



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: June 12, 2014 REPORT NO: 14-040
ATTENTION: Infrastructure Committee Agenda of June 25, 2014
SUBJECT: Allocation of Fiscal Year 2013 Regional Park Improvement Funds
REFERENCE: City Charter, Article V, Section 55.2

REQUESTED ACTION:

Authorize the allocation of Fiscal Year 2013 Regional Park Improvement Funds from AGF-00005, Regional Park Improvements annual allocation, to the California Tower Seismic Retrofit, L-12003; Mohnike Adobe and Hay Barn Restoration, S-13008; Chicano Park ADA Upgrades, S-13003; and Sunset Cliffs Park Drainage Improvements, L-14005, for the purpose of initiating the preparation of construction documents, environmental permits and construction for each of these projects.

STAFF RECOMMENDATION: Approve the recommended allocations.

BACKGROUND:

The San Diego Regional Park Improvement Fund (RPIF), Fund No. 200391, is one of two capital improvement project funds to receive Mission Bay Park lease revenues from leaseholds in Mission Bay Park. The other fund is the Mission Bay Park Improvement Fund, Fund No. 200386. The two funds were established by voter approval of revisions to the City Charter, Article V, Section 55.2 and became effective July 1, 2009, Fiscal Year (FY) 2010. The lease revenue is collected throughout the fiscal year with the final amount collected known in September of the following fiscal year. Therefore, allocations are not made until the final amount to be deposited into the two funds has been determined by the City Comptrollers. For this reason, lease revenue collected during one FY are not allocated to projects until the following FY.

Per the City Charter, RPIF is derived from the first \$2.5 million available or 25%, whichever is greater, of the excess revenue received over a threshold amount of \$23 million in Mission Bay leasehold revenues. The first \$23 million of Mission Bay leasehold revenues goes into the City's General Fund and may be used for any municipal purpose. The threshold amount drops to \$20 million beginning in FY 2015. In FY 2013 the RPIF received \$2.5 million, as per the Charter distribution thresholds.

The purpose of the RPIF is to support capital projects in San Diego Regional Parks, as identified in the City Charter or by City Council Ordinance. San Diego Regional Parks include Chollas Lake Park, Balboa Park, Mission Trails Regional Park, Otay Valley River Park, Presidio Park, San Diego River Park, Torrey Pines City Park (Ordinance O-20088), open space parks and coastal beaches along with contiguous coastal parks. Chicano Park was added to this list by the City Council in October 2013 (O-20311). The San Diego Regional Parks Improvement Fund Oversight Committee (Oversight Committee) is responsible for reviewing proposals for the use of RPIF. The Park and Recreation Board serves as the Oversight Committee.

Prior year allocations approved by the Oversight Committee and City Council:

Fiscal Year	Project	Amount Allocated
2010	Old Mission Dam Preservation – Mission Trails	\$315,000
2010	Diamond Street Coastal Access	\$100,000
2010	Pescadero Street Coastal Access	\$91,000
2010	Ocean Beach Comfort Station Replacement	\$250,000
2011	California Tower Seismic Retrofit Electrical Room	\$750,000
2011	Museum of Man Roof Repair	\$150,000
2011	Mission Trails Reg. Park Multi Trail System	\$200,000
2011	Cowles Mountain Trail – Mission Trails	\$377,000
2011	Los Peñasquitos Ranger Station	\$200,000
2012	Los Peñasquitos Ranger Station	\$800,000
2012	Sunset Cliffs Natural Park Hillside Improvements	\$270,000
2012	Palisades Park Comfort Station	\$400,000
2012	Coastal Beach Access Projects	\$310,000
2012	Trail for All People, Black Mountain Open Space	\$231,000
2012	Chollas Lake Playground Renovations	\$989,000

Beginning in FY2012, the RPIF had a balance of \$3,473,675. The FY2012 allocations approved by the Oversight Committee totaled \$3,000,000 leaving a carry forward balance of \$473,675. Adding the \$2.5 million from FY2013 revenues produces a fund balance (unallocated) of \$2,973,675. As a means to address funding needs for ongoing regional park Capital Improvement Program (CIP) projects to cover changes in project scope and construction change orders, develop a long-range funding strategy for future multi-million dollar projects, and have funding available for grant match opportunities, the Park and Recreation Department recommends approximately \$500,000 of the available funding be held in reserve leaving \$2.5 million available for allocation each year. Employing a strategy to allocate funding over a five-year period allows flexibility to move projects forward to meet some of the needs within our regional park facilities.

