

Visalia City Council Agenda

For the **SPECIAL** meeting of: Monday, April 23, 2007

Location: Convention Center - 303 E. Acequia, Visalia, CA 93277

Mayor: Jesus J. Gamboa
Vice Mayor: Greg Kirkpatrick
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Bob Link

Convene jointly as Visalia City Council and Visalia Redevelopment Agency Board of Directors

PLEDGE OF ALLEGIANCE

WORK SESSION AND ACTION ITEMS (as described)

7:00 p.m.

Public Comment on Work Session Items

Back-up materials will be distributed at the meeting:

7:05 p.m.

1. Continued staff presentation and City Council discussion and City Council/ Redevelopment Agency Board approval of the increased Recreation Park Stadium renovation project to be completed in one phase at a cost of \$10,913,127 and approval of \$6,497,772 to fund the project.

CLOSED SESSION

(Immediately following Work Session)

2. Conference with Real Property Negotiators (G.C. §54956.8)
Property: 210-216 N. Tipton (APN:094-240-030 and 031)
Under Negotiation: Price, terms and conditions of purchase
Negotiating Parties: Sellers/Sellers' Representative: Duval and Margaret Kugler; Ken Kugler
City/Buyer: Steve Salomon, Michael Olmos, Colleen Carlson

Adjourn as Visalia City Council and Visalia Redevelopment Agency Board of Directors and convene as Visalia City Council

3. Conference with Real Property Negotiators (G.C. §54956.8)
Property: APN 085-010-096 - Vacant Land Parcel located on South side of Hillsdale Drive at Tommy Street.
Under Negotiation: Price, terms, conditions of potential purchase
Negotiators: Steve Salomon, Michael Olmos, Mangano Homes, Inc.

4. Conference with Labor Negotiators (G.C. §54957.6a)
Agency Designated Representatives: Eric Frost, Jim Harbottle, Janice Avila
Employee organization: All bargaining units (Groups B, E, G, M, and unrepresented)

Upcoming Council Meetings

Monday, April 30, 2007, 4:00 p.m. - Jt. City Council/Planning Commission - Convention Center
Tuesday, May 1, 2007, 6 p.m. - Joint City Council/VUSD - 5000 W. Cypress
Monday, May 7, 2007 - City Hall Council Chambers

Work Session 4:00 p.m.
Regular Session 7:00 p.m.
City Hall Council Chambers
707 West Acequia Avenue

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

City of Visalia Agenda Item Transmittal

Meeting Date: April 23, 2007

Agenda Item Number (Assigned by City Clerk):

Agenda Item Wording: City Council Continued Discussion and City Council/Redevelopment Agency Conceptual Approval of the Increased Recreation Park Stadium Construction Project to be Completed in One Phase. Approximately Half of the Project Would be Financed Using Redevelopment Funds and Half Using General Fund Resources. After Deducting Projected Oak Stadium Revenues to the City, the Net General Fund Support Would be between \$100,000 and \$200,000 Annually. This Project Will be Subject to Public Bid.

Deadline for Action:

April 23, 2007

Submitting Department:

Administration

Contact Name and Phone Number: Carol L. Cairns, Assistant City Manager 713-4324

Department Recommendation:

Staff recommends that City Council continue the discussion of Recreation Park Stadium renovation and City Council/Redevelopment Agency conceptually approve the increased major renovation of the stadium be completed in one phase. The Grandstand demolition and reconstruction portion at a cost of approximately \$5.1 million would be funded by the Redevelopment Agency. The remainder of the project would be financed through a General Fund debt issue and current CIP funding.

Staff also recommends that City Council authorize the City Manager to negotiate a contract with the architectural firm of Fehlman LaBarre who have been involved with the design from the inception of the current renovation.

In addition, staff recommends the Council authorize the City Manager to negotiate contracts for construction related services, including construction management.

Phyllis Corning, Special Projects Manager, will be the Project Manager and she will develop an internal city team to assist her in all phases of the project.

