



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 2, 2019**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT** **WARD: 5**

**SUBJECT: MEASURE Z - REALLOCATE MEASURE Z FUNDS IN THE AMOUNT OF \$426,454 FROM YOUTH INNOVATION CENTER CAPITAL PROJECT ACCOUNT TO FISCAL YEARS 2019-20 AND 2020-21 OPERATING COSTS; AUTHORIZE USE OF \$426,454 OF COMMUNITY FACILITIES DISTRICT 2006-1 BOND FUNDS FOR THE CONSTRUCTION OF THE YOUTH INNOVATION CENTER AT ARLINGTON PARK - SUPPLEMENTAL APPROPRIATION - FUNDS TRANSFER**

**ISSUE:**

Reallocate Measure Z funds in the amount of \$426,454 from Youth Innovation Center Capital Project account to cover Fiscal Years 2019-20 and 2020-21 operational costs; authorize use of \$426,454 of Community Facilities District 2006-1 IA Bond Funds for the construction of the Youth Innovation Center at Arlington Park; and approve related supplemental appropriations and interfund transfers.

**RECOMMENDATIONS:**

That the City Council:

1. Reallocate Measure Z funds in the amount of \$426,454 from Youth Innovation Center Capital Project account no. 9886709-462000 to cover Fiscal Year 2019-20 and 2020-21 operational costs as outlined in the Fiscal Impact section;
2. Authorize the use of Community Facilities District 2006-1 IA Bond Funds residing in Community Facilities District – Riverwalk Vista fund balance reserves in the amount of \$426,454 for construction of the Youth Innovation Center at Arlington Park.
3. Approve interfund transfers and supplemental appropriations necessary to effectuate the reallocation of Measure Z capital funding to operating costs and use of CFD-Riverwalk Vista fund reserves: an interfund transfer of \$426,454 from Measure Z Capital (Fund 420, Account 0000420-990110) to Measure Z Operating (Fund 110, Account 0000110-985420); an interfund transfer of the same amount from CFD-Riverwalk Vista (Fund 456, Account 0000456-990420) to Measure Z Capital (Fund 420, Account 0000420-985456); and an increase of the same amount in the Measure Z Operating Fund (Fund 110, in the Parks, Recreation and Community Service Department) for reallocated operating costs.

4. Authorize a 4.26 full-time equivalent (FTE) increase in non-benefitted, part-time personnel funded by Measure Z, including 2.13 FTE Recreation Instructor and 2.13 FTE IT Technician I.

## **BOARD RECOMMENDATION**

On March 27, 2019, the Budget Engagement Commission met to consider the reallocation of Measure Z funds in the amount of \$429,454 from Youth Innovation Center Capital Project Account to first year (Fiscal Year 2019-2020) Arlington Park Youth Innovation Center operating costs. Following discussion, a motion was made by Commissioner Hart and seconded by Commissioner Arballo for the Budget Engagement Commission to recommend City Council reallocate \$426,454 from Capital to Operating for the Youth Innovation Center. The motion failed to pass by a vote of 4 Ayes and 7 Noes.

## **BACKGROUND:**

On December 16, 2014, the City Council directed staff to re-design existing plans for a childcare center at Arlington Park to serve as a Youth Innovation Center and allocated funding for the design phase. On January 29, 2018, the Purchasing Division posted bid documents for Bid No. 7489 and received seven bids on March 7, 2018. On May 15, 2018 Council awarded the bid to Act 1 Construction, of Norco, CA, with construction funded by 2007 Redevelopment Taxable Bond Proceeds. Within the same Council report, furniture, fixtures, and equipment was identified as an unfunded need. On June 12, 2018, the City Council allocated \$600,000 from Measure Z funds to the Youth Innovation Center capital project for unfunded furniture, fixtures, and equipment needs.

The Youth Innovation Center will consist of construction of a 10,800 sq. ft. center and 1.0 acre site improvements to the existing Arlington Park site. The interior center amenities include lobby, reception area, office, lounge, classrooms, multi-purpose rooms, broadcasting studio, sound recording booth, conference room and restrooms. The site improvements include construction of a new parking lot, outdoor patio, raised garden planters, entry plaza, outdoor terraced classroom, sidewalks, open turf, lighting, trash enclosure, signage, furniture, landscape and irrigation.

The Youth Innovation Center will offer a similar broad range of work skills and educational assistance programs as the Johnny Martin Sotelo Youth Opportunity Center (YOC) in the Eastside neighborhood, but the Youth Innovation Center will focus on innovation, technology and multi-media to complement the arts-focused programs at the existing YOC. The dedication and opening is planned for October 2019.

## **DISCUSSION:**

The Youth Innovation Center (YIC) at Arlington Park has been designed to accommodate cutting edge programming, services, clubs and activities such as a youth-run television programs, robotics, aviation, coding, sound recording, 3-D prototype modeling, computer programming classes oriented toward technology education and job skills development for Riverside's youth. The programs and services would also support the City's new Innovation District through development of a local workforce that will be able to transition into new innovated jobs.

