

# CITY OF OAKLAND

## AGENDA REPORT

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2008 OCT -1 PM 5: 16

TO: Office of the City/Agency Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: October 14, 2008

RE: **A Public Hearing on:**

**An Agency Resolution Contributing Coliseum Redevelopment Funds in the Amount of \$2,000,000 To The City of Oakland Under The Cooperation Agreement For The Construction And Development Of The East Oakland Sports Complex At 9175 Edes Avenue**

**A City Resolution Accepting and Appropriating Coliseum Redevelopment Funds in the Amount of \$2,000,000 Under the Cooperation Agreement For The Construction And Development Of The East Oakland Sports Complex At 9175 Edes Avenue**

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### SUMMARY

A resolution has been prepared authorizing the City Administrator, or his designee, to contribute redevelopment funds for the East Oakland Sports Center project in an amount not to exceed \$2,000,000. The Redevelopment Agency funds are needed to complete the construction of the indoor recreational swimming pool (natatorium), restrooms and reception area. Contingency costs, if any, are to be limited to hard construction costs and related expenses for the natatorium, restrooms and reception area. The funding proposed is to be provided at \$1,000,000 per fiscal year over the two-year, 2008-2010 fiscal year period and contributes a total of \$2,000,000 in Agency funds.

The East Oakland Sports Center project consists of a 22,500 square foot building, which includes a natatorium, changing rooms, rest rooms, reception area with offices, an aerobics and dance studio, a multi-purpose room, learning center and parking lot. The construction of East Oakland Sports Center project must be expedited to complete the project by March 2010 in order to meet the grant deadline for a \$2,400,000 Proposition 40 state grant.

Turner Construction Company was selected to provide Construction Management at Risk (CMAR) services for the East Oakland Sports Center project through a formal proposal process. They are qualified and experienced with public works projects and have successfully completed over 100 CMAR projects. Their local work includes projects at the Oakland International Airport, Children's Hospital Oakland and the Fox Theater renovation.

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Approval of the resolution complements the prior authorization of \$8,415,000.00 in Measure DD Series B, the Oakland Trust for Clean Water and Safe Parks Fund (5320), EOSC Project (C244610) in anticipation that Series B Funds become available in the 2008-2009 fiscal years. Funds are available in Measure DD Series A to pay for construction and project costs until Series B Bonds are issued.

### **FISCAL IMPACT**

Upon approval of the resolution, funds of \$2,000,000 will be available as follows:

- \$1,000,000 from the Coliseum Area Redevelopment Project Operating Fund (Fund 9450), Coliseum Area Redevelopment Project organization (88659), and the Coliseum Area Redevelopment Project (S82600) for the FY 2008-2009
- \$1,000,000 from the Coliseum Area Redevelopment Project Operating Fund (Fund 9450), Coliseum Area Redevelopment Project organization (88659), and the Coliseum Area Redevelopment Project (S82600) for the FY 2009-2010

Approval of the resolutions will authorize and direct the Agency Administrator to appropriate \$2,000,000 for construction and contingencies in Fund 9450, and Capital Improvement Organization 88659 for the East Oakland Sports Center Project in a project number and account to be established in FY 2008-2009 and FY 2009-2010. Contingency costs, if any, are to be limited to hard construction costs and related expenses for the natatorium, restrooms and reception area. Sufficient funds are available in Coliseum Agency funds for this appropriation.

In FY 2008-09, the \$1,000,000 in Agency funds will be contributed to the City and allocated to the Oakland Redevelopment Agency Projects Fund (7780), CEDA Capital Improvement Project Organization (94800), in a Project to be determined. In FY 2009-10, the remaining \$1,000,000 will be contributed to the same City coding blocks.

It is anticipated that the City's annual building operation and maintenance costs for the East Oakland Sports Center will be approximately \$340,000. All operation and maintenance costs will be included in the 2009-2011 PWA facilities budget request. The project has been planned to offset substantial operating costs with user fees. A study by the Sports Management Group indicates that the potential cost recovery from users would be 70%.

