



DATE: February 24, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL OF THE JOE BALDERRAMA PARK AND COMMUNITY CENTER MASTER PLAN REPORT; ADOPTION OF A RESOLUTION AUTHORIZING APPLICATION TO THE PROPOSITION 84 STATEWIDE PARKS GRANT PROGRAM FOR FUNDS IN THE AMOUNT OF \$5,000,000 FOR THE JOE BALDERRAMA COMMUNITY CENTER; RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR A SECTION 108 LOAN GUARANTEE IN AN AMOUNT UP TO \$6,500,000 FOR DEVELOPMENT OF THE PROJECT; AND AUTHORIZATION FOR THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL ASSOCIATED DOCUMENTS**

SYNOPSIS

Staff and the Park and Recreation Commission recommend that the City Council approve the Joe Balderrama Park and Community Center Master Plan Report; adopt a resolution authorizing application to the Proposition 84 Statewide Parks grant program for funds in the amount of \$5,000,000 for the Joe Balderrama Community Center; adopt a resolution authorizing the submission of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee in an amount up to \$6,500,000 for development of the project; and authorize the City Manager to execute the associated documents.

BACKGROUND

Joe Balderrama Park and Recreation Center (JBRC) is named for the untimely death of the local youth Joe Balderrama who gave his life for his country during World War II. JBRC was originally constructed in the late 1960s with U.S. Department of Housing and Urban Development funds. JBRC has undergone several park improvements over the years such as tennis and basketball courts in the 1970s, a building addition in the 1980s, children's play structures in 2000-2001, and a teen room in 2004.

On June 6, 2007, the City Council approved a Professional Services Agreement with Schmidt Design Group for the master planning process of Joe Balderrama Park. Through the Fall and Winter of 2007 and Spring of 2008, Schmidt Design Group conducted meetings with staff members, completed an analysis of the site, and facilitated a community process that included public surveys, community forum meetings, meetings with neighborhood associations, and interviews with park users at the park.

On June 12, 2008, the Parks & Recreation Commission was presented with the four design options as an informational item. A Master Plan Report was prepared by Schmidt Design Group in January 2009; this report was recommended for City Council approval by the Parks & Recreation Commission on November 12, 2009.

Additional community input was gathered by the Eastside Neighborhood Association as part of its community leadership efforts to reinvigorate neighborhood support of the Master Plan. This effort included additional door-to-door surveys and a community meeting to discuss findings on January 28, 2010. The findings predominantly supported the previous community outreach efforts.

Proposition 84 Statewide Parks Grant Program:

On November 7, 2006, California voters passed the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Funding of the Statewide Park Program is being administered in two rounds by the California Department of Parks and Recreation. The first round of funding has opened for competitive applications statewide with a due date of March 1, 2010.

Section 108 Loan Guarantee:

The Section 108 Program is the loan guarantee provision of the Community Development Block Grant (CDBG) program of the U.S. Department of Housing and Urban Development (HUD). The Section 108 Loan Guarantee program provides CDBG entitlement communities – cities that receive CDBG funds – with a source of financing for economic development, public facilities, and large-scale capital improvement projects. Entitlement communities may apply for up to five times the amount of the agency's latest CDBG approved entitlement amount, less any outstanding principal balances of existing Section 108 loans. The City has used the Section 108 Loan Guarantee Program for two construction projects: Libby Lake Community Center and Fire Station 7. The principal balance for Libby Lake Community Center will be paid in full by June 30, 2010 and the principal balance for Fire Station 7 will be \$3.4 million as of June 30, 2010.

ANALYSIS

Site analysis and community forums led to the understanding that JBRC is in dire need of major renovations to match the vitality of current residents and future growth. Current

park and facility issues identified through this process included: security issues, ADA access improvements, field drainage issues, and irrigation of park landscape issues. The community has expressed preference for two architectural styles of a new building; mission and a more modern elevation, as well as park locations for various park amenities such as the tot lots, picnic areas, outdoor courts, and park lighting.

