

**REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND
AGENDA REPORT**

2007 JUN 19 PM 8:27

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: June 26, 2007

RE: **An Agency Resolution Approving Allocation of Agency Funds in the amount of \$300,000 as Funds for Necessary Capital Improvements, Repairs and Rehabilitation to the Oakland Ice Center**

SUMMARY

It is recommended that the City Council authorize a resolution approving the allocation of Agency funds in the amount of \$300,000 for performance of necessary capital improvements and repairs to the Oakland Ice Center (OIC) ice surfaces and refrigeration systems. These repairs need to be completed as soon as possible to improve the functioning and appearance of the OIC, minimize future Agency operating and capital expenditures and avoid any Agency liabilities.

FISCAL IMPACT

Staff proposes that the Agency make available \$300,000 of Agency funds for immediate and necessary capital improvements, repairs and rehabilitation to the ice rinks at the OIC. Funds for the Agency's capital improvement funds in the amount of \$300,000 are available in the Agency's Central District Tax Allocation Bond Series 2005 Fund (9533), CIP: Economic Development Organization (94800); 10K Housing Project (P118550). Since the 10K Project has been very successful and requires no further financial contributions from the Agency, all of the Agency's remaining 10K Housing funds were going to be reallocated to the Central District Parking Garage Development as part of the FY 2007-09 Budget proposal. This reallocation will be decreased by \$300,000.

BACKGROUND

During its meeting of April 3, 2007, City Council passed Resolution No. 2007-0036 C.M.S., which authorized the Agency Administrator to negotiate a three-year agreement with San Jose Arena Management LLC (SJAM) for the management and operation of the OIC. When those negotiations were completed, the Agency Administrator was directed to return to City Council for final approval of the agreement. On May 23, 2007, SJAM submitted to the Agency's negotiating team a revised cost estimate totaling \$1.12 million for certain capital improvements that SJAM deemed necessary prior to its assumption of management of the OIC. These revised estimates substantially exceeded SJAM's previous capital improvement cost projection of \$535,500 of May 1, 2007 (See Attachment A for a comparison of SJAM's estimates).

Item: _____
Community and Economic Development Committee
June 26, 2007

Staff had placed an item on Council Agenda for June 5, 2007, which included legislation to approve a management contract for the OIC with San Jose Arena Management LLC (SJAM), as well as a request for \$300,000 to replenish the Agency's capital budget and perform these critical repairs. That resolution was withdrawn from the June 5, 2007 agenda, but the need to accomplish the capital improvements discussed below still exists.

KEY ISSUES

Capital Improvements

The Agency has owned the OIC for twelve years and during that time period, no major repairs of the ice surfaces and refrigeration systems have occurred. There is an immediate need to execute certain repairs to both ice rinks. These repairs will include take-down of the ice, inspection, testing and repair as necessary of the sub-floor ice-making system, and replacement of approximately 8-10 cracked dasher board panels and restoration of the ice. Take-down, inspection and rehabilitation of both ice surfaces, and replacement of the dasher boards are critical repairs that should be performed as soon as possible.

Staff enlisted the services of Rink Specialists, a Virginia company and one of the few firms in North America that specializes in the installation, repair and rehabilitation of ice rinks, to inspect and evaluate the OIC and the cost estimates submitted by SJAM. Each member of Rink Specialists' team has worked an average of over 10 years in the ice rink industry and has completed an average of 20 ice installations in the last six years. The president of Rink Specialists was in northern California at the end of May for work on a nearby ice rink, and agreed to inspect the OIC and review SJAM's budget for repairs and improvements. He summarized the results of his inspection in a letter dated May 31, 2007 included as Attachment B to this report. He also provided a fee proposal of \$50,000 to \$70,000 for the most critical elements of the capital improvement items shown in the SJAM cost estimates, the take-down of both OIC ice surfaces, inspection, testing and minor adjustments of sub-floor refrigeration system, and build-up and painting of new ice surfaces (See Attachment C). Rink Specialists estimate does not include the costs for additional labor, rental equipment, storage for construction equipment and, potentially, the sand currently underneath the ice, and other material costs, such as new dasher panels, ice rink gate repairs or a general clean-up of the dasher boards. Any remaining funds would be applied to other capital improvements such as locker and storage room door replacements, possible HVAC equipment repairs and painting.

Staff believes that the allocation of Agency funds in the amount of \$300,000 for capital improvements, repairs, and rehabilitation will be sufficient to perform the necessary capital improvements at the OIC, unless the contractor discovers hidden defects to the piping systems under the ice or other latent deficiencies.

