



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 04/03/07

AGENDA ITEM 4

WORK SESSION ITEM _____

TO: Mayor and City Council
Redevelopment Agency Board

FROM: City Manager

SUBJECT: Fund Appropriation for Cannery Park Expansion Construction

RECOMMENDATION:

It is recommended that the City Council and Redevelopment Agency adopt the attached resolutions which:

1. Appropriate \$4,670,262 in 2004 and 2006 Redevelopment Agency Tax Allocation Bond proceeds for the design and construction of Cannery Park; and
2. Appropriate \$1,500,000 in Park In Lieu Funds to the Cannery Park project as outlined in this report.

DISCUSSION:

The Cannery Area Plan resulted in the construction of three major public projects, various street improvements, a new Burbank School, and an expansion of the existing Cannery Park. The street improvements are effectively completed, the new school is under construction and the Hayward Area Park and Recreation District (HARD) is scheduled to award a contract for the expansion of Cannery Park on April 9, 2007. These projects have moved forward under a partnership between the City, the Redevelopment Agency, the Hayward Unified School District (HUSD), and HARD in accordance with the Public Facilities Development and Property Exchange Agreement (PFDA) approved by the respective agencies last May.

The Cannery Park is part of a joint site for the new Burbank school, sharing an eastern interface with the new school site. The expanded Cannery Park and the new Burbank School are serving as joint-use facilities: allowing multiple uses of both the school facilities and the park/play area over a broader daily and seasonal time period. The park expansion includes a variety of new improvements and renovations that will lead to significant, expanded use of the park as a destination, regional facility. These include lighted ball fields, a water play area, a new children's play area, an additional restroom, new picnic structures and group picnic area, new basketball courts, and a significantly improved streetscape along the new Burbank Street. These improvements and the park expansion will distinguish this park from other neighborhood parks in the depth and variety of recreation and play able to be accommodated. The City's recent street improvements around the park, which included additional parking, will also enhance the access to and use of this park and support the expected increase in use.

FUNDING:

The PFDA approved by the Redevelopment Agency and City Council set forth the property disposition and financial agreements with the HUSD and HARD regarding both the new Burbank School and the expanded Cannery Park. The PFDA provided \$4,670,262 in Redevelopment Agency funds for the park project. Although this amount was acknowledged in the agreement, it was determined to postpone appropriating the funds until HARD was ready to award a construction contract. As HARD is now ready to do so, it is recommended that this amount be appropriated to the Cannery Park Project from the 2004 and 2006 Tax Allocation Bond proceeds and earned interest.

Since the adoption of the PFDA, the estimated cost for the actual park construction has increased by \$1,500,000. The estimate used for the PFDA was generated in the winter of 2005/06 based on a Master Plan and a preliminary set of site-specific plans, the design of which was not finalized until last fall. Additionally, the environmental assessment and site remediation were just beginning and costs at that time were unclear. The final design features, in support of the Cannery Park as a destination facility, combined with the competitive bid environment currently being experienced by most local governments, resulted in a funding gap of about \$1,500,000 more than that that estimated in the PFDA.

Overall, the residential component of the Cannery project will generate sufficient Park-In-Lieu funds to offset this increased costs. However, by ordinance, payment of these funds occurs when a certificate of occupancy is issued. The net result is one of managing cash flow, meaning that the construction contract must be awarded in advance of receipt of the funds to be paid by the private developers. To overcome this problem, staff undertook an assessment of the Park-In-Lieu Fund to determine if there are sufficient funds to address the funding gap.

Before reporting on the results of this assessment, some background information may be helpful. The City collects funds on a per zone basis. There are a total of five zones, labeled zones A through E. (See attached map.) Generally speaking, funds are to be used for park improvements within the zone that generated the funds. There is an exception to this provision which allows funds from different zones to be aggregated to support a project that serves a larger geographic area, and will draw users from multiple zones. Cannery Park fits this criteria in as much as the baseball fields attract participants from throughout the City, and park features were intentionally designed to allow Cannery Park to both address neighborhood needs, and also serve as a destination point.

