



CITY OF OAKLAND

AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, Department of
Economic and Workforce
Development

SUBJECT: SUPPLEMENTAL - Clay Street
Garage

DATE: March 16, 2022

City Administrator Approval

Date:

Mar 17, 2022

REASON FOR SUPPLEMENTAL REPORT

At the March 3, 2022 Rules Committee, an agenda item was scheduled to Adopt A Resolution Authorizing And Directing The City Administrator To Issue A Notice Of Development (NODO) For A 100% Affordable Housing Project On The City-Owned Clay Street Garage On The Block Bounded By Clay Street, 14th Street, 16th Street and City Hall (Site). Then at the March 10, 2022 Rules Committee, the Committee asked that the item be heard at the Special Community and Economic Development (CED) Committee for March 22, 2022 and directed staff to provide a supplemental report with background information related to this item.

This supplemental report provides the requested background on the Site, including the history of prior feasibility studies and information about site constraints, and recommends that the City Council:

Modify the proposed resolution to declare the Site as surplus land and release a Notice of Availability consistent with the State Surplus Land Act, to maximize the potential for affordable housing produced on the Site while also addressing the Site's costly development constraints.

BACKGROUND

Clay Street Garage

The Site is located at 1414 Clay Street in downtown Oakland. The Site is approximately 28,800 square feet, and currently contains a 146,000 square-foot three-story concrete parking structure with 335 parking spaces, including one level of basement parking. The Site is located next to Oakland's historic City Hall, at 1 Frank H. Ogawa Plaza. The Clay Street Garage was

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March 22, 2022

permanently closed on December 3, 2016, after the structure was determined to be seismically unsafe. The estimated cost to demolish the garage is approximately \$3,300,000 to \$4,100,000.

The current zoning for the Site is Central Business District General Commercial Zone (CBD-C). The intent of the CBD-C Zone is to create, maintain, and enhance areas of the Central Business District appropriate for a wide range of ground-floor office and other commercial activities. Upper-story spaces are intended to be available for a wide range of residential, office or other commercial activities.

2015 Conditions Assessment and 2018 Feasibility Analysis

In 2015, the firm Murakami/Nelson completed the Clay Street Garage Conditions Assessment. An executive summary of that assessment and a related supplemental report from 2018 is attached herein as **Attachment A**. In the report, Murakami/Nelson concluded that the Clay Street Garage had high potential for collapse in a major earthquake. It also estimated that the costs to demolish the garage were between \$3,300,000 to \$4,100,000.

In November 2016, Council accepted an informational report on the Clay Street Garage announcing the administrative decision to close the parking facility in the interest of public safety based on the report's findings.

In April 2018, at a joint meeting of the Public Works and Community and Economic Development Committees, staff shared a feasibility analysis conducted by Willdan Financial Services for a potential mixed-use development on the Site with either office or hotel use, ground-floor retail, and either partial replacement of public parking or only minimal parking for the new uses. The presentation also covered past City actions regarding transportation and parking policy and the closure of the garage due to public safety concerns. In its report, staff suggested that an office use would be a compatible use with the existing land uses surrounding the Site (primarily office buildings) and recommended soliciting proposals for office development with minimal parking in order to maximize the value of the Site.

The past report and 2018 feasibility analysis completed by Willdan Financial is attached as **Attachment B**.

California Surplus Lands Act

The California Surplus Land Act (SLA) regulates how local agencies dispose of public land no longer necessary for agency use (surplus land) with priority for affordable housing, open space, or school purposes. Pursuant to the SLA, unless the City is pursuing an eligible use that would allow the Site to be designated "exempt surplus land," such as a 100 percent affordable housing development,¹ prior to disposing of public land, the City must declare the site as "surplus land"

¹ California Government Code Section 54221(f)(1)(F)(i)

at a public meeting and send a Notice of Availability (“NOA”) to public agencies and private entities that have expressed interest in developing affordable housing to the California Department of Housing and Community Development (State HCD). If qualifying proposals are received within an initial 60-day NOA period, jurisdictions are required to negotiate in good faith for a minimum period of 90-days.

Parties responding to the NOA that propose a residential development must restrict at least 25 percent of the total number of units developed on the parcel to be affordable to lower income households, and the City must prioritize low- and moderate-income housing development proposals over other land uses. The City is not required to, but may, dispose of the property for less than fair market value.

The Clay Street Garage Site has not been declared as surplus land or exempt surplus land.

ANALYSIS

Clay Street Garage Site Constraints

The Site contains several development constraints that would add significant cost and time to a development project, making it challenging for development as 100 percent affordable housing. These additional costs would need to be borne by the project, likely through deeper subsidy from the City or other affordable housing funding sources.

First, before any new construction can take place on the Site, the existing 146,000-square-foot parking structure must be demolished. According to the Clay Street Garage Conditions Assessment from 2015, an order-of-magnitude estimate to demolish the garage could vary from \$3,285,000 to \$4,106,000. This estimate would have to be adjusted for inflation to reflect today’s costs.

In the case of a 100 percent affordable housing development on this Site, it is anticipated that the City would have to bear the cost of demolition for an affordable project to be feasible, significantly increasing the per unit cost of the affordable units. It would do this by providing more affordable housing funding than it otherwise would – straining the City’s limited resources available to support affordable housing elsewhere.

In addition, the Site abuts Oakland City Hall, a designated Oakland Landmark (with an A1+ rating on the Oakland Cultural Heritage Survey) on the National Register of Historic Places. This proximity will add regulatory complexity and additional cost for any project on the Site to avoid impacts to this important historic resource.

The significant cost to develop the Site should also be considered in relation to the relatively high value of land in Downtown Oakland. A developer proposing a mixed-use project, rather than a 100 percent affordable housing project, through a fair market disposition of the Site, may be able to absorb the additional cost of demolishing the existing garage, without relying on additional City subsidy.

Disposition Schedule and Prioritization Report

In June, staff intends to bring a report and recommendation to the CED Committee regarding the schedule and prioritization of this Site as well as thirteen (13) additional City-owned properties for disposition. Staff's recommendation will consider available resources, including staff capacity to manage the dispositions and affordable housing funding, as well as site constraints and feasibility for development, to ensure the City is most effectively creating affordable housing on its properties.

Surplus Designation and Disposition Pursuant to the SLA

If the City Council chooses to take action on the disposition of this Site before staff brings forward its recommendations for the disposition of additional sites to the Community and Economic Development Committee and the City Council in June 2022, staff recommends that the City Council modify the proposed resolution to declare the Site as surplus land and direct staff to release a NOA consistent with the SLA.

Disposition pursuant to the SLA would not preclude consideration of a 100 percent affordable housing project, if proposed. But it would allow the City to also consider other potential projects, while still prioritizing affordable housing, including projects that could potentially bear some of costs described above. This could allow the City's limited affordable housing dollars to go farther and support more units overall, and be the most efficient path for activating the site.

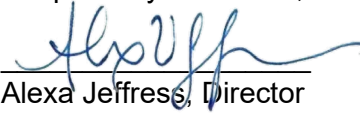
RECOMMENDATION

Therefore, staff recommends that the City Council:

Modify the proposed resolution to declare the Site as surplus land and direct staff to release a Notice of Availability consistent with the State Surplus Land Act, to maximize the potential for affordable housing produced by the Site while also recognizing the Site's costly development constraints.

For questions regarding this report, please contact Jens Hillmer at (510) 238-3317.

Respectfully submitted,



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Department

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Prepared by:

Jens Hillmer, Development Area Manager
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Attachments (2):

- A. Supplemental Report (April 24, 2018): Clay Street Garage Site Redevelopment and Murakami/Nelson Seismic Survey, Executive Summary
- B. Agenda Report (April 10, 2018): Clay Street Garage Site Redevelopment and Willdan Clay St. CBD Site Feasibility Analysis Report



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OAKLAND

2018 MAR 29 PM 4:47

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ryan Russo, Director, DOT
Mark Sawicki, Director,
EWD

SUBJECT: Report and Possible Action on Clay
St. Garage Site Redevelopment

DATE: March 16, 2018

City Administrator Approval

Date:

3/29/18

RECOMMENDATION

Report and Recommendation Directing the City Administrator on the Development of the Clay St Garage with a Feasibility Analysis Detailing Several Development Alternatives.

EXECUTIVE SUMMARY

This report provides an update on the closure of the Clay Street Garage, located at the corner of 14th St. and Clay St., adjacent to City Hall. It also summarizes the results of a feasibility study for several site redevelopment scenarios that assume the existing garage will be demolished and replaced by a mixed-use development with either office space or hotel use, ground-floor retail, and either partial replacement of public parking or minimal parking for the new uses. Due to the high cost of construction for public parking and the lack of capital funds to support it, coupled with the City's adopted transportation policies around parking, staff recommends that the City solicit proposals for an office development on the site.

BACKGROUND/LEGISLATIVE HISTORY

In October 1996, City Council passed Resolution No. 73036 C.M.S. creating the City's "Alternative Modes Policy," thereby supporting transportation alternatives to private, single-occupant vehicles.

In March 1998, City Council adopted the Land Use and Transportation Element (LUTE) of the General Plan, lending further support to reduce dependency on the automobile by supporting alternative transportation modes and resolving conflicts in favor of transportation solutions that reduce single occupant vehicles.

In January 2013, City Council passed Resolution No. 84204 C.M.S. adopting a "Complete Streets" policy that supports Oakland streets that provide safe and convenient transportation options for all users.

In October 2013, City Council passed Resolution No. 84665 C.M.S. formally adopting "Parking

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Principles” intended to “guide actions dealing with parking in commercial districts city-wide,” stipulating that parking policy and regulations “should help the City meet other transportation, land use and environmental goals.”

In November 2016, Council accepted an informational report on the Clay St. Garage announcing the administrative decision to close the 335-space parking facility in the interest of public safety, and detailing plans to manage commuter and visitor parking after the closure. Clay St. Garage was permanently closed on Friday, December 3, 2016.

ANALYSIS AND POLICY ALTERNATIVES

This section begins with an update on the post-closure parking situation, continues with a review of the feasibility study that was commissioned to provide Council with some design and cost alternatives for the Clay St. site, and concludes with a discussion of the site as it relates to the City’s evolving public land disposition strategy and other ongoing efforts to manage City-owned properties.

Post-Closure Parking Situation

Until its closure in 2016, Clay St. Garage served the parking needs of both commuters (monthly and all-day parkers) and visitors (occasional, short-term parkers) to Oakland’s civic center for more than fifty years. To mitigate the impacts of the closure, staff took steps to (1) concentrate commuter parking at City Center West Garage, located at 1250 Martin Luther King Jr. Way, and (2) shift visitor parking to Dalziel Garage, located in the basement of 250 Frank Ogawa Plaza.

City employees displaced by the closure and who now park at City Center West Garage can park in Dalziel Garage during non-peak periods, namely evenings and weekends. Dalziel Garage routinely fills to capacity weekdays between 11 am and 2 pm. When this happens, parking ambassadors redirect parkers to City Center West Garage. On-site security is provided at Dalziel Garage from sunset to close and is available to escort parkers to City Center West upon request.

Staff had estimated that the Clay St. Garage closure would result in a net revenue loss of approximately \$500,000 annually. Table 1 below compares the actual combined financial results of the three city-owned garages serving the civic center in the twelve-month periods before and after the closure, which was slightly better than projected.

Table 1. Impact of Clay St. Garage Closure on Parking Revenues

Civic Center Parking Operations	2016	2017	Change
Revenues	\$4,647,739	\$4,288,888	-\$358,852
Expenses	\$1,683,008	\$1,748,250	\$65,242
Net	\$2,964,732	\$2,540,638	-\$424,094

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As part of the Dept. of Transportation (DOT) grant-funded Parking and Mobility Management Initiative, efforts are underway to further mitigate the impacts of the garage closure. For example, beginning in 2017 DOT staff routinely join the City's new employee orientations to actively promote commuter options that eliminate or minimize the need for private vehicles. More recently, DOT extended this effort by hosting Oakland employers at City Hall for a Transportation Demand Management (TDM) summit, bringing together the City's traditional transportation partners such as BART, AC Transit and 511 and new partners such as Ford Gobike and Gig Car Share to further reduce single occupancy commuter trips to downtown Oakland. Going forward, measures such as these will be complemented by efforts to actively manage the City's on-street parking inventory using variable pricing.

