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OFFICE OF THE CITY CLERK
2007 NOV 29 PM 4:05

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

2007 NOV 29 PM 4:05

To: Office of the City/Agency Administrator
Attn: Deborah Edgerly
From: Community and Economic Development Agency
Date: December 11, 2007

- Re:**
- 1) Agency Resolution Authorizing A Contribution Of Agency Funds To The City Under the Cooperation Agreement In The Additional Amount Of \$1,828,650 For A Total Amount Of \$3,498,650 For The Undergrounding Of Utilities Along San Leandro Street and 73RD Avenue as Part of the Coliseum BART Station Area Underground Utility Project**
 - 2) Resolution Authorizing The City To Accept And Appropriate A Contribution Of Redevelopment Agency Funds Under the Cooperation Agreement In The Additional Amount Of \$1,828,650 For A Total Amount Of \$3,498,650 For The Undergrounding Of Utilities Along San Leandro Street and 73RD Avenue as Part of the Coliseum BART Station Area Underground Utility Project**
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SUMMARY

As part of the Coliseum Redevelopment Area program in the FY 2003-2005 budget, staff has been working with the Public Works Agency (PWA) to convert the overhead utility facilities to underground on San Leandro Street, between 66th and 73rd Avenues, and on 73rd Avenue between San Leandro Street and the Inter-City Rail Platform, to be funded under California Public Utilities Commission (CPUC) Rule 20B. The City and Agency have been cooperatively implementing the effort, through design coordination with Pacific Gas and Electric (PG&E), AT&T and Comcast, to determine the scope, budget, boundary and timeline.

The Underground Utility District covers San Leandro Street and its side streets on the south side. Located at the center of Coliseum BART station area, San Leandro Street carries a heavy volume of vehicular traffic, has a high concentration of overhead facilities, and is used by the general public. CPUC Rule 20 and City Ordinance No. 7769 C.M.S. guide applicable procedure and require a public hearing prior to the establishment of an underground utility district.

The Coliseum BART Station Area Underground Utility District also covers the BART Station area on the north and south sides of San Leandro Street, including the BART Station's parking lots and 73rd Avenue, between San Leandro Street and the Inter-City Rail Platform. The boundary of Underground Utility District No. 235 is shown on Attachment A and is described as follows: Underground Utility District No. 235 is located in Council District Nos. 6 and 7.

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FISCAL IMPACT

The total cost of the project is estimated to be \$4.024 million when total project expenditures to date and a 10% contingency are included. The Redevelopment Agency is contributing \$3,498,650 to the effort from the Coliseum Redevelopment Project area. The balance of the funding of \$500,000 will be reimbursed by Alameda County Congestion Management Agency Grant ACCMA-TLC The Livable Communities Grant as approved in Oakland City Council Resolution No. 79689 C.M.S. on January 17, 2006, and a \$25,519 payment from Coliseum Transit Hub streetscape.

The Agency appropriated \$1,670,000 in the FY 2003-05 ORA Adopted Budget and the remaining funds are now being appropriated to the Public Works Agency account. The Agency staff is now proposing an additional contribution of \$1,828,650 for a total of \$3,498,650 for the construction of the San Leandro Street Utility Underground Project. The added funding is being obtained from underused projects or remaining balances from completed projects such as the Inter-City Rail Platform project. The Agency will pay the project costs in accordance with the CPUC Rule 20B, and will pay for the cost of City's streetlight system and City staff time. The Agency will appropriate final project costs from Coliseum Tax Allocation Bonds Series 2003 and 2006 and Operating funds.

PG&E and AT&T will have payment agreements with the City of Oakland as required under CPUC Rules 20 and 32 respectively and will cover the costs which improve their facilities which, are known as betterment costs. Comcast has some facilities in the area and will participate in the project in a similar manner. The Agency proposes to allocate funds as follows:

