



County of San Mateo

Inter-Departmental Correspondence

Department: BOARD OF SUPERVISORS
DISTRICT 1
File #: 19-228

Board Meeting Date: 3/26/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Subject: Use of District-Discretionary **Measure K** Funds - Supervisorial District 1

RECOMMENDATION:

Measure K: Adopt a resolution authorizing a one-time grant of district-discretionary **Measure K** funds, not to exceed \$500,000, to City of Millbrae for the Millbrae Recreation Center Restoration Project, in order to leverage additional grant funding, attract additional community health, fitness and learning services partners, and to advance the project's schematic design to the construction drawings phase, and authorizing the County Manager, or his designee, to execute the grant agreement.

BACKGROUND:

Measure K is the half-cent general sales tax initially approved by San Mateo County voters in November 2012 and extended in November 2016 for a total of thirty years. The Board of Supervisors ("Board") and County staff have conducted study sessions and community outreach efforts to inform priorities for **Measure K** spending for FY 2017-19.

On May 16, 2017, the Board approved the FY 2017-19 Measure K allocation plan in which the County anticipates Measure K receipts of approximately \$81.6 million annually. The plan included \$7 million in one-time loans or grants each year during FY 2017-19, divided equally among the five supervisorial districts, for district-specific needs and projects. District 1 has submitted a request to use its district-discretionary **Measure K** funds as shown below and described in the Project Summary section of this memorandum:

District/Project	Amount
District 1 (Supervisor Dave Pine) - City of Millbrae: Millbrae Recreation Center Restoration Project, in order to leverage additional grant funding, attract additional community health, fitness and learning services partners, and to advance the project's schematic design to the construction drawings phase.	\$500,000

This item is consistent with the criteria for district-discretionary **Measure K** funds approved by the Board in December 2018.

PROJECT SUMMARY:

This is a request to authorize a grant to City of Millbrae, and resulting grant agreement in an amount not to exceed \$500,000 to provide for the restoration and construction of the Millbrae Recreation Center. The County Manager's Office will administer and manage the proposed agreement.

District-discretionary Measure K funding for this organization has previously been provided as listed below:

- Measure K grant of \$250,000 for the temporary community center modular granted in May of 2017. The purpose of that grant was to contribute restoring vital community services as quickly as possible following a fire at the prior facility, by providing a temporary modular building. The temporary facility, which is located adjacent to City Hall and the Millbrae Library, opened in January 2018. The total cost of the 5,640 sq. ft. temporary building was \$1.6 million.

The City of Millbrae is requesting funding for restoration and construction of the Millbrae Recreation Center, which was destroyed in a fire in July 2016. The Millbrae Recreation Restoration Project (477 Lincoln Circle, Millbrae, CA 94030) will build a new multi-generational center that will provide quality community, cultural and educational opportunities for all ages, especially seniors, children and youth. The Recreation Center Restoration Project is positioned to become a model example for climate change adaptation, resilience, and environmental stewardship. This will be accomplished with the design of the proposed site and building improvements that utilize an interactive community-based design process, best practices, innovation, and technology.

The expected benefits to the community as a result of the Project will include: 1) enhanced quality of life, as residents are motivated to spend more time participating in community/recreational activities; 2) expanded learning opportunities for all ages; 3) increased availability of job or volunteer opportunities for youth and others that desire to work part-time or volunteer their time for the extended programming to be offered in the new facility; and 4) economic vitality with higher user rates from residents, visitors, local businesses and vendors. Restoring the Millbrae Recreation Center will enable the City to provide more recreational opportunities than currently offered at the temporary modular facility, and more than what was offered before the original facility was destroyed by a fire.

The City's previous community center was 16,000 sq. ft. and by the time it was destroyed in 2016, it fell well short of supporting today and tomorrow's increasing population. The new Recreation Center will be over 25,000 sq. ft. to fit the community's size and service needs, based on current standards and the unique needs of the Millbrae community.

If approved, District-Discretionary **Measure K** funds would be used to move the project's schematic design forward in order to leverage additional grant funding, attract additional community health, fitness and learning services partners, and also to advance to the construction drawings phase.

The City has received funding for the Project from various sources including proceeds from an insurance settlement, donations from a local special healthcare district, distribution from a trust, City

general funds, and community benefits contributions from a developer.

In Addition, the Project has already secured the following grants:

- Transportation Authority - \$260,000 for bike and pedestrian improvements along Magnolia Avenue and Richmond Drive, currently in bid process.
- C/CAG Transportation Development Act Article 3 - \$470,000 for connecting bike routes from BART Station to Spur Trail, currently in final design phase.
- C/CAG Green Infrastructure Safe Routes to School - \$225,000 at intersection of Taylor Blvd and Almenar Street, currently in bid process.
- One Bay Area Grant Program, Second Round (OBAG 2) - \$390,000 to repave Larkspur Drive, grant awarded, obligation in process.
- Sea Level Rise Resiliency Program - \$60,000 for public outreach, notified that City will receive grant, need to execute funding agreement and prepare work plan.

