



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Direct Staff Regarding the Phase 3 Grape Bowl Improvements Project  
**MEETING DATE:** October 5, 2011  
**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Direct staff regarding the Phase 3 Grape Bowl Improvements Project.

**BACKGROUND INFORMATION:** At the January 4, 2011 Shirtsleeve Session, the City Council received information regarding alternative plans for the phased construction of the remaining Americans with Disabilities Act (ADA) facilities. Up to that point in time, the City had expended almost \$2.5 million by adding ADA-accessible seating, ADA-accessible all-weather turf, ADA-accessible parking and enhanced stadium lighting.

City Council selected Option 3, which included the removal of the west-end berm, the construction of ADA-accessible ramps to the south-side and north-side upper concourse and lower level areas and the addition of ADA-accessible restrooms, concession, and ticket booth at the entry plaza. The concept plan also included upper and lower level ADA seating, along with additional ADA parking. The estimated total cost of the Option 3 improvements ranges between \$10 million and \$12 million.

Following adoption of the Option 3 concept plan, design of the initial phase improvements comprising the south-side facilities was undertaken as a University of the Pacific Senior Project and was substantially completed in May 2011. This advance work enabled the grading at the west end of the Grape Bowl to proceed in June 2011. Although the advancement of grading in conjunction with the Surface Water Treatment Plant project saved substantial cost for the Grape Bowl projects, the Option 3 south-side improvements are estimated to cost substantially more than the funding that is available.

In consideration of the funding available, the recommended Phase 3 Grape Bowl Improvements Project was defined and is graphically presented in Exhibit A. The Phase 3 Project includes the construction of ADA-accessible ramps to the south-side upper concourse, ADA seating at the upper concourse, restrooms, concession, ticket booth, scoreboard, press box fire sprinklers, landscape, irrigation and related appurtenant facilities. The estimated construction cost and possible funding sources for the Phase 3 Project is provided in Exhibit B.

Variations of the Phase 3 Project are limited. Costs have already been reduced from the original design by eliminating the end zone concrete flat work, changing the concrete type from stamped to plain and changing the fencing type from wrought iron to chain link. Further cost reductions could be realized by reducing the concrete flatwork area around the concessions and restrooms and eliminating the ticket booth structure. These further cost reductions would amount to approximately \$85,000.

Alternatives to the Phase 3 Project would include a piecemeal construction of the project using available funds. The ADA path of travel improvements (\$130,000), ADA seating upper concourse (\$66,000), and

APPROVED:

Konradt Bartlam, City Manager

the press box fire sprinklers (\$7,000) could be constructed now. The ADA access to the upper concourse and some plaza improvements (\$450,000) could be constructed in 2013. The remainder of the Phase 3 Project elements costing approximately \$1.8 million should be constructed as a single project.

Waste Management's grant to the City for improvements to the Grape Bowl was approved April 7, 2010 and \$185,714 of the \$1,000,000 grant has been collected to date. A seven-year payment plan was approved that continues into 2017. The Council would need to approve the borrowing of \$814,286 from other funds (Parks or other) for the Phase 3 Project that would be reimbursed by future Waste Management payments.

Housing and Urban Development (HUD) administers the federal Community Development Block Grant (CDBG) program. The Phase 3 Project could qualify for a HUD Section 108 Loan, which allows a city to borrow up to five times its annual allocation and repay it over up to 20 years through future CDBG allocations. More details on the Section 108 loan program are provided in Exhibit C. The City would be able to apply for up to \$3,378,610 through this program.

A total of \$954,000 of the Phase 3 Project improvements would qualify for funding through the Section 108 program. The annual repayment options range from \$203,200 over five years to \$50,800 over 20 years. A repayment schedule matching the WM contribution schedule of seven years would amount to \$136,300 per year.

