

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda date: February 19, 2008
Reviewed by: *BP*

Subject: Potential acquisition of the Albany Veterans Memorial Building and discussion of tax measure for its renovation, operations, and maintenance

From: Penelope Leach, Recreation & Community Services Director

STAFF RECOMMENDATION

Direct staff to develop a high profile outreach campaign to ascertain current information regarding Albany residents' interest in acquiring the Veteran's Memorial Building and funding the renovations needed for the building via a tax measure. The cost of the outreach effort is estimated to be \$2,500.

BACKGROUND

The 2004 Parks, Recreation and Open Space Master Plan identified a need in Albany for additional indoor recreation space for numerous activities for all age groups. The Plan further identified the Albany Veterans Memorial Building as an existing facility that if acquired by the City, could help meet this need. Alameda County currently owns and maintains the building for Veterans use, with relatively modest rentals for community events and activities.

As directed by the Council, staff has been exploring the feasibility and determining the financial obligations resulting from acquiring the building and has taken the following actions to date:

- 1) Held discussions with staff from Alameda County to determine the County's willingness to transfer ownership of the building.
- 2) Updated estimates from two building assessments of the facility to identify deficiencies in the building and lack of compliance with public building requirements imposed in the California Building Code (in reference to the Americans with Disabilities Act) and associated cost estimates to repair and retrofit for meeting requirements and needs for City program use. (Attachment A)
- 3) Met with the Albany Veterans and the Alameda County Veterans Commission to discuss the City's interest in acquiring the building for recreational activities and shared use of the building.
- 4) Drafted a Memorandum of Understanding for shared use of the building between the City of Albany and the Albany Veterans Building Committee.

- 5) Conducted two tours of the facility and hosted a community workshop in June 2007 to assess the communities interest in acquiring and renovating the building as well as to gain input from the community regarding its potential uses
- 6) Conducted a Community Meeting November 2007 to gain input as to the questions and concerns from Albany citizens.

The Albany Veteran's Memorial Building is one of ten Henry Meyers designed Veteran's Memorial Buildings constructed throughout Alameda County in the early 1930's. It is perhaps the most significant building in Albany, both architecturally and historically. The building totals 13,600 square feet and contains six rooms ranging in size from 370 square feet to 1,200 square feet that would be suitable for recreation programs. With the exception of the Meeting Room, for which the Veterans organizations have requested exclusive use, each of the other rooms could be used in their current state for various recreational activities, meetings, events, and rentals. The recommended goal is to expand program opportunities to include high school teen programs, theatre and performing arts, fitness programs, special interest classes and also provide space for local historical memorabilia as proposed in the Master Plan.

DISCUSSION

For the last few years it has become more and more difficult for Recreation staff to find sufficient activity space needed to provide the numerous activities that the community would like to see offered. In many instances classes and activities are held in rooms that are designed for other purposes or activities such as the employee lunchroom or the emergency operations center. Occasionally, activities must be scheduled on days and times that may be available but are not desirable or convenient to the public, such as Friday and Sunday nights. In some cases instructors desiring to teach recreational activities must be turned away due to lack of space for programs. In addition, we also must turn away large group rentals that we cannot accommodate at the Community Center but would be able to accommodate at the Veterans Building.

Alameda County has indicated its willingness to consider transferring ownership of the building to the City, as long as accommodations are made for the ongoing use of the building by Veterans groups. Staff has been working with the Veterans to establish their needs and how the City and Veterans could co-exist in the use of the building. A Memorandum of Understanding has been drafted by the City regarding this issue and has been reviewed by the Veterans. The Veterans have indicated to City staff their interest and willingness to work with the City on joint use of the building.

Parks and Recreation Commission Discussion

At the December 2007 Parks and Recreation Commission meeting the Commission discussed feedback from those who attended the community meeting in November 2007 as well as the accumulation of information gathered from the community over the last six months regarding the acquisition and renovation of the Veteran's Building. Generally, the Commission agreed that there are no clear signs as to the community's interest in acquiring

and renovating the Veteran's Building. The tours, the workshop, and the community meeting in November were not significantly attended. The Commission also agreed that the community does not appear to be certain that the City needs the facility for more programming. Citizens at the community meeting also expressed their concern over the high cost of renovations. The Commission agreed that if the City were to put the Veteran's Building on an upcoming ballot, more awareness regarding the benefits to the community and the need for acquiring the facility is needed if the measure were to pass. Unlike the measures for park renovations, the Veteran's Building renovations are lacking a group that is driving the campaign to acquire and renovate the facility.

ANALYSIS

Though the attendance at the community meeting, workshop, and tours was low, there still seems to be a need to verify what citizens would like to see the facility used for and whether or not they would be willing to pass a bond to pay for renovations as well as ongoing maintenance and operations.

Up to this point there have been "mini-campaigns" most of which took place while an interim director was in charge of the Community Services Department. During the interim's short stay, he made efforts to gather community information, but did not have the time to develop an in depth outreach campaign to raise awareness regarding the acquisition/renovation of the Veteran's Building. Moreover, the efforts to raise awareness has never really been community-wide with the intent to make it a high profile campaign. This could account for the low attendance at the workshop and community meeting, but it is difficult to know for sure.

