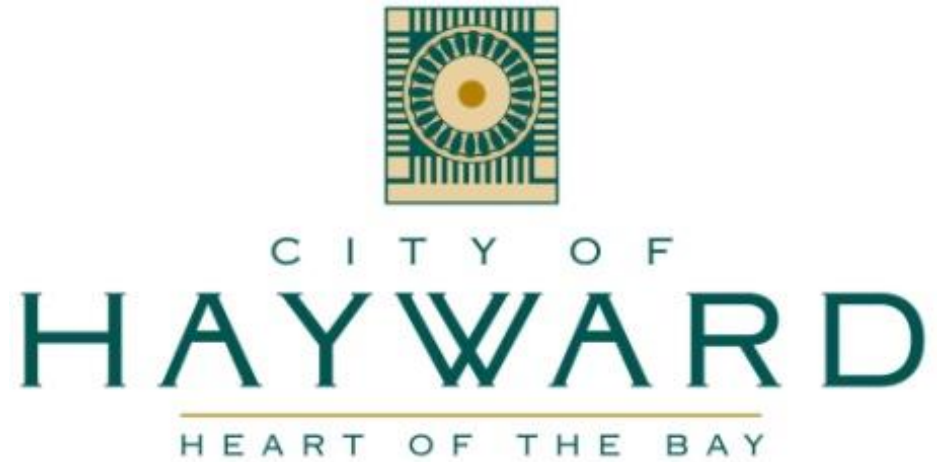


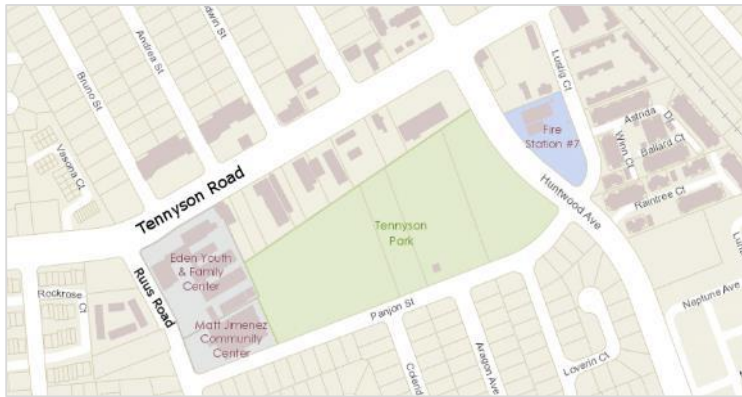
**CITY COUNCIL MEETING
TUESDAY, DECEMBER 13, 2016**

PRESENTATIONS

Item #9 WS 16-073

South Hayward Family Center Project Update





WORK SESSION

HAYWARD CITY COUNCIL and
H.A.R.D. BOARD OF DIRECTORS

SOUTH HAYWARD FAMILY CENTER PROJECT
DECEMBER 13, 2016

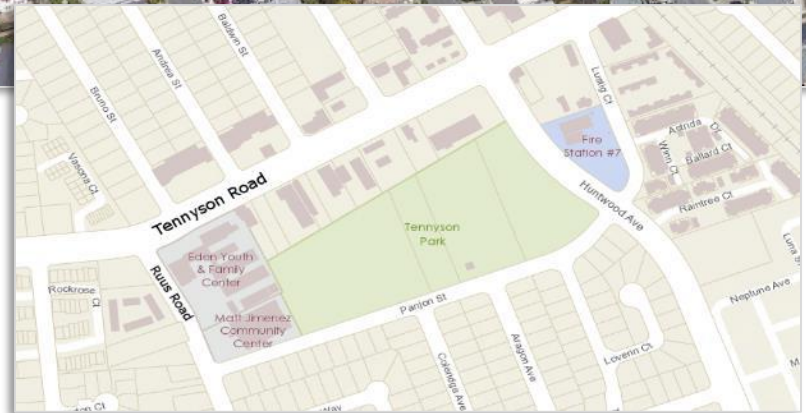


ILLUSTRATION



SITE MAP

PARCEL MAP





OVERVIEW

- City of Hayward property at 680 W. Tennyson Road / Ruus Road
- Multiservice youth & family center since 1979
- Facility is deteriorating; new physical facility is needed
- Extensive past community engagement and visioning efforts
- Revitalized fundraising efforts led by Supervisor Richard Valle
- City, County, HARD formed Governance Group partnership
- Commissioned a pre-conceptual design and cost estimate
- Issued a Facility Operator/Administrator RFQ



