



SPECIAL CITY COUNCIL AGENDA ITEM NO. C.1
01/23/2024

SUBJECT: Discussion and Direction on the Vineyards at Marsh Creek - Event Center/Amphitheater Phase I (CIP #337-37231) and use of associated funds

DEPARTMENT: Parks & Recreation, Engineering

STAFF: Bruce Mulder, Director of Parks & Recreation
Allen Baquilar, Director of Engineering/City Engineer

TITLE/RECOMMENDATION

Staff is recommending that the City Council receive an update on the Vineyards at Marsh Creek - Event Center/Amphitheater Phase I project, discuss and provide direction regarding about the project, including the use of associated funds.

FISCAL IMPACT

The Vineyards at Marsh Creek - Event Center/Amphitheater Phase I, CIP #337-37231 ("Project") is included in the adopted 2023/24 – 2027/28 Capital Improvement Program with a total budget of \$9,400,000, of which \$8,692,279 remains for design beyond the 30% design and construction. Current funding for the Project is comprised of approximately \$4,031,000 from the Vineyards Event Center Fund, \$350,000 from the Public Art Acquisition Fund and the remainder of approximately \$5,019,000 from the Vineyards Projects Fund.

Future ongoing operations and maintenance costs for the current Project scope are unknown at this time. Funding for these costs would be provided primarily from the General Fund, with a small portion funded from revenue from Landscape and Lighting Assessment District 06-3. The current ten-year General Fund Fiscal Model has a placeholder for the annual estimated operating and maintenance costs of \$412,000 beginning in FY 2025/26. This estimated cost could change, depending on the scope of maintenance, programming and other operational considerations, such as the potential of off-setting revenues from ticket sales and reservation fees. Additionally, due to the remote location of the Project, additional operational costs may be incurred for site security and to address potential vandalism.



BACKGROUND

The Vineyards at Marsh Creek (VMC) development, as approved in 2004, included a variety of proposed future improvements, including an amphitheater and event center. The project, at the time, was comprised of a 170,000 square foot winery with an outdoor 1,000-seat amphitheater to be designed and built by the subdivision developer. Through subsequent amendments to the Development Agreement, the developer dedicated property to the City and provided approximately \$3,672,000 in initial funding for the Project. Investment interest of \$359,000 has been earned by the City over the years, and is currently included in the project budget.

The scope of the project has been refined through subsequent feasibility studies and stakeholder workshops, and presently includes an up to 1,000-seat outdoor amphitheater, wedding venue, promenade, parking lot, sculpture garden, adventure themed playground, and future 10,000 square foot event center.

The Project has been approved for delivery through the design-build methodology. Under this system, the contractor, design professionals, and subcontractors work together to design and build a project that realizes the owner's plan. At this point, 30% design drawings have been prepared for the project and staff is working with an environmental consultant, Raney Planning and Management, Inc., to prepare a Subsequent Environmental Impact Report (SEIR) to determine whether the Project will result in new significant impacts or a substantial increase in the severity of significant impacts previously identified in the original Environmental Impact Report ("EIR") that was completed in 2004 for the VMC development.

Because of funding constraints, the project as currently envisioned would be constructed in two phases:

Phase I would include construction of a 750-seat amphitheater, 250 vehicle parking lot, traffic signal and shaded promenade. The costs associated with Phase I are anticipated to be approximately \$14,400,000. The current project budget is short approximately \$5,707,721.

Phase II would add approximately 250 seats to the amphitheater and a 10,000 square-foot event center facility. The costs associated with Phase II are anticipated to be approximately another \$5,500,000. The current project budget in total would be short by \$11,207,721.



**SPECIAL CITY COUNCIL AGENDA ITEM NO. C.1
01/23/2024**

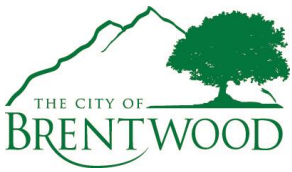
To date, \$529,560 has been expended and \$178,162 encumbered for the project towards the 30% design and environmental review, leaving \$8,692,279 to be used to complete the designs and actually construct the project (Phase I and II) using a combination of Development Impact Fee Program funds and Developer provided funds through the Development Agreement and investment interest earned.

The current cost estimate to complete Phase I of project is \$14,400,000 utilizes data from a recent estimate for the Sand Creek Sports Complex and takes into account the latest inflation and cost increases in fuel, materials and labor. Based on these figures, the remaining available funding for the project is insufficient to proceed through the design-build contract.

NEXT STEPS

The project team is looking for direction and input based on the information provided in this report. Staff recommends the following options for Council consideration, directing staff to:

1. Continue forward with the project as currently scoped with an option to:
 - a. Complete the SEIR process and place the project on hold until such time that additional funding to meet the estimated \$14.4M required is identified to complete Phase I, or
 - b. Pause the SEIR process, place the project and SEIR on hold until such time that additional funding is identified for Phase I.
2. Revisit and revise the project scope for an amphitheater, reducing it to fit the current remaining total budget of approximately \$8.7M. This would require completion of the SEIR, additional redesign costs, and a significantly smaller amphitheater with less capabilities, and potential off-setting revenue opportunities.
3. Revise the project scope to build a park/trail or other neighborhood amenity on the property with input from the Park and Recreation Commission and public, potentially utilizing some or all of the developer-provided funding of approximately \$3.7M and explore repurposing of any balance, including the Development Impact Fee funds and investment interest earned, towards another City project(s), and/or location(s). These funding options will require additional legal review, and can be explored if the Council directs.



**SPECIAL CITY COUNCIL AGENDA ITEM NO. C.1
01/23/2024**

CITY COUNCIL STRATEGIC INITIATIVE

City of Brentwood Strategic Plan FY 2022/23 – 2023/24 Focus Area 5: Community and Neighborhood Services, Goal 3a Continue Development of the Amphitheater.

PREVIOUS ACTION

Previous Action by the City Council is included on Attachment 1.

DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

City is currently contracted with an Environmental Consultant, Raney Planning & Management, Inc. to prepare a Subsequent Environmental Impact Report for the Project.

ATTACHMENT(S)

1. Previous Action