



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



8

October 2, 1990

Budget & Finance Committee
Transportation/Community
Development Committee
Sacramento, CA

Honorable Members in Session:

SUBJECT: Salvation Army Recreation Center Construction Funding
Assistance

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the agreement.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:

SOLON WISHAM, JR.
Assistant City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



October 9, 1990

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

Subject: Salvation Army Recreation Center Construction
Funding Assistance

SUMMARY

This staff report recommends that Oak Park Tax Increment funds in the amount of \$300,000 be loaned to the Salvation Army to assist in the funding of the construction of the Salvation Army Recreation Center.

BACKGROUND

The Salvation Army, founded in London, England in 1865, is an international, religious, and charitable organization serving in 91 countries around the world. The organization was established in the U.S.A. in 1880, where there are currently 10,591 centers of operation. In Sacramento, the Salvation Army, a non-profit, tax exempt organization established in 1885, serves all of Sacramento County through seven separate facilities.

The Salvation Army holds a unique position among state and local governments in that it is a religious organization which historically has offered non-denominational services; thus enabling it to receive funding from these sources, without jeopardizing the issue of the separation of church and state.

On July 16, 1990 the Salvation Army submitted a formal request to the Sacramento Housing and Redevelopment Agency for a grant in the amount of \$300,000 from tax increment funds. This sum represents the balance needed to fund construction of a new recreation center and gymnasium at the corner of Broadway and Alhambra Boulevard in the Oak Park Redevelopment Project Area (Exhibit 1). The total cost of the project is estimated at \$1,202,000 (Exhibit 2) of which \$910,000 has been raised through private donations and foundation grants.

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The new center will be located adjacent to the Salvation Army's existing community center and child care facility located at the corner of Broadway and Alhambra Boulevard and as identified on the attached map. The existing center is at capacity serving 581 persons involved in adult and youth activities in limited space and with no recreation area. The expansion will allow the Salvation Army to expand its current programming for people from all areas of Sacramento and to target social services and character-building recreation, education and rehabilitation activities to the residents of Oak Park (Exhibit 3). Though there are other gymnasiums in the Oak Park area (Sacramento High School, Police Athletic League and the Oak Park Community Center) these facilities have limited hours and do not provide the breadth of programs and activities planned for the Salvation Army facility.

The Agency staff has reviewed the Salvation Army Project plans, construction specifications, and cost estimates. Analysis indicates that the project costs are appropriate. The equipment and furnishings will not be funded with Oak Park tax increment funds.

Because of the importance of this facility to the Oak Park area and to the Greater Sacramento area, staff recommends funding a portion of the Salvation Army Recreation Center Project construction costs not-to-exceed \$300,000 in the form of a zero percent deferred interest loan secured by the property. If the recommendation is approved progress payment requests will be monitored and approved by the Agency. All invoices will be reviewed to ensure that the tax increment funds are used for eligible activities. The loan will be due if the recreation center is sold or converted to another use not approved by the Agency.

As a condition of receipt of this loan, the Salvation Army will stipulate in writing that the residents of Oak Park will receive priority for the services stated in the application and that all operational expenses of the center can be met without City or Agency support. Additionally, because of competing priorities for available tax increment funds in Oak Park, further funding will not be made available for this or any other phase of this project. Any cost overruns in this project must be met by concomitant scope reduction and/or non-Agency funding resources.

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FINANCIAL DATA

Oak Park Redevelopment Project Area 7 tax increment funds will be used to fund a loan of \$300,000 for the Salvation Army Recreation Center Project. Funds are available from the Oak Park Developers Assistance Fund. This action will not affect any existing Developers Assistance Projects but will reduce the amount available for future projects.

ENVIRONMENTAL REVIEW

This administrative action is exempt per Section 15378(b)(3). The project being funded was reviewed by the City for environmental compliance.

NEPA: Not applicable, no federal funding involved.

POLICY IMPLICATIONS

This action is consistent with existing Agency policy.

Because of a steady stream of requests from non-profit organizations for funding in this area, staff is currently developing a policy on the use of tax increment funds for social service facilities and will submit this policy to Council for their review and approval. Until the final policy is approved staff recommends a moratorium on the use of tax increment funds to finance additional non-profit organizations.

MBE\WBE EFFORTS

The loan will enable the Salvation Army of Sacramento to seek their own contractor for the improvement. Salvation Army will be strongly encouraged to utilize a MBE/WBE contractor and subcontractors. The Salvation Army will be provided with the Agency's Directory of Certified MBE/WBE's.

