



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 09-15-05

Approved

Kay Winer

Date

9/10/05

Council District: 8
SNI Area: N/A

SUBJECT: APPROVAL OF FUNDING EXTENSION AND APPROPRIATION OF FUNDS FOR THE EASTSIDE CLUBHOUSE CAPITAL PROJECT

RECOMMENDATION

- A) Adoption of a resolution to authorize the City Manager to negotiate and execute an amendment with the Boys and Girls Clubs of Silicon Valley to carry out the Eastside Clubhouse Capital Project to increase the funding of \$750,000 by \$125,000 for a new amount not to exceed \$875,000, and continue and extend the Community Development Block Grant (CDBG) funding (Project F85) term from December 31, 2004 to June 30, 2006.
- B) Adoption of the following Appropriation Ordinance amendments in the Council District 8 Construction and Conveyance Tax Fund (Fund 386).
- 1) Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$125,000 for the Eastside Clubhouse Capital Project.
 - 2) Decrease the Ending Fund Balance by \$125,000.
- CEQA: Exempt PP03-10-324.

BACKGROUND

This project originally involved construction of a new all turf community ball field and the renovation of a 5,000 square foot clubhouse at the Boys and Girls Clubs of Silicon Valley's facility in east San José. Issues causing delays have been resolved, including a financial and managerial audit, an agreement between the agency and staff on field usage to ensure that the

project was in compliance with eligible uses of CDBG funds, compliance with corrective actions, and finalizing matching funds for the project.

The project was scaled back to include only the ball field when funding from other sources could not be secured. Since CDBG funds will be used for the majority of the cost to build the ball field, and other funding sources were cited for the renovation of the clubhouse, these two projects were separated into phases so that CDBG funds could be used to proceed with the construction of the ball field.

Another delay was caused when all bids came in above the amount of funds available for the project. The project has been granted three funding extensions. A fourth conditional funding extension from December 31, 2004 through December 31, 2005 was recommended by the CDBG Steering Committee to allow the agency time to adequately demonstrate that the project could proceed. The agency had to either obtain one or more responsive bids, obtain and provide proof of a firm commitment for additional funds for the project, or scale back the project and provide a description of the scaled back version. The project complied with the funding condition by securing an additional \$125,000 in Construction and Conveyance Funds.

On March 2, 2005, the CDBG Steering Committee approved recommending to the City Council the extension of the funding term for the Eastside Clubhouse Capital Project from December 31, 2004 to December 31, 2005. On September 14, the CDBG Steering Committee approved recommending to the City Council the extension of the funding term to June 30, 2006 to allow for construction completion. Both of these recommendations require approval by City Council.

Environmental review of the project in the past showed that burrowing owls nest at the project site. Further environmental review in the form of a burrowing owl survey will not be required prior to proceeding with construction if construction scheduled between September and January is continual and completed in January.

ANALYSIS

The funding for this project will be for construction of a multi-use artificial turf ball field, and repair of an asphalt area to be used for a play area/parking lot and access road. The scope was reduced from the original project definition that included the rehabilitation of a clubhouse. The Eastside Clubhouse Capital Project experienced delays due to reasons outlined above and requires an extension of the funding term to allow it to be completed.

The Boys and Girls Clubs of Silicon Valley has CDBG and Construction and Conveyance Tax Funds available for the Eastside Clubhouse Capital Project. The ball field will be available for use 56 hours per week, 10 a.m. to 6 p.m., seven days per week. Of the 56 hours, at least 30 hours (53%) will be available for public use. Of the 30 hours, at least 20 will be available for drop in use, and at least 10 will be available for reservation by sports teams, schools, etc. The Boys and Girls Clubs of Silicon Valley will use the ball field from 2 p.m. to 7 p.m. weekdays for their

programs. The ball field will be available for public use when not used for Boys and Girls Clubs of Silicon Valley programs from 2 p.m. to 7 p.m. All Boys and Girls Clubs of Silicon Valley programs are available to the public. The City will have free use during any hours the field or asphalt areas are not previously scheduled. Bi-yearly use schedules will be coordinated and approved by both the Boys and Girls Clubs of Silicon Valley and the City.

These affirmative covenants to make the ball field available to the public will be memorialized in a recorded covenant or easement on the property which will create a City interest in real estate for the benefit of the public.

In order for the Boys and Girls Clubs to sign an agreement with the general contractor to construct the community ball field, the funding agreement amendment between the City and Boys and Girls Clubs must be in place.

OUTCOME

Project will be able to enter into agreement with contractor, and construction can proceed this year and not be delayed until after the rainy season. Owl nesting will not be an issue for project completion if begun in the fall. Project completion will result in a recreation area for outdoor activities such as soccer, baseball, kickball and football. The property will serve Boys and Girls Clubs of Silicon Valley members, community organizations, local schools, and neighborhood residents, predominately in the Tropicana SNI area.

PUBLIC OUTREACH

The status of this project was provided in a report presented to the CDBG Steering Committee in a public meeting held on March 2, 2005.

COORDINATION

This report was prepared in coordination with the City Attorney's Office.

COST IMPLICATIONS

The recommendations contained in this memorandum have no impact on the General Fund. The CDBG Program is funded by Federal funds. Construction and Conveyance Tax Fund (Fund 386) has sufficient available fund balance to support the requested appropriation. Boys and Girls Club will be responsible for maintenance of the facility.

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Subject: Approval of Funding Extension and Appropriation of Funds for the Eastside Clubhouse Capital Project

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BUDGET REFERENCE

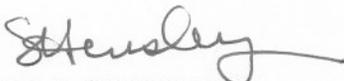
Fund #	Appn. #	Appn. Name	Total Appn.	2005-2006 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
386	7999	Ending Fund Balance	\$1,859,548	V-548	6/21/05, MBA #60*

Note: \$724,349 in CDBG funds is encumbered for the project bringing the total funds available for the project to \$849,349 with the approval of this request for additional funding from C&C, total funds.

*The 2005-2006 Adopted Capital Budget includes an adjustment that was approved by City Council on June 21, 2005.

CEQA

Exempt PP03-10-324.



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



LARRY D. LISENBEE
Budget Director

JUN 26 10 41 AM '05
CITY CLERK
RECEIVED