



Meeting Date: 11/06/2007

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michelle Romney, Administrative Branch Services Manager Agenda Item No. 0-1

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance SW Other: [Signature]

DATE: October 29, 2007

TO: City Council

FROM: Ken Ortega, Public Works Director [Signature]
Public Works Department

Michelle Romney, Administrative Services Manager
Public Works Department Michelle

SUBJECT: College Park Phases 1 and 2 Financing Plan

RECOMMENDATION

That City Council:

1. Approve the Financing Plan for the development of Phase 1 only of College Park located at 3250 So. Rose Avenue and appropriate the proceeds of \$6,107,800 from the proceeds of the sale of property adjacent to River Ridge Golf Course, and \$2,775,100 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way towards the construction of the project.
2. In the alternative, approve the Financing Plan to fund the build-out of College Park, Phases 1 and 2, inclusive of the Big League Dreams Sports Complex and direct the Public Works Director to prepare a scope of work and fee schedule in preparation for construction bid documents for the development of Phase 2 of College Park located at 3250 So. Rose Avenue and appropriate the proceeds of \$6,107,800 from the proceeds of the sale of property adjacent to River Ridge Golf Course, and \$5,760,000 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way towards the construction of the project.

SUMMARY

On July 26, 2005, the City Council approved the Planning, Design and Construction Consulting Services Agreement No. A-6517 with Big League Dreams Consulting, LLC (BLD). The City Council approved Agreement No. A-6712 dated July 1, 2006 to loan \$600,000 from the Wastewater Fund, for the design, engineering, and construction of the College Park Master Plan. The loan must be repaid by June 30, 2008.

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The City Council adopted Resolution No. 13,151 on July 25, 2006 approving the College Park Master Site Plan, adopting a statement of findings, and adopting the mitigation-monitoring program for a 75-acre regional park located at the southeast corner of Rose Avenue and Channel Islands Boulevard. The City Council approved Agreement No. A-6727 with RJM Design Group, LLC (RJM) on August 1, 2006. More recently, the City Council approved the grant-funded phase of the development and operation of College Park (Phase 1) on March 6, 2007 and directed the Public Works Director to prepare plans and specifications for the construction of the grant-funded phase of College Park.

On July 17, 2007, the City Council held a Study Session to review RJM's final-draft work, and staff's comprehensive review of construction alternatives and initial fiscal analysis. Specifically, staff presented, and the City Council supported the BLD Sports Park operation for the baseball and softball fields at College Park as the preferred alternative, and requested that staff prepare a detailed financial plan to fund and operate the preferred alternative and the build-out of College Park.

DISCUSSION

PROJECT COST ESTIMATE SUMMARY

At the July 17, 2007 City Council Study Session, RJM's preliminary design and construction cost estimates, and staff's associated review of total project costs resulted in the development of three (3) complementary phases of work, inclusive of the preferred BLD Sports Park.

Phase 1, at an estimated cost of \$14,296,500 includes, but is not necessarily limited to, constructing five lighted soccer fields, three lighted basketball courts, a public restroom facility, volleyball courts, group picnic areas, two dog parks, a tot lot, irrigated landscaping, parking lot expansion and new construction, and miscellaneous park components. Phase 1 has also been divided into sub-phases in order to align the planned improvements with a range of grant funding requirements and expenditure deadlines. In its latest action on August 7, 2007, the City Council approved plans and specifications for the Phase 1A project, which provides for the construction of the aforementioned basketball courts, the tot lot, associated parking lot, and other miscellaneous park components.

Phase 2, at an estimated cost of \$27,224,900 now includes the BLD Sports Complex alternative. The Sports Complex layout provides for a total of five lighted ball fields and the required amount of adjacent parking. The BLD Sports Complex also includes a restaurant/concession facility, group picnic area, batting cages, and covered soccer arena.

Phase 3 includes, but is not necessarily limited to, main entry enhancements, irrigated landscaping, parking lot and associated roadway improvements, and wetland enhancements. Staff recommended to City Council at its July 17, 2007 Study Session that a more thorough analysis of the existing habitat and delineation of the protected wetland area be performed before a final recommendation and detailed improvement plan be prepared. Therefore, Phase 3 is not included in the financial analysis at this time. The total estimated cost of Phase 1 and 2 is \$41,521,400.

