

CITY of OAKLAND

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OFFICE OF THE CITY CLERK  
OAKLAND

Agenda Report

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TO: Office of the Agency Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: September 14, 2004

SUBJECT: A RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH BURNS & WATRY, INC. FOR SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST AND OAK KNOLL REDEVELOPMENT AREAS FOR AN AMOUNT NOT TO EXCEED \$53,500 AND \$1,500 FOR CONTRACT COMPLIANCE SERVICES.

A RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH KEYSER MARSTON ASSOCIATES, INC. FOR SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST AND OAK KNOLL REDEVELOPMENT PROJECT AREAS FOR AN AMOUNT NOT TO EXCEED \$53,500 AND \$1,500 FOR CONTRACT COMPLIANCE SERVICES.

A RESOLUTION TRANSFERRING \$10,000 FROM LAND SALES PROCEEDS TO A REDEVELOPMENT PLANNING FUND AND ALLOCATING THAT AMOUNT FOR MAILING SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA AND THE OAK KNOLL REDEVELOPMENT PROJECT AREA.

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**EXECUTIVE SUMMARY**

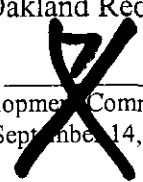
The Redevelopment Agency would like to explore the feasibility of merging the Central City East (CCE) Redevelopment Project and the Oak Knoll Redevelopment Project areas. The Oak Knoll Redevelopment Project was approved on July 14, 1998 and the Central City East Redevelopment Project was approved on July 29, 2003. A merger of Redevelopment Areas basically follows the same process as a plan amendment or plan adoption. In contrast to the plan amendment or adoption process, the timeline for merger is much shorter, in that the creation of a Project Area Committee (PAC) has already been accomplished and the major blight findings have been previously documented. The Central City East PAC has been in existence since June of 2002, and will remain until at least July 2006.

The merger of the Central City East Project with the Oak Knoll Project area would combine revenues enabling the funding of projects of benefit to both areas which may not otherwise have been funded. Additionally, cost savings in the combined administration of the projects could be realized.

To assist the Agency in undertaking this complex process, we are recommending two firms that specialize in this area be retained. Burns & Watry, Inc. specializes in plan adoptions and has been involved in over 80 redevelopment projects. The firm has provided the Oakland Redevelopment

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Agency (ORA) with cost and time-saving concepts for Central City East. Burns & Watry, Inc. has provided technical assistance with the redevelopment process, citizen participation, technical reports, and a modified blight determination, which has been very beneficial to the Central City East project. Keyser Marston Associates (KMA) has extensive experience in plan adoptions and will be responsible for the preparation of major documents required for the merger. KMA was the firm that prepared all the major documents for the adoption of both the CCE project and the Oak Knoll project areas. The retention of these firms with their prior experience with these Redevelopment Areas should provide for efficiencies and cost savings for the proposed plan amendments. Each consulting contract, Burns and Watry and KMA, will not exceed \$53,500 total amount (\$48,500 contract, \$5,000 contingency) and \$3,000 total is budgeted for City of Oakland Contract Compliance.

Additionally, the Agency estimates cost of approximately \$10,000 for notification of the proposed merger to the Central City East Redevelopment Planning Area Committees, community groups and residents impacted by the proposed merger. Staff estimates that the total amount of all components of the proposed merger project should not exceed \$120,000.

### **FISCAL IMPACT ANALYSIS**

ORA funds have been identified for this contract. Funding sources are ORA Broadway/MacArthur Redevelopment Plan (Fund 9553, Organization 94800, and Project P130710). The required contract amount totaling \$120,000 will be transferred from the Broadway/MacArthur Redevelopment Plan project to Redevelopment Planning (Fund 9101, Project to be determined), for allocation to the Central City East project area.

