

**BACKGROUND INFORMATION FOR
THE**

**RECREATION AND AQUATICS
COOPERATIVE REPORT**

**SUBMITTED TO THE
PIEDMONT CITY COUNCIL**

October 29, 2003

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RAC Purpose and Participants

Purpose of RAC

RAC's purpose was to develop a consensus, possibly with a minority report, on the issues relating to the construction of a privately funded recreation and aquatics center on City or School District property. Among the issues to be considered by RAC were whether such a project should be considered further, and if a project should be considered:

- The size and location of the project
- Traffic and parking
- Scale (height, mass and bulk of structure)
- Mix of facility components
- Community demand
- Fundraising
- Operation and maintenance costs, and
- Preservation of the residential character of the community.

Groups Represented on RAC

RAC members were drawn from several constituencies:

Piedmont Swim Club (PSC)

Jim Meeder, Vice President
Bart Schenone, President
Paul Schroeder, Treasurer

Piedmont Swim Team

Stephany Bangert (until August 15, 2002)
Rex Hesner (October 3, 2002 and thereafter)

Original Project Proponents of a "Piedmont Community Recreation Center"

Josh Bernstein (also long-time PSC member)
Clarence Mamuyac
Al Peters (also former Mayor)

Civic Center Neighbors

Jim Canty
Dean Criddle

Representatives from School District, City and City Commissions

Deborah Castles, Piedmont Recreation Commission Member
Chuck Chakravartula, Board of Education
Grier Graff, Board of Education
Geoff Grote, City Administrator, City of Piedmont

PHS Student Representatives

Kristina Nelson
Michael Villet

Nelson and Villet had just graduated from PHS and were unable to participate after heading off for college.

Piedmont Residents Not from Immediate Civic Center Area

Andy Ball

Mark Becker

Linda Roodhouse

Merrill Schwartz (also long time PSC member and 6 a.m. lap swimmer)

Issues Analyzed by RAC

Swimming in Piedmont Today

Piedmont Swim Club

Organization and Lease

The Piedmont Swim Club (“PSC”) is a not for profit club open to all Piedmont residents and has been located in the current Civic Center site since 1964. The PSC currently operates under a lease from the City; the lease terminates June 30, 2008.

Membership

The PSC is authorized to have 650 members but has never had more than 600 in recent years; currently, it has about 580 members. The total number of potential users of the facility, counting only members and their families, is about 1,800.

The initiation fee to join the PSC is \$1,500. Annual dues are \$680. Under the lease with the City, the PSC is required to buy back a membership for \$1,500 but is only required to do so if it is able to sell the membership. Under this system, the PSC never accumulates any reserves from the sale of memberships. Every year there is a 10% or so turnover of the PSC membership. Many families drop memberships when they see a decline in usage as their children reach the teenage years.

PSC Facilities

PSC Buildings

The PSC has approximately 1,500sf of buildings:

- Each locker room is 432sf
- The office that is 288sf and
- There is a very small equipment room and a small lifeguard/first aid room.

The buildings are small and aging although the locker rooms have been painted and are clean.

PSC Pools

- The main pool is 42x75 feet and holds 157,000 gallons of water, heated to 82 degrees.
- The middle pool is 25x50 feet and holds 28,000 gallons of water, heated to 87 degrees.

- The baby pool is 16x20 feet and holds 3,000 gallons of water, heated to 87 degrees.

The higher water temperatures in the middle and baby pools are very important for recreational use, especially by children. On the other hand, competitive swimmers and lap swimmers generally prefer the pool to be cooler.

The PSC pools have been well maintained and have a nice sunny setting. The Bay Guardian in its 27th Annual Best of the Bay issue rated the PSC as one of the best places to swim in the Bay Area. If properly maintained, pools will last for a long time; the middle pool, however, is showing some signs of age

Recent Pool Improvements

- \$240,000 was spent to remodel main pool in 1997.
- \$30,000 was spent to upgrade filters, heaters, etc. in 2001 and 2002.
- \$30,000 was spent to resurface the middle pool in 2002.

Under prior management of the PSC, the main pool was remodeled and the gutters were removed. The absence of gutters means that there is more of a wave effect in the water, making it less suitable for competitive swimming events. The concept behind the renovation was to make the PSC more of a family facility—the pool is now primarily recreational. The PST does not use the pool for swim meets but the PHS teams still have meets in the pool.

Hours of Operation and Seasonal Patterns

The PSC is open to its members:

- From 5:30 a.m. until 9 p.m. from June through August
- From 5:30 a.m. until 7 p.m. from September through May.

The main pool is open 51 weeks a year and the other pools are open about 7 months a year – from the beginning of April to about November 15th. The PSC tried to keep the middle pool open longer but no one uses it when the weather is cold. The main pool is closed for one week a year for basic preventive maintenance.

A rough estimate is that 90% of the members use the pools only in the summer months (use by the various teams is, of course, more spread out throughout the year). Bay Area weather is a big variable in the usage pattern of the pools and always will be.

Revenues and Operating Expenses

About 75% of the PSC revenues is derived from dues and 25% is derived from interest, fees, concessions and lessons. The PSC trains more lifeguards, for which it receives fees, than any other facility in the area. Membership fees and lessons produce about \$550,000 in revenues and expenses are about the same amount. There is a dramatic difference between the PSC activities in the summer and in the winter; expenses were \$82,000 in July but only \$28,000 in February 2002.

The PSC has 3 full time employees and 45 part time employees—lifeguards and swim instructors. Almost all of service providers are W-2 employees, not independent contractors. Only occasionally is a special consultant brought in to provide services that regular employees cannot provide. The PSC does not provide benefits to employees except for two full-time employees who have health insurance and vacation pay.

School and Public Use of the Pools

The lease between the City and PSC provides for annual rent of \$70,000, which historically has been reduced to \$38,000 as a result of community service use of the facility through public access days and high school, Piedmont Swim Team and City Recreation Department uses. Although the lease caps the credit at 1,000 hours, PSC provides approximately twice that amount of community service use each year. For the year 2000, PSC provided approximately 2,000 hours of community service use.

- Open public swimming is available to Piedmont residents at the PSC pools on each Friday (except the third Friday) and on the third Saturday of each month for a fee.
- The Piedmont Swim Team uses the main pool in the early morning pre-school hours (6:00 to 7:30 a.m.) and in the afternoons (3:30 to 5:00 p.m.).
- PHS water polo teams use the main pool from 6:30 p.m. until 9 p.m. Monday through Friday from [August to mid-November].
- The PHS swim teams use the main pool from 6:30 p.m. until 9 p.m. Monday through Friday [early March to mid-May].
- The Recreation Department runs programs involving pool use.

In 2002, approximately 1,500 children and adults were taught swimming at the pools.

When the PHS teams are using the pool, their use is exclusive—there are no lap swimmers or others are allowed in the pool. The Piedmont Swim Team use is not exclusive—the pool is shared with lap swimmers. During the school year, the Piedmont Swim Team and the PHS teams compete for the limited number of good time slots, forcing use of the main pool early in the morning and late into the evening. Thus, generally there is more demand for the use of the pools than there is available time and space, although for 8 months of the year there is only light usage of the main pool in the morning before school. The summer is the one time when member use, swimming lessons and team uses compete the most for water time, but much of that crowding is due to the need to generate revenues from swimming lessons. The PST is required to rent pool space elsewhere when the pool is unavailable due to summer swim lessons, water polo and other activities.

Interest in Fitness Facility among PSC Membership

In its last PSC election, the PSC asked its members whether they were interested in some modest fitness facilities, which would require a modest fee increase (provocative questions are sometimes included to increase participation in Board elections). 80% of

PSC respondents voted against (about 1 out of 3 responded). There was disagreement among RAC members as to what to make of this PSC vote, with the PSC representatives believing that the vote was not helpful in gauging interest in fitness included in a new facility due to the low turnout and the negative rationale for the modest fee increase that would have been involved.

Piedmont Swim Team

Last summer the PST consisted of 66 swimmers; 60 were Piedmont residents. Most of the PST swimmers are younger—only 16 swimmers were PHS students. 8 families had more than one swimmer on the PST. Current PST swimmers are on the team for an average of two years. The PST program offers various levels so that swimmers can choose the level of commitment. The PST supplies the coaches for the swimmers. The swimmers pay \$100 plus quarterly dues ranging from \$250 for Stingrays to \$325 for Seniors.

The breakdown of last summer's PST was as follows:

- 18 were Stingrays, ages 6 to 10
- 18 were Juniors, ages 8 to 12
- 17 were Pre-Seniors, ages 10 to 17
- 7 were Seniors, ages 12 to 17
- 5 were Fitness swimmers who did limited practice.

Due to removal of gutters on the PSC pool and to the difficulty of fitting in practices before and after school, many competitive swimmers (senior and pre-senior level) practice and compete at other Bay Area pools. The PST believes that the program could readily expand if pool times were readily available.

During the school year, the PST has two practices Monday through Friday from 6 a.m. to 8 a.m. and from 3:30 p.m. to 5:30 p.m. and one practice on Saturday from 6 a.m. to 8 a.m. The younger swimmers tend to practice in the afternoon sessions only. The Pre-Seniors and Seniors often practice twice a day and do the afternoon practice in other regional pools. They need to practice later in the evening during times when the PHS water polo teams or PHS swim teams are using the pool. On most mornings about a dozen PST members swim before school; however, at any one time there are only about half that number of PST swimmers in the pool.

School Teams

A total of about 50 PHS students participate on the girls and boys varsity and the girls JV water polo teams and about 30 on the PHS swim team. There is some overlap as some students participate both on the water polo and swim teams.

Supporters of swimming in Piedmont have stressed the relatively high number of college scholarships received by PHS for aquatics activities.

PHS Water Polo Teams

The water polo season runs from the end of [August to mid-November]. Games occur between 3:30 p.m. to 6 p.m. For the last 3 years, there have been about 6 games per year. The water polo teams use the main pool during the evening hours Monday through Friday during the months of October through December. Water polo is an aggressive sport so there is naturally a lot of shouting and noise but the most disturbing issue for the immediate neighbors is all of the whistles—the way that the coaches communicate with the players during practices is by blowing whistles.

PHS Swim Teams

PHS' swimming season runs from early March to mid-May. Visiting teams for dual meets always arrive in Piedmont on buses, which for swim meets and other school sporting events frequently park on Hillside Ave. and other neighboring streets with their motors running for the duration of the visit. Visiting teams usually have from 100 to 115 students. There are 6 to 8 meets in Piedmont each spring. There will typically be 5 to 10 parents at the meets.

Swimming in Piedmont in the Future

There was broad consensus that swimming offered important recreational and athletic values in Piedmont and should be preserved or enhanced for future generations of Piedmonters. Swimming is a healthy activity for Piedmonters of all ages. Swimming has been shown to be one of the best forms of cardiovascular exercise and fitness exercises and does not impose the wear and tear on the aging body that running and many other forms of vigorous exercise do.

A larger aquatics facility would allow the Recreation Department to offer a broader range of recreation services to the Piedmont community.

PSC Lease

The current lease for the PSC expires June 30, 2008—5 years from now. RAC envisions that nothing would happen on the PSC site prior to the end of that lease without a negotiated early termination of the lease with the PSC. As discussed below, raising all of the funds for the construction of any facility is likely to be a formidable, time-consuming task—it seems certain that it would be at least 2 or 3 years before construction could commence and it could take the entire remaining 5 years. The Mill Valley Community Center (MVCC) project took more than 10 years from the concept to the reality.

Fitness Needs in Piedmont

Several RAC members were enthusiastic about the prospects for modern fitness facilities in Piedmont. The City Staff also noted that other cities are becoming more active in offering adult fitness facilities (see the Mill Valley example discussed in detail below).

Most of the discussions at the public hearings and workshops of the City Council and at RAC meetings, however, focused on aquatics. RAC had difficulty coming to any conclusion that there was any significant need for a fitness facility in Piedmont. As

discussed in detail below, there are many fitness facilities within a 10- or 15-minute drive of Piedmont and many residents exercise at facilities near their offices in San Francisco, Oakland and elsewhere; but most of those facilities are not family or community oriented except for the YMCA which is about 10 minutes away by car. The Recreation Department has received very few inquiries about adult fitness facilities. The Jazzercise classes in the Veterans Building are run by a private operator, not by the Recreation Department; most of the participants are believed to be non-residents of Piedmont.

Recreation Department Programs

Mark Delventhal met with RAC on July 31, 2002, and provided information the Department's programs, activities and demands.

- Currently the department emphasizes programs for children 12 and under.
- Annually, 80% of the users are residents. In the summer, it's 50% to 60% residents.
- Areas "oversubscribed" include K-5 drama, movement, and art and infant/toddler day care.
- There have been very few inquiries regarding adult fitness facilities.
- The experience of the Department is that a wide variety of programs can be successful if they are well-staffed.
- Parking is a major problem with increasing Recreation Department programs.
- Teen centers have met with limited success in most cities.
- There is no great demand for additional meeting rooms.
- Most pool programs are not run by the city but by the schools, PST or PSC.
- PUSD's adult school offers more adult recreational opportunities than most cities our size do (Aerobics, Golf, Scottish Highland Dance, Social Dancing, Strength Training, Tae Kwon Do, Yoga, etc.)
- The use of the new skateboard park is lower than expected.

Costs

Rough Estimates of Construction Costs

Clarence Mamuyac, with the help of the chief estimator for Webcor (Andy Ball's company) provided rough estimates of the costs for 7 different pool or pool/fitness facilities at various locations which have been broken down and simplified in the following two tables:

Plan	Location	Facilities	New Bldg s.f.	Parking places
A.1	PHS	Competition pool	2,525	11
B.1	PSC	Recreation and competition pools + fitness	19,400	78
B.2	PHS + PSC	Competition pool at PHS; recreation + fitness at PSC	17,375	70
C.1	PSC	Recreation and competition pools + fitness + recreation + community	31,780	127
C.2	PHS + PSC	Competition pool at PHS; Recreation pool + fitness + recreation + community at PSC	29,750	120
D.1	Corp Yd	Recreation and competition pools + fitness + recreation + community	36,495	146
D.2	Corp. Yd	Same as D.1 except recreation pool is indoors	44,495	176

All figures in this table are in millions.

	Location	Bldg. (including demolition)	Pools	Parking	Total
A.1	PHS	\$2.197	\$0.872	\$0.00	\$4.47
B.1	PSC	\$5.105	\$1.344	\$2.386	\$12.98
B.2	PHS + PSC	\$6.099	\$1.372	\$2.386	\$14.45
C.1	PSC	\$8.193	\$1.344	\$2.386	\$17.43
C.2	PHS + PSC	\$9.200	\$1.372	\$2.386	\$18.92
D.1	Corp Yd	\$9.474	\$1.344	\$1.450	\$17.93
D.2	Corp. Yd	\$11.473	\$1.344	\$1.450	\$20.81

Explanation of Some of Construction Cost Figures

The costs in Building, Pools and Parking columns are before the contingency provision of 10% of such costs and before the additional soft costs which are estimated to be 30% of hard costs plus the contingency. Thus, the contingency plus the soft costs add 33% to the hard costs (133% of hard costs will be referred to herein as “full costs”). The figures in the Total column include all such costs and estimates. In addition, the following should be noted about the tables:

- The costs of the PHS sites (A.1, B.2 and C.2) include hard costs of \$1.5 million (full costs of \$2 million) for renovation to the PHS gym and locker rooms.
- Reflecting the higher costs for building public buildings, the building hard costs were estimated at \$250sf (full costs of \$332.50sf).
- In the D.1 and D.2 Corporation Yard plans, no allowance has been provided for the costs of moving the Yard activities to a new location. Very rough estimates of moving the Corporation Yard have exceeded \$3 million—all on the assumption that a suitable site could be found.

- Soft costs are for such expenses as geotech reports, surveys, title report, hazardous materials investigations, legal, architecture and engineering, permits, project management/city representatives, public relations and project contingency.
- The 30% for soft costs does not include the costs of the EIR of \$250,000 for each of the plans (except A.1 which is assumed to cost \$50,000) and 1% of hard costs for furniture, fixtures and equipment.

No estimate was prepared for the costs of a facility at the Blair Park site. But the construction costs for the D.1 and D.2 Corporation Yard alternatives may useful reference points for the costs of a facility on Blair Park; although the topography of the sloping Blair Park site makes it more challenging, the substantial cost of relocating the Corporation Yard would not be incurred.

Parking

Assumptions in Construction Costs Estimates

Number of Parking Places Needed

The number of parking spaces was determined by dividing the new building square footage by 250sf (1 parking place being required by Piedmont City Code for each 250sf of new building).

The city may demand more parking based upon the square footage of the new pools; that square footage is not included in the new-building-square-footage figures. Any plan involving the PSC site would need to take into account the loss of 20 existing parking places near the Carriage House and by the Recreation Building.

Parking Structure under Havens School Playground

The \$2.386 million parking hard costs (\$3.173 full costs) for Plans B.1, B.2, C.1 and C.2 assume that a new one-level underground parking structure is built under the Havens playground with 113 spaces. A 2.5-level structure on that site would accommodate 220 spaces and entail hard costs of \$5.112 million (full costs of \$6.8 million).

This works out to be \$21,111 in hard costs per space in the one-level garage (\$28,000 full costs) and \$23,236 hard costs per space in the 2.5-level structure (\$30,900 full costs).

Parking at Blair Park for Corporation Yard Facility

The \$1.45 million parking hard costs (\$1.93 million full costs) for D.1 and D.2 in the above table are for 175 surface parking spaces at Blair Park and for traffic signalization, road alignment and a pedestrian bridge and elevators/ramps.

Parking in Civic Center

Supply

In an August 19, 2002, report to the Council, the City staff estimated that there were approximately 80 homes and 442 parking places within a 1/8th of a mile from city hall. At that time, 266 of the 442 parking spaces were subject to various restrictions.

Demand

The demand for parking in the Civic Center comes from a variety of sources (per the August 19, 2002 report):

- Residents of the 80 homes in the area.
- There are at least 63 and perhaps as many as 75 to 80 employees of Civic Center businesses.
- Full time city staff—77 parking permits have been issued.
- Part-time and temporary city employees. No permits are issued to this group.
- PUSD employees—144 permits have been issued for the full-time employees and 96 for part-time staff.
- PHS students
- The PUSD Adult School students. There are approximately 7,000 enrollees per year.
- Casual car pool commuters.
- Users of the Piedmont Swim Club.
- Users of the tennis courts.
- People visiting one of the schools, including volunteers who help in the schools.
- People who have business at City Hall, the Recreation Department or the Police Department.
- People visiting residents of the area.

Traffic in Civic Center

One of the recurrent themes about any new community aquatics/fitness project is that the creation of such a project in the Civic Center area would increase traffic to disruptive levels. If the proposed project called for a much larger and more active patronage than the current PSC facility, the anticipated additional traffic was considered unacceptable since local traffic levels have already risen significantly in recent years.

The premise of this report is that the current traffic in the Civic Center is only modestly above what one would generally expect in a quiet residential area with the major exception of the schools traffic three times a day.

RAC believes that most of the time when Piedmonters say that the “traffic and parking in the Civic Center is terrible” it is short hand for the following two separate statements:

- The traffic is terrible for about 60 minutes in the aggregate on each school day; and
- For a quiet residential neighborhood, the parking is terrible throughout the school day and adult school evening.

3X a Day When Schools in Session

When the schools are in session, traffic in the Civic Center area is congested 3 times a day:

- Generally in the 20 to 30 minutes before the school sessions start when PHS students are driving to school and parents are dropping off students at the schools.
- The same for the 20 to 30 minutes after school sessions end although this traffic is not as bad as the morning drop-off traffic.
- In the evening when residents are returning home from work and Adult School teachers and students are trying to find parking places. This traffic is not as bad as the morning or afternoon school traffic.

During other times of the day, traffic in the area is not substantial and, on days when the schools are not in session, traffic is not much greater than the normal modest traffic one would expect in a residential area.

Recent traffic studies¹ by Consulting Traffic Engineer Moses Wilson indicate that current traffic levels in the Civic Center area are about 20% higher than they were in 1994 when the last traffic study was done. The primary drivers are “socio-economic changes” within the community—not traffic from outside Piedmont—including:

- Increase of dual-income families, typically commuting to Oakland or San Francisco
- Teenagers driving themselves to school
- Parents dropping off children at school

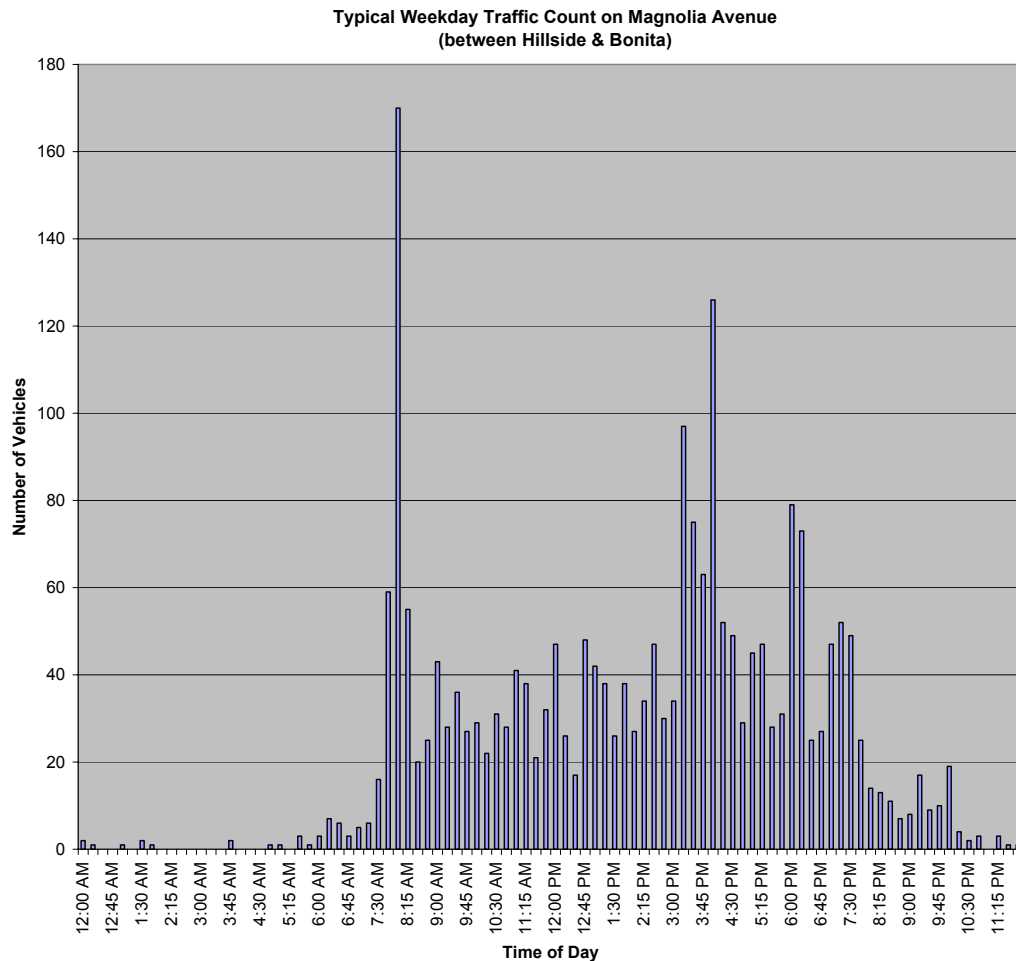
The study characterizes Civic Center traffic as follows:

“In absolute terms, the average daily volume of traffic in the Piedmont Civic Center is not so high as to be of particular concern. However, both the traffic survey results and plain subjective visual observations confirm that vehicular congestion does occur for short periods of time during the early morning and mid to late afternoon of a typical weekday.”

Using the raw traffic count data for Magnolia Avenue, the following chart graphically represents the typical weekday “snapshot” of traffic levels throughout the day in the Civic Center Area. The 8:00 AM and 3:00 PM “spikes” represent drop-offs and pick-ups for the Middle and High Schools. The smaller surge around 6:00 PM correlates to a variety of trips, with emphasis on the Piedmont Adult School and after school activities. The conclusion drawn from the traffic survey data is that the PUSD is the primary traffic generator.

¹ Wiltec Civic Center Circulation Study(s), April 30, 2002 and March 24, 2002.

Parking and Traffic Relating to Community Aquatics/Fitness Facility



Much of the parking and traffic for a community aquatics/fitness facility should tend to be in “trickles” throughout the day rather than in concentrated groups as with school drop-off traffic. RAC heard comments to this effect from both SMG and MVCC representatives. However, the Piedmont facility might be different from MVCC in a couple of ways:

- Mill Valley has a comparatively high rate of home businesses and people who otherwise work from their home offices.
- Piedmont’s facility would have competitive team practices and events; Mill Valley does not.

To the extent, however, that traffic flows for the facility were dispersed throughout the day, the project would not raise overall traffic levels significantly.

Recommendations Regarding Parking and Traffic

As to any Civic Center project, RAC recommends a much smaller project (roughly 10,000sf of buildings versus 35,000sf in the original PCRC proposal) and only a very small fitness element (1,000sf). In order to ameliorate any increased traffic caused by such a facility, RAC recommends that the PUSD consider what steps can be taken to reduce the impact of school related traffic, such as by taking steps to discourage students from driving themselves to school, encouraging walking and by staggering PMS and PHS starting times at least 10 or 15 minutes apart instead of the current 5 minutes. RAC recommends that any aquatics or other program activities at the new facility be scheduled to avoid peak traffic times.

RAC is also concerned about the lack of police control of the traffic before and after school, having received reports of excessive speeds and concerns about other unsafe conditions in the area. RAC recommends that:

- For 30 minutes before school and 30 minutes after school, the City institute experimental programs whereby police personnel would direct traffic and cite offenders. The intersections of Magnolia and Highland, Hillside Ave. and Vista and Magnolia and Hillside and Magnolia in front of PHS and PMS might be the first candidates for traffic control. If traffic control substantially improves the problem but is too burdensome or expensive for the police, possibly parents or community volunteers could be trained to handle this important function.
- The City consider instituting drop-off zones at PHS and PMS, similar to the area at Havens where monitors open and close the car doors as the students grab their backpacks and hop out of the cars. The West side of Bonita between Vista and Magnolia could be made a No Parking zone between 7 a.m. and 8 a.m. and used for this purpose, with a police-controlled cross walk across Magnolia.

Sports Management Group

In order to understand better the economics of any community aquatics/fitness facility, RAC members were interested in learning more about the assumptions, comparables and analysis involved in the preparation of the SMG report for the PCRC proposal. Ms. Lauren Livingston of Sports Management Group kindly agreed to meet with RAC on October 10, 2002. In advance of the meeting with Ms. Livingston, a list of issues had been prepared and discussed at the prior meeting of RAC.

RAC Concern Regarding Penetration Rate

One of the areas of great interest to many RAC members was the implicit assumption as to the percentage of Piedmont households where at least one member would be expected to purchase annual passes to a community aquatics/fitness facility. Several members thought that the SMG original analysis for the PCRC proposal involved more than 25% of Piedmont's 3800+ households purchasing a membership. The 25% penetration rate was thought to be high by a number of RAC members due to the \$10 daily use fee, existing membership in other clubs and the existing penetration rate of the PSC.

Ms. Livingston's own analysis did not use such percentage penetration rates and she was not aware of examples of comparable cities with a 25% or more penetration rate. She said that there are no statistics as to how many Piedmont householders currently hold annual or other passes or memberships in some kind of fitness center. American Sports Data has statistics that help—measuring what a person did for exercise in the prior year. For example, 30% of the U.S. population in a 2000 study self-reported participation in regular fitness exercise 150 times a year or more; however, this statistic includes people who exercise on their own or have their own exercise equipment and do not belong to clubs. Up to 47% self-reported that they are physically active for 50 or more times a year. Moreover, adults who have achieved higher levels of education exercise more than less well-educated adults.

Livingston does not believe the \$10 pass will hurt sale of annual passes although she thought that a daily rate less than \$10 would. The club model is different—it forces the purchase of a membership because a daily use pass is not available. The municipal model tries to have more people use the facility and does not force the purchase of an annual pass since it is seeking inclusiveness. The projections for the PCRC facility were based upon sustainable numbers—the numbers that the facility would enjoy after the “newness” of the facility wears off; she also noted that some daily pass users might decide to purchase annual passes after finding that they used the facility more than expected.

The SMG assumptions as to the High and Low number of passes that would be sold in the originally proposed PCRC facility largely were based upon Ms. Livingston's extensive experience in other communities and her analysis of Piedmont demographics, rather than on specific industry statistics or specific comparable communities.

The Mill Valley Experience

RAC Visit on Sunday, October 13, 2002

RAC made a special Sunday visit to the Mill Valley Community Center on October 13th. The Mill Valley Center was chosen because it was within an easy drive of Piedmont and would provide a useful benchmark of how a popular community center works.

The Mill Valley Center consists of two building complexes, each with a separate entry. The community center building has free access while the aquatics/fitness building is the pay entry building. The total facility is about 40,000sf, which includes the indoor pool but may not include hallways and corridors.

The pay entry aquatics/fitness building includes an indoor pool, which is used only for recreational purposes—the school has a competitive pool on campus. There is also a 2,000sf fitness center with exercise machines and an adjoining 1,900sf aerobics/dance studio.

The Mill Valley facility enjoys an open setting and seems to handle traffic quite well, with 4-lane streets on at least two sides, the soccer field on the east and the Middle

School across a field on the south. The site is very close to the freeway and all houses are a considerable distance from the facility.

Special Meeting with Mill Valley's Christine Ransom on October 25, 2002

Christine Ransom, Director of Parks and Recreation for Mill Valley visited Piedmont for a special RAC afternoon meeting on October 25th. The facility opened in April 2001—substantially more than 10 years from the concept to the reality.

Cost of the Mill Valley Facility

The total cost was approximately \$14.7 million for the community center building and the aquatics and fitness building and the land thereunder (purchased by the City from the school district). Added costs were incurred for special foundations since the site is close to the Bay and some of the site was fill. Part of the site had been used as a dump. There were some litigation costs and environmental remediation costs of removing contaminated soil and replacing that soil with good soil. Special drainage was needed to permit year-round use.

Fundraising in Greater Mill Valley

Marin Community Foundation

Mill Valley decided it did not want a separate board of directors of a 501(c)(3) foundation but did want to have an organization to which funds could be contributed. The solution was to use the Marin Community Foundation (MCF), which held the funds during the fundraising period and charged a small percentage overhead fee. The use of the MCF was also helpful for contributors who wanted to remain anonymous. If the contributions had been made directly to the City, anyone could ask for the list of contributors. Contributors would write a check to the Mill Valley Community Center but the check went to the MCF, which had an account for the Mill Valley Community Center.

\$4.9 Million Raised Exceeded Estimates

Ransom indicated that in 1997 all of the design work had been done and the project had been approved by the City Council before the fundraising started. The private campaign lasted for a year to a year and a half; the public campaign then started in 1998.

MVCC raised \$2 million more than the consultant had estimated—the total gifts from private contributions from individuals and companies was \$3.9 million. In addition, the MCF contributed \$1 million from the funds it administers for the Buck Foundation. Gifts of \$250,000, \$175,000, \$150,000 and 3 or 4 of \$125,000 were received. There were many gifts of \$10,000 to \$25,000. All of the rooms in the buildings, the pool, the terraces and the kitchen presented naming opportunities for donors.

A private fundraising consultant, Bristol & Hays in Redwood City or San Mateo, did a survey and concluded that \$1.5 to \$2 million could be raised in private donations. There were some members of the Mill Valley City Council who were quite versed in fundraising and the consultant was not used after the initial phase. The City set a goal of \$3 million.

The fundraising campaign was headed up by an appointed committee, which included two members of the City Council. Working with city staff in the early stage of the fundraising, potential large contributors were identified and there were 1-on-1 meetings with them. In this private stage before any public announcement of the fundraising was made, \$1.5 million was raised.

Solicited Greater Mill Valley Community of 33,500

In the public stage of the campaign, public mailings and newsletters were sent to all households in the 94941 ZIP Code which includes the City of Mill Valley and the Greater Mill Valley area that is not part of the incorporated city; the total population in 94941 is about 33,500. The campaign coordinator had an office in City Hall and spent about half time on the project. Much pro bono fundraising work was done. The brochures had graphical sketches of what the Center would look like but nothing very fancy.

Mill Valley City Funds

With the total cost of the land and buildings of \$14.7 million and \$3.9 million coming from private donations and \$1 million from the MCF/Buck Foundation, the remainder is nearly \$10 million. In addition to the \$5.5 million in certificates of participation, Ransom said that most of the rest came from City reserves. She noted that Mill Valley had a strong credit rating.

Penetration and Usage at MVCC

Ransom said that a rough estimate was that there were 94,000 individual visits to the aquatics and fitness building during the first full fiscal year which ended last June—about 265 visits per day. Of the 94,000 visits, visits under annual passes and punch cards accounted for 33,152 and daily fee units were 46,036, with drop-in visits of 13,000 accounting for most of the rest. The 33,152 are actual visits—“bar code hits” when the pass is scanned. The 13,000 drop-in visits are classes. Many Mill Valley area residents work at home; there are many home businesses. The large majority of users are from the City of Mill Valley. The MVCC is located near the Middle School and has had much success in programs for that age group.

Ransom believes that the punch cards are more profitable than the annual passes since only a slight discount from the daily rate is involved (\$90 for 20 visits). The punch card is for 20 visits.

The Jewish Community Center charges \$1,000 for an annual pass and is not as well located; thus, the \$700 family pass for Mill Valley residents compares quite favorably. Ransom said that the City has tried to keep the pass fees low since this was a community center and the goal was inclusiveness.

MVCC was an SMG project and Ransom was complimentary about the SMG work, including the financial forecasts. The MVCC recovers its operating costs through the fees charged but this is before debt service and before any capital replacement reserve.

Parking at MVCC

The Mill Valley Planning Department has requirements regarding the number of parking spaces and required 174 spaces. It is all surface parking. They share 15 spaces with the business next door. In general, parking is adequate except when there are large events.

The parking lot services the community center, with its large room used for wedding receptions and other large events, the Recreation Department staff which is all housed in that building, the users of the conference rooms in the community center, the users of the adjoining soccer field, as well as the aquatics/fitness center.

Staffing of MVCC

There is one full time aquatics person and one full time clerk; there are lots of part time people, including 20 to 25 lifeguards, since the facility is open for 93 hours a week (6:30 a.m. to 9:00 p.m. Monday through Thursday; 6:30 a.m. to 6:30 p.m. Friday; 8 a.m. to 5 p.m. Saturday and 9 a.m. to 5 p.m. Sunday) and the users want more hours.

Food

Vending machines are available by the reception desk in the aquatics/fitness building and these are often used by kids using the KidsZone in the other building. The café in the community center building is located in the main lobby area but is defunct currently because the gourmet menu to teens (mostly middle school kids, not high school students). The Jewish Community Center has contracted out its snack bar and has it done well.

Comparisons of Mill Valley and Piedmont

Many RAC members were heartened by various aspects of the MVCC:

- The substantial fundraising by a community based group was impressive. Piedmont has much higher median household income (\$134,270) than Mill Valley (the city of Mill Valley had median household income of \$90,474 and the remainder of Greater Mill Valley was said to be lower) so arguably Piedmont has greater fundraising potential.
- The \$13 million of construction costs for 40,000sf of buildings when there were soil problems suggests that RAC costs estimates may be very conservative.
- The MVCC recovers more than 100% of its operating costs, which exceeded the projections of Mill Valley's consultant, The Sports Management Group. The operating costs of the MVCC aquatics/fitness center were only about \$800,000 and the facility seems well on its way to being self supporting long-term. However, the pools are the most expensive element in the various Piedmont proposals and much greater amounts of water have been discussed for Piedmont.
- The MVCC works as a community resource providing Mill Valley residents a place to gather and socialize. The MVCC is owned and operated by the City of Mill Valley; it is not an exclusive health club operating on a for-profit basis.
- The MVCC provides a rich array of program activities for a broad mix of age groups - Toddlers to seniors and couples to families enjoy this wonderful concept.
- The MVCC has a strong, integral relationship with the neighboring middle school by providing several after school programs, including a homework center, a game room and an arts and crafts center. Programs for Mill Valley's nearby high school

are also provided, including "sober" graduation parties and Movie Night at the pool.

- The MVCC's popularity continues to grow and enjoys a very high rate of participation from Mill Valley's incorporated area, which includes approximately 13,500 residents. In fact, the majority of MVCC's users come from this area of Mill Valley as opposed to the unincorporated area of the city or other neighboring cities.

Many other RAC members thought that the Mill Valley facility was based upon a completely different model than had been considered for Piedmont, particularly with respect to financial issues:

- MVCC enjoyed substantial funding of construction costs from the City of Mill Valley general funds and debt. RAC's premise has been that the City of Piedmont would provide no funds from general tax funds or from any form of borrowing.
- MVCC raised only 1/3 of the construction and land acquisition costs from private fundraising. RAC's premise is that 100% of the construction costs would need to be raised from private gifts.
- MVCC raised less than \$5 million from a community base much larger than Piedmont. Although the City of Mill Valley has a population of 13,500, the fundraising activities were aimed at the Greater Mill Valley area which has a population of about 33,500. Piedmont has a population of about 11,000.
- MVCC's aquatics and fitness approach seeks broad inclusiveness by providing low daily rates (\$5 for city residents; \$5.50 for Greater MV residents; \$6 for outsiders); low punch card rates (as low as \$90 for an adult for a 20 to visit card); low annual pass costs (\$700 for a city family). The PCRC proposal called for a family pass that was nearly 3 times more expensive than MVCC's.
- The MVCC pool is used solely for recreational purposes and is indoors, permitting year round swimming.
- The MVCC pool does not need to accommodate or subsidize high school or other swim and water polo teams.
- MVCC has seen no need to maintain reserves for roof replacement or other major building reserves.
- Although the MVCC appears to be well on its way to being self supporting, the City of Mill Valley apparently could afford to subsidize operations. Even though the demographic statistics would show Piedmont to be a significantly wealthier city than Mill Valley, in another sense Mill Valley is a rich city and Piedmont a poor one. Even though the City of Mill Valley is only about 12% larger than Piedmont in population, State Board of Equalization figures indicate that Mill Valley had 12.5 times the taxable sales that Piedmont had—taxable sales of \$87 million in the first half of 2002 compared to only \$7 million for Piedmont based upon the latest data available.
<http://www.boe.ca.gov/news/tsalescont02.htm>
- MVCC seemed very open to increasing traffic into the area from residents in greater Marin County and beyond, pricing visitor's daily passes at only \$6 or less. Visitors from beyond the immediate area arrive by freeway, take 4 to lane roads

through non-residential areas and park in a large surface parking lot quite distant from the nearest houses. The City of Mill Valley may, in fact, seek to attract non-residents to the City in order to bring customers for its shopping areas and restaurants. Piedmont does not want to bring more cars into the Civic Center area, particularly during the 3 peak periods.

Nearby Swimming and Fitness Facilities for Piedmonters

In analyzing the need for new swim and fitness facilities in Piedmont, RAC looked at the facilities in Oakland and Berkeley that would be less than a 15-minute drive from central Piedmont—most were within a 10-minute drive. Tables showing key data on 20 swimming pools and on 18 fitness clubs are attached as Appendices 1 and 2. A few of the pools and fitness facilities are described in more detail here. Some RAC members pointed out that most of these facilities were not family-oriented and some thought that a 10- or 15-minute drive was a big negative.