GAP FINANCING PLAN

This Gap funding proposal goes back to the original concept that College Park would be developed as a Community Park with a regional focus and that it would leverage the use of Quimby fees from throughout the City. Developing a park of this type and magnitude is at the core of what Quimby fees

are intended for in providing recreational opportunities and services to the entire community. Staff is recommending that the City Council commit to using Quimby fees from various developments to further the construction and development of larger parks such as, but not limited to, College Park. During the development entitlement process, payment of Quimby fees occurs when building permits are obtained.

Phase 1 can be developed with cash reserves and requires no debt financing to complete. There is \$6,107,800 from the sale of property adjacent to River Ridge Golf Course and \$5,760,000 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way, that could be used toward the construction of the College Park.

Table 1, summarizes the costs and potential current and future funding sources that staff has identified that could be applied toward the construction of Phases 1 and 2 of the College Park project.

TABLE NO 1
GAP Funding Summary

COSTS		
<u>Phase Costs</u>	<u>Phase 1</u>	<u>Phase 1 & 2</u>
Phase 1 (Soccer Complex, etc.)	\$14,296,500	\$14,296,500
Phase 2 (BLD Sports Park, etc.)	-	\$27,224,900
TOTAL COSTS:	\$14,296,500	\$41,521,400
FUNDING		
<u>Existing Project Funding Sources</u>		
Grant Funding	\$5,213,600	\$5,213,600
City Contributions	\$200,000	\$200,000
<i>Total Existing Project Funding:</i>	\$5,413,600	\$5,413,600
<u>Quimby Development Fee Sources</u>		
Future Projects	-	\$24,240,000
<i>Total Quimby Funding:</i>	\$0	\$24,240,000
<u>Other Potential Funding Sources</u>		
Golf Course Property Sale	\$6,107,800	\$6,107,800
Breakers Way Parcel	\$2,775,100	\$5,760,000
<i>Total City Revenue:</i>	\$8,882,900	\$11,867,800
TOTAL FUNDING:	\$14,296,500	\$41,521,400

DEBT SERVICE STRATEGY

Phase 1 can be developed with cash reserves and requires no debt financing to complete. Financing the construction of Phase 2 will necessitate the issuance of bonds. A variable rate bond issuance would be the most efficient vehicle to finance the construction since any amount of the bonds can be paid off at any time with no prepayment penalty. Any one-time funding sources could be applied toward the construction of the project upfront or via pay-down of the bonds.

If City Council approves the allocation of \$6,107,800 from the sale of property adjacent to River Ridge Golf Course and \$5,760,000 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way, then Phase 1 of the Project can be constructed with cash on hand. Phase 2 of the Project would be funded through the issuance of approximately \$30 million in bonds to finance the remaining unfunded Project costs totaling \$24,240,000. The proposed variable rate bond issue, totaling \$30 million, includes two years of capitalized interest while Phase 2 is under construction. As a result, debt service payments would not need to be budgeted until Fiscal Year 2009-10. From Fiscal Year 2009-10 through Fiscal Year 2014-15, General Fund debt payments would be approximately \$1.8 million annually. From Fiscal Year 2015-16 through Fiscal Year 2037-38, annual debt payments would increase to approximately \$2.5 million per year. This ramp-up in debt service, beginning in Fiscal Year 2015-16, could be absorbed in the budget since approximately \$1.8 million in debt service will no longer need to be budgeted due to the retirement of the City's Lease Revenue Refunding Bonds, Series 2003 A during Fiscal Year 2014-15. As North Shore and other future parcels develop and pay Quimby fees, proposed General Fund debt service payments could be reduced further as Quimby fees are applied to pay down bonds.

MAINTENANCE AND OPERATIONAL PROJECTIONS FOR PHASES 1 AND 2 OF COLLEGE PARK

College Park, exclusive of the 22-acre ball field complex, consists of 53 acres of regional park amenities and components that will be maintained and operated by City staff. Maintenance and operations cost estimates were developed for College Park to determine the activities, materials and equipment necessary to maintain the features within the park. The cost projection includes labor, materials and supplies, utilities, and life-cycle equipment costs. An inventory of park facilities was completed and a list of activities developed. Time standards based upon local historical data and comparisons with other cities were used in combination with the frequency of each activity to determine the annual labor and equipment hours required. Material, supply and utility costs were developed based upon planned frequency of activities and quantities per occurrence.