Per the current contract with Ice Specialty Entertainment (ISE), current manager of the OIC, the management company will contract with Rink Specialists, or a similar ice rink installation and rehabilitation specialist, for the scope of work shown in Attachment C. ISE estimates that it will

have to increase the hours of some of its existing staff to assist Rink Specialists, or other selected contractor, perform much of the non-skilled or semi-skilled work such as removing and leveling the sand floors of each rink, or manning the hose used to lay down the new ice surfaces.

Ice Rink Closure

Since the consultation with Rinks Specialists during the last two weeks, the Agency has confirmed that it will not be necessary to close the entire OIC at any time. Rink Specialists state that the ice surfaces can be taken down and rehabilitated sequentially, instead of simultaneously, as proposed by SJAM. The key benefit of performing ice surface and rink repairs sequentially is that the OIC will not have to be completely shut down, thereby allowing the current management company to maintain a reduced schedule of activities and programming for regular users. Rink Specialists estimates that each rink would need to be shut down for a period of 15-25 days to perform the ice rehabilitation activities described above. The much improved ice skating facility that will result from the completion of these capital improvements justifies the very short temporary inconvenience to the general public and regular OIC patrons.

SUSTAINABLE OPPORTUNITIES

The allocation of these funds is expected to create the following sustainable opportunities:

Economic

It is expected that usage of the Ice Center will increase with these improvements and repairs, enabling the Agency to provide the public with excellent ice surfaces and a safe and revitalized place to enjoy ice activities.

Environmental

The Agency and City staff will work to implement energy saving measures at the Ice Center, similar to the solar panel system and energy efficient lighting installed last year.

Social Equity

The Agency will solely decide how its funds will be used for the improvements, repairs and rehabilitation of the OIC.

RECOMMENDATION

It is recommended that the City Council authorize a resolution approving the allocation of Agency funds in the amount of \$300,000 to perform necessary capital improvements, repairs and rehabilitation to the Oakland Ice Center.

Respectfully submitted,



Gregory Hunter
Interim Director for Redevelopment,
Economic Development, Housing and
Community Development

Prepared by:
Jens Hillmer
Urban Economic
Coordinator

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE:



Office of the Agency Administrator

- Attachment A – Capital Improvements and Repairs by SJAM
- Attachment B – Rink Specialist Letter
- Attachment C – Rink Specialist Proposal

Attachment A

**Oakland Ice Center
Capital Improvements and Repairs by SJAM**

	Budget of May 1, 2007	Budget of May 23, 2007	Difference
Capital Improvements			
Ice Plant Equipment			
Compressor Inspection	\$15,500	\$15,500	
Rebuild pumps	\$4,800	\$4,800	
Repair snow melt pit	\$6,500	\$6,500	
Replace Ice Control systems/leak detector	\$12,000	\$12,000	
Repair Dehumidifier	\$2,400	\$2,400	
Subtotal	\$41,200	\$41,200	\$0
Cooling Tower			
Repair	\$7,500	\$7,500	
Replace Motor	\$6,500	\$6,500	
Repair Water Treatment System	\$5,800	\$5,800	
Descale and Waterblast	\$7,800	\$7,800	
Replace Belts	\$2,500	\$2,500	
Subtotal	\$30,100	\$30,100	\$0
Ice Floor/Pipes/Dasherboards			
Fix Indirect Pipe System	\$200,000	\$0	
Thaw Ice	\$0	\$5,000	
Thaw Ice	\$0	\$3,145	
Demolition	\$0	\$12,426	
Remove Sand and Offhaul	\$7,000	\$81,999	
New Sand	\$10,000	\$106,295	
Gate Hardware	\$20,000	\$5,242	
Gate Hardware - Materials	\$0	\$5,538	
Visqueen under sand	\$0	\$71,750	
Remove Dasher Boards	\$6,000	\$29,353	
Reface Dasher Boards - Material	\$50,000	\$25,815	
Reface Dasher Boards - Labor	\$0	\$41,933	
Repair Dasher Boards Structure - allowance	\$0	\$70,000	
Re-install Dasher Boards	\$0	\$39,967	
Clean Glass at Dashers	\$0	\$12,580	
Overtime Allowance	\$0	\$53,933	
Final Clean-up	\$0	\$25,000	
Permit Costs	\$0	\$0	
General Conditions	\$0	\$95,820	
Overhead/Profit	\$0	\$27,432	
Contingency	\$0	\$71,323	
Subtotal	\$293,000	\$784,551	\$491,551
Total Cost for Capital Improvements	\$364,300	\$855,851	\$491,551
Major Repair and Maintenance			
Bathrooms and Locker Rooms			
Rubber Floor in Locker Rooms	\$34,700	\$34,700	
Toilet Partition	\$0	\$10,800	
Replace Doors	\$25,000	\$25,000	
Sink and Toilet Budget	\$5,000	\$5,000	
HVAC	\$20,000	\$20,000	
Plumbing	\$5,500	\$5,500	
General Cleaning	\$21,000	\$21,000	
Painting	\$0	\$105,000	
Fire/Life Safety	\$25,000	\$5,000	
Security Cameras	\$35,000	\$35,000	
Subtotal	\$171,200	\$267,000	\$95,800
TOTAL	\$535,500	\$1,122,851	\$587,351

Attachment B



May 31, 2007

Dear Sir(s):

Thank you for the opportunity to review your ice rink facility's conditions and concerns. Although our walk through was very quick, it allowed us to see the major components of your ice rink.

