



Legislation Text

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Study session regarding two Capital Improvement Projects at Orange Memorial Park, synthetic turf sports field and proposed replacement of Orange Pool, and possible funding strategies. (*Sharon Ranals, Assistant City Manager, Janet Salisbury, Finance Director*)

RECOMMENDATION

It is recommended that the City Council Budget Subcommittee consider and provide direction regarding two Capital Improvement Program (CIP) projects at Orange Memorial Park, including potential funding strategies: construction of a synthetic turf multi-use sports field to be built over the Storm Water Capture project, which has previously been approved as a CIP project and is in the design phase; and the proposed replacement of the Orange Pool with an Aquatic Center.

BACKGROUND

The two projects at Orange Memorial Park which are the subject of this Study Session, a synthetic turf sports field and the proposed replacement of the Orange Pool, are being considered together in this report since their construction could occur within a similar time frame, and both involve significant funding commitments.

This report and presentation will discuss each project, including the following:

- existing conditions/need for the new amenities;
- status of the sports field project, which was approved as a CIP project in 2019/20;
- results of a feasibility study and vision for a new aquatic center;
- estimated project costs and cash flow needs over the anticipated design and construction timeframes;
- forecast of anticipated Parks Impact Fees, which have traditionally been the primary funding source for park projects;
- discussion of alternative funding strategies for these projects.

Multi-Sport Synthetic Turf Field

City Council members are familiar with the synergy between the Storm Water Capture (Phase 1) and Sports Field replacement projects, which created a unique opportunity to develop multi-sport synthetic baseball, softball, and soccer fields for youth and adults over the top of the Storm Water Capture system (Phase 2). Both projects are located in the quadrant of the park where the baseball and softball fields have historically been located, on Orange Avenue between Memorial Drive and the Colma Creek canal.

The Sports Field project will conserve water, provide for year-round play, significantly expand the number of hours of play that can be scheduled, improve safety for players, and enhance the appearance and beauty of Orange Memorial Park. Both the Stormwater and Sports Field projects were approved in the 2018/19 Capital Improvement Program. The sports field project includes: (1) baseball, (1) softball, and (2) youth baseball fields; (2) adult soccer, (2) junior soccer, and (4) youth soccer fields. Amenities include synthetic turf, lighting and electronic scoreboards, 30' chain link backstops with netting, aluminum bleachers, a restroom/concession

building, bullpens, dugouts, batting cages, portable goals and fencing, and landscape enhancements.

Project Duration and Timing of Expenditures

In November 2020, City Council awarded a contract to Verde Design to develop construction documents, bidding and construction observation services for Phase 2, which continues to track to a \$14 million total budget. Staff anticipates that the full project funding is needed around March 2022 in order to award the construction contract. This schedule is based on Engineering's early-2022 projected completion of Phase 1, the storm water capture project. Based on this schedule, staff expects the ballfield to open in late summer 2023.

Orange Pool/Aquatic Center

Orange Pool is South San Francisco's only indoor municipal swimming pool. Opened in 1970, it continues to serve as a community-wide destination for residents of all ages. The pool, which prior to the Covid-19 pandemic of 2020/21 was in operation year-round, seven days a week, offers critical life-skill/safety learn-to swim programs, recreation, fitness, therapy, health and wellness activities. A list of the programs offered at the pool includes the following:

- Open recreational swimming - includes special time slots for parents with babies or toddlers, adults only (ages 18 years and up), all ages, and Friday Family Swim Nights.
- Sauna - adults 18 years and up
- Lap swim - adults 16 years and up
- Aqua-Zumba, aquatic exercise, and water aerobics (fitness exercise with music)
- Swimming lessons and classes for children and adults scheduled on a quarterly basis
- Swimming lessons/recreational swim for Parks and Recreation, and Boys and Girls Club
- Summer Camp programs
- Red Cross lifeguard certification classes
- Red Cross health and safety classes
- Volunteer swim aide, instructor training
- Private pool rentals
- Co-sponsored competitive swim team, South San Francisco Aquatics Club (SSFAC)

User Data/Number of Participants

Pre-Covid-19, over 100,000 visits were made to Orange Pool annually (duplicated individuals). The pool serves over 600 users per day during the summer, when program offerings are expanded to serve the demand for more youth programming due to children being out of school for the summer, and to serve swimming lessons and recreation swim offered through summer camp. During the fall, winter, and spring there are approximately 325 swimmers daily when lessons are in session. When lessons are not in session, which is about a two-week period between each quarter, the pool continues to serve between 180-250 swimmers daily with lap swim and open recreation swim programs.