DISCUSSION:

When the City Charter, Article V, Section 55.2 became effective on July 1, 2009, (Fiscal Year 2010), it included a clear directive that the RPIF is to be used only for capital improvements. It further defined capital improvement as “physical assets, constructed or purchased, or the restoration of some aspect of a physical or natural asset that will increase its useful life by one

year or more or which constitutes an environmental “*improvement*” of a natural asset.” Simply put, RPIF allocated to a project must result in a Capital Improvement. Prior RPIF allocations were primarily to complete existing CIP projects. Although there are still a few existing CIP projects to complete, it is time to start looking to the future and developing a strategy to begin to fund high priority, and often expensive high dollar improvements. One strategy is simply to not allocate funds until enough funding is saved over the years to fund the design and construction of a particular project or projects. The other approach is to allocate the funding over a five-year period based on funding needs and typical project schedules. The Park and Recreation Department staff is recommending moving forward with the five-year plan option.

Allocating RPIF over a five-year period has a number of advantages over a year to year allocation approach:

- It allows higher dollar projects to be initiated while still leaving funds for smaller projects with shorter timelines.
 - Large projects can take an average of 2-3 years to complete the design and environmental documents, depending upon the complexity of the project and/or environmental issues presented. By assigning future funding to large projects to complete at least a first phase of construction, the design and environmental review can be initiated while still meeting the Charter requirements. Again, once a project is initiated with RPIF it must result in a completed capital improvement within a reasonable period of time, which for tracking purposes is five years or less.
 - Completing the design and environmental documentation also makes the capital project attractive for outside funds, such as grants and private donations which in turn release the financial burden of the RPIF as the only fund source.
 - Flexibility is built into a five-year plan to accommodate changes in a project such as receiving grant funding or unexpected expenses.
- It provides stability and openness on the RPIF allocations by:
 - Looking at long-range funding needs rather than just year to year where higher dollar projects may be neglected due to yearly funding constraints.
 - Providing an overview of where RPIF funding is being allocated over time.
 - Providing a guiding document for audits, reports to the Advisory Groups, and the Oversight Committee.
- Provides clarity on project priorities and sound reasons for allocation recommendations.
 - First priority is to complete existing CIP projects.
 - Helps to ensure distribution of funding is proportionate with public use, asset condition and other funding sources available. Facilities with high public use and no other source of funding are a higher priority for RPIF.
 - Provides flexibility on when project phases are funded. Although a project initially funded for design must continue to move forward to a Capital

Improvement, a five-year outlook allows for funding adjustments to meet a changing environment.

- Provides Advisory Groups with a clear indication of priority projects, thus informing Advisory Groups whether projects they may be interested in are in the queue to receive RPIF or if alternative funding sources must be sought.

The five-year plan assumes the RPIF will receive \$2.5 million a year in coming years. Although future RPIF revenues cannot be predicted, the improving economy and the lowering of the threshold amount in FY15 makes anticipating \$2.5 million per year a reasonable assumption. However, \$2.5 million a year is a relatively small amount when compared to the needs of our regional parks. The RPIF cannot be expected to address all the needs. It can be used to move high priority projects forward and will most certainly be use to leverage funding from other sources.

The RPIF recommended allocations for the FY2013 funds, to be used in the FY2014 CIP, are such to take advantage of a five-year outlook to initiate high priority projects with a commitment to see those projects through to the completion of a capital improvement as required by the Charter. The projects recommended were prioritized using Council Policy 800-14, Prioritizing CIP Projects, completing the funding for existing CIP projects, the desire to address needs within various regional parks, support of community or non-profit organizations, the need to address environmental concerns, and the probability of receiving grant funding to offset or supplement the RPIF.