Staff will continue to work with TOP OF THE THIRD, Inc. to maximize revenues over the fifteen year lease period. The current lease will be amended to include a different revenue schedule and other needed changes.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Staff will agendize the above items with finalized budget numbers on the May 7, 2007, Council Meeting for Council authorization or further direction.

Summary/background:

Revenues:

Annual Revenues consist of:

- Naming Rights
- Ticket sales
- Suites (premium tickets)
- Special Events

Projected Annual Revenue Years 2008-2013	\$282,263
Projected Annual Revenue Years 2014-2022	\$324,602
Projected 15 Year Revenue (without inflation)	\$4,614,996

Project Costs: At the Council Meeting on April 13, 2007, Council directed staff to prepare the construction plan and cost for the remaining major build out of Recreation Park Stadium in one phase. Staff and Oaks owner Tom Seidler have reexamined all components of the project and have reduced the additional cost to approximately \$6,000,000.

Staff and Oaks owner Tom Seidler have also evaluated construction cost savings as it relates to potential revenue loss. \$600,000 has been identified for savings through value engineering by deferring the swimming pool and 150 fewer grandstand seats and various construction materials savings.

Of the \$5,000,000 originally approved for the renovation, \$730,885 has been spent to date on the Hot Corner Lounge and Fan Dugout.

The project can be financed from two sources. The Redevelopment Agency can fund the demolition and reconstruction of the current grandstand, dugouts, press box and suites. This part also includes the electrical upgrades. The cost is approximately \$5.1million.

The second source is the General Fund which will pay for the Rightfield area to bring the ballpark into compliance and enhance the revenue capabilities. The cost is approximately \$5.1 million.

Constructing the major renovation in one phase consist of the following:

1. Grandstand:

Cost: \$5.1million

- Berm demolition
- suites
- press box
- restrooms and
- two dugouts
- electrical upgrades

2. Rightfield:

COST: \$5.1million

- VIP Lounge/increased to hold 100
- 350 seats outside VIP Lounge
- Concessions
- Restrooms
- Team Store
- Storage
- Grass Berm seating for 450
- Office Space for Oaks administration, sales and marketing
- Ticket Office
- 4,000 square feet of leaseable office space
- New South Entrance
- Score Board
- Kids Zone (downsized from the original plans-this will accommodate a play area for younger children)

3. Cost Paid to Date

COST: \$730,000

- Storm Drain relocations
- Hot Corner Lounge and Utility Upgrades
- Professional Design fees

4. Related Field Expenses

COST: \$710,000

- Field Improvements
- Scoreboard
- Furniture and Fixtures
- Testing and Inspection

Table I, Summary of Project Costs, details the current project components and the potential sources of funding:

Table I
Summary of Project Costs
(All Amounts in Millions)

1) Grand Stand	\$5.1
Demolition and reconstruction	
2) Rightfield	5.1
3) Costs to Date	0.7
4) Related Field Expenses	<u>0.7</u>
Project Cost	\$11.6
Less: Cur. Budget	<u>(5.0)</u>
Remainder	6.6
Less: RDA	<u>(5.1)</u>
contribution	
Remaining General	
Fund Contribution	\$1.5

FINANCING:

Staff will develop a financial plan for the utilization of Redevelopment funds as well as General Fund. The existing lease will be amended to incorporate the new changes.

Two million (\$2,000,000) of the funding is already programmed into the Capital Improvement Program. The remaining funds will be provided through debt financings as shown in Table II, Debt Issue, below:

Table II

<u>Debt Issue</u> -- Approximate Amounts			
		Principal	Annual Payment
Redevelopment		5,100,000	(390,545)
Term, years	30		
Interest	6.5% years		
General Fund			
- Oaks		2,700,000	(277,999)
- General		1,840,000	(140,902)
subtotal		4,540,000	(418,902)
Term, years	15		
Interest	6%		
Total		9,640,000	(809,447)

Pros and Cons: The project has a number of potential benefits including the revitalization of a 70 year old City asset which has not been renovated in a very long time. The project will also assure that minor league baseball remains in Visalia for the next 15 years as well as potentially spurring further improvements in this area of the community.