On average, the City Council has set aside approximately \$325,000 of CDBG funds for City projects. For 2011, the funded projects are ADA Handicap Ramps (\$100,000), Grape Bowl ADA Improvements (\$150,000), Graffiti Abatement (\$49,000) and Spay/Neuter Program (\$25,000). For 2010, the funded projects were Van Buskirk Playground (\$165,000), Alley Drainage (\$144,000), Graffiti Abatement (\$77,000), Spay/Neuter Program (\$15,000) and Revolving Loan Fund Program (\$80,000).

Private donations are estimated to be \$200,000 and this may be realized via the sale of naming opportunities on various elements of the Phase 3 Project. A listing of possible elements and suggested opportunity pricing is provided in Exhibit D. Council is requested to provide input on Exhibit D, with the objective to return at a later date with a policy for approval.

Construction of the Phase 3 Project cannot be completed in the time between high school graduation and football season and vice versa. Therefore, two construction options exist. The first option is to award a single contract consisting of two construction stages. The first stage would take place following graduation and the second stage would take place following football season. There are inherent weather risks and added costs associated with this option. The second option is to award a single stage contract and close the Grape Bowl from March through completion of the project. If weather conditions were similar to last year, both graduation and the football season would have to be cancelled.

As the City Council is aware, Public Work staffing levels have reduced commensurate with reduced revenues. At the same time, the number of active projects has remained relatively constant over the past several years and the dollar value of those projects has increased. Presently, there are 40 active projects (planning, design, environmental, construction, or closeout) with a construction value of approximately \$118 million under Public Works management. Prioritization of projects and schedules is an ongoing challenge. In order to prioritize a particular project, another project may have to be put on hold.

Direct Staff Regarding the Phase 3 Grape Bowl Improvements Project

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City Council is requested to direct staff regarding the following matters:

1. Decide the funding sources and amounts available for construction of the next phase of Grape Bowl improvements.
2. Decide the preferred construction schedule and priority for the next phase of Grape Bowl improvements.
3. Provide direction on the naming opportunities within the Grape Bowl Stadium.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.



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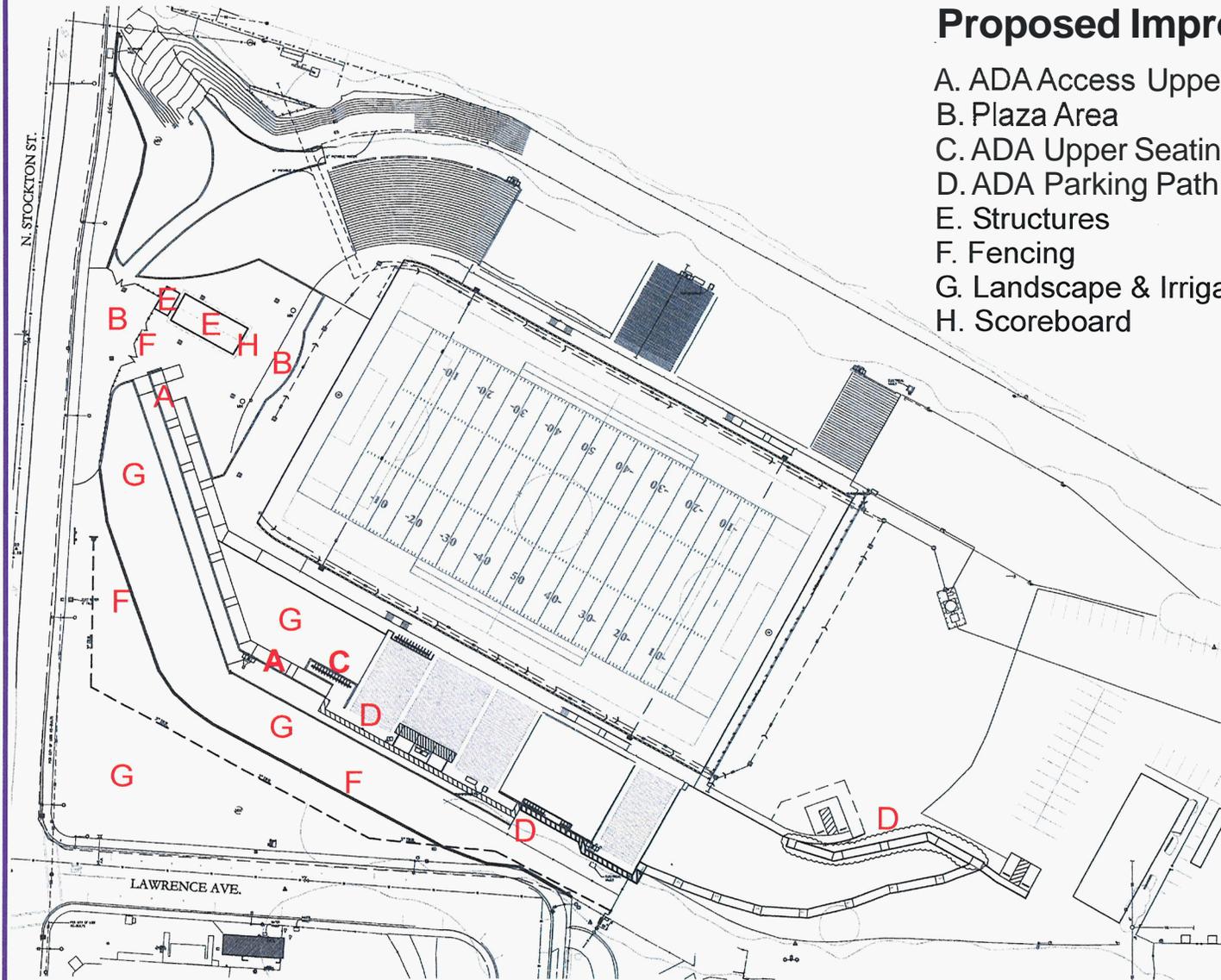
F. Wally Sandelin  
Public Works Director

