



CITY OF POMONA COUNCIL REPORT

May 1, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Reconsider Prior Appropriation of Excess RDA Bond Proceeds in the Amount of \$7,164,970 to Holt Avenue Reconstruction to Enable Funds to be Utilized for Park Improvement Projects' Budget Shortfall**

OVERVIEW

Recommendation – That the City Council discuss its prior appropriation of Excess RDA Bond Proceeds in the amount of \$7,164,970 to “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxx-71047 to determine if these funds should be utilized for the Park Improvement Projects' budget shortfall.

Fiscal Impact – The “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxxx-71047 is funded with Series “AX” Bond Proceeds in the amount of \$7,164,970. Recently, Staff received construction bid responses related to six Parks Improvement Projects. Based on the bids received, these projects have a collective funding shortfall of \$605,271 as shown in the following table:

Project	Current Budget	Revised Budget	Funding Need
Kennedy Park Field Improvements (428-2590-xxxxx-71027)	\$255,000	\$397,324	\$142,324
MLK Park – Gazebo (428-2590-xxxxx-71028)	\$70,000	\$100,986	\$30,986
Esperanza y Alegria Park (428-2590-xxxxx-71029)	\$379,000	\$624,081	\$245,081
Garfield Park – ADA Ramps (428-2590-xxxxx-71032)	\$24,000	\$24,000	\$0
Phillips Paw Park (428-2590-xxxxx-71033)	\$365,298	\$482,327	\$117,029
Ganesha Park – Tree Grove (428-2590-xxxxx-71034)	\$50,000	\$119,851	\$69,851
	\$1,143,298	\$1,748,569	\$605,271

There has been a request to reduce the City Council's previously approved allocation to the "Holt Avenue Reconstruction" Project in order to fund the shortfall, rather than utilize each Councilmember's allocation of RDA Bond Proceeds dedicated for District projects. Three of the six Park Improvement Projects that require additional funding (highlighted in the table) are within the RDA merged project area. These three projects have a combined shortfall of \$393,096. Should City Council opt to move forward with this request, the revised "Holt Avenue Reconstruction" project budget would be reduced from the current amount of \$7,164,970 to \$6,771,874.

Previous Related Action – On June 6, 2016, City Council adopted the FY 2016-17 Capital Improvement Program (CIP) Budget, including the "Excess RDA Bond Proceeds Allocation," Project No. 428-2590-xxxxx-71041 (Excess RDA Project). Prior to this date, Council discussed the use of former Redevelopment Agency excess bond proceeds numerous times over the past few years. On December 19, 2016, City Council adopted a resolution amending the FY 2016-17 CIP budget by creating a new project, "Street Improvements – District 5," Project No. 428-2590-xxxxx-71045, and reappropriating \$547,034 of Series "W" Bond Proceeds and \$1,177,026 of District 5 Series "AX" Bond Proceeds to "Street Improvements – District 5," Project No. 428-2590-xxxxx-71045; and reappropriating \$45,000 of Series "W" Bond Proceeds to "Phillips Ranch Park - Dog Park," Project No. 428-2590-xxxxx-71033. On January 23, 2017, \$2,000,000 of District 2 Series "AX" Bond Proceeds was appropriated to the "Downtown Parking Structure," Project No. 441-6725-xxxxx-73368 from "Excess RDA Bond Proceeds Allocation," CIP Project No. 428-2590-xxxxx-71041. On February 27, 2017, \$2,000,000 of Mayoral Series "AX" Bond Proceeds and \$500,000 of District 1 Series "AX" Bond Proceeds from "Excess RDA Bond Proceeds Allocation," CIP Project No. 428-2590-xxxxx-71041 were allocated to "Downtown Parking Structures," CIP Project No. 441-6725-XXXXX-73368. On March 6, 2017, City Council adopted a resolution amending the FY 2016-17 Capital Improvement Program (CIP) Budget by creating a new CIP Project "Holt Avenue Reconstruction," Project No. 428-2590-XXXXX-71047 and appropriated excess RDA Bond proceeds ("Series AX") in the amount of \$7,164,970 to this project.

