



Legislation Text

File #: 22-0194, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Mark Leyman, Parks and Recreation Director
Erick Lee, Public Works Director
Steve Charelian, Finance Director
Carrie Tai, AICP, Community Development Director
Jan Buike, Recreation Services Manager

SUBJECT:

Consideration of the Senior and Scout Community Center Memorandum of Understanding (Parks and Recreation Director Leyman).

(Estimated Time: 1 Hr.)

- A) DISCUSS AND PROVIDE DIRECTION**
- B) APPROVE MEMORANDUM OF UNDERSTANDING**
- C) ADOPT RESOLUTION NO. 22-0071**

RECOMMENDATION:

Staff recommends that the City Council discuss, provide direction and consider adopting the Senior and Scout Community Center Memorandum of Understanding (MOU).

FISCAL IMPLICATIONS:

City Council previously allocated \$1.0 million to partially cover construction of the Community Center. Those funds are currently programmed in the Capital Improvement Projects Fund.

The updated project cost detailed in the attachment is \$5,189,540. This includes project construction, design, permitting fees, and contingency. Based on current market volatility, the contingency was increased from 10% to 15%. The Friends of the Senior and Scout Community Center (Friends) have raised \$2,580,000. \$290,000 has been expended through design plans, permitting fees and committed funds to contractual obligations. When considering the City's \$1.0 million commitment and the expended funds, the total remaining contributions available for the project equal \$3,290,000.

The cost of the project has grown significantly since the initial MOU was approved by the City Council in 2014. Additionally, costs associated with construction have continued to increase since the beginning of the COVID-19 pandemic. Based on the updated cost projections, an additional \$1,899,540 is needed to fund the project. The Friends request that the City cover the shortfall, although they will continue to accept donations throughout the project.

BACKGROUND:

The Scout House, located adjacent to the Joslyn Community Center, was constructed in the 1950s by the Boy Scouts and later donated to the City of Manhattan Beach. It has effectively served as a gathering spot for generations of Boy and Girl Scout members and their families. The facility also provides space for senior recreational activities and is occasionally utilized as a meeting room by the community at large.

The Friends of the Senior and Scout Community Center, formed in 2013, have for several years desired to construct a new facility. In 2014, the City, Friends, and the Manhattan Beach Property Owners Association entered into an MOU that developed a path to replace the Scout House. Shortly thereafter, the Friends began fundraising for the new center with moderate success. In 2018, Friends representatives conveyed to City Council that members of the community were raising concerns about the City's willingness to contribute funding for the new facility, and that the City's lack of commitment was possibly impacting their own fundraising efforts. The Friends also sought assurances that if they fully, or partially funded a new center on City property, that they would have long-term rights to its use for scout activities.

To address these concerns, on August 7, 2018, City Council directed staff to begin negotiations for the construction and occupancy of a new Senior and Scout Community Center, with Friends, and to return to City Council with a summary of various financing opportunities that could support the City's desire to contribute funds toward the expected cost of construction of the new building. City Council also requested an updated budget projection and schematics of the building design.

On October 2, 2018, staff returned to City Council with a summary of financing opportunities, and the Friends presented the updated budget projection and schematics of the building requested. After reviewing various funding opportunities, the City's infrastructure budget, and the other projects already identified in the 5-Year Capital Improvement Projects (CIP), City Council allocated \$1.0 million toward construction of a new Center. Of that, \$550,000 was programmed as a cash contribution in the CIP for construction, and another \$450,000 was to be provided as in-kind services or as additional direct funding, although it was not specifically programmed in the CIP. City Council also stated that the project needed to be ready to commence by June 2020, or the Friends would risk losing the City's \$1.0 million contribution. In spring 2019, City Council approved programming the \$450,000 in-kind service portion of the contribution as available cash for construction in the 5-Year CIP budget. With the full \$1.0 million available as cash, all other City support and expenses would be paid directly from the project's funds, including plan check fees, staff time for project management, etc., unless otherwise directed by City Council.

In 2019, staff and the City Attorney's office started working with Friends on the framework of a Development and Disposition Agreement (DDA) that would identify each party's responsibilities before, during, and after construction, as well as document expectations on their shared use of the new building. The specific terms of the DDA were not finalized, and instead were deferred until a sufficient amount of funding was raised to proceed with the project.

The anticipated cost of construction, including both interior and exterior design elements, were estimated to range from \$3.1 to \$3.7 million for the approximately 7,000 square foot facility. As envisioned under this partnership, the City would construct the shell of the building as a public project (Phase 1), and the Friends would complete interior tenant improvements (Phase 2) and cover other miscellaneous expenses. Funding for Phase 1 construction is expected to be shared, with the City allocating \$1.0 million (as discussed above), and Friends covering the balance. Phase 2 was expected to be fully covered by Friends. The Friends had hoped to be ready to commence

construction by the end of 2019 pending successful completion of their fundraising efforts. The goal was not met and COVID-19 further impacted efforts in 2020.

Instead of moving forward with the initial plan of having the Friends build out the interior and the City the exterior, ultimately it was determined that the best route forward was to have the City manage construction of the facility, and an MOU was developed reflecting this change from the initial DDA. A consequence of the shift from the DDA is an increased cost for the project because Friends had anticipated receiving a portion of their costs for the interior tenant improvements in the form of in-kind donations, something the City cannot accept.

DISCUSSION:

Staff and the Friends met numerous times to develop an MOU that clearly states each party's commitment to the project.

Building Design

The building provides 7,000 square feet of multi-use space. It will feature large meeting space with breakout rooms, commercial and demonstration kitchen, display cases for historical displays and awards, craft and construction areas, courtyard with flag-pole, fire pit, and amphitheater. 1,000 square feet will be dedicated space to seniors including a lounge, computers, and storage space.

