

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 NOV 18 PM 12:44

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: December 1, 2009

RE: **An Agency Resolution Authorizing An Owner Participation Agreement With
The County Of Alameda To Grant \$415,000 Of Central City East
Redevelopment Funds For A Historic Preservation Study And Minor
Infrastructure Improvements Along 14th Avenue For The Alameda County
Medical Center Highland Hospital Campus**

SUMMARY

Agency staff requests authorization to enter into an Owner Participation Agreement (OPA) with the County of Alameda including a grant of \$415,000 of Central City East funds, of which \$250,000 will pay for a Historic Preservation Study and \$165,000 will pay for minor infrastructure improvements along 14th Avenue for the Alameda County Medical Center Highland Hospital Campus. The County of Alameda staff presented this request to the Central City East Project Area Committee ("PAC") at the September 14, 2009 PAC meeting, where the PAC supported the County's request and recommended that Agency funding be provided.

FISCAL IMPACT

Staff recommends using \$415,000 of Central City East Tax Increment Funds (9540), Central City East Organization (CCE) (88699) from two project sources in the following manner: \$250,000 from CCE General Operating and Maintenance Project (S233310) to pay for the Historic Preservation Study, and \$165,000 of Façade Improvement Project funds (S233330) for the minor infrastructure improvement costs along 14th Avenue.

Central City East Tax Increment Funds	
General Operating & Maintenance (S233310)	\$250,000
Façade Improvement Project (S233330)	<u>\$165,000</u>
Total	\$415,000

BACKGROUND

The Alameda County Medical Center (ACMC), Highland Campus is a licensed acute care facility, owned by the County and operated by ACMC. ACMC is a Public Hospital Authority governed by a Board of Trustees appointed by the Alameda County Board of Supervisors.

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The existing Highland campus contains 13 buildings and two parking garages (See *Attachment A*). In 1994, the California Legislature passed Senate Bill 1953, the Hospital Facilities Seismic Safety Act. In accordance with SB 1953, the County performed an Evaluation study and determined that the existing Acute Tower (See *Attachment B*) does not meet seismic requirements and cannot be cost effectively retrofitted. In the County's Compliance Plan submitted to the Office of Statewide Healthcare Planning and Development (OSHPD), the County committed to removing the Acute Care Tower from service on or before January 1, 2020. The County and APMC have initiated the Highland Hospital Acute Tower Replacement Project, estimated to cost \$682 million.

The project includes the following components: (1) the preparation of transitional spaces at Highland and Fairmont Campuses to allow for the start of construction of the two new buildings at Highland (2009-2012); (2) the demolition of the existing V and VA buildings and the construction of a 75,000 square foot Satellite Clinic and Administration building including 170 parking spaces. This is considered Phase 1 of the project and called the Satellite Building (2009-2012); (3) the demolition of the C,D, and F wings, relocation of the Central Utility Plant and major utilities and the construction of a 250,000 square feet New Acute Tower, including 160 beds. This is called Phase II of the Central Utility Plan and New Acute Tower (2010-2015); and (4) the demolition of the existing Acute Tower (H Building) and the construction of Interior Courtyard and Sitework. This is Phase III (2015-2017).

Historic Preservation

While this major project is underway, there are components that are not covered by the County funds at this time. In order to assess the costs to preserve the existing Historic buildings and property along the 14th Avenue area a study must be undertaken. The \$250,000 will pay for an assessment of the buildings and property including the historic landscaping and provide cost estimates to historically preserve these properties.

The Environmental Impact Report (EIR) for the Highland Hospital project (Improvement Measure CR.I-1.1) requires a Historic Resources Preservation Study to document the historic Highland Hospital campus landscape and grounds and to prioritize restoration, maintenance, and repair needs as well as restoration opportunities for the remaining historic resources on the hospital campus. The study will focus on repairs to the exterior of the remaining historic resources (including landscaping) on the campus, preventive maintenance and repairs to the historic resources and restoration opportunities that would enhance the public's and hospital community's appreciation of the exterior of the buildings and landscaping, and use of outdoor spaces. In addition, the study will identify potential funding sources to implement the study's findings.

