

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

AGENDA REPORT

2007 APR 12 PM 7:26

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: April 24, 2007

RE: A Redevelopment Agency Resolution Authorizing the Contribution And Appropriation of Redevelopment Agency Funds To the City of Oakland Under the Cooperation Agreement in An Amount Not To Exceed \$300,000 For the MacArthur Boulevard Undergrounding Project on MacArthur Boulevard from 73rd Avenue to the San Leandro border in the Central City East Project Area.

A Resolution Authorizing the City To Accept And Appropriate A Contribution of Redevelopment Agency Funds Under the Cooperation Agreement In An Amount Not To Exceed \$300,000 For the MacArthur Boulevard Undergrounding Project on MacArthur Boulevard from 73rd Avenue to the San Leandro border in the Central City East Project Area.

SUMMARY

This item is a request for Redevelopment Agency and Council approval of two resolutions authorizing the contribution and appropriation of Redevelopment Agency funds not to exceed \$300,000 to the City of Oakland for the MacArthur Boulevard Undergrounding Project on MacArthur Boulevard from 73rd Avenue to the San Leandro border in the Central City East Project Area. The \$300,000 will cover a portion of shortfall costs due to unforeseen increases in material costs and the need for the City to pay the property owners' share of the costs.

FISCAL IMPACT

The City's Capital Improvement Program funds are not available to provide funds for these additional costs for the MacArthur Boulevard undergrounding work. CEDA staff proposes to use \$300,000 of Agency funds to cover the costs of the MacArthur Boulevard underground shortfall. The staff proposes a transfer of \$300,000 from the Agency's Central City East Tax Allocation Bonds Series 2006A-TE Fund (9542), Capital Improvement Program - Economic Development organization (94800) to the City's Redevelopment Agency Projects Fund (7780), Capital Projects - Electrical Projects organization (92228), MacArthur Underground Project (C211750) for the MacArthur Boulevard undergrounding work.

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KEY ISSUES AND IMPACTS

The MacArthur Boulevard Underground Project is replacing the overhead facilities of PG & E, AT & T, Comcast, and City Streetlights with new underground facilities. The overhead facilities and wood poles will be removed at the completion of the project. The City will install new streetlights with underground feed. The City's contract with the Underground Construction Company is to construct a substructure for the participants to place their facilities underground. The substructure is expected to be completed by March 2007. PG & E, AT & T, Comcast, and the City have begun pulling cables, installing new equipment such as switches, transformers, power supplies, patch panels, streetlights etc. to make the undergrounding feasible. City Council Resolution No. 79165 C.M.S. directed that all poles in the district be removed by December 2008.

There are approximately 300 properties along MacArthur Boulevard of which PG & E, Comcast, and AT & T have agreed to pay the cost for lateral and panel conversion on their properties. However, there are approximately forty (40) properties that would be subject to payment of that portion over 100 feet lateral from the property line and/or \$1,500 worth of panel conversion costs. This would cost approximately \$4,500 for each of the 40 properties. The Central City East Project Area Committee is recommending to the City Council/Agency that CCE funds pay the cost that would be charged to the 40 properties, totaling \$181,502.

The contract with the Underground Construction Company was for approximately \$10 million. The City's share was \$2 million and the utilities and Comcast share was \$8 million. There is a cost increase in change orders and the City's share of this increase is estimated at \$375,781.

The City did not create an assessment district for the MacArthur Boulevard Undergrounding Project. Therefore, the City's cost of staff time to the project, estimated to be \$367,115 is considered to be partially recoverable through the encroachment fee process. The anticipated encroachment permit fee revenues of \$421,627 will be used to offset the funds for staff time and increased change order costs.

The City's unfunded shortfall is \$202,771.

Funding Shortfall Component	Amount
Property Owner's Share of Cost	\$181,502
Change Orders	\$375,781
Staff Time Costs	\$367,115
Less Encroachment Permit Fees	(\$421,627)
Less CCE Funds	(\$300,000)
Shortfall	\$202,771

The Contractor has completed the construction of the substructure for PG & E, AT & T, Comcast and the City has started installing cables, equipment, and streetlights and wiring the components.

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The work will continue for the next 18 months. Public Works Agency staff will continue to seek additional resources to cover the remaining shortfall of \$202,771.

PROJECT DESCRIPTION

The MacArthur Boulevard Undergrounding Project is a major infrastructure project that will benefit the residents, property owners, merchants, and the community in general by improving the utility wires and upgrading the physical environment of the street. The undergrounding project is expected to be completed by December 2008. The Central City East (CCE) Project Area is funding the above ground streetscape improvement project which is the next phase of the work on MacArthur Boulevard. For this reason, the CCE Project Area Committee voted on March 5, 2007 to recommend funding \$300,000 from CCE funds to help meet the shortfall for the project and complete this phase of the infrastructure improvements.

