



Office of the City Manager

01b

Worksession Item

WORKSESSION
February 11, 2014

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Scott Ferris, Director, Parks Recreation & Waterfront

Subject: Parks, Recreation and Waterfront Department Facilities Assessment and Funding Options

INTRODUCTION

On November 12, 2013, Council received an update on the status of the Parks Tax Fund and strategies to manage the fund's structural deficit, as well as an update on the Parks Recreation and Waterfront (PRW) Department Capital Improvement Program. http://www.cityofberkeley.info/Clerk/City_Council/2013/11Nov/Documents/2013-11-12_WS_Item_01_Parks_Recreation_and_Waterfront.aspx. This report provides a brief review of the Parks Tax structural deficit, the Parks Recreation and Waterfront Department capital improvement plan, and a more detailed discussion of needed capital projects at City parks and park buildings. The report concludes with a summary of recommended parks improvement projects that should be completed within the next five years in order to leverage existing grant funding allocated to currently scheduled projects, and to address the City's most essential parks maintenance and repair needs.

CURRENT SITUATION

Parks Tax

As stated in the November 12, 2013 update to Council, current revenues are not keeping pace with increasing costs of operations, and the Parks Tax Fund has been operating in a deficit since FY 2010. In FY 2013, the Department decreased spending by \$350,000 by holding certain operational positions vacant for over a year, and reducing capital expenditures. The Department decreased spending in the FY 2014 and FY 2015 budget by \$366,000 each year by reorganizing the Landscape and Building Maintenance units of the Parks Division and the elimination of three FTE landscape maintenance positions. These one-time strategies, however, are not a feasible solution over the long term, and the Parks Tax will continue to operate in a deficit of approximately \$500,000 per year, drawing down on reserves for the next three years, at which time the fund balance will go negative.

Parks Tax Fund (in millions)	FY 13 Actuals	FY 14 Projected	FY 15 Projected	FY 16 Projected	FY 17 Projected
Ending Balance	1.76	1.18	0.78	0.29	(0.30)

PRW Capital Improvement Program

In the November 12, 2013 update to Council, the unfunded liability for the City’s parks and park buildings was projected to be approximately \$31 million over the next five years. Recent information provided by a consultant to the Public Works Department who has evaluated several PRW facilities, indicates that figure will be far greater (approximately \$4 million to \$8 million greater). The Department’s capital and major maintenance programs have historically been underfunded. The total annual funding in FY 2014 and FY 2015 allocated for these projects (exclusive of grants and loans) is approximately \$1.2 million per year, coming primarily from the Parks Tax Fund (\$350,000), the Marina Fund (\$250,000), the Camps Fund (\$200,000), and a portion from the City’s General Fund (\$400,000). For the City’s 52 parks and pools, the only sources of capital funds are General Fund (\$400,000) and Parks Tax Fund (\$350,000) totaling \$750,000 per year.

In recent years, the Department has been able to supplement and leverage these annual allocations with successful grant applications and through the use of Measure WW funding. In 2010, Measure WW funding of \$4.876 million was allocated to the City from the East Bay Regional Park District parks bond for a series of capital projects and infrastructure improvements in our parks through 2018.

In a March 29, 2011 report to Council, the Department presented information regarding the status of unfunded capital improvement needs which totaled \$78 million for both facilities (\$30 million) and infrastructure projects (\$48 million). [Supplemental Agenda Material - Presentation \(Parks, Recreation and Waterfront Department\) \(PDF\)](#) The report provided an overview of the condition, repair and replacement needs of City play areas, recreation centers, historic resources, hillside parks, lighting and irrigation systems, and camps.

Within this context, the table below describes the funded parks capital improvement projects scheduled over the next two years (FY 2014 through FY 2015). (Key: D denotes projects in design and C denotes projects under construction.)