Minor Infrastructure Improvements

There are several minor infrastructure improvements and connections that need to occur to upgrade the services to Highland Hospital. The County is requesting \$165,000 to cover part of

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the total cost of \$250,000, to include: the utility connections for the Satellite Building (Vallecito); driveway and street curbs at the new Tower Service entrance (14th Street); and Storm Drain manholes and connections for the Tower (14th Street).

KEY ISSUES AND IMPACTS

The Property is located on a primary corner along 14th Avenue just outside and on the border of the Central City East Redevelopment area and is contiguous to the CCE project area. At this time the open space area that needs to be studied for Historic Preservation is not accessible to the public and closed off due to needed infrastructure improvements and safety hazards, since the site needs major infrastructure repairs. The existing stairs leading to the outdoor area cannot be used due to sliding. The repairs and upgrades to the landscaping on the corner of 14th Avenue will open up public space to the immediate residents and others in the area. The study will identify the needed preservation work, costs, and potential resources of funds.

Funding this project is consistent with the Central City East's Implementation Plan for historic preservation, desire for open space and the elimination of blight. Although Highland Hospital is not located within the boundaries of the Central City East Redevelopment Area, the improvements to the site will allow for a greater impact in the Central City East Redevelopment area and may also assist to revitalize the surrounding community.

PROJECT DESCRIPTION

The Historic Preservation Study will provide the necessary information about the historic property and open space areas along the 14th Avenue area to assess the needed improvements and costs of the work to be done. The minor infrastructure improvements will provide improved utility access and driveway improvements to the Highland Hospital area. These two components of the project will address blight and open space improvements for Central City East area residents surrounding the Highland Hospital campus.

SUSTAINABLE OPPORTUNITIES

Economic: The study will help to identify the costs to address the blighted property on the Highland Hospital site. The future development of the property will help to stimulate the revitalization of the property and have a positive impact on the surrounding community.

Environmental: The project will adhere to the City's sustainable development guidelines, which include criteria for green building technologies, water, energy, indoor environmental quality and human factors, material selection with recycled content or health considerations, and waste and recycling procedures.

Social Equity: The proposed development of this site will provide a better use and welcomed contribution to the continued safety, growth, and stability of the immediate area impacted by the

Highland Hospital campus by making accessible open space to residents and others in the Central City East Redevelopment area.

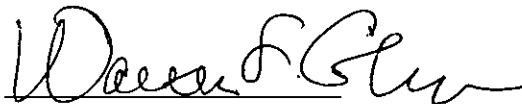
DISABILITY AND SENIOR CITIZEN ACCESS

This project will be required to comply with applicable City, state and federal disabled access requirements.

ACTION REQUESTED OF THE CITY COUNCIL

Agency staff recommends that the Agency authorize the Agency Administrator to enter into an Owner Participation Agreement (OPA) with the County of Alameda including a grant of \$415,000 of Central City East funds, of which \$250,000 will pay for a Historic Preservation Study and \$165,000 will pay for minor infrastructure improvements along 14th Avenue for the Alameda County Medical Center Highland Hospital Campus.

Respectfully submitted,



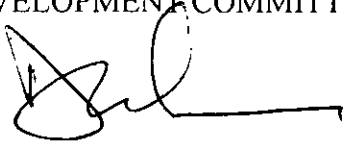
Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Larry Gallegos, Area Manager
Central City East and Coliseum Redevelopment Areas

Prepared by:
Theresa Navarro-Lopez, Urban Economic Analyst IV
Central City East Redevelopment Area

