

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 SEP -4 PM 2:06

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: September 16, 2008

RE: **An Agency Resolution Contributing Central City East Redevelopment Funds in the Amount of \$800,000.00 to the City of Oakland under the Cooperation Agreement of which \$600,000.00 will be allocated for Engineering and Slope Stabilization and \$200,000.00 will be allocated for Demolition of Unsafe Structures for Properties located at 2621, 2631, and 2633 Wallace Street**

A City Resolution Accepting and Appropriating Central City East Redevelopment Funds in the Amount of \$800,000.00 From the Oakland Redevelopment Agency, Authorizing Allocation of \$600,000.00 of Said Funds to Engineering and Slope Stabilization and Waiving Advertising and Authorizing Direct Solicitation of Competitive Bids For and Award of a Construction Contract to the Lowest Responsible, Responsive Bidder For Demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street (Project No. TBD) in a Not-to-Exceed Amount of \$200,000.00 Without Return to Council

SUMMARY

Agency staff requests authorization to allocate \$800,000.00 from Fiscal Year 2008-09 from Central City East (CCE) Redevelopment Area tax increment funds to fund slope stabilization (\$600,000.00) and demolition (\$200,000.00) of unsafe structures located at 2621, 2631 and 2633 Wallace Street. This request was presented to the Council /Agency in closed session on June 17, 2008 and received full support from the CCE Project Area Committee on July 7, 2008.

In order to implement this work in an expeditious manner before the onset of the rainy season (in October/November) and to reduce the potential for further destabilization of the abandoned failed and overhanging structure due to rain. Staff also requests that Council authorize waiving advertising and authorizing direct solicitation of competitive bids for and award of a construction contract to the lowest responsible, responsive bidder for demolition of unsafe structures located at 2621, 2631, and 2633 Wallace Street (Project No. TBD) in a not-to-exceed amount of \$200,000.00 without return to Council. The balance of the \$800,000.00 Agency funding in the amount of \$600,000.00 will be allocated for additional engineering and slope stabilization.

Item: _____
City Council / ORA
September 16, 2008

FISCAL IMPACT

Staff recommends a contribution of funds from the Agency to the City, under the Cooperation Agreement, totaling \$800,000.00 during fiscal year 2008-09. The source of the contribution is:

Phase:	One	Two
Scope of Work:	Demolition	Engineering & Slope Stabilization
Amount:	\$200,000.00	\$600,000.00
Funding Source:	Central City East TAB Series 2006A-Taxable Bonds (9543)	
Fund:	Central City East Organization (88699)	
Organization:	Central City East Land Acquisition (\$233351)	

The Agency contribution of \$800,000.00 will be accepted by the City and appropriated to the Oakland Redevelopment Agency Projects Fund (7780), Central City East Organization (88699), Project to be Determined.

BACKGROUND

As a result of a landslide which occurred during winter storms in 2001/2002, residential buildings located at 2621, 2631, and 2633 Wallace Street were red-tagged by the City on February 8, 2002 as unsafe for occupancy and substandard condition. Over the past six years, various notices have been sent to each of the property owners.

1. On March 21 and 22, 2002, notices of violation were sent to property owners declaring their properties unsafe for the safety, health, and welfare of the occupants. This notice also stated that failure to comply with all parts of the declarations to rehabilitate the properties to safe conditions may subject the property owners to additional property inspections, penalties, and repairs as conditions continue to exacerbate;
2. On March 6, 2007, second notices were sent to property owners stating that all efforts by City staff to mitigate unsafe and hazardous conditions through its code reinforcement actions have been unsuccessful and the City was contacting a geological firm to provide a slope stability analysis of the landslide where the properties are located; and
3. On April 16, 2007, an additional notice was sent to the new property owner at 2621 Wallace Street advising the property owner as to the present conditions of the property purchased

To date, none of the three property owners has responded to the City's notices or demands. All three buildings continue to present a life safety hazard to adjacent property owners and constitute blight to the surrounding neighborhood. In order to address the issue, the City hired Klienfelder,

Item: _____
City Council/ORA
September 16, 2008

Inc., a local geotechnical engineering consultant to analyze and make recommendations on remedying this potentially dangerous condition. The Klienfelder Geotechnical Report concluded that all three buildings are uninhabitable, have major damage to their foundations resulting from the failed slope and need to be demolished as soon as possible prior to the next rainy season in order to remove the risk of overturning onto properties on 14th Avenue.