The total cost for the City to maintain the areas that are not part of the baseball/softball fields is estimated to be \$984,000 annually. College Park has a wide variety of activities and areas. The estimated maintenance cost for the five soccer fields is \$283,600 and \$700,400 for the remainder of the park excluding the baseball/softball fields. This cost projection assumes three full time maintenance positions consisting of one Senior Groundswoker, two Groundswoker I/II's, and five Limited-Benefited Employee positions. Materials and supplies are based upon activities and frequencies while utilities are projected based upon current similar facilities and electrical demand of the specific features within this area. Necessary maintenance equipment and vehicles are determined by the operation; repair and annualized replacement costs are applied to the hours of use. These costs are projected to increase at the average annual rate of 3%, based upon Consumer Price Index history. City staff researched the maintenance costs of similar park facilities and has determined that the

College Park projected costs are within a plus or minus 10% range of the cost experience of comparable facilities. The cost for City staff to program activities and operate the five soccer fields is estimated to be \$84,000 annually. This cost would be for recreation staff and supplies to calendar the various soccer or little league football events that may take place on these fields. The combined total maintenance and operations cost to the City for College Park will be \$1,068,000 annually, excluding the baseball/softball fields.

Table 2 indicates the estimated revenues that would be generated by the City operations of College Park, other than the baseball/softball fields. These revenues would be used to offset the City's cost to maintain and operate the areas described above.

TABLE 2
City Revenue Projections

<u>City Revenue Projections</u>	<u>Year 1</u>	<u>Year 5</u>	<u>Year 10</u>
BLD Fixed Fee Payment	-	\$193,602	\$193,602
BLD Revenue Payments	-	\$28,547	\$30,538
City Soccer Revenues	\$172,000	\$209,067	\$266,828
TOTAL CITY REVENUE:	<u>\$172,000</u>	<u>\$431,216</u>	<u>\$490,968</u>

In addition, according to the terms of the agreement with BLD, the City will receive a fixed fee payment of \$193,602 beginning in the fourth year of operation and continuing until the end of the contract or any amendments. In the first year of operations the estimated revenue generated from the City programming the 5 soccer fields at College Park is \$172,000. It is estimated that the City will increase its soccer fees by 5% per year beginning in the second year of operation and every year thereafter.

Section 8.2(b) of the Planning, Design and Construction Consulting Services Agreement No. A-6517 with BLD states that in the fourth year of operations, the fixed fee and the variable maintenance and operations clause goes into effect. This provision requires that BLD pay the City a percentage of gross revenues based on various revenue thresholds as prescribed by the agreement.

Table 3 is a reproduction of this section of the agreement and shows that BLD will make payments to the City as follows: 1% of gross revenues if gross revenues range between the First and Second Thresholds defined below; 2% of gross revenues if gross revenues range between the Second and Third Thresholds defined below; or 3% of gross revenues if gross revenues range between the Third and Fourth Thresholds defined below. Note that contract thresholds increase by 5% each year.

TABLE 3
Contractual Thresholds

Operating Year	First Threshold	Second Threshold	Third Threshold	Fourth Threshold
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	3,000,000	4,500,000	6,000,000	7,500,000
5 through 9	3,150,000	4,725,000	6,300,000	7,875,000
10 through 14	3,307,500	4,961,250	6,615,000	8,268,750
15 through 19	3,472,875	5,209,313	6,945,750	8,682,188
20 through 24	3,646,519	5,469,778	7,293,038	9,116,297
25 through 29	3,828,845	5,743,267	7,657,689	9,572,112
30 through 34	4,020,287	6,030,430	8,040,574	10,050,717
35 through last year of term/extension	4,221,301	6,331,952	8,442,603	10,553,253

Table 4 reflects the maintenance and operational projections associated with Phase 2 for the first five years of operation. These projections are based on operational figures for parks that are similar to the College Park project.

