



DATE: March 26, 2019

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: La Vista Park Project: Award of Professional Services Agreement to SurfaceDesign, Inc., (SDI); Award of Professional Services Agreement to Langan; Appropriation of funds; and Amendment of Resolution 18-081

RECOMMENDATION

That Council adopts the attached resolutions (Attachments II, III, and IV) to:

1. Award the Professional Services Agreement to SDI, for Phase 1 and Phase 2 of the final design services and construction support, in the amount of \$467,417 and authorize the expenditure of up to \$515,000, including additional services, for the preparation of Final Design Plans, Specifications, and Engineer's Estimate of the La Vista Park project (Attachment II)
2. Award the Professional Services Agreement to Langan, for a design-level geotechnical investigation and construction support, in the amount of \$198,100 and authorize the expenditure of up to \$220,000, including additional services, for the preparation of a design-level geotechnical report for the design and construction of the La Vista Park project (Attachment III).
3. Appropriate \$1,500,000 from Fund 256 – Park Fund to Fund 405 – Capital Projects (Governmental) (Attachment IV).
4. Amend Resolution 18-081 - FY 2019 Capital Improvement Program to include the La Vista Park Project in Fund 405 – Capital Improvements (Governmental) (Attachment IV).

SUMMARY

Since 2017, the City of Hayward and the Hayward Area Recreation and Park District (HARD) have worked towards a shared vision of constructing and operating La Vista Park, a new destination park in South Hayward, east of the intersection of Mission Boulevard and Tennyson Road. The addition of a destination park will create a much-needed amenity and attraction for the entire City. The HARD Board approved the conceptual park design and, on April 9, 2018, the City released a Request for Proposals (RFP) for final design services and

preparation of construction documents for bidding purposes and a RFP for a design-level geotechnical investigation and report.

The project site will be on City-owned or controlled property with an estimated total project cost of \$23,253,962. A combination of revenues from various funding sources, including the project's park in-lieu fees, HARD funds, and funds for the South Hayward Community Center totaling \$23.27M is expected and will fully fund the estimated total project.

A RFP for final design services was released and five firms responded. SDI was selected unanimously by the proposal review team. If approved, these actions will authorize the City Manager to execute a professional services agreement with SDI and will appropriate the necessary funding for the design work.

BACKGROUND

In 2005, the City approved the La Vista residential development that included 179 new single-family homes to be built at the South Hayward site east of (and up the hill from) the terminus of Tennyson Road and Mission Boulevard. The project includes construction of a new approximately thirty-acre public park. The development aims to provide new housing stock for the City and, also "officially" serves as remediation for a former rock quarry site. Although the entitled development sat idle through the most recent economic downturn, home construction has accelerated over the last two years.

The original thirty-acre park site on land donated from the developer was expanded to almost fifty-acres in size due to the City acquiring former Caltrans right-of-way from the now abandoned 238 freeway project. The additional twenty acres will be added to the western side of the park once Parcel Group 3 is transferred to the City.

In June 2017, the Hayward Area Recreation and Park District (HARD) Board adopted a Three-Year Capital Improvement Program (CIP) that allocated \$2M of the District's Measure F1 Bond funds for the original thirty-acre La Vista Park, which was based on the previous conceptual park design. At the Board's regular meeting on April 9, 2018, the Board considered the new and expanded Park Master Plan prepared by SDI, which proposed constructing the park in one phase. At that meeting, the Board directed staff to update the CIP to increase HARD's initial \$2.0M allocation of Measure F1 funds to this project as follows:

\$2.0M	Current Bond Funds Allocated in June 2017
\$13.4M	Additional Allocation of Bond Funds (of which 50% would be reimbursed to HARD from future park in-lieu fees collected by the City since this community park will be used by all residents including those in new developments paying those fees)

Final action by the HARD Board to allocate the additional bond funds to the La Vista Park project was included in the CIP update during the Board's budget hearing on June 11, 2018.

Sufficient funds are available from the first phase of bond proceeds to make the allocation to the La Vista Project as directed by the Board.

In May 2018, City Council accepted the La Vista Park Master Plan prepared by SDI and adopted a resolution appropriating \$1.5M held for development of the South Hayward Community Center towards construction of La Vista Park.

Project Condition of Approval No. 4 for the La Vista development requires the applicant to pay for the cost of improvements associated with La Vista Park in accordance with park in-lieu fees in effect as of July 1, 2005, which was estimated to be \$2.14M. These fees are collected at the time the Certificate of Occupancy is granted for each new individual single-family home. To date, 150 of the 179 homes have either been built or are under construction, thus there is approximately \$1.79M of the \$2.14M currently available for park construction. Homebuilder DR Horton indicated that they would advance the remainder of the \$2.14M to the La Vista Park effort, given that the City and HARD both are committed financially to the park.