The average daily attendance of pool patrons by age group is as follows: children age 0 - 4, between 10 to 40; ages 5 - 18, between 80 to 450; adults ages 18 - 65, 30 to 90; and seniors 65 and up, between 40 to 60.

Average daily attendance by program, which varies seasonally, is as follows: lap swim, 40; adult recreation

swim, 50 ; the SSF Aquatics Club, 80; exercise classes, 25; swim lessons, 130 (290 summer); summer recreation swim (daily), 140; and weekend recreation swim, 70.

Prior to the pandemic, public demand for aquatic programs has grown year over year, well beyond the pool's capacity. There were a total of 4,124 spaces requested on waiting lists for swimming classes and programs in 2019, which represents 1,112 unduplicated individuals, many of whom were on multiple waiting lists.

Annual Maintenance Costs

Operational costs are approximately \$150,000 - \$200,000 per year in personnel and materials for maintenance of the pool systems, not including daily custodial work, which is approximately an additional \$50,000 per year. This does not include periodic capital improvement costs for various repairs that have been made over the years, such as replacing the pool's plaster and ceramic tile bottom, locker and fixture replacement, HVAC system, etc. However, budget requests in recent years for significant renovations have not moved forward, pending a decision on the future of the building.

Facility Description/Existing Conditions

The one-story building has a floor area of approximately 11,500 square feet, and contains a lobby, 25-yard, 6-lane swimming pool, locker rooms, staff office, and mechanical room. Constant maintenance and ongoing repairs have certainly been made during the pool's 51-year history, and much effort is expended to keep the pool as functional and pleasant as possible. However, high humidity, chlorine vapors, and heavy public use create a very harsh environment. Since its construction, the facility has not undergone any major rehabilitation. Today, the deteriorated condition is obvious upon even casual observation. Issues include crumbling and worn finish materials, dry-rotted wood, rusting steel structural and non-structural elements, deteriorated light fixtures, cracked, uneven and sometimes slippery floors, corroded aluminum window sash, and large expanses of non-safety glass. Nearly every architectural element and mechanical/electrical system in the pool is due for replacement, except for the filters, which were recently replaced.

In recognition of these conditions, and the fact that the typical life expectancy of an indoor aquatic facility is 40 -50 years, a professional feasibility study was conducted in 2016 by Marcy Wong Donn Logan Architects. Due to the size of the document, it has not been attached to this report, but is available for review in the City Council office. The study's conclusions, architectural concept design studies, and preliminary rough-order-of-magnitude (ROM) opinions of probable costs are based upon findings from a number of sources. Interviews were taken with Parks and Recreation personnel and other city staff. Comments were solicited and documented at several public forums. Input from Orange Pool users and community members was taken via survey forms. Multiple site visits were made by the consultant team for the purpose of technical condition assessments of the existing facility, and remediation recommendations. The existing facility's spatial layout and square foot areas were assessed. A space program for a renovated or new pool was developed based on all of these sources.

The consultant team examined all structural and architectural systems, including mechanical, lighting, plumbing, floor and wall finishes, water treatment systems, and windows and glazing. The report confirms that the building's design and construction are typical of the late 1960's to early 1970's. By today's standards, Orange Pool's architectural, structural and other building systems are significantly below current building code requirements and building owner expectations for seismic resistance, energy efficiency, water efficiency, indoor

air quality and comfort, architectural lighting, room acoustics, ADA accessibility, daylight control, sustainability, and a range of family/user accommodations. The existing facility is not compliant with California Title 24 and federal ADA requirements for accessibility and energy efficiency. The building design is well over a dozen code editions behind current applicable building code standards.

Typical of 1970's construction, the building is not energy efficient. The exterior curtain walls and storefronts have the original single glazed windows in aluminum frames. The majority of the building is comprised of uninsulated CMU walls and concrete slab floors. The building's lighting and electrical systems, mechanical units and plumbing systems do not meet current water and energy conservation standards.

Timing for Replacement

Despite the City's attentive custodianship of the building, overall, the building's age and heavy use have resulted in very worn condition of the shell and interior. As noted previously, virtually every observable component and system named above is part of the original construction and is well beyond the point of meriting replacement.

Based on a recent review of the feasibility study, and the known condition of systems in place to date, staff expects the facility will need to be closed within the next 0 to 5 years unless there is significant capital investment or wholesale replacement.