Funded Capital Projects Currently Underway	Status	
	FY 14	FY 15
Marina Buildings & Infrastructure		
Bay Trail Segment One & Two	C	
Piling replacements (O Dock & South Cove)	C	
Skates Sidewalk ADA Renovation	C	
Fishing Pier ADA Renovation	D	C
Float Replacement	D	C
South Sailing Cove Restroom	D	C
Pool Buildings & Equipment		
No funding		

Park buildings, Equip. & Infrastructure

Terrace View Phase I	C	
Willard Tennis Courts	C	
Grove Basketball & Tennis Courts	D	C
Ohlone Dog Park	D	C
Virginia McGee Totland	D	C
Live Oak Basketball Courts	D	C
Ohlone Park Basketball Courts	D	C
James Kenney Park Renovation		D
John Hinkel Park Renovation	D	D
City Wide Picnic Areas	C	

Camps

Echo Lake Pool	C	
Tuolumne Camp Demolition & Cleanup	C	
Echo Lake Dining Hall	D	C
Echo Lake Lodge Deck	D	C

Proposed Parks Capital Projects

The Department recommends a list of projects for a potential parks bond measure that would provide the best return on investment to the community in terms of three criteria:

- prioritizing the improvement of existing park facilities;
- leveraging current parks capital projects with additional funding; and
- doing significant improvements at high-use City parks and park buildings.

The recommended list has three categories: a) Current Parks Projects that are funded at parks, but which have additional needs that are unfunded; b) High Use Parks with unfunded liabilities; and c) High Use Park Buildings with unfunded liabilities (the community centers and the two pools).

Current Parks Projects (funded), with additional work needed (unfunded)

The reason for including projects that already have funding is that it is much more efficient, cost-effective, and less disruptive to the community for one-time improvements rather than revisit a park multiple times. This can result in economies of scale for construction renovation projects as well as reducing disruption to the community. In 2008, voters in Alameda and Contra Costa County approved a parks bond sponsored by the East Bay Regional Park District called Measure WW that allocated \$4.876 million to the City of Berkeley over a ten year period. In 2010, the Parks and Recreation Commission conducted a one-year process to identify parks improvement projects that would be done throughout the City using the Measure WW parks bond funding. The goal of the process was to implement the most effective improvements in safety and accessibility at parks throughout the City with a limited source of funding. The process resulted in the allocation of funds to sixteen parks projects, as follows:

- Aquatic Park Habitat Improvements • Becky Temko Play Area • Gilman Sports Fields Phase 2A • Grove Park • James Kenney Play & Picnic Areas • John Hinkel Park
- Marin Circle Balustrade • Ohlone Dog Park • Citywide Picnic Areas • Rose Garden
- San Pablo Park Basketball Court Renovation • Skate Park Renovation • Strawberry Creek Park • Terrace View Park Basketball Court • Virginia-McGee Totland Renovation • Willard Park Tennis Courts.

As of the close of 2013, two projects have been completed, ten projects are currently in design or construction phase, and four projects will begin in the next two years. In order to keep projects within their Measure WW allocations, the Department had to select only those project elements with the highest level of need at each park, leaving additional work at each park unfunded. The potential new parks bond measure could allow the Department to complete these additional items at the following five parks with the highest public use.

Current Parks Projects (funded), with additional work needed (unfunded)	
Park	<ul style="list-style-type: none"> • Funded Projects are currently underway either in design or construction. • Unfunded represents work within the park that that needs to be done.
Grove Park	<ul style="list-style-type: none"> • Funded (\$952,000): Renovations of tennis and basketball courts, and restroom ADA. • Unfunded (\$1,095,000): Renovation of ballfield, backstop, lighting, restroom & roof & ADA improvements; landscaping, drainage, and irrigation.
James Kenney Park	<ul style="list-style-type: none"> • Funded (\$650,000): Play area renovation (tot & school-age). • Unfunded (\$692,000): Park entry; kiosk; signage; lighting.
John Hinkel Park	<ul style="list-style-type: none"> • Funded (\$617,500): Renovation of play area including ADA access; and partial funding for amphitheater renovations. • Unfunded (\$1,373,000): Amphitheater & parking area renovations.
Ohlone Dog Park	<ul style="list-style-type: none"> • Funded (\$325,000): Renovation of surfacing, drainage, ADA access. • Unfunded (\$225,000): Small Dog Park, seeding and surfacing, benches.
Rose Garden	<ul style="list-style-type: none"> • Funded (\$325,000): Restoration of historic trellis restoration and portions of the pathways. • Unfunded (\$1,242,000): Renovation of entrance; flagstone; irrigation system; pathways; retaining walls; drainage.
Current Parks Projects - total unfunded need: \$4,627,000	