KEY ISSUES AND IMPACTS

Staff is working with Harris & Associates to complete a demolition plan to be incorporated in the City's standard construction documents for bid and award of demolition work. The award of demolition work would follow Council approval to waive advertising and authorization of direct solicitation of competitive bids for award of a construction contract to the lowest, responsible and responsive bidder for demolition in mid to late October. Allowing staff to dispense with advertising would reduce the time to engage a contractor by 15 to 30 days. This would enable demolition to take place during the month of October/November 2008.

Staff recommends that the residential structures located at 2621, 2631, and 2633 Wallace Street be demolished to remove the continuous threat of impending danger to the neighborhood. Demolition of these partially collapsed buildings, which are cantilevered over a failed slope, will remove long standing blight from the neighborhood. Once demolition has been completed and the properties have been cleared, staff will begin the required engineering and design work necessary to stabilize the slide and restore the slope in each residential lot for redevelopment. Once the slope has been stabilized, the City will be able to remove the occupancy restrictions for properties located at 2682, 2672, and 2662 14th Avenue which have been vacant since early 2002 due to threat of slide from Wallace Street properties above.

SUSTAINABLE OPPORTUNITIES

Economic: Demolition of the existing residential structures located at 2621, 2631, and 2633 Wallace Street should help stabilize and enhance adjacent and surrounding neighborhood property values if and when new development occurs.

Environmental: Stabilization of the failed slope will help to prevent further erosion of private property and the northern edge of Wallace Street.

Social Equity: The demolition of the existing structures and stabilization of failed slope will also result in the lifting of the occupancy restrictions from three homes on E. 14th Avenue which were also affected by the 2001/2002 slide.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no known direct impact to seniors and people with disabilities.

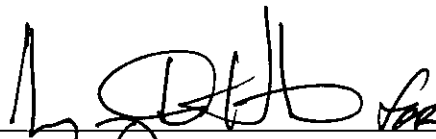
Item: _____
City Council/ORA
September 16, 2008

ACTION REQUESTED OF THE CITY COUNCIL / REDEVELOPMENT AGENCY

Staff recommends authorization of the following two Resolutions:

1. An Agency Resolution Contributing Central City East Redevelopment Funds in the Amount of \$800,000.00 to the City of Oakland under the Cooperation Agreement of which \$600,000.00 will be allocated for Engineering and Slope Stabilization and \$200,000.00 will be allocated for Demolition of Unsafe Structures for Properties located at 2621, 2631, and 2633 Wallace Street.
2. A City Resolution Accepting and Appropriating Central City East Redevelopment Funds in the Amount of \$800,000.00 From the Oakland Redevelopment Agency, Authorizing Allocation of \$600,000.00 of Said Funds to Engineering and Slope Stabilization and Waiving Advertising and Authorizing Direct Solicitation of Competitive Bids For and Award of a Construction Contract to the Lowest Responsible, Responsive Bidder For Demolition of Unsafe Structures Located at 2621, 2631, and 2633 Wallace Street (Project No. To Be Determined) in a Not-to-Exceed Amount of \$200,000.00 without Return to Council.