## BACKGROUND

Resolution No. 81418 C.M.S., approved July 1, 2008, authorized the City Administrator to award a contract to Turner Construction Company for pre-construction services and construction of the East Oakland Sports Complex. The proposed funding for the EOSC is listed below:

### East Oakland Sports Complex Sources of Funds

State Proposition 40, 2002 Resources Bond Act	\$2,328,000
Measure I, Oakland General Obligation Bonds for Parks	\$3,250,000
Measure DD, the Oakland Trust for Clean Water and Safe Parks – Series A & B	\$9,350,000
Redevelopment Agency Funds – Coliseum Area Project	\$2,000,000
<b>TOTAL</b>	<b>\$16,928,000</b>

The concept for the East Oakland Sports Center (EOSC) originated prior to 1996 with the vision to create a recreation complex with aquatics, fitness centers, gymnasiums, and other sports facilities that would serve the local community and regional Bay Area users. Although the San Francisco Bay Area was not chosen for the 2012 Olympic Games, the need for a sports complex with an aquatics component is still a high priority. Current funding allows this project to proceed and take advantage of the State Proposition 40 grant funding.

East Oakland Sports Center will be constructed on Edes Avenue between Jones Avenue and Phelps Street at Ira Jinkins Park. The EOSC Phase 1 project includes 22,500 square feet of floor space. The building includes an indoor recreational swimming pool (natatorium), changing and restrooms, reception and office area, an aerobics and dance studio, a multi-purpose room and learning center and a parking lot. The Redevelopment Agency funds will be utilized to complete the natatorium, restrooms and reception area.

The ESOC project was included in the Environmental Impact Report for City of Oakland Measure DD projects. The EOSC is covered in the EIR which was certified in April 2008.

A Major Conditional Use Permit (MCUP) was approved for the EOSC in April 2008. The MCUP approved the currently proposed project as well as the Master Plan. The full Master Plan would add these elements to the current project when funding becomes available: a 2-court gymnasium with an elevated indoor track, an outdoor competitive swimming pool, 2 new baseball fields, 3 new soccer fields, 119 new parking spaces, and new parking access. The existing 15,500 sq. ft. center and the 71-space lot would be replaced in a full build-out scenario.

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## KEY ISSUES AND IMPACTS

The construction of the East Oakland Sports Center is being expedited by using the Construction Manager at Risk (CMAR) method in order to complete the project by March 2010 so that the City will qualify for reimbursement for the State Urban Park Act of 2001 (Proposition 40) grant of \$2.4 million.

Under the CMAR method, the Construction Manager works collaboratively with the City and architectural team during design to provide value engineering, constructibility reviews, phasing advice, and cost estimating. Upon design completion, the contractor is required to competitively bid the construction to subcontractors on a per-trade basis. The final price is the sum of the subcontractor costs, the CMAR's overhead, fee for service, and CMAR construction costs, if any. The CMAR will not be performing any major project construction as their responsibility is to coordinate all construction work and deliver the completed project.

Turner Construction Company achieved 90% local and 10% small local business participation, which met the 20% L/SBLE requirements for the pre-construction services. The L/SLBE information has been verified by the Department of Contracting and Purchasing. Turner Construction Company will be required to meet the City's Local Business Enterprise Programs (LBE/SLBE) for the project. There will be additional opportunities for L/SLBE participation in the construction phase as the CM will be required to meet the LBE/SLBE programs. Turner Construction Company will maximize local business participation via outreach to local contractors and associations, by structuring trade packages, assisting and encouraging non-certified local firms to become certified and providing references to obtain bond and insurance.

## PROJECT DESCRIPTION

The East Oakland Sports Center project will be constructed on Edes Avenue between Jones Avenue and Phelps Street at Ira Jenkins Park. The project will include a total of 22,500 square feet of building floor space; 6,000 square feet on the upper level and 16,500 square feet at ground level. The building includes a 9,000 square foot indoor swimming pool building (natatorium) with a 3,500 square foot indoor recreational swimming pool, changing rooms and rest rooms, a reception area with meeting rooms and offices, an aerobics/dance room, and a multi-purpose room/learning center. An 85-space parking lot will also be included. If funding is available, a 3,800 square foot fitness center will be added to the project scope.

## SUSTAINABLE OPPORTUNITIES

**Economic:** The project will generate business tax, sales tax, and other revenues for the City by those firms who work on the project.

**Environmental:** Environmental factors and opportunities will be considered and incorporated to the extent feasible. The consultants and contractor will be required to achieve a LEED silver

rating in the facility design and construction by maximizing recycled materials, waste reduction, and energy conservation opportunities. The water for the recreational swimming pool will be heated by solar thermal panels mounted on the roof of the natatorium.

