



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604

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STAFF
August 25, 2009

**Honorable Mayor and
Members of the City Council**

**Title: Community Reinvestment Capital Improvement Program (CRCIP) and 2006
Capital Improvement Revenue Bonds (2006 CIRBs)**

Location/Council District: Citywide

Recommendation: 1) Accept the CRCIP status report; 2) adopt a **Resolution** authorizing the City Manager to amend the FY2009/10 Approved Budget to include the addition of 11.5 full time equivalent (FTE) positions and the allocation of \$1.47 million in general funds from Non-Department to the Parks and Recreation, General Services, and Convention, Culture and Leisure Departments to address operations and maintenance of the newly constructed CRCIP facilities; and 3) direct the City Treasurer and City Manager to report back to Council in six months with the next status report including an update on interest earnings

Contacts: Gus Vina, Assistant City Manager, 808-7138; Russell Fehr, City Treasurer, 808-5168; and Dawn Holm, Principal Management Analyst, 808-5574

Presenters: Gus Vina, Assistant City Manager; Leyne Milstein, Finance Director

Department: City Manager's Office/City Treasurer's Office

Division: Executive Office/Financing

Organization No: 02001011/ 05001011

Description/Analysis

Issue: On May 23, 2006, the City Council authorized the issuance of approximately \$150 million in 2006 CIRBs, authorized funding for the Tier I CRCIP projects and adopted policy directives (Attachment 1). This report provides a status (Attachment 2) on the many CRCIP projects that were funded including an overview of the various projects funded with the District Improvement funding (\$466,667) allocated to each district and the Mayor (Attachment 3). In accordance with the policy directives, future status reports will be provided semi-annually.

At this time many of the projects have been completed and/or are nearing completion (Attachment 4). These new facilities and renovations will provide needed library, recreation and community services. The addition of these facilities will result in added operations and maintenance costs. In 2006 when the City Council approved the CRCIP financing plan and identified projects, the economic climate of the City was much different than it is today. Following the approval of the CRCIP, staff identified the costs associated with the new facilities and built the anticipated costs into the City's five-year forecast. The following provides a summary of the staffing and operations costs for the CRCIP facilities by program area and/or specific facility:

Department	Facility	FY to Start	FTE	Budget
Parks and Recreation	George Sim	2009/10	7.00	\$ 274,698
Parks and Recreation	Oak Park Multi-Purpose	2009/10	1.25	\$ 68,531
Parks and Recreation	Regional Parks	2009/10	1.00	\$ 70,086
Parks and Recreation	S.Natomas Community Center	2009/10	0.25	\$ 10,806
Convention, Culture & Leisure	Crocker Art Museum Expansion	2009/10	0.00	\$ 400,000
General Services	Cattery, George Sim Center, Oak Park Gym, Libraries and Crocker	2009/10	2.00	\$ 641,251
Convention, Culture & Leisure	Crocker Art Museum Expansion	2010/11	0.00	\$ 400,000
General Services	George Sim Center, Crocker and N.Natomas Library	2010/11	1.00	\$ 492,901
General Services	Pocket Library	2011/12	1.00	\$ 146,240
Net General Fund Change:			13.50	\$ 2,504,513

The first year of operations was budgeted for in the FY2009/10 Approved Budget. The approved Non-Department budget includes a \$1.47 million allocation to address the staffing and operations costs associated with the facilities that will be completed and opened during the fiscal year. Staff is recommending the approval of 11.5 FTE (9.5 FTE for Parks and Recreation and 2.0 FTE for General Services) and the allocation of \$1.47 million from Non-Department to the Parks and Recreation, General Services, and Convention, Culture and Leisure departments as reflected above. Staff will include the funding and staffing identified above for FY2010/11 and FY2011/12 in the respective proposed budgets for Council consideration.

Staff will continue to monitor these projects, and as more information becomes available or additional Council direction is required, will return to Council as necessary.

