



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Albert Balagso

**SUBJECT:** SEE BELOW

**DATE:** 10-25-06

Approved

Date

10/31/06

**COUNCIL DISTRICT:** 8

**SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING AMENDMENTS TO PROJECT ALLOCATIONS FOR APPLICATION FOR LOCAL ASSISTANCE FROM THE STATE OF CALIFORNIA RESOURCES AGENCY UNDER THE 2002 RESOURCES BOND ACT (PROPOSITION 40) PER CAPITA GRANT PROGRAM TO ALLOW THE COMPLETION OF THE LAKE CUNNINGHAM SKATEPARK AND PERIMETER LANDSCAPING PROJECT**

**RECOMMENDATION**

1. Adoption of a resolution amending the allocation of amounts for application for local assistance from the State of California, Resources Agency, Department of Parks and Recreation (DPR) under the 2002 Resources Bond Act (Proposition 40) Per Capita Grant Program shifting the Lake Cunningham Playground ADA and Renovation project allocation in the amount of \$831,000 to the Lake Cunningham Skatepark and Perimeter Landscaping project; and authorizing the City Manager to negotiate, execute, and submit all necessary documents for local assistance funds of up to \$831,000 for the Lake Cunningham Skatepark and Perimeter Landscaping project.

**OUTCOME**

City Council approval of the recommended actions would authorize the City Manager to apply for, accept the grant, negotiate and execute a grant agreement with the State of California, Resources Agency Department of Parks and Recreation for the use of local assistance grant funds available under the 2002 Parks Bond Act (Proposition 40) Per Capita grant program for the Lake Cunningham Skatepark and Perimeter Landscaping project. Upon approval of the grant application by the State, funds in the amount of \$831,000 previously allocated to the Lake Cunningham Playground Renovation project will be reallocated to the Lake Cunningham Skatepark and Perimeter Landscaping project.

## **BACKGROUND**

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 from the Per Capita Grant Program under the 2002 Resources Bond Act (Proposition 40). The State approved the application for grant funding and on February 25, 2004, the City executed a contract (Contract #C0207484) with the State for \$4,037,000 to be used for projects. 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 adopted Resolution 73384, which authorized the City Manager to revise the allocation of Proposition 40 – Per Capita State Parks grant funds to include \$831,000 for the Lake Cunningham Playground Americans with Disabilities Act (ADA) Renovations project. The Council also adopted Ordinance 27844, which appropriated a reserve in the amount of \$94,000 in the Lake Cunningham Fund (Fund 462) for the Playground ADA project.

In addition, the City has received a grant from the State of California under the 2000 Parks Bond Act, Proposition 12, Per Capita program in the amount of \$1,037,000 to fund the construction of a city-wide Skatepark at Lake Cunningham. Under the terms of this grant, the project must be completed and open to the public by March 31, 2008.

## **ANALYSIS**

City staff from the Departments of Public Works and Parks, Recreation and Neighborhood Services have been working with consultants to finalize the project scope for the Skatepark project. Construction documents have been prepared and the bid process to award the contract is underway. Bid opening and award is scheduled to occur in December 2006 or January 2007. There is currently sufficient budget available to award the Skatepark project. However, there are key add-alternates that staff would like to include in the award of contract, such as a concrete area surrounding the skating surface (as opposed to asphalt) and a handrail surrounding a portion of the skating surface. These items were value-engineered deletions from the project, but are a priority for staff to include in this initial phase.

City staff received bids for the Lake Cunningham Landscaping project in September 2006. The bid came in approximately 22% over the engineer's estimate. While in the process of determining whether or not to award the project, staff learned that the Santa Clara Valley Transportation Authority (VTA) will be entirely re-grading the Capitol Avenue portion of this project and installing a multi-use pathway. This is anticipated to occur in 2007 and would result in the demolition of City improvements in this area. As a result, staff is recommending re-

bidding and re-designing the Lake Cunningham Perimeter Landscaping project to accommodate VTA's proposed changes.

The Lake Cunningham Playground renovation project has not yet begun design work and recent estimates indicate that approximately \$1.2 million may be needed to complete the work. While the Playground project is a priority for staff, it is not as high on the priority list as the Skatepark and perimeter landscaping projects. By continuing to pursue all three of these projects at this time, there is a risk of not having sufficient funding for any of the three. By shifting funding from the Playground Renovation project, staff can redirect \$831,000 in State grant funds to ensure that both the Skatepark and Perimeter Landscaping projects are delivered to the community in a timely manner, and at the same time ensuring receipt of \$1.037 million in Proposition 12 grant funds for the project. In initiating the Playground project, staff wanted to ensure that the regional park had a premier, up to date, playing surface. Until funding is secured to complete the project, staff will continue to repair the equipment as necessary to ensure a safe playing area is maintained. The equipment is currently in useable shape and staff will work to identify new funding opportunities for the Playground project in the FY 07-08 budgeting process.

