

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant to the City Manager

SUBJECT: Budget Appropriation for Union/46 Specific Plan Park Site Purchase

DATE: December 16, 2003

Needs: For the City Council to consider making an budget appropriation for the acquisition of the 7-acre Park Site located in the Montebello housing project consistent with a previous action authorizing its purchase.

- Facts:
1. On November 4, 2003, the City Council unanimously approved the Purchase Agreement for the acquisition of a 7-acre Park within the Union/46 Specific Plan Area.
 2. The Purchase Agreement is structured to use a combination of Union/46 Specific Plan fees and Citywide Park Development Fees (cash payment and credits).
 3. The total purchase price for the 7-acre parcel is \$1,100,000.
 4. The City's 2003/2004 Budget was approved with a Capital Improvement Project (CIP) appropriation of \$450,000 for the Union/46 Park acquisition. Additionally, there was a "place-holder" of \$550,000 for purchase of the Union/46 School site that is no longer needed.
 5. To bring the 2003/2004 Budget into alignment with the action to purchase the park site, it will be necessary to "cancel" the acquisition of the School site (\$550,000), and increase the appropriation for the Park Acquisition by \$650,000.
 6. The total appropriation for the Park site will then be \$1,100,000 (which is \$440,000 from the Union/46 Specific Plan Park Acquisition Fees, and \$670,000 from the City Park Development Fees).
 7. As future Union/46 Park Fees are paid, the Specific Plan will reimburse the Citywide Park Fee fund until such time that Union/46 is built out.

POLICY

REFERENCE: General Plan; Union/46 Specific Plan; Budget.

FISCAL

IMPACT: The total acquisition cost of \$1,100,000 is coming from a combination of existing and future Union/46 Park fees as well as existing and future Citywide Park Development Fees. The adopted CIP budget provided \$450,000 for the park acquisition and \$550,000 for the school site acquisition. Park

fees may not be expended for non-park purposes, i.e. school site acquisition. Accordingly, the \$550,000 budgeted as a “placeholder” for the school site identified the General Fund as its funding source. Since the Council has made a decision not to purchase the school site, the General Fund appropriation should be voided in order to reduce the projected General Fund deficit for fiscal year 2004.

On the other hand, the \$450,000 appropriated for the park site acquisition needs to be increased to reflect the acquisition cost and amount of related expenditures. The purchase cost includes a combination of cash and fee credits. While the fee credits will reduce actual cash outlay, Generally Accepted Accounting Principles dictate that the acquisition be “booked” at \$1,100,000 million plus related miscellaneous expenditures. Related expenditures (i.e., property appraisals, legal services and escrow costs, etc.) are projected at \$50,000. Thus, this request to increase the park acquisition appropriation by \$700,000 from \$450,000 to \$1,150,000.

The Union/46 Specific Plan identified the park property acquisition and subsequent development of the park as coming from both specific plan park fees and citywide park fees. Unfortunately, the Plan grossly under estimated the acquisition and development costs which it pegged at \$982,000. Assuming that the area builds out per the specific plan, the 975 residential units will generate \$684,500. The balance will come from citywide park fees. However, specific plan park fee collections life-to-date through 10/31/03 total \$452,000. Thus, not only will citywide park fees be called upon to contribute to the purchase but they’ll have to advance funds while specific plan fees are being collected for residential units yet to be constructed. The amount required from citywide park fees is \$498,000 of which approximately \$190,000 will be repaid from future specific plan fees collected over time. As of 10/31/03, there is \$593,000 in the citywide park impact fee fund. Of this amount, \$244,000 has been allocated as matching funds for Sherwood Park Playground Project and the Centennial Park Rehab Project. The citywide park fund will be a little short but grant funds for Sherwood and Centennial Park projects have not yet been received and at \$2,532 per residential unit it won’t take long for resources to catch up. In other words, the shortfall is temporary and is manageable.

- OPTIONS:
- a. Adopt Resolution No. 03-xx authorizing a budget appropriation for a 7-acre Park site within the Union/46 Specific Plan Area and Canceling School Site acquisition appropriation.
 - b. Amend, modify or reject above option.

Attachments:

1. Resolution authorizing budget appropriation for Park Site and Voiding School Site acquisition appropriation

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING AN ADDITIONAL BUDGET APPROPRIATION FOR THE UNION/46
SPECIFIC PLAN 7-ACRE PARK SITE PURCHASE AND VOIDING AN APPROPRIATION
FOR A SCHOOL SITE WITHIN THE SAME PLAN AREA

WHEREAS, the Union/46 Specific Plan, adopted in 1989, established the requirement that a combined School and Park site be set aside within the northern portion of the plan area for purchase by the City and School District; and

WHEREAS, on November 4, 2003, the City Council unanimously approved the Purchase Agreement for the acquisition of a 7-acre park within the union/46 Specific Plan Area; and

WHEREAS, the Specific Plan established a fee for Park acquisition and development (above and beyond city-wide standard map and building permit fees); and

WHEREAS, the City Wide Park Development Fee is intended for use in the acquisition and development of parks throughout the City of Paso Robles; and

WHEREAS, the Union/46 Park Site Purchase Agreement is structured to pay the \$1,100,000 appraised site value with a combination of Union/46 Specific Plan and City Wide Park Development Fees; and

WHEREAS, the City's 2003/2004 Budget was approved with a Capital Improvement Project (CIP) appropriation of \$450,000 for the Union/46 Park and there was also "place-holder" of \$550,000 for purchase of the Union/46 School site that is no longer needed; and

WHEREAS, to bring the 2003/2004 Budget into alignment with the action to purchase the park site, it will be necessary to "cancel" the acquisition of the School site (\$550,000), and increase the appropriation for the Park Acquisition by \$700,000 (an additional \$50,000 to cover incidental expenses); and

WHEREAS, the total appropriation for the Park site will then be \$1,150,000 (which is \$450,000 from the Union/46 Specific Plan Park Acquisition Fees, and \$700,000 from the City Park Development Fees); and

WHEREAS, as future Union/46 Park Fees are paid, the Specific Plan will reimburse the City Wide Park Fee fund until such time that Union/46 is built out.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles to void the appropriation of \$550,000 in the FY2003/04 Budget for the school site acquisition.

BE IT FURTHER RESOLVED, by the City Council of the City of El Paso de Robles as follows:

1. An additional appropriation of \$700,000 is hereby approved to budget account # 225-910-5450-516 for acquisition of the Union/46 Specific Plan 7-acre Park site; and
2. An amount of \$700,000 or a portion thereof to complete the acquisition and cover related expenses shall be transferred from the Park Development Impact Fee Fund to the Union/46 Specific Plan Fund; and

3. The Union/46 Specific Plan Fund shall reimburse all future collections of specific plan park fees back to the Park Development Impact Fee Fund until such time as the specific plan area is built out.

PASSED AND ADOPTED by the City of El Paso de Robles this 16th day of December 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk