

COUNCIL AGENDA: 06-14-05
ITEM: 4.4(b)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley
Jane Light
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 05-23-05

Approved

Date 5/31/05

Council District: 6

SNI: N/A

SUBJECT: ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND AND PARKS CONSTRUCTION AND CONVEYANCE TAX FUND AND APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS IN THE BRANCH LIBRARIES BOND PROJECTS FUND FOR THE DISTRICT 6 MULTI-SERVICE COMMUNITY CENTER AND LAND ACQUISITION PROJECTS

RECOMMENDATION

Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the following funds:

1. Subdivision Park Trust Fund:
 - a. Establish an appropriation to the Department of Parks, Recreation and Neighborhood Services for the District 6 Multi-Service Community Center project in the amount of \$1,575,000;
 - b. Decrease the District 6 Park Acquisition and Development Reserve by \$1,180,000;
 - c. Decrease the Future PDO/PIO Projects Reserve by \$395,000.
2. Construction Tax and Property Conveyance (C and C) Tax Fund: Parks Purposes Council District 6:
 - a. Establish an appropriation to the Department of Parks, Recreation and Neighborhood Services for the District 6 Multi-Service Community Center project in the amount of \$505,000;
 - b. Decrease the Ending Fund Balance by \$505,000.

3. Branch Libraries Bond Projects Fund:

- a. Increase the Earned Revenue estimate by \$433,000;
- b. Increase the appropriation to the Library Department for the Land Acquisition project by \$3,000,000;
- c. Decrease the Library Contingency Reserve by \$2,567,000.

BACKGROUND

In November 2000, voters approved the Safe Neighborhood Parks and Recreation Bond measure that created funding for various park and recreation improvement projects. Included among the funded projects is the construction of a new \$9.2 million Multi-Service Community Center in Council District 6 (formerly known as Willows Community Center project). The project budget did not include funding for land acquisition.

The District 6 Multi-Service Community Center was originally planned as an expansion to the existing Willows Senior Center, located at 2175 Lincoln Avenue, north of Curtner Avenue. Due to limited area for building expansion and parking at this site, it was concluded that another site within Council District 6 would be more appropriate for the new community center.

Consideration was then given to locating the facility at San Jose Community College. This option was dropped from further consideration due to policy and land-related constraints. City staff researched and evaluated six sites within the Burbank/Del Monte SNI area and analyzed several site-specific design options.

After a thorough analysis of these potential sites and implementation options, staff determined that the most viable location is the property at 1000 South Bascom Avenue, with a gross area of approximately 2 acres. Library and PRNS staff agreed that this site would provide sufficient land to co-locate the proposed District 6 Multi-Service Community Center with the proposed West Side Branch Library. They also agreed that a co-location strategy would be a desirable means to potentially reduce design and construction costs as well as long-term operating costs while conveniently consolidating facilities to enhance public visibility and access. The estimated cost to acquire this site is \$6 million, based upon recent appraisals secured by the Real Estate Division of the Public Works Department.

ANALYSIS

Staff recommends that various Parks Funds and Library Bond funds be appropriated to acquire the property at 1000 South Bascom Avenue. Funding for the acquisition will be drawn from the District 6 Subdivision Park Trust Fund: Park Acquisition and Development Reserve (\$1.18 million); Future PDO/PIO Projects Reserve (\$395,000); District 6 Construction Tax and Property Conveyance Tax Fund Ending Balance (\$505,000); and from the existing District 6 Community Center – Multi-Service project appropriation in the Parks and Recreation Bond Projects Fund (\$920,000). The remaining acquisition cost will be funded by recognizing the interest earnings

that have been received in the Branch Libraries Bond Projects Fund through January 2005 (\$433,000) and by using the Library Bond Contingency Reserve (\$2,567,000).

The Library Department purchased a site for the West Side Branch Library at 1015 South Bascom Avenue in 2003 at a cost of approximately \$3.5 million. Upon acquisition of the 1000 South Bascom Avenue site, staff recommends that the City sell the City-owned property for the West Side Branch Library at 1015 South Bascom Avenue. The proceeds of this sale will then replenish the Branch Libraries Bond Projects Fund.