Swimming Pools

YMCA

The new Oakland YMCA, a few blocks from the foot of Piedmont Avenue, has excellent pools as well as racquetball courts and plentiful exercise machines and equipment. The lockers at the new YMCA fall in the utilitarian category but overall the YMCA is an excellent large 3-floor facility. There is a large parking garage in the back of the YMCA. <http://www.ymcaeastbay.org/Downtown/downtown.html>

Laney

The Laney pool is an excellent pool for competition or water polo, with a depth of 6 feet, 9 inches on the shallow end. It is a 10-minute drive from central Piedmont and rents for \$75 per hour for nonprofits. Skyline High School uses it.

Mills College

The Mills College pool is huge and beautifully situated with all-day sun exposure; it is open for public use for only \$5. Lap swimmers can have 10 lanes while simultaneously a collegiate women's water polo course could be laid out in the 25-meter long section of the pool; alternatively, two high school 25-yard water polo courses could be laid out in the other direction of the 25-meter section.

<http://www.mills.edu/ATHL/rc.sched.fees.pool.html>

City of Oakland Pools

The City of Oakland has several swimming pools that are within a 15-minute drive of central Piedmont. This includes the Temescal Pool in North Oakland, Live Oak Pool just above Lakeshore at MacArthur and Lions Pool. Lions Pool is especially convenient and is in a sunny location just off Park Boulevard in Diamond Park, about a 5-minute drive from the edge of Piedmont with plenty of free parking. The Oakland pools charge \$2.50 a visit (\$1.25 for seniors) and have locker facilities and showers for day users.

UC Berkeley Pools

All of the U.C. pools can be used by the general public on a \$10 daily pass. Parking is always a problem in this area. The Hearst Gym pool is made of beautiful black marble. Strawberry Canyon has two pools. One of the U.C. pools is 50 meters long.

<http://calbears.berkeley.edu/facilities/pools/default.asp>

Dearth of Nearby Competition Pools

There were no competition pools included in the list which had times available for team practices (except possibly Laney depending upon the hours). Mills has a deep-water competition pool but at the time inspected in August 2002 there were no good times available for team practices.

Fitness Facilities

ClubOne in Downtown Oakland

The ClubOne fitness facility at 12th and Clay is huge—50,000sf. There are nice locker rooms; for an additional \$100 per month, there are luxurious locker rooms that include laundered work out clothes. The pool is smaller and less attractive to a lap swimmer; it is built of steel since the facility sits on top of a parking garage. ClubOne has frequent promotions of cheaper memberships.

http://www.clubone.com/main.htm?action_id=1&parent_content_id=59

24-Hour Fitness in Kaiser Center

The 24-Hour Fitness facility on the first floor of Kaiser Center is a nice facility and entitles a member to use the 24-Hour Fitness facilities at other locations, which has 440 clubs in the chain. <http://www.24hourfitness.com/html/>

Family Oriented Swimming and Fitness Facilities

Within a 3-mile radius of Piedmont, family oriented pools and fitness centers would include the YMCA, Oakland Hills Tennis Club and Montclair Swim Club. Almost all of the clubs have long hours for family use on weekends. Oakwood in Lafayette is only a 15-minute drive (outside the commute hours) and has a 25-yard pool and a small 15x20 foot pool. Oakwood has 63,000sf of fitness facilities, basketball courts, racquetball courts, squash courts, etc. as well as an extensive child care program for the parent or parents working out at the facility. Of those reviewed, Oakwood and Oakland Hills Tennis Club seemed to be the family-oriented swim and fitness facilities that were most likely to appeal to Piedmonsters. <http://www.oakwoodathleticclub.com/>

<http://www.oaklandhills.com/>

There is often a conflict between wanting to have families use a swim facility together and the need to attract adult users who may be critical to the facility's financial success. In general, adult lap swimmers do not like pools with lots of kids splashing around; pools for kids require much higher chlorine levels than pools used exclusively or primarily by adults.

Fundraising

Experts Who Advised RAC

Three experts reviewed fundraising issues with RAC:

- Cameron Wolfe is a tax partner with Orrick, Herrington & Sutcliffe LLP in San Francisco. Wolfe is a third-generation Piedmont resident and is well known to Piedmonters for his dedication to fundraising efforts for the Piedmont Education Foundation, the Piedmont Beautification Foundation, the Piedmont Community Church and the Piedmont Boy Scouts. He was a competitive swimmer while growing up in Piedmont.
- David Cunningham is Director of Planning Giving at the University of San Francisco and is a Piedmont resident.
- Charles Sizemore, Senior Consultant with Marts & Lundy, is a professional fundraising consultant based in Palo Alto. Sizemore has worked with Cunningham at USF and for many other educational and other organizations in the Bay Area and beyond.

Major Fundraising Campaigns

Stages of Campaign

Major fundraising campaigns usually involve several stages:

- **Preparation.** This stage would include the work to determine what is the proposal, where would any facility be sited and how much would it cost? Often this preparation takes 24 months. There might be a fundraising feasibility study done before any donors are contacted. A group of those supporting the project would convene and prepare a list of top prospects who might make large gifts – 30 to 40 would be a good number. The peer group would try to place the prospect in the high, middle and low ranges for the large gifts, grading both the person's ability to make a large gift and also the interest in making such a gift. The top prospects would be interviewed. The consultant or other interviewer would try to gauge the level of interest in the project and ask them to categorize themselves in a range of large, middle and small gift amounts (e.g. "Are you in for \$1 million?").
- **Quiet Period.** The goal during this period is to raise 50% to 60% of the total amount through major gifts from large donors. A key test of the project will be the first 5 solicitations. Often, if these do not go well, the proponents will regroup and possibly change the proposal.
- **Public Period.** A public announcement would be made of the initiation of the project and of the amount that had already been raised during the quiet period.

Budget for Campaign Itself

A budget is needed for the campaign itself. Sizemore said that the budget for the campaign would typically involve costs equal to 10% to 15% of the goal amount. Often you can go to one donor who is really interested in the project and raise funds for these upfront costs. The feasibility study would be cheaper if all of the prospects came to one location in Piedmont so that the consultant could interview 7 or 8 a day. Sizemore thought that a feasibility study involving 30 or 40 interviews might cost \$15,000-

\$20,000. Cunningham favored hiring a consultant; Wolfe did not. Wolfe thinks a professional fundraiser would be viewed very negatively in Piedmont. He is not aware of any campaign in Piedmont that has used one. He feels that Piedmonters would not want an outsider involved. The professionals are not the ones who ask for the large gifts. The only way to mount a successful fundraising campaign of this size would be for someone to be asked by someone he or she knows who has already made a very large gift.

Relationships with Community

Communication is very important at all stages of a capital campaign. More people are using websites for this purpose, posting reports after each meeting. Communicating to the affected constituencies is particularly important. Sizemore noted that California Pacific Medical Center has a \$1.3 billion plan to renovate all of its campuses and has been holding neighborhood meetings with all the affected neighborhoods.

It would not be helpful for fundraising success to have active opposition to the project although it would not be fatal. The more you can present the proposal as a *fait accompli* to donors, the more successful you will be. The degree to which people resonate with the vision, the better off you will be in fundraising. Wolfe thought that it would present a major fundraising problem if there were a significant group that opposed the project.

Large Gifts

Sizemore handed out 3 pages showing the sample scale of large gifts that would be needed for projects of 3 different sizes: \$4.5 million, \$10 million and \$20 million. See Appendix 3. The following captures the 3 tables in 1 table by leaving out the totals raised at each gift level and the cumulative totals as you descend the list from the largest gifts:

Number of Large Gifts Needed			
Gift Level	\$4.5 Million	\$10 Million	\$20 Million
\$3 million			1
\$2 million			1
\$1.5 million		1	
\$1 million		2	4
\$750,000	1		
\$500,000	1	4	6
\$250,000	4	6	10
\$100,000	6	10	20
\$50,000	12	15	30
\$25,000	16	30	
\$10,000	30		
Smaller than 30 gifts level	Many	Many	Many

Note that the table reflects about 70 large gifts for each of the 3 campaigns. Sizemore said that one of the first sources to examine was private foundations controlled by Piedmont residents. The Soda Foundation was a key player in the funding of the pool in Moraga/Orinda.

You can also look at what other organizations have done in the community. The voluntary leaders involved in the fundraising effort are crucial as they will need to sell the vision to the community. Ultimately, fundraising will be very personal—sitting down with your neighbor to solicit gifts. You may need to contact two or three people for each successful large gift. For the 70 large gifts, Sizemore mentioned having a list of 250 contacts.

The Piedmont Fundraising Experience

Wolfe has been involved in many fundraising campaigns in the Piedmont community, especially for the schools, but nothing nearly as ambitious as this. He stressed the importance of the tax deduction to donors for large gifts.

Prior Gifts of \$1 million+ in Piedmont

Wolfe noted that the Education Foundation's endowment campaign has a goal of \$5 million and may now have passed \$2 million in commitments. But over the last 30 years nobody to his knowledge has raised close to the amounts RAC has been discussing. Wolfe was aware of one gift of \$1 million in connection with a schools project and thinks there might have been another in that range over the past 30 years. Wolfe was personally involved in soliciting a third gift of nearly \$1 million that was given for the Hampton/LaSalle field project. So over the last 30 years there may have been as many as three gifts that are in that \$1 million range.

Fundraising Difficulties if Fees Charged for Use of Facilities

All of these very large gifts in past Piedmont campaigns were for facilities that were going to be used by the schools and Piedmont residents on a free basis. It could be more difficult to raise money for a project where substantial fees would have to be paid to use the facilities. Fundraising for a free facility would be much easier than for a facility that would be regarded as a club or that otherwise would be available only to those who pay substantial amounts for passes. Anything that connotes exclusivity, such as a "club," could make fundraising more difficult.

Current Fundraising Difficulties

With 3 years of a declining stock market after the bursting of the stock market bubble, fundraising is more challenging today. Due to tax benefits, most major gifts historically have come as donations of appreciated stock. See Appendix 4.

In addition, certain RAC members were concerned that any community aquatics/fitness facility campaign could be competing with the additional fundraising effort for the schools caused by the school budget problems. People will be seeking gifts to the Piedmont schools to maintain the school programs that people expect. Wolfe said that any campaign has to fit into the climate and culture of our town. In times where we are trying to maintain advanced math and other classes, other campaigns may be put on hold due to a fear that they would interfere with the school campaign.

Even if we went further out beyond the current difficult times into a more normal economic environment, Wolfe thought that it would be difficult to raise the \$4.5 million for the PHS sited project, much less the much larger sums for the bigger projects or for an

additional \$5 million that probably would be needed to provide an endowment fund to cover operating expenses for the PHS sited project.

The Education Foundation started looking at the prospects of raising an endowment fund for the schools a long time ago. It always was concerned with the timing of a campaign for an endowment. For a while, the current school needs were more pressing. It was only a few years ago that the time seemed right for an endowment campaign. In about 3 years, \$1.5 million has been raised for a universally acclaimed value in Piedmont—our schools.

Wolfe was asked about the prospects for raising \$13 or \$21 million in charitable contributions for a community aquatics/fitness project. He responded that he did not see it happening since that is an enormous amount of money for a community of our size. He did not think that “we had enough of the kind of people who can scratch each other’s backs for \$50,000 gifts, etc. which is how major sums of money are raised for charities.”

Lack of Comparable City Efforts

RAC sought but did not learn of any city of near comparable size had been able to raise 100% of the funds for a recreational project from charitable contributions where the cost would be in the \$10 to \$20 million range and where users would then be charge significant fees to use the facilities. Indeed, no project in the low range of, say, \$5 million, with construction costs fully funded by charitable contributions and operating costs funded by fees, was identified.

RAC Conclusion Regarding Fundraising

RAC concluded that for the next few years it would probably be unrealistic to assume that any facility could be built that required charitable fundraising in excess of about \$5 million although a few RAC members were more optimistic. Even the \$5 million figure was regarded as overly optimistic by a few members who thought that even a \$2 million campaign would be a daunting undertaking.

Civic Center Advisory Committee

CCAC Officers Visit RAC

The Civic Center Advisory Committee (“CCAC”) had numerous meetings and prepared a report, dated September 20, 2001, on future uses of the Civic Center area in Piedmont. The CCAC was appointed by the City Council. On December 19, 2002, Bill Lucke, the CCAC Chair, and Ralph Catalano, the Vice Chair, briefed RAC on the activities of CCAC and offered their views on the appropriateness of a swim/aquatics facility in the Civic Center area. The full report is available from City Hall.

The CCAC Report

Bill Lucke reviewed the CCAC report, which had framed the issues involving the Civic Center as follows:

- How should the city address the problems associated with the current level of activities in the area?

- Can activities be added without placing a further burden on the Civic Center neighbors and how?
- What types of activities or improved establishments or activities do the residents of Piedmont want?
- What activities in the Civic Center would produce the greatest benefits for Piedmont residents?

In the CCAC meetings, there was great concern about parking and much testimony from neighbors along the “not in my backyard” lines. The Veterans Building was studied and consideration was given to a plan that would put a 6-story garage there with a community facility above that would look out on Piedmont Park; a teen center, library and coffee shop were discussed. All this would be part of a master plan for the area. The CCAC wanted PUSD and city to examine the parking problems created by its teachers, staff and students to see if there were solutions that would lessen parking problems, such as student carpools. Traffic and parking surveys should be conducted by an independent expert who would take a fresh look at the problems.

Blair Park and a small part of the City Corporation Yard were identified as areas where some of the current Civic Center activities could be moved. East Bay Regional Park land on Skyline Blvd in Oakland was considered for the City Corporation Yard functions.

