



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Citizen Oversight Committee
for Parks and Recreation
Bond Projects

SUBJECT: SEE BELOW

DATE: 01-04-10

COUNCIL DISTRICT: City-wide
SNI: All

**SUBJECT: FY 2008-09 STATUS REPORT ON THE PARKS AND RECREATION
BOND PROJECTS**

RECOMMENDATION

Accept this report on the status of San Jose Safe Neighborhood Parks and Recreation Bond Projects.

CEQA: Not a project.

OUTCOME

This report provides an opportunity for the City Council to review the status of the projects funded by the San José Safe Neighborhood Parks and Recreation Bond Program (Parks Bond Program) approved by voters in November 2000. It also gives the community the opportunity to provide input on the remaining projects to be delivered by the Parks Bond Program. Acceptance of this report together with the audit of the Parks and Recreation Bond Projects Fund for the Year Ended June 30, 2009 conducted by Macias Gini & C'Connell, LLP concludes the Citizen's Oversight Committee for Park Bond Projects' oversight review of the implementation of the 2008-2009 Parks Bond Program.

BACKGROUND

In November 2000, the City of San José voters approved a \$228 million General Obligation Bond, specifically known as the San José Safe Neighborhood Parks and Recreation Bond (Measure P), for the purpose of acquiring property for and constructing improvements to parks

and recreation facilities throughout the City. This bond passed with an over 78% approval rating.

On April 10, 2001, the City Council designated the Parks and Recreation Commission as a Committee of the Whole (Committee) to conduct the citizen's oversight review responsibilities associated with Measure P. The Citizen Oversight Committee provides the public with opportunities to understand, review, and address any significant and relevant issues related to the implementation of the parks and recreation bond projects.

On April 1, 2009, the Citizen Oversight Committee for the Parks and Recreation Bond Projects conducted a public hearing wherein the status of remaining projects to be delivered under the Parks Bond Program through February 28, 2009 was discussed. This report provides an update on the status of the projects through June 30, 2009.

ANALYSIS

Fiscal Year 2008-2009 marks the ninth year of the City's implementation of the Parks Bond Program. By the end of June 2009, improvements to sixty-nine neighborhood parks and five of the seven regional parks projects, construction of seven of the nine community centers and three of the five trail projects had been completed. The construction of Happy Hollow Park and Zoo - Phases I and II, two sports complexes, two community centers, and two trail projects remain to be completed. Following is the status of these remaining projects:

Regional Facilities

The renovation and expansion of the approximately 12 acres of the Happy Hollow Zoo is the largest project included in the Parks Bond Program. The project is comprised of Phase I: Parking Lot, Phase IIa: HHPZ Zoo and Attractions, and Phase IIb: Pedestrian Bridge. Construction on the zoo and attractions began on February 2, 2008 and was 85% complete as of the end of June 2009. Construction completion is scheduled for winter 2009, with the facility opening in spring 2010. Major construction activities in progress include planting, site furnishings, attractions and pervious asphalt paving.

Phase IIb of the project is a pedestrian bridge across the Coyote Creek that will connect a new parking lot (Phase I) and other development on the east side of Coyote Creek. Construction began in July 2009 and is anticipated to complete in summer 2010.

Construction of the parking lot was awarded on June 23, 2009 for \$4.5 million inclusive of three add alternates; full parking lot build-out, restroom building and two group picnic areas. Construction began in August 2009 with completion anticipated to coincide closely with the completion of the pedestrian bridge in the summer 2010.

Community Centers Projects

Two new community centers opened to the public during Fiscal Year 2008-09. The Roosevelt Community Center opened in December 2008; and the Mayfair Community Center opened to the public in January 2009. With the opening of these two centers, the Parks Bond Program has delivered seven of the nine community centers in the program.

Construction of two community centers is underway. Construction of the Seven Trees Community Center and Branch Library was 50% complete by end of June 2009 and it is currently 75% complete; it is anticipated to be completed in the summer of 2010. Construction of Bascom Library and Community Center was 31% complete by end of June 2009 and is currently 52% complete; it is scheduled for completion in fall of 2010.

Trail Projects

As of the end of Fiscal Year 2008-09, the two remaining trail projects to be completed were the Coyote Creek Trail (Tully Road to Los Lagos Golf Course) project and the Guadalupe River Trail Reach 6 (Woz Way to Virginia Street) project. Construction of the Coyote Creek Trail (Tully Road to Los Lagos Golf Course) was completed in July 2009 and formally designated as part of the Bay Area Ridge Trail alignment. By October 2009, construction documents for the Guadalupe River Trail Reach 6 (Woz Way to Willow Street) project have been completed and permits from Caltrans and the Santa Clara Valley Water District and other regulatory agencies have been secured. Award of the construction contract is anticipated to be April 2010.