Property appraisals have been secured and staff has prepared an offer to acquire property for the District 6 Multi-Service Community Center and West Side Branch Library. Funds to support the acquisition are necessary in order for the City to acquire the property.

OUTCOME

Upon Council approval, project funds will be available to acquire the property at 1000 South Bascom Avenue. After completion of land acquisition, staff will then proceed with the master planning process for the community center in fiscal year 2005-2006; design development for the joint project in fiscal year 2006-2007; and joint project completion in the summer of 2009.

PUBLIC OUTREACH

Regular project updates were provided to the Burbank/Del Monte SNI coordinators on the progress of the site selection process. In addition, community and technical meetings will be held during the master planning process for the project to gather input from the Burbank/Del Monte neighborhood and prospective community center and library users.

COORDINATION

This item has been coordinated with the City Attorney's Office, the City Manager's Office, and the Department of Public Works.

COST IMPLICATIONS

Project funding will be provided from the following sources: \$920,000 from the District 6 Community Center project from the Parks and Recreation Bond Projects Fund (current year budget totals \$980,000, of which \$920,000 will be used for land acquisition); \$1.575 million from the Subdivision Park Trust Fund; \$505,000 from District 6 Construction Tax and Property Conveyance Tax Fund Ending Balance; and \$3.0 million from the Branch Libraries Bond Projects Fund. The Library Bond Projects Fund will be replenished by the future sale of the City-owned property for the West Side Branch Library.

FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. Upon completion in the summer of 2009, the operating and maintenance costs for the District 6 Multi-Service Community Center are estimated at \$559,000 on an ongoing basis. The operating and maintenance costs for the West Side Branch Library are estimated at \$1,205,000 on an ongoing basis. These costs will be considered during future budget processes.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	2004-2005 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
375	7013	Reserve: District 6 Park Acquisition and Development	\$2,080,000	V-865	10/12/04 Ord. No. 27267
375	7845	Future PDO/PIO Projects Reserve	\$22,001,667	V-893	02/08/05 Ord. No. 27350
384	7999	District 6 Ending Fund Balance	1,993,991	V-631	02/08/05 Ord. No. 27350
471	4789	District 6 Community Center – Multi-Service*	\$980,000	V-919	10/12/04 Ord. No. 27267
472	7806	Contingency Reserve: Library Bond Projects	\$2,997,637	V-480	02/08/05 Ord. No. 27350

* Of the total appropriation, only \$920,000 will be used towards land acquisition.

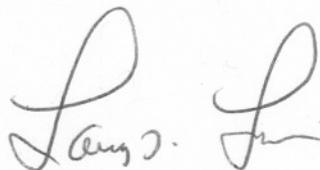
NOTE: Appropriation actions are recommended as part of this memorandum decreasing the District 6 Park Acquisition and Development and Future PDO/PIO Projects Reserves in the Park Trust Fund and establishing a new appropriation for the District 6 Multi-Service Community Center, as well as decreasing the Ending Fund Balance in the Council District 6 Construction Tax and Property Conveyance Tax Fund Ending Balance and establishing a new appropriation for the District 6 Multi-Service Community Center. Also included in this memorandum is an appropriation action increasing the Land Acquisition budget and decreasing the Library Contingency Reserve and recognizing interest earnings received through January 2005 in the Branch Libraries Bond Projects Fund.

CEQA

Not a project.



SARA L. HENSLEY
Director of Parks, Recreation
and Neighborhood Services

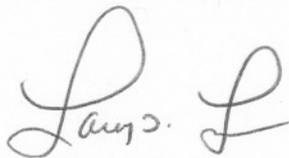


LARRY D. LISENBEE
Budget Director



JANE LIGHT
Library Director

I hereby certify that there will be available for appropriation in the Branch Libraries Bond Projects Fund in the fiscal year 2004-2005, monies in excess of those heretofore appropriated there from, said excess being at least \$433,000.



LARRY D. LISENBEE
Budget Director

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