In order to construct the Youth Innovation Center, multiple sources of funding are being utilized. Additional funds from the Community Facilities District 2006-1 (CFD) in the amount of \$426,454

have become available for the construction of the YIC at Arlington Park. The Parks, Recreation and Community Services Department is requesting these funds be authorized and appropriated for the construction of the Youth Innovation Center. The Finance Department has approved and determined the Youth Innovation Center construction costs are an appropriate use of CFD funding. With the addition of these funds, total construction funding is now sufficient to contribute \$426,454 toward furniture, fixtures, and equipment costs. The CFD funding would allow Measure Z funds previously allocated to furniture fixtures and equipment to be reallocated to operational costs for Fiscal Years (FY) 2019-20 and 2020-21.

### Long Term Funding Options

The Parks, Recreation and Community Services Department is exploring all funding possibilities to minimize impact to the General Fund after FY 2020-21. Options include:

1. Allocate all revenue generated from the Youth Innovation Center to its operating costs will minimize costs to the General Fund. Revenue sources generated would include membership fees, sponsorships, donations, advertising and facility rental revenue. This option would require the least amount assistance from the General Fund.
2. Allow daytime tenants to rent the facility during non-operational hours would generate revenue to assist in operating costs.
3. Seek sponsorships and offering advertising opportunities to help generate revenue.
4. Seek an outside contractor to run the Youth Innovation Center. This would require subsidizing from the general fund or change the center to a for profit operation. If the Youth Innovation Center became a for profit entity, community access would be greatly reduced, as only those who could afford it would be able to utilize the center.

### Partnerships

The Youth Innovation Center will benefit the community as a whole by establishing partnerships with other organizations, offer an affordable location to develop skills, and offer youth productive and positive after school activities, as identified below. Partnerships are forming with private partners such as Image One, Business Network International (BNI), Music Changing Lives, Kids that Code, Future Link, 1 Shine Youth Services, Grid Alternatives and Springs Charter School. Educational partners include University of California, Riverside, California Baptist University, La Sierra University, Riverside Community College, and the Riverside Unified School District STEM School for the Arts and the Riverside Arts Academy.

### Skill Development

Programming offered at the Youth Innovation Center will benefit both youth and the community overall. After school programming offered at the Youth Innovation Center will benefit youth by providing a basis in technology, a field that continues to experience growth. Memberships will be affordable to all ages, providing an opportunity of developing technology based skills that are currently in demand in the workforce. The efforts of the Youth Innovation Center will educate Riverside youth to develop transferrable skills that will assist them in navigating college or entering the workforce. The Youth Innovation Center will be a significant educational partner in guiding, teaching and inspiring youth to become effective and successful members of the community.

### Offer Youth Positive Activities

Afterschool programming will assist in reducing crime and risky behavior in youth. The National Youth Violence Prevention Resource Center reports afterschool hours are peak times for juvenile

crimes and risky behavior. Fight Crime: Invest in Kids, a nonprofit organization that reviews strategies proven to reduce crime, reports unsupervised teens are 14% more likely to commit crimes. Offering after school programming reduces crime rates within the community and engages youth in positive activities. The Youth Innovation Center will have a positive impact on the community by offering youth a safe and positive location to develop skills after school

**FISCAL IMPACT:**

Although the Youth Innovation Center is expected to open in FY 2019-20, unfunded operating needs have not yet been addressed. To assist with unfunded needs, the PRCSD has reallocated personnel resources by re-organizing staff assignments and assigning a Recreational Supervisor to the facility, absorbing a large portion of operational costs. The additional resource of CFD 2006-1 IA Bond Funds in the amount of \$426,454 for construction will produce supplemental funding for furniture, fixtures, and equipment, which was previously approved to be fully funded by Measure Z. This provides the opportunity to reallocate \$426,454 of Measure Z funds to operational costs for the Youth Innovation Center for Fiscal Year 2019-20 and 2020-21, as outlined in the tables below. This amount of funding is expected to be sufficient for the first two years of Youth Innovation Center operations, but will be supplemented by PRCSD’s FY 2019-20 and 2020-21 operating budgets if needed.

<b>YIC Measure Z Account</b>		
<b>Account Number (GL-Object)</b>	<b>Description</b>	<b>Amount</b>
5215009-41*	Salaries & Benefits	183,239
5215009-426800	Special Departmental Supplies	2,800
5215009-421000	Professional Services	13,000
5215009-421040	Recreational Services	57,285
5215009-422200	Electric	7,850
5215009-422500	Water	750
5215009-422600	Other Utilities	650
5215009-422700	Refuse Disposal	650
5215009-425100	Advertising	4,500
5215009-425400	Office Expenses	3,000
5215009-426500	Recreation Supplies	53,750
5215009-425600	Central Printing	2,550
5215009-425700	Software Purchase/Licensing	23,010
5215009-427200	Training	7,200
5215009-424220	All Other Equipment Maintenance/Repair	54,500
5215009-422100	Telephone	3,120
5215009-426200	Clothing	1,600
5215009-463300	Off Furniture & Equip Cap Lease	3,000
5215009-428400	Liability Insurance	4,000
<b>Total</b>		<b>426,454</b>

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director  
 Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
 Approved by: Rafael Guzman, Assistant City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. BEC Meeting Minutes
2. Presentation