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VOTE AND RECOMMENDATION OF THE OAK PARK PROJECT AREA COMMITTEE (PAC)

The Oak Park Project Area Committee reviewed this request based on an application submitted to the City of Sacramento on April 25, 1990 and did not pass a motion to fund the project at their General Meeting of July 5, 1990. The two main issues raised by the opposition to the project were: 1) that the funding of Salvation Army, a religious organization, will established a precedent to use tax increment funds to finance other church organizations; and 2) that the facility was not needed because there are other available gymnasiums in the area i.e., the Sacramento High School gym, Police Athletic Gym and the Oak Park Community Center gyms. The votes were recorded as follows:

AYES: Bozeman, Millar, Healy, Lucero

NOES: Anderson, Crump, Dansby, Roberts, Robinson, White

ABSENT: Lydon, McGee, Toh, DeForest, Moore

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of October 1, 1990, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

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RECOMMENDATION

Staff recommends adoption of the attached resolution authorizing a loan of \$300,000 to the Salvation Army for construction of the Salvation Army Recreation Center Project. This loan is contingent upon Salvation Army stipulating in writing 1) that the residents of Oak Park will receive priority for the services stated in the application, and; 2) that all operational costs for the center will be provided from other resources and that no other funds will be requested from either the City or the Agency for this or any other phase of this project. Furthermore, as a condition of this action, Salvation Army will agree that the funds for both the construction program and the ongoing operation of the Center will comply with the Agency's adopted policy pertaining to nondiscrimination.

Respectfully submitted



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Leslie Fritzsche
440-1315

F:\JR\STAFFRPT\SALARMY.OP

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

OWNER PARTICIPATION AGREEMENT FOR THE SALVATION ARMY RECREATION CENTER

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO:

Section 1: The Executive Director is hereby authorized to negotiate, prepare and execute an owner participation agreement, in a form approved by Agency Counsel, with the Salvation Army for a loan for the partial funding of the Salvation Army Recreation Center ("Center") of no more than \$300,000 payable, without interest, upon sale, refinance or change in use of the Center.

Section 2: The loan is contingent upon the stipulation of the Salvation Army that all operational costs for the Center will be provided from resources other than the loan and that no other funds will be requested from either the City or the Agency for this or any other phase of the Center project.

Section 3: The Agency finds that the loan benefits the Oak Park Redevelopment Plan by assuring the development of a recreation center serving residents of the Project Area which activity will counter social and economic factors of blight in the Project Area.

Section 4: The Executive Director is hereby authorized to amend the Agency 1990 Budget to transfer \$300,000 from Oak Park Developer Assistance Program (B00730) to the Salvation Army Recreation Center Project (new cost center).

ATTEST:

CHAIR

SECRETARY

P:\SHARE\RESO\SALARMY.OP

FOR CITY CLERK USE ONLY

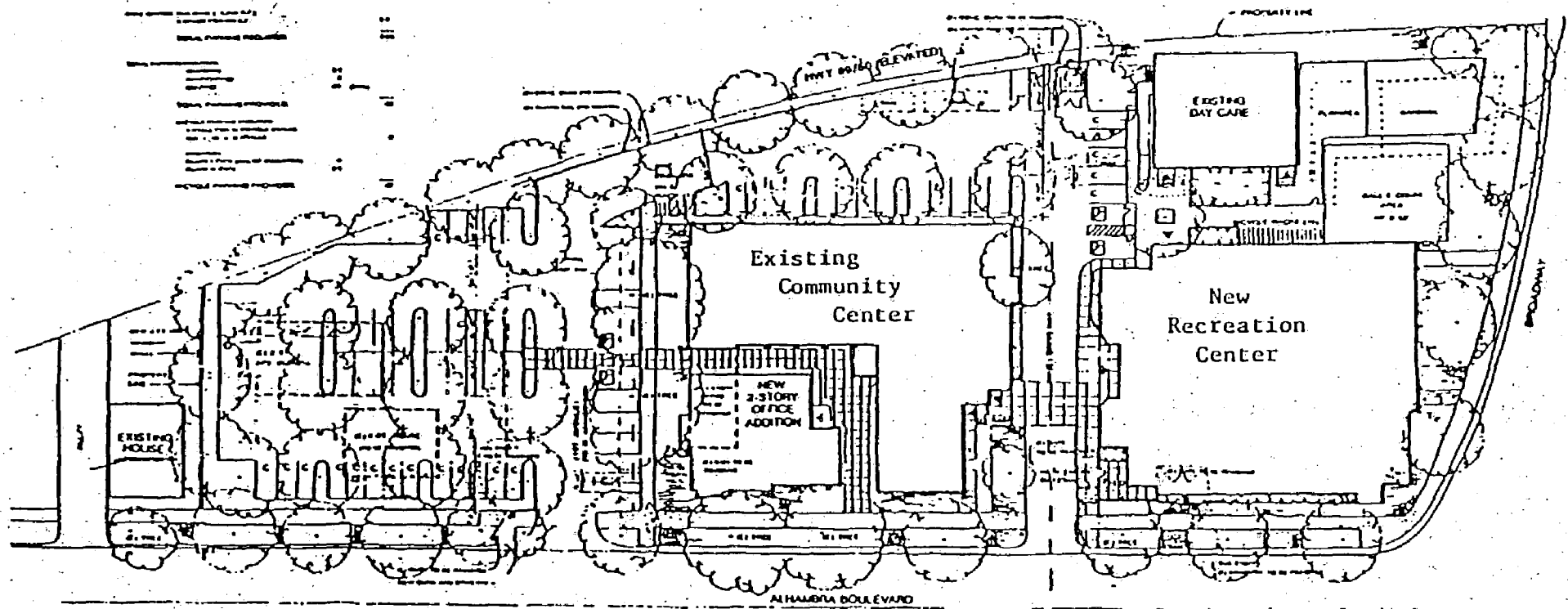
RESOLUTION NO.: _____

DATE ADOPTED: _____

SITE SUMMARY

PROPERTY ADDRESS	1000 ALHAMBRA BLVD
APPLICANT	SALVATION ARMY
PROJECT NAME	COMMUNITY CENTER
DATE	10/15/88
SCALE	AS SHOWN
DESIGNED BY	ARCHITECTS
ENGINEER	ENGINEERS
PLANNING	PLANNERS
LANDSCAPE	LANDSCAPE ARCHITECTS
MECHANICAL	MECHANICAL ENGINEERS
ELECTRICAL	ELECTRICAL ENGINEERS
HAZARDOUS WASTE	HAZARDOUS WASTE ENGINEERS
SOILS	SOILS ENGINEERS
TRAFFIC	TRAFFIC ENGINEERS
WATER	WATER ENGINEERS
SEWER	SEWER ENGINEERS
IRRIGATION	IRRIGATION ENGINEERS
AV	AV ENGINEERS
TELEPHONE	TELEPHONE ENGINEERS
CONTRACTOR	CONTRACTOR
PERMITS	PERMITS
OTHER	OTHER

zoned R-2B ← | → zoned C-2



SITE PLAN



Salvation
Army
Community
Center

SITE PLAN

SALVATION ARMY
CITADAL CORPS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811



ARCHITECTS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

SPINA CORPORATION
ONE FIDELITY
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

SMITH & SMITH
ARCHITECTS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

ARCAD MECHANICAL
MECHANICAL ENGINEERS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