Staff has identified funding for the proposed merger from the Broadway/MacArthur Redevelopment Plan fund, as the origin of these funds are ORA Central District Land Sales Proceeds. Funds were transferred to the Broadway/MacArthur Plan fund to financially facilitate consulting contracts for the plan development and adoption, which has been completed. The use of these funds for contracts for the proposed merger is consistent with previous allocations of the monies.

### **BACKGROUND**

The Agency would like to further explore the potential advantages and disadvantages of a merger of the Central City East (CCE) Redevelopment Project area and the Oak Knoll Redevelopment Project area. The Agency sought the technical expertise of firms with experience in developing new redevelopment areas and redevelopment area plan adoption through an RFP process prior to the establishment of both Redevelopment Areas. The experience and background information that both Burns & Watry and KMA bring to the table for evaluating the impacts of a possible merger for these specific Redevelopment Areas offers substantial benefit to the Agency and the respective communities. The Oak Knoll Redevelopment Project was approved on July 14, 1998 and the Central City East Redevelopment Project was approved on July 29, 2003.

There are numerous administrative cost-saving measures that would occur with the merger. Savings from reduced redevelopment reporting requirements or administrative processes, including annual

statement of indebtedness, Implementation Plan public hearings, City/Agency administrative agreements and other administrative activities would not have to be duplicated. The merger will allow the Agency to combine the revenues of both project areas, enabling the funding of projects that may not otherwise receive funding. The Agency could realize significant savings in the costs to borrow funds based on the additional security available from two project areas versus one. The benefit to the City in this example is the City's stronger competitive position in the negotiation of bond interest rates. The City's ability to negotiate a one-half percent more favorable interest rate on a \$5 million, 20-year bond at 5% interest would result in annual interest payment savings of nearly \$340,000.

The proposed contract will enable the consultant team to collect and analyze necessary data in a feasibility determination of the potential merger. Staff would present information gathered from this initial phase to the Central City East PAC for a recommendation to City Council. These reports will document any changes in the original blight findings for the project areas, as well as update the projects and financial projections. It is timely to undertake these activities at this time because there has been little change in the status (increment growth) of the projects and therefore, most of the previous information is still valid.

Should the feasibility of the merger be supported by the consultant's analysis, it will be necessary to officially notice area residents, CCE PAC members and community organizations impacted by the proposed merger. The noticing process through City Council's approval or denial is estimated to cost up to \$10,000.

## **KEY ISSUES/IMPACTS**

### Consultant Selection Process

CEDA staff has worked with both of these firms for several years and found them to be very professional, knowledgeable and efficient. Both firms have gone through a previous open selection process for the original plan adoptions. KMA has worked on both the CCE Project and the Oak Knoll Project, which provides the consulting firms with extensive background and anticipated cost savings to the Agency related to the cost associated with the consultant team becoming immersed in the intricacies of each project area. Burns and Watry, Inc were selected through a competitive process to guide the City through the adoption process and has proven themselves helpful in navigating various redevelopment processes and with the community participation elements of the adoption. Staff credits Burns and Watry and their innovation for the processing of the Central City East Redevelopment Plan adopted in record time.

Staff is requesting the contracts for the consultants be approved as Sole Source vendors due to their extensive recent experience with the establishment of the two Redevelopment Areas and the need for staff to determine the feasibility of the merger prior to the auctioning of the property. Staff is confident that an approval of these Sole Source contract requests will result in cost savings the Agency.

### Keyser Marston and Associates

The firm has over 20 years experience in Redevelopment and economic analysis. KMA has been involved in several large redevelopment projects in Santa Rosa, San Francisco, Oakland and recently a 10,000-acre project in San Jose. This is an important consideration as the Central City East Project encompasses approximately 3,000 acres and has a base assessed value of approximately \$1.8 billion dollars. Upon checking references their clients rank the firm high.