EXECUTIVE SUMMARY

Based on the bids received through the formal bidding process for the Park Improvement Projects, there is a need for additional funds to complete the six park projects. The initial recommended funding strategy would be to utilize the individual District RDA bond proceeds to fund the District project's shortfall, when the park is eligible. However, a recommendation has been made to have City Council reconsider its prior appropriation of Excess RDA Bond Proceeds in the amount of \$7,164,970 to "Holt Avenue Reconstruction," Project No. 428-2590-xxxxx-71047 to enable these funds to be utilized for the budget shortfall. The direction received will enable Staff to prepare the necessary resolutions for fully funding the Park Improvement Project shortfall and award the construction contract.

DISCUSSION

The LACRPOSD grant funds were accepted by City Council in June 2015 for various park improvements, including the six projects subject to construction contract award:

- Kennedy Park – Field Improvements (428-2590-xxxxx-71027)
- Martin Luther King Park – Gazebo (428-2590-xxxxx-71028)
- Esperanza y Alegria Park, formerly Angela / Chanslor – New Pocket Park (428-2590-xxxxx-71029)
- Garfield Park – ADA Ramps (428-2590-xxxxx-71032)
- Phillips Paw Park, formerly Phillips Ranch Park – Dog Park (428-2590-xxxxx- 71033)
- Ganesha Park – Tree Grove (428-2590-xxxxx-71034)

The completion of the design for various park improvements allowed Staff to move the six CIP Park projects forward through the construction bid process. Following the appropriate bid process, three bids were received ranging from \$1,306,641 (lowest) to \$4,542,978 (highest), with the bids compared based upon the lowest combined sum total of project base bids (for all six projects) and all listed additive alternates (for all six projects).

The base bid is the original scope of work, and the additive alternates allow for additional specific work to be completed, if funds allow. Not all projects included an additive alternate as the project scope did not require an alternate at the time of development. Descriptions of the base bids and the recommended additive alternates, based on priority, need, and funding availability, are noted in Attachment 1.

The projects, as recommended, require additional funding, as shown in the following table. The additional funding needed for these projects is primarily the result of strong market demand conditions, inclusion of some additive alternate work, plus the grant requirement to employ California Conservation Corps (CCC) youth, versus the fixed original grant budget.

Project	Current Budget	Revised Budget	Funding Need
Kennedy Park Field Improvements (428-2590-xxxxx-71027)	\$255,000	\$397,324	\$142,324
MLK Park – Gazebo (428-2590-xxxxx-71028)	\$70,000	\$100,986	\$30,986
Esperanza y Alegria Park (428-2590-xxxxx-71029)	\$379,000	\$624,081	\$245,081
Garfield Park – ADA Ramps (428-2590-xxxxx-71032)	\$24,000	\$24,000	\$0
Phillips Paw Park (428-2590-xxxxx-71033)	\$365,298	\$482,327	\$117,029
Ganesha Park – Tree Grove (428-2590-xxxxx-71034)	\$50,000	\$119,851	\$69,851
	\$1,143,298	\$1,748,569	\$605,271

Reconsider Prior Appropriation of Excess RDA Bond Proceeds

May 1, 2017

Page 4 of 4

The RDA-eligible projects are highlighted in the previous table. Based on a request from a Councilmember, Staff has been asked to have City Council reconsider its prior appropriation of Excess RDA Bond Proceeds in the amount of \$7,164,970 to the “Holt Avenue Reconstruction,” Project No. 428-2590-xxxxx-71047 (Holt Avenue Project). The intent of the request is to fund the project shortfall from the Citywide allocations rather than the individual District allocations. Based on the three projects that are within the Merged Project Area, there is a total budget shortfall of \$393,096 that would be eligible for this funding. If approved, the action would reduce the prior appropriation from \$7,164,970 to \$6,771,874 for the Holt Avenue Project. While it is not expected that this would shorten the original project limits (Humane Way to Dudley Street), Staff would anticipate that this reduction would cause some of the streetscape elements of the Corridors Specific Plan (e.g. decorative street lights) to be bid as additive alternates, and implemented only if funds allow.

The Staff-recommended funding strategy would be to leave the Holt Avenue Project fully funded and utilize individual District RDA bond proceeds to fund District projects, when the park is eligible. A funding strategy for the other park improvement projects that are not eligible for RDA bond proceeds, along with the award of the construction contract, will be brought back for Council consideration at the May 15, 2017 meeting.

- Attachments:
1. Base Bids and Recommended Additive Alternates
 2. Vicinity Map (Holt Avenue)
 3. Holt Avenue CSP Exhibit
 4. RDA Merged Project Area and Park Map

Prepared by: Rene Guerrero, City Engineer

17-549