

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 JUN 12 PM 6:08

To: Office of the City/Agency Administrator
Attn: Deborah Edgerly
From: Community Economic Development Agency
Date: June 24, 2008

Re: Resolution Authorizing A Professional Services Agreement With Hausrath Economics Group In An Amount Not To Exceed \$131,460 Including a Contingency To Prepare An Updated Blight Study And Provide Other Services For An Amendment To The Coliseum Redevelopment Plan Extending Eminent Domain Time Limits And Allocating A Contract Compliance Fee To The City Under The Cooperation Agreement In The Amount Of 3% Of The Contract Amount

SUMMARY

An Agency resolution has been prepared that authorizes the Agency Administrator to enter into a professional services agreement with Hausrath Economics Group (HEG) for \$118,000, with authority to expend a contingency of \$13,460. The purpose of the agreement is to conduct a blight study and to provide other services in connection with a proposed amendment to the Coliseum Redevelopment Plan and to extend the Plan's eminent domain time limits. The Agency is also providing funds for a contract compliance fee to the City in the amount of \$3,540. Over the past several months, staff conducted an informal request for proposals (RFP) among the existing as-needed redevelopment consultants and received three proposals. Staff is recommending that the Agency approve the resolution authorizing the Agency Administrator to negotiate and enter into a contract with HEG for the updated blight study and plan amendment services. HEG provided the second most cost effective proposal and are willing to adjust their pricing accordingly. Moreover, they are able to comply with the Local /Small Local Business Enterprise program and also conducted the original blight study for the West Oakland Redevelopment Area in 2004.

FISCAL IMPACT

Staff proposes that the Agency Administrator be authorized to negotiate and execute a professional services contract of up to \$118,000, with a contingency of \$13,460. Approval of this resolution will authorize the Agency Administrator to engage the services of Hausrath Economics Group for the redevelopment blight study and plan amendment services.

Funding for the professional services is available from the Coliseum Area redevelopment project (\$82600) in the Coliseum Operating fund (9450) Coliseum Redevelopment Organization

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(88659). The contract compliance fee of 3 percent (up to \$3,540) will be funded with proceeds from the same fund, organization and project.

BACKGROUND

The Coliseum Redevelopment Area has had the power of eminent domain since the inception of the project area in 1995 although the power has not been employed. The eminent domain authority expired in summer 2007 after twelve years. The Agency is proposing to update the blight study, via the proposed Hausrath Economics Group contract, and then proposes to amend the Coliseum Redevelopment Plan and extend the eminent domain authority at that time. The timing of the amendment process is expected to take about six to nine months.

KEY ISSUES AND IMPACTS

As one of the largest redevelopment areas in the City of Oakland the Coliseum tract has a vast land area and many structures. In order to maintain a healthy local economy it is useful to have the power of eminent domain as a resource for the acquisition of property to update and change land uses in the process of retiring economic and physically obsolete properties and land uses. Over the past 12 years the Agency has been very cautious about the use of eminent domain. The Agency has not used its eminent domain authority under the Coliseum Redevelopment Plan since the Coliseum Area Redevelopment Project was created in 1995. As the Agency proceeds to alleviate blight, the Area does have locations with environmental Brownsfield challenges, having the eminent domain tool has been recommended as the Agency proceeds to upgrade challenging properties in the Redevelopment Project area.

PROGRAM DESCRIPTION

The Coliseum Redevelopment Area was established in 1995 and expanded in 1997. The area is one of the largest redevelopment areas in California and the largest in Oakland. Redevelopment law requires that a redevelopment plan set a time limit of no more than 12 years for the agency's eminent domain authority under the plan. However, an agency may extend this time limit by plan amendment if it finds, based on substantial evidence, that significant blight remains within the project area, and that this blight cannot be eliminated without the use of eminent domain. In 2007 the eminent domain authority of the Agency in the Coliseum area expired under the 12-year time limit. Staff is recommending that the eminent domain authority be reinstated for another 12 years by plan amendment, and thus an updated blight study is required under redevelopment law.

The Agency is proposing to contract with HEG to prepare the blight study. The study is expected to take about six months and be finished by the end of December 2008.