Policy Considerations: Given the City's current financial challenges, it is necessary to move forward cautiously with the existing projects and to avoid

adding additional projects that will increase City operating costs and further impact the ability to deliver Tier I projects. The allocation of budget for operations and addition of staff recommended in this report are necessary to ensure the safe and efficient operations of these new facilities.

Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment, and do not constitute a “project” as defined by the California Environmental Quality Act (CEQA), California Code of Regulations, Title 14, Sections 15061(b) (3) and 15378(b). Environmental review for the approved CRCIP projects is performed in conjunction with planning, design and approval of each specific project as appropriate.

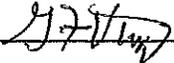
Rationale for Recommendation: The addition of staff for the operations and maintenance of the community centers, libraries, museum expansion and other CRCIP projects was anticipated and planned for in the City’s General Fund 5-year forecast in 2006 when the City Council authorized the Tier I project list. The FY2009/10 Approved Budget includes \$1.47 million in the City’s Non-Department budget to address the requests included in this report. Without the addition of the staffing and necessary funding for operations and maintenance, the City will not be able to open the CRCIP facilities as they are completed.

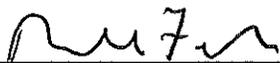
Financial Considerations: The FY2009/10 Approved Budget includes \$1.47 million in General Funds for the operations and maintenance of the CRCIP facilities anticipated to be completed during the fiscal year. Given the reductions departments have experienced over the past two fiscal years, the addition of staffing is needed to operate and maintain the new CRCIP facilities. The following summarizes the FTE being requested in FY2009/10:

<u>Department</u>	<u>Classification</u>	<u>FTE</u>
General Services	HVAC System Mechanic (1.0 FTE) and Electrician (1.0 FTE)	2.00
Parks and Recreation	Program Coordinator (1.0 FTE), Customer Service Representative (1.0 FTE), Utility Worker (1.5 FTE), Recreation Aide (2.5 FTE), Senior Recreation Aide (1.0 FTE), Public Service Aide (1.0 FTE), Park Safety Officer (1.0 FTE), and Custodian I (0.50 FTE)	9.50
Total FTE:		11.50

The full impact of the new facilities won't be realized until all facilities have been completed and are open to the public. Staff will continue to monitor the impact of the new facilities and will include information on needed staffing and operations funding in the annual budget.

Emerging Small Business Development (ESBD): Not Applicable.

Respectfully Submitted by: 
Gus Vina
Assistant City Manager

Respectfully Submitted by: 
Russell Fehr
City Treasurer

Recommendation Approved:

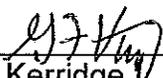

Ray Kerridge
City Manager

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Attachment 1**Background**

- On October 11, 2005, City Council authorized the City Manager to identify projects for a Community Reinvestment Capital Improvement Program (CRCIP) bond issuance.
- On December 13, 2005, staff presented a proposed list of community projects.
- On January 10, 2006, City Council held a financial planning workshop and developed a CRCIP project list. Each project was evaluated and ranked in priority order as either a Tier 1 or Tier 2 project.
- On February 7, 2006, City Council approved the CRCIP project list.
- On March 21, 2006, City Council directed staff on which final projects to include in the Tier I and Tier II lists.
- On April 18, 2006, City Council approved the final Tier I and Tier II project list and bridge financing.
- On May 23, 2006, City Council authorized the issuance of approximately \$150 million in 2006 bonds, authorized funding for the Tier I CRCIP projects and adopted policy directives.
- On June 13, 2006, City Council authorized the reallocation of District Improvement Funding and the Neighborhood Park Improvements projects to increase the General Fund for the Pocket Library project.
- On July 25, 2006, City Council authorized memorandums of understanding with the following non-profit organizations for the delivery of CRCIP projects: (1) Sacramento Zoological Society; (2) Capital Unity Council; (3) Natomas Education Foundation; (4) Fairytale Town; (5) Sacramento Museum of History, Science, and Technology; and (6) California Musical Theater, The Sacramento Ballet, The Sacramento Opera Company, and the Sacramento Philharmonic Orchestra Association.
- On March 13, 2007, City Council approved that a fundraising threshold for the Studios for the Performing Arts be established at \$7 million in order to move to the next design step of preparing construction documents.
- On May 15, 2007, City Council heard the first status report on the CRCIP and authorized the use of interest earnings to make the 2006 Capital Improvement Revenue Bond (CIRB) debt service payments on the bridge loan projects.