FISCAL YEAR 2014 RECOMMENDED ALLOCATIONS

The Park and Recreation Department staff is recommending \$2,450,000 of the FY2013 RPIF be allocated to existing CIP projects and to allow the initiation of a new CIP project in FY2014. The projects listed below are recommendations based on current needs and our understanding of project costs. The Park and Recreation Department staff may adjust future year allocation recommendations for the Oversight Committee's review and approval depending on the successful completion of projects that were previously funded by RPIF or other urgent/emergency project needs. Future recommended allocations, based on current cost estimates which are subject to change, are also shown to assign future funds to the following projects:

- **California Tower Seismic Retrofit, Balboa Park, CIP #L-12003**

\$750,000 for FY2014 CIP Budget

\$750,000 for FY2016 CIP Budget

The seismic retrofit study for the historical and iconic California Tower in Balboa Park identified the first item of construction to be the relocation of the electrical room currently within the base of the Tower in order to make room for the seismic reinforcements necessary for the Tower itself. The electrical room work is underway. To protect this valuable City asset, we are recommending \$750,000 be allocated to this existing CIP project in FY2014 CIP budget to initiate the preparation of the construction documents followed by another allocation of \$750,000 in FY2016 to fund the construction and complete the project.

- **Chicano Park ADA Upgrades, CIP #S-13003**

\$200,000 for FY2014 CIP Budget

\$700,000 for FY2018 CIP Budget

The existing comfort station within Chicano Park was constructed in 1974. It is beyond its life expectancy, is not accessible to park users with disabilities, and is too small to meet the demands of this highly used regional park. In recent years, Chicano Park has been awarded funding to address accessibility throughout the park which may include upgrades to both playgrounds. These accessibility improvements will attract more visitors to the park, thus escalating the need for a larger, accessible, and safe comfort station. The recommendation to the Oversight Committee was to allocate \$200,000 for the FY2014 CIP budget to initiate the design of the new comfort station. After the Oversight Committee approval of recommended funding, the Park and Recreation Department, in conjunction with the Planning, Neighborhoods and Economic Development Department, determined the RPIF could be used in combination with Development Impact Fees (DIF) from Barrio Logan to accelerate upgrading the comfort station in Chicano Park. The RPIF will be added to the Chicano Park ADA Upgrades, S-13003, project which currently contains approximately \$710,000. Combining the RPIF with the DIF funds may eliminate the need for future year RPIF funding for the Chicano Park comfort station.

- **Mohnike Adobe and Hay Barn Restoration, CIP #S-13008**

\$500,000 for FY2014 CIP Budget

\$1,000,000 for FY2017 CIP Budget

The Mohnike adobe home, hay barn, and spring reservoir are located at the Rancho Peñasquitos stables within Peñasquitos Canyon Preserve in Rancho Peñasquitos. They are part of the historically designated Mohnike Adobe Cultural Landscape which was placed in the national register of historic places in 2002. The site is located in the eastern end of the Los Peñasquitos Canyon Preserve. The City is required to protect historic resources per the San Diego Municipal Code, section 143.0250, General Development Regulations for Historical Resources which requires that:

Designated historical resources that are occupied shall be maintained in the same manner as all other occupied *structures* in accordance with the Uniform Building Code and State Historic Building Code and in a manner that preserves their historical integrity.

Designated historical resources that are unoccupied shall be maintained in a manner that preserves their historical integrity.

In 1999, a Historic Structures Report was completed for the Mohnike Adobe home, hay barn and spring reservoir. Phase I of the rehabilitation program for the adobe home was completed in 2005. Additionally, the Historic Structures Report called for the rehabilitation of the hay barn also within the historic cultural landscape. Winter storms in 2010 severely damaged the hay barn creating an emergency situation in which the City Council approved the appropriation of \$126,928 for emergency shoring up of the barn to stabilize the building which had moved off its foundation in some locations. No historic renovations were made as a part of this emergency action. A Treatment Plan and an update to the 1999 Historic Structure Report are required prior to developing architectural and engineering plans for the rehabilitation work. The scope of the

project will be to restore the hay barn, address Phase II recommendations for the adobe home, including accessibility, to further protect this valuable historic resource. The recommended allocation of \$500,000 for the FY2014 CIP budget will initiate the design and environmental permitting. An allocation of \$1,000,000 for the FY2017 CIP budget will provide funding for the highest priority restorations.

- **Sunset Cliffs Park Drainage Improvements (Phase 1) – CIP #L-14005**

\$1,000,000 for FY2014 CIP Budget

\$1,000,000 for FY2017 CIP Budget

\$2,000,000 for FY2019 CIP Budget

The Sunset Cliffs Natural Park Master Plan identifies a vision for this unique coastal park. “Create a Park where people can enjoy San Diego’s natural coastal environment as it once was...” Manmade improvements near the park have created uncontrolled storm water runoff through the park, thus severely eroding the fragile soils and threatening the beautiful coastal bluffs. As the Master Plan recommended, a comprehensive drainage study was completed in 2012 which provided recommendations on addressing the storm water runoff and subsequent soil erosion. The recommended allocation of \$1 million for the FY2014 CIP budget will initiate the design and environmental permitting for the first phase of the drainage improvements to address the most serious conditions. Allocations of \$1 million in FY2017 and \$2 million in FY2019 are anticipated to be sufficient to construct phase 1 of the drainage improvements.