FWS/pmf  
Attachments

# Phase 3 Grape Bowl Improvements

## Proposed Improvements

- A. ADA Access Upper Ramp
- B. Plaza Area
- C. ADA Upper Seating Area (7)
- D. ADA Parking Path of Travel
- E. Structures
- F. Fencing
- G. Landscape & Irrigation
- H. Scoreboard



<b>Phase 3 Grape Bowl Improvements (Upper Concourse and Plaza)</b>	
Sitework	\$79,075
ADA Access Upper Ramp	\$362,200
ADA Access Plaza Area	\$208,695
ADA Seating (Upper Concourse)	\$55,000
ADA Parking Paths of Travel	\$108,100
Structures (Restroom/Concession/Ticket Booth)	\$645,000
Furnishings and Fixtures	\$70,000
Fencing	\$57,900
Utilities	\$194,950
Landscape and Irrigation	\$111,550
Scoreboard	\$155,000
Subtotal	\$2,047,470
Contingency (15%)	\$307,121
Construction Administration (5%)	\$102,374
Total	\$2,456,964
<b>Funding Sources</b>	
Waste Management Grant	\$1,000,000
HUD Section 108 Loan (CDBG)	\$954,000
Utility Funds (Water, Wastewater, Electric)	\$200,000
CDBG 07-03	\$101,640
Private Donation	\$200,000
Total	\$2,455,640



**MEMORANDUM, City of Lodi, Community Development Department**

**To:** Rad Bartlam, City Manager  
**From:** Joseph Wood, Neighborhood Services Manager  
**Date:** September 15, 2011  
**Subject:** Update on CDBG Funded ADA Improvements in the Grape Bowl Project

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Having received and reviewed a Cost Estimate for the Entry and Accessibility Improvements at the Grape Bowl (dated July 7, 2011), and after further consultation with Public Works Director Wally Sandelin, we have identified approximately \$733,995 worth of improvement items, not including the concession, bathroom and ticket buildings that could be eligible for CDBG funding. I am still consulting with our contracted CDBG consulting firm PMC, as well as our HUD Rep to ensure that what we put forward will be acceptable to HUD.