Clay St. Garage Site Feasibility Study

The City engaged Willdan Financial Services and its parking design subcontractor, Kimley-Horn, to perform a feasibility study of redevelopment of the Clay St. Garage Site (see **Attachment 1**). Willdan explored the feasibility of building either a hotel or office space, both over ground-floor retail, on the approximately 29,000 square foot site. The hotel concept would include 155 rooms on five levels, and the office concept would include 135,600 square feet also on five levels. These two development options were first evaluated as part of a mixed-use parking garage project that assumed partial replacement of the existing parking. The consultants also evaluated similar concepts, but assumed no replacement of public parking.

The replacement parking scenarios feature two-levels of below ground parking accessed via the existing Dalziel Garage. This strategy would provide twenty-four additional parking spaces under the plaza and eliminate the need for new ramps. A separate garage serving the hotel or office space would be accessed from 14th Street. This concept results in a total of 273 parking spaces (including 170 replacement spaces and 103 dedicated spaces for the office or hotel users) and an average design parking efficiency of 385 square feet per space.

The minimal parking scenarios, which assume no replacement of public parking, feature one-level of below-ground parking accessed via 14th Street. This concept results in 51 parking spaces dedicated to the new uses and an average design parking efficiency of 549 square feet per space.

The Willdan study also estimates the cost or residual value to the City of the development alternatives, which are summarized in Table 2 below.

Table 2. Summary of Cost or Value Analysis: With and Without Replacement Parking

Proposed Use	With Replacement Parking	Minimal Parking
Office	- \$3,960,261	\$4,268,168
Hotel	- \$9,556,605	\$4,799,798

Note that the replacement scenarios represent only a partial replacement: only 170 or 50% of the garage's original 335 public spaces would be incorporated into the new development, along

with 103 spaces that would be dedicated to the other new development uses. The difference between the costs and value of projects with and without replacement parking indicates that the full cost of public parking is between \$8.2 Million and \$14.3 Million (or about \$48,000 to \$84,000 per space). The public parking costs would only be partially recovered over time from fee revenue collected from daily or monthly parkers.

Please note also that the above costs and values represent "fair market value" without any other conditions on the development, such as adherence to City programs that would require minimum local hire and small/local business enterprises. It also does not assume requirements for a project labor agreement or labor peace agreement. With estimated construction costs ranging from \$61 Million to \$79 Million, these requirements could likely make even the minimal parking scenarios infeasible.

Although the hotel concept with minimal parking shows a somewhat higher residual value than the office concept, staff believes the office use may be more compatible with the existing uses surrounding this site. The City is currently reviewing a proposal for hotel development on City-owned land next to the Marriott and Scotlan Convention Center, and a private developer has also proposed a hotel development one block west of this site. Staff recommends soliciting proposals for office development with minimal parking to maximize the value and potential for having this site developed.

Policy Position on the Construction of New or Replacement Parking

Since the Clay St. garage closure in 2016, significant development has continued to reshape the off-street parking situation in Downtown Oakland. For example, development resulted in the closure of the privately-owned Merchants Garage located on 14th St. between Franklin St. and Webster St. Other developments resulted in the closure of surface lots that had offered general parking for commuters and visitors. Future development will continue to impact the off-street parking supply, including the sale of the City-owned garage at the University of California Office of the President (UCOP) to the owner of 1100 Broadway and the possible sale of the Telegraph Plaza Garage, a City-owned facility located at 2100 Telegraph Avenue. Closer to the civic center, developments at 1100 Clay St. and 601 12th St., which have pre-committed parking licenses for four hundred spaces in the City Center complex, will put added pressure on the City Center West Garage.

The importance of off-street parking to Oakland's commercial districts has been recognized since at least 1955 when voters approved Article XXVII Off-Street Vehicular Parking of the City Charter. That article grants the City:

the power to acquire...construct, establish, improve, extend, maintain, operate, administer, lease and sublease off-street vehicular parking facilities, and places within the City of Oakland, including any and all public parking lots, garages, or other automotive parking facilities, in order to relieve traffic congestion and promote the welfare of the citizens and inhabitants of said City... One of the prime purposes of conferring the above mentioned powers upon the City of Oakland is to aid in providing low cost off-street parking for automotive vehicles within sections or portions of the City where additional off-street parking is needed.

In 2013, City Council adopted Resolution No. 84664 C.M.S. that established "Parking Principles" as official policy to "guide actions dealing with parking in commercial districts citywide". The major elements of this policy include:

1. Parking is part of a multimodal approach to developing neighborhood transportation infrastructure
2. Parking should be actively managed to maximize efficient use of a public resource
3. Parking should be easy for customers
4. Parking policy and regulations should help the City meet other transportation, land use and environmental goals

The policy question concerning the Clay St. garage site and other City-owned parking facilities is to reconcile Article XXVII of the City Charter and the City's recently adopted parking policy guidelines--specifically, how can staff "relieve traffic congestion and promote the welfare" of Oakland's commercial districts while supporting other City goals and objectives? The City's Parking Principles prescribe an answer: rather than continuing to subsidize the cost of private vehicle ownership and use, actively manage parking supply and demand so as to maximize the efficient use of existing parking inventory and to reduce overall demand for parking through transit-first and shared mobility initiatives.

This answer is supported by the 2016 Downtown Parking Management Report (see the executive summary of the report, **Attachment 2**), which concludes:

Fully implementing Oakland's Parking Principles and making cost-effective investments in improving transportation choices can help Oakland make real progress towards its economic, environmental, and social equity goals. Performance-based parking pricing has been shown to be one of the single most effective ways to improve parking availability for customers, reduce double parking and circling in search of underpriced curb parking, and thereby to reduce unnecessary frustration, vehicle miles traveled, wasted gasoline, and pollution. Better parking management – in particular, ending below-market rate parking pricing, and the judicious use of a portion of parking revenues to fund better transportation choices – can also significantly increase walking, bicycling and transit trips, which translates directly to reductions in vehicle use and the improved vitality and livability of commercial districts and adjacent neighborhoods.

Consistent with these evidence-based conclusions, staff recommends that Council adopt a development strategy for the Clay St. garage site that does not include replacement parking. Staff makes this recommendation knowing that the increased pressure on the available parking supply around City Hall will cause some challenges. To date, these challenges have already been effectively managed since the closure of the garage in 2016. Moreover, as detailed in the feasibility study, the cost of replacement parking on the site would cost the City millions of dollars even under the best scenario. There are no reserve funds available for such an investment and, even if there were, staff would recommend that they be used to support other City priorities, especially those that promote Oakland's long-standing transit-first policy.

Public Lands Strategy Discussions

City staff, Council staff, and community advocates have been reviewing and discussing potential changes to the City's real estate disposition ordinance (referred to as the City's "Public Lands Policies"). Among the potential provisions that have been debated are, for all new development projects on City-owned land, applying an inclusionary percentage or higher impact fees for affordable housing, the diversion of a percentage of sales proceeds to the Affordable Housing Trust Fund, requiring developers to adhere to City Programs for Local Hire and Small/Local Business Enterprises, requiring developers to enter into Project Labor Agreements and requiring operations to be subject to Labor Peace Agreements. Staff has been evaluating the potential fiscal and affordable housing production impact of these provisions on the remaining portfolio of currently available development sites, before finalizing a recommendation for Council. Because the above potential amendments to the City's real estate disposition ordinance have not yet been considered or adopted, the analysis in this report assumes a fair market sale of the land with no additional community benefits beyond existing Jobs/Housing Impact Fees. As stated earlier in this report, the addition of a Project Labor Agreement, Local and Small Local Business Enterprise (L/SLBE) Program, the Local Employment Program (LEP), or other community benefits would significantly reduce the reuse value of the site and/or increase the City subsidy required for the project, and could potentially render a replacement project infeasible (or require the development to be subsidized).

FISCAL IMPACT

This report will not result in a final decision for development of the Clay Street garage site and therefore will not have direct fiscal impacts. The City has incurred staff costs, and the cost of the Willdan study, and will very likely incur more of these costs as it implements development on the site. But through development, the City will be able to eliminate any liabilities for the site, such as insurance and security, and generate land sale proceeds as well as tax benefits from developing the site, including transfer tax, property tax, business tax, and possibly sales tax and transient occupancy tax.

PUBLIC OUTREACH / INTEREST

No public outreach specifically regarding this site has been undertaken prior to preparing this report. General discussions regarding disposition policies and potential uses for developable City land, including the Clay St. garage site, have been undertaken in regular meetings with the "Oakland Citywide Anti-Displacement Network Public Land Policy Committee". The Oakland Citywide Network includes representatives from Alliance of Californians for Community Empowerment (ACCE), Asian Pacific Environmental Network (APEN), Building and Construction Trades Council of Alameda, Causa Justa, Communities for a Better Environment (CBE), Communities United for Restorative Justice (CURYJ), East Bay Alliance for a Sustainable Economy (EBASE), East Bay Housing Organizations (EBHO), East 12th Coalition, and Public Advocates.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report. But eventual development of the site will provide an opportunity for new office and/or hotel jobs and may generate transfer tax, property tax, business tax and possibly sales tax and transient occupancy tax.

Environmental: There are no environmental opportunities associated with this report. But eventually the site could become transit-oriented development less than 2 blocks from BART and would include many of the following sustainable features: energy efficient building systems, use of recycled materials, minimized use of toxic materials, reduced generation of greenhouse gases, etc.

Social Equity: There are no social equity opportunities associated with this report. Until the building uses and tenants are determined it is difficult to determine what benefits will be provided to the nearby disadvantaged communities. But we do know that office development would generate Jobs/Housing Impact fees.

CALIFORNIA ENVIRONMENTAL QUALITY ACT, (CEQA)

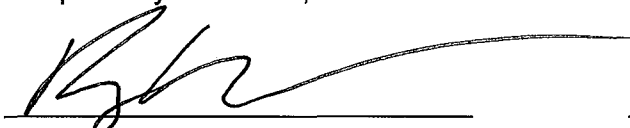
This informational report is exempt from the environmental analysis requirements of CEQA under CEQA Guidelines section 15061(b)(3) (Common Sense Exemption) because no actions impacting the environment will result from its consideration.

ACTION REQUESTED OF THE PUBLIC WORKS AND COMMUNITY ECONOMIC DEVELOPMENT COMMITTEES


Staff recommends that the City Council receive this report and direct staff to take action on the potential redevelopment of the Clay Street garage site.

For questions regarding this report, please contact Michael Ford, Acting Manager, Parking and Mobility Division, at mford@oaklandndet.com or Patrick Lane, Public/Private Development, at pslane@oaklandnet.com.

Respectfully submitted,



RYAN RUSSO, Director
Department of Transportation



MARK SAWICKI, Director
Economic and Workforce Development

Reviewed by:
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Department of Transportation

Prepared by:
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Public/Private Development

Prepared by:
Michael Ford, Ph.D.
Acting Manager
Parking and Mobility Division

Attachments:

1. Willdan Clay St. CBD Site Feasibility Analysis Report
2. Downtown Parking Management Report, Executive Summary

Memorandum

TO: City of Oakland
FROM: James Edison
DATE: January 8, 2018
SUBJECT: Clay Street CBD Site Feasibility Analysis

Willdan Financial Services and Kimley-Horn and Associates have been engaged by the City of Oakland to examine options for the redevelopment of the parking garage at the corner of 14th and Clay in downtown Oakland. Willdan and Kimley-Horn have been tasked with looking at the feasibility of constructing a new parking garage on the site, with street level retail along 14th Street and an office or hotel development on floors above.