KEY ASSETS

- Governance Group agency partnership and M.O.U. (City, County and HARD)
- City- and HARD-owned land and facilities in and near project site:
 - Matt Jimenez Community Center (Owned by City, operated by HARD)
 - Tennyson Park (Part-owned by City, part-owned by HARD, operated by HARD)
 - Firehouse Clinic (Owned by City, clinic operated by Tiburcio Vasquez Health Center)
- Planned new asset: South Hayward Family Center multiservice facility
- Capital funding for new asset construction to date: Approx. \$16.8M +/-
- **Est. new asset construction cost (35,000 SF): Approx. \$28M-\$31M**



KEY POLICY QUESTIONS FOR COUNCIL & H.A.R.D.

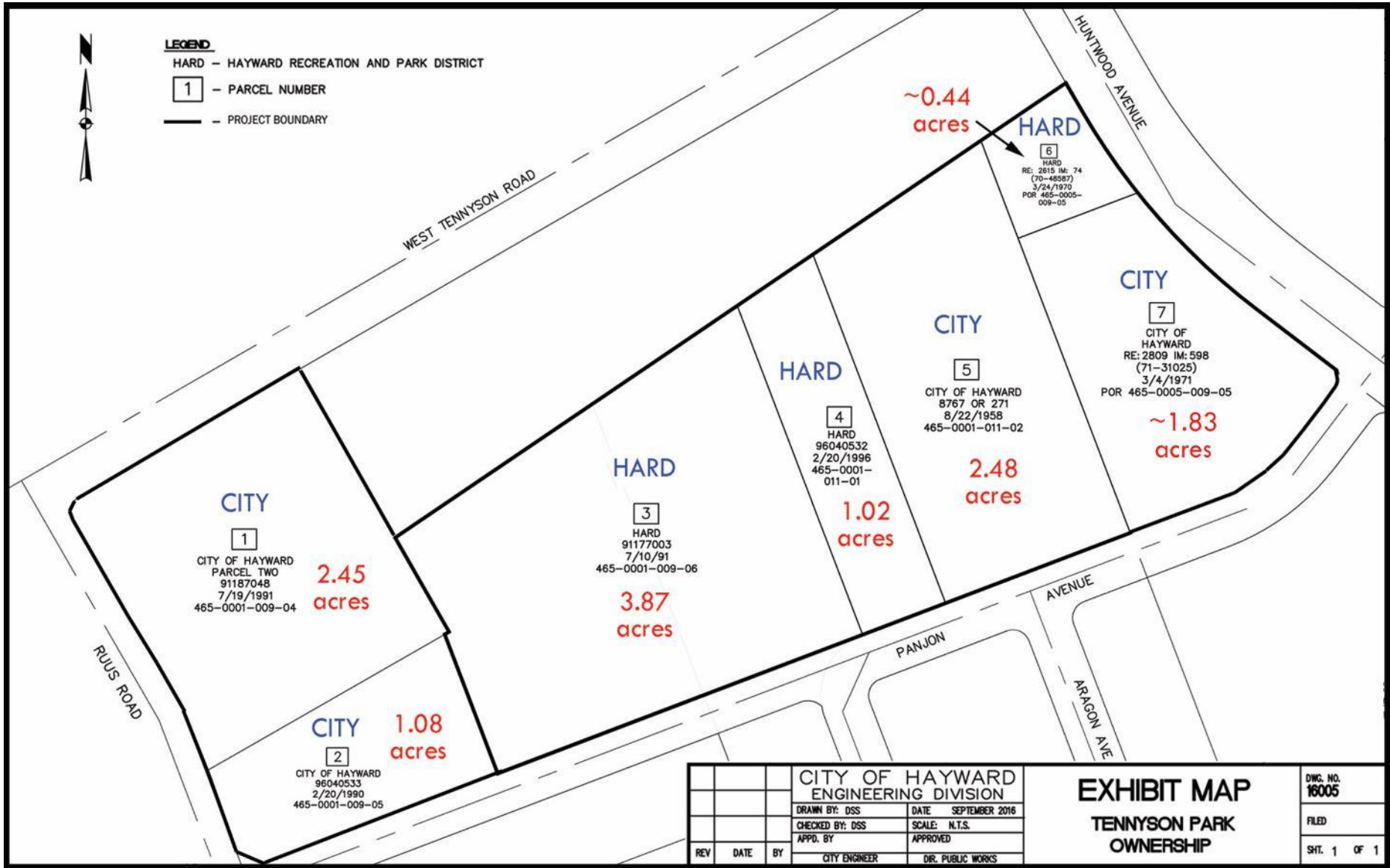
1. City / H.A.R.D. land ownership
2. Recommended facility location
3. Facility Operator RFP
4. Identified “anchor tenants”
5. Proposed project timeline



