

Mayor
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**Community and
Economic
Development**

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Item # 9

To: Lemoore City Council
From: Joe Mendiola, Assistant Planner & Holly Smyth, Chief Planner
Date: April 26, 2006
Subject: Community Development Block Grant for Child and Senior Day Care Facility

Background:

The City was awarded a Community Development Block Grant (CDBG) in the amount of \$500,000 (rather than the \$1,500,000 requested) for a child and senior daycare facility and food distribution/storage service to be operated jointly by the Kings County Action Organization (KCAO) and the Kings County Commission on Aging (KCCOA). The RDA appropriated \$90,546 in funds for the project and the City Council provided an additional \$224,203 in in-kind labor or value for free rent space at the Cinnamon Municipal Complex on April 5, 2005 with the original grant application to the State.

Over the last several months, staff has been working to modify the scope of the project so that similar benefits are maintained within the smaller budget available. Staff presented various alternatives, locations and the associated costs with each at the Council study session held on April 18, 2006. Staff recommended purchasing and renovating the "Magic Castle" property, located at 1075 Blake Street, (which has been a vacant daycare facility for more than four months). The Council and representatives from KCAO and KCCOA concurred with staff's recommended and directed staff to move forward with the project contingent on State approval and completion of the environmental assessment for the project.

A conditional purchase Agreement has been signed and the property is presently in escrow until September 20, 2006. A copy of the agreement, an asbestos Inspection report dated December 31, 1994, and Wood Destroying Pests & Organisms Inspection report dated 06/22/04 are included in the packet for your reference.

In order for the project to move forward and funding to be protected with the State, the attached resolution needs to be adopted by City Council which defines the new project scope and provides enough funding to cover estimated expenditures.

Budget Impact:

The RDA and City (through in-kind services) previously committed funds to the project as stated in the Resolution, and no new funds will be allocated to the project.

Recommendation:

Approve the attached Resolution 2006-17, authorize staff to forward any necessary documentation to the State to move the project forward.

RESOLUTION NO. 2006-17
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMOORE
AMENDING THE ORIGINAL PROJECT SCOPE FOR DAYCARE FACILITIES
AWARDED BY THE 2005 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
TO PURCHASE THE OLD MAGIC CASTLE VACANT DAYCARE FACILITY AND
RENOVATE SUCH STRUCTURE TO ACCOMMODATE AT LEAST 72 CHILDREN AND 10 SENIORS
UNSTEAD OF CONSTRUCTING FACILITIES AT CINNAMON MUNICIPAL COMPLEX

At a Regular Meeting of the City Council of the City of Lemoore duly called and held on May 2, 2006, at 7:30 p.m. on said day, it was moved by Councilmember _____, seconded by Councilmember _____ and carried that the following Resolution be adopted:

WHEREAS, the City of Lemoore applied for a \$1,500,000 Community Development Block Grant to construct one community facility to provide child and senior daycare as well as food distribution/storage services within the existing Cinnamon Municipal Complex located at 711 Cinnamon Drive, Lemoore; and

WHEREAS, the Redevelopment Agency of the City of Lemoore in its meeting duly held on April 5, 2005 the RDA allocated funding in the amount of \$90,576 and submitted such with the CDBG grant application (\$64,034 towards a childcare facility and \$26,542 towards an adult daycare facility); and

WHEREAS, the City of Lemoore was only awarded a \$500,000 Community Development Block Grant (\$441,000 for Child Care and Food Distribution facility, \$49,000 for Senior Daycare, and \$10,000 for general administration) ; and

WHEREAS, the City Council of the City of Lemoore in its meeting of February 7, 2006 approved Resolution 2006-04 to amend open grant #05-STBG-1584 allowing \$279,415 of CDBG program income, received from the sale of the Antlers Hotel, be utilized on the daycare project (such funds will be utilized to offset most of the \$281,354 in leverage funds committed in the application as specified in Exhibit B of the Standard Agreement);and

WHEREAS, within 90 days of executing the Standard Agreement, all special conditions of the project must be meet; and

WHEREAS, according to the Standard Agreement's Exhibit A Section 2: Scope of Work section, any alteration to the work described in the original application must be approved by the CDBG Program Manager or higher Departmental official; and

WHEREAS, multiple alternative scopes of work with estimated budgets were drafted and reviewed by Council in its study session held on April 18th 2006. The Council and representatives from Kings County Action Organization (KCAO) and the Kings County Commission on Aging (KCCOA), who are committed to operating the daycare services once the facility is completed, directed staff to proceed to enter into a purchase agreement to acquire an old vacant daycare facility, referred to as the Magic Castle, finalize project costs to renovate the existing structure and add approximately 1,200 square feet of space, and work with the State to provide necessary documentation to move forward; and

WHEREAS, the City of Lemoore has entered into a conditional purchase agreement for the Magic Castle property, located at 1075 Blake Street, for the purchase price of \$500,000, contingent upon the State accepting the property and the environmental clearances being complete; and