Catalano’s Views About Civic Center Impact

Ray Catalano is a Professor of Public Health, Division of Health Policy & Management at UC Berkeley, with a special interest in urban planning. He spent 8 years on the Planning Commission of the City of Irvine and was on a city council for 4 years. He is not a Civic Center resident, residing on Alta above Blair Park. His provocative views on the Civic Center area resonated with the Civic Center neighbors on RAC and neighbors attending the meeting but did not carry a broad consensus within RAC itself. They are discussed in detail here because they well expressed the worries of the neighbors.

Catalano thought that Piedmont was at the “tipping point” with regard to the Civic Center area – if uses in the area are made more intense, you will change it substantially and the change will extend beyond Civic Center. He worried that the Civic Center area could become a transitional zone. With more intense use, the area could become less desirable for people with children and could be occupied by adults without children. There may be less resistance to more intensive commercial and institutional uses. Catalano argued that the Civic Center area is an advertisement for prospective home buyers in Piedmont—it is the part of the Piedmont that people sample when looking for a house.

Catalano said that if you build a garage, “they will come.” No one builds a garage without filling it—research supports his conclusion, he said; the only exception is when garages have been built in advance of the need. But the parking on the street would continue. He particularly disliked a garage under the tennis courts. The Havens playground might be better site for a garage than the tennis courts, but it has problems because the neighboring streets are too small; one-way streets might be required. The site of the Veterans Building was much better for a garage because Highland could handle the traffic and there would be room for turning lanes. The further into the

residential area you put any garage, the more problems you will have. A garage on Highland could interrupt trips into the area, with drivers never leaving the main arterial streets, such as Highland. However, neither Catalano nor the CCAC report provided any particulars about the feasibility of such a garage—number of cars it would hold, costs, water table and possible soil issues if multiple tiers were below ground on the small site. Any such garage was far beyond the scope of RAC since it would involve demolition of the Veteran’s Building and construction of a new building on top of any new garage.

Even though he personally could be affected, Catalano prefers moving Civic Center uses to Blair Park. He could see moving the Recreation Center uses and the swimming activities to Blair Park and converting the existing Civic Center site to less intense use. For example, the city could raise funds and lower the parking and traffic in the area by selling the land off for the private development of 6 or 8 houses. Moraga Avenue will be at capacity in 10 years, which will start to repel trips. The question is whether we want to fill Moraga with trips that are helpful to Piedmont. Some RAC members felt, however, that Blair Park did not have enough sunny hours and presented serious grading and traffic issues.

Dangerous Magnolia Traffic at Drop-Off and Pick-Up Times

Catalano thought that it was only a matter of time before someone is hit in the streets by the schools in the Civic Center area, especially along Magnolia where he has seen cars going 35 to 45 mph in the congested area, with no police in sight and no parents out there. The more intense the traffic becomes in the area, the faster people will want to get through it. He has even seen police cars going 30 mph to get to the top of the street.

Possible Features of Facility

Coffee, Juice and Snack Bar

Many RAC members thought that some type of a simple snack bar that served coffee, tea, juice and snacks might be an attractive addition to a swim facility. It could have a counter accessible to swimmers on one side and on another side a counter accessible to non-swimming members of the public. There would be no cooking facilities and no inside seating.

One possibility would be to convert the Carriage House to such a use. It could be a gathering spot for City and PUSD employees, swimmers, tennis players, parents visiting the schools and other adults finding themselves in the Civic Center area during the school day and for students after school. The limited menu should mean that it would pose little risk of becoming a destination site, bringing traffic into the area beyond what the short term parking spaces would accommodate.

RAC did not contact any potential operators and does not know whether there is sufficient pedestrian traffic in the area to make such an operation economically viable, particularly in poor weather months when the pools do not bring many users to the area.

In the past, the PSC has polled its members and found little interest in a snack bar.

Meeting Rooms

RAC briefly considered the need for additional meeting rooms in Piedmont and quickly concluded that there are enough existing spaces. The Veterans Building seemed to be underutilized.

Media Rooms

Including a media room for kids after school was also briefly discussed. The schools already have such rooms but the problem is that they close down relatively soon after school. Rather than construct new rooms, if there is sufficient student demand, consideration should be given to having the Recreation Department staff the school media rooms for a couple of hours after school.

Teen Center

RAC did not pursue the idea of a teen center in the facility.

Survey

The members of RAC and the members of the public who participated in RAC's consideration of the issues are those who have a substantial interest in the matters considered. Even at the workshops last year, the City Council probably heard from a total of less than 100 different Piedmont voters. In RAC's consideration of the issues, it was impossible to gauge interest in the issues among broader groups in Piedmont.

RAC believes that an independent consultant should be hired to prepare and conduct a survey to assess community support for a community aquatics/fitness facility in Piedmont. The survey would assess community interest in using such a facility, fees that users would be willing to pay and willingness to contribute funds for the construction of such a facility. Some RAC members are skeptical of the ability of such a survey to gauge community interest accurately before any excitement has built for the project and due to the difficulty of framing the questions in a neutral and accurate way. The MVCC fundraising survey underestimated by half the amount of charitable contributions that could be raised.

This project should go forward only if a large number of major contributors are identified. Mr. Sizemore, the fundraising consultant, said that normally one would need about 70 donors making gifts between \$10,000 and \$750,000 for a \$4.5 million fundraising campaign. A few individual members of RAC have some leads regarding potential major contributors interested in the project and capable of making gifts in the range of \$1 million. RAC itself has received no information about the size or nature of such a gift or gifts, much less the identity of the potential donor or donors.

Survey Recommended. The consensus of RAC was that an independent survey should be conducted, with the costs of the survey being paid for by charitable contributions to the city earmarked for that purpose.

Legal Structure for New Facility

While it is conceivable that a nonprofit public benefit corporation structure could be made to work, there may be significant risk that the IRS would decline to issue a favorable 501(c)(3) determination letter that the organization was exempt under the "lessening the burdens of Government" standard and that contributions to the nonprofit corporation therefore might not qualify for tax deductions. Largely for that reason, RAC has gravitated toward the JPA structure, described below, as a more likely successful implementation alternative, with the following basic features:

1. ***PSC Lease.*** No Project would be possible at the existing Civic Center site prior to 2008 unless the Piedmont Swim Club agrees to negotiate an early termination of the existing lease.
2. ***City and PUSD Affirmative Support for Fundraising.*** The JPA approach could be pursued only if the City and PUSD agree to facilitate a community-based fundraising campaign for the Project (despite concerns expressed by some Piedmont residents that active City and/or PUSD support of a major community-based fundraising campaign for the Project might deflect contributions away from other Piedmont community activities, such as the Piedmont Education Foundation, and might undermine morale of PUSD and/or City employees).
3. ***Key Terms of JPA Agreement.*** The City and PUSD would negotiate a joint exercise of powers agreement (the "JPA Agreement") in connection with the Project. The JPA Agreement would provide that the JPA is to be treated as a public agency, separate from the City and PUSD. The JPA Agreement would provide that neither the City nor PUSD is to be liable for the debts or other obligations of the JPA except to the extent the City or PUSD expressly agrees in writing to assume liability for those debts or other obligations of the JPA. This generally should be effective to protect the City and PUSD from debts and other obligations of the JPA other than tort liabilities. For this reason, the JPA Agreement should require the JPA to maintain specified levels of liability insurance. The JPA Agreement would provide that any net operating revenues will be used either to fund Project improvements or to reduce fees charged for usage of the Project by the public; in no event would net operating revenues be remitted to the City or to PUSD other than to reimburse the City or PUSD for expenses previously advanced to the JPA from funds other than contributions received for the purpose of funding the Project. An IRS ruling might be needed to confirm that donations earmarked for the JPA will be deductible. The City and PUSD probably would not actually execute the JPA Agreement until a minimum targeted level of contributions (including legally binding pledges to make contributions) has been received.
4. ***City and PUSD Soliciting Gifts.*** The City and PUSD both would solicit contributions to fund Project improvements. Once the targeted level of contributions and pledges has been received, the City and PUSD would execute the JPA Agreement and would remit the amounts contributed to the JPA. In

addition, the City would convey its reversionary fee interest in the Project to the JPA.

5. ***Governing Board and Limitations on Hours of Operations.*** The JPA Agreement would be carried out by a separate Commission. The City Council and the PUSD Board would be entitled to appoint Commission members in rough proportion to the market value of cash and property they each convey to the JPA. Presumably members of the Commission would serve staggered multi-year terms. The JPA Agreement would provide general parameters for use of the Project, including limitations on uses during early morning hours and later night hours. In order to provide a degree of continuity and to ensure that the initial Commission will include individuals who understand what is involved in running an aquatics facility in Piedmont, the City Council and PUSD Board might consider appointing present or former members of the PSC Board to serve as initial members of the JPA Commission.
6. ***Construction Contracts.*** After meeting all applicable CEQA requirements, after design review by the City and after complying with applicable requirements of the California Public Contract Code, the JPA Commission would execute contracts for construction and/or renovation of the existing Project.
7. ***Licenses for Public Uses; Fees.*** The JPA would grant licenses to (a) the City Recreation Department to use the Project for specified programs; (b) the Piedmont Swim Team to use the Project for specified programs; and (c) PUSD to use the Project for specified programs. Terms of these licenses (including license fees as well as times and conditions of use) would be consistent with policies set forth in the JPA Agreement. In addition, the JPA would sell both annual swim passes and daily and other swim passes to Piedmont residents at prices and subject to terms and conditions established by the JPA's Commission. The JPA Agreement would direct the Commission to set fees for swim passes at levels that, together with projected license fee revenues, are expected to cover Project operating expenses and a renewal and replacement reserve.
8. ***PSC Lease.*** Subject to specified conditions, the PSC would agree to an early termination of its existing lease of the Project site so that the City would obtain an unencumbered ownership interest in the Project. The JPA Agreement would require the Commission to offer annual family swim passes at reduced rates for a stated period of years to present holders of PSC memberships, with the rate reductions designed to compensate these present PSC members for the loss of their equity in their PSC memberships. For example, the reduced annual dues offered to former PSC members might be set at levels roughly equal to the projected annual dues these persons would have paid to PSC through 2008, the remaining term of the existing lease, extended by any period during which the Project is not available for full use by reason of construction or renovation activities.

Further information on this topic is contained in of the outline of Structuring Alternatives attached as Appendix 5.

Sites for Facility

Existing Civic Center Site

Advantages

- The existing PSC site provides immediate access to 3 schools, allowing for use by students before and after school.
- The site has good sun exposure.
- The existing site has been used for swimming since 1964 and, if necessary, could be expanded to include some or all of the areas now used by the basketball courts, by the tot playground, by the driveway on the south side and by parking lot near and the Carriage House now used by Dress Best for Less.
- Most of the younger PST swimmers would be able to walk to this facility after school without adult supervision.
- In general, more users are likely to walk to this facility than to a facility on Moraga Ave.

Disadvantages

- Finding adequate parking is a major problem in the Civic Center area.
- At times, there can be a great deal of traffic congestion. The recent traffic study showed a 20% increase in traffic on key streets since 1994.
- For these reasons, the CCAC suggested downsizing the intensity of uses in the Civic Center area and moving non-core activities out of the area. Swimming was not identified as a core activity.
- Hillside, Vista and Bonita are residential streets and the neighbors on these streets are already adversely affected by the intense uses of the Civic Center area.
- At times, the noise from the pools is most disruptive at times for the immediate neighbors on the east side of Hillside—particularly the whistles when the water polo teams are practicing and the shouting of the coaches for the other teams. (The PST has taken steps to reduce the shouting of its coaches at the early morning practices).

Conclusions Regarding Civic Center/PSC Site

RAC concluded that the only site that seems remotely feasible from a fundraising and self-sustaining operations standpoint is the Civic Center site. Some RAC members came to this conclusion most reluctantly. For the foreseeable future, RAC concluded that it is not realistic to consider a community aquatics/fitness project that required much more than \$5 million to be raised in charitable contributions. To that end, several different configurations have been considered that would fit within that budget.

Corporation Yard for Community Aquatics/Fitness Facility with Parking at Blair Park

Background—Functions at Corporation Yard

The following is a non-exclusive list of the activities and uses of the Corporation Yard:

- The Corporation Yard is the work site for about 10 Piedmont employees. There are an office, lockers and a small lunch room on the site.
- There are garage type buildings that house valuable city street sweepers and other vehicles.
- The site is used as a staging and management center during emergencies, such as storms.
- There is a concrete ramp that is used to dump green waste collected by city vehicles into very large dumpsters.
- There is a long road that rises towards the Skateboard Park that satisfies the handicapped access requirement for the Park.
- There is a sanitary drop where vehicles, etc. can be washed and the water is captured in a special drain that connects to the sanitary treatment plants of EBMUD.
- The Fire Department uses the site for some of its exercises and training and for storage of emergency supplies.
- Old City records are stored in a small building on the site.
- A large shipping container steel box sits at the back of the property and holds equipment needed by the Boy Scouts for the Christmas Tree Lot. The Yard is also used during the Christmas tree sale period (November and December) for storage and pricing of trees. The trees are pushed down a wooden chute to people who unwrap them and carry them to the place where they are displayed.