TABLE 4
Phase 2 Maintenance and Operations Projections

Five Fields, 1 Stadium Club	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Income	\$1,284,501	\$1,686,698	\$2,097,686	\$2,504,617	\$2,770,459
Expense	\$1,529,044	\$1,802,034	\$1,963,474	\$2,132,404	\$2,268,218
NET INCOME:	-\$244,543	-\$115,336	\$134,212	\$372,213	\$502,241
City M&O Payment	-	-	-	\$222,149	\$227,093
NET CASH FLOW:	-\$244,543	-\$115,336	\$134,212	\$150,064	\$275,148

ECONOMIC IMPACTS OF TOURISM

The Oxnard Convention & Visitors Bureau commissioned Lauren Schlau Consulting to study the economic impacts of tourism in Oxnard. The study completed in 2006 and entitled "Study of Impacts of Tourism (2005-2006)" related that visits by people from out of the area provide positive economic impact upon the local economy and local tax base. Visitors spend money on motel rooms, restaurants, grocery and retail stores. The impact on specific activities or facilities can be measured in terms of economic impact over a defined period of time.

In a Big League Dreams Sports Park, some sales are subject to California sales tax. The City of Oxnard receives about 1% of total taxable sales within the City limits. BLD sales tax generation is based upon their projections of food/beverage and retail sales for the first five years. The operation of the City's

Sports Complex by BLD will include regional and state tournaments. These tournaments draw teams from outside the area for a weekend up to a week.

The study's economic impacts of tourism projections are structured to be conservative in the number of tournaments expected and the percentage of out of area visitors. The study establishes thresholds to calculate the anticipated Transient Occupancy Tax and Sales Tax revenue that would be generated to the City treasury. The assumptions for the model consist of an estimated 640 youth/adult teams each year (a total of about 7,900 people), and include 25 tournaments per year with an average of 24 teams per tournament. It is assumed that half will be youth and half adult tournaments. Spectators per player are derived from local experience, BLD projections, and experience of other cities that have hosted regional and state tournaments.

The assumption is made that out of area teams will be about 65% of all teams participating in tournaments held at College Park. Motel room rates are derived from "California Fast Facts 2000 – Statewide and Regional Tourism Facts and Figures", a publication of the California Division of Tourism. It is estimated that each player spends about \$260 for each weekend between hotel, restaurants, entertainment, and other expenses. Tourism revenue to the City's economy from regional tournament leagues is estimated to be \$2,000,000 annually. BLD would create eighty additional jobs between the BLD Sports Park and surrounding businesses.

On April 13, 2007 City Council received the Fiscal Year 2007 thru 2012 Six Year General Fund Financial Forecast Report. The report indicated that except for the early years of the forecast period, Oxnard's revenue picture remains strong throughout the forecast period. The projected impact of the Traffic Initiative to the economic forecast would be dramatically decreased.

As reflected in Table 5, it is anticipated that there are sufficient reserves in Fiscal Year 2009-10 to cover the additional costs to the General Fund for this project pending the outcome of the traffic initiative.

Table 5 summarizes the anticipated surplus with and without the Traffic Initiative.

TABLE 5
Anticipated Surplus With and Without the Traffic Initiative

<u>Description</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Forecasted Surplus	100,000	900,000	1,280,000	2,280,000	3,200,000	4,360,000
Development Related Property Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>500,000</u>	<u>850,000</u>
Surplus / (Deficit) without Traffic Initiative	100,000	900,000	1,280,000	2,430,000	3,700,000	5,210,000
Impact of Traffic Initiative	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,500,000)</u>	<u>(8,200,000)</u>	<u>(11,000,000)</u>
Surplus / (Deficit) with Traffic Initiative	100,000	900,000	1,280,000	(4,070,000)	(4,500,000)	(5,790,000)

FINANCING PLANS

RECOMMENDATION NO. 1 - FINANCING PLAN FOR PHASE 1

Staff recommends Phase 1 only as the preferred alternative at this time. Staff has analyzed potential future funding sources and revenue streams for the City. Based on this analysis, staff believes the City would have the financial resources to fund the construction and operation for Phases 1. The cost of constructing Phase 1 Only is estimated to be \$14,296,500.