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

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Attachment A

Existing Site

Aerial from 14th Avenue and Vallecito Place

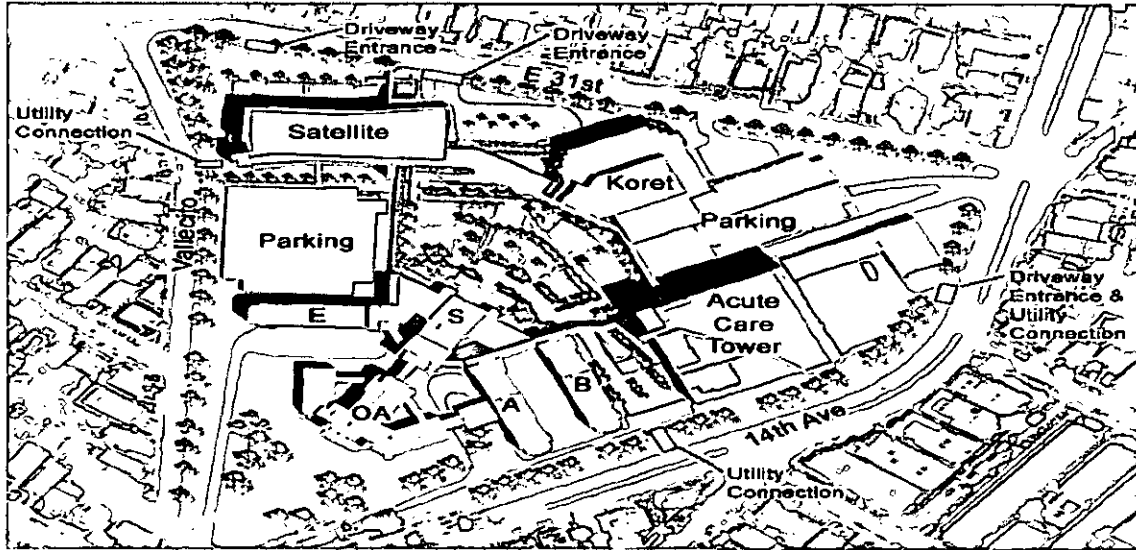


Attachment B

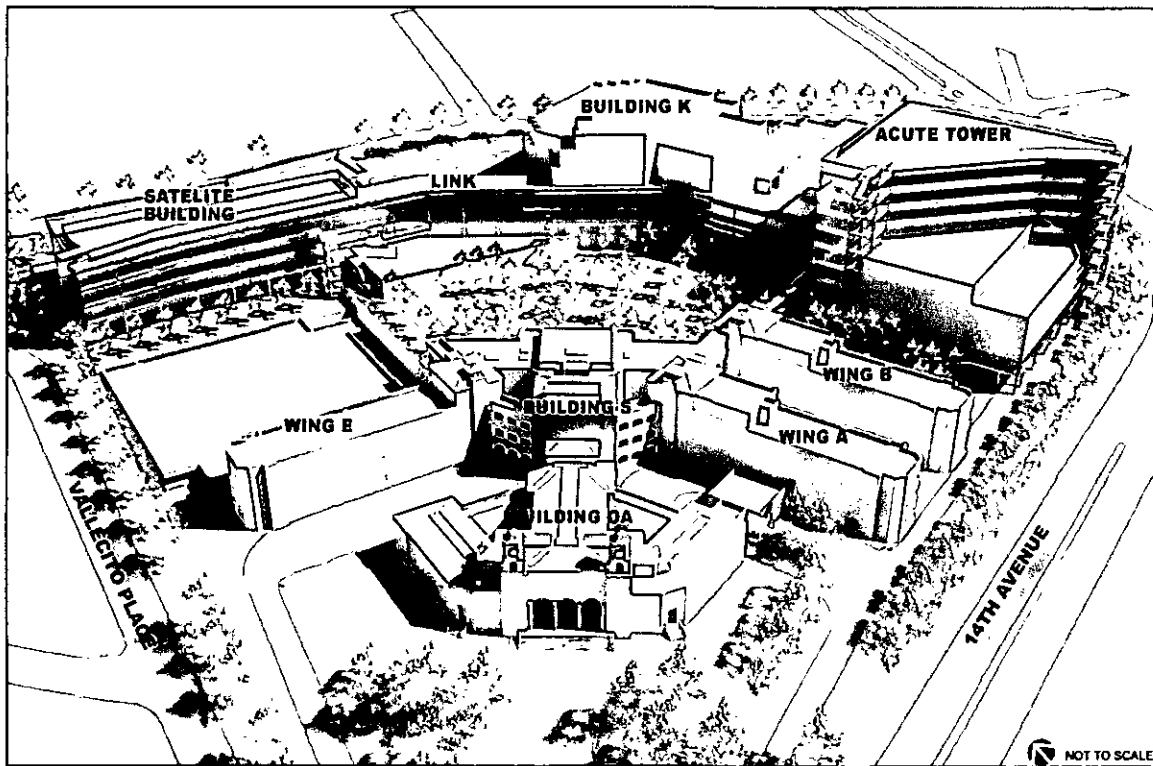


Highland Hospital Acute Tower Replacement Project

08/13/09



Prepared by Vanir CM



FILED
OFFICE OF THE CITY CLERK
OAKLAND, CALIFORNIA
Approved as to form and legality
2009 NOV 18 PM 12:13
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH THE COUNTY OF ALAMEDA TO GRANT \$415,000 OF CENTRAL CITY EAST REDEVELOPMENT FUNDS FOR A HISTORIC PRESERVATION STUDY AND MINOR INFRASTRUCTURE IMPROVEMENTS ALONG 14TH AVENUE FOR THE ALAMEDA COUNTY MEDICAL CENTER HIGHLAND HOSPITAL CAMPUS

WHEREAS, the Central City East Redevelopment Plan includes the elimination of blight and unsafe conditions as a goal for the Central City East Project Area; and

WHEREAS, the Redevelopment Agency is implementing projects in the Central City East Redevelopment Project Area as part of the Redevelopment Plan to improve the Project Area; and

WHEREAS, the County of Alameda is the owner of the property located at 1411 East 31st Street also known as the Alameda County Medical Center (ACMC) Highland Hospital campus; and

WHEREAS, the property is located outside the boundaries of the Central City East Redevelopment Project Area, but is immediately adjacent to the boundaries of the Project Area; and

WHEREAS, the County has requested Redevelopment Agency funding for an historic preservation study and minor infrastructure improvements along 14th Avenue associates with the property; and

WHEREAS, work and improvements to this property will address a blighted property and provide additional open space to residents of the Central City East Redevelopment area; and

WHEREAS, the County of Alameda presented their request to the Central City East Project Area Committee ("PAC") at the September 14, 2009, PAC meeting, where the PAC supported the owner's request and recommended that Agency funding be provided; and

WHEREAS, staff requests approval of an Owner Participation Agreement (OPA) with the County of Alameda to grant \$415,000 of Central City East redevelopment funds for the historic preservation study and infrastructure improvements; and