Your refrigeration plant appeared to be functioning as normal. There is a strong possibility, based on past maintenance of the plant, that a small leak does exist. The snow pit pipes do have some holes in them, but appears to be only minor issues.

The Sub-Floor heat system does not seem to be functioning but our inspection was very quick and not as thorough as we need to fully access the condition of the system. The system has no pressure gauges, so determining if we had actual liquid flow was not possible.

Cooling towers and all HVAC equipment that is water to air such as cold water chillers and Air Handlers do always require preventative maintenance as well as chemical treatment to the water to prevent rust, iron, scaling and corrosion. All of these maintenance functions are relatively inexpensive through any locally qualified commercial refrigeration company.

When it comes to removing your ice, you can certainly expedite the process with heaters. However, shaving the ice with the Zambonies and naturally thawing is the cheapest and best way.

The dasherboards do not require removal for repair of either the facing or the concrete concerns. All can be replaced and repaired as they are. Some dasher facing and kick plates do need to be replaced but, as stated, the boards do not need to be removed for this process. Once the ice has been removed it will allow access for the kick plate to be replaced. Aside from 6 – 10 dasher panels and normal wear and tear, the boards seem fine. To re-panel the boards, even an entire rink, usually runs about \$175 per board for new Poly face and kick plate. That of course does not include labor.

The Zamboni doors or exit gates seem to be working fine, one does have some damage from someone driving into the door with the ice re-surfacer. The gate should be replaced if not functioning properly.

The removal of the sand is not needed for checking for leaks on a direct R-22 system. The system is under high pressure and any leaks, even a pinhole, would be very noticeable. If the vapor barrier needed to be replaced, I'm not sure how that assessment could be made without physically looking at it. At any rate, the sand and stainless steel pipe would all have to be removed prior to replacing the vapor barrier. The sand would be re-used; it would not have to be replaced simply due to paint in it.

Vapor Barriers usually are 6 mil, plastic found at any hardware store. \$350-500 per rink usually covers the cost of the material labor would be extra. Additional sand can also usually be purchased at about \$20 per ton delivered.

In summary, ice rinks do go through some pretty rigorous daily use and routine maintenance is a must. However, your facility does not look out of the norm for its age.

With your permission we would like to perform a much more thorough inspection at a later time to dig a little deeper into the more technical side of your facility.

Our door is always open for any immediate questions or concerns you may have and once again thank you for the opportunity to help you.



Benn Breton

Rink Specialists

315 Great Bridge Blvd #D

Chesapeake, VA 23320

www.RinkSpecialists.com

Attachment C



315 Great Bridge Blvd. • Suite D • Chesapeake, VA 23320
Info@rinkspecialists.com • 757-410-5468

ICE RINK CONSULTING PROPOSAL

IceOplex Oakland #300

Submitted June 8, 2007 – Good for 30 days

Schedule Date

July / August 2007

Scope of Work

RS will oversee and advise on the following activities:

Removal of ice on (2) ice rinks. This may require the combination of ice resurfacing (Shaving) as well as the accelerated melting (heaters) and pumping out (trash/water pumps) of the excess water from the ice removal process. This process may or may not occur simultaneously depending on ice thickness, ability to recapture the refrigeration (R-22) in the expansion tank and rental equipment availability. Any and all resources will be used to safely expedite the ice removal process.

Upon completion of the ice removal process, RS will inspect the condition of the cold floor pipes and reset any raised pipes and retention chairs as needed. This process may require the removal of some or all the sand covering the raised cold pipes. This process will also allow for the inspection and minor repairs of the vapor barriers & insulation.

After all inspections and repairs are performed, RS will reapply and level the sand on top of the cold floor pipes. During the down time of the ice removal process, RS will oversee the replacement of any damaged Dasher-board/ Kick plate facing. RS will also employ a local qualified commercial refrigeration company to perform a thorough system leak test and repair of the compressor plant and ice melting pit as needed.

Finally RS, will re-saturated and freeze the ice surfaces and apply a fresh paint job and oversee the re-building of the ice surfaces.