Based upon the Cost Estimate document and after having reviewed the plans for the proposed modular buildings, I am estimating that another \$220,000 may be eligible for the concession, restroom and ticket booth buildings. Again, this amount could change after consultation with PMC and our HUD Rep.

In total, we have an estimated amount of CDBG-eligible ADA improvements of \$954,000 for this current proposed phase. We currently have \$150,000 of our 2011/12 CDBG funds allocated to this project. However, if we were to move forward with the entire project described in the Cost Estimate document, our CDBG contribution to the project would be limited to that \$150,000, as we cannot add additional CDBG funding once the project is bid and the contract awarded.

In order to use our annual allocations of CDBG funding for all of the eligible improvements, we would need to break the entire project into phases each year and go out to bid for each phase. Based upon the amount allocated each year, the project would have the following timeline:

- \$150,000 annual CDBG allocation - 7 years/phases
- \$200,000 annual CDBG allocation - 5 years/phases
- \$250,000 annual CDBG allocation - 4 years/phases

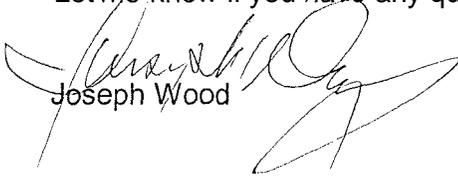
An alternative that would provide CDBG funding for all of the eligible improvements and still allow for the project to be done under one bid process would be to use HUD's Section 108 Loan program. Through the Section 108 program, HUD allows us to borrow up to five-times our annual allocation amount and repay it over up to 20 years through future CDBG allocations. Based upon our current annual allocation, we would be able to apply for up to \$3,378,610 through the program.

Based strictly on repayment of the principle balance, our annual payment for a \$1,000,000 Section 108 loan would be approximately:

- Over 5 years... \$200,000
- Over 10 years... \$100,000
- Over 15 years... \$67,000
- Over 20 years... \$50,000

I've attached a fact sheet on the Section 108 Loan program to provide more detail on that option.

Let me know if you have any questions.



Joseph Wood

Attachment

cc: Wally Sandelin, Public Works Director

## **Introduction**

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods. Such public investment is often needed to inspire private economic activity, providing the initial resources or simply the confidence that private firms and individuals may need to invest in distressed areas. Section 108 loans are not risk-free, however; local governments borrowing funds guaranteed by Section 108 must pledge their current and future CDBG allocations to cover the loan amount as security for the loan.

## **Eligible Applicants**

Eligible applicants include the following public entities:

- metropolitan cities and urban counties (i.e. CDBG entitlement recipients);
- nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program; and
- nonentitlement communities eligible to receive CDBG funds under the HUD-Administered Small Cities CDBG program (Hawaii). The public entity may be the borrower or it may designate a public agency as the borrower.

## **Eligible Activities**

Activities eligible for Section 108 financing include:

- economic development activities eligible under CDBG;
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements;
- payment of interest on the guaranteed loan and issuance costs of public offerings;
- debt service reserves;
- public works and site improvements in colonias; and
- in limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums and blight, or meet urgent needs of the community

## **Maximum Commitment Amount**

Commitments are limited as follows:

1. Entitlement public entities. An entitlement public entity may apply for up to five times the public entity's latest approved CDBG entitlement amount, minus any outstanding Section 108 commitments and/or principal balances of Section 108 loans.
2. State assisted public entities. A nonentitlement public entity may apply for up to five times the latest approved CDBG amount received by its State, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans for which the State has pledged its CDBG funds as security.
3. Nonentitlement public entities eligible under the HUD administered Small Cities Program. For a public entity in Hawaii, the maximum commitment amount is five times the public entity's latest grant under 24 CFR 570, Subpart F, minus any outstanding Section 108 commitments and/or principal balances on Section 108 loans.

## **Loan Details**

### **Security**

The principal security for the loan guarantee is a pledge by the applicant public entity or the State (in the case of a nonentitlement public entity) of its current and future CDBG funds. Additional security will also be required to assure repayment of guaranteed obligations. The additional security requirements will be determined on a case-by-case basis, but could include assets financed by the guaranteed loan.