Two versions of the Kimley-Horn analysis is attached to this memo as separate documents. In summary, the contemplated redevelopment is for the entire site of approximately 29,000 square feet. One alternative is to include three and a half levels of parking, with two below grade. Above the parking structure the design contemplates five levels of hotel or office space with a maximum area of approximately 135,600 square feet of office space or 155 hotel rooms and associated spaces. The second alternative limits the parking structure to one floor below in the existing basement and one above grade, with retail at street level. The office development is reduced slightly but the hotel development increases to 250 rooms. In both cases the total retail space increases to approximately 20,000 sf.

Willdan has estimated the value of the proposed uses to examine the ability of a development built on the structure to assist with the financing of the parking structure. As shown on Table 1, the net cost of redevelopment of the parking structure with an office building is \$4.0 million and the net cost of redevelopment with a hotel is \$9.6 million. Without the replacement parking structure, the office development shows a positive value (net revenue) of \$4.3 million and the hotel shows a positive value of \$4.8 million. It is important to note that these are rough estimates and would require further refinement and analysis if the City were to proceed.

Table 1: Summary of Analysis

Item	Parking Replacement	Minimal Parking
Office Development		
Project Value	\$63,486,589	\$63,213,321
Project Construction Cost	(\$42,836,040)	(\$41,193,360)
Parking Construction Cost	(\$36,579,465)	(\$19,987,695)
Parking Value	<u>\$11,968,655</u>	<u>\$2,235,903</u>
Net	(\$3,960,261)	\$4,268,168
Hotel Development		
Project Value	\$43,309,704	\$68,164,040
Project Construction Cost	(\$28,255,500)	(\$45,612,450)
Parking Construction Cost	(\$36,579,465)	(\$19,987,695)
Parking Value	<u>\$11,968,655</u>	<u>\$2,235,903</u>
Net	(\$9,556,605)	\$4,799,798

Willdan Financial Services, 2018
 Kimley-Horn and Associates, Inc.

Following are tables detailing the assumptions Willdan used in coming to these conclusions. Tables 2 and 3 summarize the details of the office and hotel alternatives. For each there is a calculation for the scenario with the larger parking garage (parking replacement) and the smaller garage (minimal parking). The other difference between the alternatives is the amount of retail space, which is approximately 15,000 and 20,000, respectively. For the minimal parking scenario the total office space is reduced by 5,200 square feet, to 130,400 net square feet. The hotel alternative with replacement parking allows for a 155 room hotel, while with minimal parking the site allows for a hotel of approximately 250 rooms.



Table 2: Office Scenario

Office Development			
PROPOSED DEVELOPMENT PROGRAM		Parking Replacement	Minimal Parking
Site Area (SF)		29,200	29,200
Office Value			
Gross Sq. Ft.		135,600	130,400
Net Sq. Ft.		115,260	110,840
Net Rental Rate (\$/Sq. Ft./Year) (NNN)	\$	37.80	\$ 37.80
Net Operating Income (NOI)	\$	4,356,828	\$ 4,189,752
Cap Rate		7%	7%
Total Value	\$	62,240,400	\$ 59,853,600
Retail			
Sq. Ft.		15,500	20,570
Net Rental Rate (\$/Sq. Ft./Year) (NNN)	\$	25	\$ 25
Net Operating Income (NOI)	\$	383,625	\$ 509,108
Cap Rate		6%	6%
Total Retail Value	\$	6,393,750	\$ 8,485,125
Total Project Value			
	\$	68,634,150	\$ 68,338,725
Hurdle Rate		7.5%	7.5%
Required Return on Investment -ROI (\$)	\$	5,147,561	\$ 5,125,404
Maximum Supportable Investment (Revenue less ROI)	\$	63,486,589	\$ 63,213,321

Source: ULI-the Urban Land Institute; City of Oakland; REIS; ESRI Business Analyst; Willdan, 2018



Table 3: Hotel Scenario

Hotel Development		
PROPOSED DEVELOPMENT PROGRAM	Parking Replacement	Minimal Parking
Site Area (SF)	29,200	29,200
Hotel Value		
Rooms	155	250
Income / Key	\$ 15,649	\$ 15,649
Net Operating Income (NOI)	\$ 2,425,653	\$ 3,912,344
Cap Rate	6.0%	6.0%
Total Retail Value	\$ 40,427,552	\$ 65,205,729
Retail		
Sq. Ft.	15,500	20,570
Net Rental Rate (\$/Sq. Ft./Year) (NNN)	\$ 25	\$ 25
Net Operating Income (NOI)	\$ 383,625	\$ 509,108
Cap Rate	6.0%	6.0%
Total Retail Value	\$ 6,393,750	\$ 8,485,125
	Max	
Total Project Income	\$ 46,821,302	\$ 73,690,854
Hurdle Rate	7.5%	7.5%
Required Return on Investment -ROI (\$)	\$ 3,511,598	\$ 5,526,814
Maximum Supportable Investment (Revenue less ROI)	\$ 43,309,704	\$ 68,164,040

Source: ULI-the Urban Land Institute; City of Oakland; REIS; ESRI Business Analyst; Willdan, 2018



Table 4 details the key assumptions in the calculations.

Table 4: Key Assumptions

PROJECT REVENUE ASSUMPTIONS	Gross Revenue/ Sq. Ft. or Room	Vacancy, Credit Loss, Cap Reserve, OpEx	Net Revenue/ Sq. Ft. or Room	Cap Rate	Development Value/ Sq. Ft. or Room
	Retail	\$ 33.00	25%	\$ 24.75	5.0%
Office	\$ 50.40	25%	\$ 37.80	7.0%	\$ 250
Hotel	\$ 3,912	75%	\$ 15,649	6.0%	\$ 168,750

Hotel	Net Daily Rate / Key	Operating Exp & Franchise Fees	Gross Revenue/Key
	Average Daily Rate	\$ 44	75%
Occupancy Rate	70%		
Operating Days per Year	365		
Room Revenue	\$ 11,178		\$ 44,713
Food & Beverage Revenues	10%	Gross Room Rev	\$ 4,471
Revenue per Room	\$ 15,649		
Cap Rate	6.0%		

Source: ULI-the Urban Land Institute; City of Oakland; REIS; ESRI Business Analyst; Willdan, 2018

The following table provides a summary of the construction costs calculated by Kimley-Horn, broken down between the two alternatives and between the work required for the garage and the work required for the office/hotel structure.

Table 5: Construction Costs Summary

Item	Amount	Garage/Podium/Retail	Podium/Retail	Hotel (repl)	Hotel (no repl)	Office	Office (no repl)
Site Work		\$5,830,000	\$3,253,000	\$0	\$0	\$0	\$0
Construction		\$15,013,000	\$8,136,000	\$16,100,000	\$25,990,000	\$24,408,000	\$23,472,000
Design Contingency	20.00%	\$4,168,600	\$2,277,800	\$3,220,000	\$5,198,000	\$4,881,600	\$4,694,400
Construction Contingency	10.00%	\$2,084,300	\$1,138,900	\$1,610,000	\$2,599,000	\$2,440,800	\$2,347,200
Construction Total		\$27,095,900	\$14,805,700	\$20,930,000	\$33,787,000	\$31,730,400	\$30,513,600
Owner Soft Costs	35.00%	\$9,483,565	\$5,181,995	\$7,325,500	\$11,825,450	\$11,105,640	\$10,679,760
Total Cost		\$36,579,465	\$19,987,695	\$28,255,500	\$45,612,450	\$42,836,040	\$41,193,360

Source: Kimley-Horn and Associates, Inc., 2018

Willdan and Kimley Horn have also examined the current parking operations and the revenue they generate. Table 6 below details the parking revenues and costs for the structure in fiscal year 2015-16. As shown in Table 6 the City received net revenues of \$850,000 in the last fiscal year. Operations costs were approximately 28 percent of total revenues (after deducting sales tax collected), which is within the range of what would be expected in a parking garage. It is not



certain what revenues the City would receive from a new parking garage, so Willdan has used the most recent revenues as estimate for the revenues from a new parking garage, adjusting proportionally for the planned number of parking spaces for each scenario. To estimate the present value of the future net parking revenue Willdan has assumed a capitalization rate of six percent. At that rate the estimated parking revenues have a present value of \$12.0 million for the parking replacement scenario and \$2.2 million for the minimal parking scenario. These amounts are included in Table 1, above.

Table 6: Parking Revenues

Item	2015-16	Pkg Repl	Min Pkg
Spaces	323	273	51
Parking Reduction		-15%	-84%
Total Gross Revenues	1,527,093		
Sales Taxes	<u>(237,106)</u>		
Total Revenues	1,289,987		
Operating Expenses	369,916		
Capital Purchases	60,400		
Management Fee	<u>10,028</u>		
Total Expenses	440,344		
Net Revenues	849,643		
Approx Present Value @ 6% cap rate	14,160,717	11,968,655	2,235,903

Source: City of Oakland

Willdan Financial Services, 2018

Additional detail regarding the construction cost estimates are provided in the following memo prepared by Kimley-Horn, which also includes illustrations and schematics of the proposed structure.



Kimley»Horn

MEMORANDUM

To: James A. Edison – Managing Principal, Financial and Economic Consulting Services Group, Willdan Financial Services

From: Sanjay Pandya, P.E. / Casey Leedom, P.E.
Kimley-Horn and Associates, Inc.

Date: March 23, 2017

Subject: Preliminary Mixed-use Parking Garage Concepts
Clay St. Central Business District Parcel, Oakland, CA

As authorized and in accordance with our proposal dated May 11, 2016, we have developed design concepts for a mixed-use parking structure located on the site of the Clay St. Garage in Oakland, CA. This central business district development site is located in Downtown Oakland and is bound by Clay St. to the Northwest, 14th St. to the Southwest, Frank Ogawa Plaza to the Northeast, and the Oakland City Hall Building to the Southeast. The height of the development is governed by the adjacent low-rise City Hall structure or the six-story Dalziel office building located at 270 Frank Ogawa Plaza, Oakland. This development is being planned to include the following program elements:

- 29,200 sq. ft. site footprint
- Approximately 20,000 sq. ft. of street level commercial/retail space fronting Clay Street.
- One subterranean level parking.
- Five-story structure for an office or hotel use over the retail space.
- Overall height of development at approximately 75 ft. above street level.

The existing structure consists of five levels of parking, including a subterranean level. The subterranean level extends beneath the sidewalk approximately 13 ft. on each of the North, West, and South sides of the garage. The overall existing garage height to top of parapet is approximately 38 ft. The lowest roof of the adjacent City Hall structure is approximately 50 ft. tall, and the intermediate roof level of the adjacent City Hall structure is approximately 65-70 ft. ± tall. The height above street level of the adjacent Dalziel office building is estimated to be between approximately 75-80 ft.

The proposed one-story retail space would span the length of the parking structure, fronting Clay St. This space would have a depth of approximately 90 ft. with an overall height of approximately 15 ft. Parking spaces would exist below the retail space, and along the side of the structure adjacent to City Hall (see attached concept drawings).

In order to provide a podium structure atop the subterranean parking garage, the garage will be short-span construction – consisting of concrete flat slab with drop panels supported by 2ft by 2ft columns spaced about 30 ft. on center.

MIXED-USE PARKING GARAGE CONCEPTS

Three preliminary concepts were developed and submitted for review by Wildan and City of Oakland (City) staff on July 27, 2016. Michael Ford and Patrick Lane of the City provided review comments for these preliminary concepts and identified Concept 1 as the preferred concept with a few modifications. They provided a listing of the desired Concept 1 modifications in an email dated October 12, 2016.

