the width of the pedestrian bridge to 12 feet.

In order to fund the construction of the park and zoo improvements and retain the most critical elements, it is proposed that the \$52.4 million Park Bond Project be supplemented with funding from the City-wide Construction and Conveyance Tax Fund and the Park Trust Fund. These actions are being brought forward for consideration as part of the 2007-2011 Proposed Capital Improvement Program. With the proposed funding, the project will include the following improvements and will be implemented in two phases:

## **Happy Hollow Park and Zoo Project (Phases I and II)**

### Phase I

- A 550-space parking area (Roberts Ave. landfill) with entry drive, gathering node, landscaping, irrigation, signage, lighting and drainage
- Utilities and IT

### Phase II

#### A) Zoo

- New commissary
- New animal care facility
- New education center
- New guest services building
- New restaurant / café
- New retail space
- New accessible restrooms
- New entry plaza with public art
- Minor play elements
- New exhibits for hoof stock, goats, lemurs, parrots, macaws, guinea pigs, turtles and wallabies
- Barn
- Off exhibit holding
- A "Conservation Carousel" (jointly funded with Happy Hollow Corporation)
- A 12 ft. wide pedestrian bridge
- Utilities and IT
- All infrastructure including pathways, lighting, signage, interpretive graphics, landscape and irrigation

### Phase II

#### B) Attractions

- Four new attractions with operator booths
- Reuse of three attractions
- Puppet theatre seating renovation
- Major youth and tot play area
- Minor play elements
- Relocated food services unit
- Party areas
- Utilities and IT
- All infrastructure including pathways, lighting, signage, interpretive graphics, landscape and irrigation

A schematic of the park is included as an attachment to this memo.

The current development model calls for the project to be developed in two phases. Phase I, which includes the parking lot and other developments on the east side of Coyote Creek, and

Phase IIA including the interim entry into the existing park and zoo and expanded zoo area, would begin construction in approximately May 2007 with completion approximately in September of 2008. Phase IIB, which includes improvements to the attractions area of the park as well as select improvements in the lower zoo would be under construction from approximately September 2008 until July 2009. Staff is continuing to work with the Portico Group in refining an optimum development schedule.

The proposed improvements to the Happy Hollow Park and Zoo will significantly improve the ability of this facility to be competitive in the youth entertainment market. It will also optimize the installation of infrastructure that would be difficult and costly to include in later phases, update some of the more outdated infrastructure, and provide a substantial recreational experience to visitors. At project completion, the site will meet all building, ADA and other applicable code requirements. Furthermore, the improvements are designed to support future expansion.

The long-range plan includes items that will not be funded as part of the Bond-funded project; these items include:

- Additional parking (600 spaces) on the east side of Coyote Creek
- Amusement park attractions:
  - second tower ride
  - convoy ride
  - water play attraction
  - new maze
  - suspended coaster ride
  - upgrade two existing attractions (Granny Bugs and Mini Putts)
- The removal of all zoo exhibits from the flood plain area and their replacement with new picnic and open space
- Puppet theatre building renovation
- New amphitheater with stage, seating, lighting and restrooms to support large gatherings
- A new vehicular bridge (partially funded)

The amount of available funding precludes full build-out at this time. It is staff's goal to work with the Happy Hollow Corporation on funding these elements over the next several years.

#### Funding Strategy

In an effort to insure the delivery of a project that will meet the expectations of our visitors and achieve the financial goals of the facility, the 2007-2011 Proposed Capital Budget recommends additional funding from the Parks and Community Facilities City-wide Capital Improvement Budget of \$7,163,000 and \$351,000 from reconciled Park Trust Funds.

The Parks and Community Facilities City-wide Capital Improvement Program currently includes funding for:

- Restrooms and park development on the east side of Coyote Creek

- New lift tower attraction for the amusement park
- Restroom improvements
- Vehicular bridge (partial funding in a reserve)

PRNS is also working with its non-profit partner, the Happy Hollow Corporation, in development of a significant fund-raising strategy. Immediate efforts are focused on fundraising for a Conservation Carousel, which would be the entry focal point into the park. Other initiatives include the pursuit of future grant opportunities.

### **ALTERNATIVES**

If the project is not granted additional resources, the scope will need to be further reduced. This will have a significant impact on the ability of the park to be competitive in the youth entertainment market, and the ability of the program to reach the economic potential as previously outlined with Council.

The Bond Contingency Reserve was considered as a potential source to address the funding shortfall. By not drawing on the Bond Contingency Reserve to close the gap in funding, it allows sufficient resources in that source to address similar funding needs in the remaining Bond projects.

### **PUBLIC OUTREACH**

A full community process was held in the development of the 1991 Kelley Park and 1994 Happy Hollow Park and Zoo Master Plans. A broadly advertised community meeting was held in May 2005 to review and discuss the current project. Community members expressed overall support of the project and validated the direction of the development efforts. The Parks and Recreation Commission received an update on this project in May of 2005 as well.

### **COORDINATION**

This recommended action has been coordinated with the Budget Office, Office of the City Attorney, the Department of Planning, Building and Code Enforcement the Department of Public Works and the Office of Council District 7.

**CEQA**

Not a project.



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Attachment

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