The information the Commission and staff are currently using to determine the level of interest is either more than a few years old or representative of only a few citizens. In 2003/2004 the Parks and Recreation Master Plan conducted a survey asking questions regarding the acquisition of the Veteran's Building as well as the need for more indoor recreation facilities. At the time, the need for indoor recreation was being compared to the need for City beautification, park renovations, and sports field renovations. By comparison, the need for indoor recreation rated low. Now that the parks and the sports fields have been renovated, it is difficult to determine what the community's desire is for more indoor recreation.

Also included in the 2003/2004 Master Plan survey were questions as to what additional recreational programs citizens would like to see offered. Answers centered on arts, crafts, theatre, and educational programs. Since the survey, over the past four years, the recreation department has increased the number of classes in arts, crafts, and education and currently there are few times when there are significant waiting lists for such classes. Theatre, teen activities, and an indoor gym were most desired from the 2003/2004 survey when asked about how more indoor recreation might be used. Among other things, the Veteran's Hall could host a variety of theatre and teen programs; however, the space is not conducive for a gym.

Raising Public Awareness

Staff recommends a low cost, high profile outreach campaign to inform and involve the public regarding the potential uses of the building, the benefits to the community, and the cost for renovating and operating the facility should the City acquire Veteran's Building. It would cost approximately \$2,500 for the recreation staff to design an informational postcard mailed to each resident in Albany with basic information and a request to submit a survey in an effort to gain updated information. With the City's new website - soon to be launched - the City has the means to conduct a survey at no additional cost. Another no cost way to raise awareness is to have the cover of next Activity Guide - to be mailed to residents in April - have the Veteran's Hall and basic information regarding the possible acquisition and renovation of the Hall on its cover. An informational piece with more details and survey information could be on the first page. The outreach campaign could be concluded with more updated information before the deadline in early August for possibly putting the measure on the ballot in November 2008. Staff feels the cost of the outreach is well worth the effort given the potential benefits of acquiring the Veteran's Building to the community; however, whether or not the community feels the same way needs to be determined.

Alternatives

Alternatives were discussed at the community meeting in November 2007. One alternative suggested, instead of acquiring and renovation the building, was to use the Veteran's Hall on an as needed basis by negotiating a deal with the County for a reduced hourly rate. Community members stated that it would seem more attractive to the County to collect ongoing funds at a reduced rate rather than have the facility sit empty and collect no funds. Unfortunately, given that the facility is not ADA compliant and is not seismically retrofitted, the City would have to undertake a substantial amount of liability in order to use the building on an ongoing basis while in its current condition.

Questions were also asked at the community meeting as to why the County will not assist the City with the renovations to make it easier for the City to acquire the building given the County is losing money on the facility every year. The County is obligated via Federal mandate to keep the facility usable and safe for the Veterans. Unfortunately, the mandate is unfunded. The County does not have any funds to give the City towards the substantial renovations needed in order for the City to host programs and events in the building on an ongoing basis.

Funding Mechanism

If the Council wishes to proceed with acquisition, a funding mechanism is needed for building renovation, as well as the possibility of ongoing operations and maintenance. The current estimated cost to renovate the building to bring it to a basic code level for City operations as well as seismic and ADA work, a new HVAC unit, and other improvements that include energy efficient electrical upgrades, building repair and restoration, kitchen upgrades, and other interior upgrades is approximately \$6.8 million. Add to the \$6.8

million the cost of plans, specs, engineering, project management, and any other soft cost and the total project amount is approximately \$10.2 million. The current estimated net building operations and maintenance costs, including recreation staffing for programs at the facility, is between \$155,000-\$175,000 per year; this estimate will increase over time and will also be a function of the revenue from building rentals and use, and the condition of the building. Since there are no existing funds for the renovation and ongoing costs, a special tax measure would be needed. A portion of the ongoing maintenance and operations cost could be offset with revenue of up to \$100,000.

The next election opportunity for the Albany voters to consider a special measure to fund the City's ownership, renovation, and operation of the Veterans Building is November 2008.

Tax measure

Currently, the City is investigating a number of different tax measure options. The City will be proposing a tax mechanism that will cover the Capitol Improvements to the building as well as provide an ongoing source of income that can be used for maintenance and operations. Whether the City proposes a parcel tax or a Mello-Roos tax, the estimated cost per household is between \$130-\$150 per year.

Timing of ballot measure

The next feasible opportunity for a tax measure on a ballot is November of 2008. The sooner the funds are available, the more purchasing power the capital dollars will provide and the quicker the City will have use of the building.

FISCAL IMPACT

Approximately \$10.2 million would be required to complete rehabilitation and restoration work. These estimates were based on the assumption that construction would commence in fall of 2010.

\$2,500 is needed to launch a campaign to raise awareness regarding the benefits to the City for acquiring the Veteran's Building and to conduct a survey in an effort to gain updated information as to the citizen's desire to acquire the building and pay for renovations via a tax measure. The source of funds would be the City Council discretionary fund line item.

Attachments

First Floor Plan
Construction Cost estimates