ORA FUNDS BY PROJECT				
Project	Fund	Org	Project	Amount
Existing funding Approved in FY 2003-05				
San Leandro St. Under grounding	9453	92228	T249410	952,800.00
San Leandro St. Under grounding	9453	30528	T249410	90,000.00
San Leandro St. Under grounding	9453	92228	T249410	100,000.00
Amount Paid with the Coliseum Transit Hub	9453	92228	T249410	527,200.00
Proposed Additional Funding				
Intercity Rail Platform	9453	88659	P233430	817,200.00
Fruitvale Transit Village	9453	94800	P233420	100,000.00
International Blvd. Streetscape	9455	94800	T315510	100,000.00
Airport Gateway Doolittle	9455	94800	S82674	180,000.00
Coliseum Redevelopment Project	9450	88659	S82600	500,000.00
Zhone Technologies	9450	88659	P207810	131,450.00
Subtotal -ORA				3,498,650.00
ACCMA – TLC Grant	2163			500,000.00
Paid By Coliseum Transit Hub	2137			25,519.00
TOTAL ORA and ACCMA FUNDS				4,024,169.00

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Since the project is ready to proceed, access to funds is being transferred to PWA Electrical Services Division to ensure the division's continued work on the project. In addition, the Redevelopment Agency is paying the difference of \$1,828,650 as PG&E's Rule 20B cost must be paid in advance and in full before work can be done. The PG&E cost estimated by PWA is \$2,613,200.

These additional Redevelopment Agency funds, totaling \$1,828,650, will be appropriated to the City's Oakland Redevelopment Agency Projects Fund (7780), PWA Electrical Services Organization (92228), San Leandro Street Underground Utility Project (C332110).

BACKGROUND

Establishing an underground utility district empowers the City to ensure that all the wood poles and overhead wires are removed upon completion of the project, and it prohibits any future overhead facilities in the district. The City can take legal action against violators.

CPUC Rule 20 establishes the criteria for qualifying a street where overhead facilities can be replaced with an underground system. The prerequisite for qualifying a street is that the street is at least 600 feet or one block in length, and all owners of properties impacted by the project must underground the service to their respective properties at their expense. Because this is a CPUC Rule 20B project initiated by CEDA, the Redevelopment Agency has committed to incur undergrounding expenses of owners of properties in the Rule 20B project area. The expenses will only cover the installation of service laterals and electric panel conversions for approximately fifteen properties.

KEY ISSUES AND IMPACTS

Undergrounding the utilities on San Leandro Street will be a facelift for the Coliseum Area business community and may provide an incentive for other merchants or owners to undertake similar development projects in their areas.

Public Works staff is asking that the City Administrator or her designee be authorized to negotiate and execute agreements with PG&E, AT&T, Comcast and any parties involved regarding cost sharing and payments, up-front payment for engineering, substructure work and related work, provided the City Attorney is satisfied with the limits of City liability.

SUSTAINABLE OPPORTUNITIES

Economic: Under grounding of utilities generally increases property values, which generates property tax revenue for Oakland. The underground treatment also is consistent with the Regional Commercial land use designations enacted in the updated General Plan.

Environmental: When the Coliseum Area Underground Utility District is implemented, it will eliminate one half a mile of unsightly overhead utility lines in or affecting the public right-of-way. It will improve the livability and aesthetics of the neighborhood and reduce potential for fire danger or utility outages resulting from trees branches falling on wires.

Social Equity: Removal of utility wires and wooden poles will enhance the visual amenity of under improved San Leandro Street from 66th to 73rd Avenues. Project implementation strengthens the local economy by increasing the opportunity to use local contractors and provides jobs for Oakland residents.

DISABILITY AND SENIOR CITIZEN ACCESS

The replacement of overhead lines and wood poles with a new underground system with enhanced street lighting will improve the visibility and street access for the disabled and senior citizens.

RECOMMENDATION AND RATIONALE

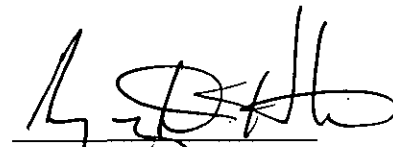
Staff recommends that City Council adopt the resolution setting December 18, 2007 as the date for the public hearing to establish Underground Utility District No. 235 which is transmitted in the companion report prepared by the Public Works Agency. Approving the Agency legislation to support the project continues another major infrastructure investment in the Coliseum Transit Village project effort of the Coliseum Redevelopment Area program.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council and the Agency adopt two resolutions authorizing the additional Agency funding to construct the San Leandro Street Utility Undergrounding project.