DISCUSSION

On November 9, 2018, a Request for Proposals (RFP) was advertised and issued for the preparation of the final design and construction documents and construction support for this project. On December 21, 2018, five (5) proposals were received for the project and evaluated for their understanding of the proposed work and the education, training, experience, past-performance, capabilities, detailed approach to tasks, personnel, and workload of the firm's staff. SDI submitted the highest ranked proposal. The negotiated cost proposal from SDI is \$467,417 for the design and preparation of plans, specifications, and engineer's estimate for advertisement of the project for construction bids and construction support. While professional services proposals are not selected based on cost alone, as a point of reference, the other proposal costs were between \$467,417 and \$1,781,969.

Staff recommends that Council award the contract to SDI in the amount of \$467,417. Further, staff recommends that Council authorize the City Manager to expend up to \$515,000 to include contingencies (i.e., potential additional services not included in the base proposal). The contract contingency amount is set at \$47,583 (approximately 10% of contract cost). The park area consists of two parts, a roughly 30-acre part and a 20-acre part. CEQA review and documentation for the 30-acre part was conducted in 2005 as part of the La Vista development project. Additional CEQA review is necessary to cover the addition of the 20-acre portion. Therefore, the design phase for this project will be conducted in two phases. Phase 1 will involve preparation of 30% final design of the project. The 30% design will be used to define the project scope and inform the CEQA process for the project. Once the CEQA review is complete, staff will return to Council for approval/certification of the CEQA document and authorization to proceed with Phase 2 design work, which involves finalizing the design, preparing construction documents, and construction support.

On December 14, 2018, Request for Proposals (RFP) were advertised and issued for geotechnical investigation for this project. On February 1, 2019, four (4) proposals

were received for the project and evaluated for their understanding of the proposed work and the education, training, experience, past-performance, capabilities, detailed approach to tasks, personnel, and workload of the firm's staff. Langan submitted the highest ranked proposal. The negotiated cost proposal from Langan is \$198,100 for a design-level geotechnical investigation to provide analysis of the current development plan, recommendations for design, and construction support.

Staff recommends that Council award the contract to Langan in the amount of \$198,100. Further, staff recommends that Council authorize the City Manager to expend up to \$220,000 to include contingencies. The contract contingency amount is set at \$21,900 (approximately 11% of contract cost).

The addition of a destination park to the South Hayward community will create a much-needed amenity and attraction for this part of the City, resulting in increased visitors to the area's local businesses.

FISCAL IMPACT

The original La Vista Park design conducted by SDI was estimated to cost \$23.3M to construct. This estimate includes contingencies or potential cost overruns as well as landslide repair costs to remediate the former Caltrans property.

Park in-lieu fees from the La Vista Development will contribute approximately \$2.14M towards construction. There is also a \$2M Measure F1 Bond allocation from HARD, for a current allocation of \$4.14M toward the La Vista Park project.

All lands associated with La Vista Park will likely be owned or controlled by the City. This was memorialized as part of the La Vista Development Final Map for the home development and all agreements associated with the project Final Map.

The HARD Board of Directors recently approved a funding plan for the project that included the following:

- 1) \$4.23M provided from existing park in-lieu fees previously collected by the City
- 2) \$6.7M in additional Measure F1 bond money
- 3) \$6.7M of loaned Measure F1 bond money to be repaid to HARD through the collections of future park in-lieu fees (see below) from projects that have been entitled.

Listed below are recent larger entitled projects that may yield substantial park in-lieu fees.	# UNITS	TYPE OF UNITS	POTENTIAL PARK IN-LIEU FEES	POSSIBLE CONSTRUCTION START DATE
Mission Crossings	140	Townhomes	\$1,595,300	Spring 2019
Matsya's Villas	57	Condos	\$649,515	Winter 2019
Maple and Main	240	Apartment	\$2,316,720	Summer 2019
Lincoln Landing*	476	Apartment	\$4,594,828*	Winter 2018
Mission Village	72	Townhomes	\$820,440	Spring 2019
Fagundes	42	Single Family	\$502,026	Spring 2018
Ward Creek Cottages	97	Single Family	\$1,159,441	Fall 2018
Total Potential In Lieu Fees			\$11,638,270	

The above is a projection by City staff of future park in-lieu fees that are anticipated to be generated by these entitled projects. An approximate total of \$11,638,270 will be collected from these projects upon their completion. However, the Lincoln Landing (*) project shown above will satisfy its park dedication requirements by a combination of paying some park in-lieu fees, land dedication, and credits for improvements of the dedicated land area as part of its obligation for public park and recreation. Land dedication and credits from improvements will reduce the potential park in-lieu fees listed above.