Subsequently, Patrick Lane provided additional comments on the January 12, 2017 version of the Modified Concept 1 in an email dated February 3, 2017. Based on these comments the Modified Concept 1 drawings were revised to reflect two options. The first option has a single level subterranean parking structure with 5-story hotel above the retail space and the second is a 5-story office building above the retail space. Key attributes of each Modified Concept 1 option are summarized as follows"

Modified Concept 1 with Hotel Above Retail Space: (See Attached Drawing)

- Above-grade structure footprint: approximately 126 ft. by approximately 207 ft.
- Below-grade parking structure footprint of approximately 130 ft. by approximately 217 ft. This footprint extends 10 ft. under the sidewalk along 14th Street.
- Retail space story height of approximately 15 ft. and typical hotel building story height of approximately 12 ft.
- Subterranean parking structure has 1 ½ north-south oriented parking bays with standard (8'-6" x 18'-0") 90-degree parking stalls and provides a total of 51 spaces. There is a two-way non-parked on ramp for vehicle circulation between the street level (Level 1) and Parking Level PB1.
- Main entrance/exit for the parking structure is off 14th St.
- Gross building square footage of parking is approximately 28,000 sq. ft.
- Average design parking efficiency of 549 square feet per stall.
- Approximately 20,570 ± sq. ft. of retail space, fronting Clay St.
- A potential five-story hotel structure over the retail space providing up to approximately 113,000 ± sq. ft. for hotel use. Assuming a gross square footage of 450 -500 sq. ft. per room, this could provide approximately 225 to 250 rooms.
- Overall building height of 75 ft. ±.
- 15± ft. setback from the Oakland City Hall Building. for the potential five-story hotel building.

Table 1 below presents our concept level opinion of probable project costs for the Modified Hotel Concept mixed-use project.

TABLE 1: MODIFIED HOTEL CONCEPT OPINION OF PROBABLE PROJECT COST

Item	Estimated Cost
Site Work (includes existing building demolition, earth retention system, utility line relocation, SWPPP & erosion control, etc.)	\$3,253,000
Parking Garage + Podium Level Construction	\$4,700,000
Street Level Retail Space (≈20,570 sq. ft.)	\$3,436,000
Potential Five-story Hotel Building Above Retail Space ((≈113,000 sq. ft. providing up to ≈ 250 rooms)	\$25,990,000
Construction Cost Sub-total	\$37,379,000
Design Contingency @ 20%	\$7,476,000
Construction Contingency @ 10%	\$3,738,000
Construction Cost Total	\$48,593,000
Owner Soft Costs (@35%)	\$17,008,000
Opinion of Probable Total Project Cost (2017 Dollars)	\$65,601,000

Modified Concept 1 with Office Above Retail Space: (See Attached Drawing)

- Above-grade structure footprint: approximately 126 ft. by approximately 207 ft.
- Below-grade parking structure footprint of approximately 130 ft. by approximately 217 ft. This footprint extends 10 ft. under the sidewalk along 14th Street.
- Retail space story height of approximately 15 ft. and typical office building story height of approximately 12 ft.
- Subterranean parking structure has 1 ½ north-south oriented parking bays with standard (8'-6" x 18'-0") 90-degree parking stalls and provides a total of 51 spaces. There is a two-way traffic, non-parked on, ramp for vehicle circulation between the street level (Level 1) and Parking Level PB1.
- Main entrance/exit for the parking structure is off 14th St.
- Gross building square footage of parking is approximately 28,000 sq. ft.
- Average design parking efficiency of 549 square feet per stall.
- Approximately 20,570 ± sq. ft. of retail space, fronting Clay St.
- A potential five-story office structure over the retail space providing up to approximately 130,400 ± sq. ft. for office use.
- Overall building height of 75 ft. ±.
- 15± ft. setback from the Oakland City Hall Building. for the potential five-story office building.

Table 2 below presents our concept level opinion of probable project costs for the Modified Office Concept mixed-use project.

TABLE 2: MODIFIED OFFICE CONCEPT OPINION OF PROBABLE PROJECT COST

Item	Estimated Cost
Site Work (includes existing building demolition, earth retention system, utility line relocation, SWPPP & erosion control, etc.)	\$3,253,000
Parking Garage Building + Podium Level Construction	\$4,700,000
Street Level Retail Space (≈20,570 sq. ft.)	\$3,436,000
Potential Five-story Office Building above Podium Level (≈130,400 sq. ft.)	\$23,472,000
Construction Cost Sub-total	\$34,861,000
Design Contingency @ 20%	\$6,972,000
Construction Contingency @ 10%	\$3,486,000
Construction Cost Total	\$45,319,000
Owner Soft Costs (@35%)	\$15,862,000
Opinion of Probable Total Project Cost (2017 Dollars)	\$61,181,000

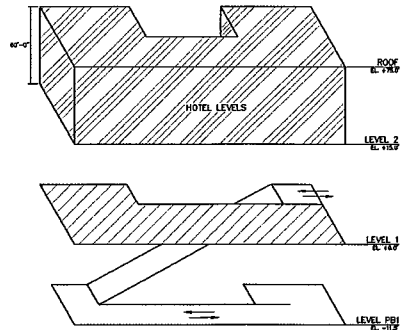
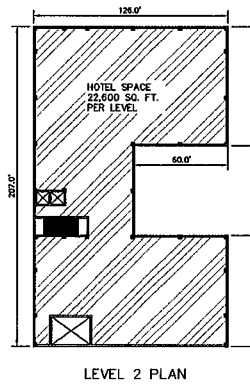
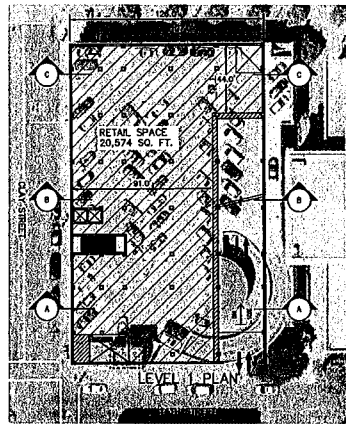
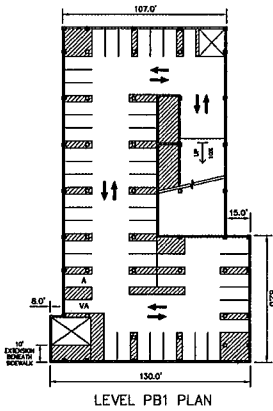
The opinions of probable project cost presented above are in 2017 dollars. Escalation percentage should be established by the City based on their assumptions as to the anticipated year of project bidding and construction. These costs do not include cost for items such as land acquisition, project financing and site environmental evaluations. Owner soft costs include items such as architectural and engineering fees, materials testing, special inspections, site geotechnical investigations and recommendations and Owner's administrative and legal costs.

Our opinions of probable construction costs are based on assumption of competitive bidding for every portion of the construction work for all subcontractors and general contractors, with a minimum of three bidders for all items of subcontracted work and 3-4 general contractor bids. Experience indicates that a lower number of bidders may result in higher bids; conversely an increased number of bidders may result in bids that are more competitive.

Since we cannot not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or local market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, are made based on our experience and represent our judgment as an experienced and qualified professional, familiar with the industry. If the Client or the City wishes greater assurance as to the amount of any cost, it is recommended to employ an independent cost estimator.

ATTACHMENTS

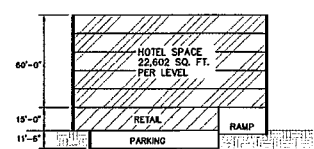
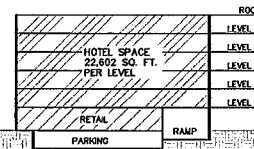
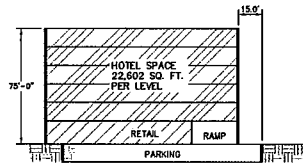
CLAY ST. CBD PARCEL: MODIFIED HOTEL CONCEPT



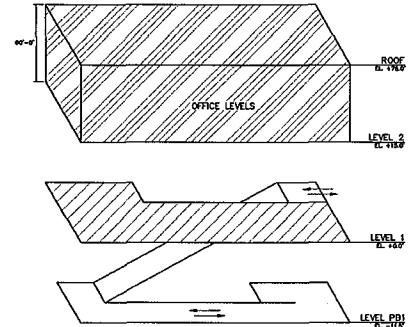
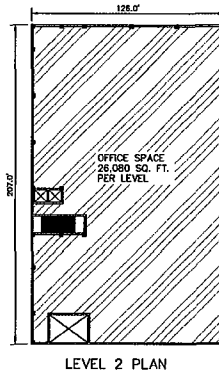
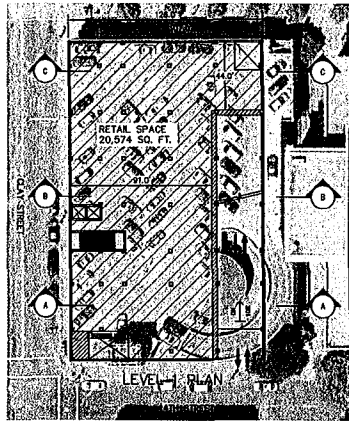
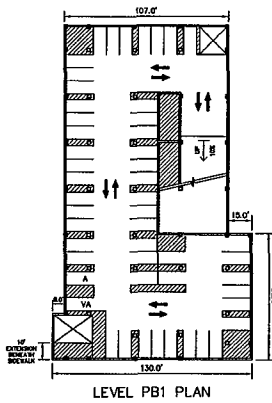
PARKING STALL COUNT SUMMARY			
LEVEL	SPACES	AREA (SF)	PARKING EFFICIENCY
PI	51	27980	549
TOTAL	51	27980 *	549

* THE TOTAL NUMBER OF SPACES HAS NOT BEEN REDUCED TO ACCOUNT FOR LOSS OF SPACES DUE TO MOTORCYCLE PARKING, UTILITY STORAGE ROOMS AND ANY MEP ROOMS SERVING THE RETAIL/HOTEL BUILDING USES.

TOTAL RETAIL SPACE: 20,574 SQ. FT.
TOTAL HOTEL SPACE: 113,000 SQ. FT.



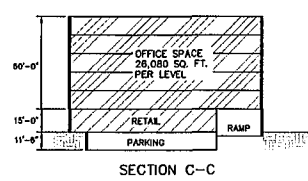
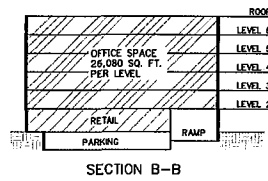
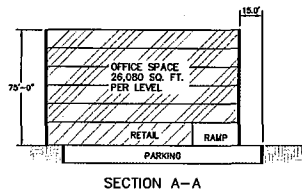
CLAY ST. CBD PARCEL: MODIFIED OFFICE CONCEPT



PARKING STALL COUNT SUMMARY			
LEVEL	SPACES	AREA (SF)	PARKING EFFICIENCY
PB1	51	27980	549
TOTAL	51 *	27980	549

* THE TOTAL NUMBER OF SPACES HAS NOT BEEN REDUCED TO ACCOUNT FOR LOSS OF SPACES DUE TO MOTORCYCLE PARKING, UTILITY STORAGE ROOMS, AND ANY MEP ROOMS SERVING THE RETAIL/OFFICE BUILDING USES.

TOTAL RETAIL SPACE: 20,574 SQ. FT.
 TOTAL OFFICE SPACE: 130,400 SQ. FT.



Kimley»»Horn

MEMORANDUM

To: James A. Edison – Managing Principal, Financial and Economic Consulting Services Group, Willdan Financial Services

From: Sanjay Pandya, P.E. / Casey Leedom, P.E.
Kimley-Horn and Associates, Inc.

Date: January 12, 2017

Subject: Preliminary Mixed-use Parking Garage Concepts
Clay St. Central Business District Parcel, Oakland, CA

As authorized and in accordance with our proposal dated May 11, 2016, we have developed design concepts for a mixed-use parking structure located on the site of the Clay St. Garage in Oakland, CA. This central business district development site is located in Downtown Oakland and is bound by Clay St. to the Northwest, 14th St. to the Southwest, Frank Ogawa Plaza to the Northeast, and the Oakland City Hall Building to the Southeast. The height of the development is governed by the adjacent low-rise City Hall structure or the six-story Dalziel office building located at 270 Frank Ogawa Plaza, Oakland. This development is being planned to include the following program elements:

- 29,200 sq. ft. site footprint
- Approximately 7,000 – 10,000 sq. ft. of street level commercial/retail space fronting Clay Street.
- Parking garage with two levels of subterranean parking and up to two levels of above grade parking.
- Five-story structure for an office or hotel use on the podium level over the top level of parking garage
- Overall height of development between approximately 75 ft. and 90 ft. above street level.
- Vehicular tunnel linking the basement levels of the new parking garage to the existing parking garage below the Dalziel office building to the north across Frank Ogawa Plaza.

