Call to Order
Roll Call: Council

Pledge of Allegiance led by Mayor Pro Tem Felipe Martinez
Invocation

**ORAL COMMUNICATIONS**
This is the opportunity to address the Council on any matter of interest, whether on the agenda or not.

**SCHEDULED MATTERS**
1. Study Session on Major General Fund, Redevelopment Agency and Revolving Fund Capital Projects
   Re: Review and consideration of strategies to fund capital projects within the City identified as priorities.

**ORAL COMMUNICATIONS**

**OTHER MATTERS**

**ADJOURNMENT** to the Council Meeting of February 19, 2008.

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Chief Deputy City Clerk at (559) 782-7442. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.
SUBJECT: STUDY SESSION ON MAJOR GENERAL FUND, REDEVELOPMENT AGENCY AND REVOLVING FUND CAPITAL PROJECTS

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: At the City Council meeting of September 4, 2007, the City Council directed staff to schedule a study session on the South Jaye Street Project with an emphasis on identifying potential funding sources to facilitate construction of the project. The City Council’s commitment to seeing this project constructed was evidenced by it being designated as one the City’s top priorities for 2008/2009. At the epicenter of the most substantial development currently occurring in the City, substantial resources have already been directed toward Jaye Street and State Route (SR) 190 improvements. Stopping at this level of improvements would limit the overall benefit of the improvements and would miss the opportunity to complete the effort and open the door to even more job growth and circulation system improvements.

As discussed at the Goals and Priority Projects Council Meeting on December 8, 2007, the City Council identified a number of projects that would represent the majority work effort for the City over the next few years. Among the identified projects is the new courthouse and interrelated fairgrounds and sports complex. The need to accommodate the state’s timeline for a new courthouse on the existing fairgrounds site, and the resulting affect that has on the fairgrounds and potentially the existing sports complex are driving the timeline to establish a plan for replacing and funding new facilities.

Many of the identified projects are multiple year projects, are interconnected with other significant projects, or are projects that are under- or non-funded. A number of projects continue to mature in their urgency and significance and staff has expanded the focus of the study session to explore the Council’s desire to identify funding to provide financing for multiple significant projects. Since context is so important in decision making, this presentation also offers the Council a frame of reference for deciding on what projects to secure funding for.

ANALYSIS: As is evidenced by the list of projects, any number of the priority projects have the potential to substantially shape the face of the City and will play a very significant role in the City’s future. Projects on this list are either tied to substantial jobs creation, vital to downtown, capacity building for existing streets, parks and other infrastructure, and provide linkages for economic growth and vitality. The majority of the projects center around or stem from either the courthouse project or the substantial commercial development at Jaye Street and SR 190. A few of the other projects such as rehabilitating Olive Avenue and Henderson Avenue are major cross-city travel-ways but would likely remain unfunded through this funding initiative.

The attached exhibit identifies two tiers of projects that could be funded through a $27 million Certificates of Participation (COP) issuance. The first tier, with yellow
background, includes projects the Council identified as organizational priorities at their study session on December 8, 2007. A second tier of projects, shown in blue, are projects proposed for funding based on the above criteria. A third tier identifies capital projects that fall below the funding threshold and would require funding through a different source; either through annual funding allotments, grant funds or other sources. During the Capital Improvement Program process, developed with the annual budget, Staff will evaluate the remaining projects relative to available funding and make recommendations to the City Council for further action.

It is also important to note that on the attached table there is a recommended plan for servicing the $27 million in debt resulting from the new COP’s; however, some significant decisions need to be made to define the funding stream for debt service. For example, the plan proposes to evaluate the existing municipal franchise fees and determine whether findings can be made warranting an increase that has the potential to raise approximately $900,000 per year. Staff is also proposing to evaluate existing transportation impact fees to determine the extent of increases that are appropriate. Park impact fees could be evaluated for the sports fields improvements that are consistent with the current Parks Master Plan and existing/proposed General Plan. While proposing to evaluate these existing fees at this time, Staff has previously indicated in public forums that once the General Plan update is complete, the City’s impact fees need to be evaluated to ensure their adequacy to implement the General Plan. This initial review is only intended to look at the current fee structure and adjust the fees as appropriate. Subsequent to the General Plan’s adoption, a complete study will be performed.

To assist the City with evaluating the current fees, Staff proposes utilizing Willdan Associates to undertake the study. It is anticipated that this effort will cost approximately $20,000, which can be allocated from unallocated carryover funds. Staff has a meeting scheduled with Willdan to discuss the specifics on Friday, February 8 but subsequent to the preparation of this report. Staff will update the Council on any changes in information stemming from the meeting.