Respectfully submitted,



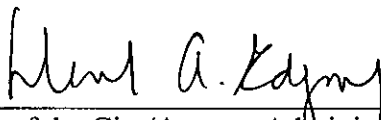
GREGORY D. HUNTER

Deputy Director, Economic Development
And Redevelopment

Reviewed by:
Larry Gallegos
Area Manager
Redevelopment Division

Prepared by:
Jay Musante
UEA IV
Redevelopment Division

APPROVED AND FORWARDED TO THE
COMMUNITY ECONOMIC DEVELOPMENT COMMITTEE:



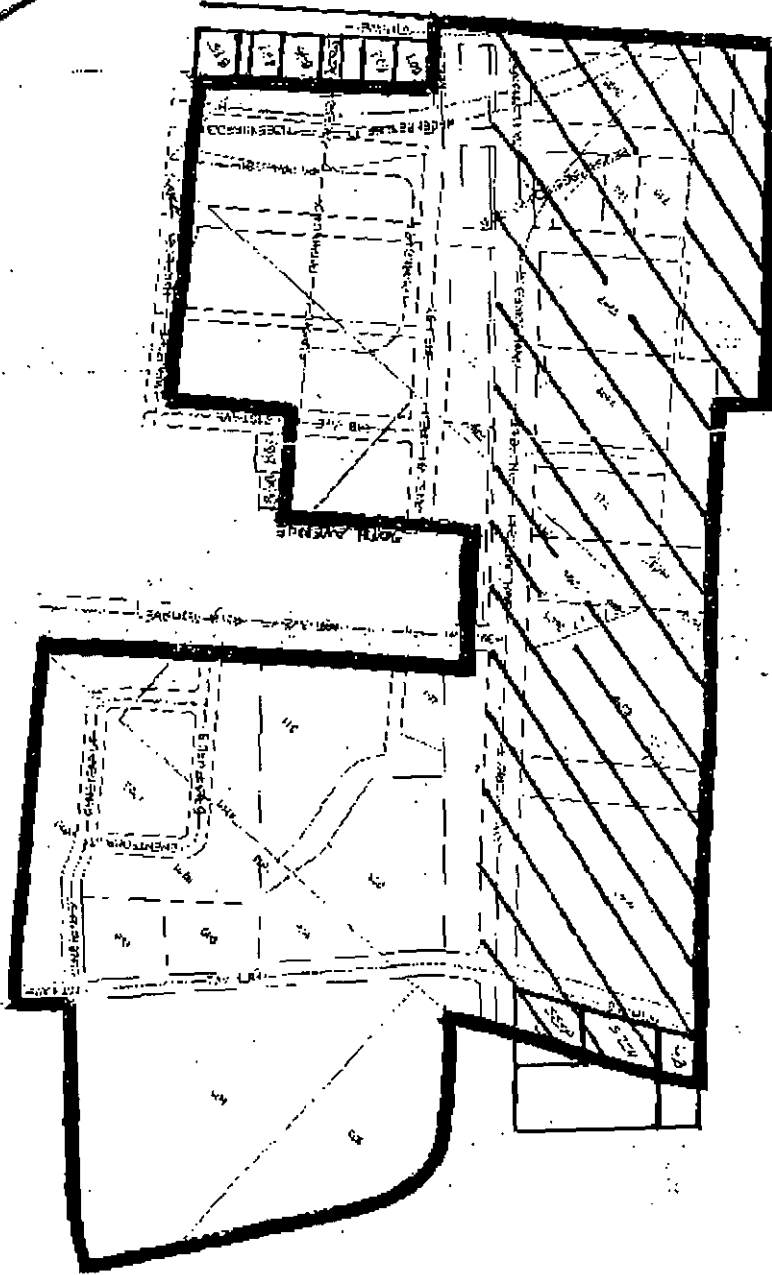
Office of the City/Agency Administrator

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ATTACHMENT A

UNDERGROUND UTILITY DISTRICT NO. 235:
COLISEUM BART STATION AREA UNDERGROUND UTILITY DISTRICT

24



BOUNDARY LINE

RULE 208 PROJECT AREA

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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C. M. S.