QUESTION #1: CITY / HARD LAND OWNERSHIP

- 680 W. Tennyson Road land and facilities are owned by City
- Matt Jimenez Center land and facilities are owned by City
- Tennyson Park is five parcels; three HARD-owned and two City-owned:
 - HARD owns land parcel beneath Skate Park
 - City owns land parcel at eastern corner of park (Panjon St. and Huntwood Ave)
 - City owns land parcel beneath Tot Lot
 - HARD owns two land parcels on western half of park (baseball field and open lawn)

CITY / HARD LAND OWNERSHIP



CITY / HARD LAND OWNERSHIP

| PCL No. | APN | CURRENT OWNER | DATE | PRIOR OWNER | REMARKS |
|---------|----------------------------|--------------------------------------|-----------|--------------------------------------|---|
| 1 | 465-0001-009-04 | City of Hayward | 7/19/1991 | Hayward Unified School District | Eden Youth & Family Center (HUSD acquired title from private owner in 1921/1941) |
| 2 | 465-0001-009-05 | City of Hayward | 2/20/1996 | Hayward Recreation and Park District | Matt Jimenez Community Center (HARD acquired title from HUSD in 1991) (Land swap agreement between HARD and City) |
| 3 | 465-0001-009-06 | Hayward Recreation and Park District | 7/10/1991 | Hayward Unified School District | Tennyson Park (Conveyance included 465-0001-009-06 and 465-0001-009-05) (HUSD acquired title from private owner in 1921/1941) |
| 4 | 465-0001-011-01 | Hayward Recreation and Park District | 2/20/1996 | City of Hayward | Tennyson Park (City of Hayward acquired title from private owner in 1958) (Land swap agreement between HARD and City) |
| 5 | 465-0001-011-02 | City of Hayward | 8/22/1958 | Carmar Home Developers | Tennyson Park (Private owner sells to City in 1958) |
| 6 | Portion of 465-0005-009-05 | Hayward Recreation and Park District | 3/24/1970 | William Jones / Virginia Jones | Tennyson Park (Private owner sells to HARD in 1970) |
| 7 | Portion of 465-0005-009-05 | City of Hayward | 3/4/1971 | Aaron Dinaburg | Tennyson Park (FOC awards fee title to City in 1971) |

HUSD = Hayward Unified School District
HARD = Hayward Recreation and Park District
FOC = Final Order of Condemnation



KEY POLICY QUESTION #1 FOR COUNCIL & H.A.R.D.

Is there interest in pursuing an equitable land swap that maintains the amount of parkland available to residents of the area?

Example: Swap Parcels 5 and 7 (currently owned by City) for Parcels 3 and 4 (currently owned by HARD) and incorporate some parkland elements in a portion of Parcel 1.





QUESTION #2: FACILITY LOCATION

- Site options were explored as part of conceptual cost estimate
- Three Site options were explored in more detail:
 1. On the site of the old EYFC facility (corner of Tennyson & Ruus)
 2. On a site due east of the old EYFC and near the MJCC facility
 3. On eastern edge of Tennyson Park near the skate park (corner of Panjon & Huntwood)
- **Governance Group recommends Site 2**
- **HARD board preferred Site 2 when discussed earlier this year**

SITE 1

TENNYSON ROAD COURT

1 STORY BUILDING- 30,000-35,000 SF
1ST FLOOR RETAIL OPTION
PARKING - 100-120 SPACES

AUTO ENTRY

Retail could be on 1st floor if this is a 2 story building. Retail component would be additional area and cost

Soccer field would be additional cost



SITE 2

TENNYSON PARK WEST

1 STORY BUILDING - 30,000-35,000 SF TOTAL
STAND ALONE RETAIL OPTION
PARKING - 100-120 SPACES



SITE 3

TENNYSON PARK EAST

1 STORY BUILDINGS- 30,000-35,000 SF TOTAL
STAND ALONE RETAIL OPTION
PARKING - 100-120 SPACES





KEY POLICY QUESTION #2 FOR COUNCIL & H.A.R.D.