Orange Pool is used seven days per week, year-round, with the exception of annual maintenance closures, typically for two to three weeks in December. Understanding the great community benefit provided to residents of all ages, abilities, socio-economic backgrounds, and ability to pay for programs, the City subsidizes aquatics programs, and has adopted affordable and inclusive fees. The Parks and Recreation Department also maintains a donation-backed scholarship fund to provide financial assistance to those unable to pay full fees, and works with customers as much as possible to avoid turning anyone away if unable to afford full fees. In addition to its adult and youth learn to swim and fitness programs, the pool has a large senior aquatic therapeutic and fitness program.

Options for Replacement or Renovation

After detailed analysis of existing conditions and community demand, the consultants drafted three scenarios for replacement or rehabilitation of the existing pool facility, as summarized below.

Scenario A - Renovate the Existing Orange Pool Facility (\$10,522,275 as of 2017)

This scenario consists of not only cosmetic architectural renovations, but also upgrading and/or replacement of all the engineering systems to meet or come as close as possible to current design standards. Given severely outdated layout of the facility, building systems and deteriorated physical conditions, any rehabilitation that is designed to approach or meet conformance with current code standards would be no less, if not more expensive, than a new ground up construction.

This scenario is the least beneficial long term option for many reasons:

1. The benefit to cost ratio is very low
2. Keeping the existing building precludes superior master planning options

3. Renovations of this facility will likely result in unforeseen expenses from unknown conditions

Scenario B - Construct a Separate New Warm Pool Facility (\$21,380,835 as of 2017)

In Scenario B the construction of a new warm pool facility was explored, independently of the Orange Pool renovation described in Scenario A. Unfortunately, due to seismic requirements, the warm water pool would essentially be a standalone building, bridged with a covered walkway. Benefits of this approach are:

1. The flexibility of phasing renovation of the existing pool and building a new teaching pool
2. Flexibility and funding of overall projects in phases
3. The completion of a new, code-compliant, warm water teaching pool facility

Disadvantages of this approach include:

1. A warm pool facility separate from the lap pool facility needs additional staffing
2. Separate warm and lap pool buildings require more complicated security measures
3. Renovation to existing facility (with low cost to benefit ratio) still needed
4. Keeping the existing building precludes superior master planning options
5. Renovations of this existing facility will likely result in unforeseen expenses from unknown conditions

Scenario C - Construct a New Two-Pool Facility (\$22,363,600 as of 2017)

This scenario envisions demolishing Orange Pool and constructing a new facility. The new natatorium includes both a lap pool and a warm water teaching pool. The bathhouse has the possibility of being two stories. This approach has the most advantages of any of the scenarios:

1. The facility layout can be designed for maximum functional efficiency
2. A new facility with both pools in one natatorium does not require redundant staffing
3. A well-designed new facility with two pools can simplify facility and security management
4. A modern aquatics center can be designed with ancillary spaces that are ideal for modern families with two working parents and young children
5. A new facility will be designed to be ADA accessible, environmentally healthy, energy efficient, sustainably designed, architecturally inviting, and seismically safe
6. Razing the existing facility and building a ground-up facility allows park master planning options
7. A new facility reduces the likelihood of unforeseen expenses that occur in renovation projects
8. This scenario has the highest benefit to cost ratio

The Attachments to this report illustrate an exciting vision for a new aquatics center, as conceptualized in Scenario C. In this amenity-rich concept, a new facility could be designed to complement the architecture of the Fernekes Recreation Building, and create a campus feel to this quadrant of the park.

It is important to note that the pool feasibility study was completed in 2016, and only contemplated construction of a new aquatics center at its current location. Should the aquatic center project move forward, more analysis would be done to update design and construction cost estimates, and that all options are considered. The concepts developed through the feasibility study are illustrative.

Project Duration and Timing of Expenditures

With a projected total project budget of \$25 million, staff anticipates the need for approximately \$3 million dollars to establish professional services agreement for design, cost estimating, site investigation, and design review in FY21-22. Following the planning and design phase, the balance of the project funding is needed at

the time of contract award, currently targeted for early 2023. Based on this schedule, staff projects the new aquatics center to open Fall 2024.

FUNDING STRATEGIES

The above project(s), if approved by Council, require a funding plan.

A. Parks Impact Fees

Parks Impact Fees can provide partial funding for these projects. Authorized by the Mitigation Fee Act (Government Code 66000, et seq.), the City of South San Francisco imposes impact fees on new development projects in order to mitigate the impacts caused by new development on public services. While the City has a number of impact fees, the impact fees related to parks consists of two separate categories: Park Construction Fee and Parkland Acquisition Fee (together, the "Parks Impact Fee").

