




**EAST BAY REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA STAFF REPORT**

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| DATE | March 28, 2025 |
| TITLE | Capital Improvement Projects at the Park District: Review and Discussion |
| DIVISION | Acquisition, Stewardship, and Development |
| FROM | Ren Bates, Division Lead of Design & Construction Ken Wysocki, Assistant General Manager of Acquisition, Stewardship & Development |
| APPROVED | Sabrina Landreth, General Manager  |

BACKGROUND

The East Bay Regional Park District (Park District) defines a Capital Project as a major improvement with a useful life greater than one year and a cost that exceeds the capitalization threshold of \$100,000 for new buildings, parks, facilities, or major maintenance. Capital projects create new facilities, improve existing facilities, enhance operational capabilities, and support strategic goals. Some examples of these types of projects include installation and renovation of utilities, construction and repair of roadways and trails, staging areas, service yards, campgrounds, bridges, pools, large scale environmental restoration projects, and visitor centers. Design & Construction (DECO), the Maintenance and Skilled Trades (MAST) Major Maintenance Unit, and the Trails Program team all manage capital projects for the Park District.

Historically, Park District departments submit requests for new projects, programs, and additional funding for existing projects and programs as part of the annual budget process. The 2025 Adopted Project and Program Budget and 5-Year Capital Improvement Plan has over 400 active projects and programs with total funding of over \$594 million. While all projects and programs are important, the cost of construction continues to escalate and the resources available to complete projects are limited, making prioritization essential for project delivery.

Design & Construction (DECO) Department Overview

The Design & Construction Department is part of the Acquisition, Stewardship & Development (ASD) Division and one of its primary objectives is the delivery of Capital Improvement Projects. To achieve this objective, DECO staff is comprised of four units: Design, Project Management,

Restoration Projects, and Survey & Construction Inspection. DECO's current workplan has 57 projects in phases ranging from preliminary design to close-out with anticipated project costs of at least \$415 million.

Division Lead of Design & Construction Ren Bates will provide an overview of the department including unit descriptions, staff members, and recently completed projects.

Understanding of Capital Project Phases

Attachment A is the Design & Construction (DECO) department's workplan. This includes projects with partial funding that DECO staff is actively working on. This plan is sorted by current phase of the project and then by the Capital Project Prioritization (CPP) score. Additionally, this workplan shows the amount of funding, the estimated project cost, and the current funding gap.

As shown on the workplan, projects are divided into phases of work including preliminary design (pre-design), design and permitting, construction, and close-out. These phases of work will be defined during the study session to describe the specific tasks and deliverables for each phase, providing an overall picture of capital project delivery and the effort that is involved.

Evolution of the Capital Project List and Prioritization

In August 2022, by Board Resolution No. 2022-08-208, the Park District Board adopted the Capital Project Prioritization (CPP) Policy to assist in prioritizing projects for the development of a five-year Capital Improvement Plan. The CPP policy identifies specific criteria for capital project prioritization in alignment with the Park District's mission and vision. This scoring system evaluates projects based on social and geographic equity, habitat and resource conservation, increasing & enhancing access, climate preparedness, community partnership, operating efficiencies, public and environmental health, multi-beneficial use, infrastructure maintenance, and project readiness. Scores range from 0 to 135 or can be designated as "Essential" if the project is being completed due to a legal, safety, regulatory or other mandated requirement.

During the May 2023 Board Study Session, the Board reviewed and discussed each of the Capital Project Prioritization Criteria in detail. It was determined that the next step was for staff to develop a list of priority capital projects, then review and evaluate existing and new projects to determine prioritization scores.

Staff presented the Board with a list of projects and their CPP score during the last Board Study Session in October 2024. This list was generated from a cross divisional team including staff leads from Acquisition, Stewardship & Development, Operations, Public Safety and Finance. The group developed a list of over 200 projects and their corresponding CPP score. After reviewing as a group, staff determined that the scoring does not adequately prioritize support facilities for staff, operations, and public safety as they are not enhancing public access.