Blair Park for Parking

Blair Park is the unimproved parcel that begins opposite the Coaches Field/Corporation Yard entrance and stretches eastward along the south side of Moraga Ave. for about 300 to 350 yards. The open areas behind the two houses abutting the most easterly part of the open area apparently belong to the homeowners up on Blair, not to the City. The Park is irregularly shaped. The width is about 22 yards at the bottom and for about the first 100 yards up the hill. At that point it widens to about 35 yards for roughly another 100 yards; in this area, it is about 50 yards at its widest point. At the top it narrows down again to about 22 yards for roughly 150 yards.

In order to preserve almost all of the trees along Moraga, a rough estimate is that Blair Park might accommodate about 175 parking spaces. A rustic parking lot without asphalt, such as used in the State Park system, might be more attractive than the current bare ground if most of the trees were preserved.

Advantages

Dimensions. The Corporate Yard site is large enough to hold a competition pool and a recreation pool. Larger buildings (35,000sf) could be tucked up against the hill for locker rooms and a recreation and fitness center. Of all the sites examined, this site would accommodate the largest aquatics and fitness facilities.

Aesthetics. This is a spectacular site for a pool, capturing the sun for most of the day and offering beautiful vistas of the Bay on a relatively flat site. The addition of aquatics and

fitness activities to this general area, which already has the Coaches Field and the Skateboard Park, would make this area a highly focused sports and recreation Mecca.

Neighbors. Adding aquatics and fitness activities in this area would not seem to visually impact neighbors. Any houses are quite a ways up the hill and should probably also be less impacted by any noise. Vegetation and other devices could be used to mitigate any noise impact.

Parking. This site would have by far the best parking with Blair Park providing 175 spaces. A rustic surface parking lot would be the least expensive of the various parking developments considered and could be the least offensive aesthetically.

Operating Economics. If a large RAC facility were built and then struggled when limiting its membership to Piedmont residents, it could be opened up to non-residents. People from Montclair and the area north of upper Moraga would find this site most convenient without adding to the congestion and parking concerns in central Piedmont.

Less Intense Uses in Civic Center. This facility could completely replace the existing PSC facility, freeing up that Civic Center site for less intense use, such as for a park or plaza or a sale of the lots for residential construction, with the proceeds being used for the project costs.

Disadvantages

Costs. The biggest single disadvantage of this site probably relates to costs:

- Substantial costs would be involved in any relocation of the Corporation Yard functions to another site. A rough estimate is that it would cost more than \$3 million to relocate the Corporation Yard to another site.
- Ongoing additional operating costs could be incurred by the City if the new Yard were not as conveniently located and employees and equipment had to travel some distance to reach sites in Piedmont where work was to be done.
- A bridge over Moraga Ave. to parking in Blair Park or the installation of a stop light adds substantial costs.

The rough estimate of the construction costs of the a 36,500sf community aquatics/fitness facility at this site was \$18 million (\$21 million if the recreation pool were indoors to permit year-round use). To this figure would have to be added the costs of moving the Corporation Yard. If that cost were \$3 million, the total would be \$21 million (\$24 million for the indoor pool version).

Moving Corporation Yard. Alternate sites for the Corporation Yard in Oakland have not been identified. It would be very difficult to obtain approval for relocating the Yard to a new site in Oakland not previously used for a similar purpose. There has not been any resolution as to the distance outside of Piedmont, if any, that would be an acceptable location. Sharing space with other government units has not been studied. Oakland has a Yard on Snake Road but it is very small. One member expressed concern about having the Yard activities removed very far from the town since it would lengthen response times; the storm damage and fallen trees in the winter of 2002-3 were cited as examples of the benefits of a quick response.

There is sufficient square footage at Blair Park for that site to be used for the Yard activities but it would be difficult to design a Yard on the Blair Park site without visual and aesthetic impacts. Possibly some of the Yard activities (bulk storage, offices etc.) could be split among different locations. However, it is unlikely that significant additional activities could be outsourced since the Yard is down to core activities.

Student convenience. From the standpoint of the swimmers and water polo players, the biggest disadvantage of this site is the distance from the High School and Middle School. However, the distance from PHS is only 0.9 miles, slightly less than a 15-minute walk. Younger children would not be able to walk to the facility.

Traffic. Any additional traffic on Moraga Ave. due to the additional activities should result in only a small percentage increase in the total traffic.

Safety. Due to the heavy traffic on Moraga, ingress and egress to the RAC site would be major issues. There needs to be some way of transitioning the fast Moraga traffic to a slower pace so that cars could pull into the Blair parking area (such as turn in and turn out lanes).

- A stop light and pedestrian cross walk could be installed in order to allow pedestrians to cross Moraga to and from Blair Park and the Corporation Yard site. Another light on Moraga would cause traffic to be slowed and would not please drivers. The residents on Moraga Ave. might appreciate a signal that might deter drivers from using Moraga as a thoroughfare between Montclair and Piedmont Ave./Broadway.
- A pedestrian bridge could be built across Moraga, with elevators on either end to provide handicapped access.
- A pedestrian bridge could be built but could rely on long ramps rather than elevators for access to the bridge. In light of the grade of Blair Park and the grade up to the Yard area, the ramps might not need to have much of an incline.

Conceivably, handicapped access requirements could be satisfied by making handicapped parking places out of some of the 10 or so existing spaces on Red Rock Road on the right of the entrance to the Coaches Playfield and the Corporation Yard. If so, then a bridge with a staircase might be used to cross Moraga Ave.

Conclusion Regarding Corporation Yard as Site

There was strong consensus that the Corporation Yard site had many advantages and substantially all RAC members thought that it would be the best site if the money were available. However, based upon RAC's premise that no construction or operating funds would come from PUSC or City tax funds or debt capacity, RAC concluded that it would not be realistic to assume that the large funds needed for a facility on the Yard site could be raised by charitable contributions.

Blair Park as the Site for Community Aquatics/Fitness Facility

The middle area of Blair Park appears to be roughly twice the size of the existing PSC site and is large enough to accommodate a large facility. Parking could be provided in the remainder of Blair Park above and below the facility.

Advantages

Aesthetics. Blair Park is one of the few areas where the overall aesthetics of the area might be improved by the construction of a RAC facility. The site would not enjoy any Bay views although the plentiful pine trees could be attractive.

Nothing lost. This site seems to be used only as a dog run. A dog run might be accommodated on the fringe of the developed site. No corporation yard or school facility would have to be relocated. No parking places would be lost (many would be gained). No basketball courts or grassy fields would be lost.

No busy areas disrupted or facilities lost during construction period. This is one of the few sites that is readily accessible without creating disruptive traffic snarls during the construction period. No facilities (swimming pools, basketball courts, maintenance yards, tot lots, etc.) would be disrupted during the construction period.

Costs. Substantial grading would be needed but presumably all of the soil could be moved around the site. A traffic signal might be needed at the lower entrance to the site, which could also make access to Coaches Field and the Corporation Yard easier. The fact that nothing would have to be relocated should save substantial costs. No specific estimates were made for Blair Park.

Operating Economics. If a large RAC facility were built and then struggled when limiting its membership to Piedmont residents, it could be opened up to non-residents. People from Montclair and the area north of upper Moraga would find this site most convenient without adding to the congestion and parking concerns in central Piedmont.

Parking. The space within Blair Park above and below the proposed facility site may be large enough to accommodate roughly 90 cars—45 above and 45 below the facility. If that is not enough, the size of the facility might have to be reduced. Again, a rustic park-like parking lot would be the most attractive aesthetically.

Less Intense Uses in Civic Center. This facility could completely replace the existing PSC facility, freeing up that Civic Center site for less intense use, such as for a park or plaza.

Disadvantages

Student convenience. From the standpoint of the swimmers and water polo players, the biggest disadvantage of this site is the distance from the High School and Middle School. This site is about a mile from PHS and a bit more than a 15-minute walk. Younger children would not be able to walk to the facility.

Nearby Neighbors. Although there are no immediate neighbors at the site level, there are several houses that are quite visible on the hills on both sides of the site when one is standing in the middle of the wider area of Blair Park. Visually, a well done development would seem to be an improvement for neighbors who look down on the site over the current site. The biggest issue for the neighbors probably would be noise. In an effort to mitigate the noise, the pools could be surrounded by walls made of sound absorbing material and only lap swimming or other quiet activities might be permitted after 6 p.m..

Traffic Affecting Moraga Neighbors. Any additional traffic on Moraga Ave. due to the additional activities should result in only a small percentage increase in the total traffic.

Safety. Ingress and egress to any facility at Blair Park would present safety and cost issues. However, it could be less costly than the Corporation Yard since no bridge would need to be considered for handicapped access. A traffic light at the lower end might be needed; the traffic light could control a cross walk for those who want to move between Coaches Field or the Skateboard Park and the RAC facility.

Is it sunny enough? The site can be quite sunny on a summer day. However, during the portion of the year when the sun is at a lower angle, any swimming pools on the site might be shaded by the hills on the southern and western sides. An indoor recreational pool might be a good alternative here.

Inundation zone. Blair Park is in the inundation zone in the event that the Piedmont dam which forms part of the EBMUD Piedmont reservoir were breached. See Appendix 6. During the period when RAC was meeting, a state agency was assessing the seismic safety of the dam, testing to see whether it would withstand a once-in-5000-years earthquake of 7.25 on the Hayward fault. In its meetings, RAC concluded that the best approach was for Piedmont to piggyback the state study and consider the site only if the state study were favorable. This issue is discussed in detail in Appendix 7.

Long after the conclusion of RAC's substantive evaluation of the Blair Park site, the State Division of Safety of Dams determined that the material under the dam would be prone to liquefaction in an earthquake. EBMUD began to draw down the reservoir level and accelerated that process after the small earthquake of September 4. By September 10, the reservoir was essentially empty.

Conclusion Regarding Blair Park as Site

Blair Park was viewed as a less ideal location from the user standpoint than the Corporation Yard, with less sun and with a more hilly terrain. With fewer parking places, a smaller facility might be necessary. RAC did not have cost estimates for this site. Even without the costs of moving the Corporation Yard, however, a larger facility on this site seemed beyond the anticipated fundraising possibilities in Piedmont.

PHS/PMS Site on Asphalt Area between Gyms

This site is basically a flat asphalt-paved area between the Gyms for Piedmont High School and for Piedmont Middle School (“the Gyms Site”). The paved area currently provides 2 full basketball courts and, alternatively, is also used for parking cars.

Advantages

Dimensions. This area appears to be barely large enough to accommodate a 25-yard by 25-yard competition pool but there would not be room for anything but the basics. Some use of the Piedmont Park area beyond the existing fence might be needed to house an office, equipment, bleachers or a sunning area.

Student convenience. The site would be the most convenient for the Piedmont students who wanted to engage in competitive swimming or water polo.

Parking. There would not seem to be significant parking issues generated by these students since they would already be on the site.

Aesthetics. The site should have all-day sun and some vistas from the northern-most 20 feet of the site.

School function on PUSD property. Competitive swimming and water polo are sports for students. Since those sports are a school function, not a City function, it would be appropriate for the pool to be on School District property rather than on City property.

Neighbors. The neighbors should not hear much noise from such a pool since the pool would be surrounded on 3 sides by tall school buildings and on the fourth side by Piedmont Park.

Disadvantages

Dimensions. The tightness of the site is a significant disadvantage.

Fewer costs savings than initially assumed. Since the building code requires a certain number of toilets, urinals etc. for a specific square footage of water, the existing lockers probably would not be adequate and would have to be renovated as part of a pool project. The foundation for the west wall of the PHS Gym would need to be shored up as part of this project. The cantilevering of the pool office and equipment room into Piedmont Park is expensive. Thus, the rough estimate is that this project would cost \$4.5 million.

Lost basketball courts or parking. Other sites would have to be found for the basketball courts if they would be greatly missed. The occasional parking for cars would be lost.

Construction disruption. It could be very disruptive to classes if any construction activities were ongoing during the normal school hours.

Police and fire. The site would be difficult to patrol for the police. Access to the upper school area for fire and ambulance would be more difficult; currently, the fire and safety vehicles can use the basketball courts for a turnaround area.

No subsidy for competition pool. There would be no recreational pool or fitness center to provide a full or partial subsidy for the competitive pool. A stand-alone competition pool might have operating expenses of \$200,000 to \$250,000 per year. If the Piedmont Swim Club, which already has personnel devoted to the operation and management of swimming pools, continued to operate the PSC facility across the street, PSC might be able to manage the competitive pool for the School District at lower cost. The PSC might be able to subsidize some of the operating expenses of the competitive pool if it could have access to the pool for its members or for swimming lessons to the public during the summer months.

If there is indeed strong interest in competitive swimming in Piedmont, however, an endowment might be raised before the pool were built. The endowment would be invested to cover the negative cash flows. In today's low interest rate environment, returns on the endowment fund would probably be low. If the negative operating cash flow from such a competition pool were \$250,000, an endowment fund of \$5.6 million would be required to fund \$250,000 a year for 30 years at a 2% interest rate (that rate being low to remove inflation expectations from the interest rate since the \$250,000 costs are not escalated for inflation). This would bring the total for this project to over \$10 million counting the \$4.5 million in construction costs. If the smaller size of the pool and economies of joint operations with the PSC reduced the negative operating expenses to \$150,000, the endowment would need to be slightly less than \$3.4 million and the total of the costs plus the endowment would be less than \$8 million.

Conclusion Regarding Gyms Site as Site

In light of the RAC premise that the PUSD would not be able to pay any of the construction or operating costs of a competition pool and the need to fund an endowment to cover such operating costs, this site was regarded by RAC as likely to be beyond the fundraising capacity in Piedmont.