There are no budget actions being recommended as part of this memorandum. Depending on the final results of the bids for the Lake Cunningham Perimeter Landscaping and Playground projects, staff will return with a specific funding allocation recommendation regarding the split of the \$831,000 in grant funds between the two projects in order to provide sufficient funding to award the Lake Cunningham Skatepark and Perimeter Landscaping projects, including the handrail and concrete perimeter paving on the skatepark, based on the latest engineer's estimate. An appropriation action establishing the grant funding, and other appropriation actions (if needed) will be requested as part of the contract award memorandum.

## **POLICY ALTERNATIVES**

***Alternative 1: Continue with all three projects (Skatepark, Perimeter Landscaping, and Playground Renovations) per the original schedules.***

**Pros:** This alternative would preserve funding for the Playground Renovation project sufficient to construct limited improvements at one of the two playground areas as a Phase I project.

**Cons:** The Playground Penovation and Perimeter Landscaping projects are currently under funded and cannot proceed as scoped. In addition, the Skatepark project requires additional funding for high priority add-alternates. These add alternates provide improved access and reduced operating and maintenance costs for the facility. By continuing forward with all three projects at this time, staff will risk providing a Skatepark that does not meet the community's expectations due to the elimination of the concrete surface and handrail surrounding the skate surface, construct limited improvements at one of the two playground areas, and proceed with a limited Perimeter Landscaping project. Desired add-alternates for the Skatepark project will be

deferred but can only be delivered at a later date at a higher cost. It is more cost-effective to construct the desired add-alternates in the Skatepark project at the time of initial construction.

**Reason for not recommending:** The total cost estimate for the Playground Renovation project is \$1.2 million. Due to the limited funding available, staff's recommendation is to fully fund the Perimeter Landscaping project and provide an enhanced Skatepark project.

***Alternative 2: Delay the decision on this issue until early 2007.***

**Pros:** This would allow time to receive bids for the Skatepark project and further design for the playground and perimeter landscaping projects to determine the exact amounts of funding needed for each improvement.

**Cons:** The Skatepark project is currently on an extremely tight timeline in order to meet the State grant requirement of a March 2008 completion date. If this date is not met, then the City risks losing \$1,037,000 in State grant funds for the project.

**Reason for not recommending:** While staff would like to continue with all three projects at this time, it is more important to complete the Skatepark by the grant deadline and the other project quickly, as opposed to being stalled on all three projects as a result of the lack of funding.

## **PUBLIC OUTREACH/INTEREST**

Although this project does not meet the criteria set below, the City will post the item on the Website. Additional information regarding outreach efforts undertaken by staff for this project is provided below.

- 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)**

A series of community meetings were held throughout the Lake Cunningham Master Plan amendment process, including two community-wide meetings, three Skatepark design workshops and two hearings by the Parks and Recreation Commission from September 2005 to

August 2006. The community supported the addition of a regional skate facility to Lake Cunningham Park.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office; the Planning, Building and Code Enforcement Department; and the Public Works Department.

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project also aligns with the Council-approved *Greenprint for Parks and Community Facilities and Programs* goal of providing safe recreational facilities. Lastly, the recommendations are consistent with the 2006-2007 City Manager's Budget/Fiscal Principles of Satisfied Customers: Emphasize quality over quantity; do fewer things as required, but do them well.

### **COST IMPLICATIONS**

Staff has concluded that the proposed recommendations are the most cost-effective use of available City and State funds to support these projects to improve the Lake Cunningham facility. Shifting of funds from the Playground project may result in ultimately higher construction costs for those elements. However, on balance, with the scheduling and fiscal demands to complete the Skatepark project and to coordinate with other access and egress developments for Lake Cunningham planned and funded by the County in 2007, the recommendations are the most efficient to assure quality project completion in a timely manner. With these recommendations, the project is anticipated to be completed by March 2008, which will allow the City to utilize the Proposition 12 funding.

The new skatepark will have an annual net operating and maintenance impact of approximately \$240,000. The perimeter Landscaping project has a net operating and maintenance impact of \$56,000 annually starting in 2007-2008.

### **BUDGET REFERENCE**

There are no budget actions being recommended as part of this memorandum. Depending on the final results of the bids for the Lake Cunningham Perimeter Landscaping and Playground projects, staff will return with a specific funding allocation recommendation regarding the split of the \$831,000 in grant funds between the two projects.

Honorable Mayor and City Council

10-25-06

**Subject: Grant application for the Lake Cunningham Skatepark and Perimeter Landscaping Project**

Page 6

**CEQA**

CEQA: Mitigated Negative Declaration, PP06-043.

A handwritten signature in black ink that reads "Albert Balagso". The signature is written in a cursive style with a long horizontal flourish extending to the right.

ALBERT BALAGSO  
Acting Director of Parks, Recreation,  
and Neighborhood Services

For questions, please contact Julie Mark, Deputy Director, at (408) 535-3582.