

**CITY OF OAKLAND**  
**AGENDA REPORT**

2006 NOV -1 PM 4: 04

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Measure DD Program Manager  
DATE: November 14, 2006

RE: **Resolution Appropriating Measure DD Bond Interest Money To The Children's Fairyland Project (C241810) In The Amount Of One Hundred Eighty-One Thousand Dollars (\$181,000.00)**

**SUMMARY**

A resolution has been prepared appropriating \$181,000 of Measure DD bond interest money to the Children's Fairyland project. The additional funds are needed to help cover higher-than-expected construction costs on the Fairyland project.

The Children's Fairyland Project is consistent with the Mayoral and City Council Goal to "Build Community and Foster Livable Neighborhoods," by providing for clean and well-maintained facilities, amenities, parks and recreational facilities. The project is located in Council District 3.

**FISCAL IMPACT**

Measure DD bond principal money is placed in interest-bearing investments until needed. The interest accrued to date is approximately \$4.7 million within the Measure DD fund (5320), Treasury Organization (08721), Interest account (44113). In December 2005, City Council allocated \$2 million of bond interest money to the Studio One project, leaving approximately \$2.7 million currently available.

Approval of this resolution will authorize the appropriation of \$181,000 in order to complete improvements in the Children's Fairyland Project. The funding request is on behalf of Oakland Children's Fairyland, Inc., managers of the construction project. Funding will be appropriated to the Measure DD Fund (5320), CIP PWC Construction Services Organization (92232), Children's Fairyland Project (C241810).

It is preferred that bond Series A principal money be spent before accrued interest money is spent. Therefore, if the Fairyland project principal money is spent before all other Measure DD principal money is spent, principal funds may be temporarily reallocated to the Fairyland project from other Measure DD Lake Merritt Series A projects that are delayed or on hold. Once the Series A principal funds are spent, the Measure DD interest money will be used to replenish the borrowed funds.

Item: \_\_\_\_\_  
Public Works Committee  
November 14, 2006

## **BACKGROUND**

In July 2003, City Council appropriated \$3 million for the Children's Fairyland project. This project is managed by Oakland Children's Fairyland, Inc. (OCF). To date, sets have been renovated and an addition to the puppet theater has been completed. The largest single project undertaken is a new pavilion and associated infrastructure upgrades. Bids were opened earlier this year and were approximately \$1 million above the architect's cost estimate. To move the project forward, OCF has scaled back the scope of the project, engaged in value engineering review, and is working to raise additional private funds. OCF has asked that \$181,000 of Measure DD interest money be appropriated to the project to help close the funding gap.

## **KEY ISSUES AND IMPACTS**

The Measure DD project at Fairyland includes renovation of sets, expansion of the puppet theater, utility infrastructure upgrades, and construction of a new pavilion. Recent construction bids for the pavilion and utility infrastructure came in significantly higher than expected. OCF is employing a variety of approaches to closing the funding gap, including value engineering and fundraising from private sources. Because Fairyland's funding needs are immediate, OCF has requested that \$181,000 of Measure DD interest money be appropriated now so that a construction contract can be signed and the project can be completed. If this interest money is not appropriated, OCF will not be able to afford the fabric roof structure over the pavilion stage and seating area. This roof would shelter the audience and stage players from sun and rain, and is an important project element. Waiting until other sources of funding eventually become available would not take advantage of construction efficiencies and would not provide comfort for the pavilion users in the interim period.

## **SUSTAINABLE OPPORTUNITIES**

Economic: The Fairyland project will generate jobs for Oakland residents, and business tax, sales tax and other revenues for the City by those who work on the project.

Environmental: The contractors working at Fairyland will be required to use recyclable construction materials to the extent feasible and are required to recycle construction debris. Improvements to the drainage system will help keep Lake Merritt clean.

Social Equity: Children's Fairyland serves residents city-wide.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

The Children's Fairyland project is being designed in compliance with ADA requirements.

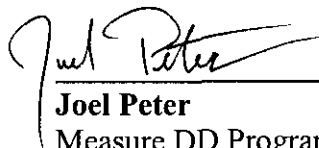
**RECOMMENDATION AND RATIONALE**

Staff recommends that \$181,000 of Measure DD interest money be appropriated for the Children's Fairyland project. These additional funds are needed to help close the project funding gap.

**ACTION REQUESTED OF THE CITY COUNCIL**

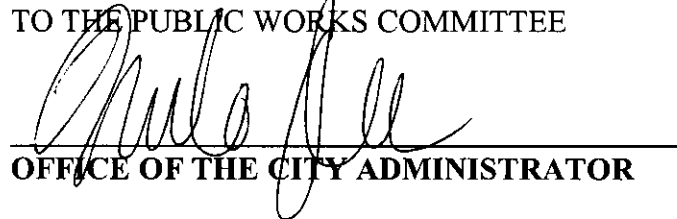
Staff recommends that the City Council approve the resolution.

Respectfully submitted,



**Joel Peter**  
Measure DD Program Manager  
Office of the City Administrator

APPROVED AND FORWARDED  
TO THE PUBLIC WORKS COMMITTEE

  
**OFFICE OF THE CITY ADMINISTRATOR**

Item: \_\_\_\_\_  
Public Works Committee  
November 14, 2006

OFFICE OF THE CITY CLERK  
OAKLAND

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Approved as to Form and Legality

  
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No: \_\_\_\_\_ C.M.S.

INTRODUCED BY COUNCILMEMBER NADEL

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**RESOLUTION APPROPRIATING MEASURE DD BOND INTEREST MONEY TO THE CHILDREN'S FAIRYLAND PROJECT (C241810) IN THE AMOUNT OF ONE HUNDRED EIGHTY-ONE THOUSAND DOLLARS (\$181,000.00)**

**WHEREAS**, Measure DD bond principal money has been placed in interest-bearing investments; and

**WHEREAS**, currently, there is approximately \$2.7 million of accrued, unallocated Measure DD bond interest money; and

**WHEREAS**, the Children's Fairyland project has been appropriated \$3 million of the \$198.25 million Measure DD bond authorization; and

**WHEREAS**, additional funds are needed to complete the Measure DD Children's Fairyland Project (C241810) within the Measure DD fund (5320); and

**WHEREAS**, it is preferred that bond Series A principal money be spent before accrued interest money is spent, therefore, if the Fairyland project principal money is spent before all other Measure DD principal money is spent, principal funds may be temporarily reallocated to the Fairyland project from other Measure DD Lake Merritt projects that are delayed or on hold and Measure DD interest money will be used to replenish the borrowed funds once Series A principal funds are depleted; now, therefore, be it

**RESOLVED:** That \$181,000 of Measure DD interest money be appropriated to the Measure DD fund (5320), CIP PWC Construction Services Organization (92232), Children's Fairyland Project (C241810); and be it

**FURTHER RESOLVED:** That the City Attorney's Office has reviewed this resolution as to form and legality and a copy is kept on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2006

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID,  
AND PRESIDENT OF THE COUNCIL DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the  
Council of the City of Oakland,  
California