Are the Council and HARD Board members supportive of the proposed site layout and general location of the SHFC facility as recommended by the Governance Group and shown in **Site 2**?



QUESTION #3: FACILITY OPERATOR RFP

- Facility Operator RFQ (Request for Qualifications) issued 8/2016
- RFQ was only to collect information; not to select operator
- Three agencies responded (EYFC, La Familia, YMCA of the East Bay)
- Respondents requested time to conduct market feasibility studies
- City will share 50% of cost, up to \$10,000 per study.
- Studies due February 15, 2017
- Governance Group recommends issuing Request for Proposals (RFP)
- City would issue RFP on behalf of City/County/HARD in March, 2017



KEY POLICY QUESTION #3 FOR COUNCIL & H.A.R.D.

Confirm Governance Group recommendation to issue Facility Operator RFP (further and more specific details to be determined by the Governance Group) based on the proposed timeline.



QUESTION #4: IDENTIFIED “ANCHOR TENANTS”

- Governance Group discussed status of Community School operated by Alameda County Office of Ed. (ACOE)
- Discussed whether Community School would be guaranteed a space in new facility if ACOE Board formally committed construction funds
- In 2015, ACOE offered a verbal pledge of \$2.2 million toward construction; pledge has not yet been brought to ACOE Board for vote
- Question: Would ACOE consider increasing its investment according to amount of space it would need in new facility?
- ACOE Board is scheduled to take up these questions in January, 2017.



#4: IDENTIFIED “ANCHOR TENANTS” (CONT’D)

- On 11/6/16, Governance Group decided to recommend to Council and HARD Board granting “anchor tenant” status in new facility to the ACOE Community School
- “Anchor tenant” status is essentially a guarantee of a service contract or tenant agreement in new facility
- Governance Group also decided to recommend “anchor tenant” status to Tiburcio Vasquez Health Center (TVHC) to operate pediatric health and dental clinic in new facility
- The two tenants were recommended based on ability to bring capital funding and/or unique value add of services to new center’s goals.



KEY POLICY QUESTION #4 FOR COUNCIL & H.A.R.D.

Are the Council and HARD Board members supportive of the Governance Group recommendation to grant "anchor tenant" status to the ACOE Community School and Tiburcio Vasquez Health Clinic in the new facility?



QUESTION #5: PROPOSED PROJECT TIMELINE

Key dates (subject to change):

- | | |
|----------|--|
| 12/13/16 | Council / HARD work session** |
| 2/15/17 | Market feasibility studies due |
| 3/6/17 | Facility Operator RFP issued |
| 4/21/17 | RFP responses due |
| 5/22/17 | Award of Operator contract |
| 6/6/17 | Governance Group meets with Advisory Task Force and Operator to identify potential tenants/service providers** |

*** Additional meetings may be added as needed*



#5: PROPOSED PROJECT TIMELINE (CONT'D)

Key dates (subject to change):

- | | |
|----------|--|
| 7/18/17 | Council/HARD work session to review progress** |
| 8/28/17 | Architectural design RFP issued |
| 10/27/17 | RFP responses due |
| 11/13/17 | Architectural design RFP panel reviews |
| 12/4/17 | Governance Group reviews panel recommendations |
| 12/11/17 | Award of design contract by City and/or County and/or HARD |
| 1/8/18 | Architectural design work begins |

*** Additional meetings may be added as needed*



KEY POLICY QUESTION #5 FOR COUNCIL & H.A.R.D.

Are the Council and HARD Board members supportive of the proposed project timeline? Provide any feedback.



FISCAL IMPACT





FISCAL IMPACT

- Potential fiscal impacts of project to City and/or HARD aren't fully known
- City has no available funding for construction or operations of new facility
- Estimated new facility construction cost: \$28-\$31 million
- Approx. \$16.8 million capital funding identified to date; Supervisor Valle's office is seeking additional capital/operations funding
- Properties owned by the City and HARD have considerable market value
- Potential opportunity: leverage prime corner parcel at Tennyson/Ruus for development to generate capital and/or operating funds for new center while bringing new desirable service to neighborhood.

