



San Jose Parks Advocates

March 21, 2019

RE: Item 5.2 March 26
Proceeds Sale of Youth Soccer Complex

Honorable Mayor Liccardo and City Councilmembers:

San Jose Parks Advocates urges the Council to reaffirm the September 2018 direction to the Administration to direct all \$20M unrestricted proceeds from the sale of the Public Soccer Complex land at 1123 Coleman to PRNS capital projects, selecting from the \$320M infrastructure backlog as well as rehabilitation of sports fields throughout the City.

We agree with the Administration's stated intention to bring forward a spending plan for the remaining Measure P and Citywide C&C Tax funding of \$18.4 million to construct a smaller soccer facility located elsewhere and/or rehabilitate and improve existing soccer fields throughout the City. We urge the council to support this intention.

San Jose Parks Advocates is an all-volunteer organization of neighborhood leaders and community members concerned about San Jose parks. Our **mission** is to bring parks into the public political consciousness, to make parks an issue in all discussions of civic priorities, neighborhood services, and community interactions with the City of San Jose. We **envision** a City where quality parks and trails for all of its residents is universally supported as a core City service. Civic leaders will develop, enhance, and maintain these spaces as a source of civic pride and essential to the health and quality of life of the residents, workers, and visitors.

San Jose's soccer players and voters have waited far too long for the realization of promises made in 2000 for more soccer fields. A 2008 Sports field study showed a deficit of 57 fields but by 2012 Update only 8 to 10 additional fields were forecasted by 2023, primarily through joint use agreements. Meanwhile, soccer playing popularity increased and turf fields throughout the city fell into disrepair due to the drought and squirrel infestations. By 2012 the Coleman soccer complex was recommended for the acreage no longer wanted by BART/VTA and destined for "mini-storage" according to the staff memo. Asbestos contamination delayed construction. Just as construction was about to begin, a complex was suggested in Guadalupe Gardens—within the airport approach safety zone. Park money was expended to chase this dream. Not surprisingly, agencies responsible for airport safety rejected the plan. Millions of park dollars were expended in these failed attempts at Coleman and Guadalupe Gardens, itemized on the next page.

Specifically,

\$2.339 M in “mitigation” in 2012

\$3.25M to terminate bid and design the next bid

\$unknown\$ for design documents, consultant at Guadalupe Gardens site

About \$6 Million Dollars! And there are still no fields.

We find it disingenuous to include reference to \$15M in debt service as a one liner in a paragraph about how administration plans to take note of the capital needs of the parks department. The financing of “Airport West” should play no role in the allocation of the proceeds to the Parks Department. “Airport West” land was acquired for the airport uses that did not fully materialize. The City has successfully sold “Airport West” for the Highline and Avaya stadium. The financing was part of the necessary costs to meet the needs of the airport and subsequently the economic development of the City’s employment profile, i.e. the Highline and Avaya Stadium. For what reason is the City staff attempting to assign the full cost of this debt on this land to PRNS—even though PRNS was not involved with the property until 2012, a full 7 years after acquisition? The original OED staff memo recommending this site for a soccer complex highlighted the economic benefit of a soccer complex over the alternative use as a mini-storage but made no mention of debt service at that time. Why is it mentioned now? We wonder, did VTA/BART pay their share of debt service when they had the land “on hold” for their maintenance facility? Further, we disagree with the staff computation about \$15M in debt service as a proportionate share. The computation should be based on the lease revenue bonds and the number of years that PRNS was involved. An earlier city memo states that annual interest costs were about \$3.2M on the 51 acres of land financed by lease revenue bonds, and the soccer complex represents less than 20%, or about \$600,000 annually. From 2012 to 2018, that would amount to \$3.6 M, not \$15M. We do not think it is appropriate to consider the HUD loan which did not involve this property.

We believe that best strategy to meet the community’s needs for soccer fields is to rehabilitate and upgrade existing fields, place new ones where possible, and enter into additional joint use agreements. Unrestricted city-wide funds are necessary for this work especially in districts with limited C&C and Park Trust Fund dollars. There is insufficient park bond money to address the soccer field deficit. Despite some joint use agreements and new fields constructed through donations and park trust fund money, the soccer field deficit remains over 45 fields.