### **Repayment:**

The maximum repayment period for a Section 108 loan is twenty years. HUD has the ability to structure the principal amortization to match the needs of the project and borrower. Each annual principal amount will have a separate interest rate associated with it.

**Financing Source:** Section 108 obligations are financed through underwritten public offerings. Financing between public offerings is provided through an interim lending facility established by HUD.

### **Interest Rates:**

Interest rates on interim borrowing are priced at the 3 month London Interbank Offered (LIBO) rate plus 20 basis points (0.2%). Permanent financing is pegged to yields on U.S. Treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.

### **Default:**

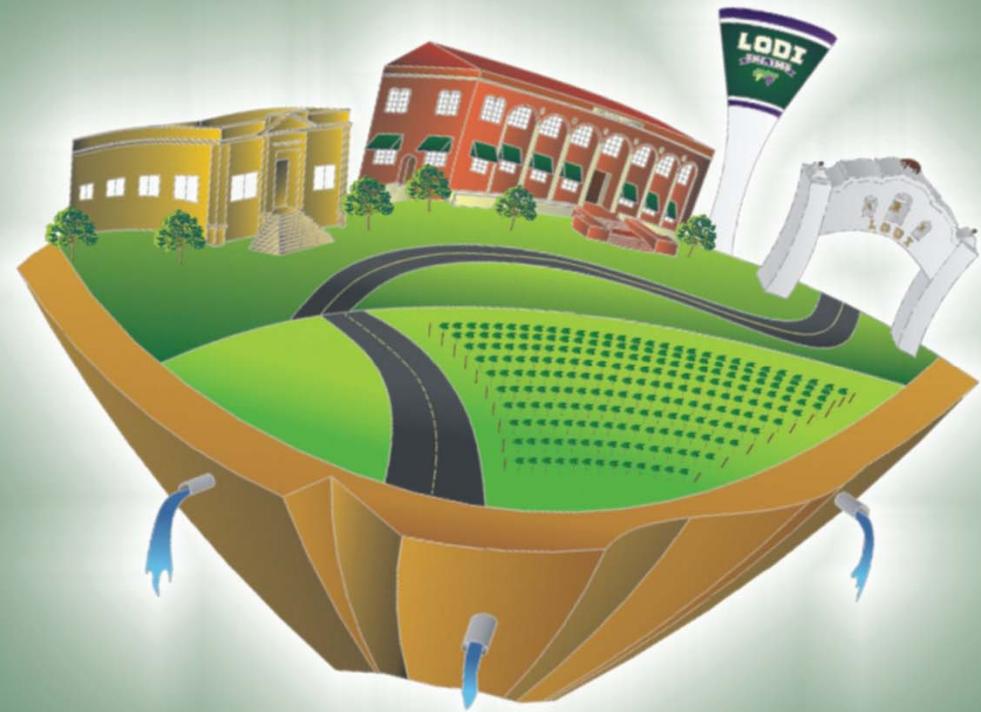
To date, there has been no default under Section 108 resulting in a repayment by HUD. In the event of default requiring a payment, HUD would continue to make payments on the loan in accordance with its terms. The source of payments by HUD pursuant to its guarantee would almost always be pledged CDBG funds. However, HUD does have borrowing authority with the U.S. Treasury if the pledged funds are insufficient.

Naming Opportunities

Stadium Game Field	\$750,000
Team Center (Locker Room Building)	\$750,000
Main Stadium Entrance Plaza	\$500,000
Main Stadium Entrance Gate	\$100,000
ADA-Accessible Seat	\$1,000

Naming opportunities within the stadium are preserved for the useful life of the facility.