The City is continuing to seek additional funding from private sources, non-profits, foundations, and other local and State agencies:

- The City issued a Request for Statements of Interest to regional licensed pre-school and early childhood recreation service providers, seeking a long-term operations and capital funding partner. The City expects to choose a partner and enter into a contract by summer of 2019.
- The City has submitted a Conceptual Application letter for a Proposition 68 grant to the State of California Cultural, Community and Natural Resources Grant Program, with a \$3 million funding request for the Project.
- The City intends to apply for a State of California Proposition 68 grant through the Statewide Park Development and Community Revitalization Program in the summer of 2019. The tentative funding request is \$5.9 million.

Project Schedule

The City Council has identified the completion of this project as its top capital investment priority since the weeks following the July 2016 fire. The effort to deliver a new facility has been challenged by the initial recovery process, the filing and settlement of insurance claims, and the procurement of the temporary modular building. However, the City has made steady progress through a master planning process and the now-complete conceptual design phase. Both stages involved extensive public outreach and engagement with an active advisory committee and service provider stakeholders group. The master schedule is summarized in the table below. The design costs shown for the first two phases are actual expenditures and the schematic design amount has been negotiated with the City's architect as the not-to-exceed budget for the schematic design work.

MILLBRAE RECREATION CENTER RESTORATION PROJECT				
Project Phases	Duration	Completion	Design Costs	Status
1 MASTER PLAN	11 mos.	27-Feb-18	\$234,823	Completed by Group 4 Architects
2 CONCEPTUAL DESIGN	13 mos.	26-Mar-19	\$561,356	Completed by Group 4 Architects
3 SCHEMATIC DESIGN	17 wks.	23-Jul-19	\$500,735	Pending City Council Approval
4 FUNDING ALIGNMENT & PROJECT DELIVERY DECISIONS	31 wks.	9-Aug-19		In Progress - City Staff
5 DESIGN DEVELOPMENT / CONSTRUCTION DOCUMENTS	36 wks.	22-May-20		
6 BID & AWARD	14 wks.	28-Aug-20		
7 CONSTRUCTION	18 mos.	28-Feb-22		
8 OCCUPANCY	3 mos.			
Soft Public Opening		31-Mar-22		
Completion of Punch List / Contractor Close-out		29-Apr-22		
GRAND OPENING		Late May 2022		

Cost Breakdown

The current total project cost is provided in the table below. The City Council is very concerned about cost escalation driven by construction industry trends in the Bay Area and has been advised that any delay in project delivery will likely cause cost increases of at least 3 to 5% per year. City staff has been working on a financing plan that includes the potential for escalation at the time of bid and award. Thus, the schedule and cost model are driven by urgency to continue design without delay.

	PROJECT ELEMENTS	SOFT COSTS	CONSTR. COSTS	CONTINGENCY
1	Direct Project Management & Administration	\$1,244,871		
2	Planning, Design & Permitting	\$4,791,960		
3	Site Work		\$2,881,400	
4	Building		\$14,427,691	
5	FF&E, Technology & Signage		\$704,400	
6	GC/CM Site Requirements		\$257,135	
7	Jobsite Management		\$1,199,960	
8	Bonds & Insurance		\$418,486	
9	GC Overhead & Profit		\$929,969	
10	Design Contingency			\$1,994,784
11	Project Contingency			\$2,263,402
	TOTALS:	\$6,036,831	\$20,819,041	\$4,258,186
		TOTAL ESTIMATED COST:		\$31,114,058

(Note: Design costs for the first three phases shown in the schedule table (master plan, conceptual design, and schematic design) are all included in line #2 of the cost table above.)

Total Measure K Request: Not to Exceed \$500,000

The release of funds will be contingent on the execution of an agreement providing for the County's confirmation of the expenditure of funds for the purposes stated herein. The County will disburse the funds to the following organization for the purposes described above:

Tom Williams, City Manager
621 Magnolia Avenue

Millbrae, CA 94063
(650) 259-2334

PERFORMANCE MEASURES:

Description	Target
Completion of project's schematic design	Completed

County Counsel has reviewed and approved the agreement and resolution as to form.

Funding for the Millbrae Recreation Center contributes to the Shared Vision 2025 outcome of a Healthy Community and Livable Community by motivating residents to spend more time participating in community/recreational activities, and by offering expanded learning opportunities for all ages, as well as more recreational opportunities than currently offered at the temporary modular facility.

FISCAL IMPACT:

There are sufficient **Measure K** funds for this specific FY 2018-2019 **Measure K** request. These funds are budgeted in the Non-Departmental Services FY 2018-19 Adopted Budget.

Attachment:

Schematic Design Summary