PUSD Corporation Yard

This area is located below and west of the John Morrison Gymnasium and above the road that leads down to the base of Piedmont Park creek and the new baseball field near Witter Field. This is potentially a beautiful site that could be designed in such a way as to integrate the upper school properties more aesthetically with the Witter Field area. The current Yard is a bit of an eyesore. The student convenience, parking, aesthetics, school function on PUSD property and neighbors advantages would be similar to those enjoyed by a pool on the Gyms Site except that the pool would enjoy a more spectacular view to the west than the Gyms Site which is mostly blocked by the Morrison Gym. This site should be in sun all day. No parking or basketball courts would be lost. The disadvantages would be similar to those for the Gyms Site; in addition, the PUSD Corporation Yard functions would have to be relocated.

This site was briefly considered by RAC but was rejected as a site because the site is too steeply graded, with a change in elevation in the east/west direction of approximately 40 feet over 95 feet of horizontal distance. The level middle area of the site is not large enough for a competition pool and related decking. Extensive and expensive earth

movement and retaining walls would be required. There was uncertainty as to whether there would be adequate room for the pool equipment building and any related pool buildings. In addition, the need for a substantial endowment to fund operating costs would be a major problem with this site as well.

Dracena Quarry Park

Dracena Quarry Park is an old quarry. For some years it housed the city equipment for maintaining the city parks but in 1978 this function was moved to the Corporation Yard. For many years the site was abandoned. In the mid-1990s, the park was created and the grass installed. The word, “Quarry,” is added here to make it clear that the reference is only to the grassy area inside the old quarry and not to the grassy area along Artuna, the play structure or the rustic dog-run area.

There is some disagreement as to the amount of use of this park. Many outside the immediate area have visited the Quarry grassy area and found only a few people and no games or other activities in progress.

Advantages

Secluded. The Quarry grassy field area is visually secluded from the surrounding houses. Standing in the middle of the field, one cannot see any houses clearly – only the roofs of a couple of them on Dracena can be seen. Few Piedmonters outside the immediate neighborhood probably even know that this beautiful grassy area exists.

Dimensions. The site appears to be large enough to accommodate a competition pool, a recreation pool and a 35,000 recreation and fitness building, if desired. 2-story or even 3-story buildings tucked up against the high hills of Dracena Quarry Park would not be seen by anyone except possibly by residents of a couple of houses on Dracena, since the rim of the park is mostly surrounded by vegetation.

Parking. There could be adequate street parking if the athletes using the facility were also expected to do a short hilly walk on occasion. There appear to be about 100 street parking places on the park side only of El Cerrito, Dracena and Blair.

Disadvantages

Aesthetics. Piedmonters prize their parks and may be reluctant to see even a less utilized area surrendered to any type of denser development even if it is recreational. It is a lovely and quiet open space.

Neighbors. The houses on Artuna may be far enough away that noise might not be a major problem, especially if vegetation and other devices were used to absorb and block it. Additional vegetation on the hillsides or other special measures might be taken to reduce any impact of the pool noises. The vegetation around the rim is not very dense in some of the areas. However, the neighbors are likely to oppose any additional development here due to the narrow street and lack of turn around at the end of the street.

Access and Parking. There are no large arterial streets leading to the main entrance to the Park. Artuna is a narrow dead-end street that does not have a turn-around at the end.

Safety. A special fence surrounds the walk around the grassy area to catch rocks that fall down the steep sides of the old quarry. Tall Eucalyptus trees tower precariously out of the upper part of the steep walls of the quarry. Query whether the rocks and trees raise any safety issues that would not be easily remedied.

Student convenience. This site is also more distant from the schools than the existing pool. But it is only a short walk of about 0.4 miles—a block down Magnolia and two long blocks on beautiful El Cerrito—to the rim of the quarry. Another half block brings you to the top of the stairs down to the park.

Conclusion Regarding Dracena Quarry Park as Site

After RAC's visit to the site in the summer of 2002, the Dracena Quarry Park was removed as a site, primarily due to the desire to retain a unique quiet grassy park in Piedmont. RAC concluded that the community would not support eliminating park land, such as Dracena Quarry Park.

Piedmont Park

The portion of Piedmont Park which is closest to the PHS Science Building where the children's play structures now are situated and near the Excedra was also briefly considered and then rejected as a site. The completed Excedra project probably intrudes too deeply into the park to allow a pool to be built behind it and, even if there were room, too many beautiful old oak trees and redwoods would have to be removed. RAC concluded that such a change in a Park prized by Piedmonters would not be acceptable.

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Appendix 1

Swimming Pools

<u>Name and location</u>	<u>Lap</u>	<u>cost</u>	<u>size</u>	<u>lane s</u>	<u>lockers</u>	<u>drop in</u>
1. Temescal 371 45th St.	yes	\$2.50 (\$1.25 Seniors) per entry	33 yards	8	cubbys and benches	yes
2. Lions 3860 Hanley Diamond Park	yes	\$2.50 (\$1.25 Seniors) per entry	33 yards	6	modest	yes
3. Live Oak 1055 MacArthur	yes	\$2.50 (\$1.25 Seniors) per entry				yes
4. Oakland YMCA 2350 Broadway	yes	\$60 per mo single adult \$99 registration fee \$23 per mo over 13 kids free	25 mtr	8	utilitarian \$3 per mo for kit	no
5. Laney College 7th and Fallon	yes	classes are \$6 per quarter Rental to nonprofit -- \$75 per hour when available	25 yd	8	utilitarian free kit	no, but any class ok
6. Holy Names College 3500 Mountain		available to students only but rented to HS teams \$10 per hr per guard -- 1 guard per 15	25 mtr	5		
7. Mills College Trefethen Aquatic Center 5000 MacArthur Blvd	yes	\$5 per use or \$540 per yr for non-students/non alum	25 mtr	15		yes
8. Roberts Skyline Blvd.	yes	\$2.50 per entry Children under 15 free Seniors \$1.25	25 yd			yes
9. Lake Temescal	n/a	free, but \$4.00 parking charge				yes
10. Club One 1200 Clay	yes	\$85 per mo less \$10 for 2d member -- children under 18 not allowed \$95 registration fee	20 yd		very luxurious	yes @ \$20 per visit

11. Mariner Square 2227 Mariner Sq. Loop, Alameda	yes	\$82 per mo; \$141 for 2 \$50 Initiation fee Children not allowed	25 yd	6 or 7	Very luxurious	
12. Montclair Swim Cl 1901 Woodhaven way	yes	\$550 initiation; \$96 per mo \$950 family; \$128 per mo		9	okay	no
13. Claremont Resort 41 Tunnel Rd Berkeley	yes	\$10,000 initiation \$3,000 per yr or \$4,020 family	25 yd lap 25 mtr rec		very luxurious	
14. Oakwood 4000 Mt. Diablo Lafayette	yes	\$850 init fee adult \$1,250 init fee family/couple \$1,260 ann dues adult \$2,028 ann dues couple \$2,460 ann dues family	25 yd, plus one small		very luxurious	
15. Courthouse Ath. Club 2935 Telegraph	yes	\$100 init fee \$55 per mo 2d member \$39 per mo	25 yd	4	okay	\$10 as guest of member
16. Oakland Hills Tennis 5475 Redwood Rd.	yes					
17. Hearst Gym Pool UC Berkeley	yes	\$10 per day	100 ft 20 yds	4 2	yes	
18. Spieker Pool UC Berkeley	yes	\$10 per day	25 yds	6		
19. Bellevue Club 525 Bellevue	yes	members only	25 yd			
20. Berkeley City Club 2315 Durant Berkeley	yes	members only \$350 init fee \$134 per mo single + \$25 food \$180 per mo couple + \$50 food	25 yd	5	yes	no

Appendix 2

Fitness Facilities

<u>Name and location</u>	<u>cost</u>	<u>size</u>	<u>lockers</u>	<u>drop in</u>
1. Oakland YMCA 2350 Broadway	\$60 per mo single adult \$99 registration fee \$23 per mo over 13 kids free	approx 50,000 sq ft on 3 floors aerobics, gym, indoor track, racquetball and squash, cardio machines. sauna, spa and steam	okay	no
2. Gold's Gym 600 Grand	\$39 per month for yr \$15 drop I n	18,000 sq ft weights, cardio machines	okay	yes \$15
3. 24 hr Fitness 2050 Webster	drop in \$10 various annual plans	12,000 sq ft approx all weights, cardio machines aerobic studio		yes \$10
4. Club One 1200 Clay	\$85 per mo less \$10 for 2d member -- children under 18 not allowed \$95 registration fee	approx 50,000 sq ft aerobics, gym, indoor track, raquetball and squash, cardio machines. sauna, spa and steam	very nice	yes \$20
5. Mariner Square 2227 Mariner Sq. Loop, Alameda	\$82 per mo; \$141 for 2 \$50 initiation fee children not allowed	everything you could imagine sauna but no spa	Very nice	
6. Norman Marks 14th and Harrison	\$9 per day or \$295 per yr	17,000 sq ft Free weights, machines and cardio, sauna	basic	
7. Montclair Fitness 2220 Mountain	\$135 init, \$59 per mo single \$120 init, \$118 per mo couple	fitness center		
8. Laney College 7th and Fallon	classes cost approx \$6 per quarter	full weight room and cardio facilities, gym and all related activities	basic	no
9. The Hills 2400 Manzanita	\$6,500-\$8,500 init fee \$145 per mo dues	fitness center, 2 tennis courts	yes	
10. Oakwood 4000 Mt. Diablo Blvd. Lafayette	\$850 init fee adult \$1,250 init fee family/couple \$1,260 ann dues adult \$2,028 ann dues couple \$2, 460 ann dues family	everything and then some	very nice	
11. Courthouse Ath. Club	\$100 init fee	15,000-20,000 sq ft plus pool	okay	\$10 as

	2935 Telegraph	\$55 per mo 2d member \$39 per mo	all sorts of weight and cardio machines, spa and sauna		guest of member
12.	Oakland Hills Tennis 5475 Redwood Rd.		complete fitness facilities with machines and weights		
13.	Holy Names College 3500 Mountain	available free to students, staff and alumni	fitness center with the usual machines and weights		
14.	Inside Out 4444 Piedmont Av.	\$49 per month \$88 couple	fitness center, aerobics studio, steam and lounge		
15.	Mills College Trefethen Aquatic Center 5000 MacArthur Blvd	\$5 per use or \$540 per yr for non-students/non alum	6 tennis courts, full weight room parcourse, aerobics, sauna, gym, volleyball		yes
16.	Montclair Swim Club 1901 Woodhaven Way	\$550 initiation; \$96 per mo \$950 family; \$128 per mo	modest fitness center with various types of machines	okay	no
17.	Claremont Resort 41 Tunnel Rd Berkeley	\$10,000 initiation \$3,000 per yr or \$4,020 family	everything and then some 10 tennis courts	very nice	
18.	Bellevue Club 525 Bellevue	members only	aerobics, dance, weights cardio machines		

Charitable Contributions and Exempt Organizations

September 12, 2002

Charitable Contributions – Income Tax Deduction

Type of organization

Donations to the City or PUSD qualify as a gift to an “any political subdivision” of a State.

Most tax deductible contributions are made to charitable organizations which, under section 170(c)(2) of the Code, includes gifts to corporations, trusts or foundations with the following key characteristics:

1. Organized in U.S.
2. Organized and operated exclusively for religious, charitable, scientific, literary, or education purposes, or to foster national or international amateur sports competition (but only if no part of its activities involved the provision of athletic facilities or equipment)...
3. No part of the net earnings of which inures to the benefit of any private shareholder or individual.

For our purposes, the key requirement is the second one. Extensive regulations have been issued and the IRS has issued thousands of determination letters to various charitable organizations or refused to issue letters to organizations that fail to qualify as charitable. For example, the regulations provide that an educational organizations must have a regular faculty and curriculum and normally an enrolled student body.

Charitable contributions of cash are generally limited to 50% of adjusted gross income.

Leadership Gifts of Appreciated Property – 30% Limitation

Major fundraising efforts usually involve some individuals who make large leadership gifts. Campaigns like to have a large number of these made before the fundraising campaign is disclosed publicly since the process permits a realistic assessment of the campaign goal, makes the public campaign shorter and upon announcement makes it look as if campaign will have a better chance of succeeding, making fundraising from smaller donors easier.

An individual making a large gift often will make a gift of appreciated property, usually stocks. There is a substantial tax benefit because the donor is able to deduct the FMV of the stock donated and does not have to pay taxes on the gain.

For high tax bracket contributors, who for investment reasons had planned to sell a highly appreciated stock in any event, the real cost of giving the stock to charity can be quite modest. This can be illustrated by the following simplified example. Assume Donor

bought Microsoft in 1986 for \$0.19 per share and in December 1999 (it does not seem appropriate to talk of high stock gains in 2002) wanted to diversify. In December 1999, MSFT was selling for \$100.19 and Donor's gain was \$100 per share. Donor was in a high tax bracket and her combined federal and California tax rate on long term capital gains was 27%. In her high ordinary income combined tax rate bracket, charitable deductions were worth 45% to her. If she sold 10,000 shares of MSFT, her \$1 million would trigger capital gain taxes of \$270,000, leaving her with slightly more than \$730,000 after taxes. If instead she had made a leadership charitable gift of 10,000 MSFT shares, her roughly \$1 million tax deduction would save her \$450,000 in taxes. Thus, arguably the \$1 million charitable gift only "costs" her \$280,000 (\$1 million minus her tax savings of \$450,000 and minus the \$270,000 taxes she would pay if she sold instead) or roughly 28% of the amount of the gift. This dynamic is a major impetus for the large gifts essential to major fundraising campaigns.