The existing structure consists of five levels of parking, including a subterranean level. The subterranean level extends beneath the sidewalk approximately 13 ft. on each of the North, West, and South sides of the garage. The overall existing garage height to top of parapet is approximately 38 ft. The lowest roof of the adjacent City Hall structure is approximately 50 ft. tall, and the intermediate roof level of the adjacent City Hall structure is approximately 65-70 ft. ± tall. The height above street level of the adjacent Dalziel office building is estimated to be between approximately 75-80 ft.

The proposed two-story retail space would span the length of the parking structure, fronting Clay St. This space would have a depth of approximately 35 ft. with an overall height of approximately 28 ft. Parking spaces would exist below the retail space, and along the side of the structure adjacent to City Hall (see attached concept drawing).

In order to provide a podium structure atop the multilevel parking garage, the garage will be short-span construction – consisting of concrete flat slab with drop panels supported by 2ft by 2ft columns spaced about 30 ft. on center.

MIXED-USE PARKING GARAGE CONCEPTS

Three preliminary concepts were developed and submitted for review by Wildan and City of Oakland (City) staff on July 27, 2016. Michael Ford and Patrick Lane of the City provided review comments for these preliminary concepts and identified Concept 1 as the preferred concept with a few modifications. They provided a listing of the desired Concept 1 modifications in an email dated October 12, 2016.

Subsequently, Patrick Lane provided additional comments on the October 20, 2016 version of the Modified Concept 1 in an email dated December 7, 2016. Based on these comments and discussion with Michael Ford and Patrick Lane on December 21, 2016 the October 20, 2016 Modified Concept 1 drawings were revised to reflect two options. First option is a mixed-use parking structure with a 150-200 key hotel above the podium level and the second is a mixed-use parking structure with a 5-story office building. Key attributes of each Modified Concept 1 option are summarized as follows”

Modified Concept 1 with Hotel Above Podium: (See Attached Drawing)

- Above-grade structure footprint: approximately 141 ft. by approximately 207 ft.
- Below-grade parking levels structure footprint: approximately 122 ft. by approximately 217 ft. This footprint extends 10 ft. under the sidewalk along 14th Street
- Floor-to-floor height of approximately 11.5 ft.
- Two north-south oriented parking bays with standard (8'-6" x 18'-0") 90-degree parking spaces, two-way traffic circulation and single thread ramping for vehicle circulation between levels P1 and P2. The ramp system between Levels P1 and P2 consists of two parked-on ramps, each with a slope of 5.0%. There is no ramp connecting levels P1 and PB1 or levels PB1 and PB2
- Main entrance/exit for the structure is off of 14th St.
- This concept provides a connection to the two subterranean parking levels of the parking structure under Dalziel office towers located to the North, beneath and across Frank H. Ogawa Plaza. This connection point is located along the north side of basement levels PB1 and PB2.
- Three and one half levels of parking providing approximately 273 parking spaces. Note that this total does not account for loss of spaces due to ADA accommodations, motorcycle and bicycle parking and utility and storage rooms
- Gross building square footage of parking approximately 105,168 sq. ft.
- Average design parking efficiency of 385 square feet per stall.
- Approximately 15,500 ± sq. ft. of two-story retail space, fronting Clay St.
- A potential four-story hotel structure over the podium level of garage structure providing up to approximately 69,500 ± sq. ft. for hotel use. Assuming a gross square footage of 450 sq. ft. per room, this could provide approximately 155 rooms.
- Overall building height with podium level structure of 77 ft. ±.

- 10± ft. setback from the Oakland City Hall Building. for the potential four-story hotel structure over the podium level.

Table 1 below presents our concept level opinion of probable project costs for the Modified Hotel Concept mixed-use project.

TABLE 1: MODIFIED HOTEL CONCEPT OPINION OF PROBABLE PROJECT COST

Item	Estimated Cost
Site Work (includes excavation under plaza, earth retention system, utility line relocation, existing building demolition, SWPPP & erosion control, etc.)	\$5,830,000
Parking Garage Building + Podium Level Construction	\$12,438,000
Street Level Retail Space (≈15,400 sq. ft.)	\$2,575,000
Potential Four-story Hotel Building above Podium Level (≈70,000 sq. ft. providing ≈ 155 rooms)	\$16,100,000
Construction Cost Sub-total	\$36,943,000
Design Contingency @ 20%	\$7,389,000
Construction Contingency @ 10%	\$3,694,000
Construction Cost Total	\$48,026,000
Owner Soft Costs (@35%)	\$16,809,000
Opinion of Probable Total Project Cost (2017 Dollars)	\$64,835,000

Modified Concept 1 with Office Above Podium: (See Attached Drawing)

- Above-grade structure footprint: approximately 141 ft. by approximately 207 ft.
- Below-grade parking levels structure footprint: approximately 122 ft. by approximately 217 ft. This footprint extends 10 ft. under the sidewalk along 14th Street
- Floor-to-floor height of approximately 11.5 ft.
- Two north-south oriented parking bays with standard (8'-6" x 18'-0") 90-degree parking spaces, two-way traffic circulation and single thread ramping for vehicle circulation between levels P1 and P2. The ramp system between Levels P1 and P2 consists of two parked-on ramps, each with a slope of 5.0%. There is no ramp connecting levels P1 and PB1 or levels PB1 and PB2
- Main entrance/exit for the structure is off of 14th St.
- This concept provides a connection to the two subterranean parking levels of the parking structure under Dalziel office towers located to the North, beneath and across Frank H.

Ogawa Plaza. This connection point is located along the north side of basement levels PB1 and PB2.

- Three and one half levels of parking providing approximately 273 parking spaces. Note that this total does not account for loss of spaces due to ADA accommodations, motorcycle and bicycle parking and utility and storage rooms
- Gross building square footage of parking approximately 105,168 sq. ft.
- Average design parking efficiency of 385 square feet per stall.
- Approximately 15,500 ± sq. ft. of two-story retail space, fronting Clay St.
- A potential five-story office structure over the podium level of garage structure providing up to approximately 135,600 ± sq. ft. for office use.
- Overall building height with podium level structure of 89 ft. ±.
- 10± ft. setback from the Oakland City Hall Building. for the potential five-story office structure over the podium level.

Table 2 below presents our concept level opinion of probable project costs for the Modified Office Concept mixed-use project.

TABLE 2: MODIFIED OFFICE CONCEPT OPINION OF PROBABLE PROJECT COST

Item	Estimated Cost
Site Work (includes excavation under plaza, earth retention system, utility line relocation, existing building demolition, SWPPP & erosion control, etc.)	\$5,830,000
Parking Garage Building + Podium Level Construction	\$12,438,000
Street Level Retail Space (≈15,400 sq. ft.)	\$2,575,000
Potential Five-story Office Building above Podium Level (≈135,600 sq. ft.)	\$24,408,000
Construction Cost Sub-total	\$45,251,000
Design Contingency @ 20%	\$9,050,000
Construction Contingency @ 10%	\$4,525,000
Construction Cost Total	\$58,826,000
Owner Soft Costs (@35%)	\$20,589,000
Opinion of Probable Total Project Cost (2017 Dollars)	\$79,415,000

The opinions of probable project cost presented above are in 2017 dollars. Escalation percentage should be established by the Client based on their assumptions as to the anticipated year of project bidding and construction. These costs do not include cost for items such as land acquisition, project

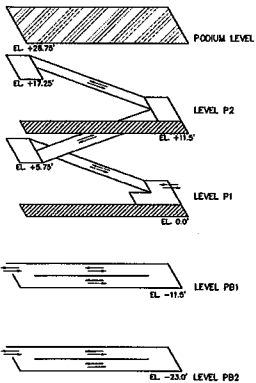
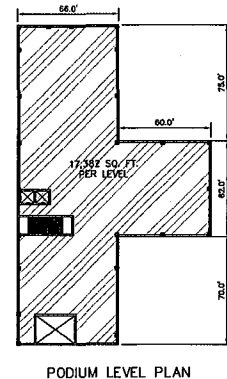
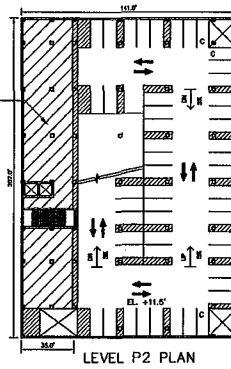
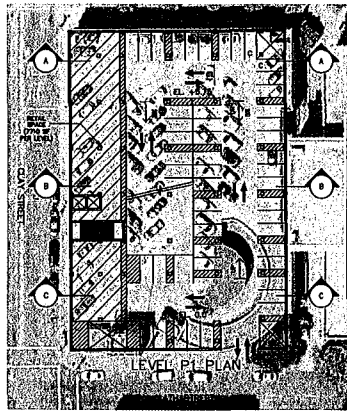
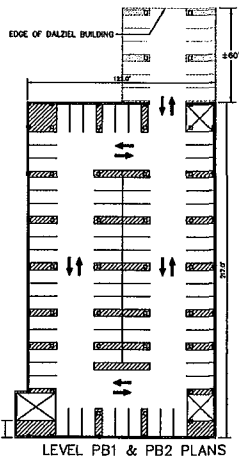
financing and site environmental evaluations. Owner soft costs include items such as architectural and engineering fees, materials testing, special inspections, site geotechnical investigations and recommendations and Owner's administrative and legal costs.

Our opinions of probable construction costs are based on assumption of competitive bidding for every portion of the construction work for all subcontractors and general contractors, with a minimum of three bidders for all items of subcontracted work and 3-4 general contractor bids. Experience indicates that a lower number of bidders may result in higher bids; conversely an increased number of bidders may result in bids that are more competitive.

Since we cannot not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or local market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, are made based on our experience and represent our judgment as an experienced and qualified professional, familiar with the industry. If the Client or the City wishes greater assurance as to the amount of any cost, it is recommended to employ an independent cost estimator.

ATTACHMENTS

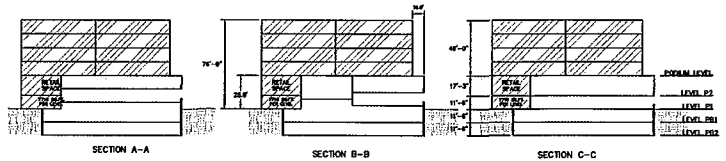
CLAY ST. CBD PARCEL: MODIFIED HOTEL CONCEPT



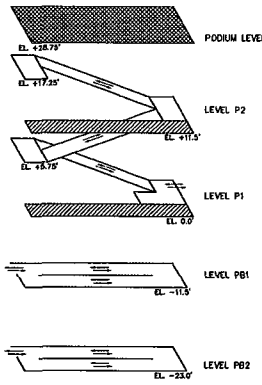
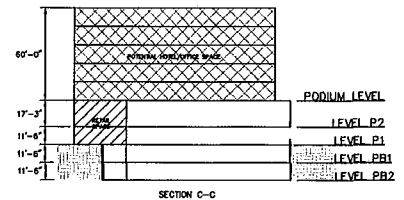
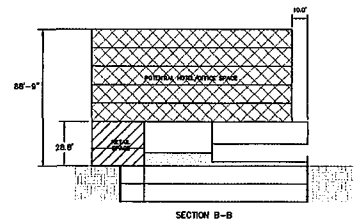
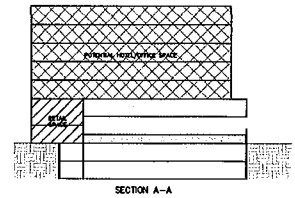
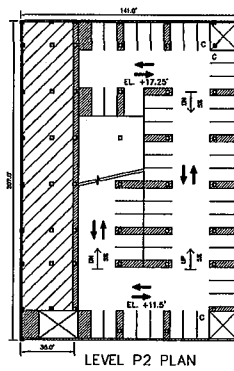
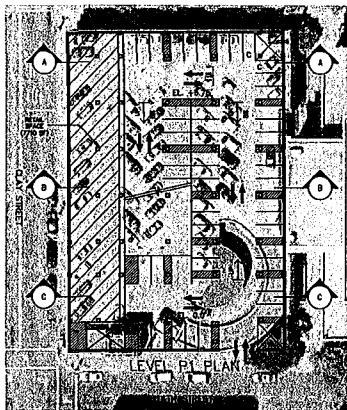
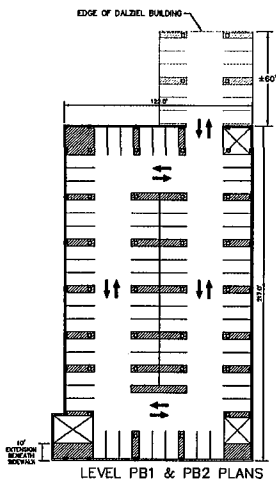
PARKING STALL COUNT SUMMARY			
LEVEL	SPACES	AREA (SF)	PARKING EFFICIENCY
PB1	85	30435	358
PB2	85	30435	358
P1	51	22149	434
P2	52	22149	426
TOTAL	273	105168 *	385

* THE TOTAL NUMBER OF SPACES HAS NOT BEEN REDUCED TO ACCOUNT FOR LOSS OF SPACES DUE TO ADA ACCOMMODATION, MOTORCYCLE PARKING AND UTILITY AND STORAGE ROOMS.