- On December 4, 2007, City Council: (1) accepted a status report on the CRCIP; (2) allocated project contingency to the Valley Hi/North Laguna Library and George Sim Community Center projects; (3) defunded the California Indian Heritage Center (CIHC) project by \$6.0 million; and (4) removed Lot X from the market and allocated \$15 million from project contingency to the Crocker Art Museum Expansion and Renovation project.
- On December 9, 2008, City Council authorized a \$200,000 grant to the Sacramento Zoo from District CRCIP funds for a Giraffe Barn.
- On January 6, 2009, City Council authorized a memorandum of understanding with the Boys and Girls Club of Greater Sacramento for \$500,000.
- On February 24, 2009, City Council authorized an agreement for the \$500,000 in CRCIP funds, and the establishment of CIP for the Stanford Settlement Carl R. Hansen Teen Center funded with \$1.2 million in South Natomas Community Infrastructure funds.
- On June 16, 2009, City Council approved the FY2009/10 Operating Budget (Resolution 2009-406) which included \$1.47 million to fund operations and maintenance needs of the new CRCIP facilities coming on line in FY2009/10.
- On July 21, 2009, City Council approved a \$10 million line of credit to the Crocker Art Museum Association (CAMA) for up to five years from the funds allocated to the Studios for the Performing Arts project.

Attachment 2

CRCIP PROJECT STATUS

CRCIP Project	Total CRCIP Funding *	Project Description / Status Update
Under Construction		
California Indian Heritage Center (CIHC)	\$ 300,000	City has paid for CEQA and related studies, all of which will be complete by end of 2009
Crocker Art Museum Expansion	\$ 29,000,000	Construction to be completed by early 2010. Total CRCIP funding includes a \$12 million bridge loan and an up to \$10 million line of credit from the Studio for Performing Arts (<i>line of credit is not included in the total</i>). Grand opening is scheduled for Fall 2010.
District 2 Improvements	\$ 7,500,000	Park, street lighting, and infrastructure improvements are under construction.
District 3 Improvements	\$ 1,000,000	Ben Ali neighborhood street lighting is being finalized. The design and construction of a public park on property owned by the Twin Rivers School District is underway.
George Sim Community Center	\$ 7,475,000	Project construction is nearing completion. Grand opening is scheduled for September 26, 2009.
Memorial Auditorium Improvements	\$ 3,053,000	Waterproofing, lighting and landscaping complete. Roof repair and restroom renovations under construction. Rigging upgrade in contract phase.
Robbie Waters Pocket-Greenhaven Library	\$ 12,700,000	Construction has started and it is anticipated that the library will open in Summer 2010.
Studio for the Performing Arts (Studios)	\$ 14,000,000	Project is on hold until fundraising requirements have been accomplished. Project funding includes a \$5 million bridge loan. Up to \$10 million of the CRCIP funds for this project may be used for the Crocker Expansion project, for up to five years.
Valley Hi/North Laguna Library	\$ 17,500,000	Construction is nearing completion. Grand opening is scheduled for August 29, 2009.
Grant Projects in Progress		
Children's Theater of CA (CTC-B Street)	\$ 1,000,000	All City funds have been granted. The project will be through schematic design and entitlements by December 2009. Construction scheduled to commence first quarter of 2011.
Discovery Museum (Gold Rush Exhibit)	\$ 500,000	Improvements focused on telling the story of the City and County of Sacramento as well as addressing infrastructure problems. Museum is in the process of bringing on a designer to begin work on conceptual drawings.
District 1 Improvements (Alkali Flat)	\$ 500,000	An agreement between the Boys and Girls Club and the City has been signed. Funding for the project has been provided to the Boys and Girls Club.
District 1 Improvements (Stanford Teen Center)	\$ 500,000	The City and Stanford Settlement have signed an agreement, and the funds have been issued to Stanford Settlement. A public dedication/reception is set for November 24, 2009.
Sacramento Unity Center	\$ 2,000,000	Finalizing CA Department of State Architecture permit.
Completed and/or Cancelled CRCIP Projects		
Animal Shelter Cattery Building	\$ 1,500,000	Facility has been completed and is open.
District 1 Improvements (Charter Performing Arts)	\$ 500,000	Theater is complete.
Economic Development - Haggin Oaks	\$ 6,400,000	Project complete and Mel Rapon Honda opened in Spring 2009.
Fairytale Town Fencing & Walkways	\$ 500,000	Project complete, all funds disbursed. Favorable bidding climate resulted in project savings, allowing Fairytale Town to use project savings to install 6 additional light poles on site
Granite Regional Park	\$ 1,666,667	Skate park, dog park with small dog area, soccer field and additional enhancements have been completed.
Intermodal Transportation Facility	\$ 3,000,000	Property acquisition is complete and CRCIP funded studies have been completed.
North Natomas Regional Park	\$ 1,666,666	Dog park, bike trails and landscaping through and around the park have been completed.
Oak Park Community Center Phase II	\$ 1,000,000	Construction has been completed and the gym is open.
Sacramento Zoo Veterinary Hospital	\$ 1,200,000	Construction has been completed and the hospital is open.
Sierra 2 Restroom & Access Improvements	\$ 175,000	CRCIP funded ADA improvements are complete. Additional improvements related to the CDBG and General Fund allocations through the CRCIP process are underway.
S. Natomas Community Center	\$ 400,000	The rose garden and a concession kitchen have been completed.
Sutters Landing Regional Park	\$ 1,666,667	Dog park and river access were completed on May 18, 2009.