Agency Resolution Authorizing A Contribution Of Agency Funds to the City Under the Cooperation Agreement in the Additional Amount of \$1,828,650 For A Total Amount of \$3,498,650 For The Undergrounding of Utilities Along San Leandro Street and 73rd Avenue as Part of the Coliseum BART Station Area Underground Utility Project

WHEREAS, the Redevelopment Agency 2003-2005 Adopted Budget previously authorized a contribution by the Redevelopment Agency to the City of \$1,670,000 from the Coliseum Area Tax Allocation Bond Series 2003 pursuant to Resolution No. 2003-36 C.M.S. to fund infrastructure improvements by removing overhead wires and poles and under grounding utilities along San Leandro Street between 66th Avenue and 73rd Avenues, and 73rd Avenue, between San Leandro Street and the Intercity Rail Amtrak Platform Project (the "Coliseum BART Station Area Underground Utility Project"), and such funding is currently in Fund (9453), in the Economic Development (92228) and PWA Organizations (30528), in the San Leandro Street Utility Under grounding Project (T249410); and

WHEREAS, the Redevelopment Agency desires to authorize an additional \$1,828,650 in funding for the Coliseum BART Station Area Underground Utility Project; and

WHEREAS, the City of Oakland and the Redevelopment Agency are interested in implementing these infrastructure improvements in the Coliseum Redevelopment Project Area under the Coliseum BART Station Area Underground Utility Project to attract and retain businesses, improve the community, and to implement the Coliseum Transit Oriented Development envisioned in the overall Concept Plan for the Coliseum BART station area; and

WHEREAS, the City and Redevelopment Agency are jointly implementing projects such as the Coliseum Transit Hub Streetscape Project as part of the Transit Oriented Development in the overall Coliseum Concept Plan to complement other projects in the area such as Oakland Housing Authority's Lion Creek Crossing Development, the Intercity Rail Amtrak Platform Project, and the proposed Coliseum Transit Village and Oakland Airport Connector Project; and

WHEREAS, the City and the Agency concur that housing, economic development and redevelopment are goals of the Coliseum Redevelopment Project Area and that the under grounding of utilities along San Leandro Street will improve aesthetic and amenity of the overall infrastructure, while removing the appearance of blight in the area; and

WHEREAS, the Agency has supported City infrastructure improvements as part of its overall program for the Coliseum Redevelopment Project Area, and the Coliseum BART Station Area Underground Utility Project supports that effort; and

WHEREAS, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the installation cost or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the Agency desires to reallocate the unspent balance of funds remaining from Coliseum Capital Projects and Operating funds including from the Intercity Rail Amtrak Platform Project in the amount of \$1,828,650 towards the construction and implementation of the Coliseum BART Station Area Underground Utility Project; and

WHEREAS, there are sufficient funds in the Oakland Redevelopment Agency's Coliseum Project Area's various underused and completed projects such as the Intercity Rail Platform Project for the construction and implementation of the improvements; and

WHEREAS, the Agency seeks authorization to provide additional funding for the Coliseum BART Station Area Underground Utility Project pursuant to Section 33445 of the California Health and Safety Code; now, therefore, be it

RESOLVED: That the Agency Administrator or her designee is hereby authorized to contribute an additional \$1,828,650 to the City for a total contribution of \$3,498,650 under the Cooperation Agreement towards the construction and implementation of the Coliseum BART Station Area Underground Utility Project; and be it

FURTHER RESOLVED: That the Agency contribution will be allocated as follows:

ORA FUNDS BY PROJECT

Project	Fund	Org	Project	Amount
Intercity Rail Platform	9453	88659	P233430	817,200.00
Fruitvale Transit Village	9453	94800	P233420	100,000.00
International Blvd. Streetscape	9455	94800	T315510	100,000.00
Airport Gateway Doolittle	9455	94800	S82674	180,000.00
Coliseum Redevelopment Project	9450	88659	S82600	500,000.00
Zhone Technologies	9450	88659	P207810	131,450.00
Total				1,828,650.00

and be it

FURTHER RESOLVED: These funds shall be appropriated to the City's Oakland Redevelopment Agency Projects Fund (7780), PWA Electrical Services Organization (92228), San Leandro Street Underground Utility Project (C332110); and be it

FURTHER RESOLVED: That the Agency hereby finds and determines as follows:

1. That the funding of the Coliseum BART Station Area Underground Utility Project will benefit the Coliseum Redevelopment Project Area by removing utility poles, overhead wires and alleviating the overall appearance of blight in the area;
2. That the City's Capital Improvement Program budget is unable to provide financing for the Coliseum BART Station Area Underground Utility Project and therefore no other reasonable means of financing are available to the City other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Coliseum Project Area for the Coliseum BART Station Area Underground Utility Project will assist in the elimination of blight in the Coliseum Project Area by removing utility poles and overhead wires, upgrading inadequate utilities, and alleviating the overall appearance of blight in the area; and
4. That the use of tax increment funds from the Coliseum Project Area for the Coliseum BART Station Area Underground Utility Project is consistent with the implementation plan adopted for the Coliseum Project Area; and be it

FURTHER RESOLVED: That the Agency Administrator or her designee is hereby authorized to take whatever action is necessary with respect to the Coliseum BART Station Area Underground Utility Project consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That a copy of this legislation and report shall be placed on file with the Secretary of the Redevelopment Agency.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

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

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APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

Resolution Authorizing The City To Accept And Appropriate A Contribution Of Redevelopment Agency Funds Under The Cooperation Agreement In An Additional Amount Of \$1,828,650 For A Total Amount of \$3,498,650 for the Under grounding Of Utilities Along San Leandro Street And 73RD Avenue As Part Of The Coliseum BART Station Area Underground Utility Project

WHEREAS, the City will be performing infrastructure improvements by removing overhead wires and poles and under grounding utilities along San Leandro Street between 66th Avenue and 73rd Avenues, and 73rd Avenue, between San Leandro Street and the Intercity Rail Amtrak Platform Project (the "Coliseum BART Station Area Underground Utility Project"); and

WHEREAS, the City and the Redevelopment Agency of the City of Oakland are interested in implementing these infrastructure improvements in the Coliseum Redevelopment Project Area to attract and retain businesses, improve the community, and work towards completing the overall Concept Plan for the Coliseum BART station area; and

WHEREAS, the Redevelopment Agency has authorized an additional contribution of \$1,828,650 for a total contribution of \$3,498,650 to the Coliseum BART Station Area Underground Utility Project; and

WHEREAS, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

WHEREAS, there are sufficient funds in the Oakland Redevelopment Agency's Coliseum Project Area's various underused and completed projects for the construction and implementation of the improvements; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the installation cost or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made

certain findings; now, therefore, be it

RESOLVED: That the City Council hereby accepts and consents to the use of an additional \$1,828,650 in funding from the Redevelopment Agency for a total contribution of \$3,498,650 in Redevelopment Agency funds for the Coliseum BART Station Area Underground Utility Project, and appropriates such funds to the Coliseum BART Station Area Underground Utility Project; and be it

FURTHER RESOLVED: That such funds shall be appropriated to the City's Oakland Redevelopment Agency Projects Fund (7780), PWA Electrical Services Organization (92228), San Leandro Street Underground Utility Project (C332110); and be it

FURTHER RESOLVED: That the City Council hereby finds and determines as follows:

1. That the funding of the Coliseum BART Station Area Underground Utility Project will benefit the Coliseum Redevelopment Project Area by removing utility poles, overhead wires and alleviating the overall appearance of blight in the area;
2. That the City's Capital Improvement Program budget is unable to provide financing for the Coliseum BART Station Area Underground Utility Project and therefore no other reasonable means of financing the Coliseum BART Station Area Underground Utility Project are available to the City other than Redevelopment Agency funding;
3. That the use of tax increment funds from the Coliseum Project Area for the Coliseum BART Station Area Underground Utility Project will assist in the elimination of blight in the Coliseum Project Area by removing utility poles and overhead wires, upgrading inadequate utilities, and alleviating the overall appearance of blight in the area; and
4. That the use of tax increment funds from the Coliseum Project Area for the Coliseum BART Station Area Underground Utility Project is consistent with the implementation plan adopted for the Coliseum Project Area; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to take whatever action is necessary with respect to this Coliseum BART Station Area Underground Utility Project consistent with this Resolution and its basic purpose; and be it

FURTHER RESOLVED: That a copy of this legislation and agenda report be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS,
City Clerk and Clerk of the Council
of the City of Oakland, California