The following is the available unappropriated Parks Impact Fee fund balances as of March 31, 2021:

Parks Construction:	\$3,878,281
Parks Acquisition:	\$ 940,559
TOTAL Available:	\$4,818,840

As shared with the City Council via a memorandum from the City Manager, Mike Futrell, dated February 10, 2021, the following table shows the projected Park Impact Fee revenues over the next five years:

Fiscal Year ("FY")	Estimated Park Impact Fee*
21-22	\$ 4,278,364
22-23	\$ 3,664,986
23-24	\$ 3,492,800
24-25	\$ 3,883,575
25-26	\$ 7,322,383

**Estimated based on current forecast of development environment; subject to change.*

While the above revenues are dependent upon the size, scale and timing of the private developments throughout the City, based upon current forecasts, it is expected that an additional \$22.6 million may be available by June 30, 2026. This is in addition to the \$4.8 million already available in the Parks Impact Fee Funds.

B. Funding the Sports Field Improvements Alone

The current expectation is that Sports Field Project will necessitate a total budget of \$14 million with the facility open by late summer/early fall of 2023. Based on the currently available Park Impact Fees plus the forecast for the next two fiscal years, staff estimates that \$12,762,190 would be available for the project.

Total Available as of 3/31/2021:	\$ 4,818,840
Forecasted Revenues (FY 21-23):	\$ 7,943,350
TOTAL Available:	\$12,762,190

With the above, the Sports Field Project would face an estimated \$1.3 million shortfall. However, with the expected

availability of other sources of funding, such as grants, the Sports Field Project, if approved by Council, could be funded on a pay-as-you-go basis, with the lion's share being funded through Parks Impact Fees. The risk is that developments slow, thus slowing receipt of needed Parks Impact Fees to fund the Sports Field Project.

C. Funding the Orange Memorial Park Aquatic Center and Sports Field Improvements

The projected total budget to fully fund the construction of the Orange Memorial Park Aquatic Center is \$25 million, with the hopes that if approved by Council, the new aquatic facility would be completed by fall/early winter of 2024. Combined with the Sports Field Project, the total expected cost for both the Aquatic Center and Field projects is \$39 million.

Sports Field Project:	\$ 14,000,000
Orange Pool Project:	\$ 25,000,000
Total Capital Need:	\$ 39,000,000

If Council wishes to move forward with both projects, staff recommends that Council consider the sale of a third tranche of Measure W Lease Revenue Bond to partially fund both the Aquatic Center and Sports Field Projects.

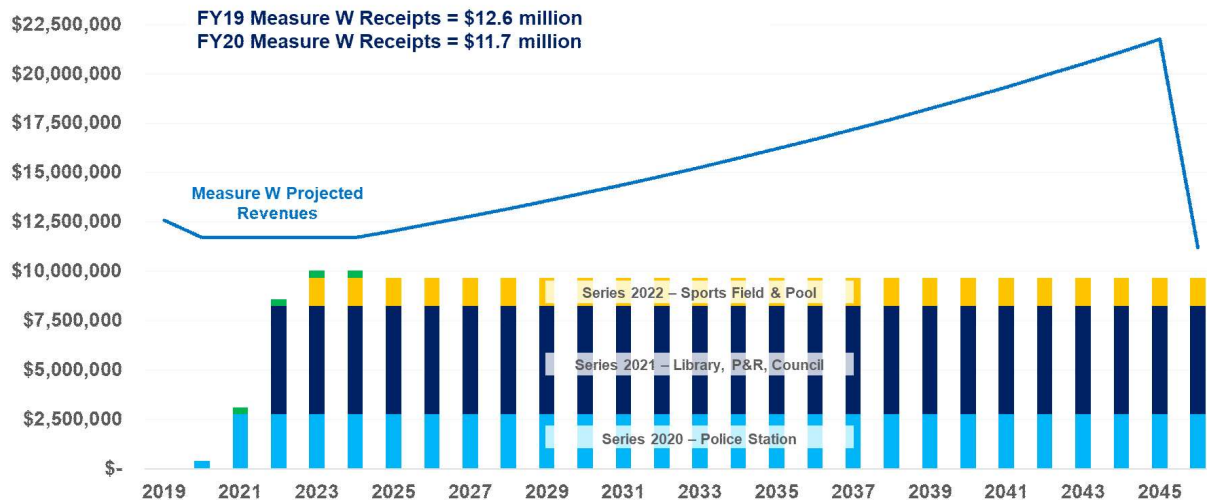
The current Parks Impact Fee forecast as shown in Section A above shows that if development keeps pace with expectations, over \$16.2 million may be available to the City over the next three fiscal years (\$4.8 million available now in the Parks Impact Fee Fund plus an additional \$11.4 million collected in FY21-24). Clearly, the collection of Parks Impact Fee alone would not allow for fully funding both projects, even assuming all developer fees are paid on-time as forecasted.