The Joe Balderrama Park and Community Center Master Plan Report prepared by Schmidt Design Group relays the final preferred conceptual design that was expressed by the community. The final concept includes a gymnasium, indoor handball/racquetball courts, incorporation of the Chavez Resource Center functions into the Community Center facility, a performance studio with an outdoor stage area, expanded and improved play structure, expanded and improved picnicking areas, and a mural. The new community center and gymnasium will provide for new citywide recreational opportunities while also addressing salient issues that the neighborhood community members have expressed through the community process. The Master Plan Report also provides two options for the exterior elevation style; a traditional mission style elevation and a modern style elevation. The final exterior elevation will be revisited during the final design phase for the community center.

At the request of the Boys and Girls Club and OUSD, the City has participated in recent negotiations with OUSD and the Oceanside Boys and Girls Club to create a Memorandum of understanding (MOU) inclusive of all three parties for the Joint use of Jefferson Middle School. The MOU will be brought to the City Council for review and approval at the April 7, 2010 City Council meeting. The Boys and Girls Club had originally desired a full sized gymnasium on the site; however, the Club has removed the gym from the negotiations process and it is no longer part of the MOU. The City would like to see a full sized regulation soccer field at Jefferson. The MOU and the Jefferson Middle School facility improvements do not have an impact on the gymnasium design in the Joe Balderrama Park and Community Center Master Plan Report.

Proposition 84 Statewide Parks Grant Program:

The Statewide Park Program legislation requires projects to meet six eligibility requirements; projects cannot be funded unless all six requirements are met as follows:

- 1) The community within proximity (1/2 mile radius) must meet one of the following conditions:
 - a. Has a ratio of less than 3 acres of usable park space per 1,000 residents, or
 - b. The median household income of census tracts in proximity (1/2 mile radius) to the project was lower than \$47,331 based on the "California State Parks Community Fact Finder" report;
- 2) The proposed grant scope must consist of one of the following types of development:
 - a. Creating a New Park,
 - b. Adding new Park Space to expand an existing overused park,
 - c. Substantially improving existing park space,

- d. Constructing a new recreation feature
 - e. Renovating an existing recreation feature to create a new recreation opportunity;
- 3) The proposed project design must include residents' ideas to ensure safe public use;
 - 4) The proposed project design must include at least two of four sustainable design techniques as listed by the grant guide;
 - 5) The grant must equal the estimated cost needed to complete the project or additional funds must be committed to equal the estimated cost at time of application; and
 - 6) Entrance or membership fees must calculate to less than \$30 per month per person, and hours of operation following project completion must accommodate daily access.

Staff has reviewed all potential projects for the City of Oceanside against the above eligibility criteria including the following projects: El Corazon, Brooks Street Pool, Joe Balderrama Park, Buccaneer Park, and Chavez Park. Staff has determined the most competitive project to bring Proposition 84 funds to Oceanside is the renovation of Joe Balderrama Recreation Center. The Jefferson Middle School soccer/athletic field improvements are not an eligible project for Proposition 84 funds because school districts are ineligible applicants, therefore the Jefferson Middle School improvements do not have an impact on potential funding for the Joe Balderrama Park and Community Center.

Section 108 Loan Guarantee:

The City as a CDBG entitlement jurisdiction is an eligible applicant for a Section 108 loan guarantee. The City receives approximately \$1.9 million each year under the CDBG program, which by HUD regulations makes the City eligible to apply for up to \$10 million in Section 108 loans. The City currently owes approximately \$3.5 million for the Libby Lake Community Center and Fire Station 7 combined loans. The proposed Joe Balderrama Park and Community Center project is a public facility designed to serve a CDBG-eligible population – in this case, low to moderate income persons, making this an eligible project for Section 108 loan financing. Approval by the City Council is necessary to apply for a Section 108 loan and to negotiate terms and conditions of repayment.

FISCAL IMPACT

There is no direct impact to the General Fund for the approval of the Joe Balderrama Park and Community Center Master Plan Report. Development of the conceptual project will require funding for final design and engineering, construction, and other related construction costs such as relocation of neighborhood services, permits/fees, project management, and furnishings.

