

CITY of OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND
2004 OCT 14 PM 1:14

COUNCIL/ AGENCY AGENDA REPORT

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: October 26, 2004

RE: RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO APPLY FOR AND ACCEPT A LOAN FOR UP TO \$200,000 FROM THE ENVIRONMENTAL PROTECTION AGENCY, APPROPRIATE THE FUNDS AND CONTRIBUTE THE FUNDS TO THE CITY UNDER THE COOPERATION AGREEMENT, FOR THE ENVIRONMENTAL CLEAN UP OF WILLOW PARK

RE: RESOLUTION AUTHORIZING THE CITY TO ACCEPT AND APPROPRIATE UP TO \$200,000 IN REDEVELOPMENT AGENCY FUNDS UNDER THE COOPERATION AGREEMENT, FOR THE ENVIRONMENTAL CLEAN UP OF WILLOW PARK

SUMMARY

This request is for the Agency Administrator to apply for and accept a loan for up to \$200,000 from the Environmental Protection Agency (EPA) and authorize the Agency Administrator to appropriate the loan funds to pay for the environmental site clean up at Willow Park, located at 14th and Willow Streets. Funds will be repaid from West Oakland Redevelopment tax increment funding. This request also asks authorization for the City to accept these funds from the Redevelopment Agency, in an amount up to \$200, 000 for the clean up activities at Willow Park.

FISCAL IMPACTS

The West Oakland Redevelopment Area was adopted on November 18, 2003 and will receive its first tax increment funding in December of 2004. The EPA loan term is 3% per annum, payable in 10 years and amortized over 20 years. The estimated loan payment of \$13,000 (including interest) per annum will be repaid from West Oakland tax increment revenues, which are expected to total more than \$18 million over the ten year loan term. A balloon payment of approximately \$114,600 will be due at the end of the 10 year term. Over the 10 year term principal and interest payments will total approximately \$134, 400. Repayment may be made before the end of the ten-year term to save interest expense, depending on the Agency's debt structure at that time.

The Public Works Agency presently manages the Willow Park Improvement Project and has received grant funds of approximately \$1 million for park improvements. The EPA Brownfields

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CED Committee
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Revolving loan funds are located in the City Environmental Protection EPA Oakland Brownfields account (Fund # 2125, Organization # 88559).

Upon approval of the Willow Park loan request, funds will be deposited in a new Agency fund, West Oakland Grants/Loans Fund, then transferred to the City's ORA Projects Fund (#7780) in a project to be determined, increasing the Public Works Agency, Environmental Services' Division's spending authority by an amount up to \$200,000. Funds will be used to cover consultant costs and PWA staff costs related to Willow Park clean up.

This request will increase the reimbursements authorized under the Cooperation Agreement with the Redevelopment Agency and the City by an amount up to \$200,000.

BACKGROUND

EPA Brownfield Cleanup Revolving Loan Program (BCRLF)

In 2001, the federal Environmental Protection Agency awarded the city of Oakland a \$500,000 grant to develop a revolving loan program for environmental cleanup activities. Currently \$425,000, is available under this program. The City recently applied to transition to new 2004 EPA program guidelines. These guidelines allow the City to make loans for sites with petroleum based toxics, which is a major contaminant in Oakland. The new regulations also allow the City to grant up to \$200,000 to non-profit corporations and public agencies. Approval of the City's application to transition to the new program should take place during November, 2004. The maximum of \$200,000 as requested for Willow Park, will be available as a loan for this project. The loan term for the Willow Park cleanup will be 3% interest per annum, due in 10 years, with a 20 year amortization schedule. This loan shall be subject to the conditions of the new Brownfield Cleanup Revolving Loan Fund (BCRLF) program.