PRELIMINARY COST GUIDELINES

Stated Project Budget for Multi-Service Center
Funds Raised to date

\$24 to 26 Million
\$16 million +/-

Project Hard Costs:

| | |
|--|---------------------|
| • Building & Site Construction | \$18,650,000 |
| • Project Labor Agreement | \$650,000 |
| • Demolition of Existing Buildings | \$350,000 |
| • Allowance for Building Hazardous Materials | \$350,000 |
| • Escalation to Spring 2018 Construction | \$2,000,000 |
| TOTAL ESTIMATED HARD COSTS | \$22,000,000 |

Project Soft Costs:

| | |
|-------------------------------------|--------------------|
| • Design and Management fees | \$4,360,000 |
| • Other fees & services | \$150,000 |
| • Permit & Agency fees/entitlements | \$860,000 |
| • Fixtures, Furnishings & Equipment | \$900,000 |
| • Construction Contingency | \$2,200,000 |
| • Soft Cost Contingency | \$630,000 |
| TOTAL ESTIMATED SOFT COSTS | \$9,100,000 |

TOTAL PROJECT COST: \$31,100,000



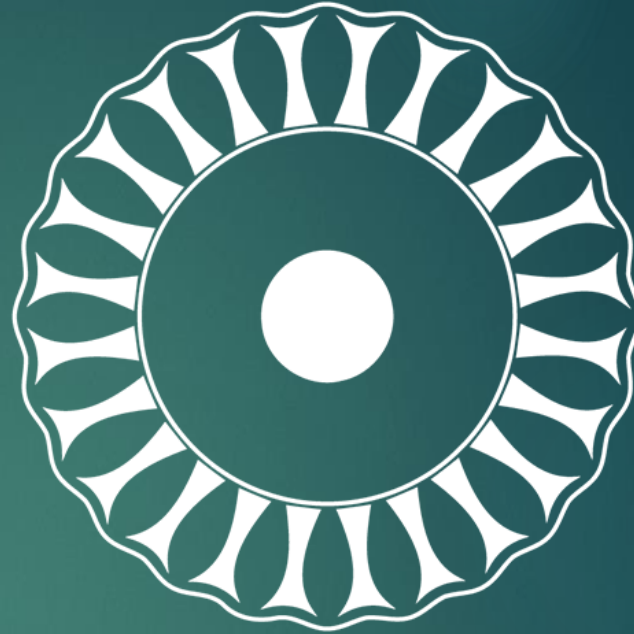
KEY POLICY QUESTIONS FOR COUNCIL & HARD BOARD



1. City/HARD land exchange
2. Recommended facility location
3. Facility Operator RFP
4. Identified “anchor tenants”
5. Proposed project timeline

Item #10 WS 16-074

General Fund Ten-Year Plan Update



City of Hayward

GENERAL FUND 10 YEAR PLAN UPDATE

Dustin Claussen, Acting Director of Finance

December 13, 2016

Overview



- ▶ Discussion: General Fund FY 2016 year-end results
- ▶ Update: General Fund Ten-Year Forecast

FY 2016 GF Year End Summary

- ▶ Revenues Up \$6.1 M at year end as compared to budget projections.
 - ▶ RDA Loan Repayment
 - ▶ Franchise Fees
 - ▶ Transient Occupancy Tax
- ▶ FY 2016 expenditures ended the year just above budgeted amounts
- ▶ FY 2016 ended with a use of reserves of \$855 K far less than projected gap of \$5.8M