High Use Parks

Several City park facilities are highly-used by a broad range of users throughout the City, such as basketball courts, tennis courts, ballfields, and the pedestrian pathways at the City's two largest parks – Aquatic Park and Cesar Chavez Park at the Marina. Unfortunately, the major maintenance that typically prolongs the life of courts and pathways has been deferred for several years, which has resulted in highly degraded park surfaces that are now in need of more costly capital repair and replacement. The following is a list of some of the most highly-used parks in need of improvement.

High Use Parks – renovations needed (unfunded)	
Basketball Court Renovations citywide	<ul style="list-style-type: none"> • Unfunded (\$2,684,000): Cedar-Rose; Codornices; Cragmont Rock; Glandale-La Loma; Greg Brown; Grizzly Peak; James Kenney; Strawberry Creek.
Tennis Court Renovations citywide	<ul style="list-style-type: none"> • Unfunded (\$2,385,000): Rose Garden; Cedar-Rose; James Kenney; San Pablo; Strawberry Creek.
Ballfields Renovations citywide	<ul style="list-style-type: none"> • Unfunded (\$1,440,000): Codornices; Glendale La Loma; James Kenney; Ohlone; San Pablo.
Aquatic Park	<ul style="list-style-type: none"> • Unfunded (\$2,250,000): Renovation of tide tube hydrology, dredging, and pedestrian pathways.
Cesar Chavez Park	<ul style="list-style-type: none"> • Unfunded (\$940,000): Renovation of perimeter asphalt path; dog park fencing and signage.
San Pablo Park	<ul style="list-style-type: none"> • Unfunded (\$966,000): Renovation of restroom/roof/ADA; play areas; and planting / irrigation at tennis area.
High Use Parks - Total Unfunded needs: \$10,665,000	

High Use Park Buildings

Of the City's thirty park buildings (excluding the resident camps), the City's four community centers and two swimming pools have the highest use by far and are visited by many thousands of Berkeley residents each year. These buildings have outdated systems and are in a state of disrepair and degraded appearance. In the Fall of 2013, the Department of Public Works retained Kitchell Associates, an architectural and engineering firm, to assess the physical condition of selected City buildings and provide information to assist in planning for both capital replacements and on-going building life-cycle costs for maintenance. The consultant compiled cost estimates for the work needed at City buildings over the next five years in order to keep them functional and open to the public. Initial recommendations for capital replacement for selected park buildings are presented in the table below, and additional information will be provided to

Council in a more comprehensive report by the Public Works Department in the spring of 2014. Note that the recommendations for capital upgrades for selected park buildings below do not include the numerous park buildings that are leased out to independent entities because we are requiring the lessees to perform capital improvements and upgrades to leased facilities. If these buildings were to be included, the City's unfunded liabilities would be far greater. Also note that the list below does not include Berkeley Tuolumne Camp because alternative funding sources are being evaluated.

