



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Julie Edmonds-Mares

**SUBJECT: BASCOM AND EDENVALE  
COMMUNITY CENTER REUSE  
UPDATE**

**DATE:** 05-27-11

Approved

Date

5-27-11

## RECOMMENDATION

Pursuant to Council Policy 7-12, approve the addition of the Bascom Community Center to the Facility Reuse Program with no impact to the General Fund for utility and other operating expenses.

## BACKGROUND

The City has experienced nine years of budget shortfalls that have resulted in major reductions to recreation and community center operations. An increase in public demand and expectations for recreation services, an approximate doubling of community center space, and declining community center staffing levels since 2001, prompted Parks, Recreation and Neighborhood Services (PRNS) to find alternative solutions to the closure of community centers. On April 22, 2008, the City Council approved Council Policy 7-12 (Reuse Policy), which established guidelines for the free use of community center recreation space by nonprofit groups, neighborhood associations, schools, and other governmental agencies, in return for services that primarily benefit San José residents. In 2010, the Reuse Policy was modified to achieve greater cost sharing for Reuse facilities, which allows the Department to charge service providers rent/maintenance/utilities at Reuse sites.

If the 2011-2012 Operating Budget is approved inclusive of the above recommendations, the PRNS Property Management Team will have 43 Reuse facilities to manage. Approximately 55 Service Providers currently provide services at existing Reuse sites. Service Providers offer a variety of recreation programs and services for children, youth, adults and seniors.

In September 2010, Edenvale Community Center opened in partnership with the Boys and Girl Club of Silicon Valley, Oak Grove School District, and First 5 of Santa Clara County. After approximately one year of operation, PRNS has determined that this site is conducive to the Facility Reuse Program due in large part to the current partnerships in place. Through this shift in operational model, all current partnerships would remain in place and additional service provider(s) would be sought to replace programming currently provided by PRNS staff. This

facility is recommended to be placed in the Reuse program as part of the 2011-2012 Proposed Operating Budget.

Edenvale Community Center is within three miles of Southside Community Center. Southside is a Hub community center that offers recreation programs and services for children, youth, adults, seniors and persons with disabilities. PRNS will work to secure a lead service provider for Edenvale who can offer recreation programs and services that both enhance and complement the services already offered at both Edenvale and at the Southside Hub.

Bascom Community Center is a new 40,000 square foot joint community center/library (the community center is approximately 20,000 square feet) completed in 2011. The 2011-2012 Proposed Operating Budget includes a recommendation to defer the opening of the facility until fall 2012 due to General Fund impact to operate the facility. In April 2011, Councilmembers Pierluigi Oliverio (Council District 6) and Pete Constant (Council District 1) submitted a memorandum to the Rules and Open Government Committee recommending that Bascom Community Center be placed within the Reuse Facility Program. That memorandum included additional recommendations to consider use of the Municipal Code Section 4.12.235, "Unique Services Purchases," to select a service provider and to ensure that there would be no operational costs incurred by the General Fund for these actions.

Under Council Policy 7-12, the PRNS Director has the authority to enter into agreements with service providers who are selected through a competitive process. In addition, the Policy includes provisions that allow the PRNS Director to directly select service providers pursuant to Municipal Code Section 4.12.235 for 2011-2012 if the Director finds that "the budget crisis continues to be of sufficient magnitude that an unusual or unique situation exists that makes the application of the requirements for competitive procurement lengthy, complex and contrary to the public interest."

## ANALYSIS

PRNS will work with the City Attorney's Office and the Finance Department to ensure that any the agreements entered into for the use of the Edenvale and Bascom Community Centers comply with the restrictions on the private use of facilities financed with tax-exempt debt by private parties, including non-profit organizations. Generally, the City will be able to enter into agreements with service providers that require the service providers to pay for the cost of utilities or other operating expenses. However, if the City wishes to enter into agreements requiring the service provider to pay a fee in addition to these costs, then staff will need to work with the City Attorney's Office, bond counsel and the Finance Department to determine whether the proposed use fits within the limitations imposed by IRS regulations.

If these recommendations are approved, staff will engage potential service partners to offer services to the community at the Edenvale and Bascom Community Centers. The success of finding occupants for the Reuse sites is contingent on the interest and availability of service providers and the parameters outlined in this memorandum. To that end, PRNS will convene

community stakeholders from the immediate neighborhoods and involve them in the identification and selection of prospective Service Providers. The implementation strategy outlined below provides an overview of the Reuse process.

### **Edenvale Community Center**

Upon approval, Edenvale Community Center will be transitioned to the Facility Reuse Program in July 2011. All City-offered programs and services will cease as of June 25, 2011. Individuals seeking City programs and services will be referred to Southside and other hub community centers for service. The proposed budget includes funding for utility and other operating costs so current programs offered at the site through other organizations will continue without interruption. In fall 2011, PRNS will issue a Request for Information and evaluate the potential selection of fiscally viable service provider(s). If a fiscally viable service provider is selected, PRNS anticipates that the programming by the selected provider(s) will start in early 2012.

### **Bascom Community Center**

The proposed budget includes no funding for utility or other operating expenses at Bascom Community Center. Upon approval of this recommendation to add Bascom Community Center to the Facility Reuse Program, PRNS will begin work on this process, assuring no impact to the General Fund. This will require that, at minimum, the selected provider will pay for utility and other operating expenses. In fall 2011, PRNS will convene community stakeholders and issue a Request for Information. In winter 2012, PRNS will review proposals and evaluate the potential selection of a fiscally viable service provider(s). If a fiscally viable service provider is selected, PRNS anticipates programming to start in early 2012.

### **CONCLUSION**

Parks, Recreation and Neighborhood Services staff will return to Council no later than February 2012 with an Information Memorandum outlining the results of the Edenvale and Bascom Community Center RFI process.

/s/

JULIE EDMONDS-MARES  
Assistant Director of Parks, Recreation and  
Neighborhood Services

For questions please contact Angel Rios, Jr., Deputy Director, at 408-535-3576.