The table below shows available funding within the Park-In-Lieu Fund. Three of the five zones have healthy fund balances, and it is recommended that funds from zones B, C and D be utilized to overcome the gap. Approval of the resolution would result in the appropriation of a total of \$1.5 million for the project.

<u>Zone</u>	<u>Current Balance</u>	<u>Less Appropriation</u>	<u>Adjusted Balance</u>
A	\$ 139,166	None	\$ 139,166
B	\$ 502,314	\$ 250,000	\$ 252,314
C	\$ 1,570,473	\$ 1,000,000	\$ 570,473
D	\$ 641,129	\$ 250,000	\$ 391,129
E	\$ 265,188	None	\$ 265,188

As Cannery Park is in Zone D, use of the recommended \$250,000 is entirely appropriate pursuant to the PFDA. Although it is also appropriate to use funds from Zones B and C for this project owing to the community serving nature of Cannery Park, staff instead recommends that the funds used from these two zones be treated as an advance, to be repaid from future proceeds associated with another residential project that is within Zone D but not included in the overall funding structure incorporated in the PFDA. The "advance" of \$1.25 million would be returned to Zones B and C from the Braddock and Logan project to the west of the Cannery Park. It is anticipated this will occur in the next 18 to 24 months.

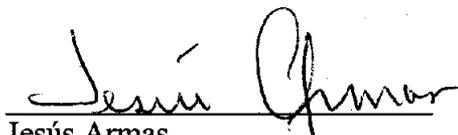
(As an aside, the adjusted balances shown in the above table will still allow requests from HARD currently review by staff to be funded. These include funds to support improvements to Skywest Golf Course, and development of Lewis Park on Hayward Boulevard. A recommendation on these requests will be presented to the Council within the next couple of weeks.)

SCHEDULE:

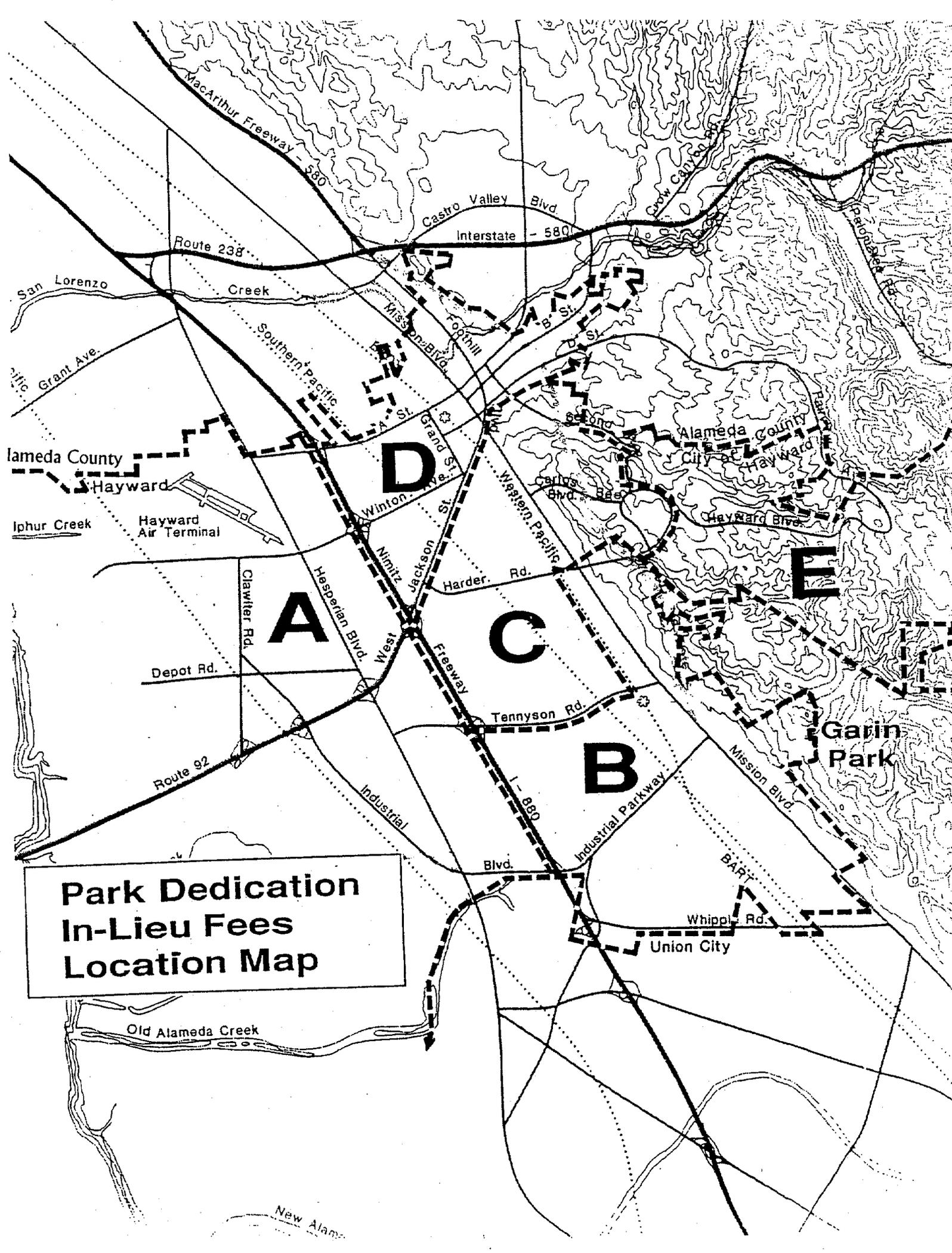
HARD is scheduled to award the construction contract for the Cannery Park expansion on April 9, with construction scheduled to begin on May 1. The construction project is expected to finish in April 2008.