High Use Park buildings – renovations needed (unfunded)	
King Pool *	<ul style="list-style-type: none"> • Unfunded (\$2,250,000): Renovation of locker room, piping, and new sprinkler system.
West Campus *	<ul style="list-style-type: none"> • Unfunded (\$1,950,000): Renovation of locker room and new sprinkler system.
MLK Community Center **	<ul style="list-style-type: none"> • Unfunded (\$959,918): Renovate doors; floors; walls; windows; roof coverings; plumbing; heat & distribution; sprinklers; electrical; lighting; communication & security.
James Kenney Community Center *	<ul style="list-style-type: none"> • Unfunded (\$2,298,000): Renovate Entry, Lobby, Inclusion room, Kiln room, doors, HVAC, sprinkler; restroom, seismic upgrade, and exterior siding replacement.
Live Oak Community Center **	<ul style="list-style-type: none"> • Unfunded (\$1,528,364): Renovate doors; floors; walls; windows; roof coverings; plumbing; heat & distribution; sprinklers; electrical; lighting; communication & security; ADA improvements.
Frances Albrier Community Center **	<ul style="list-style-type: none"> • Unfunded (\$914,074): Renovate doors; floors; walls; windows; roof coverings; plumbing; heat & distribution; sprinklers; electrical; lighting; communication & security; Front Office; Kiln Room; Kitchen.
High Use Park buildings - Total Unfunded: \$9,900,356	

* Cost estimate developed in 2011-12 by an independent professional estimator in collaboration with Public Works Engineering staff.

** Cost estimate developed in 2013 by Kitchell Associates plus additional programmatic elements estimated in 2011-12 by an independent professional estimator in collaboration with Public Works Engineering staff.

Summary of Unfunded Liabilities and Recommended Projects

The projects shown above would provide the best return on investment to the community in terms of prioritizing the improvement of existing parks facilities; leveraging allocations for current parks capital projects with additional funding; and doing significant improvements at high-use City parks and park buildings. For the projects shown in the three lists above, the total current estimate of unfunded costs at current parks projects; high use parks; and high use park buildings is shown below. Note that the total cost of unfunded liabilities for parks and park buildings citywide is far greater and has been described in previous reports to Council. These costs will be updated as further analyses are completed.

Current Parks Projects – unfunded total	\$ 4,627,000
High Use Parks - unfunded total	\$10,665,000
<u>High Use Park Buildings – unfunded total</u>	\$ 9,900,356
Total Recommended Projects – unfunded	\$25,192,356

Annual funding needed

Parks Upkeep

The Parks Recreation and Waterfront Department currently receives \$750,000 annually from the Parks Tax and General Fund to be used for maintaining and improving parks and park buildings (does not include the Marina Fund or the Camps Fund). Staff estimates that an additional \$450,000 per year is needed for the repair or replacement of the following features at City parks that are currently not covered: court surfacing; irrigation and median irrigation; play area surfacing and safety upgrades; fencing replacement; painting; asphalt replacement; ADA upgrades; in-field renovations; and drainage.

Park Buildings Upkeep

In addition, informed by the findings and recommendations in the Kitchell Building Condition analysis, staff estimates that the Department needs approximately \$750,000 in new annual revenue to maintain existing park buildings in good functional order. The additional revenue would allow staff to plan and budget strategically for preventative maintenance in the short and long term. Typical projects that fall within this category include: exterior cladding repairs; heating, ventilation and air conditioning repairs; plumbing; electrical distribution and panel repairs and upgrades; electrical wiring and outlet repairs; lighting fixture repairs and upgrades; fire alarm and security repairs and upgrades; painting; carpentry; and roof replacement and structural upgrades. Well-planned preventative maintenance extends the useful life of building components thereby preserving taxpayer investments. Without this additional revenue, these facilities will continue to degrade over time, become unsafe, and eventually become unusable.

Parks Tax Increases

A 7.75% increase in the Parks Tax would bring an additional \$950,000 in new annual revenue to the Department. This new revenue would fix the current structural deficit of \$500,000 as well as provide the additional \$450,000 needed for major maintenance upkeep of City parks. Using the 1,900 sq ft average home size, a 7.75% increase in the Parks Tax assessment would add approximately \$22 to the average homeowner's annual parks tax assessment.

A 16% increase in the Parks Tax would bring an additional \$1.7 million in new annual revenue. This amount would eliminate the annual structural deficit of \$500,000, provide \$450,000 annually for repairs and replacements for parks upkeep and provide \$750,000 annually for park buildings. Using the 1,900 sq ft average home size, a 16% increase in the Parks Tax assessment would add approximately \$43 to the average homeowner's annual parks tax assessment.

