

OFFICE OF THE CITY ADMINISTRATOR
2007-01-09 10:23

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

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: January 9, 2007

RE: Resolution Authorizing An Amendment To The Memorandum Of Understanding With The City Of San Leandro And The Port Of Oakland For The Airport Gateway-Doolittle Drive Streetscape Construction Project To Increase The City Of Oakland Contribution To The Project From \$700,210 To \$1,263,167, And Accepting An Additional Redevelopment Agency Contribution Of \$650,000 For This Purpose

Agency Resolution Authorizing An Increase In The Redevelopment Agency Contribution To The Airport Gateway-Doolittle Drive Streetscape Construction Project By An Amount Not To Exceed \$650,000 For A Total Agency Contribution Of \$1,400,000

SUMMARY

In 2004, the City entered into a Memorandum of Understanding (MOU) with the Port of Oakland (the "Port") and the City of San Leandro ("San Leandro") to share in the cost of the Airport Gateway - Doolittle Drive Streetscape Construction Project (the "Project"). The Redevelopment Agency (the "Agency") is funding the City's contribution to the Project. Construction costs have escalated since 2002 when the Project budget was prepared, and the MOU's construction contract maximum of \$1,667,167 is insufficient to cover Project costs now estimated at \$3,007,542.

Staff has prepared two resolutions to enable the Project to be built. The first resolution authorizes an amendment to the Memorandum of Understanding (MOU) to increase the construction contract maximum for the Airport-Gateway - Doolittle Drive from \$1,667,167 to \$3,007,542. The second resolution authorizes an increase in the Agency contribution to the Project by an amount not to exceed \$650,000 for a total Agency contribution of \$1,400,000.

FISCAL IMPACT

The total Project cost is estimated at \$3,007,542 and includes a 12 percent contract contingency. This amount is an increase of \$1,340,375 over the MOU's construction contract maximum of

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\$1,667,167. Factors contributing to the increase include:

- Scope upgrades required by CalTrans, such as signal relocation costs of \$150,000
- Nearly a doubling of irrigation costs from \$97,000 to \$180,000
- Almost a 58 percent increase in concrete and asphalt costs from \$447,000 to \$705,000
- More than a 26 percent increase in demolition and off-haul costs from \$258,000 to \$326,000
- Inclusion of three Additive Alternates to paint existing electroliers, add landscaping to the east and west side of Doolittle Drive, and remove and replace a chain link fence for \$219,000

The increase will be distributed according to the formula established in the MOU as follows:

Table 1

Agencies	MOU Cost Distribution	2002 Estimated Costs	Estimated Additional Costs	2006 Estimated Costs
Oakland	42%	\$700,210	\$562,957	\$1,263,167
San Leandro	42%	\$700,210	\$562,957	\$1,263,167
Port	16%	\$266,747	\$214,461	\$ 481,208
Total	100%	\$1,667,167	\$1,340,375	\$3,007,542

In addition, a Phase II will be included in the Project scope and includes about 2,100 feet along the west side of Doolittle Drive from 50 feet south of Adams Avenue to Eden Road. New fencing and landscape cleanup for this section of Doolittle Drive is estimated to cost \$140,000. Performing this work at the same time the Project is constructed will provide a savings over completing the work at a later date. The additional work is proposed to be implemented via an anticipated change order addendum to the contract paid for solely by the Port and the City. The City's share of the cost is estimated at \$87,000, which will be funded by the Agency.

The increased Project budget and additional work is expected to cost the Agency a maximum of \$650,000. Including the Agency's previous Project allocation of \$750,000, the Agency's total contribution to the Project, which is increasing in scope with a complementary Phase II to the Oakland landscape area, will be \$1,400,000.

Sufficient funds for the additional work and contingency are available in the Agency's Coliseum Tax Allocation Bond Series 2003 Fund (9453), Project (P233410).

BACKGROUND

The Project is a major component of the Airport Gateway Urban Design Concept (the "Concept") adopted by the Council in 1999. The Concept proposed a four-street gateway project,

which included 98th Avenue, Hegenberger Road, Doolittle Drive, and Airport Access Road. Major streetscape improvements along these roadways are installed to improve the image that visitors and residents arriving from the Oakland International Airport receive of Oakland, San Leandro, and the entire East Bay.