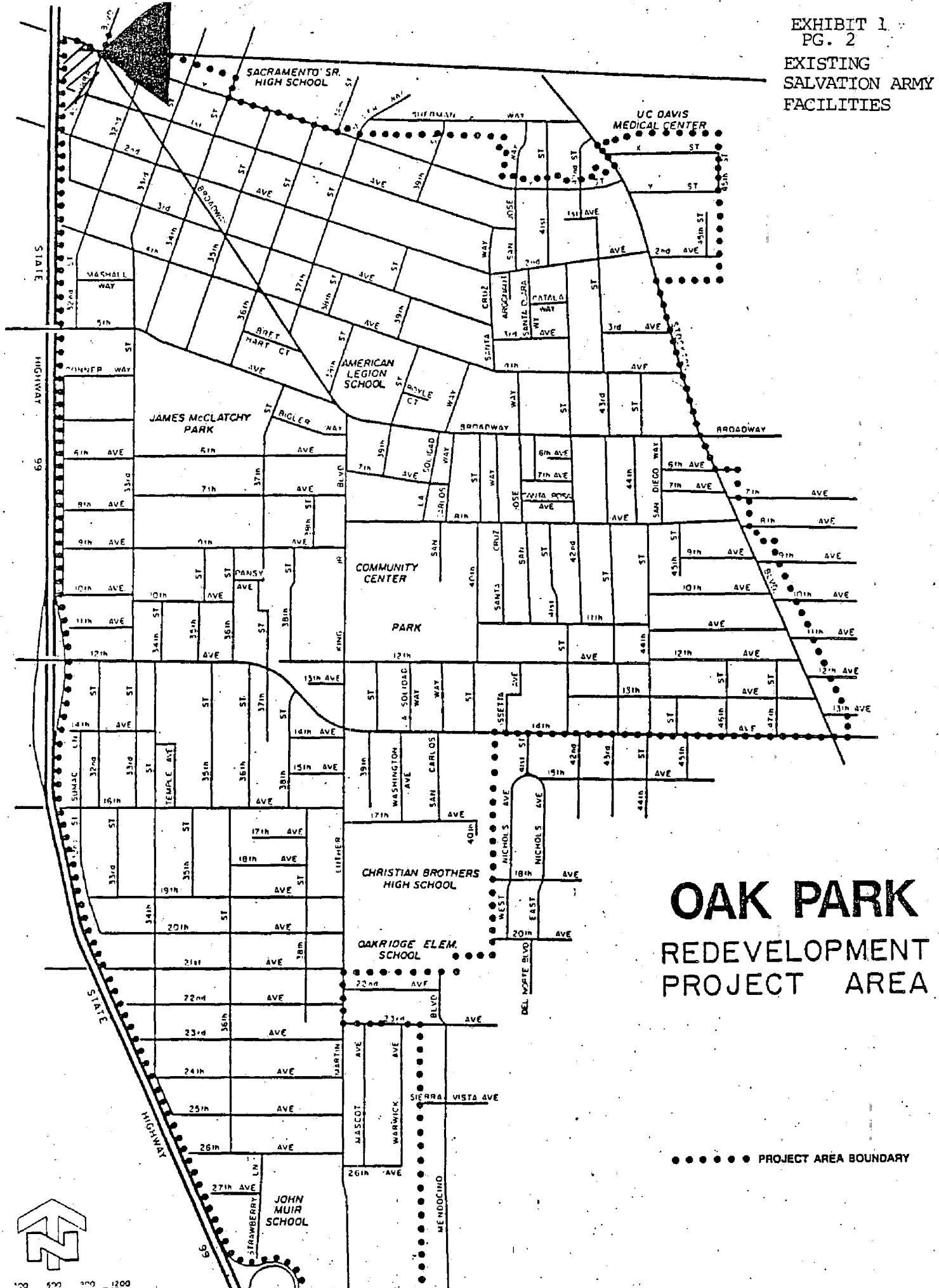
PERKINS ELECTRICAL
ELECTRICAL ENGINEERS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

HAAS LANDSCAPE
LANDSCAPE ARCHITECTS
1000 ALHAMBRA BLVD
SACRAMENTO, CA 95811

A1

EXHIBIT 1

EXISTING
SALVATION ARMY
FACILITIES



OAK PARK REDEVELOPMENT PROJECT AREA

..... PROJECT AREA BOUNDARY



5.

PLAN FOR CONSTRUCTION (Attachment 5)

Construction

The Salvation Army already owns the land on which the proposed recreation center, with gymnasium, is to be built. An application for the Street Abandonment to abandon First Avenue between Alhambra Boulevard and Highway 99, totaling 0.26+ acres and a Lot Line Adjustment to merge five parcels into one, totaling 1.97+ developed acres, has been approved by the City of Sacramento. The legal description and detail is shown in Exhibit H.

The project location map is shown in Exhibits A & D.

The site plan and proposed recreation center preliminary drawings are shown as Exhibit J.

Cost estimate for the proposed recreation center, with gymnasium, is \$1,202,000 as follows:

Construction	\$ 967,000
Architectural, Engineering Permits, etc.	60,000
Equipment and Furnishings	175,000
TOTAL	\$1,202,000

CONSTRUCTION COST BREAKDOWN

COUNTY: Sacramento

DATE: April 25, 1990

PROJECT DIRECTOR: Captain Harold Smith

Commanding Officer

Classification of Costs*

Total Costs

Division 0 - Bidding and Contract Requirements

\$ 34,260

Division 1 - General Requirements

\$ 114,200

Division 2 - Site Work and Landscaping

\$ 57,100

Division 3 - Concrete

\$ 102,780

Division 4 - Masonry

\$ 74,230

Division 5 - Metals

\$ 28,550

Division 6 - Wood and Plastic

\$ 102,780

Division 7 - Thermal and Moisture Protection

\$ 51,390

Division 8 - Doors and Windows

\$ 45,680

Division 9 - Finishes

\$ 85,650

Division 10 - Specialties

\$ 22,840

Division 11 - Equipment

\$ 125,620

Division 12 - Furnishings

\$ 34,260

Total Costs

Division 13 - Special Construction

S N.I.C.

