



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: March 5, 2008 REPORT NO: 08-034

ATTENTION: Council President and City Council  
Meeting of March 11, 2008

SUBJECT: Operations and Maintenance costs related to Phase 2 NTC Park in  
connection with the Naval Training Center Redevelopment Project

REFERENCE: Community Facilities District No. 3 (Liberty Station) Special Tax Bonds  
Series A of 2008 Request for Council Action Report No. 08-031, of  
February 28, 2008

REQUESTED ACTION:

This report provides the estimated operations and maintenance costs for Phase 2 of NTC Park in connection with the Naval Training Center Redevelopment Project. No action is required.

STAFF RECOMMENDATION:

This report is for information purposes only; no action is recommended.

SUMMARY:

This report is provided in connection with the City Council item pertaining to the issuance of Community Facilities District No. 3 (Liberty Station) ("CFD No. 3") Special Tax Series A of 2008 (the "2008 CFD Bonds") the proceeds of which would provide the remaining Community Facilities District funding for Phase 2 of NTC Park.

In accordance with the City's Debt Policy, an estimate of operations and maintenance costs associated with capital projects to be funded with a proposed financing is to be provided to City Council prior to, or at the time, the proposed financing is presented for City Council consideration. The City Council will be considering the proposed issuance of CFD No. 3 Special Tax Bonds Series A of 2008 in a principal amount not to exceed \$4.25 million to provide the remaining CFD funding for eligible district improvements, including Phase 2 of NTC Park in connection with the Naval Training Center ("NTC") Redevelopment Project.

The developer, McMillin-NTC, LCC ("McMillin"), expects to complete Phase 2 of NTC Park within sixteen months of the proposed bond sale, thus Phase 2 of NTC Park should be operational in early Fiscal Year 2010. This estimated completion period would conform to the accelerated time-frame set forth in the First Amendment to the NTC Park Improvement

Agreement and would be ahead of the schedule established in the Disposition and Development Agreement between McMillin and the City's Redevelopment Agency. McMillin will be reimbursed with 2008 CFD Bond proceeds for eligible expenditures incurred by McMillin to develop and complete Phase 2 of NTC Park.

Phase 1 of NTC Park was completed and acquired by the City in 2007. Phase 1 included 18 acres of active and passive turf areas, a children's playground area, a comfort station, paved pedestrian walkways, parking lots, landscape and irrigation, park furnishings, half-width street improvements for perimeter streets, and costs for demolition required at the park site.

Phase 2 of NTC Park includes the balance of the 46 acre park with similar elements as Phase 1. Phase 2 will have 2 comfort stations and a large children's play area and approximately 28 acres of additional park. The projected operational and maintenance expenses for NTC Park Phase 2 are based on the acreage and the amenities included. The annual maintenance and operation cost associated with Phase 2 is estimated, in FY08 dollars, to be \$361,757. This consists of 3.23 full-time equivalent employees (Grounds Maintenance Worker II at FY 2008 salaries) and \$184,625 in non-personnel expenses.

The operation and maintenance costs for Phase 2 of NTC Park are included in the overall Park and Recreation Department 5-year plan and thus are included in the Mayor's Five Year Financial Outlook for FY 2009 to FY 2013.

FISCAL CONSIDERATIONS:

Estimated expenditures of \$271,300 are required to operate and maintain Phase 2 of NTC Park for nine months in FY2010. This expenditure will be included in the City FY 2010 Proposed Budget. An additional estimated expenditure of \$90,500 for three months of annualized funding will be requested in the City FY 2011 Proposed Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

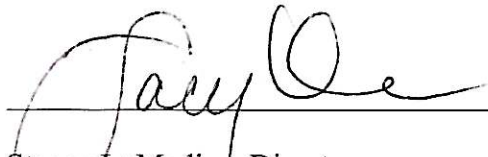
None for NTC Park Phase 2 operations and maintenance expenses.

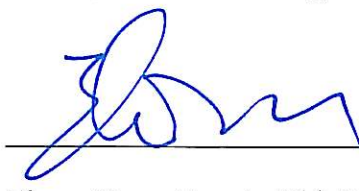
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The San Diego Park and Recreation Board will review future City Park and Recreation Department budgets that will include NTC Park Phase 2 maintenance expenditure requests.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

All citizens of San Diego, as intended users of NTC Park, and the San Diego Park and Recreation Board are key stakeholders.

  
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Stacey LoMedico, Director  
Park and Recreation Department

  
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Elmer Heap, Deputy Chief Operating Officer  
Community Services