However, Council can consider the sale of additional Lease Revenue Bonds to coincide with the completion of the storm water capture project. Issued in 12-15 months from now, the additional sale of approximately \$25 million of Lease Revenue Bonds would allow the City to fund both the Aquatics Center and Sports Field Projects. This would provide financial certainty that the funds will be available when needed.

As the Budget Subcommittee members are aware, the City issued the first tranche of Lease Revenue Bonds in March 2020 to finance the bulk of the Police Station. The second tranche of Lease Revenue Bonds to fund the Library, Parks and Recreation Building is expected to be completed by early June 2021.

The chart below shows a projection of Measure W revenues against all debt service obligations assuming Council moves forward with an additional sale of \$25 million of Lease Revenue Bonds in mid-2022 for the Sports Field and Aquatic Center Projects.

Chart 1: Measure W Revenues vs. Total Debt Service



The table below shows the numerical cash flow data of the above chart through FY2029-30:

Table 1: Measure W Revenues vs. Total Debt Service through FY2029-30

Date	Estimated Sales Tax Receipts (Measure W) ¹	Series 2020: Debt Service (Police Station)	Series 2021: Debt Service (Library, P&R, Council and Street Paving) ²	Series 2022: Debt Service (Swimming Pool) ³	Director of Capital Project	Remaining Measure W Funds
6/30/21	\$ 11,704,090	\$ 2,767,200			\$350,000	\$8,586,890
6/30/22	11,704,090	2,765,450	5,477,327		357,000	3,104,313
6/30/23	11,704,090	2,766,450	5,475,000	1,436,333	364,140	1,662,167
6/30/24	11,704,090	2,764,950	5,474,600	1,438,200	371,423	1,654,917
6/30/25	12,055,213	2,765,950	5,475,800	1,434,800		2,378,663
6/30/26	12,416,869	2,764,200	5,478,400	1,435,600		2,738,669
6/30/27	12,789,375	2,764,700	5,477,200	1,435,400		3,112,075
6/30/28	13,173,056	2,762,200	5,477,200	1,439,200		3,494,456
6/30/29	13,568,248	2,764,800	5,478,200	1,431,800		3,893,448
6/30/30	13,975,296	2,765,200	5,475,000	1,438,600		4,296,496

¹ Assumes no growth in sales tax receipts from FY 2021-24 and 3.00% growth rate thereafter.

² Assumes all-in total interest cost of 2.58%.

³ Assumes all-in total interest cost of 2.83%.

As shown above, Measure W revenues are expected to safely exceed any debt service obligations, even with the issuance of another \$25 million of debt. Staff would work to refine the projections over the course of the next year should the City Council decide to move forward with the discussed capital projects.

CONCLUSION

The two park and recreation assets described in this report, the Orange Park baseball/softball field, and the Orange Pool, have served the community extremely well, providing recreation, fitness, and wellness opportunities for thousands of residents for decades. Both are now well beyond their useful lives, and exhibit all of the challenges that come with antiquated resources. This includes insufficient capacity for a growing population, high maintenance and repair costs, safety concerns, ADA issues, poor energy and water efficiencies, and poor aesthetics.

Although it would be possible to construct the Sports Field project alone using Park Impact Fees, current economic conditions make the timing of development projects and the receipt of impact fees uncertain. Staff recommends the sale of approximately \$25 million of Lease Revenue Bonds, which would allow the City to fund both the Aquatics Center and Sports Field Projects. This would provide financial certainty that the funds will be available when needed. Addressing both of these needs at the same time is an extraordinary opportunity to create safe, modern, efficient, environmentally sustainable, functional, and beautiful public assets that will be transformative for Orange Memorial Park, and which will serve South San Francisco residents for generations to come.

Attachments:

1. Presentation for City Council Study Session
2. Orange Park Multi-Sport Synthetic Turf Field Schematic
3. Aquatic Center Concept Site Plan, Wong Logan Feasibility Study, p. 131
4. Aquatic Center Concept Rendering Wong Logan Feasibility Study, p. 132
5. Aquatic Center Concept Floor Plan/1st Floor, Wong Logan Feasibility Study, p. 129
6. Aquatic Center Concept Floor Plan/2nd Floor, Wong Logan Feasibility Study, p. 130