As a complimentary service, RS will conduct a ice maintenance training seminar for the operations department to prolong the results of the repairs. This will include daily and monthly ice maintenance requirements, resurfacing techniques and maintenance.

Service Schedule

15 to 25 days per ice rink

Included

All required RS Staff, paint & materials to re-paint both ice surfaces.

Requirements

2-4 workers provided by facility during entire process
All rental equipment, material storage and removal requirements & permits (if needed)
All new parts & materials needed for repairs (Dasher facing, kick plate, screws, etc...)
***Facility engineer should be on hand for the entire process**

Additional Expenses

All purchases/expenses will gain prior approval from the local project manager and shall be reimbursed at time of completion and payable upon submission of final invoice.
Customer incurs all rental equipment, vehicles & fuel, Labor, Tools, Material, Taxes and Shipping

TOTAL PROPOSAL ESTIMATED FEES

MINIMUM PRICE	30 days (15 days per rink)	\$50,000.00
MAXIMUM PRICE	50 days (25 days per rink)	\$70,000.00

***These fees may be prorated. Pro-ration is equivalent to \$1000 per day/ per rink**

If project exceeds a total of 60 days to complete, then an additional daily fee will be discounted to \$750.00 per day until completion. (Prior approval required)

This price includes all lodging, travel and paint required to complete this proposal.

Payment Terms

All payments will be made in U.S. Dollars as follows:
Figures based on \$50,000.00 (30 days)

- 25%** with signed contract (\$12,500.00)
 - 50%** 15 days after starting project (\$25,000.00)
 - 25%** upon completion (\$12,500.00)
- Plus reimburse all approved expenses & prorated fees**

Acceptance of Contract

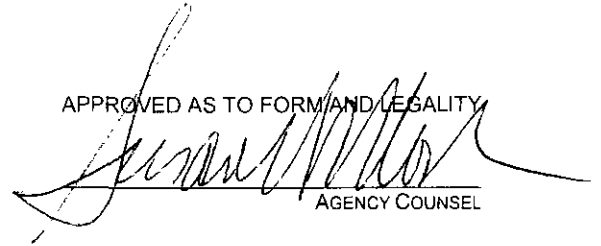
\$12500.00 Deposit due with sign Proposal. By signing below, customers accept the above terms and conditions. Upon receipt of signed proposal and deposit, RS shall furnish a certificate of insurance to the customer. Please enclose a copy of your insurance requirements with this contract.

X

Date:

OFFICE OF THE CITY CLERK
2007 JUN 14 PM 8:27

APPROVED AS TO FORM AND LEGALITY



AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

An Agency Resolution Approving the Allocation of Redevelopment Agency Funds in the amount of \$300,000 as Funds for Necessary Capital Improvements, Repairs and Rehabilitation to the Oakland Ice Center

WHEREAS, The Redevelopment Agency (Agency) owns the Oakland Ice Center (OIC);
and

WHEREAS, no major repairs or rehabilitation of the ice surfaces at the OIC has occurred since the OIC was built in 1995; and

WHEREAS, certain repairs and rehabilitation are imminently necessary, including the take-down of the ice, effecting any repairs needed to the sub-floor refrigeration system, and restoring the ice surfaces; and

WHEREAS, these repairs are needed irrespective of which entity is managing the OIC;
and

WHEREAS, the Agency desires to make available \$300,000 for immediate and necessary capital improvements to the OIC; and

WHEREAS, the Agency has identified funds totaling \$300,000 from Agency's Central District Tax Allocation Bond Series 2005 Fund (9533), CIP: Economic Development Organization (94800), 10K Housing Project (P118550) to fund capital improvements to the OIC; now therefore be it

RESOLVED: That the Agency hereby authorizes the Agency Administrator to allocate \$300,000 from the Agency's Central District Tax Allocation Bond Series 2005 Fund (9533), CIP: Economic Development Organization (94800); 10K Housing Project (P118550) to fund capital improvements to the OIC; and be it further

RESOLVED: That Agency shall deposit one-hundred percent (100%) of its capital contribution in the amount of \$300,000 into an OIC Capital Improvement Account with to be used only for capital improvements, repairs and rehabilitation to the OIC; and be it further

RESOLVED: That the Agency Administrator is authorized to take whatever action is necessary with respect to funds consistent with this resolution and its basic purposes; and be it further

RESOLVED: That all documents related to this transaction shall be reviewed and approved by the Agency's Counsel prior to execution; and be it further

RESOLVED: That any agreements authorized hereunder, including amendments, modifications, or extensions, shall be approved as to form and legality by the Agency's Counsel and filed with the Office of the City Clerk.

IN AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
 CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
 LATONDA SIMMONS
 Secretary of the Redevelopment Agency
 of the City of Oakland, California