Division 14 - Conveying Systems

S N.I.C.

Division 15 - Mechanical

S 125,620

Division 16 - Electrical

S 79,940

Division 17 - Contingency

S 57,100

Construction Cost TOTAL = \$1,142,000

Architectural 60,000

Total Project Cost \$1,202,000

4.

PLAN FOR DELIVERY OF PROGRAMS AND SERVICES

(Attachment 4)

The proposed recreation center will enable The Salvation Army to improve the quality of the existing Corps Community Center and Childrens Day Care programs. It will also increase the number of young people served in the Summer Day Camp program, the Sunbeam, Girl Guard, Adventure Corps programs and music activities.

Although existing programs will utilize the new recreation center, the primary use of this structure will be for new programs to be developed by The Salvation Army in response to community needs. These programs will be available to people from throughout Sacramento, but will primarily serve residents of the Oak Park community.

- (a) CONSTITUENCY TO BE SERVED by the proposed recreation center will range in age from 6 to 20 years, though other age groups may use the facilities occasionally for special meetings and banquets.

Special services will be developed to reduce high-risk behaviors such as substance abuse, gang related activity and adolescent sexual activity leading to unwanted pregnancy. A remedial education program to diminish school drop-outs will also be commenced.

The Salvation Army has considerable experience in addressing these kinds of behaviors through state, regional and local programs.

There is high unemployment in the Oak Park Target Area to be served by the recreation center.

Blacks 25.4% Whites 16.7% Hispanics 17.8%

The Salvation Army will address this through it's Job Procurement Program.

Those who are abused, hungry, and in need of financial assistance will be served by The Salvation Army Social Services Center who will assign a caseworker to the recreation center.

Oak Park has an above average crime rate, compared with other areas of the City of Sacramento. The Salvation Army will address juvenile delinquency through recreation, education and other character-building activities to be developed in the recreation center.

- (b) YOUTH SERVED ANNUALLY in various group activities in the existing Corps Community Center is 443. It is anticipated that membership in all activities at the proposed recreation center will increase to 2,500 within 5 years. The number of youth that the center will serve at any one time will be approximately 400.

PLAN FOR DELIVERY OF PROGRAMS continued

(c) PROGRAMS AND SERVICES to be developed in the proposed recreation center include:

- * After school, evening and weekend sports activities such as basketball and volleyball. These sports will be available both as informal play and as organized teams that will compete in community leagues. There will be several teams for boys and girls of various ages and abilities, as well as several adult teams. All teams will be properly coached by staff or volunteers with extensive coaching and/or playing experience.
- * Fitness activities such as exercise classes, calisthenics, supervised cross country jogging, bicycling outings, aerobics classes, and martial arts instruction. Care will be taken that each participant is involved in activities that are appropriate to their relative health and ability. All activities will be led by experienced staff and volunteers.
- * Arts and crafts activities.
- * Outdoor activities such as swimming, jogging, bicycling and baseball, softball etc.
- * Tutoring for children experiencing difficulty in school, or those desiring to excel in a particular subject. Tutoring will primarily be provided by volunteer students from local colleges.
- * Social activities such as seasonal parties and picnics for children and families.
- * Counseling and referral for high-risk behaviors such as substance abuse, teen-age pregnancy and gang related activity.
- * Social Services for low-income families.
- * Job procurement.
- * Leadership development.

The foregoing are in addition to current programs which include scouting, music classes and other youth group activities.

These programs will deter negative behaviors by providing alternative activities, and will help children develop self-esteem by teaching them skills in a positive, self-affirming manner. Staff at the recreation center will work closely with employees/volunteers of other Salvation Army programs and other agencies to identify and meet the specialized needs of many of the children and their families. For example, staff will help program participants with access to such services as substance abuse treatment, long-term counseling, and vocational training, emergency welfare, shelter and food programs.

(d) INNOVATIVE AND NON-TRADITIONAL program elements will be included.