The projects referenced above are large entitled projects in Hayward, and other additional projects could be entitled in the near future, yielding additional future park in-lieu fees. These include, for example, three unentitled projects submitted to the City in late 2017 and early 2018: Ersted Townhomes (59 units), Oak Street Townhomes (40 units), and Gading II Single-Family Homes (18 units). These projects could yield \$1,343,259 in additional park in-lieu fees that could be counted towards the La Vista destination park if the projects are approved/entitled.

Council approved the use of \$1.5M in funds held for development of the South Hayward Community center towards the park effort. These fees will be paid back via future park in-lieu fees.

Current Funding Plan for La Vista Park

Project Cost Estimate (\$23,253,962)

Current Project Funding Sources

Park In-Lieu fees from La Vista Development	\$2,140,000
South Hayward Community Center Contribution	\$1,500,000
HARD Contributions:	
HARD Park In-Lieu Fees on hand	\$4,230,000

HARD Measure F1 Bond fund allocations

\$15,400,000¹

Current Project Funding Surplus

\$16,083

This request has no impact on the General Fund. Should future park in-lieu fees not be as robust as anticipated to fund La Vista Park, staff envisions construction of the park to occur in phases or a modified/scaled back based upon available park in-lieu fees. There are no other funding sources for La Vista Park except for those already mentioned in this report (developer fees, park in-lieu fees, and Measure F1 bond money).

Staff requests an appropriation of the \$1,500,000 from Fund 256 – Park Fund to Fund 405 – Capital Projects (Governmental) to cover the cost of these two contracts.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work, and play. This item supports the following goal and objective:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

This agenda item also supports the Tennyson Corridor Strategic Initiative. The purpose of the Tennyson Corridor Strategic Initiative is to develop an attractive, cohesive, thriving Tennyson Corridor through thoughtful engagement of residents, businesses and community partnerships. This item supports the following goal and objectives:

Goal 4: Foster a cohesive sense of place.

Objective 2: Increase City sponsored events and projects in the Tennyson Community.

Objective 4: Explore innovative placemaking opportunities.

Hayward 2040 General Plan: This project also contributes to fulfillment of Land Use and Community Character Goal LU-3 of the *Hayward 2040 General Plan*, specifically that La Vista Park will help contribute to creating a "complete neighborhood" in South Hayward. The addition of La Vista Park is a long sought-after amenity in South Hayward, which will complement existing schools, daycare centers, religious institutions and existing neighborhood serving commercial businesses. Listed below is the specific General Plan policy related to complete neighborhoods:

¹ \$2M Bond funds allocated in June 2017; \$13.4M Bond funds allocated in 2018.

- LU-3.1 Complete Neighborhoods: *The City shall promote efforts to make neighborhoods more complete by encouraging the development of a mix of contemporary uses and amenities that meet the daily need of residents. Such uses and amenities may include parks, community centers, religious institutions, daycare centers, libraries, schools, community gardens, and neighborhood commercial and mixed-use developments.*

SUSTAINABILITY FEATURES

The La Vista Park will be designed to be the most sustainable park within the City. As part of the design, park areas will require less irrigation and native grasses and plants will be used throughout the park. Park structures will be constructed from natural materials versus traditional, more costly fabricated structures.

PUBLIC CONTACT

Listed below are previous public meetings or public outreach efforts performed by the City, HARD, and SDI related to the final draft La Vista Park plan:

- On Friday, October 20, 2017, City staff and the team from SDI met with representatives from Fairway Park to present and gain feedback regarding the current La Vista Park plans.
- On Thursday, October 26, 2017, a public outreach meeting was conducted at Matt Jimenez Community Center, soliciting input from the Hayward community at large, regarding the most current La Vista Park design. City staff, HARD staff and the SDI team conducted a public presentation and received input from participants regarding draft Park plans.
- On Monday, October 30, 2017, the Hayward City Council hosted a joint work session with the HARD Board of Directors where City staff, HARD staff, and the SDI team presented the design for La Vista Park.
- On Monday, April 9, 2018, the HARD Board of Directors approved the final design for La Vista Park and the funding plan for the project.
- On Tuesday, May 15, 2018, the Hayward City Council approved a resolution accepted the La Vista Park Master Plan prepared by SDI and adopted a resolution appropriating \$1.5 M held for development of the South Hayward Community Center towards construction of La Vista Park.

NEXT STEPS

The following preliminary schedule was established for this project:

Begin Geotechnical Investigation & 30% Design	April 2019
Council Authorization to proceed with Final Design and CEQA Certification	September 2019
Begin Construction	July 2020
Complete Construction	October 2021

This schedule is dependent on the completion of the existing dirt stockpile grading by DeSilva Gates and demolition of the existing structures in the expanded park site area.

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Recommended by: Alex Ameri, Interim Director of Public Works

Approved by:



Kelly McAdoo, City Manager