A major cost component of the new COP’s is for the construction of a new sports complex in the vicinity of Porterville College or other area accessible to the community and that may be developable as a joint facility. Attached to the financial data table is a description of the potential sports facilities that could be developed with new COP’s. This provides for two basic scenarios as follows:

The first would be the placement of a fairgrounds at the existing airport Sports Complex. This would displace a portion of the unlighted playing fields requiring the replacement of the displaced fields. The identified funding would allow for the acquisition of approximately 25 acres and the development of a number of new lighted ball fields as highlighted in the attached notes.

The second scenario would essentially mirror the first except that the new complex would be a joint project where another agency(s) might acquire the land and/or
undertake some shared development activity and to accommodate shared usage. In this scenario, funds conserved through the joint agency involvement could be directed to the existing Heritage Center ball fields project.

In either event, there are significant benefits to having multiple locations, having lighted facilities, more accessible locations and opportunity to maximize the use of the facilities to achieve a greater return on investment. Under each of these scenarios there would be an agreement with the Fair to allow the use of the remaining ball fields at the airport Sports Complex for community athletic programs.

Secondary in magnitude to the COP funding strategy is the proposed refinancing of the Redevelopment Bond Funds to use in the Porterville Hotel and Simpson Housing (replacement of a portion of the housing units lost with the Porterville Hotel) Projects. An initial indication of benefit would result in approximately $2.6 million in refinanced money that could be used for the above projects. Approximately 80% could be directed to the Porterville Hotel and 20% to the replacement housing project. At this time staff is introducing the matter and is anticipating bringing the details of the refinancing and project financing to the meeting of February 19, 2008. As anticipated, the bond refinancing would not result in an increase in annual debt service, but would extend the life of the bond issuance from maturity in 2022 to 2037. In addition, refinancing the debt would have a neutral effect on future debt whether the project area is enlarged or maintained at its current size.

**RECOMMENDATION:** That the City Council:

1. Approve the expanded list of capital projects;
2. Undertake an analysis of the existing Municipal Franchise Fees, Park Impact Fees and Transportation Impact Fees to define available funds prior to issuing new Certificates of Participation;
3. Authorize Willdan Associates to undertake the study;
4. Authorize the allocation of $20,000 in unallocated carryover for the study;
5. Approve the funding strategy for implementation of the projects; and
6. Authorize staff to proceed with scheduling the Redevelopment Agency Bond Refinance for consideration at the meeting of February 19, 2008

**Attachments:**

1. Table of Major General Fund, Redevelopment, and Revolving Fund Capital Projects
2. Project Locator Map
### Civic Facilities:
- **Courthouse (Demo Fairgrounds)**: $500,000
  - Property sales $2.5 to $3M
- **Sports Complex (25 acres)**: $15,000,000
  - Property sales $2.5 to $3M

### Other Sources:
- **Fairgrounds**: $2,500,000
  - Property sales $2.5 to $3M
- **Porterville Hotel/Simpson Housing Project**: $3,135,000
  - Refinance existing Bond debt - no increase in annual debt service
- **New Library**: $220,000
  - Measure H

### Civic Development:
- **South Jaye/St.Gibbons**: $3,600,000
  - New COP's $2.8M Prop 1B $800,000
- **Comprehensive Zoning Code Update**: $275,000
  - General Fund

### Redevelopment:
- **Effluent Pipeline and Land Leveling of Sewer Property**: $950,000
  - CIEDB
- **Jaye Street Widening 190 to Springville**: $5,949,200
  - This cost estimate is for a low-water crossing and not a full bridge

### STAFF - MAJOR PRIORITIES
- **Poplar Road Extension**: $1,200,000
- **Revolving Loan Fund**: $2,000,000
- **Main Street/Hwy 190 Project Study Report**: $200,000

### UNFUNDED PROJECTS
- **Heritage Center Ballfields**: $4,800,000
  - See attached sheet for description
- **Jaye Street Bridge (2 year delay)**: $9,870,000
  - $1,050,000 COP, HBRR
- **Henderson Ave. Reconstruction Indiana to Jaye**: $775,000
  - $775,000
- **Henderson Ave. - Reconstruction Jaye to Main (Storm Dr. Excluded)**: $710,000
  - $710,000
- **Clive Avenue "E" Street to Hwy 65**: $587,000
  - $587,000
- **Westwood St. Henderson Ave. past Slough - Phase I**: $550,000
  - $550,000 COP
- **Westwood St. - past Slough to Westfield - Phase II**: $822,000
  - $822,000
- **JC Penney Site Redevelopment**: $540,000
  - Vacant site - add $200K for parking lot

### Total Priority Projects:
- **Total Priority Projects and Staff Priorities**: $43,679,200

### Total Staff - Major Priorities:
- **Total Project and Staff Priorities**: $4,400,000

### Grand Total:
- **Possible Funding Sources**:
  - **VARIABLES**:
    - Certificates of Participation
    - Land/Water Conservation
    - CMAQ
    - State Budget Crisis
    - Revenue Anticipation Note
    - Prop. 1B (07/08 & 08/09)
    - Local Gas Tax
    - EDA Grant
    - STP (2008/09)
    - RDA ERAF
    - RDA Bond Refinance
    - LTF/Gas Tax (2008/09)
    - Other?