Respectfully submitted,



Dan Lindheim, Director
Community & Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director of Economic Development
and Redevelopment

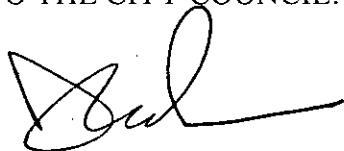
Larry Gallegos, Central City East Manager, Redevelopment
Division

Michael Neary, P.E., Deputy Director
Department of Engineering & Construction

Prepared by:
Douglas Cole, Urban Economic Coordinator
Redevelopment Division

Kevin Kashi, P.E.
Engineering Design & Right of Way Management

APPROVED AND FORWARDED
TO THE CITY COUNCIL:



Office of the City/Agency
Administrator

Item: _____
City Council/ORA
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FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 SEP -4 PM 2:06

APPROVED AS TO FORM AND
LEGALITY


AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION CONTRIBUTING CENTRAL CITY EAST REDEVELOPMENT FUNDS IN THE AMOUNT OF \$800,000.00 TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT, OF WHICH \$600,000.00 WILL BE ALLOCATED FOR ENGINEERING AND SLOPE STABILIZATION AND \$200,000.00 WILL BE ALLOCATED FOR DEMOLITION OF UNSAFE STRUCTURES FOR PROPERTIES LOCATED AT 2621, 2631, AND 2633 WALLACE STREET

WHEREAS, properties located at 2621, 2631, and 2633 Wallace Street are within the Central City East Redevelopment Project Area; and

WHEREAS, since February 8, 2002, the buildings at these properties have been red-tagged by the City of Oakland, deemed unsafe, in substandard conditions, blighted and need to be demolished due to a landslide resulting from the 2001/2002 winter storms; and

WHEREAS, City notices sent to the property owners on March 21, 2002, demanded abatement of dangerous conditions and elimination of hazardous conditions in the neighborhood; and

WHEREAS, City notices sent to property owners on March 6, 2007, stated that all efforts by City staff to mitigate unsafe and hazardous conditions through its code reinforcement actions have been unsuccessful and the City was contacting a geological firm to provide recommendations; and

WHEREAS, on July 31, 2007, the City geotechnical engineering consultant, Kleinfelder, recommends that the buildings on the three properties should be demolished in order to stabilize the slide; and

WHEREAS, staff is working with Kleinfelder and its sub-consultant, Harris & Associates, to complete a demolition plan, which will be incorporated into the City's standard construction contract for advertising and bidding purposes; and

WHEREAS, the City and Agency agree that demolishing the buildings and stabilizing the slopes on those properties will eliminate physical blight conditions

and health and safety hazards, and is therefore consistent with the goals of the Central City East Redevelopment Project; and

WHEREAS, the Central City East Project Area Committee has recommended a contribution of Agency funds to the City to pay for City costs incurred in the demolition and slope stabilization work; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency reimbursement of blight abatement costs incurred by the City in furtherance of the Agency's redevelopment efforts; now, therefore be it

RESOLVED: That the Redevelopment Agency hereby contributes Agency funds in an amount not to exceed \$800,000 to the City under the Cooperation Agreement from Central City East Tax Allocation Bond Series 2006A – Taxable Bonds Fund (9543), Central City East Organization (88699), Central City East Land Acquisition Project (S233351) for the purpose of demolishing substandard buildings, engineering and stabilizing the slide, and restoring the slope at 2621, 2631, and 2633 Wallace Street; and be it further

RESOLVED: That the Agency Administrator or his designee is hereby authorized to take whatever actions are necessary with respect to this work and the contribution of Agency funds consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

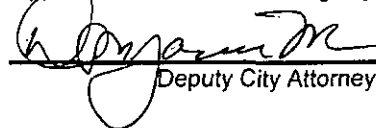
ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
Secretary of the Redevelopment
Agency of the City of Oakland

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 SEP -4 PM 2:06

Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION ACCEPTING AND APPROPRIATING CENTRAL CITY EAST REDEVELOPMENT FUNDS IN THE AMOUNT OF \$800,000.00 FROM THE REDEVELOPMENT AGENCY, AUTHORIZING ALLOCATION OF \$600,000.00 OF SAID FUNDS TO ENGINEERING AND SLOPE STABILIZATION, AND WAIVING ADVERTISING AND AUTHORIZING DIRECT SOLICITATION OF COMPETITIVE BIDS FOR AND AWARD OF A CONSTRUCTION CONTRACT TO THE LOWEST RESPONSIBLE, RESPONSIVE BIDDER FOR DEMOLITION OF UNSAFE STRUCTURES LOCATED AT 2621, 2631, AND 2633 WALLACE STREET (PROJECT NO. TBD) IN A NOT-TO-EXCEED AMOUNT OF \$200,000.00 WITHOUT RETURN TO COUNCIL