WHEREAS, the proposed improvements will address issues of blight and help meet the goals and objectives of the Central City East Redevelopment Plan; and

WHEREAS, the funding for this grant is available from the Central City East Tax Increment Funds (9540), Central City East Organization (88699), Central City East General Operating & Maintenance Project (S233310) and Central City East Façade Improvement Project (S233330); 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; now therefore be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or his or her designee to negotiate and execute an Owner Participation Agreement (“OPA”) with the County of Alameda or to affiliated entities approved by the Agency Administrator or his or her designee, to fund a grant in an amount not to exceed \$415,000 for an historic preservation study and minor infrastructure improvements associated with the ACMC Highland Hospital campus; and be it

FURTHER RESOLVED: That a total of \$415,000 in Agency funds shall be allocated for this purpose, specifically, \$250,000 from the Central City East General Operating and Maintenance Project (S233310) and \$165,000 from Central City East Façade Improvement Project Fund (S233330); and be it

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

- 1) That the construction of the improvements will benefit the Central City East Redevelopment Project Area by helping to eliminate blight within the Project Area by replacing deteriorated and obsolete public facilities; and
- 2) That there are no other reasonable means of financing the improvements available to the County other than Redevelopment Agency funding; and
- 3) That the improvements are consistent with the implementation plan adopted for the Central City East Project; and be it

FURTHER RESOLVED: That the grant shall be contingent on and subject to such other appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the OPA and other grant documents shall be reviewed and approved by Agency Counsel for form and legality prior to execution, and copies will be placed on file with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency Administrator or his/her designee is hereby authorized to conduct negotiations, execute documents, administer the grant, and take any other action with respect to the OPA, the grant, and the property consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California