Sports Parks

Securing suitable sites for the construction of recreational sports facilities has been very challenging for the City. Staff had been in discussions with East Side Union High School District to identify and jointly develop a sports complex on School District owned land. Due to budget challenges imposed by the State, a need for the District to re-assess priorities, and the current leadership transition in the District, this project is currently on indefinite hold.

On June 23, 2009, the City Council authorized the City Manager to negotiate and execute a Memorandum of Understanding between the City and the Earthquakes LLC for the lease of a 2.4-acre soccer practice field on city-owned Airport West property (74.8 acres). This site is adjacent to the proposed Earthquakes Soccer Stadium. City Staff is currently evaluating the potential for a regional sports complex on a 9.3 acre site at the rear of the Airport West property.

The City remains committed to completing all remaining Parks Bond projects within the 2009-2013 Capital Improvement Program. To ensure completion of projects, staff continues to implement cost management strategies which include, but are not limited to, requiring that the funding needs for the successful completion of the bond programs be considered prior to funding new capital projects in the City's Capital Budget, placing completion of the Bond programs as a priority over new projects when seeking external Federal and State grant funding, and re-scoping of projects.

Use of Bond Proceeds to Administer the Parks Bond Program

In 2008-2009, \$649,755 was expended for the cost of City staff assigned to manage the design, construction, and delivery of the Measure P funded projects. These costs are considered "capitalizable" expenses under generally accepted accounting principles and are allowable expenditures from the Measure P bond proceeds.

Annual Audit of the Parks and Recreation Bond Projects Fund

The Parks and Recreation Bond Projects Fund (Fund 471) is supported by the General Obligation (GO) Bond proceeds. The project activity in 2008-2009 was funded through a combination of existing fund balance and bond proceeds issued in 2007-2008.

A total of \$228,030,000 in General Obligation Bonds have been issued to fund Parks and Recreation Bond projects through 2007-2008. These bond proceeds, combined with interest earnings of \$21,525,281, have provided total revenues of \$249,555,281 through 2008-2009. Through June 2008, a total of \$202,804,190 of these bond funds have been expended or encumbered. The balance of the funds will be used to complete the projects indicated above. There are no new projects to be funded from the San José Parks and Recreational Bond Act of 2000.

The independent accounting firm of Macias, Gini & Company completed their annual audit of the Parks and Recreation Bond Projects Fund (Fund 471) for the fiscal year that ended on June 30, 2009 and submitted its report to the City on October 2, 2009. No significant issues were reported to this Committee regarding the Parks and Recreation Bond Projects Fund. The report was presented to and accepted by the Citizen Oversight Committee for Parks and Recreation Bond Projects (COC) on December 2, 2009.

The audit is posted on the City's website (<http://www.sanjoseca.gov/prns/sjcommissions/pbcoc/agenda-pboc-2009.asp>). Copies can also be obtained from the Parks, Recreation and Neighborhood Services Department on the 9th floor of City Hall at 200 East Santa Clara Street, San José, California.

EVALUATION AND FOLLOW-UP

Staff reports on the status of the Parks Bond Program on an annual basis.

POLICY ALTERNATIVES

Not Applicable.

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)**

Although this project does not meet the criteria set above, the City posted the item on the COC's website for its December 2, 2009 meeting. Outreach was conducted through posting of flyers in community centers and libraries. Additionally, this memorandum will be posted on the City's website prior to the January 26, 2010 City Council meeting.

This report was presented in a public meeting held by the COC for Parks and Recreation Bond Projects on December 2, 2009. At the meeting, Committee members voiced concern about the delay in completion of the sports complexes. In addition, the Committee also made the following recommendations:

- a. Provide permanent signs on project sites stating that the project was funded by Measure P funds to remind residents of successful delivery of projects.
- b. In future bond measures, more thought should be given to sources of funds for operating and maintenance for completed projects.

COORDINATION

This report was coordinated with the Finance Department, City Attorney's Office, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This report meets the legal commitment and requirement to implement a Citizen's Oversight Committee to review the implementation of the Parks Bond Program and provide the public with opportunities to understand, review, and address any significant and relevant issues related to the implementation of the Program.

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COST SUMMARY/IMPLICATIONS

Not applicable.

CEQA

Not a project.


MIKE FLAUGHER
Chair, Parks and Recreation Commission
and Citizen Oversight Committee

For questions please contact Matt Cano, Division Manager, Parks, Recreation and Neighborhood Services at (408) 535-3580