Note that Donor would have been able to use the entire charitable deduction only if her adjusted gross income was in excess of \$3.33 million. Contributions of appreciated property are limited to 30% of AGI. Any gifts in excess of the 30% limitation may be carried over to the next year. Large gifts to campaigns are often spread out over several years.

Exempt Organizations

Exempt status is important for the organization so that it does not have to pay income tax on the amounts that it receives from various sources, including member dues and passive income, such as interest and dividend income. There are over 25 kinds of exempt organizations. The key point to remember is that there may be a huge difference between organizations that are exempt from tax on the income they receive (section 501) and organizations to which tax deductible contributions can be made (section 170).

Charitable organizations – section 501(c)(3)

The biggest overlap between the individual tax deduction rules and the exempt organization rules relate to charitable organizations that are exempt from tax under section 501(c)(3); in general, this category includes entities organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment).

Organizations seeking classification under 501(c)(3) must file an application with and receive a favorable determination letter from the IRS and the FTB.

A membership-based health club generally cannot be structured as a section 501(c)(3) organization to which tax-deductible gifts could be made. Many athletic clubs, such as Oakwood, are private for-profit entities. Most private golf clubs and many athletic clubs are organized as social clubs. Although social clubs are exempt from tax on membership dues and member-related activities under section 501(c)(7) of the Code, gifts to such

clubs are not tax deductible. Large fund-raising campaign involving non-deductible gifts to a social club are virtually unknown.

IRS rulings, dealing with athletic facilities that have achieved exempt status, generally involve facilities run by hospitals or educational institutions and had strong connections with their primary purposes and would seem to be of little relevance here (the Koret Center at USF or athletic facilities at UC and Stanford come to mind). But even in those cases the IRS wants to show that the facility is not merely competing with for-profit facilities. Thus, a foundation controlled by an exempt hospital showed that 18% of all memberships were charitable scholarships and that its fees were priced to be affordable to the average household of the surrounding area, most particularly those within a 10-mile radius of the facility which itself was located in a low-to-moderate income area. Private Letter Ruling 200101036 (Oct. 12, 2000). See also PLR 9803001.

Charitable organizations are divided into two categories, public foundations and private foundations.

Social clubs – section 501(c)(7)

Clubs organized for pleasure, recreation, and other nonprofitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder may be exempt under 501(c)(7). Presumably Piedmont Swim Club, Claremont Country Club and the Olympic Club are exempt from tax under this provision. But individuals are not able to make tax-deductible charitable gifts to these organizations.

Unrelated business taxable income

New York University ran a macaroni business in the 1940s, selling products in competition with for-profit businesses but paying no income tax on its own profits. This competition was regarded as unfair as a matter of public policy and in 1950 Congress imposed a tax on charitable organizations on unrelated business taxable income – so called UBTI. Thus, if NYU ran sold macaroni products today, it would file a special report with the IRS on its revenue and expenses from that activity and pay tax at regular corporate rates. Most exempt organizations try to avoid activities that give rise to UBTI. The UBTI provisions apply to 501(c)(3) organizations but they do not apply to the City.

Social clubs covered by section 501(c)(7) are subject to UBTI on their income which is not exempt function income. The latter includes dues, fees, charges or similar amounts paid by members of the organization as consideration for providing the members or their guests goods, facilities or services in furtherance of the purpose constituting the basis for its exemption.

Structuring Alternatives

September 12, 2002

- I. Owned and operated by a governmental entity
 - A. Candidate governmental entities might include
 - 1. City of Piedmont
 - 2. PUSD
 - 3. Joint exercise of powers agency (JPA) the members of which are the City of Piedmont and PUSD
 - a. Protect the General Fund of the City and PUSD
 - b. No protection in connection with uninsured tort liabilities
 - B. Bona fide contributions are tax deductible to contributors to the maximum extent permitted by law (generally up to 50% of an individual contributor's income; 30% in the case of gifts of appreciated property); up to 5% of a corporate contributor's income
 - C. No federal or state income or franchise taxes (even on concession income, etc.)
 - D. Exempt from property taxes, so long as no nongovernmental person has a "possessory interest"
 - E. Civil service and public contracting laws probably apply

- II. Owned and operated by a nonprofit public benefit corporation (NPC) the assets of which are irrevocably dedicated to charitable purposes (IRC § 501(c)(3))
 - A. Must apply for and obtain favorable determination letters from the IRS and the California FTB
 - B. Not available for “social clubs”
 - C. May have “members” but members may not have an equity interest (*e.g.*, generally no ability to re-sell a membership)
 - D. Generally must have a broad outreach to all segments of the general public
 - 1. Especially traditional “charitable” classes such as low-income persons
 - 2. Perhaps students enrolled in PUSD
 - 3. Perhaps limited to residents of the City of Piedmont or of PUSD if the IRS is persuaded that the NPC “lessens the burdens of Government”
 - a. “Objective manifestation” that the NPC undertakes a task or function that the City and/or PUSD historically has performed directly or otherwise has objectively demonstrated to view as its governmental burden
 - b. NPC must actually lessen the targeted government’s burden
 - E. No federal or state income or franchise taxes except on “unrelated trade or business taxable income” (income from concessions, facility rentals?)
 - F. Exempt from property taxes if FTB grants the “welfare exemption” (Rev. & Tax. Code § 214), so long as no

nongovernmental person and no non-charitable entity has a “possessory interest”

G. Bona fide contributions are deductible to the contributor

1. Generally up to 50% of an individual contributor’s income (generally 30% in the case of gifts of appreciated property); up to 5% of a corporate contributor’s income
2. Generally limited to 30% of the contributor’s income if the IRS finds the NPC to be a “private foundation”
 - a. NPC might be a private foundation if less than one-third of the NPC’s “support” is treated as coming from the general public
 - b. NPC might avoid classification as a “private foundation” if the NPC is controlled by the City or PUSD

H. Might avoid civil service and/or public contracting requirements

III. Owned and operated by a nonprofit public benefit corporation that the IRS declines to treat under IRC § 501(c)(3) but agrees to treat as a “social welfare” organization (IRC § 501(c)(4))

A. Not available for “social clubs”

B. May have “members” but members may not have an equity interest (*e.g.*, generally no ability to re-sell a membership)

C. Generally must have a broad outreach to all segments of the general public

D. No federal or state income or franchise taxes except on “unrelated trade or business taxable income” (income from concessions, facility rentals?)

- E. No exemption from property tax
 - F. Contributions are not deductible
 - G. Might avoid civil service and/or public contracting requirements
- IV. Owned and operated by a nonprofit mutual benefit corporation (IRC § 501(c)(7) – like Piedmont Swim Club?)
- A. No federal or state income or franchise tax except on “unrelated trade or business income” (income from concessions; facility rentals?)
 - B. No exemption from property tax
 - C. Contributions are not tax deductible
 - D. Private memberships with equity interests are permitted
 - E. Civil service and public contracting laws probably would not apply
- V. Owned and operated by a NPC that does not qualify as a “charitable” organization (IRC § 501(c)(3)), a “social welfare” organization (IRC § 501(c)(4)) or a “social club” (IRC § 501(c)(7))
- A. Federal income tax and state franchise tax applies
 - B. No exemption from property tax
 - C. Contributions are not tax deductible
 - D. Private memberships with equity interests are permitted (if organized as a mutual benefit NPC)

- E. Civil service and public contracting laws probably would not apply

- VI. Owned by a governmental entity or by a 501(c)(3) NPC and operated by another type of entity
 - A. Probably no federal or state income or franchise tax to the owner
 - B. Property tax applies to any “possessory interest” (*e.g.*, a long-term lease; possibly a long-term operating contract)
 - C. Deductibility of contributions might be jeopardized (*e.g.*, if the IRS and/or FTB determines that the true beneficiary of the contributions is the operator)

Piedmont Reservoir/Dam—Notes of Meeting with EBMUD Re Seismic Issues

On February 4, 2003, a subcommittee of RAC met with officials of EBMUD to discuss this issue.

General Status of Piedmont Reservoir and Dam

The Piedmont Reservoir was built in 1905 and has a maximum capacity of 22.6 million gallons of water. It operates significantly below that capacity level. The maximum height level of the water is 602 feet elevation but the water is typically at a level in the elevation range of 590 to 599 feet.

The dam for the Reservoir is compacted earth. The Piedmont type of dam is better than the hydraulic type. The Piedmont dam also does not have sandy soil so there is not the liquefaction risk that is present in dams that have sandy soil. Water is piped in; the reservoir does not collect rainwater.

With the concerns today with water quality, EBMUD is not moving in the direction of having only very large reservoirs which would replace small ones. Piedmont Reservoir is a small one; Lafayette is a large one. The issue today is more of “right sizing.” There is a long-term need for water storage in our zone. It is possible that the reservoir could be slightly smaller but the reduction in size would not be enough to matter. The Piedmont Reservoir is operated in conjunction with two or three other reservoirs that are at the same elevation. The water for the Piedmont reservoir comes from the treatment plant in Lafayette.

EBMUD collects data by a physical inspection of the Piedmont dam each month and that data is checked against historic data. Particular attention is paid to the lining of the reservoir. At some depth there will be water underneath the reservoir; it could be groundwater or seepage, a natural condition. EBMUD keeps track of groundwater in the embankment and there are certain alarms that can be triggered by unusual amounts of water—if there is too much seepage into a box, a float rises and triggers the alarm (of course, most alarms are triggered by unusual rainfall).

Seismic Status of Piedmont Reservoir

There has been no significant movement in the Piedmont dam, even in the Loma Prieta earthquake; there is only the normal gradual movement due to the compressing of soil. An updated seismic study should be completed in 2003 under the supervision of the California Division of Safety of Dams (“DSOD”).

The DSOD determines the “maximum credible earthquake” (“MCE”) for each dam – the highest earthquake in terms of the Richter Scale that can be expected to occur for that particular dam over a 5,000-year period. The MCE for the Piedmont dam is 7.25 on the Hayward fault. But the Hayward fault is different from some other faults in that MCE over a 100-year period might not be much less than the MCE over a 5,000-year period

probably about 7.0 or a little less. In contrast to the strict 5,000-year standard for dams, buildings are built to a lesser standard—a 10% probability of an earthquake at a stated level over 50 years.

The current DSOD study is MCE-oriented and based upon field data. Standard tests are performed based upon the density of the soil and the other particular factors of the Piedmont dam. Lab tests are done to determine compression strength of the material. The DSOD also determines such things as the height of the embankment for a dam and its maximum storage capacity.

One of the typical outcomes of a DSOD seismic study is a determination to reduce the maximum capacity of a dam by increasing the “freeboard.” For example, if a dam normally fills to within 2 feet of its top, the DSOD might require that its freeboard be increased to 3 feet - it could be filled only to within 3 feet of its top. One of the most common problems with dams is not earthquakes but “overtopping” where water flows over the top of the dam and erodes the soil supporting the dam. Rain is not a problem with the Piedmont dam because it has a roof.

Inundation Maps

After the San Fernando dam nearly was breached in the early 1970s, California law was amended to require inundation maps. These maps are used for emergency planning purposes. In the San Fernando crisis, officials did not know which residents had to be evacuated from a very large area. Since the maps now show who will be in the path of the water, it provides officials with guidance on evacuation.

Inundation maps are based upon state criteria that assume that a dam is breached in a certain way and that stated quantities of water are released at stated flow rates. The maps are not an attempt to assess how a specific dam might be breached and the flows therefrom nor are they an attempt to assess the probability of a breach of the dam. The maps were never really correlated with a natural event; they are not an attempt to predict what would happen in an earthquake. They are hypotheticals and may represent an extreme case.

The inclusion of a site within the inundation map has no impact on whether something can be built on that site; that issue is determined by the normal local authorities.

Risk Assessment Relating to Piedmont Dam

The EBMUD officials thought the Piedmont dam was safe but wanted to see the DSOD study that will be completed later this year. If the study determines that the dam is less safe, EBMUD will either strengthen the dam or remove it from service. They noted that the dam has not been tested by a 7.25 quake on the Hayward fault.

Barriers might be constructed that would effectively divert water around any facility built in Blair Park but a hydraulic engineer would have to prepare the calculations to determine the type and extent of the barriers that would be needed.

Dams generally do not fail instantaneously. But there is not a lot of experience with dams failing due to earthquakes.

Even with the existing facilities (Coaches Field and the Corporation Yard), there ought to be an evacuation plan. Coaches Field is mostly fill that was done in the 1930s and 1940s. Prior to all the filling, the area was part of the canyon/creek that exists west of the field now. An EBMUD representative stated that the risk to Coaches Field and the Corporation Yard, being in the inundation zone, is the same as it is to Blair Park.

The Piedmont Reservoir has two drain pipes, one 12" and the other 20" in diameter; they will drain the reservoir in 12 hours - or sooner if it is not filled to capacity. The District also has portable generators and pumps that can be brought to the scene to speed the process.

Conclusion Regarding Risk Assessment

The EBMUD officials seemed to feel that was reasonable for Piedmont to piggyback the results of the DSOD study. If DSOD concludes that the dam will withstand the maximum credible earthquake over a 5,000-year period, the City should accept that as meaning it is safe to build in the area.