The report identifies the total project costs for the park and community center combined as \$12,115,206 and a revised estimate for the community center provides for total combined costs at approximately \$11,343,764. The maximum amount of funds that can be requested through the Proposition 84 Statewide Parks program is \$5,000,000 requiring an additional funding source. The maximum amount that can currently be applied for under the Section 108 Loan Guarantee Program is \$6,500,000; which will provide for a total of \$11,500,000 in project revenues available to complete the project. The Proposition 84 application requires all funds to be committed at time of application. At this time with uncertain economic conditions, staff recommends phasing the project with the following projected budget for the grant application:

Phase I:

Final Design	\$ 720,000
Community Center	\$ 8,976,202
10% Contingency	\$ 897,620
Other Related	\$ 600,000
Total Project Costs	\$11,193,822
Proposition 84 Application	\$ 5,000,000
Section 108 Loan Application	\$ 6,500,000
Total Project Revenues	\$11,500,000

Phase 2:

Park Construction	\$ 1,715,206
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Construction of both phases combined is only possible should construction costs remain low until the time that the project is out to bid or should additional funds be identified. Should the City not be awarded funding, the project would remain on the Community Facilities project list until new funding becomes available.

The addition of a gymnasium into the new design of the Joe Balderrama Community Center will increase the annual operating costs by approximately 15 percent. Currently the Joe Balderrama Recreation Center is budgeted for \$398,000, annually. This amount is projected to increase to \$450,000 in the FY 2012-13 annual budget. Consequently, the addition of a gymnasium and handball/racquetball courts also provides opportunity to expand youth sports programs and recreational class offerings which will offset this increase in budget.

Section 108 loans are not risk-free. The principal security for the Section 108 Loan Guarantee Program is a pledge by the applicant of its current and future CDBG allocation. Additional security of up to 120 percent of the loan obligation may also be required to assure repayment of guaranteed obligations; this can include assets financed by the loan. The City proposes to use the Joe Balderrama Community Center as collateral.

Section 108 loan obligations are financed through underwritten public offerings. Permanent financing interest rates are pegged to yields on U.S. Treasury offerings of

similar maturity to the principal amount of the loan. The City currently has two loans through the Section 108 Loan Guarantee Program for the Libby Lake Community Center and Fire Station 7. The City will use \$480,297 of the 2009-2010 CDBG allocation to repay these loans. The Libby Lake Community Center loan will be repaid in full by June 30, 2010. The annual loan payment for Fire Station 7 is \$270,000 and will be repaid in 2028.

With the repayment of the Section 108 loan for the Libby Lake Community Center in June 2010, future CDBG funds to pay off the new Section 108 loan will reduce by ten to fifteen percent the amount of CDBG funds available for allocation by the City Council. Allocation of funds to public services would most likely not be affected however, there would be less CDBG funding for capital improvement projects. This will be especially true through FY 2009-2010, the last year of the present Section 108 loan. The City of Oceanside receives approximately \$1.9 million of CDBG funds each year. If Congress does not fund the CDBG program in some future year, the loan repayment would become a General Fund obligation.

COMMISSION OR COMMITTEE REPORT

At its regular meeting on November 12, 2009, the Parks and Recreation Commission recommended that the City Council approve the Joe Balderrama Park and Community Center Master Plan Report; adopt the resolution authorizing application to the Proposition 84 Statewide Parks grant program for the Joe Balderrama Park and Community Center in the amount of \$5,000,000; approve the submission of a Section 108 Loan Guarantee Pre-application to the Department of Housing and Urban Development for the Joe Balderrama Park and Community Center in the amount of \$5,000,000.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

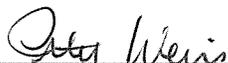
Staff and the Parks and Recreation Commission recommend that the City Council approve the Joe Balderrama Park and Community Center Master Plan Report; adopt a resolution authorizing application to the Proposition 84 Statewide Parks grant program for funds in the amount of \$5,000,000 for the Joe Balderrama Community Center; adopt a resolution authorizing the submission of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee in an amount up to \$6,500,000 for development of the project; and authorize the City Manager to execute the associated documents.