Facility Use

The irrevocable license grants Friends non-exclusive use of the facility for fifty years after completion of the project.

The Scouts will be able to use the facility from 3:00 p.m. each weekday, except Wednesdays, which will be from 1:30 p.m. until 10:00 p.m., and 24 hours on Saturday and Sunday (use permit required). The weekend hours will be used for supervised overnight activities.

Seniors will have approximately 1,000 square feet of dedicated space for their exclusive use. There has been considerable involvement of the seniors in determining how to best utilize the "Older Adult Space." A subcommittee of the Senior Advisory Committee studied the space and recommended a design that includes a specific area for computer usage enabling the seniors' continuing technical education. A comfortable lounge area will promote reading, quiet games and conversation. There will be tables for the popular board games and puzzles. The kitchen will allow for nutritional cooking classes, including meal preparation with the Beach Cities Health District nutritionist. A garden has been proposed for homegrown herbs and "farm to table" meals. An intergenerational cooking program sharing family histories with corresponding meals is an idea received positively by scouts and the seniors.

Scheduling by other entities, can occur no more than 30 days prior to an event and no less than 10 days before an event, if space is available.

Fundraising

At the November 4, 2020, City Council meeting, when this item was previously presented, the Friends had raised \$2,577,750 (including the City's \$1.0 million) and had another \$114,250 pledged, for a total of \$2,692,000 toward their overall \$3.5 million goal. By the end of 2021 Friends had met their goal of raising \$3.5 million. As of April 30, 2022, they have raised a total of \$3,580,000.

Project Process and Timeline

In July 2021, Friends submitted a Master Application Form to the City which included the preliminary plans for the new facility. The City completed an initial review of the application and in August 2021 provided Friends and the Tomaro design team (Manhattan Beach based Architect) with a letter listing additional items and corrections needed to complete the review. One item of importance was the request for a Title Report. Initially no records could be located for the property. Friends retained the services of a Title Company and an extensive hand search of archived documents was conducted over several months in order to complete a Title Report. Friends received that report on April 28, 2022, and can now continue with completing an updated survey (which requires the Title Report) as well as the landscape plan. The corrections have been made by the design team and all will be submitted together once the requested items are completed.

The project will need to obtain zoning and environmental clearances through the entitlement process, which includes public input, before City Council can approve any final design. The project requires a Use Permit, which will be considered by the Planning Commission once environmental review is completed. Once the City approves the final proposed design at a future meeting, Friends will commence with the development of construction drawings, obtain plan check approval, and provide an Engineer's Estimate for the entire project as spelled out in the MOU.

Contribution Agreements

A Contribution Agreement with Beach Cities Health District for their \$150,000 donation towards the facility was approved by the City Council on April 20, 2020. The agreement provides use of the facility's kitchen and community room for above mentioned nutrition classes, speaker series and support groups relating to the stated mission of Beach Cities Health District, possibly Powerful Tools for Caregivers or Mindfulness and Aging. Scheduling of programs is detailed in the Contribution and Use Agreement.

A Contribution Agreement of \$800,000 towards the project from the Manhattan Beach Property Owners Association is being presented following this item for City Council consideration.

The Manhattan Beach Sandpipers group is interested in donating \$50,000 towards the facility. The Contribution Agreement will be presented at a later date in 2022 for Council Consideration.

Naming Rights

All names are subject to final City Council approval (provided that bricks and plaques may be named for individuals or families as donors without City Council approval). City Council may delegate approval of certain categories of naming rights or locations to the City Manager. Notwithstanding the above, Friends acknowledges that the MBPOA, pursuant to the MBPOA Contribution Agreement, shall have the right to name the Older Adult Space, and BCHD, pursuant to the BCHD Contribution Agreement or any subsequent amendment or superseding agreement with BCHD, shall have the right to name the kitchen and community room in the new facility.

Termination

The Friends have the right to terminate the agreement if the City has not executed a construction contract within two years of the date of the agreement. The City may terminate the agreement if the Friends do not deposit the funds committed in the MOU within two years of the executed agreement.

PUBLIC OUTREACH:

Construction of a new Senior and Scout House has been discussed in a variety of public forums, including at least four previous City Council meetings, with senior groups, Scout groups and City staff. Further outreach was conducted by the Friends group on April 20, 2022, at the Joslyn Center. Seven hundred postcards were mailed to neighbors within 1,000 feet noticing this community input meeting and the meeting was announced in the Older Adult Program's monthly newsletter mailed to 1,000 older adults. Friends members provided an overview of the project's history, the need, fundraising efforts, partnerships and next steps and requirements. Project Architect Louie Tomaro provided detailed plans of the proposed facility and the usage for each area. The presentation was followed by questions and answers for the 27 attendees which included neighbors, seniors, and scouts. Staff was also present to provide information on project process, current and future programs, and timeline.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed recommendations for compliance with the California Environmental Quality Act (CEQA) and has determined that receiving this design update is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary. The City will comply with all environmental requirements needed through the entitlement process.

LEGAL REVIEW:

The City Attorney has worked collaboratively with the Friends Attorney to develop the MOU.

ATTACHMENTS:

1. Resolution No. 22-0071
2. Memorandum of Understanding - Friends of Senior & Scout Community Center (2012)
3. Memorandum of Understanding - Friends of Senior & Scout Community Center (2014)
4. Exhibit A - Project Overview
5. Exhibit B - Sources of Funds
6. Exhibit C - Estimated Project Schedule
7. Exhibit D - Irrevocable License
8. MB Scout House Construction Estimate
9. Construction, Permitting, and Contingency Costs