



STAFF REPORT	
<b>SUBJECT:</b> Discussion and Possible Direction to Staff Regarding Cost Increases with the Burns Valley Sports Complex Project	<b>MEETING DATE:</b> Dec. 1, 2023
<b>SUBMITTED BY:</b> Alan D. Flora, City Manager	
<b>PURPOSE OF REPORT:</b> <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

**WHAT IS BEING ASKED OF THE CITY COUNCIL:**

The City Council is being asked to receive an update on cost increases as a result of the delays with the Burns Valley Sports Complex project.

**BACKGROUND/DISCUSSION:**

In December of 2020 the City purchased approximately 31 acres of property on Burns Valley Road with the intent to develop a mixed-use project at the site. The project includes an 80—unit housing development, public works corporation yard, and a sports complex and recreation center. The housing development will be opening this month, and the first phase of the public works corporation yard is complete. The environmental review and design process for the sports complex and recreation center has been on-going since January of 2021.

The project was delayed for a year in an attempt reach agreement with the Koi Nation over mitigation measures for the project, but agreement was never reached and the parties are in the midst of litigation over the project. The sports complex portion of the project (soccer, baseball, softball fields, etc.) has been estimated at \$8-9 million. The City has worked at compiling this funding through various sources, City funds, CA State Parks grant, Community Project Funding through Congressman Thompson, Konocti Unified School District funds, and a contribution from Lake County Tribal Health (a consortium of six of the seven Lake County tribes: Elem, Scotts Valley, Big Valley, Middletown, Habematolel, and Robinson). A couple of weeks ago we received an updated cost estimate from the design team that places the estimated cost of the project now at \$18.7 million. This estimate does NOT include the recreation center, which is expected to cost another \$13-15 million. This is in large part related to the delays in the project and constantly increasing costs. Project cuts and further delays of the project to acquire more funding will both be needed to move the project forward. We believe this project is critical for the youth in our community and their future and must continue in spite of the challenges.

Staff would like to have a discussion with the Council on a path forward for this important project that will include a community sponsorship program and other ideas.

**OPTIONS:**

1. Provide direction to staff.

**FISCAL IMPACT:**

None       \$ Budgeted Item?  Yes  No

Budget Adjustment Needed?  Yes  No    If yes, amount of appropriation increase: \$

Affected fund(s):  General Fund    Measure P Fund    Measure V Fund    Other:

Comments: The agreement would provide revenue to the City.

**STRATEGIC PLAN IMPACT:**

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

**Attachments:**

- 1.