SUSTAINABLE OPPORTUNITIES

Approval and adoption of the two resolutions will allow the Public Works Agency staff to continue to move forward and complete the undergrounding work on MacArthur Boulevard.

Economic:

The prime contractor Underground Construction Company and sub contractor are Bay Area companies. The contractor has met the requirements of local participation. The undergrounding project will help support local businesses, property owners, and the community in general by providing upgrades in the infrastructure of the utilities and physically improving the aesthetic environment of the street.

Environmental:

The project will enhance the general aesthetics of the environment with the removal of overhead power utilities. Approximately 100 wood poles will be removed.

Social Equity:

The project elements including the removal of aerial lines, communication splice boxes, and power supplies mounted on wood poles will aid in making pedestrian walking a safer and more pleasant experience. The resurfacing of the sidewalk and streets, to restore to its original state, will enhance the aesthetics for the community and thereby encourage residents to shop in their neighborhood. By completing the undergrounding work, the next phase of the project, the streetscape improvements may be started. This will improve the local economy and support commercial businesses.

DISABILITY AND SENIOR CITIZEN ACCESS

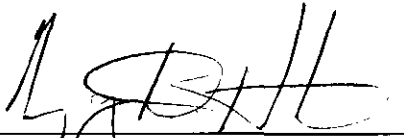
The project is reconstructing curb ramps that meet the Federal Americans with Disabilities Act ("ADA") making them safe and useable for seniors and persons with disabilities. The new

streetlights will improve lighting in this major commercial corridor. The new pedestrian streetlights will add to the security and aesthetics of the street.

ACTION REQUESTED OF THE AGENCY

Staff recommends Agency and Council approval of two resolutions authorizing the contribution and appropriation of Redevelopment Agency funds not to exceed \$300,000 to the City of Oakland for the payment of a portion of the MacArthur Boulevard Undergrounding Project on MacArthur Boulevard from 73rd Avenue to the San Leandro border in the Central City East Project Area. The \$300,000 will pay for a portion of shortfall costs that are due to unforeseen increases in material costs, a non-assessment district, and the City's payment of the property owners' share of the costs.

Respectfully submitted,



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

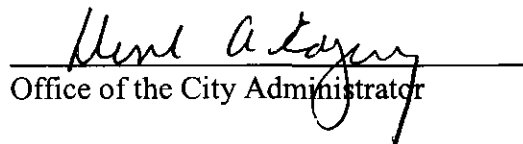


Raul Godinez
Director
Public Works Agency

Prepared by:
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Urban Economic Analyst IV
CEDA – Redevelopment

Reviewed by:
Bruce Saunders
Assistant Director
Public Works Agency

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

OFFICE OF THE CITY CLERK

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APPROVED AS TO FORM AND LEGALITY:

R. Miller
AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CONTRIBUTION AND APPROPRIATION OF REDEVELOPMENT AGENCY FUNDS TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$300,000 FOR THE MACARTHUR BOULEVARD UNDERGROUNDING PROJECT ON MACARTHUR BOULEVARD FROM 73RD AVENUE TO THE SAN LEANDRO BORDER IN THE CENTRAL CITY EAST PROJECT AREA.

WHEREAS, the Redevelopment Agency wishes to fund the costs of the utility undergrounding work on MacArthur Boulevard from 73rd Avenue to the San Leandro border in the Central City East Redevelopment Project Area; and

WHEREAS, the City and Redevelopment Agency are jointly implementing projects such as the MacArthur Boulevard streetscape improvement project in the same vicinity as part of the Central City East Redevelopment Project Area to reduce safety hazards for both pedestrian and vehicular traffic in the Central City East Redevelopment Project Area; and

WHEREAS, the City and Agency agree that economic development and redevelopment are goals of the Central City East Redevelopment Project and the payment of \$300,000 to the MacArthur Boulevard Undergrounding Project will improve safety, alleviate blight, and improve the quality of life for residents and businesses throughout the project area and will complement and enhance economic development efforts in the Central City East Project Area; 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 installing and constructing public improvements 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 funding for the MacArthur Boulevard Undergrounding Project pursuant to Section 33445 of the California Health and Safety Code; now, therefore, be it

RESOLVED: That the Agency hereby allocates up to \$300,000 in Redevelopment Agency funds to the City of Oakland from Oakland Redevelopment Agency (Entity 5), Central City East Central City East Tax Allocation Bonds Series 2006A-TE Tax-Exempt (9542), and Capital Improvement Program - Economic Development organization (94800) and appropriates such funds to the MacArthur Boulevard Undergrounding Project; and be it further