WHEREAS, the attached Exhibit A outlines the Revised Project Scope expenditures and funding sources which will allow the original intent of the CDBG application to meet the daycare needs of TIG children and adults; and

NOW, THEREFORE, BE IT RESOLVED by the Lemoore City Council as follows:

1. The \$33,000 of the leverage provided through in-kind staff time for activity delivery purposes, provided by City Council Resolution No. 2005-15 (shown in Exhibit B), shall remain in tact but the value of rent costs valued at \$191,203 will not be able to be carried out as most of the project cannot be carried out at the Cinnamon Municipal Complex originally anticipated; and
2. The \$90,576 of match provided by the Redevelopment Agency in Resolution No. 2005-03 (shown in Exhibit C), is still valid.
3. Program income from the Antlers Hotel sale in the amount of \$279,415 has been allocated to the project (an estimate was provided for in Resolution 2006-04, attached as Exhibit D) and shall cover most of the lost leverage the City guaranteed above with the grant application; and
4. The City Council hereby approves the Revised Project Scope, as shown on Exhibit A, and requests that the State approve this as an addenda to the original 2005 CDBG application in writing so that project may move forward; and
5. Should the addendum to the original application be approved by the State, the City Council authorizes city staff to carry out the project.

AYES:
NOES:
ABSTAINING:
ABSENT:

APPROVED:

Thomas E. Buford, Mayor

ATTEST:

Nanci C.O. Lima, City Clerk

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, **NANCI C.O. LIMA**, City Clerk of the City of Lemoore, do hereby certify the foregoing Resolution of the City Council of the City of Lemoore was duly passed and adopted at a Regular Meeting of the City Council held on May 2, 2006.

DATED: _____, 2006

Nanci C.O. Lima, City Clerk

EXHIBIT "A"
REVISED PROJECT SCOPE
 FOR THE USE OF FUNDS AWARDED BY CDBG & OTHERS
 TO PROVIDE A DAYCARE FACILITY WHICH WILL SERVE
 TARGETED INCOME GROUP CHILDREN AND SENIORS

The City of Lemoore proposes to purchase an existing vacant daycare building located on .93 acres of land at 1075 Blake Street (known as the Magic Castle), renovate the existing structure, and construct a 1,200 square foot addition to the existing 5,708 square foot building built in 1967. Once completed the facility will provide daycare to approximately 96 Targeted Income Group children and between 8-20 disabled adults/seniors.

REVISED PROJECT COSTS:

	<u>Cost</u>
1. Property Acquisition of 1075 Blake Street	\$500,000
2. Retrofit Costs of existing structure	\$273,362
• Demo/Haul	\$4,800
• Transport/Materials	\$1,380
• Backfill & Utility	\$800
• Footing Excavation	\$1,940
• Fine Grade	\$460
• Lumber/Materials	\$4,900
• Roofing	\$10,080
• Insulation	\$1,380
• Drywall	\$4,200
• Wall Texture-Interior	\$1,800
• Plaster-Exterior	\$9,600
• Aluminum & Glass	\$3,400
• Finish Carpentry-Labor	\$4,200
• Finish Carpentry-Materials	\$3,000
• Interior Doors	\$2,800
• Exterior Doors	\$1,900
• Cabinets	\$3,400
• Finish Hardware	\$2,800
• Ceramic Tile	\$12,000
• Bathroom Fixtures	\$6,400
• Bathroom Accessories	\$600
• Mirrors	\$400
• Heating/Air	\$24,800
• Plumbing	\$13,500
• Electrical	\$7,800
• Telephone-pre-wire	\$200
• On-going Clean-up	\$1,300
• Final Clean-up	\$800
• Contingency	\$68,716
3. Asbestos friable & non-friable ACM removal (Price based on a December 31, 1994 assessment report)	\$30,100
4. Lead base paint / Hazardous materials assessment report	\$3,000
5. Possible Lead base paint abatement if needed	\$3,529
6. General administration (GA) costs	\$37,500
7. Activity delivery (AD) costs	\$55,500
TOTAL COSTS	\$902,991

REVISED FUNDING SOURCES

	<u>Child Daycare</u>	<u>Senior Daycare</u>	<u>Other</u>
Community Development Block Grant (CDBG)	\$441,000	\$49,000	\$10,000 (GA)
Redevelopment Agency	\$ 64,034	\$ 26,542	
Subtotal	\$505,034.00	\$75,542.00	\$10,000
CDBG Program Income from the Antlers Hotel (\$279,415 with anticipated split shown)	\$167,258	\$62,157	\$50,000 (GA & AD)
In-kind staff time		\$33,000	
TOTAL FUNDING	\$83,000.00		

, Date:

by Joe Simonson, Parks & Facilities Superintendent (see resume in grant application Part C, page 31)