TOTAL RETAIL SPACE: 15,500 SQ. FT.
TOTAL HOTEL SPACE: 69,600 SQ. FT.



CLAY ST. CBD PARCEL: MODIFIED OFFICE CONCEPT



PARKING STALL COUNT SUMMARY			
LEVEL	SPACES	AREA (SF)	PARKING EFFICIENCY
PB1	85	30435	358
PB2	85	30435	358
P1	51	22149	434
P2	52	22149	426
TOTAL	273 *	105188	365

* THE TOTAL NUMBER OF SPACES HAS NOT BEEN REDUCED TO ACCOUNT FOR LOSS OF SPACES DUE TO ADA ACCOMMODATION, MOTORCYCLE PARKING, AND UTILITY AND STORAGE ROOMS.

TOTAL RETAIL SPACE: 15,500 SQ. FT.
 TOTAL OFFICE SPACE: 135,600 SQ. FT.

DOWNTOWN OAKLAND PARKING STUDY | PARKING MANAGEMENT REPORT – FINAL
City of Oakland/Metropolitan Transportation Commission

EXECUTIVE SUMMARY

The Downtown Oakland Parking Study set out to understand existing parking conditions in downtown, in order to recommend parking management and technology strategies. This report, the *Parking Management Report*, is the fourth and final deliverable of the study. It builds upon the research and analysis conducted in previous phases, and presents a cohesive slate of recommendations for managing parking in ways that achieve the City of Oakland’s overarching goals for economic growth, environmental responsibility, and social equity.

These recommendations are designed to implement, throughout the Downtown study area, the *Parking Principles for Commercial Districts* which were unanimously adopted by the Oakland City Council on October 15, 2013.¹ In addition, the recommendations in this report (e.g., the recommended methodology for adjusting parking meter rates) are designed to be easily extended citywide, so that Oakland’s adopted *Parking Principles* can be fully implemented. Those principles are set forth in the section below.

Oakland’s Parking Principles for Commercial Districts

“RESOLVED, that the city shall adopt the following Parking Principles as official policy to guide actions dealing with parking in commercial districts citywide:

Parking is part of a multimodal approach to developing neighborhood transportation infrastructure.

- Users of commercial districts (shoppers, employees, visitors) have varied needs for access, via private auto, transit, bicycle and foot.
- Curbside parking must be balanced with multiple complementary and competing needs, including but not limited to delivery vehicles, taxis, car share vehicles, bus stops, bicycle parking and sidewalk widening.

Parking should be actively managed to maximize efficient use of a public resource.

- Parking should be treated as an asset that helps bolster the economic vitality of neighborhood commercial areas.
- Parking should be managed to achieve an approximate 85% maximum occupancy per block so that there will always be some parking available to shoppers and visitors.

¹ Brooke A. Levin, Interim Director, PWA. *Agenda Report re: Ordinance Supporting a Flexible Parking District Program*, August 23, 2013. <https://oakland.legistar.com/View.ashx?M=F&ID=2638143&GUID=B82816CE-EF18-4D2D-87D4-6017CA050209>.

DOWNTOWN OAKLAND PARKING STUDY | PARKING MANAGEMENT REPORT – FINAL
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- Parking should be priced to achieve usage goals ("market rate pricing"); market prices may vary by area; by time of day and may be adjusted occasionally to reflect current use.
- Pricing and policies should encourage use of off-street parking lots where they are available.

Parking should be easy for customers.

- Costs, rules and penalties should be easily comprehensible.
- Fees should be payable by a variety of fare media (prepaid cards, credit cards, cash and cell phones).
- If possible, and where appropriate, time limits should be avoided in favor of market pricing.
- The role of tickets should be minimized in generating parking revenue; it should be easier to pay parking fees, which may lower the incidence of tickets.

Parking policy and regulations should help the City meet other transportation, land use and environmental goals.

- Pricing policies should encourage a "park once" approach, to minimize driving from store-to-store within a commercial district and adding to congestion and air pollution.
- Whenever possible, a portion of parking revenue should be reinvested directly back to neighborhood commercial district improvements, potentially through a mechanism such as a parking benefit district."

Progress on Implementing Oakland's Parking Principles

The City has been moving steadily forward on implementing these principles. On July 31, 2014, the City completed the \$5.8 million Smart Parking Meter Upgrade Conversion Project.² The project replaced all 3,800 remaining single-space, coin-only parking meters in commercial districts across Oakland with new "Smart Parking Meters". The new meters are solar-powered and wirelessly networked, have backlit displays to communicate parking prices and rules, and accept payment by credit cards, debit cards, coins and pay-by-phone. By providing better information and multiple payment options (including the option of extending time remotely by phone), the new meters have made it easier for customers to pay, and easier to avoid citations.

The new meters also set the stage for implementing performance-based parking pricing (i.e., varying parking prices to achieve an occupancy goal for each block) throughout the City. The meters wirelessly communicate, in real time, information about which meters have been paid, providing most of the information needed to easily (a) estimate hour-by-hour occupancy on each block and (b) adjust parking prices by block, day of week, and time of day to meet occupancy goals. Each meter's electronic display allows easy communication of the day's parking prices and rules for that block.

On August 18, 2014, the City implemented the Montclair Village Flexible Parking Pricing Pilot Project. The project varies parking prices on each block to achieve the City's goal of an approximate 85% maximum occupancy on each block. The project created the City's first parking benefit district: 50% of any net increase in parking revenues resulting from the flexible parking

² <http://www2.oaklandnet.com/Parking/SmartMeters/index.htm>

pricing will be reinvested into improving public infrastructure within the district. Overall, the project has been well-received, and the Montclair Village Association has expressed its support for the City's continuing efforts to implement "smart" parking and related strategies that build on the Montclair flexible parking pricing pilot program.

Key Findings from Peer Review, Existing Conditions Review & Public Outreach

The recommendations in this report also draw upon lessons learned from the many cities – including San Francisco, Berkeley, Glendale, Los Angeles, Redwood City, Seattle and Ventura – which have successfully implemented performance-based parking pricing. These cities found that adopting performance-based pricing improved parking availability; reduced unnecessary vehicle miles traveled and pollution due to vehicles circling in search of underpriced curb parking; and (particularly in those cities which returned a portion of meter revenue to the neighborhoods where the revenue was collected) has maintained majority support from local merchants and residents. This study's *Technical Memorandum #1 – Context Analysis* summarizes results achieved and lessons learned from several of these cities.

In addition to the principles listed above, the recommendations in this report are also based on a major data collection and public outreach effort. These efforts included a comprehensive parking inventory, occupancy counts of on-street and City-owned off-street parking, a survey of Disabled Person Parking Placard use at on-street meters, stakeholder focus group meetings, and merchant and shopper surveys. The results of that work are described in *Technical Memorandum #2 – Existing Conditions* and *Technical Memorandum #3 – Public Outreach Summary*.

These efforts uncovered numerous important findings. For example, respondents to the merchant and shopper surveys said that:³

- Shoppers use a variety of modes to visit downtown Oakland.
- Merchants acknowledge the multimodal nature of how customers and employees arrive to their place of business.
- Merchants are dissatisfied with parking, perceiving high prices, inconsistent enforcement, and overly restrictive time limits.

Nelson\Nygaard's mapping and analysis of the parking inventory and occupancy data yielded several key findings.⁴ These include:

- **In total, more than 20,000 parking spaces exist in the study area.** This includes 6,330 on-street spaces, 4,036 City-owned off-street spaces, 1,633 off-street spaces owned by other public agencies, and more than 9,236 privately-owned off-street spaces.
- **When the City-owned downtown parking spaces are considered as a whole, a parking surplus exists.** Overall parking occupancy for both on- and off-street City-owned spaces reached 79% at the peak hour of demand during the parking survey (Thursday, 12 p.m. to 1 p.m.). At this hour, more than 2,000 parking spaces remained vacant in the City-owned supply.⁵

³ For more information on these findings, refer to *Technical Memorandum #3 – Public Outreach Summary*, November 2015.

⁴ For more information on these findings, refer to *Technical Memorandum #2 – Existing Conditions*, January 2016.

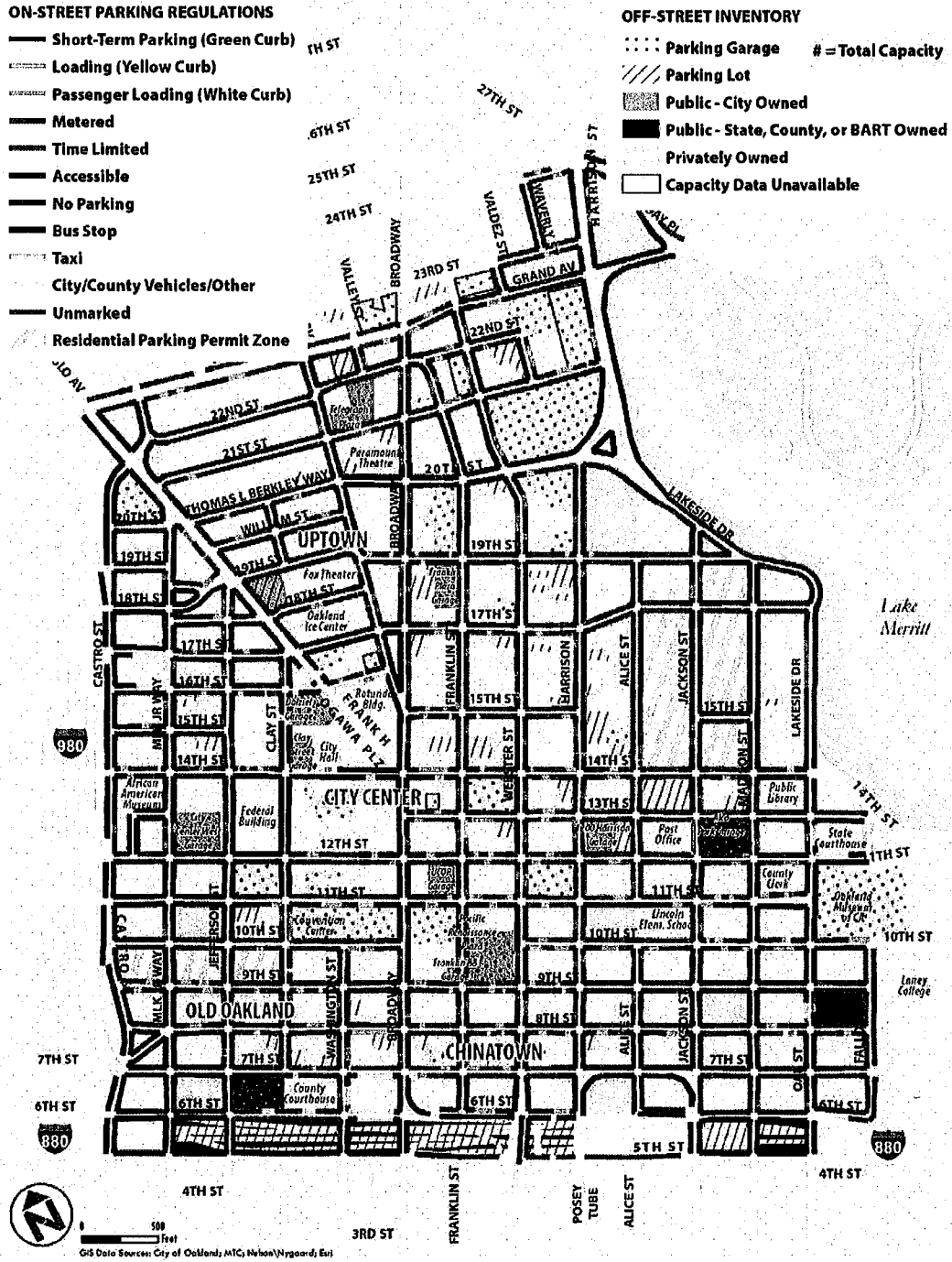
⁵ Parking occupancy data for non-City owned parking lots and garages was not available from the owners of these facilities. Due to both budget limitations and the difficulty of obtaining permission to conduct occupancy counts in private facilities, non-City-owned facilities were not included in the occupancy surveys.