PREPARED BY



Megan Crooks
Management Analyst

SUBMITTED BY



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager

Margery M. Pierce, Neighborhood Services Director

George Buell, Development Services Director

Scott O. Smith, City Engineer

Teri Ferro, Financial Services Director











Attachments:

- JBRC Master Plan Report
- Revised Community Center Budget – Option 3
- Resolution for Application to Proposition 84
- Resolution for Application of Section 108 Loan Guarantee



Manuel Oncina Architects, Inc.

Prepared by: Robert Grauer, Estimator

Project:

Balderrama Community Center, Oceanside, California

December 14, 2009

Option 3 (New Building)

CSI Number	Division Name	2008 Original Estimate	2009 (Good till 1st quarter of 2010) Revised Dollars
1	General Conditions	962,875.72	625,869.22
2	Sitework	290,512.50	261,461.25
3	Concrete	1,091,695.41	982,525.87
4	Masonry		
5	Structural Steel	852,170.00	766,953.00
6	Carpentry	108,458.00	97,612.20
7	Moisture Protection	232,410.00	209,169.00
8	Doors, Frames, Glass and Glazing	150,788.69	135,709.82
9	Finishes	1,549,400.00	1,394,460.00
10	Specialties	220,721.74	198,649.57
11	Equipment		
12	Furnishings	15,207.98	-
13	Special Construction		
14	Conveying Equipment		
15	HVAC	1,394,000.00	1,184,900.00
16	Electrical	1,162,000.00	964,460.00
	Subtotal	8,030,240.04	6,821,769.92
	Contractor's OH&P	642,419.00	0.08 545,741.42
	Total	8,672,659.04	7,367,511.34

Exclusions:

Architectural, design fees, and all 3rd party consultant fees
Construction Management Fees

Scope change and post contract contingencies
Assessment, taxes, finance, legal, and development fees
Builder's risk, project wrap-up and other owner provided insurance programs
Testing and inspection
Permits and City fees
Owner supplied and installed furniture, fixtures, and equipment
Abatement of hazardous materials
Any specialized reports i.e.. Soils, corrosive, etc.
No hardscape or softscape
All underground services and hook up of same
No Public Right of Way Improvements
No Utility Relocation/Rerouting

This estimate is an opinion of probable cost. The prices reflected are based on various sources including historical data, verbal quotes from installers and suppliers, and cost data books such as RS Means and Lee Saylor. All unit costs shown are burdened to include all subcontractor costs necessary to provide an installed cost to the general contractor. These unit costs include all applicable sales taxes, freight, worker's compensation, subcontractor overhead and profit, material, labor and equipment. Labor costs are based on prevailing wages in San Diego County.

In response to recent market conditions, the estimate is priced at current opinions of cost. Market demands have made it challenging to determine future costs. The escalation rate used is the estimator's best guess as to what the projected escalation costs will be at bid time. The estimate anticipates a reasonable price and is not responsive to other market factors which diminish a competitive bid environment. A low response of bidders can be symptomatic of an unstable bidding market. The results of which could product the following bid deviations:

3 Bids	10%
2 Bids	13%
1 Bid	23%

Estimates are typically produced off of a progress set of drawings. This estimate drawing set is usually different from the drawing set submitted to the client. Every effort has been made to coordinate any changes that were made to the drawing set before submittal. The estimate should be reviewed by the client to ensure that the estimate reflects the scope of the design documents.

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE APPROVING THE APPLICATION FOR
4 STATEWIDE PARK PROGRAM GRANT FUNDS IN THE
5 AMOUNT OF \$5,000,000 FOR THE JOE BALDERRAMA
6 COMMUNITY CENTER

7 WHEREAS, the State Department of Parks and Recreation has been delegated the
8 responsibility by the Legislature of the State of California for the administration of the
9 Statewide Park Program, setting up necessary procedures governing the Application;

10 WHEREAS, said procedures established by the State Department of Parks and
11 Recreation require the applicant to certify by resolution the approval of application before
12 submission of said application to the State; and

13 WHEREAS, the City of Oceanside will enter into a contract with the State of California
14 to complete the grant scope project.