In 2001, the City and the Port completed the Airport Gateway – 98th Avenue project, and in 2002, the City and the Port completed the Airport Gateway – Hegenberger Road project. The Airport Gateway – Airport Access Road project will start construction in February 2007. The *Airport Gateway Doolittle Drive project is the final gateway component and is ready to proceed to bid and construction. Construction is expected to begin in spring 2007 and be completed by December 2007.*

KEY ISSUES AND IMPACTS

The MOU stipulates that if Project costs exceed the contract maximum of \$1,667,167, all parties to the MOU must work together to either reduce or modify the scope of the Project to bring Project costs within the budgeted maximum, or obtain additional funds in accordance with the formula stated in Table 1. At the Project update meeting on December 5, 2006, representatives from the City, San Leandro, and the Port agreed that the Project's lean scope did not permit reductions. Instead, additional funding would be sought. The Council's approval is necessary for the Project to proceed.

SUSTAINABLE OPPORTUNITIES

Economic: This Project encourages private investment in Oakland, particularly in the Coliseum Project Area, by enhancing the visual appearance of Doolittle Drive and promoting a positive image of Oakland to visitors arriving from Oakland International Airport.

Environmental: The increased amount of plantings along Doolittle Drive will help mitigate vehicular emissions and reduce storm water runoff.

Social Equity: The City of Oakland Small Local Business Enterprise Program is being applied. The contractor is required to have 20% local business participation.

DISABILITY AND SENIOR CITIZEN ACCESS

The proposed modifications to the curbs and sidewalks will improve accessibility for seniors and disabled citizens along Doolittle Drive from 98th Avenue in Oakland to Adams Avenue in San Leandro. The construction of the streetscape improvements will meet all applicable state and federal regulations regarding accessibility.

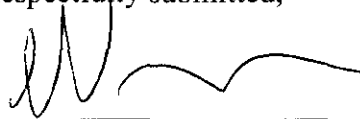
RECOMMENDATION AND RATIONALE

Staff recommends that the Council and the Redevelopment Agency approve two resolutions. The first resolution authorizes an amendment to the Memorandum of Understanding (MOU) to increase the Airport-Gateway – Doolittle Drive Construction contract maximum from \$1,667,167 to \$3,007,542. The second resolution authorizes an increase in the Agency contribution to the Project by an amount not to exceed \$650,000 for a total Agency contribution of \$1,400,000.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Council and the Redevelopment Agency approve these two resolutions.

Respectfully submitted,

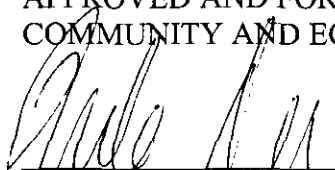


Daniel Vanderprien
Director of Redevelopment, Economic
Development, Community Development and
Housing

Reviewed by:
Gregory Hunter, Redevelopment Area Manager

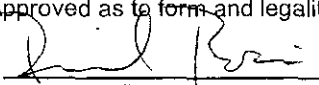
Prepared by:
Jay Musante, UEA IV
Redevelopment Division

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator/
Agency Administrator

OFFICE OF THE CITY CLERK
2006 OCT 20 PM 4:25

Approved as to form and legality:

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN LEANDRO AND THE PORT OF OAKLAND FOR THE AIRPORT GATEWAY-DOOLITTLE DRIVE STREETScape CONSTRUCTION PROJECT TO INCREASE THE CITY OF OAKLAND CONTRIBUTION TO THE PROJECT FROM \$700,210 TO \$1,263,167, AND ACCEPTING AN ADDITIONAL REDEVELOPMENT AGENCY CONTRIBUTION OF \$650,000 FOR THIS PURPOSE

WHEREAS, the Port of Oakland and the Cities of San Leandro and Oakland ("Parties") entered into a Memorandum of Understanding ("MOU") on March 22, 2004, governing construction of the Airport Gateway – Doolittle Drive Streetscape Construction Project on Doolittle Drive between Adams Avenue and Hegenberger Road (the "Project") in the Coliseum Redevelopment Project Area; and

WHEREAS, the MOU specifies a construction contract maximum of \$1,667,167; and

WHEREAS, an updated construction budget, prepared September 25, 2006, estimates Project costs at \$2,685,305; and

WHEREAS, the construction contract maximum of \$1,667,167 is insufficient to cover the higher Project costs; and

WHEREAS, the Parties wish to amend the MOU and increase the construction contract maximum to \$3,007,542 to cover construction costs and a 12 percent contract contingency; and

WHEREAS, the Parties wish to expand the Project to include streetscape improvements on the west side of Doolittle Drive from 50 feet south of Adams Avenue to Eden Road; and

WHEREAS, the MOU stipulates that Project costs are to be distributed as follows:

- San Leandro 42%
- Oakland 42%

• Port 16%
and

WHEREAS, there are sufficient funds for Oakland's share of the increased Project costs in the Redevelopment Agency's Coliseum Tax Allocation Bond Series 2003 Fund (9453), Coliseum ORA TAB Series 2003 Project (P233410); and

WHEREAS, Section 33445 of the California Health and Safety Code requires the consent of the legislative body when the cost of installation or construction of publicly-owned facilities is paid for with redevelopment agency funds, upon certain findings by the legislative body; and

WHEREAS, the Redevelopment Agency has authorized a contribution of \$650,000 to the City to cover the City's share of increased Project construction costs under the amendment to the MOU; now, therefore, be it

RESOLVED: That the City Council hereby authorizes an amendment to the Memorandum of Understanding with the City of San Leandro and the Port for the construction of the Airport Gateway – Doolittle Drive Streetscape Improvement Project to increase the construction contract maximum to \$3,007,542, increase the City of Oakland share of these costs to \$1,263,167, and expand the Project to include streetscape improvements on the west side of Doolittle Drive from 50 feet south of Adams Avenue to Eden Road; and be it

FURTHER RESOLVED: That the City Council hereby accepts and consents to the use of \$650,000 in Redevelopment Agency funds to cover the City's share of increased Project construction costs under the MOU; and be it

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

1. That the Project will benefit the Coliseum Project Area by eliminating blight in public areas of the Project Area, improving pedestrian and vehicular safety in the Project Area, improving traffic conditions in the Project Area, and enhancing the aesthetic and functional appeal of the Project Area for property owners, residents, visitors, and developers;
2. That no other reasonable means of financing the Project is available to the City;
3. That the use of tax increment funds from the Coliseum Project Area for the Project will assist in the elimination of blight and is consistent with the implementation plan adopted for the Coliseum Redevelopment Project;

and be it

FURTHER RESOLVED: That the City Administrator is authorized to negotiate and execute an amendment to the MOU, and take any and all actions necessary with respect to the Project consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That a copy of the amendment to the MOU shall be placed on file with the City Clerk.

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


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING AN INCREASE IN THE REDEVELOPMENT AGENCY CONTRIBUTION TO THE AIRPORT GATEWAY-DOOLITTLE DRIVE STREETSCAPE CONSTRUCTION PROJECT BY AN AMOUNT NOT TO EXCEED \$650,000 FOR A TOTAL AGENCY CONTRIBUTION OF \$1,400,000

WHEREAS, the Port of Oakland and the Cities of San Leandro and Oakland ("Parties") entered into a Memorandum of Understanding ("MOU") on March 22, 2004, governing construction of the Airport Gateway - Doolittle Drive Streetscape Construction Project on Doolittle Drive between Adams Avenue and Hegenberger Road (the "Project") in the Coliseum Redevelopment Project Area; and

WHEREAS, the MOU specifies a construction contract maximum of \$1,667,167; and

WHEREAS, on December 17, 2002, Resolution No. 02-90 C.M.S., the Agency authorized a contribution of \$750,000 in Agency funds to fund the City of Oakland's contribution to the Project; and

WHEREAS, an updated construction budget, prepared September 25, 2006, estimates Project costs at \$2,685,305; and

WHEREAS, the construction contract maximum of \$1,667,167 is insufficient to cover the higher Project costs; and

WHEREAS, the MOU stipulates that if Project costs exceed the contract maximum, all Parties must work together to either reduce the scope of the Project to bring Project costs within the budgeted maximum, or obtain additional funds in accordance with the following formula:

San Leandro	42%
Oakland	42%
Port	16%

and

WHEREAS, the Parties wish to obtain additional funding and increase the construction contract maximum to \$3,007,542 to cover construction costs and a 12 percent contract contingency; and

WHEREAS, the Parties wish to expand the Project to include streetscape improvements on the west side of Doolittle Drive from 50 feet south of Adams Avenue to Eden Road; and

WHEREAS, the Agency wishes to fund Oakland's share of the increased Project costs; and

WHEREAS, the City of Oakland has consented to the use of Agency funding for the Project pursuant to Section 33445 of the California Health and Safety Code; now, therefore, be it

RESOLVED: That the Agency hereby authorizes an additional contribution to the City in an amount not to exceed \$650,000 to cover the City's contribution to the Project; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$650,000 from Coliseum Tax Allocation Bond Series 2003 Fund (9453), Coliseum ORA TAB Series 2003 Project (P233410) for this purpose; and be it

FURTHER RESOLVED: That the Agency Administrator is authorized to take any and all actions necessary to implement this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That a copy of this resolution shall be placed on file with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

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