In addition, San Jose’s parks are woefully underfunded with a large infrastructure backlog. By way of example, 161 out of 283 playgrounds (57%) are more than 15 years old—making them out of warranty and at the end of their life span and often without parts available for repair. As they break, they must be removed. There’s no money available from Measure T and some districts have little C&C or Park Trust Fund money. The playgrounds and fields need this money.

We urge you to reaffirm the September 2018 council direction to the Administration to direct all \$20M unrestricted proceeds from the sale of the Coleman Soccer Complex to PRNS capital projects.

Please support Administration's stated intention to bring forward a spending plan for the remaining Measure P and Citywide C&C Tax funding of \$18.4 million to construct a smaller soccer facility located elsewhere and/or rehabilitate and improve existing soccer fields throughout the City.

We ask that you not inappropriately allocate financing costs and instead focus resources on providing the soccer fields promised the voters in 2000 and identified as needed in the 2008 and 2012 Sports Field studies.

Appended is a timeline of key actions. References to staff memos are available.

Sincerely,

/s/

Jean Dresden
Coordinator
San Jose Parks Advocates

cc.
Board, San Jose Parks Advocates
City Clerk
City Manager Dave Sykes
Deputy City Manager Angel Rios
PRNS Director Jon Cicirelli

Timeline

2000 Park Bond Measure promised new soccer fields. Ads promised soccer complex.

2005 City acquired 75 acres of FMC property "Airport West" for airport expansion using HUD and lease revenue bonds

2008 Community Sports Field study showed a deficit of 57 rectangular (soccer) fields. By 2012 Sports Field Update showed an increase of only 8 to 10 joint use fields expected by 2023, while the population and soccer play increased.

2008-2009. Airport West is sold to the ownership group for the Earthquakes and Highline developments, with the exception of land "on hold" for BART/VTA.

2009 BART/VTA released its “hold” on the land that would be called Coleman soccer complex. (We wonder whether BART/VTA paid for this “hold.”)
The Earthquakes built a 2.6 acre practice field on the site.

2012 Coleman Soccer Complex proposed. Parks contributes \$2.339M to “mitigate” and “offset” the value of the land. PRNS pursues Design Build Contract for Coleman facility using Park Bond. “Mitigation” details

\$900K in C&C, (\$100K from each district C&C, except D3)

\$100K from D3 Park Trust Fund.

\$1.339M from Citywide C&C

Debt service is \$3.2M annually on the 51 acres financed through lease revenue bonds.

2014 Coleman Soccer Complex asbestos contamination discovered. Costs to date in memo:
\$2.7M to terminate construction contract and rebid with asbestos management.

2014 O’Malley soccer fields open. \$4 M paid by a private donor.

2014 Agnews field count in SEIR shrinks from four to two fields.

2015 Avaya Stadium opened.

2016 Council puts soccer construction bid on hold after the new one is awarded to look at Guadalupe Gardens as a potential site for a soccer complex.

\$3.25M spent on Coleman project to date per staff memo Mar 2016.

2017 Move to Guadalupe Gardens fails due to airport safety rules. Design costs, staff costs, consultant costs, paid from Measure P Park Bond. The Quakes were supposed to reimburse hard and soft costs. At our last inquiry in 2018, staff stated this was in negotiation. Unknown amount repaid. Unknown impact to Park Bond Fund.

2017-2018 Using Park Trust Funds Del Monte and Vista Montana soccer fields open. Soccer field deficits remains over 45 fields.

2018Sep Council votes to sell Coleman Soccer Complex to owners of the Highline in exchange for Quakes Parking and good words to the owners of an option in the Diridon Station Area. Council states the intention that proceeds will go to parks.

2019Mar Staff report indicates “There remains no financially viable path forward for a large soccer complex with the remaining [Park Bond] Measure P funding.”

2019Mar “Though it [\$20M] is unrestricted, the Administration acknowledges that the capital rehabilitation needs of parks and trails throughout the City exceed available Construction and Conveyance (C&C) Tax revenues.”