The current Parks Tax includes a moderate escalator based on the Consumer Price Index (CPI) for the San Francisco Bay Area. Using the model for the City's current Library Tax and Measures E and GG, the Parks Tax could be amended to include the option of using either CPI or the Personal Income Growth (PIG) escalator to define the annual parks tax assessment.

Parks and Waterfront Commission

In the fall of 2013, the Parks and Waterfront Commission conducted a series of public meetings to gauge community support for an increase in the Parks Tax and a potential Parks Bond to provide funding for City park facilities in need of significant capital improvement and ongoing major maintenance. The results of their work, including a list of recommended parks projects, are contained in the Commission's February 11, 2013 report to Council. Projects from the Parks and Waterfront Commission list that are not included on the PRW list in this report are discussed below as follows:

1. The Commission recommended re-opening Willard Pool. It should be noted that while a parks bond could provide the approximately \$4.7 million needed to reconstruct Willard Pool, an additional \$200,000 to \$300,000 per year minimum would be needed to operate the facility to cover the cost of utilities, water treatment, and staffing.
2. The Commission recommended funding for Berkeley Tuolumne Camp to cover the shortfall in insurance funding. It should be noted that re-opening Berkeley Tuolumne Camp is a high priority for the City, and significant staff resources are devoted to that effort. However, because the Camp was destroyed less than five months ago, there are many aspects of the overall re-building effort that remain to be clarified, including insurance proceeds, other sources of funding, permit issues, etc. Given this, it is premature to consider improvements at the camp funded by general obligation bonds.
3. The Commission recommended funding for the Bay Trail spur in the Marina to connect to Cesar Chavez Park. Staff estimates that the cost of the Bay Trail Extension along Marina Boulevard to Cesar Chavez Park is \$3.65 million, and the cost of all other remaining segments of the Bay Trail Extension is approximately \$16 million.
4. The Commission recommended funding an update to the General Plan Open Space and Recreation Element, including the planning for completion of the Santa Fe Right-of-Way and improvements to Cesar Chavez Park. The intent of this recommendation is to produce a master parks capital and maintenance plan. Staff estimates a cost of \$300,000 to \$500,000.

5. *The Commission recommended funding for a community planning effort for the Santa Fe Right-of-Way and implementation of at least a first phase of improvements.* See the January 28, 2014 City Manager report to Council with cost estimates and a full discussion of this project at the following link:
http://www.cityofberkeley.info/Clerk/City_Council/2014/01_Jan/Documents/2014-01-21_Item_30_Santa_Fe_Right_of_Way.aspx

6. *The Commission recommended supporting a mini-grant program for small projects that engage local communities.* It should be noted that providing grants of public funds to neighborhood groups will require extensive oversight and monitoring by City staff in order to comply with City financial accounting regulations, worker and public safety, and other liabilities on public property. This work would also involve staff costs for public meetings, the selection of projects, inspections of projects to ensure code and safety compliance, the auditing of financial records of grant recipients, and ongoing monitoring for regular maintenance and upkeep of the improvements.

CONTACT PERSON

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Website Links:

1. Supplemental Agenda Material - Presentation (Parks, Recreation and Waterfront Department) (PDF): http://www.ci.berkeley.ca.us/uploadedFiles/Clerk/Level_3_-_City_Council/2011/03Mar/Capital%20Improvement%20Plan%20-%20PRW.pdf
2. 1. Parks, Recreation and Waterfront Department Budget Presentation:
http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/03Mar/Documents/2013-03-05_Worksession_Item_01_Parks_Recreation.aspx
3. Supplemental Agenda Material - Presentation (PDF):
http://www.ci.berkeley.ca.us/Clerk/City_Council/2013/03Mar/Documents/2013-03-05_Worksession_Item_01_Parks_Recreation_-_Pres.aspx