SUSTAINABLE OPPORTUNITIES

Economic: The local economy will benefit from services provided through the contract which includes local business participation.

Environmental: The Coliseum Area Plan amendment will further developments or applicable projects which, with the assistance of the consultant team, will further update and document blight and blight removal within the redevelopment project area.

Social Equity: The consulting team hired for the services will comply with the City's Local and Small and Local Business Enterprise (L/SLBE) Program.

DISABILITY AND SENIOR CITIZEN ACCESS

The selected consultants, the HEG team, will make its goods, services, and facilities accessible to people with disabilities and will comply with all city, state, and federal ADA requirements.

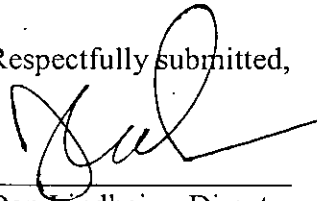
RECOMMENDATION(S) AND RATIONALE

Staff is recommending that the Agency approve the selection of HEG as the redevelopment consultant to conduct the updated blight study for the Coliseum Redevelopment Area. HEG is a respected practitioner and has provided the second most competitive proposal of the three proposals received. HEG also conducted the original blight study for the West Oakland area in 2004.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Agency approve the resolution authorizing the Agency Administrator to negotiate and enter into the agreement with Hausrath Economics Group in the amount of \$131,460 including contingency for the updated blight study preparation and plan amendment services for the Coliseum Area Redevelopment project.

Respectfully submitted,



Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director of Economic Development
and Redevelopment
Larry Gallegos, Redevelopment Area Manager,
Redevelopment Division

Prepared by:
Jay Musante, Urban Economic Analyst IV
Redevelopment Division

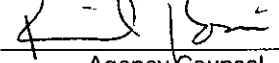
APPROVED AND FORWARDED TO THE COMMUNITY
AND ECONOMIC DEVELOPMENT COMMITTEE:


Office of the City/Agency Administrator

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Approved as to Form and Legality



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH HAUSRATH ECONOMICS GROUP IN AN AMOUNT NOT TO EXCEED \$131,460 INCLUDING CONTINGENCY TO PREPARE AN UPDATED BLIGHT STUDY AND PROVIDE OTHER SERVICES FOR AN AMENDMENT TO THE COLISEUM REDEVELOPMENT PLAN EXTENDING EMINENT DOMAIN TIME LIMITS, AND ALLOCATING A CONTRACT COMPLIANCE FEE TO THE CITY UNDER THE COOPERATION AGREEMENT IN THE AMOUNT OF 3% OF THE CONTRACT AMOUNT

WHEREAS, the Redevelopment Agency is preparing an amendment to the Coliseum Redevelopment Plan to extend the eminent domain authority of the Agency under the Coliseum Redevelopment Plan; and

WHEREAS, the Redevelopment Agency desires to contract with Hausrath Economics Group to prepare an updated blight study for the Coliseum Redevelopment Project Area and provide other services in connection with the proposed amendment, as required by the California Community Redevelopment Law; and

WHEREAS, the funds for the agreement are proposed to come from the Coliseum Redevelopment Project Area of the Agency; and

WHEREAS, the Redevelopment Agency has solicited three proposals from the as-needed consultants as an informal competitive solicitation for plan amendment services; and

WHEREAS, the Agency and the City 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 the City staff services to the Agency; 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, 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 hereby authorizes a contract with Hausrath Economics Group in an amount not to exceed \$118,000 with a contingency amount of not to exceed \$13,460 to prepare an updated blight study for the Coliseum Redevelopment Project Area and provide other services in connection with the proposed amendment; and be it further

RESOLVED: That the Agency Administrator is hereby authorized to negotiate and execute said agreement; and be it

FURTHER RESOLVED: That the Agency hereby allocates an amount not to exceed 3% of the contract amount to be paid to the City as a contract compliance fee under the Cooperation Agreement; and be it

FURTHER RESOLVED: That the funding for the agreement and the contract compliance fee is hereby allocated from the Coliseum Redevelopment Area Operating fund (9450) in the Coliseum Redevelopment Area organization (88659) in the current 2007-2009 budget; and be it

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or her designee to take any action with respect to the professional services agreement consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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