**Social Equity:** The East Oakland Sports Center will provide new social opportunities and services to the community with much needed aquatic and recreational facilities for all ages and abilities and will provide a venue for building community cohesiveness and community pride.

#### **DISABILITY AND SENIOR CITIZEN ACCESS**

The East Oakland Sports Center will be in full compliance with the physical access requirements of the American with Disabilities Act ("ADA") by providing equal access to the facility.

#### **RECOMMENDATION AND RATIONALE**

Staff recommends that the Council and Agency approve the resolutions.

#### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council and the Agency approve the resolutions authorizing the City and Agency Administrator, or designee to provide a contribution in an amount not to exceed two million (\$2,000,000) to the City of Oakland for the East Oakland Sports Center Project from the Coliseum Project Area of the Oakland Redevelopment Agency.

Respectfully submitted,

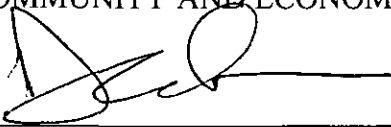


Dan Lindheim, Director  
Community and Economic Development Agency

Reviewed by:  
Larry Gallegos, Redevelopment Area Manager

Prepared by:  
Jay Musante, Project Manager,  
Redevelopment Division

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



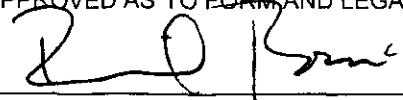
Office of the City/Agency Administrator

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APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

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

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### AN AGENCY RESOLUTION CONTRIBUTING COLISEUM REDEVELOPMENT FUNDS IN THE AMOUNT OF \$2,000,000 TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT FOR THE CONSTRUCTION AND DEVELOPMENT OF THE EAST OAKLAND SPORTS COMPLEX AT 9175 EDES AVENUE

**WHEREAS**, the City of Oakland plans to construct the East Oakland Sports Complex Project (the "Project"), at 9175 Edes Avenue to improve the recreation amenity of the Coliseum Redevelopment area with swim, dance and fitness facilities; and

**WHEREAS**, the City of Oakland has requested that the Redevelopment Agency fund the Project in an amount not to exceed \$2,000,000 to support the construction of the Project; and

**WHEREAS**, the proposed East Oakland Sports Complex Project is within the boundaries of the Coliseum Redevelopment Project Area, and its development will contribute to the Agency's goals and objectives for the Project Area; and

**WHEREAS**, adequate funds are available from the proceeds of the Coliseum Area Redevelopment Project Tax Increment funds; and

**WHEREAS**, the City of Oakland certified an Environmental Impact Report for the Project in April 2008, and thus the requirements of the California Environmental Quality Act ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; 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; and

**WHEREAS**, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the installation cost or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

**WHEREAS**, Section 33679 of the California Health and Safety Code provides that, prior to the use of tax increment funds for improvements to a public building, the legislative body must hold a noticed public hearing and make available to the public a summary of the proposed funding; and

**WHEREAS**, the City Council has held a public hearing and is consenting to the use of Agency funding for the East Oakland Sports Complex Project pursuant to Sections 33445 and 33679 of the California Health and Safety Code; now, therefore, be it

**RESOLVED**: That the Redevelopment Agency hereby authorizes a contribution of up to \$2,000,000 to the City to support construction and contingencies for the East Oakland Sports Complex Project; and be it further

**RESOLVED**: That the Agency hereby allocates \$2,000,000 from Coliseum Area Redevelopment Project for this purpose from the FY 2008-2010 budget allocation at the rate of \$1,000,000 per fiscal year from the Coliseum Area Redevelopment Tax Increment Operations (Fund 9450), the Coliseum Area Redevelopment Project (Organization 88659) and the Coliseum Area Redevelopment Project (S82600); and be it further