PROJECT DESCRIPTION

Willow Park, located in West Oakland at 14th and Willow Streets, is a well used park, which has been in disrepair for a long period of time. Recently, the City applied for and received several highly competitive grants totaling approximately \$1 million for park renovations. The Trust for Public Lands (TPL) has partnered with the City of Oakland in applying for the Urban Park and Recreation Recovery Program (UPPAR) grant and agreed to serve as partner in the design and construction of the park. The community has been very involved in the planned renovations which include installation of better access pathways and signage; installation of play structures and safety surfacing; resurfacing and striping of the basketball courts; installation of benches in the picnic areas; terraced seating; and improved landscaping. The first step in the rehab process is soil testing. These tests revealed high levels of lead in sections of the park, which have been fenced off. The cost of the clean up is estimated to be \$200,000, depending on trucking costs for off-hauling of the contaminants. The loan amount will ultimately be equivalent to the cost of the clean up, or \$200,000, whichever is less.

The Agency is coordinating with the Public Works Agency, Environmental Services Division, to develop an appropriate scope of work. The Environmental Division will be responsible for managing the professional services contract with the consultant and reviewing their work products.

KEY ISSUES AND IMPACTS

The West Oakland Project Area Committee supports this project and its members have voted in favor of the EPA loan up to \$200,000, to be repaid from future West Oakland Redevelopment tax increment funds, and used for the environmental clean up of Willow Park.

The Agency does not currently have tax increment funds from the recently adopted West Oakland Redevelopment Area. However, tax increment funding will commence in December, 2004. Consequently the loan approval is subject to receipt of the West Oakland Redevelopment tax increment funds in December, 2004.

The clearance and renovation of this park will benefit the West Oakland Redevelopment Project area by helping to protect the public health and provide the community full use of a rehabilitated neighborhood park.

The environment cleanup and renovation of Willow Park will also assist in the elimination of blight which is consistent with the goals of the Implementation Plan adopted under the West Oakland Redevelopment Plan.

SUSTAINABLE OPPORTUNITIES

Environmental

The clean up work to be performed will help protect public health through elimination of lead based soil detected in sections of the park.

Social Equity

Upon completion of the renovations at Willow Park, the West Oakland community will again have use of a well used community park, complete with better access pathways and safer structures.

DISABILITY AND SENIOR CITIZEN ACCESS

The Willow Park project will be required to comply with state and federal accessibility requirements, including Federal ADA Accessibility Guidelines, and the State of California's Title 24 Accessibility regulations.

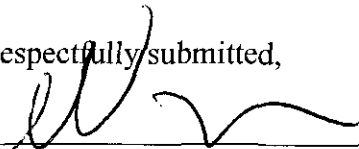
RECOMMENDATIONS AND RATIONALE

Staff recommends that the Agency authorize the Agency Administer to approve the loan in an amount up to \$200,000 from the Environmental Protection Agency (EPA), and appropriate the loan funds to pay for the environmental clean up of Willow Park. Staff also recommends that the City's resolution to accept these funds from the Redevelopment Agency be adopted.

ACTION REQUESTED OF THE REDEVELOPMENT AGENCY

Staff recommends that the Council adopt the resolutions.

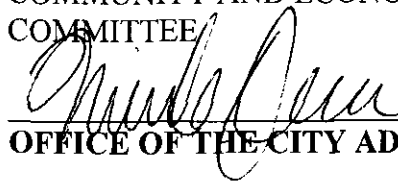
Respectfully submitted,



Daniel Vanderprie, Director,
Redevelopment, Economic Development,
Housing and Community Development

Prepared by:
Gloria King-jackson, Project Manager
Redevelopment Division

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR

APPROVED AS TO FORM AND LEGALITY



AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE AGENCY TO APPLY FOR AND ACCEPT A LOAN FOR UP TO \$200,000 FROM THE ENVIRONMENTAL PROTECTION AGENCY, APPROPRIATE THE FUNDS, AND CONTRIBUTE THE FUNDS TO THE CITY UNDER THE COOPERATION AGREEMENT FOR THE ENVIRONMENTAL CLEAN UP OF WILLOW PARK

WHEREAS, Willow Park, located in the West Oakland redevelopment project area, has received approximately \$1,000,000 in grant funding for park improvements; and

WHEREAS, it has been determined that there are high levels of lead in the soil on the east side of the park and the environmental clean up will cost approximately \$200,000; and