DOWNTOWN OAKLAND PARKING STUDY | PARKING MANAGEMENT REPORT – FINAL
City of Oakland/Metropolitan Transportation Commission

- **Hot spots of high parking demand and localized parking shortages exist, while other lots and garages simultaneously remain underutilized.** In core business areas such as Chinatown and City Center, finding available curbside parking spots can be difficult during much of the day, both on weekdays and Saturdays. The occupancy survey results appear to confirm the findings of previous studies such as the 2014 Lake Merritt Station Area Plan, which noted frequent curbside parking problems in the core of Chinatown, including merchants using curbside parking spaces for storage throughout the day; illegal parking in loading zones and no parking zones; and double parking and street loading.
- **At peak hour on Thursday, three City lots and garages (Telegraph Plaza, the 18th Street Uptown Lot, and the Franklin Plaza Garage) are either nearly or entirely full (Figure O-1).** In two other City facilities (the Dalziel Garage and the Clay Street Garage), while the “reserved” parking spaces may remain mostly vacant and the *total* parking occupancy remains below 85%, “regular” parking spaces are full at the peak hour, making these facilities effectively full for the average member of the public.
- **Parking occupancy on Saturday is far lower, with overall parking occupancy reaching just 49% at the busiest hour (12 p.m. to 1 p.m.).** At this time, more than 5,000 parking spaces remain vacant in the City-owned downtown parking supply, and all of the City’s off-street lots and garages have substantial excess capacity.
- **Prices for City-owned parking spaces, both on-street and off-street, are significantly below market rate.** Hourly parking rates for City-owned spaces range from \$0 to \$4, while rates for nearby private garages generally range from \$4 to \$8 per hour. Monthly permit rates for City-owned garages are also significantly below market rate. These prices make City-owned spaces the “best deal in town” and result in overcrowding of the most popular City-owned lots, garages, and on-street spaces.
- **Disabled parking placard use at metered curbside spaces is a significant issue.** Surveys of disabled placard use found that on numerous blocks in downtown Oakland, motorists using disabled placards to park for free occupy most of the metered curbside parking spaces most of the time. On some blocks, vehicles with disabled placards occupy more than 80% of metered curbside parking spaces at the peak hours of the day. Approximately 23% of vehicles with a disabled placard remained parked at a meter for seven or more hours.

DOWNTOWN OAKLAND PARKING STUDY | PARKING MANAGEMENT REPORT – FINAL
 City of Oakland/Metropolitan Transportation Commission

Figure 0-1 On- and Off-Street Parking Supply and Restrictions, Downtown Oakland



Based on this data analysis and in light of the \$1.3 million grant recently awarded to the City by the Metropolitan Transportation Commission to implement performance-based⁶ parking pricing and accompanying transportation demand management measures (TDM) in the downtown area, this report focuses on specific approaches for implementing performance-based parking pricing, returning a portion of the revenue to the blocks where it was collected, reforming off-street parking requirements, and strategic management of parking demand.

Of course, parking prices are only one lever —albeit an important one— available to help the City achieve its policy goals. Many other techniques —reallocating types of parking spaces, removing time limits, improving enforcement, providing better wayfinding, and so on— can and should play strong supporting roles. These techniques have also been evaluated for their potential to (a) help alleviate localized parking shortages and make use of nearby surpluses, and (b) help Oakland achieve its broader economic, environmental, social equity, and quality of life goals.

Summary of Recommended Strategies

This study recommends a holistic parking management strategy which integrates all aspects of parking: pricing, regulations, enforcement, and policy for both on-and off-street facilities. This Parking Management Report's recommended strategies can be summarized as follows:

To improve management of on-street parking:

1. Adopt a clear methodology to guide decision-making on how to prioritize the use of scarce curb space. In general, the following uses should be given priority (in order from highest to lowest priority) :
 - i. bicyclists, pedestrians, and transit;
 - ii. active freight and passenger loading, including taxi stands;
 - iii. places to linger, such as parklets and sidewalk dining;
 - iv. short- and long-term parking.
2. Implement performance-based parking pricing with rates that vary by time of day, day of week and by block.
3. On each block, charge for parking whenever necessary – including evenings and weekends, if needed – to achieve an approximately 85% maximum occupancy per block.
4. Use prices rather than time limits to achieve curb parking availability.
5. Use the Sensor Independent Rate Adjustment (SIRA) methodology⁷ developed for San Francisco's *SFPark* performance-based parking pricing to adjust meter rates, calibrating it for Oakland's commercial districts.
6. Establish one or more parking benefit districts for the commercial and residential areas of downtown, in order to provide an institutional structure for returning a portion of curb parking revenue to the blocks where it was collected to fund neighborhood improvements.

⁶ Performance-based parking pricing is also referred to as demand-based, dynamic, or variable-rate pricing. These terms are essentially interchangeable; for consistency, this report uses the term of "performance-based."

⁷ San Francisco used multiple years of occupancy data from parking sensors (supplemented by manual counts for quality assurance) and revenue data from parking meters to develop a model to estimate parking occupancy using meter payment data. This is described in greater detail in Chapter 3 of this report.

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City of Oakland/Metropolitan Transportation Commission

7. Return 50% of any net increase in curb parking revenues to the parking benefit district where the revenue is collected, to fund improved public infrastructure and services.
8. Give existing merchant and neighborhood organizations, such as Business Improvement Districts, a significant advisory role in deciding how to spend their local parking benefit district's revenues.
9. Establish a committee, with significant representation from people with disabilities, charged with proposing reforms to (a) improve curb parking availability for people with disabilities, and (b) reduce Disabled Placard fraud and abuse.
10. Improve parking monitoring and enforcement with integrated "smart" meters, off-street Parking Access and Revenue Control Systems, and license plate recognition (LPR) systems.
11. Evaluate emerging parking occupancy sensor technologies (in-ground and/or on-meter) and consider deploying them if and when current reliability, accuracy and cost problems are overcome.
12. Improve parking signage.

To improve management of City-owned off-street parking:

1. Refrain from subsidizing automobile storage and use: require that City-owned lots and garages in downtown be operated as an *enterprise operation*.
2. Require that this Off-Street Parking Enterprise Operation support itself solely through lot and garage user fees, without additional support from other taxpayer dollars or curb parking revenues.
3. Plan and budget for the long-term financial sustainability of this Enterprise Operation, including setting parking rates which are sufficient to provide for long-term facility maintenance, renovation, reconstruction, staffing, and pension liabilities.
4. Implement performance-based parking pricing with rates that vary by time of day, and day of week.
5. Specifically, raise or lower both monthly and hourly rates at each lot and garage as necessary to (a) eliminate wait lists and "lot full" signs, and (b) raise all funds necessary to support the Off-Street Parking Enterprise Operation.
6. Extend or contract parking lot and garage hours of operation as necessary, with the goal of ensuring that public and/or private parking is readily available within a reasonable walk of all significant destinations.
7. Reassess the number and location of reserved off-street parking spaces to ensure they are well used.
8. Improve parking signage.
9. Develop a real-time parking wayfinding system.
10. Place a moratorium on construction of any City-owned new or replacement off-street parking, until the following have been completed: (a) the now-in-progress *Downtown Specific Plan*; (b) the establishment of maximum parking requirements; and (c) a "highest and best use" analysis of city-owned lots and garages.

To manage future growth in ways that minimize traffic congestion and pollution, while improving economic vitality and social equity:

1. Remove minimum parking requirements from the Zoning Code.
2. Establish maximum parking requirements in the Zoning Code.
3. Require new developments to: (a) unbundle the cost of parking from the cost of other goods and services; (b) offer car sharing agencies the right of first refusal for a limited number of parking spaces and require that those spaces be provided to the car sharing agencies free of charge; and (c) provide free transit passes to the project's residents and/or employees.

To improve transportation choices, while minimizing congestion and pollution:

1. Assess the most cost-effective mix of investments in pedestrian, bicycle, transit, ridesharing and parking infrastructure and services for meeting Oakland's economic, environmental and social equity goals.
2. Develop transportation demand management (TDM) programs with clear, quantifiable goals for reducing parking capital and operating costs, vehicle trips and pollution.
3. Plan, fund and staff TDM programs with the same clarity of purpose, level of expertise and seriousness normally accorded to a parking garage construction project.
4. Use a portion of parking revenues to fund TDM programs, focusing particularly on helping commuters leave their cars at home, in order to free up more space in City-owned garages for high-priority, high-revenue hourly customer parking.
5. Establish deep-discount group transit pass programs for both existing and future residents and employees.
6. Encourage and enforce compliance with California's parking cash-out law.
7. Establish a Transportation Management Association for downtown Oakland, to improve traveler information about, marketing of, and employer participation in programs and services regarding walking, bicycling, ridesharing and transit.

Fully implementing Oakland's Parking Principles and making cost-effective investments in improving transportation choices can help Oakland make real progress towards its economic, environmental, and social equity goals. Performance-based parking pricing has been shown to be one of the single most effective ways to improve parking availability for customers, reduce double parking and circling in search of underpriced curbside parking, and thereby to reduce unnecessary frustration, vehicle miles traveled, wasted gasoline, and pollution. Better parking management – in particular, ending below-market rate parking pricing, and the judicious use of a portion of parking revenues to fund better transportation choices – can also significantly increase walking, bicycling and transit trips, which translates directly to reductions in vehicle use and the improved vitality and livability of commercial districts and adjacent neighborhoods.

Managing parking with social equity goals in mind can also reduce inequality. On average, low-income families own fewer cars and drive less than the average family. They rely more heavily on walking, bicycling, and transit. Wealthy families own more cars, drive more, and park more often. Parking management policies that remove public subsidies for automobile parking can therefore increase social equity. For example, removing minimum parking requirements increases housing

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affordability. Similarly, using a share of curb parking revenues to fund free transit passes can help low income families, who often cannot afford an automobile, meet their daily needs.

Finally, but not least, effective parking management makes convenient parking readily available on every block, resulting in positive economic impacts for local businesses, as employees, residents, and visitors can all better utilize the parking supply to shop, dine, or relax.



