



City of San Antonio

Agenda Memorandum

File Number:15-1969

Agenda Item Number: 15A.

Agenda Date: 3/12/2015

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Council District 5

SUBJECT:

Funding Agreement: The Boys and Girls Clubs of San Antonio

SUMMARY:

Consideration of the following actions related to the Lone Star Recreational Facility, a 2012-2017 Bond Program project, located in Council District 5:

- A. An ordinance authorizing the execution of a Funding Agreement with the Boys and Girls Clubs of San Antonio in an amount not to exceed \$1,850,000.00 for the development of a recreational facility in the Lone Star neighborhood, located in Council District 5.
- B. An ordinance authorizing the execution of a 20 year rent free ground lease of an approximately 1.979 acre parcel located at 829 Nogalitos Street from the Boys and Girls Clubs of San Antonio and a 20 year rent free lease-back of the same property to the Boys and Girls Clubs of San Antonio for the construction and operation of a recreational facility.

BACKGROUND INFORMATION:

On May 12, 2012, San Antonio voters approved the 2012-2017 Bond Program, consisting of five propositions totaling \$596 million. The Bond Program funds will be used on various capital improvement projects, to address community infrastructure needs and improve the overall quality of life in San Antonio. As part of that program, \$1,850,000.00 in Parks, Recreation and Open Space Improvements General Obligation Bond funds was approved for the development of a recreational facility in the Lone Star neighborhood. Project design is

anticipated to begin in upon execution of the Funding Agreement and construction, is expected to be completed by December 2016.

The Boys and Girls Clubs of San Antonio is a non-profit organization which originally opened as the Boys Club in San Antonio in 1939 on Dolorosa Street. After over 30 years in operation, girls were invited to become members of the club in 1975 and the name was officially changed in 1991 to The Boys and Girls Clubs of San Antonio (TBGC-SA). The mission of the TBGC-SA is to enhance the educational, social, and moral development of San Antonio's youth ages 6 to 18, especially those most disadvantaged by providing a fun, safe place full of age appropriate activities and opportunities. Today, TBGC-SA serves more than 8,800 Club members annually, and operates five branch locations and two project units in the city of San Antonio. Additionally, TBGC-SA operates on-site programs in 43 locations in Harlandale, Judson and San Antonio Independent School Districts.

The Funding Agreement with the Boys and Girls Clubs of San Antonio will be executed in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 20% Minority/Women Business Enterprise (M/WBE) subcontracting goal and 3% African American Business Enterprise (AABE) subcontracting goal. The Boys and Girls Clubs of San Antonio has committed to meeting these goals.

ISSUE:

This item requests the following actions related to the Lone Star Recreational Facility, a 2012-2017 Bond Program project, located in Council District 5:

- A. An ordinance authorizing the execution of a Funding Agreement with TBGC-SA in an amount not to exceed \$1,850,000.00 for the development of a recreational facility in the Lone Star neighborhood, located in Council District 5.

Under the terms of the agreement, TBGC-SA will design and build a 20,000 square foot recreational facility that includes a learning center, multi-media centers, art studio, teaching kitchen, game room, gymnasium and a teen center. The project is expected to begin upon execution of the Funding Agreement and completed by September 2016. Total cost of the project is \$3,800,000. TBGC-SA will provide all funding necessary for the project beyond the City's contribution.

- B. An ordinance authorizing the execution of a 20 year rent free ground lease of an approximately 1.979 acre parcel located at 829 Nogalitos Street from TBGC-SA and a 20 year rent free lease-back of the same property to TBGC-SA for their construction and operation of a recreational facility.

In order to provide funding needed for non-City owned facilities as approved by the voters in the 2012-2017 Bond Program, the City is required to have a long-term interest in the property. Therefore, a ground lease is being proposed as the means to fulfilling that requirement and will be at no cost to the City.

ALTERNATIVES:

City Council could choose not to approve this action; however, the City would need to identify an alternative location which may not meet the needs of the community and would adversely affect the timely completion and funding of the Project. Additionally, without the Boys and Girls Club of San Antonio as a partner, the City

would need to locate and purchase property at a cost to be determined, and provide an additional \$2,000,000.00 in funding to design and construct the recreational facility.

FISCAL IMPACT:

- A. This is a one-time capital improvement expenditure in the amount not to exceed \$1,850,000.00 authorized payable to the Boys and Girls Club of San Antonio on a reimbursement basis. Funds are available from the 2012-2017 General Obligation Bonds and are included in the 2015-2020 Capital Improvement Budget.
- B. Under the terms of the lease agreement, this ground-lease and lease-back will be at no cost to the City, therefore there is no fiscal impact.

RECOMMENDATION:

Staff recommends that the City Council authorize the following actions related to the Lone Star Recreational Facility, a 2012-2017 Bond Program project, located in Council District 5:

- A. An ordinance authorizing the execution of a Funding Agreement with the Boys and Girls Clubs of San Antonio in an amount not to exceed \$1,850,000.00 for the development of a recreational facility in the Lone Star neighborhood, located in Council District 5.
- B. An ordinance authorizing the execution of a 20 year rent free ground lease of an approximately 1.979 acre parcel located at 829 Nogalitos Street from the Boys and Girls Clubs of San Antonio and a 20 year rent free lease-back of the same property to the Boys and Girls Clubs of San Antonio for the construction and operation of a recreational facility.