College Park SE-2 Project No. 055703 has available funding of \$5,413,600 for Phase 1 development. State grants totaling \$5,213,600 for park development excludes the baseball/softball fields. The loan of \$600,000 from the Wastewater Fund must either be repaid with interest by June 30, 2008, or renegotiated.

Staff recommends that \$6,107,800 from the sale of property adjacent to River Ridge Golf Course, and \$2,775,100 from the sale of property adjacent to Breakers Way be dedicated to fund, in its entirety, Phase 1 Only with available cash reserves.

Staff's financial analysis indicates that the \$1,068,000 in operation and maintenance costs of College Park will be budgeted in the General Fund.

RECOMMENDATION NO. 2 - FINANCING PLAN FOR PHASES 1 AND 2

Staff took RJM's preliminary design and prepared the subject fiscal analysis for financing the construction, the net debt service, and the expected revenues and expenses for operating and maintaining Phases 1 and 2 of College Park. The cost of constructing the BLD Sports Complex is estimated to be \$41,521,400. Staff's financial analysis indicates that operating College Park with the BLD Sports Complex will be \$1,068,000 annually. Approximately \$2 million in annual tourism revenue to the City's economy from regional tournament leagues will offset these costs.

If City Council approves the allocation of \$6,107,800 from the sale of property adjacent to River Ridge Golf Course and \$5,760,000 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way, towards the construction of the project, the total size of the bond is estimated at \$37.8 million. Debt service is estimated at \$2.2 million per year between fiscal year 2009-10 and fiscal year 2014-15, and \$3.1 million between fiscal year 2015-16 and Fiscal Year 2037-38. As North Shore and other future parcels develop and pay Quimby fees, proposed General Fund debt service payments would be reduced further as Quimby fees are applied to pay down bonds.

Staff has analyzed potential future funding sources, revenue streams for the City, and debt service options. Based on this analysis, staff believes the City would have the financial resources to fund the construction and operation for Phases 1 and 2 of the build-out of College Park. Staff's financial analysis indicates that the operation and maintenance costs of College Park will be \$1,068,000 annually. Tourism revenue to the City's economy from regional tournament leagues is estimated to be \$2,000,000 annually. BLD would create eighty additional jobs between the BLD Sports Park and surrounding businesses.

FINANCIAL IMPACT

The special budget appropriation will transfer \$6,107,800 from the proceeds of the sale of property adjacent to River Ridge Golf Course (651-6401-808-8712) and \$2,775,100 from the sale of property located on the west side of Harbor Boulevard, between Breakers Way and Reef Way (101-1002-808-8712) and appropriate the total of \$8,882,900 to the College Park Project (301-5723 # 055703).

Attachment #1 – Special Budget Appropriation

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

November 6, 2007

Request is hereby made for an appropriation of total \$ 8,882,900

Reason for appropriation: Appropriate proceeds of the sale of property adjacent to River Ridge Golf Course and the Breakers Way property.

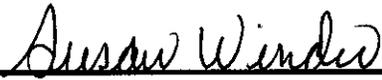
<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
General Fund (101)	Non-Departmental	
	101-1001-	
	581-7524 - Sale of Real Property	(2,775,100)
	101-1002-	
	808-8712 - Transfer to Capital Outlay	<u>2,775,100</u>
	Net Estimated Change to General Fund Operating Reserve	<u>-0-</u>
Capital Outlay (301)	College Park	
	301-5723- (055703)	
	711-7901 - Transfer from General Fund	(2,775,100)
	711-7916 - Transfer from Golf Course Fund	(6,107,800)
	826-8604 - Improv Not Build - New	<u>8,882,900</u>
	Net Estimated Change to Capital Outlay Fund Balance	<u>-0-</u>
Golf Course (651)	Golf Course	
	651-6401-	
	808-8712 - Transfer to Capital Outlay	<u>6,107,800</u>
	Net Change to Golf Course Fund Balance	<u>(6,107,800)</u>



Manager

REQUIRES CITY COUNCIL APPROVAL

DIRECTOR OF FINANCE



Susan Windes

Disposition	Approved _____
Transfer by Journal Voucher _____	Rejected _____
	_____ City Manager

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