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

1. That the development of the East Oakland Sports Complex will benefit the Coliseum Redevelopment Project Area by increasing recreational opportunities for residents of the project area, and by alleviating blight conditions; and
2. That due to fiscal constraints on the City's general fund and the high number of capital projects competing for limited City funds, the City's Capital Improvement Program budget is unable to provide adequate financing for the East Oakland Sports Complex and therefore no other reasonable means of financing are available to the City other than Redevelopment Agency funding; and
3. That the use of tax increment funds from the Coliseum Redevelopment Project Area for the East Oakland Sports Complex will assist in the elimination of physical and economic blight such as recurrent vandalism of public facilities, graffiti, and other criminal activity that arises from the current condition of the project site, and by developing an underutilized parcel; and
4. That the use of tax increment funds from the Coliseum Redevelopment Project Area for the East Oakland Sports Complex is consistent with the implementation plan adopted for the Coliseum Project Area;

and be it further

**RESOLVED:** That the Agency Administrator or his or her designee is hereby authorized to take whatever other action is necessary with respect to the East Oakland Sports Center Project consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2008

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

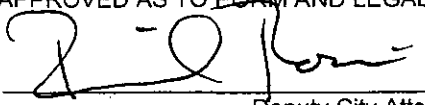
ABSTENTION-

ATTEST: \_\_\_\_\_

LA TONDA 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.

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**A RESOLUTION ACCEPTING AND APPROPRIATING COLISEUM REDEVELOPMENT FUNDS IN THE AMOUNT OF \$2,000,000 UNDER THE COOPERATION AGREEMENT FOR THE CONSTRUCTION OF THE EAST OAKLAND SPORTS COMPLEX AT 9175 EDES AVENUE**

**WHEREAS**, the City of Oakland plans to construct the East Oakland Sports Complex (the "Project"), at 9175 Edes Avenue, a sports and recreation complex at Ira Jenkins Park in Brookfield Village within the Coliseum Redevelopment Project Area so that the City can alleviate general blight and unsafe conditions at the site; and

**WHEREAS**, the Redevelopment Agency of the City of Oakland has authorized a contribution to the City in an amount not to exceed \$2,000,000 to fund the Project from the Coliseum Tax Increment Operating Fund (9450); Coliseum Redevelopment Organization (88659), Coliseum Redevelopment Project (S82600); and

**WHEREAS**, the City certified an Environmental Impact Report for the Project in April 2008, and thus the requirements of the California Environmental Quality Act ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

**WHEREAS**, the City and the Redevelopment Agency entered into a Cooperation Agreement in July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Agency assistance to City public improvement projects; and

**WHEREAS**, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the installation cost or construction of publicly-owned facilities, if the legislative body has consented to such funding and has made certain findings; and

**WHEREAS**, Section 33679 of the California Health and Safety Code provides that, prior to the use of tax increment funds for improvements to a public building, the legislative body must hold a noticed public hearing and make available to the public a summary of the proposed funding; and

**WHEREAS**, the City Council has held a noticed public hearing on the proposed use of Agency funding for the Project; now, therefore, be it

**RESOLVED**: That the City of Oakland hereby accepts a contribution from the Redevelopment Agency of up to \$2,000,000 to cover the construction costs and contingencies for the East Oakland Sports Complex Project; and be it further

**RESOLVED**: That in FY 2008-09, \$1,000,000 in Agency funds will be contributed to the City and allocated to the Oakland Redevelopment Agency Projects Fund (7780), CEDA Capital Improvement Project org (94800), Project to be determined, and in FY 2009-10, the remaining \$1,000,000 will be contributed to the same City coding block; and be it further

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

1. That the development of the East Oakland Sports Complex will benefit the Coliseum Redevelopment Project Area by increasing recreational opportunities for residents of the project area, and by alleviating blight conditions; and
2. That due to fiscal constraints on the City's general fund and the high number of capital projects competing for limited City funds, the City's Capital Improvement Program budget is unable to provide adequate financing for the East Oakland Sports Complex and therefore no other reasonable means of financing are available to the City other than Redevelopment Agency funding; and
3. That the use of tax increment funds from the Coliseum Redevelopment Project Area for the East Oakland Sports Complex will assist in the elimination of physical and economic blight such as recurrent vandalism of public facilities, graffiti, and other criminal activity that arises from the current condition of the project site, and by developing an underutilized parcel; and
4. That the use of tax increment funds from the Coliseum Redevelopment Project Area for the East Oakland Sports Complex is consistent with the implementation plan adopted for the Coliseum Project Area;

and be it further

**RESOLVED:** That the City Administrator or his or her designee is hereby authorized to take whatever other action is necessary with respect to the East Oakland Sports Complex Project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2008

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California