### Burns and Watry, Inc.

Burns and Watry Inc. specialize in plan adoptions and have been involved in over 80 redevelopment projects. The firm has been assisting the ORA for several years and has provided the Agency with cost and time-saving concepts. Benefits to the Central City East Redevelopment Area have included the utilization of parallel processing of development sites, assistance with citizen participation processes and preparing technical reports, along with preparing a modified blight determination. Additionally, Burns & Watry Inc. assisted in the plan adoption for the West Oakland Redevelopment area. Burns & Watry, Inc. brings the background and experience that has reduced the cost of administering the adoption and merger process.

### Community Noticing

Staff will advertise the availability of a contract for the printing and mail-out of noticing materials through an open bid process.

## **SUSTAINABLE OPPORTUNITIES**

### ECONOMIC

Merging redevelopment plans for these areas will facilitate the development of blighted, underutilized and contaminated sites as residential, commercial, industrial, and public facilities. Redevelopment also reduces the pressure to build on agricultural and other undeveloped land by encouraging development in urban areas.

### ENVIRONMENTAL

Staff will encourage developers in the future Project Area to make substantial use of such green building techniques as energy-conserving design and appliances, water-conserving fixtures and landscaping, recycled-content building materials, and low-waste construction techniques.

### SOCIAL EQUITY

The redistribution of Redevelopment funds from increment generating development projects to affordable housing, community facilities and public infrastructure projects throughout the Redevelopment area is instrumental in balancing overall community investment.

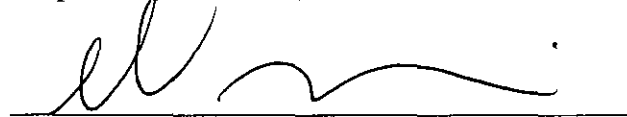
## DISABILITY AND SENIOR CITIZEN ACCESS

This report and resolution does not include the approval of any specific projects or programs. Disability and senior access issues will be addressed when specific redevelopment projects and programs are brought to the Agency or Council for approval.

## RECOMMENDATION

Staff recommends approval of the attached resolutions related to the transfer of Redevelopment Agency funds to be used for the proposed merger of the Central City East and Oak Knoll Redevelopment Projects. Resolutions included in this request are: 1) Resolution transferring funding to an appropriate account and authorization of expenditure of funds up to \$10,000 for noticing and mail services, 2) resolution approves a contract with Burns and Watry, Inc. for plan adoption/merger services; and 3) resolution approves a contract with Keyser Marston Associates for the preparation of major documents required for the possible merger of the Central City East and Oak Knoll Redevelopment Areas.


Respectfully submitted,



Daniel Vanderpriem, Director of  
Redevelopment, Economic Development, and Housing  
and Community Development

Prepared by:  
Gregory Hunter  
Redevelopment Area Manager

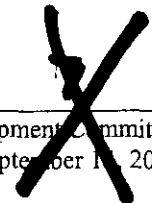
APPROVED FOR FORWARDING TO  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

  
Office of the Agency Administrator

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Community and Economic Development Committee  
September 1, 2004



APPROVED AS TO FORM AND LEGALITY  
FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
AGENCY COUNCIL 1:53

# REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. \_\_\_\_\_ C.M.S.

**A RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH BURNS & WATRY, INC. FOR SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST AND OAK KNOLL REDEVELOPMENT AREAS FOR AN AMOUNT NOT TO EXCEED \$53,500 AND \$1,500 FOR CONTRACT COMPLIANCE SERVICES**

WHEREAS, the Central City East Redevelopment Project was adopted by the City Council and the Oakland Redevelopment Agency on July 29, 2003, and staff would like to consider undertaking the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the California Community Redevelopment Law requires the Agency to prepare specific documentation prior to merging two redevelopment areas; and

WHEREAS, the Agency desires to enter into an agreement with Burns & Watry, Inc. to perform services to administer the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the agreement for these services will be for an amount not to exceed \$53,500; and

WHEREAS, the Agency finds that the services provided under this contract are of a professional, scientific or technical nature and are temporary in nature; and

