

# AMENDED COUNCIL REPORT



## COUNCIL REPORT

**DATE:** May 10, 2022

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **All-Inclusive Playground, Project 18-36, and Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48—Various Actions**

### RECOMMENDATION

1. Appropriate to All-Inclusive Playground, Project 18-36, the following funding (Five votes required):
  - a. \$1,181,205 to be provided by Magical Bridge Foundation;
  - b. \$1,700,000 provided by County of Santa Clara All-Inclusive Playground Funding Grant;
  - c. \$228,911 provided by State of California Proposition 68 Per Capita Grant Funds program; and
  - d. \$900,000 to be provided by Google as community benefits for the 1860-2159 Landings Drive development.
2. Approve the removal and mitigation for four Heritage trees at a 2:1 tree replacement ratio with 24" box trees for Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48.
3. Approve plans and specifications for All-Inclusive Playground, Project 18-36, and Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48, and authorize staff to advertise both projects for bid as a single construction package.
4. Authorize the City Manager or designee to award the construction contract to the lowest responsible bidder if the bid is within the combined budget of both projects.
5. Authorize a 2% Public Art Budget for the Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48.
6. Authorize the City Manager or designee to execute a professional services agreement with Tanner Pacific, Inc., to provide construction engineering services for All-Inclusive

Playground, Project 18-36, and Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-28, in a not-to-exceed amount of \$586,440.

7. Authorize the City Manager or designee to amend the professional services agreement with Sandis Civil Engineers Surveyors Planners to provide additional services for Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48, in a not-to-exceed amount of \$50,000 for a total compensation amount of \$129,790.

### **BACKGROUND**

On May 5, 2022, the original Council report was distributed. This report amends the Fiscal Impact, Conclusion, and Alternatives sections of the Council report to provide additional information on the project cost and funding history for All-Inclusive Playground, Project 18-36, clarify the City Council's actions related to proposed Google Landings community benefit funding of \$900,000, and specifically request that Council allocate the Google Landings community benefit funding of \$900,000 to the project. These amended sections of the Council report are provided below.

**FISCAL IMPACT**

The estimated costs for both projects are as follows:

**Table 1: Total Design and Construction Project Cost**

	<b>Playground, Project 18-36</b>	<b>Buildings, Project 21-48</b>
Construction	\$3,820,000	\$2,311,000
Construction Contingency	382,000	231,000
Consultant Services	575,000	350,000
City Project Management	280,000	210,800
Construction Inspection and Testing	361,000	226,000
Public Art	—	46,200
Fixtures Furnishing & Equip. (FFE)	—	45,000
Permits and Miscellaneous	75,000	30,000
Project Contingency	<u>231,216</u>	<u>203,000</u>
 Subtotal	 <b>\$5,724,216</b>	 <b>\$3,653,000</b>
 City Administration	 <u>112,000</u>	 <u>237,000</u>
 TOTAL PROJECT COST ESTIMATE	 <b><u>\$5,836,216</u></b>	 <b><u>\$3,890,000</u></b>

Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48, is funded from the Park Land Dedication Fund in the amount of \$3,890,000. There is sufficient funding for this project.

All-Inclusive Playground, Project 18-36, is funded from both City and outside sources. When the MBF Agreement was approved by Council in October 2017, the project was expected to cost \$4,525,000 to design and construct, plus the City’s soft costs of approximately \$375,000, for a total estimated project cost of \$4,900,000. To fund the project, it was expected that the MBF would raise \$2,525,000 in donations, with the remaining funding coming from a \$1,000,000 County of Santa Clara matching grant and \$1,375,000 in City funding.

On June 23, 2020, Council approved the 1860-2159 Landings Drive development (Google Landings). The Google Landings project included a proposed \$900,000 of community benefit funds to be allocated toward All-Inclusive Playground, Project 18-36. By this time, the MBF had

only raised \$1,145,000, which was \$1,380,000 short of their target; however, the County matching grant was \$700,000 higher than originally estimated. The overall project shortfall, therefore, was estimated to be \$680,000. The \$900,000 from Google Landings community benefits would help fill that shortfall and provide additional contingency for further cost increases. At the June 2020 meeting, Council expressed concern that the community benefit funding would not be available in time and a desire that the design features for the All-Inclusive Playground not be reduced due to funding shortfalls. The Council's motion in approving Google Landings included that the allocation of the community benefits funding to the Magical Bridge Playground at Rengstorff Park would be left to the discretion of Council at another time. In addition, staff agreed to return to Council with recommendations for the use of additional Park Land Dedication Funds to cover the project budget shortfall.

At the September 22, 2020 Council meeting, when Council approved the conceptual plan for the All-Inclusive Playground, Council also approved applying for \$228,911 from the State of California (State) Proposition 68 Per Capita Grant Program and allocating an additional \$451,100 in the Park Land Dedication Fund. This was to cover the \$680,000 project shortfall for the original estimated project cost of \$4,900,000. The Council report also noted that staff would recommend any adjustments to funding at the time of Council approval of project plans and specifications for bidding and would request Council approval for the appropriation of the funds from the County grant, MBF contributions, and any other available funding sources into the project.

As indicated in Table 1, above, the project cost estimate has increased by nearly \$1 million since the 2017 project estimate. While the 2017 estimate included escalation costs, it did not anticipate the project delays brought by the COVID-19 pandemic and the cost impacts due to high inflation and supply chain challenges. Since September 2020, the MBF donation amount has increased by only \$36,205.

According to the conditions of approval for Google Landings, Google is to provide all community benefit funding prior to issuance of the building permit for the office development. Google is on track to obtain the initial grading permit for the Google Landings building permit in June 2022 and will be providing all monetary community benefits at that time, including the \$900,000 that Council could allocate to the All-Inclusive Playground project.

Staff recommends that the Council allocate the \$900,000 in Google Landings community benefits to the All-Inclusive Playground project, as originally proposed, as part of the Google Landings project. With this funding, the project is anticipated to have sufficient funding as shown in Table 2.

**Table 2: Funding Sources**

	<b>Project 18-36</b>
City Contribution (Park Land Dedication Fund)	\$1,826,100
County Grant (Reimbursement)	1,700,000
CA State Parks Bond Per Capita Grant (Reimbursement)	228,911
Google Landings Community Benefit	900,000
MBF Contribution*	<u>1,181,205</u>
<b>Total</b>	<b><u>\$5,836,216</u></b>

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\* Additional contributions by MBF, if any, will be used to offset Park Land Dedication Funds.

**CONCLUSION**

Council approval of the staff recommendations will allow the projects to move forward to construction. Combining the two projects into a single construction contract eliminates potential conflicts and site management issues that could arise with two contractors working in close proximity at the same time with scope elements that overlap and share site access. Approval of the consultant agreement provides the necessary staff resources to manage the construction of the two projects. In addition, approval to allocate \$900,000 from Google Landings community benefits will address the projected funding shortfall due to project delays and increasing construction costs.

**ALTERNATIVES**

1. Do not approve the plans and specifications and defer one or both projects.
2. Do not approve a 2% public art budget and maintain the current budget of 1% for Rengstorff Park Maintenance and Tennis Building Replacement, Project 21-48.
3. Do not approve the allocation of Google Landings community benefits to the All-Inclusive Playground project and direct staff to allocate additional Park Land Dedication Funds to the project.
4. Provide other direction.

**PUBLIC NOTICING**—Agenda posting.

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RSR/TS/6/CAM  
999-05-10-22CR (Amended)  
201822

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