TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: COMMUNITY SERVICES

DATE: JUNE 16, 2008 CMR:281:08

SUBJECT: APPROVAL OF A LETTER OF INTENT WITH THE FRIENDS OF LYTON PLAZA PARK, L.L.C., FOR THE DESIGN, CONSTRUCTION AND INSTALLATION OF TREES, FOUNTAIN, PARK AMENITIES AND OTHER IMPROVEMENTS AT LYTON PLAZA – CAPITAL IMPROVEMENT PROGRAM PROJECT PE-08004

RECOMMENDATION
Staff recommends that Council authorize the City Manager or designee to sign the attached Letter of Intent with the Friends of Lytton Plaza Park, L.L.C., for improvements located within Lytton Plaza Park, including the installation of trees, a fountain, site amenities and other improvements.

BACKGROUND
On June 11, 2007, Council approved the allocation of $50,000 from the Infrastructure Reserve Fund to Capital Improvement Project PE-08004 for preliminary design for the renovation of Lytton Plaza Park (200 University Avenue at Emerson Street). On June 9, 2008, Council approved a supplemental allocation for construction expenses of $300,000 for the City’s share of a public/private partnership to renovate the Plaza.

The Friends of Lytton Plaza Park, LLC, have legally incorporated in order to eventually enter into an agreement with the City to occupy the Plaza for a period of approximately three months so that the Plaza can be rebuilt. The Friends have worked with landscape architects to create a conceptual plan for the Plaza that will make the park inviting, family oriented, and a community gathering spot. Original round benches/planters would be replaced with movable tables and chairs under an expanded canopy of trees that will allow visitors to read, converse and enjoy their lunches in a relaxed setting.

The concept of improving Lytton Plaza was reviewed by the Parks and Recreation Commission on October 23, 2007. The Commission supported the initial concept of the renovations. A publicly noticed meeting was held at City Hall on May 28, 2008 to receive comments and suggestions from the public on the project.
DISCUSSION
Staff has worked cooperatively with the Friends to develop a Letter of Intent (Attachment A) that lays out the responsibilities and expectation of both parties. Similar to Letters of Intent with the Friends of Heritage Park and the Palo Alto Art Foundation, the letter describes the scope of the renovation project, the amount of money that will be contributed by each partner, and the responsibilities for the on-going maintenance of the park once it is improved.

Once the Letter of Intent is executed by both parties, the Friends will work with design consultants to prepare detailed construction plans and specifications for the project. The Friends will return to the City with plans to be submitted for Planning Department, Architectural Review Board, and Planning & Transportation Commission review. The Friends will then develop a budget for the project, ensuring that there are adequate funds to successfully complete the project, a detailed construction timeline and evidence of insurance. Staff will then return to Council with a Park Improvement Ordinance, Budget Amendment Ordinance, and Agreement To Enter documents for review and approval. The Agreement To Enter specifies policy and procedural guidelines for the Lytton Plaza Park, LLC to follow regarding construction, safety, liability, and payment details. The agreement follows similar public/private partnership agreements that provide for authorized non-profits to manage the improvement of City facilities. Other examples of such partnerships include the Friends of the Children’s Theatre for the construction of the Magic Castle, and an agreement with Perry-Arrillaga for the construction of a refreshment stand at the Baylands Athletic Center.

Once the project is successfully constructed and accepted by the City, the City will complete the payment of project-related invoices, the Agreement To Enter will terminate, and the City will resume maintenance responsibilities for the Plaza.

If the Friends or the City determine that it is not in their best interest to proceed with construction of the Project, then the City will share in one-half of the design costs of the project up to, but not exceeding, the amount of $50,000.

RESOURCE IMPACT
Funds for the City’s share of this project are included in Capital Improvement Program Project – PE-08004 (Lytton Plaza Renovation). Funds for this project will be matched by the Friends of Lytton Plaza Park, LLC. The LLC estimates the total cost of the renovations to be $700,000. The Letter of Intent caps the City’s financial participation for design and construction of improvements at $350,000.

The current maintenance and utilities cost of the Plaza is approximately $4,235. The projected annual cost to the City for maintaining and operating the plaza is estimated at $8,600. This cost includes the maintenance and operational costs of a water feature which will be added to the Plaza.

POLICY IMPLICATIONS
This project is consistent with the recently approved (Policies & Services Committee) public/private partnership policy as a “joint partnership project.”
The proposed project is consistent with existing City policy, including C-26: Maintain and enhance existing park facilities.

A Park Improvement Ordinance will be required for park development. The Ordinance will be prepared and presented to the Council at the point when the actual project agreement is ready for Council approval.

ENVIRONMENTAL REVIEW
Environmental review will be performed at the time the project is presented to Council for approval.

ATTACHMENTS
Attachment A: Letter of Intent

PREPARED BY: ________________________________
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DEPARTMENT HEAD: ________________________________
RICHARD JAMES
Director of Community Services

CITY MANAGER APPROVAL: ________________________________
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Deputy City Managers