WHEREAS, the Agency finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency authorizes the Agency Administrator to negotiate and enter into a contract with Burns & Watry, Inc. to perform services to administer the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment

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Area for an amount not to exceed \$53,500 and \$1,500 for City of Oakland Contract Compliance assessment; and be it further

RESOLVED: That funds exist for this purpose in the Redevelopment Planning fund (Fund 9101, Project (to be determined at set-up)); and be it further

RESOLVED: That the contract shall be reviewed and approved by 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 Administrator or her designee is hereby authorized to take whatever action is necessary with respect to this contract 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

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AGENCY COUNCIL 1:53

# REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. \_\_\_\_\_ C.M.S.

A RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH KEYSER MARSTON ASSOCIATES, INC. FOR SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST AND OAK KNOLL REDEVELOPMENT PROJECT AREAS FOR AN AMOUNT NOT TO EXCEED \$53,500 AND \$1,500 FOR CONTRACT COMPLIANCE SERVICES.

WHEREAS, the Central City East Redevelopment Project was adopted by the City Council and the Oakland Redevelopment Agency on July 29, 2003, and staff would like to consider undertaking the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the California Community Redevelopment Law requires the Agency to prepare specific documentation prior to merging two redevelopment areas; and

WHEREAS, the Agency desires to enter into an agreement with Keyser Marston Associates to perform services to prepare documents for the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the Agency finds that the services provided pursuant to the agreement authorized hereunder are of a professional, scientific or technical nature and are temporary in nature; and

WHEREAS, Agency finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

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RESOLVED: That the Agency authorizes the Agency Administrator to negotiate and enter into a contract with Keyser Marston Associates, Inc. for an amount not to exceed \$53,500 for services to prepare major redevelopment documents for the proposed merger of the Central City East and Oak Knoll redevelopment project areas and \$1,500 for City of Oakland Contract Compliance assessment; and be it further

RESOLVED: That funds exist for this purpose in Redevelopment Planning fund ((Fund 9101, Project (to be determined at set-up)); and be it further

RESOLVED: That the contract shall be reviewed and approved by 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 Administrator or her designee is hereby authorized to take whatever action is necessary with respect to this contract 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

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SEP 14 2004

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OAKLAND  
04 SEP - AGENCY COUNSEL

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**A RESOLUTION TRANSFERRING \$120,000 FROM LAND SALES PROCEEDS TO REDEVELOPMENT PLANNING FUND AND ALLOCATING \$10,000 FOR PUBLIC NOTICING SERVICES FOR THE PROPOSED MERGER OF THE CENTRAL CITY EAST REDEVELOPMENT PROJECT AREA AND THE OAK KNOLL REDEVELOPMENT PROJECT AREA**

WHEREAS, the Central City East Redevelopment Project was adopted by the City Council and the Oakland Redevelopment Agency on July 29, 2003, and staff would like to consider undertaking the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the California Community Redevelopment Law requires the Agency to prepare specific documentation prior to merging two redevelopment areas; and

WHEREAS, the Agency is required to undertake public noticing for the merging of the Oak Knoll Redevelopment Area with the Central City East Redevelopment Area; and

WHEREAS, the agreement for these services will be for an amount not to exceed \$10,000 for public noticing services as required for the merger; and

WHEREAS, the funds are available from the redevelopment land sales proceeds under the Broadway/MacArthur Redevelopment Plan funds (Entity No. 5, Fund No. 9553, Organization No. 94800, and Project No. P130710); now, therefore, be it

RESOLVED: That the Agency approves a transfer of \$120,000 of identified funds to the Redevelopment Planning fund (Fund 9101, Project (to be determined upon set-up)); and be it further

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RESOLVED: That the Agency allocates an amount not to exceed \$10,000 of identified Redevelopment Planning funds for public noticing services required by the proposed merger of the Oak Knoll Redevelopment Area and the Central City East Redevelopment 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 funding allocation 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

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