* Total funding does not include District CRCIP contributions

Attachment 3**CRCIP Council District Project Funding**

District / Project Name	Funding Allocation
District 1 Projects	
Trash Can Improvements on K Street	\$53,000
Northgate Land Acquisition (LM04)	\$1,000
Jefferson Pk Shade Structure (LQ66)	\$70,000
Fort Natomas @ Jefferson Park	\$25,000
Regency Park Bridge (LV78)	\$80,000
South Natomas Rose Garden	\$40,000
Chuckwagon Park	\$62,740
Train Horn Rule (TK86)	\$25,000
N. Natomas Regional Park	\$75,000
CD1 Community Improvements	\$34,927
District 2 Projects	
CD2 APP / Woodlake Park	\$12,000
Mama Marks Park	\$2,000
North Pointe Park	\$3,000
Hagginwood Park	\$5,000
Train Horn Rule (TK86)	\$25,000
Johnston Park	\$19,667
Del Paso Boulevard Streetscape	\$400,000
District 3 Projects	
Marshall Park (LX16)	\$300,000
Marshall Park/Ethel Hart Lighting (LX17)	\$40,884
McKinley Park Rose Garden Master Plan	\$24,783
Arden Way Streetscape (TH06)	\$100,000
Washington Park (SU21)	\$949
CD3 Community Improvements	\$51
District 4 Projects	
Zoo - Giraffe Barn	\$200,000
Land Park Improvements	\$25,000
Fremont Park Improvements	\$20,000
Argonaut Park Fitness Stations	\$40,000
O'Neil Park Restroom Upgrade	\$10,000
Roosevelt Park Face Lift	\$40,000
Sacramento River Parkway Planning	\$20,000
CD4 Park Signs (new/replacements)	\$50,000
CD4 Community Improvements	\$61,667
District 5 Projects	
Florin Road Median Project	\$66,333
Ethel Phillips School Improvements	\$200,334
24th Street Glen Ellen Cr Signal	\$200,000
District 6 Projects	
District 6 - Park Improvements	\$303,530
59th & T Landscaping (TR46)	\$15,000
District 6 - Neighborhood Sign	\$140,170
CD6 Community Improvements	\$7,967
District 7 Projects	
Pocket Library (QA03)	\$196,667
Bill Conlin Parking Lot (KB34)	\$270,000
District 8 Projects	
Florin Road Median (RJ27)	\$466,667
Mayor's Projects	
Valley Hi-North Laguna Library	\$222,267
South Natomas Rose Garden	\$44,400
Southside Park Lake Improvement Ph 1 & 2	\$200,000