WHEREAS, since February 8, 2002, the buildings at 2621, 2631, and 2633 Wallace Street have been red-tagged by the City, deemed unsafe, in substandard conditions, blighted and need to be demolished due to a landslide resulting from the 2001/2002 winter storms; and

WHEREAS, City notices sent to the property owners on March 21, 2002, demanded abatement of dangerous conditions and elimination of hazardous conditions in the neighborhood; and

WHEREAS, City notices sent to property owners on March 6, 2007, stated that all efforts by City staff to mitigate unsafe and hazardous conditions through its code reinforcement actions have been unsuccessful and the City was contacting a geological firm to provide recommendations; and

WHEREAS, on July 31, 2007, the City geotechnical engineering consultant, Kleinfelder, recommends that the buildings on the three properties should be demolished in order to stabilize the slide; and

WHEREAS, the City and the Redevelopment Agency of the City of Oakland agree that demolishing the buildings and stabilizing the slopes on those properties will eliminate physical blight conditions and health and safety hazards, and is therefore consistent with the goals of the Central City East Redevelopment Project; and

WHEREAS, the City and Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency

reimbursement of blight abatement costs incurred by the City in furtherance of the Agency's redevelopment efforts; and

WHEREAS, the Redevelopment Agency is contributing \$800,000 in Central City East funds to the City from Central City East Tax Allocation Bond Series 2006A – Taxable Bonds Fund (9543), Central City East Organization (88699), Central City East Land Acquisition Project (S233351) for the purpose of demolishing the substandard buildings, engineering and stabilizing the slide, and restoring the slope at 2621, 2631, and 2633 Wallace Street; and

WHEREAS, it is necessary to complete the work before the onset of the rainy season (in October/November 2008) to reduce the potential for further destabilization due to rain of the abandoned failed and overhanging structure on Wallace Street; and

WHEREAS, dispense of advertising and direct solicitation of bids will expedite the work by 15 to 30 days; and

WHEREAS, the City has contacted eleven (11) local contractors and four (4) non-local contractors to solicit bids for the demolition work and bidders will be required to comply with the City's purchasing policies; and

WHEREAS, the contract to be awarded hereunder is in the public interest because of economy or better performance, is of a technical and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That the City Council hereby accepts and appropriates up to \$800,000 in Redevelopment Agency funds under the Cooperation Agreement for the purpose of demolishing the substandard buildings, engineering and stabilizing the slide, and restoring the slope at 2621, 2631, and 2633 Wallace Street, and allocates these monies to the Oakland Redevelopment Agency Projects Fund (7780), Org (88699), (Project No. To Be Determined); and be it

FURTHER RESOLVED: That pursuant to Oakland Municipal Code Section 2.04.050.1.5, the Council finds and determines that it is in the City's best interests to waive advertising requirements and authorize direct solicitation of competitive bids without advertising to qualified contractors and so waives the requirement; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to award a contract to the lowest, responsible, and responsive bidder for Demolition of Unsafe Structures Located at 2621, 2631 and 2633 Wallace Street (Project No. *To Be Determined*) in accord with the plans and specifications for said project and contractor's bid in an amount not-to-exceed \$200,000.00 without return to Council; and be it

FURTHER RESOLVED: That the successful contractor shall be required to meet all City contracting policies; and be it

FURTHER RESOLVED: That the plans and specifications for this project are approved and the successful contractor shall provide proper performance and payment bonds for one hundred percent of the contract price; and be it

FURTHER RESOLVED: That the City Administrator is authorized to execute any amendments or modifications of said contract with the contractors within the limitations of the scope of work, plans, and specifications; and be it

FURTHER RESOLVED: That the contracts shall be reviewed and approved by the City Attorney for form and legality and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California