Attachment B is the Capital Project Prioritization Scoring Matrix List. This list is sorted by department and CPP score and attempts to capture all the projects that are pending or desired throughout the

Park District and is the result of working cross divisionally to identify needed projects. This list includes all the projects in DECO's workplan with the exception of those in Construction and Close-out phases – they do not need to be ranked for priority.

Capital Funding Sources and Five-Year Capital Improvement Plan

Funding sources available for capital projects include:

- Park District Revenue: General Fund, Measure FF, Major Infrastructure Renovation and Replacement Fund (MIRR), Two County Trails Lighting and Landscaping District (LLD), and East Contra Costa County Lighting and Landscaping District (ECCC LLD).
- Park District Bonds: Measure AA, Measure WW, and Promissory Notes.
- Grants: Private, Local, State and Federal.
- Other: Developer Funds, Gifts, Regional Parks Foundation, and Mitigation Funds.

PARK DISTRICT REVENUE

The General Fund is mainly supported by property taxes. In recent years, the Park District has benefited from very strong property tax growth, however, as anticipated, growth has slowed, and based on Operational Budget needs and requirements, General Funds available for Capital Projects will be minimal in 2026. MIRR funding for Capital Projects is estimated to continue at about \$5 million per year. Measure FF funding is allocated to specific projects based on a commitment list. Lighting and Landscaping District funds are primarily used to support operational staffing, however, occasionally they can be used for capital projects.

PARK DISTRICT BONDS

The remaining unappropriated Measure AA funding is designated for Land Acquisition projects. There is about \$1.2 million of Measure AA interest that is available which will be brought forward for appropriation during the budget request. Attachment C is the Measure WW Funding Status as of the end of February 2025. Measure WW funds have been appropriated more slowly in recent years, due to restrictions on how these funds were originally allocated. It is imperative that the spending pace for bond proceeds is consistent in order to meet IRS requirement that proceeds be spent within three years of issuance. All of the 2012 and 2024 Promissory Note funding has been allocated to projects.

GRANTS

The Park District leverages its own revenue sources and bond funds by obtaining grants and other funding from federal, state, local, and private sources. Obtaining grants for projects can be competitive with specified uses, deadlines, and matching fund requirements. The Park District will continue to seek additional grant funds from outside sources for capital projects. Our current process includes a multi-divisional team, led by the Grants and Legislative staff. This team meets regularly to discuss the capital project funding needs of current and future projects. The team is always seeking to fund projects that have already been identified.

OTHER FUNDING

Direct aid from the Regional Parks Foundation, as well as mitigation agreement revenue and developer property contributions fall into this category. These funds are usually for specific projects as identified by legal agreements.

Funding for capital projects at the Park District has traditionally involved requesting appropriations as the project progresses through its various phases. Appropriations and transfers are made through Board action. While this method provides flexibility in securing funding over time, it can be challenging due to the lack of a clearly defined funding strategy. Without this clarity, there is a risk that valuable resources and time may be spent on designing and permitting a project, only for it to be delayed or put on hold if funding does not materialize.

Capital Projects Lists

Attachment D captures all of the capital projects that are active in the Park District across all divisions, not just DECO's workplan. Attachment E is a list of future capital projects based on the projects that are in the 2025 Adopted Project & Program Budget Book.

Discuss Capital Project Prioritization Matrix

As noted above and in last year's October 2024 Board Study Session, staff has noticed some discrepancies that warrant discussion about the criteria for the CPP. Additionally, several items were mentioned in the Board Study Session last fall by the Board members, including the addition of regional housing (via RHNA numbers) and trail connectivity as criteria. We will discuss these items and any other potential criteria that is recommended to be included in the process of CPP scoring.

ATTACHMENTS

- A. Design & Construction (DECO) Department Workplan
- B. Capital Project Prioritization (CPP) Scoring Matrix List
- C. Measure WW Funding Status as of February 2025
- D. Active Capital Project List
- E. Future Capital Project List