



Board Report

File #: PAR 23-013, **Version:** 1

- a. Receive preliminary analysis on Board Referral 2023.08 (Alejo) - Salinas Regional Soccer Complex Grant Opportunities to assist in the Land and Water Conservation Fund grant application for a Salinas Regional Soccer Complex Expansion Project that requires the County to be lead applicant as the real property owner, and
- b. Consider and provide direction to either:
1. Complete referral based on grant requirements, anticipated time, and cost for completion, which would require a resolution in accordance with grant terms and if awarded to be adopted as a funded project in the FY 2022-23 Five Year Capital Improvement Plan, estimated amount of \$8 million and include a conservation easement to ensure the 16.1-acre site remains accessible for public recreational use in perpetuity; OR
 2. Complete referral by postponing the grant application until the next round and work with the City of Salinas to Quitclaim or Grant Deed project area of the 50-acre parcel that is leased to the city, requiring the parcel to be subdivided, surveyed, filed and conveyed to the City; OR,
 3. Rescind or modify referral. (ADDED VIA ADDENDA)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive preliminary analysis on Board Referral 2023.08 (Alejo) - Salinas Regional Soccer Complex Grant Opportunities to assist in the Land and Water Conservation Fund grant application for a Salinas Regional Soccer Complex Expansion Project that requires the County to be lead applicant as the real property owner, and
- b. Consider and provide direction to either:
1. Complete referral based on grant requirements, anticipated time, and cost for completion, which would require a resolution in accordance with grant terms and if awarded to be adopted as a funded project in the FY 2022-23 Five Year Capital Improvement Plan, estimated amount of \$8 million and include a conservation easement to ensure the 16.1-acre site remains accessible for public recreational use in perpetuity; OR
 2. Complete referral by postponing the grant application until the next round and work with the City of Salinas to Quitclaim or Grant Deed project area of the 50-acre parcel that is leased to the city, requiring the parcel to be subdivided, surveyed, filed and conveyed to the City; OR,
 3. Rescind or modify referral.

SUMMARY/DISCUSSION:

On May 9, 2023, staff presented the preliminary analysis on Board Referral 2023.09 (Alejo) - Salinas Regional Soccer Complex Grant Opportunities (Attachment A). Further detail was provided in the Board Briefing Report (Attachment B). The Board of Supervisors directed staff to provide a more detailed analysis of cash-flow options for the estimated project cost of \$8.0 million.

Background

The LWCF is a State Parks annual competitive grant program. The proposed expansion project (Project) would add public outdoor recreational amenities on a 16.1-acre portion at an estimated cost of \$8 million, requiring the applicant's commitment of cash flow in the full amount with a potential \$4 million match reimbursement. The Project includes seven regulation-sized grass soccer fields; a sand field with four smaller sand soccer courts; six sand volleyball court; environmental and biological improvements designed to protect the adjacent riparian habitat; a children's play area; accessible perimeter walking/jogging path with fitness stations and shaded benches; a restroom facility; pathways; landscape; and bioretention areas. (Please refer to Attachment

C for a site plan.). The Authority asks that the County, as the landowner, serve as the applicant while the Authority fundraises the reimbursable 50% match (\$4 million) and performs most of the grant writing. The project must be completed within three years after the completion of the acquisition.

Staff requests the Board consider the following options and provide direction to:

OPTION 1 - Estimated staff costs of \$30,000 (\$15,000 in FY23, \$15,000 in FY24). If awarded, total staff costs of \$435,000. Complete referral based on grant requirements, anticipated time, and cost for completion, which would require a resolution (Attachment D) in accordance with grant terms and if awarded to be adopted as a funded project in the FY 2022-23 Five Year Capital Improvement Plan, estimated amount of \$8 million and include a conservation easement to ensure the 16.1-acre site remains accessible for public recreational use in perpetuity.