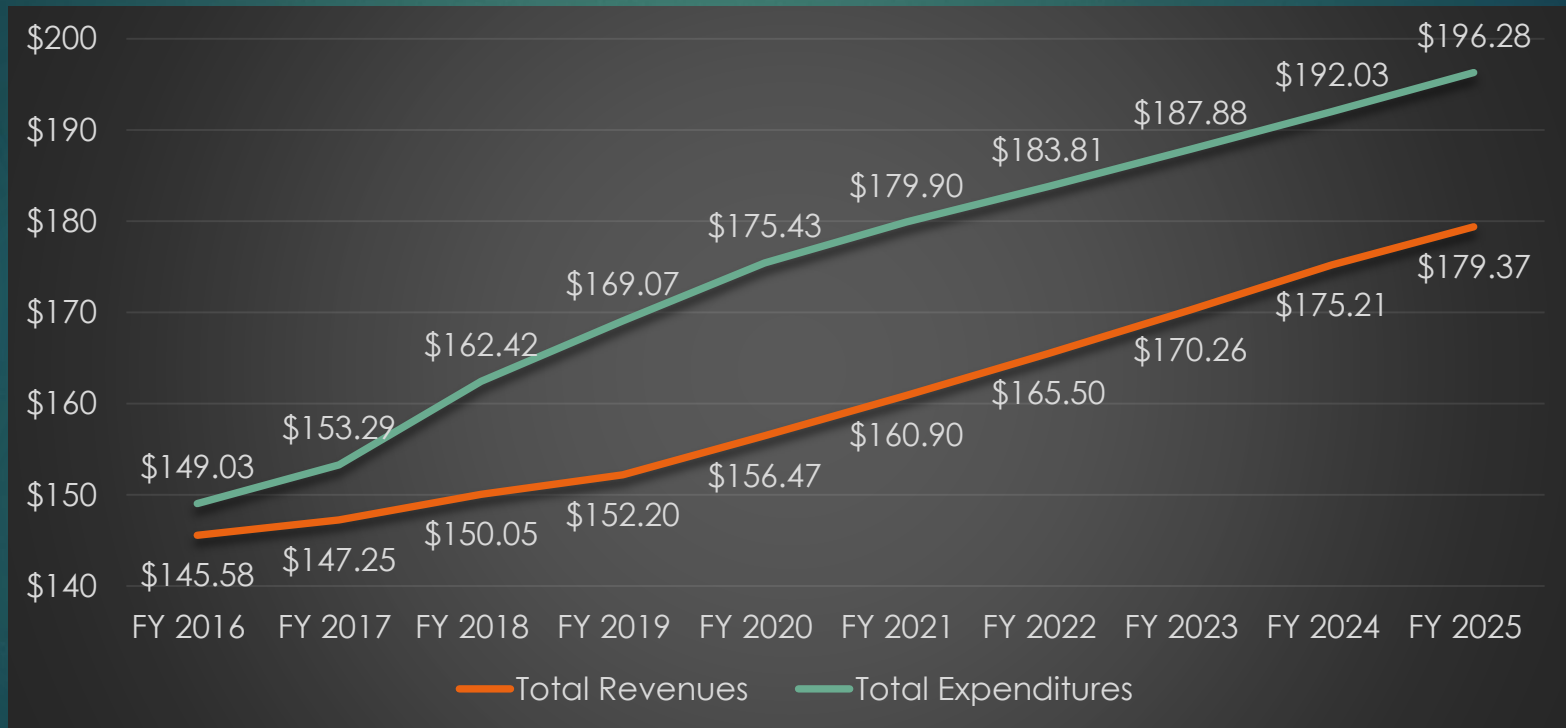
General Fund Forecast: The Gap



FY 2016 Actual Gap = \$855 K

FY 2017 Projected Gap = \$3.4 M

Current Budget Projections result use of 100% of fund balance by FY 2020



What impacts the Ten Year Plan ?



- ▶ Revenues reflect an improved economy, but are not grow at the same pace as costs.
 - ▶ Sales Tax revenue base shrinking
 - ▶ Property Tax steady growth
- ▶ Negotiated/contracted wage adjustments and benefit cost sharing for all of the City's bargaining units
- ▶ Escalating CalPERS rates – by 2021 rates = 32% - 59% of payroll
- ▶ Medical premiums increasing at about 6-8%/year

Projected Use of Reserves



| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Dollars in \$1,000 | | | | | | | | | | |
| Change to Reserves | (3,449) | (6,033) | (12,368) | (16,874) | (18,956) | (18,999) | (18,317) | (17,626) | (16,820) | (16,909) |
| Ending Fund Balance | 27,380 | 21,347 | 8,979 | (7,895) | (26,851) | (45,850) | (64,167) | (81,793) | (98,613) | (115,522) |

The Road Ahead



- Staff working to balance the budget
 - Rising Costs outpacing Revenues
 - Council is committed to funding future liabilities
 - Meeting growing expectations for service and capital needs



Questions & Discussion