The City of Lodi  
**Public Works  
Engineering**



# Phase 3 Grape Bowl Improvements

Agenda Item I-1



# Expenditures

• Phase 1	\$ 583,460
• All Weather Surface	\$1,689,455
• Stadium Lighting	<u>\$ 199,315</u>
<b>TOTAL</b>	<b>\$2,472,230</b>

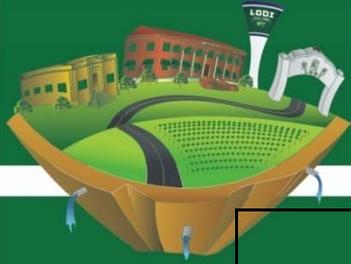
# Recent Events



- Council Approved Option 3 Plan Jan. 4, 2011
- ADA Transition Plan Amended Feb. 16, 2011
- Waste Management Granted \$1.0 million
- Design and Cost Estimates Refined
- Berm (and scoreboard) Removed







# Phase 3 Cost Estimate

Phase 3 Grape Bowl Improvements	Estimated Cost
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# Alternative Phase 3 Delivery

1. Piecemeal Construction (cash flow)
  - a) ADA Path of Travel (\$130,000)
  - b) ADA Seating Concourse (\$66,000)
  - c) Press Box Fire Sprinklers (\$7,000)
  - d) ADA Ramp Access to Concourse (\$450,000)
  - e) Balance of Phase 3 (\$1,800,000)
  - f) Balance of Option 3 (\$3 – 4 million)
2. Postpone Construction
  - a) Risk ADA Noncompliance Challenge
  - b) Increased Private Donations



# Construction Schedule

- Alt. 1 – Stage construction around events
- Alt. 2 – Close facility as required for construction



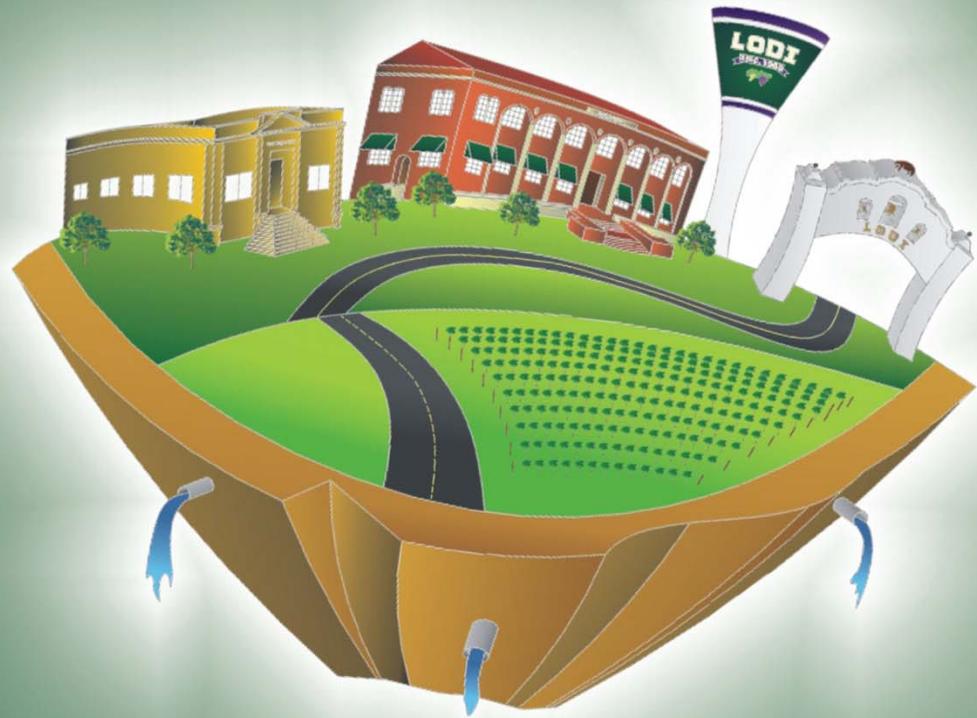
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# Provide Direction



1. Select Proposed Phase 3
2. Select Piecemeal Phase 3
3. Approve Proposed Funding Sources
4. Select Construction Schedule Alt. 1 or 2



Questions?