These recommendations have been presented to the appropriate regional park advisory groups via memorandum and/or presentation.

Attached is a list of the RPIF eligible projects within our regional parks/facilities along with the projects that are proposed to receive RPIF funds. This list of projects is by no means an exhaustive list. Some projects such as “Trail Improvements” are very generic in nature and need to be fleshed out to identify the specific improvements needed. Other projects such as the “Sunset Cliffs Park Drainage Improvements” have had technical studies completed with clearly defined scopes of work.

SUMMARY:

The Oversight Committee approved \$2.45 million of the FY2013 RPIF be allocated to existing CIP projects and to allow the initiation of a new CIP project in FY2014. The remaining funds will stay in the fund balance and be available for future allocations. The allocations over five years approved by the Oversight Committee on January 16, 2014 were:

- **California Tower Seismic Retrofit, Balboa Park, CIP #L-12003**

\$750,000 for FY2014 CIP Budget

\$750,000 for FY2016 CIP Budget

- Chicano Park Comfort Station Replacement (Now Chicano Park ADA Upgrades, #S-13003)
\$200,000 for FY2014 CIP Budget
\$700,000 for FY2018 CIP Budget
- Mohnike Adobe and Hay Barn Restoration, CIP #S-13008
\$500,000 for FY2014 CIP Budget
\$1,000,000 for FY2017 CIP Budget
- Sunset Cliffs Natural Park Drainage Improvements (Phase 1) CIP #L-14005
\$1,000,000 for FY2014 CIP Budget
\$1,000,000 for FY2017 CIP Budget
\$2,000,000 for FY2019 CIP Budget

Combining RPIF with Barrio Logan DIF will accelerate the ADA upgrades of the comfort station within Chicano Park and may eliminate the need for future RPIF to be allocated to the comfort station.

In addition to the projects approved by the Oversight Committee, the RPIF five-year plan identified future year allocations of RPIF to accessibility upgrades at the Junípero Serra Museum in Presidio Park, additional funding for coastal access improvements, and continuation of the Hillside Improvements project within Sunset Cliffs Natural Park.

FISCAL CONSIDERATIONS:

This action will authorize the transfer of \$2.45 million from Fund No. 200391 within AGF-00005, Regional Park Improvements annual allocation to various Capital Improvement Program projects within the City's regional and open space parks.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In October 2013, Ms. Stacey LoMedico, then Director of the Park and Recreation Department, sent a memo to all the park advisory groups who have an interest in how the Regional Park Improvement Funds are allocated. The memo offered a presentation on the Department's recommended allocations for the Fiscal Year 2013 Regional Park Improvement Funds. A presentation was made to the Mission Trails Regional Park Citizen Advisory Committee (CAC) and the Balboa Park Committee. Those groups who received the memo, but did not ask for a presentation were the Open Space Canyons CAC, Black Mountain Open Space Park CAC, Los Peñasquitos Canyon Preserve CAC, Tecolote Canyon Natural Park CAC, Marian Bear Recreation Council, Sunset Cliffs Natural Park Council, and the Chollas Lake Recreation Council.

On January 16, 2014, the Department's recommended allocations of the Fiscal Year 2013 Regional Park Improvement Funds were presented to the Regional Park Improvement Fund Oversight Committee where they were approved unanimously.

On March 27, 2014, the Department's recommended allocations of the Fiscal Year 2013 RPIF were presented to the Capital Improvement Program Review and Advisory Committee (CIPRAC) where they received unanimous approval.

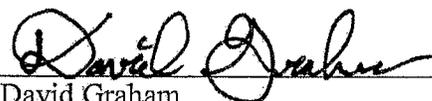
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

San Diego citizens and visitors who use the City's regional, open space and coastal parks benefit from the capital improvements these funds help provide. The proposed CIP projects will preserve valuable City resources and upgrade existing park facilities for the public to use and enjoy.

Respectfully Submitted,



Herman D. Parker
Park and Recreation Director



David Graham
Deputy Chief Operating Officer