Attachment 4

CRCIP PROJECT HIGHLIGHTS

Robbie Waters Pocket-Greenhaven Library



Valley Hi – North Laguna Library



George Sim Community Center



Oak Park Community Center



Granite Regional Park – Skate Park



North Natomas Regional Park - Dog Park



Sutter's Landing Regional Park – Dog Park



Animal Care - Cattery Facility



Crocker Art Museum Expansion



\$7.5 m District 2 Improvement Funding



Dixianne Greenstreet



Winners Circle Park



Attachment 5

RESOLUTION NO.

Adopted by the Sacramento City Council

**OPERATIONS AND MAINTENANCE OF THE
COMMUNITY REINVESTMENT CAPITAL
IMPROVEMENT PROGRAM (CRCIP) FACILITIES**

BACKGROUND

- A. On January 10, 2006, the City Council approved the Community Reinvestment Capital Improvement Program (CRCIP) and on May 23, 2006, the issuance of capital improvement revenue bonds (2006 CIRBs) to fund the City's CRCIP.
- B. Consistent with the policy directives adopted by the City Council (Resolution 2006-366), staff has provided an update on the status of the CRCIP projects.
- C. Following the approval of the CRCIP staff identified the costs associated with the new facilities, and built the anticipated costs into the City's five-year forecast.
- D. At this time many of the projects have been completed and/or are nearing completion. These new facilities and renovations will provide needed library, recreation and community services.
- E. Funding for the first year of operations (\$1.47 million) is included in the FY2009/10 Approved Budget (Resolution 2009-406).
- F. The allocation of budget for operations and the addition of staff recommended in this report are necessary to ensure the safe and efficient operations of these new facilities.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The City Manager is authorized to amend the FY2009/10 Approved Budget to include the addition of 11.5 full time equivalent (FTE) positions and the allocation of \$1.47 million in general funds from Non-Department to the Parks and Recreation, General Services, and Convention, Culture and Leisure Departments as reflected in the following tables, to address operations and maintenance of the newly constructed CRCIP facilities:

FY2009/10 Full Time Equivalent (FTE) Staffing for new CRCIP Facilities:

<u>Department</u>	<u>Classification</u>	<u>FTE</u>
General Services	HVAC System Mechanic (1.0 FTE) and Electrician (1.0 FTE)	2.00
Parks and Recreation	Program Coordinator (1.0 FTE), Customer Service Representative (1.0 FTE), Utility Worker (1.5 FTE), Recreation Aide (2.5 FTE), Senior Recreation Aide (1.0 FTE), Public Service Aide (1.0 FTE), Park Safety Officer (1.0 FTE), and Custodian I (0.50 FTE)	9.50
Total FTE:		11.50

FY2009/10 Budget Adjustments for new CRCIP Facilities:

<u>Department</u>	<u>Facility</u>	<u>FY to Start</u>	<u>FTE</u>	<u>Budget</u>
Parks and Recreation	George Sim	2009/10	7.00	\$ 274,698
Parks and Recreation	Oak Park Multi-Purpose	2009/10	1.25	\$ 68,531
Parks and Recreation	Regional Parks	2009/10	1.00	\$ 70,086
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Convention, Culture & Leisure	Crocker Art Museum Expansion	2009/10	0.00	\$ 400,000
General Services	Cattery, George Sim Center, Oak Park Gym, Libraries and Crocker	2009/10	2.00	\$ 641,251
Non-Department	n/a	n/a	0.00	\$(1,465,372)
Net General Fund Change:			11.50	\$ -

Note: Budget includes funding for FTE, operations (utilities, supplies, janitorial, etc.), and routine maintenance.

Section 2. The City Treasurer and City Manager are directed to report back to Council in six months with the next status report including an update on interest earnings.