



Council Agenda Report

Item 6g

Department: Public Works
Cost Center: 5002
For Agenda of: 7/19/2022
Placement: Consent
Estimated Time: N/A

FROM: Matt Horn, Public Works Director
Prepared By: Shelsie Moore, Supervising Civil Engineer

SUBJECT: AUTHORIZATION TO ADVERTISE CHENG PARK REVITALIZATION PROJECT, SPECIFICATION NO. 91385-10

RECOMMENDATION

1. Approve the project plans and special provisions for the Cheng Park Revitalization, Specification 91385-10; and
2. Authorize staff to advertise for bids; and
3. Authorize the City Manager to award the Construction Contract for the bid total if the lowest responsible bid is within the Engineer's Estimate of \$400,000; and
4. Authorize the City Engineer to approve Contract Change Orders up to the available project budget; and
5. Authorize an appropriation up to \$200,000 in Capital Reserve Funds to support completion of the project; and
6. Authorize the Finance Director to return unspent Capital Reserve funding to the Capital Reserve Fund balance after project completion; and
7. Adopt a Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, authorizing use of Capital Projects Reserve Fund to support Cheng Park Revitalization, Specification Number 91385-10".

POLICY CONTEXT

With the Fiscal Year 2021-23 Financial Plan, Council established Major City Goals for Economic Recovery, Resiliency, and Fiscal Sustainability as well as Diversity, Equity, and Inclusion. A revitalized Cheng Park accomplishes these goals by creating an inviting downtown park with restored elements that honor Chinese culture as conceived by the park's original designer, Alice Loh. This park will provide a unique visitor experience and contribute to downtown vitality through enhancements to arts and culture.

On May 17, 2022, Council approved a Purchasing Policy Update which requires Council approval for Public Projects with a value of \$200,000 or more. The City's Fund Balance and Reserve Policy was adopted in June 2021 and includes guidelines related to the Capital Projects Reserve Fund, as follows:

The City will maintain a committed reserve of 20% of capital improvement plan budget from the Local Revenue Measure for the purposes of offsetting unanticipated cost increases, unforeseen conditions, and urgent unanticipated projects to provide continued investment in infrastructure maintenance and enhancement. Use and allocations of funds from the Capital Projects Reserve Fund will be made to Capital Projects including Major Facility Replacement upon Council approval as necessary during any fiscal year.

The recommended use of the Reserve to supplement the Cheng Park Revitalization project is consistent with this policy.

DISCUSSION

City owned parks require ongoing maintenance and improvements to provide users a safe and enjoyable experience. The Cheng Park Revitalization project is a project within the Parks Major Maintenance - Annual Asset Maintenance Account that provides ongoing funding for the maintenance and replacement of park infrastructure including Cheng Park.

Cheng Park is a small contemplative garden with a pond, shade structure, sculptures, and a few benches located at the corner of Marsh Street and Santa Rosa Street. It is in need of significant maintenance to restore and preserve the park. The park was constructed in 2005 to celebrate Chinese Heritage through architectural and landscape features and it has many features that need to be repaired or upgraded. The current project includes rehabilitating the existing water pond, installing a new pump station, minor electrical improvements at the Pagoda, as well landscaping and irrigation replacement.

Staff is requesting that the Council approve the final project plans (Attachment A), specifications (Attachment B), and authorize staff to advertise the project for bids.

Previous Council or Advisory Body Action

This Project was identified in the 2021-23 Financial Plan that was approved by Council. Additionally, the Fund Balance and Reserve Policy was adopted by Council on June 1, 2021.

Public Engagement

Public engagement for the Cheng Park Revitalization project was completed during the initial identification of this project in preparing the 2021-23 Financial Plan. Additionally, City staff worked with the original designer of the park, Alice Loh, to ensure the revitalization is consistent with the original purpose of the park to honor Chinese culture.

CONCURRENCE

The Public Works, Community Development, and Parks and Recreation departments concur with the recommendations of this report.

ENVIRONMENTAL REVIEW

The Cheng Park Revitalization project is exempt from environmental review under Section 15301 Class 1 (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines because the project proposes to maintain existing facilities. The project is consistent with the applicable general plan policies as well as with applicable City Regulations. A Notice of Exemption will be filed with the Community Development Department.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2022-23

Funding Identified: Yes

Fiscal Analysis:

Due to increases in materials and labor construction costs, the City's current estimate for this Cheng Park project is higher than previously budgeted. \$300,000 was identified in the 2021-23 Financial Plan for this project. Staff recommends allocating an additional \$200,000 from the Capital Reserve Fund to complete the project (Attachment C). The budget will be amended when the contract is awarded, and bid costs are known.

| Funding Sources | Total Budget Available | Current Funding Request | Remaining Balance | Annual Ongoing Cost |
|--------------------------------------|-------------------------------|--------------------------------|--------------------------|----------------------------|
| General Fund | \$ 300,000 | \$300,000 | \$0 | |
| State | | | | |
| Federal | | | | |
| Fees | | | | |
| Other: Capital Reserve Funds Balance | \$2,901,708 | \$ 200,000 | \$2,701,708 ¹ | |
| Total | \$ 3,201,708 | \$ 500,000 | \$2,701,708 | N/A |

¹ The Capital Reserve Fund's current balance is \$2,901,708 to support this request of \$200,000. Concurrent with this request is a request to support the Cerro San Luis Greenway project with a funding amount of \$1,000,000 from the Capital Reserve Fund account. If Council approves both this project's funding request and the Cerro San Luis Greenway project funding request the Capital Reserve Fund will have a balance of \$1,701,708 to support future needs.

| Cheng Park Revitalization, Specification No. 91385-10 | |
|---|----------------------------|
| | Project Account (91385-10) |
| | Capital Outlay Fund - LRM |
| Construction Estimate | \$400,000 |
| Contingencies (20%) | \$80,000 |
| Total for Construction | \$480,000 |
| Materials Testing | \$4,500 |
| Construction Support | \$15,000 |
| Printing | \$500 |
| Total Project Cost | \$500,000 |
| Current Project Balance: | \$300,000 |
| Remaining Balance: | -\$200,000 |
| Current Capital Reserve Fund Balance: | \$2,901,708 |
| Additional Funding Request from Capital Reserve Fund Balance for Cheng Park Revitalization: | \$200,000 |
| Separate Council Request for Capital Reserve Funds for Cerro San Luis Greenway: | \$1,000,000 |
| Remaining Balance in Capital Reserve: | \$1,701,708 |

ALTERNATIVES

Deny or defer approval to advertise the project. The City Council may choose to deny or defer the approval to advertise this project. Staff does not recommend this option, as the park rehabilitation was identified as a project in the 2021-23 Financial Plan and is in need of restoration.

ATTACHMENTS

- A - Project Plans (Specification Number 91385-10)
- B - Project Special Provisions (Specification Number 91385-10)
- C - Draft Resolution Authorizing Use of Capital Projects Reserve Fund for Specification Number 91385-10