



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Angel Rios, Jr.
Kim Walesh

SUBJECT: VIETNAMESE-AMERICAN
COMMUNITY CENTER

DATE: May 27, 2016

Approved

Angel Rios, Jr.

Date

5/27/16

BACKGROUND

This Manager's Budget Addendum (MBA) responds to City Council action on May 10, 2016, item 4.6, to identify additional funding required for the initial operations for the Vietnamese-American Community Center, with the City of San Jose as the lead operator and report back to the City Council as part of the 2016-2017 Budget process through a Manager's Budget Addendum.

ANALYSIS

Per City Council direction, the Parks, Recreation and Neighborhood Services Department has been working with the Office of Economic Development on the shared use of the Shirakawa Community Center between the current Reuse provider, Work2Future, and a new interim Vietnamese-American Community Center from October 2016 through June 2018.

Staff anticipates the Vietnamese-American Community Center opening October 2016 with the City as the lead operator. The shared use of the Shirakawa Community Center will entail a number of one-time costs related to transitioning Work2Future to the center's new operation model. Additionally, current Work2Future lease fees will be reduced based on the updated usable space, which will result in an ongoing reduction in lease revenue of \$40,500.

In total, the cost and loss of revenues result in an impact to the General Fund of \$402,400 in 2016-2017. The following table summarizes the recommended model and funding needs in 2016-2017. Ongoing costs will be determined pending the outcome or resulting direction from the first year of operation, which is anticipated to be brought forward to the City Council in spring 2017.

	FTE	2016-2017 Cost*
City as the lead operator		
Personal Services		
Recreation Supervisor**	0.0	\$0
Recreation Program Specialist	1.0	\$58,500
Senior Recreation Leader Part-Time	1.5	\$77,400
Recreation Leader Part-Time	2.0	\$70,000
Non-Personal/Equipment		
Supplies, furniture, equipment		\$25,000
Subtotal	4.5	\$230,900
Transition Work2Future to Center's new operation model		
Tenant Improvements		\$40,000
Center IT upgrades (equipment and software)***		\$68,000
Relocation of Work2Future Staff		\$23,000
Subtotal		\$131,000
Loss in revenue (Work2Future lease fees)		\$40,500
TOTAL	4.5	\$402,400

Note: The staffing model is based on the Shirakawa Community Center's size (15,840 square feet), projected usage, and 40-hour per week, multi-service programming expectation based on other centers.

* Ongoing costs will be determined pending the outcome or resulting direction from the first year of operation.

** If the City remains the permanent lead operator, a Recreation Supervisor will be required and therefore is included in the staffing model but at no cost for the first year.

*** Center IT upgrades (equipment and software) are for Work2Future and will benefit its clients; this equipment is also expected to benefit community center visitors and will remain on the site after the potential relocation of Work2Future.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office.

/s/
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 Director, Parks, Recreation and
 Neighborhood Services Department

/s/
 KIM WALES
 Deputy City Manager/
 Economic Development Director