RESOLVED: That the Agency Administrator is authorized to transfer an amount not to exceed \$300,000 from the Agency's Central City East Tax Allocation Bond Series 2006A-TE Fund (9542), Capital Improvement Project-Economic Development Organization (94800) under the Cooperation Agreement to the City's Redevelopment Agency Projects Fund (7780), Capital Projects – Electrical Projects organization (92228), MacArthur Underground Project (C211750) for the MacArthur Boulevard undergrounding work; and be it further

RESOLVED: That such Agency funds shall be placed into the City Project established for the *MacArthur Boulevard Undergrounding Project*; and be it further

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

1. That the funding of the MacArthur Boulevard Undergrounding Project will benefit the Central City East Redevelopment Project Area by completing the undergrounding project to alleviate the substandard, unsafe, and obsolete lighting conditions which are blighting influence in the Central City East Project Area;
2. That the City's Capital Improvement Project ("CIP") and the Landscape and Lighting Assessment District have been unable to provide financing for this portion of the undergrounding work for the MacArthur Boulevard Undergrounding Project in the period 2005-07, and therefore no other reasonable means of financing this portion of the MacArthur Boulevard Undergrounding Project are available to the City other than Redevelopment Agency funding;
3. That the use of Central City East Redevelopment Agency funds for the undergrounding project will assist in the elimination of crime and blight in the Central City East Redevelopment Project Area by upgrading the infrastructure in the area. The improved infrastructure will underground the utilities and improve the lighting and safety of the street, by improving the illumination along MacArthur Boulevard. The improvements will benefit the residents, property owners, merchants, and community in general in the Project Area by improving the utility wires and upgrading the physical environment of the street;
4. That the use of Central City East Redevelopment funds for the MacArthur Boulevard Undergrounding Project is consistent with the implementation plan adopted for the Central City East Project Area; and be it further

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

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, California

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Approved as to Form and Legality



Deputy City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY TO ACCEPT AND APPROPRIATE A CONTRIBUTION OF REDEVELOPMENT AGENCY FUNDS UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$300,000 FOR THE MACARTHUR BOULEVARD UNDERGROUNDING PROJECT ON MACARTHUR BOULEVARD FROM 73RD AVENUE TO THE SAN LEANDRO BORDER IN THE CENTRAL CITY EAST PROJECT AREA

WHEREAS, the City plans to complete the MacArthur Boulevard Undergrounding Project by December 2008 to alleviate substandard neighborhood street lighting, general blight and unsafe conditions caused by the deterioration, obsolescence and blight along MacArthur Boulevard from 73rd Avenue to MacArthur Boulevard; and

WHEREAS, the Redevelopment Agency of the City of Oakland has authorized a contribution of \$300,000 to the MacArthur Boulevard Undergrounding Project from Central City East redevelopment funds; and

WHEREAS, the City and 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 installing and constructing public improvements, 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 a contribution of Redevelopment Agency funds in an amount up to \$300,000 under the cooperation agreement for the MacArthur Boulevard Undergrounding Project; and be it further

RESOLVED: A total of \$300,000 will be transferred from the Agency's Central City East Tax Allocation Bonds Series 2006A-TE Fund (9542), Capital Improvement Program - Economic Development organization (94800) to the City's Redevelopment Agency Projects Fund (7780), Capital Projects - Electrical Projects organization (92228), MacArthur

Underground Project (C211750) for the MacArthur Boulevard undergrounding work; and be it further

RESOLVED: That such Agency funds be placed into the City Project established for the MacArthur Boulevard Undergrounding Project; and be it further

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

1. That Redevelopment Agency funding of the MacArthur Boulevard Undergrounding Project will benefit the Central City East Redevelopment Project Area by completing the undergrounding project to alleviate the substandard, unsafe, obsolete lighting conditions which are blighting influence in the Central City East Redevelopment Project Area;
2. That the City's Capital Improvement Project ("CIP") and the Landscape and Lighting Assessment District have been unable to provide financing for this portion of the undergrounding work for the MacArthur Boulevard Undergrounding Project in the period 2005-07, and therefore no other reasonable means of financing this portion of the MacArthur Boulevard Undergrounding Project are available to the City other than Redevelopment Agency funding;
3. That the use of Central City East Redevelopment Agency funds for the undergrounding project will assist in the elimination of crime and blight in the Central City East Project Area by upgrading the infrastructure for undergrounding the utilities and improving the lighting and safety of the street by improving the illumination along MacArthur Boulevard which may alleviate the crime and blight problems along the street, and will benefit the residents, property owners, merchants, and community in general in the Project Area by improving the utility wires and upgrading the physical environment of the street;
4. That the use of Central City East Redevelopment funds for the MacArthur Boulevard Undergrounding Project is consistent with the implementation plan adopted for the Central City East 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, _____, 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