15 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

16 SECTION 1. The City of Oceanside approves the filing of an application for the Joe
17 Balderrama Community Center.

18 SECTION 2. The City of Oceanside certifies that said applicant has or will have
19 available, prior to commencement of any work on the project included in this application, the
20 sufficient funds to complete the project.

21 SECTION 3. The City of Oceanside certifies that the applicant has or will have
22 sufficient funds to operate and maintain the project.

23 SECTION 4. The City of Oceanside certifies that the applicant has reviewed,
24 understands, and agrees to the General Provisions contained in the contract shown in the Grant
25 Administration Guide.

26 SECTION 5. The City of Oceanside delegates the authority to the City Manager to
27 conduct all negotiations, sign and submit all documents, including, but not limited to
28 applications, agreements, amendments, and payment requests, which may be necessary for the
completion of the grant scope.

1 SECTION 6. The City of Oceanside agrees to comply with all applicable federal, state
2 and local laws, ordinances, rules, regulations and guidelines.

3
4 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
5 this _____ day of _____, 2010 by the following vote:

6 AYES:

7 NAYS:

8 ABSENT:

9 ABSTAIN:

10
11
12 _____
13 Mayor Of The City Of Oceanside

14 ATTEST:

15 APPROVED AS TO FORM:

16
17
18 _____
19 City Clerk

20
21
22 
23 City Attorney

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 OCEANSIDE APPROVING THE SUBMISSION OF AN
5 APPLICATION TO THE U.S. DEPARTMENT OF HOUSING
6 AND URBAN DEVELOPMENT FOR A SECTION 108 LOAN
7 GUARANTEE UP TO \$6,500,000 FOR CONSTRUCTION OF JOE
8 BALDERRAMA PARK AND COMMUNITY CENTER; AND
9 AUTHORIZATION FOR THE CITY MANAGER TO
10 NEGOTIATE TERMS AND CONDITIONS, AND TO SIGN AND
11 EXECUTE REQUIRED APPLICATION FORMS AND
12 CERTIFICATIONS

13 WHEREAS, the U.S. Department of Housing and Urban Development (HUD) provides
14 Section 108 loan guarantees to Community Development Block Grant (CDBG) entitlement
15 cities for development of public facilities that will serve low- and moderate-income individuals,
16 families and neighborhoods;

17 WHEREAS, the City of Oceanside has determined that there is a need for a new facility
18 to replace the present Joe Balderrama Recreation Center and Park and the Chavez Resource
19 Center, in order to provide improved services to residents in a low- and moderate-income area
20 of the City;

21 WHEREAS, the City of Oceanside desires to borrow funds under the HUD Section 108
22 Loan Guarantee Program to construct a new Joe Balderrama Park and Community Center, and
23 will pledge future CDBG entitlement funds and/or other security to secure the loan guarantee;
24 and

25 WHEREAS, the City of Oceanside is an eligible applicant for Section 108 loan
26 guarantees, and the construction of a park and community center serving a low- and moderate-
27 income area is an eligible activity for Section 108 financing,

28 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. The submission of an application to the U.S. Department of Housing and
Urban Development for a Section 108 loan guarantee for an amount up to \$6,500,000 for
construction of Joe Balderrama Park and Community Center is approved.

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1 SECTION 2. The City Manager is authorized to negotiate specific terms and conditions
2 for the Section 108 loan guarantee, and to sign and execute required application forms and
3 certifications.

4 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
5 this _____ day of _____, 2010, by the following vote:

6
7 AYES:

8 NAYS:

9 ABSENT:

10 ABSTAIN:

11
12 _____
13 MAYOR OF THE CITY OF OCEANSIDE

14 APPROVED AS TO FORM:

15 
16 _____, ASST.
17 CITY ATTORNEY