### Notes:
- **Civic Facilities**: Majority of cost is Sports Complex
- **Courthouse (Demo Fairgrounds)**: $500,000
- **Fairgrounds**: $2,500,000
- **Sports Complex (25 acres)**: $15,000,000
- **Fairgrounds**: $2,500,000
- **Property sales**: $2.5 to $3M
- **Porterville Hotel/Simpson Housing Project**: $3,135,000
- **New Library**: $220,000
- **New Public Safety Station**: $5,000,000
- **Technology Assessment**: $100,000
- **Indiana Street Low Water Crossing**: $2,750,000
- **Redevelopment Amendment/Commons Master Plan**: $300,000
- **Effluent Pipeline and Land Leveling of Sewer Property**: $950,000
- **Jaye Street Widening 190 to Springville**: $5,949,200
- **Indiana Street Low Water Crossing**: $2,750,000
- **Heritage Center Ballfields**: $4,800,000
- **Jaye Street Bridge (2 year delay)**: $9,870,000
- **Porterville Hotel/Simpson Housing Project**: $3,135,000
- **New Library**: $220,000
- **New Library Construction**: $14,250,000

### Possible COP Issuance:
- Amount of Issuance: $27,000,000
  - Inc. in Muni Franchise
- Cost of Issuance: $2,822,000
  - Riverwalk ST increase
- Amount of Funds for Projects: $24,178,000

### Revenue Sources:
- Inc. in Muni Franchise: $900,000
  - Study to determine nexus/proportion
- Riverwalk ST increase: $400,000
  - 50% of projected increase in sales tx
- Measure R: $100,000
  - Some combination of Muni Franchise and impact fees
- Transp. Imp. Fees: $100,000
  - Only eligible improvements qualify and it is uncertain to define applicability until project is defined.
- Enterprise Funds: $100,000
  - Reserve Fund: $87,750
  - $1,687,750
  - Annual Debt Service: $1,668,600
  - $19,150

### February 12, 2008
Sports Complex - The $15 million would include the following:

1. Design, Construction management and inspection for 25+/- acres
2. Rough Grading
3. Various utility system extensions/services and drainage improvements
4. Street improvements to service/front the site
5. Parking lot and walkway improvements
6. Concession-stand/score keeping and restroom building(s)
7. Lighting system installation
8. Lighting system(s) for parking and walkway areas
9. Lighting system(s) for sport field areas
10. Trees and shrubs around the parking, walkway, picnic, spectator seating and site perimeter
11. Fine grading and surface for sport fields of the type and quantity that the site and need necessitate
12. Spectator seating and backstops, dugouts, site fencing, outfield fencing, picnic tables and group shade facilities
13. Equipment storage and material bunkers
14. Land acquisition

There are a number of ballfield options for a proposed Sports Complex that would include 4 to 6 full size (high school/adult baseball, softball, soccer or football fields; 8 to 12 youth size baseball/softball fields; or 12 to 20 youth size soccer/football fields or a combination of the above. This would also provide for some hard courts for basketball, tennis, handball, etc. and tot lots.

Heritage Center Ballfields - $4.8 million would include the following:
Three full size lighted softball fields and three basketball courts.
(The site is very tight due to its irregular configuration)
City of Porterville
2008 Capital Projects

Legend

- City Limits
- Parcels

Note: Non Site-Specific Projects are not shown on this map.

Priority Projects
1. Courthouse
2. Fairgrounds
3a. A Remainder of the Sports Complex at Existing Site.
3b. Proposed Sports Complex
4. Porterville Hotel Simpson's Housing
5. Jaye/Gibbons
6. Public Safety Station
7. Indiana Low Water Crossing
8. Jaye Street Widening
9. Poplar Road Extension

Funded Projects
10. Jay Street Bridge
11. Plano Bridge Widening
12. Westwood Street Phase I

Unfunded Projects
13. Heritage Ballfields
14. Henderson Reconstruction
15. Henderson Reconstruction
16. Olive Avenue Improvements
17. Westwood Street Phase II
18. JC Penny Site Redevelopment

Base data provided by Tulare County.
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