At the same time, this project will consume approximately 25% of the remaining debt capacity of the Central Redevelopment Project Area, dampening the Redevelopment Agency’s ability to assist in daylighting and restoring Mill Creek, redeveloping the current City Hall complex for medical office and condominium, the East Downtown revitalization and other downtown projects. Also, the City effectively would be responsible for the General Fund debt service if the Oaks for some reason left the City. The revitalization effects on the neighborhood may be less than hoped for or do not generate anticipated revenues.

Summary: We are at a crossroads with a City asset that has been in disrepair for many years. Obviously choices are available when one arrives at this juncture. Do we maintain a low profile stadium for local use? Do we renovate the stadium minimally to try to maintain a Professional Baseball association? Or do we renovate the stadium to be utilized as a multifunctional facility with the ability to generate revenue, increase economic opportunities in the area and create community

The owners are confident that attendance for baseball games and special events will continue to increase as a direct result of the renovation and upgrades. This is seen in many stadiums throughout the country. Minor League Baseball’s popularity continues to be on the rise. It is a very affordable family entertainment that is hard to duplicate. It is a “quality of life” asset that

also creates jobs, improves the surrounding area economics, provides opportunities for youth and is a vibrant community gathering place.

Prior Council/Board Actions:

Approval of \$5 million for Renovation September 2006

Committee/Commission Review and Actions:

Park and Recreation Review Fall of 2006

Alternatives:

Do not increase the scope of the renovation

Attachments:

Recommended Motion (and Alternative Motions if expected):

Direct staff to agendize the above items with finalized budget numbers on the May 7, 2007, City Council Meeting for Council authorization or further direction.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)

Copies of this report have been provided to:



Oak Stadium

Options and Opportunities

Tonight's discussion

- Revised project budget
- Improved revenues
- Return on May 7
 - Finalize Budget
 - Amend Lease
 - Negotiate contracts
 - A&E
 - Construction related services
 - Prepare bid documents
 - Project Manager



Projected Annual Revenues



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Grandstand: *\$5.1 million*

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Other Project Costs

■ Cost Paid to Date

\$730,000

- Storm Drain relocations
- Hot Corner Lounge and Utility Upgrades
- Professional Design fees

■ Related Field

Expenses: *\$710,000*

- Field Improvements
- Scoreboard
- Furniture and Fixtures
- Testing and Inspection

<u>Budget</u>			
<i>General Fund</i>			
- Original Funding			
- CIP		2,000,000	
- Debt Issue		3,000,000	
	Current Budget		5,000,000
	Additional Appropriation		1,540,000
	Subtotal		6,540,000
<i>RDA Appropriation</i>			5,100,000
	Total Project		11,640,000

Sources

General Fund

- Costs to date 730,000

- Cash 1,270,000

2,000,000

Debt Issue

- Oaks 2,700,000

- General 1,840,000

4,540,000

General Fund subtotal

6,540,000

Redevelopment

5,100,000

Total

11,640,000

Uses

Hot corner/Storm Drain/Costs to date 730,000

Upgrade Fields/Scoreboard/Team Facility 710,000

Right Field Upgrade 5,100,000

Grand Stand Renovation and electrical 5,100,000

11,640,000

Debt Issue

		<u>Principal</u>	<u>Annual Payment</u>
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Pros and Cons

■ PROS

- Revitalize 70 year-old City Asset
- Retain Minor League Baseball in Visalia
- Revitalize this section of Visalia

■ Cons

- Uses 25% of Central RDA debt capacity
- Dampens ability to do other projects
- Actual results may be less than projected

Decision

- Recommendations
 - Return on May 7
 - Finalize Budget
 - Amend Lease
 - Negotiate contracts
 - A&E
 - Construction related services
 - Prepare bid documents
 - Project Manager