Prepared by:


 Lynn Dantzker
 Project Manager


 Jesús Armas
 City Manager

Attachment



**Park Dedication
In-Lieu Fees
Location Map**

DRAFT 

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA 07-

Introduced by Agency Member _____

**RESOLUTION AMENDING RESOLUTION NO. RA-06-15,
AS AMENDED, THE REDEVELOPMENT AGENCY
BUDGET RESOLUTION FOR FISCAL YEAR 2006-07,
RELATING TO AN APPROPRIATION OF FUNDS FROM
THE 2004 TAX ALLOCATION BOND FUND, FUND 454
FOR THE DESIGN AND CONSTRUCTION OF CANNERY
PARK**

BE IT RESOLVED by the Redevelopment Agency of the City of Hayward that Resolution No. RA-06-15, as amended, the Redevelopment Agency Budget Resolution for Fiscal Year 2006-07, is hereby further amended by appropriating \$4,670,262 from the 2004 and 2006 Tax Allocation Bond Fund, Fund 454, for the design and construction of Cannery Park, in accordance with the approved Public Facilities Development and Property Exchange Agreement.

BE IT FURTHER RESOLVED, by the Redevelopment Agency of the City of Hayward that Resolution No. RA-06-15, as amended, the Redevelopment Agency Budget Resolution for Fiscal Year 2006-07, is hereby further amended by appropriating \$250,000 in Park In Lieu Fees out of Zone D to the Cannery Area Park Expansion Project and \$1.25 million in Park In Lieu Fees out of Zones B and C, in portions of \$250,000 and \$1,000,000 respectively to the Cannery Park Project.

HAYWARD, CALIFORNIA _____ , 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:

CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 07-

Introduced by Council Member _____

**RESOLUTION TRANSFERRING FUNDS FROM PARK IN
LEIU ZONES B, C AND D TO THE HAYWARD
REDEVELOPMENT AGENCY FOR THE PURPOSES OF
DEVELOPING CANNERY PARK**

BE IT RESOLVED that the City Council finds that the development of Cannery Park will have a regional impact and provide recreational services and amenities for residents of all the City's Park in Lieu Zones.

BE IT FURTHER RESOLVED that the Hayward City Council hereby transfers \$250,000 from Park In Lieu Zone D, \$250,000 from Park In Lieu Zone B, and \$1,000,000 from Park In Lieu Zone C to the Cannery Area Park Expansion Project.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2007

ADOPTED BY THE FOLLOWING VOTE:

**AYES: COUNCIL MEMBERS:
MAYOR:**

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

**ATTEST: _____
City Clerk of the City of Hayward**

APPROVED AS TO FORM:

City Attorney of the City of Hayward