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 APR 19 PM 4:58

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ryan Russo, Director, DOT
Mark Sawicki, Director,
EWD

SUBJECT: Report and Possible Action on Clay
St. Garage Site Redevelopment

DATE: April 16, 2018

City Administrator Approval

Date:

4/19/18

RECOMMENDATION

Report and Recommendation Directing the City Administrator on the Development of the Clay St Garage with a Feasibility Analysis Detailing Several Development Alternatives.

REASON FOR SUPPLEMENTAL

At the April 10, 2018 Public Works Committee, staff was directed to provide a supplemental report with information concerning the seismic safety of the Clay Street Garage and respond to the question of whether it could be used as a temporary housing solution for the homeless at the April 24, 2018 Committee.

Staff has reviewed the Clay Street Garage Conditions Assessment completed by Murakami/Nelson in 2015. The executive summary of that assessment is included in this supplemental report (see **Attachment A**). Under "Seismic Safety," the consultants cite reports dating back to 1994 and conclude the Clay Street Garage has:

"a high potential for collapse in a major earthquake". The seriousness of the problems identified in those reports caused city staff to retain our team to prepare a Tier 1 Seismic Analysis of the building using ASCE 41 as the criteria for evaluation. This analysis confirmed the findings of the 1994 reports and indicates the seismic capacity of the building is worse than originally thought."

With this updated assessment, the City Administration decided that the life safety risk was too great to keep the garage open any longer than necessary. After shoring work to the pedestrian plaza recommended by Murakami/Nelson was completed, the garage was permanently closed on December 3, 2016. Since the closure, all requests to use the garage have been denied. For example, a request to use the garage to store equipment and materials for Art & Soul in 2017 was denied.

Given the seismic safety concerns that led to the closure and consistent with the City's response to previous requests to use the garage for uses other than public parking, staff does

Public Works

Item: _____

MAR 08 2018

not recommend that the Clay Street Garage be considered for use as a temporary housing solution for the homeless.

ACTION REQUESTED OF THE PUBLIC WORKS AND COMMUNITY ECONOMIC DEVELOPMENT COMMITTEES

Staff recommends that the City Council receive this report and direct staff to take action on the potential development of the Clay Street Garage site.

For questions regarding this report, please contact Michael Ford, Acting Manager, Parking and Mobility Division, at mford@oaklandnet.com or Patrick Lane, Public/Private Development, at pslane@oaklandnet.com.

Respectfully submitted,



RYAN RUSSO, Director
Department of Transportation



MARK SAWICKI, Director
Economic and Workforce Development

Reviewed by:
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Department of Transportation

Prepared by:
Patrick Lane
Manager
Public/Private Development

Prepared by:
Michael Ford, Ph.D.
Acting Manager
Parking and Mobility Division

Attachments:

- A. Murakami/Nelson Seismic Survey (2016), Draft Executive Summary

**CITY OF OAKLAND
CLAY STREET GARAGE
CONDITIONS ASSESSMENT**

October 12, 2015

EXECUTIVE SUMMARY

GENERAL DESCRIPTION

The Clay Street garage is a 146,000 square foot four-story parking structure, with one level of basement parking, constructed in 1960. The garage replaced a previous building constructed in the early 1900's. The prior structure was demolished, except for the structural slabs and steel framing supporting the current sidewalks on 14th Street, Clay Street and a portion of the Frank Ogawa Plaza; the original basement walls and floor slab also remain. A major modification was made to the building's east wall closest to the Oakland City Hall as a result of the base isolation of that building. Otherwise the garage has had only minor changes over its 55 year life.

CONDITIONS ASSESSMENT

As part of the stair replacement project murakami/Nelson reviewed available documents pertaining to the garage and made site observations. During this process the team came across several reports commissioned by the City of Oakland in January and June 1994 and March 1998 which identified the following problems with the garage: seismic deficiencies, cracking of floor slabs, water intrusion and general deterioration of the building. Based upon these reports and the team's observations, the city retained murakami/Nelson and Degenkolb Engineers to make an initial architectural and structural condition assessment of the Clay Street Garage. The results of our assessment identified a series of deficiencies which should be addressed if the city intends to continue to operate the garage in a safe manner and to extend its useful life.

The assessment identified two primary areas of concern:

- **Seismic safety**
- **General building condition**

The Assessment Report identifies deficiencies, recommends corrective action, and provides an order of magnitude cost estimate for specific areas of work. The recommendations are further categorized into ***Immediate Projects (within 6-12 months), Near Term Projects (within 1-2 years) and Long Term Projects (within 2-5 years)***. While this report is conceptual in nature it captures the major architectural and structural issues needing attention. It does not address mechanical, electrical, plumbing fire protection or elevator systems. Those systems will be evaluated at a later time.

- **SEISMIC SAFETY**

The two 1994 reports mentioned above identified the Clay Street Garage as having ***"a high potential for collapse in a major earthquake"***. The seriousness of the problems identified in those reports caused city staff to retain our team to prepare a Tier 1 Seismic Analysis of the building using ASCE 41 as the criteria for evaluation. This analysis confirmed the findings of the 1994 reports and indicates the seismic capacity of the building is worse than originally thought.

Since there is no code mandate to upgrade a seismically deficient building we consider addressing the seismic performance of the garage to be a *long term* project. If the City of Oakland decides to continue to use the Clay Street Garage as a key component of its downtown parking facilities, then the building should be seismically strengthened to prolong its useful life and protect building patrons. If that course is followed, then we recommend the building be strengthened to a Life Safety performance level which is consistent with the performance expected with a new garage.

Our seismic strengthening concept involves constructing concrete shear walls and strengthening wall/floor connections. To aid the city in deciding how to proceed, Murakami/Nelson prepared an order-of-magnitude cost estimate. The cost for this work could vary from **\$3,456,000 to \$4,320,000**. Since this estimate is based upon an initial concept using the Tier 1 Checklist as its basis the conclusions of a more detailed Tier 2 or Tier 3 analysis would provide more accurate information to assess the buildings performance, may refine the proposed concept and could possibly reduce the amount of strengthening required to achieve a life safety performance.

- **GENERAL BUILDING CONDITION**

Water intrusion

Water intrusion is an ongoing problem in the building - at both stairs, in the basement areas under the sidewalks, and on the individual floor levels. Leaks occur as a result of cracks in the concrete slabs and a poorly maintained waterproof membrane at the 4th floor/roof level. Water has penetrated the structure, contributing to corrosion, moisture buildup and mold. Portions of the building exhibit various degrees of corrosion with the most severe structural deterioration occurring at the plaza sidewalk and both stairs. The city has fenced off access to the 1st through 4th floors of Stair #2 to limit the public's use of this stair; unfortunately, this also means that the **garage no longer has the code required two means of egress from the upper floors**. This is a life safety concern. If the garage continues to operate two means of egress should be provided as an *immediate* project.

Basement Ventilation

The code required basement ventilation system appears to be non-functioning or has been intentionally shut off. This is a life safety concern since build of carbon monoxide could be a health risk. This requires *immediate* action.

Access Compliance

The garage stairs, elevator, restrooms, signage do not comply with accessibility regulations. These deficiencies should be corrected and could be a *near term* project.

Stair Tripping Hazards

The stair tripping hazards are an *immediate* concern and should be mitigated as soon as possible. The stair report recommends installing non-slip aluminum tread "covers" as the most cost effective and straightforward way to correct the tripping hazards. An order of magnitude cost for this work could vary from **\$130,000 to \$163,000**. To facilitate the contractor's scheduling and avoid exiting issues we recommend the garage be closed while the work occurs.

Shored Area under the Plaza

As part of the overall garage investigation the team identified the shored area under the Plaza as a potential collapse hazard as the wood shoring supporting this area is failing. The team recommended the city limit loading of this area and prohibit vehicles from driving on it. The city acted upon this recommendation and the area is now cordoned off.

The team also investigated the condition of original concrete and steel structure, sidewalk slab, problematic shoring and the utilities that are located in the shored area. The report identifies three options for dealing with this problem:

1. **Replace the wood shoring with new steel shoring.** The costs for this option could vary from \$433,000 to \$542,000.
2. **Fill the shored basement area with light weight concrete.** The costs for this option could vary from \$769,000 to \$960,000.
3. **Replace the plaza slab over the garage basement with a new structural slab and avoid any shoring.** The costs for this option could vary from \$643,000 to 804,000.

The city will need to select a preferred option before the team can prepare construction documents that would allow a contractor to construct the repair. The murakami/Nelson team considers the shored area of the basement to be an area requiring **immediate** action.

Other Deficiencies

The remaining observations identify less severe issues, but over time will affect the useful life of the building. For example the cracks in the concrete slabs and masonry walls and the corrosion of the steel reinforcing and steel framing do not indicate structural deficiencies at this time. However, lack of protection from future corrosion will shorten the remaining useful life of the structure. We recommend that these deficiencies be addressed to prolong the life of the structure. These could be **long term** projects.

RECOMMENDATIONS

Next Steps:

1. To address the **immediate** concerns (\$803,000-\$1,005,000) the city should take the following actions:
 - a. Proceed with the interim stair repairs to address the corrosion induced tripping hazards at Stair #1 and the basement flight of Stair #2
 - b. Proceed with replacing the shoring supporting the plaza
 - c. Replace Stair #2 due to deterioration and to provide two exits from each floor per code
2. If the garage remains in operation during the review, evaluation, decision making and planning process, the City should take the following **near term** actions (\$2,715,000 -\$3,394,000):
 - a. Replace Stair #1 due to deterioration
 - b. Comply with accessibility regulations
 - c. Add guardrails to mitigate fall hazards
 - d. Provide adequate ventilation for the basement parking level
3. If the City decides to maintain use of the garage, then the city should take the following **long term** actions (\$5,443,000-\$6,803,000) to maximize the useful life of the building:

- a. Undertake a comprehensive assessment of the slab cracks; the mechanical, electrical, fire alarm and fire sprinkler systems; the condition of the elevator and compliance with the city's sustainability policies
- b. Develop a comprehensive program upgrade the building and mitigate any deficiencies
- c. Seismically strengthen the building
- d. Waterproof and repair cracks in the concrete slab at the 4th floor/roof level
- e. Repair cracks in concrete slab at all levels, and repair cracks in the masonry and around steel framing to protect the structure from future corrosion
- f. Replace sidewalks with new concrete sidewalks with waterproof membrane
- g. Install a new roof over Stair #2
- h. Re-pave basement parking area
- i. Paint building inside and outside
- j. Install new signage and wayfinding elements
- k. This work could be accomplished as *near term* or *long term* projects depending on the severity of the deficiencies, scheduling and budgeting.

The total cost to renovate the garage for its long term use would be from \$8,961,000 to \$11,202,000.

Demolition of Existing Garage

Should the City of Oakland decide that rehabilitating the garage is not cost effective, then it should consider demolishing the building. An order-of-magnitude estimate to do this could vary from **\$3,285,000 to \$4,106,000**. This cost would cover just the demolition of the building and fencing the perimeter. Relocation of existing utilities could add to the cost. The site would likely need to be dewatered during the winter. If the project temporarily becomes a surface parking lot the site would need to be filled, the area paved and lighting, striping and signage added. This would be an additional cost.

New Garage

The cost to construct a new 146,000 s.f. garage with basement parking could vary from **\$27,375,000 to \$34,218,000**. At the same time the sidewalks on 14th and Clay Streets should be replaced and the old below-grade walls removed. This work will cost an additional **\$1,088,000 to 1,360,000**. When the demolition costs and sidewalk cost are added to the new garage costs the total could vary from **\$31,748,000 to \$39,684,000**.

CONCLUSION

This report provides basic information for the City of Oakland to begin discussions about how to deal with the condition of the Clay Street Garage to preserve the health and safety of its patrons, comply with accessibility regulations and maintain the useful life of the building. The city may want to consider whether to make only minor improvements to the garage and live with the risk, rehabilitate the entire building to a reasonable level or replace the garage with a modern structure. Further investigations will be necessary to fully understand the extent of the deficiencies and the costs to correct them.

Note: The costs in this report are present day order of magnitude estimates and include City of Oakland management and overhead costs.