- 1) Adoption of the Board Resolution (Attachment D) approving the following provisions: 1) submittal of an application to Land Water Conservation Fund, 2) certification the applicant reviewed, understands and agrees to the General Provisions contained in the Grant Administration Guide, 3) the Project will be converted to public outdoor recreation space, 4) Certification that the applicant has matching funds from eligible sources and can finance 100% of the Project [\$8.0 million], which up to half may be reimbursed; and 5) Agrees to comply with all applicable federal, state and local laws, ordinances, rules regulations and guidelines; and 6) Appoint the County of Monterey Director of Public Works, Facilities and Parks, or designee as an agent of the applicant to execute and submit all documents necessary for the completion of the Project.
- 2) County, as the grantee, would be required to “cash-flow” 100% of the Project cost before reimbursement (\$4.0 million for eligible grant reimbursement costs plus \$4.0 million match requirement reimbursed by Authority fundraising). The grantee must submit eligible costs to cover both the LWCF grant amount and the 50% match requirement (total project cost established at the time of application) in order to be reimbursed the full LWCF grant amount.
- 3) The County, as the grantee, is required to follow all federal procurement process requirements, including the design, bid and building process. The County will need to incur the costs and then seek reimbursement from the State. Therefore, the County will be responsible for developing and managing the scope of the project, procuring the contractor and manage the Project through construction, and the post-construction site including change orders, construction delays, time impact analysis cost, warranty and operation and maintenance standards. Estimated staff cost for project development \$405,000. Operation and maintenance cost to be determined.
- 4) If awarded the grant will require the project to be adopted as a funded Fiscal Year (FY) 2022/23 Five Year Capital Improvement Plan (5-Year CIP). In the estimated amount of \$8.0 million.
- 5) The grant terms include a conservation easement to ensure the Project site remains assessable for public recreational use in perpetuity. This will encumber approximately 16.1 acres eliminating the potential for future facility development.
- 6) If the grant is awarded, the MOU and Master Lease Agreement with the City executed in April 2018 would need to be amended to reflect the new project arrangement. Currently, the County does not have a lease agreement with the Salinas Regional Soccer Authority (Authority). The City will need to agree to the new lease terms or require the County to lease the property directly to the Authority.

OPTION 2 - Estimated staff costs of \$25,000. Complete referral by postponing the grant application until the next round and work with the City of Salinas to Quitclaim or Grant Deed of the project site, and Gabilan creek, of the 50-acre parcel that is leased to the city, requiring the parcel to be subdivided, surveyed, filed and

conveyed to the City;

OPTION 3 - Rescind or modify referral.

FINANCING:

If the Board approves option one, \$8 million will have to be set aside for the duration of the project and the project would be added into the approved FY 2022-23 to 2026-27 CIP as a priority unfunded project, the estimated staff cost is \$30,000 for FYs 2022-23 and 2023-24 to complete the lease and related MOU amendments. There are \$25,926 available in contingencies which could be used to offset these staff costs but staff is aware that there is a need of \$19,000 from these funds to help residents affected by evacuations in Pajaro. That report will be presented to the Board May 23, 2023.

In addition; in accordance with the County's financial policies and as directed by the Board during the May 9, 2023 meeting; the Board could authorize a loan from the Capital Fund - Natividad Medical Center sub-fund if the grant is awarded. This approval could carry some financial risks:

- The County will be responsible for providing \$8 million to cash flow the project and will only receive reimbursement for these \$8 million after completion of the project. This means the full \$8 million would not be available to NMC throughout the duration of the project.
- Even though the Authority indicated they will provide the required \$4 million match, the County could still be liable for this amount in the event this does not occur.
- Project Costs are not fully defined, so the project costs could exceed \$8 million and the County could be responsible for the cost overrun. One important factor which could lead to cost overruns is that the land where the expansion project is proposed will likely contain Arsenic, which could inflate remediation costs.
- The grant terms may not authorize the reimbursement of interest for this loan, so the County could potentially not be able to recover any interest on the loan.

If the Board approves option two, the grant application would be postponed until the next round and staff will work with the City of Salinas to Quitclaim or Grant Deed 16.1 acres (valued at \$14 million) of the 84-acre parcel that is leased to the city, requiring the parcel to be subdivided, surveyed, filed and conveyed to the city. The estimated staff cost to complete the related documentation is estimated at \$25,000 for FYs 2022-23 and 2023-24.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Salinas Regional Sports Complex promotes health and improved quality of life by supporting development of programs to promote access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

- ☐ Economic Development
- ☐ Administration
- ☒ Health & Human Services
- ☐ Infrastructure
- ☐ Public Safety

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Reviewed by: Tom Bonigut, PE, Assistant Director of Public Works, Facilities & Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

The following attachments are on file with the Clerk of the Board:

Attachment A - May 9, 2023 Board Report

Attachment B - Board Briefing Report

Attachment C- Soccer Complex Grant Expansion Project Site Plan

Attachment D- Draft Resolution