WHEREAS, in 2001, the Federal Environmental Protection Agency (EPA) awarded the City of Oakland a \$500,000 grant to develop a revolving loan program for environmental cleanup activities and located in City Environmental Protection EPA OAKLAND BROWNFIELDS fund (Fund 2125, Organization 88559) ; and

WHEREAS, the Redevelopment Agency is eligible to borrow an amount up to \$200,000 from the EPA revolving loan program with repayment from West Oakland tax increment funds at an interest rate of 3%, amortized over 20 years and due in 7 years; and

WHEREAS, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including 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 cost of installation or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the City Council is consenting to the use of Agency funds for Willow Park environmental cleanup costs; now therefore be it

RESOLVED: That the Agency Administrator is authorized to apply for and accept a loan for up to \$200,000 from the Environmental Protection Agency, appropriate the funds, and contribute the funds to the City under the Cooperation Agreement, for the environmental clean up of Willow Park; and be it further

RESOLVED: That these funds will be transferred to a new West Oakland Redevelopment Grants/Loan fund to be set up; and be it further

RESOLVED: That the Agency Administrator is authorized to negotiate and execute any contracts with the Environmental Protection Agency with respect to said loan; and be it further

RESOLVED: That all agreements shall be reviewed and approved by the Agency Counsel for form and legality prior to execution, and a copy shall be placed on file with the Agency Secretary; and be it further

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

1. That the funding of the Willow Park environmental cleanup costs will benefit the West Oakland Project Area by helping to protect the public health and provide the community full use of a rehabilitated neighborhood park
2. That no other reasonable means of financing the Willow Park environmental cleanup costs are available to the City other than Redevelopment Agency funding; and
3. That the use of tax increment funds from the West Oakland Project Area for Willow Park environmental cleanup costs will assist in the elimination of blight and is consistent with the implementation plan adopted for the West Oakland 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 this loan and project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

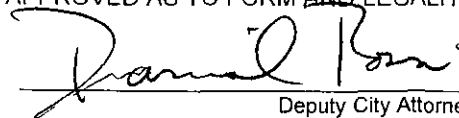
NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY TO ACCEPT AND APPROPRIATE UP TO \$200,000 IN REDEVELOPMENT AGENCY FUNDS UNDER THE COOPERATION AGREEMENT FOR THE ENVIRONMENTAL CLEAN UP OF WILLOW PARK

WHEREAS, Willow Park in West Oakland has received approximately \$1,000,000 in grant funding for park improvements; and

WHEREAS, it has been determined that there are high levels of lead in the soil on the east side of the park and the environmental clean up will cost approximately \$200,000; and

WHEREAS: the Redevelopment Agency is eligible to borrow an amount up to \$200,000 from the Environmental Protection Agency (EPA) revolving loan program with repayment from West Oakland tax increment funds for the environmental clean up of Willow Park; and

WHEREAS, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally 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 cost of installation or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, the Agency is applying for said loans funds from the EPA, and, if approved, has authorized the contribution of such funds to the City for Willow Park environmental cleanup costs; now therefore be it

RESOLVED: That the City Council hereby consents to the use of \$200,000 in Redevelopment Agency funds for Willow Park environmental cleanup, accepts such funds under the Cooperation Agreement, and appropriates such funds to the environmental clean up of Willow Park; and be it further

RESOLVED: That such funds shall be placed into a new West Oakland Grants/Loans Fund (to be set up) in the Redevelopment Agency and appropriated to the City's ORA Projects Fund (#7780) in a project to be set up ; and be it further

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

1. That the funding of the Willow Park environmental cleanup costs will benefit the West Oakland Project Area by helping to protect the public health and provide the community full use of a rehabilitated neighborhood park
2. That no other reasonable means of financing the Willow Park environmental cleanup costs are available to the City other than Redevelopment Agency funding; and
3. That the use of tax increment funds from the West Oakland Project Area for Willow Park environmental cleanup costs will assist in the elimination of blight and is consistent with the implementation plan adopted for the West Oakland Project Area.

and be it further

RESOLVED: That the City Administrator or her designee is hereby authorized to take whatever actions necessary with respect to this project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSES BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION_

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council