

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 6/20/2011

Reviewed by: JRL

SUBJECT: Acquisition of Pierce Street Parcel from California Department of Transportation

1) Resolution 2011-33: A Resolution of the City Council of the City of Albany Approving the Certificate of Acceptance for the Purchase of the Pierce Street Parcel.

2) Resolution 2011-36: A Resolution of the City Council of the City of Albany Authorizing a Loan to the Albany Community Reinvestment Agency in an Amount Not to Exceed \$850,000 and the Execution of a Loan Agreement Evidencing the Terms of the Loan

REPORT BY: Beth Pollard, City Manager
Judy Lieberman, Assistant City Manager

STAFF RECOMMENDATION

- 1) Approve Resolution No. 2011-33 approving the Certificate of Acceptance
- 2) Approve Resolution No. 2011-36 authorizing a loan to the Albany Community Reinvestment Agency

BACKGROUND

On May 11, 2011, the Purchase Agreement for the Pierce Street parcel was approved by the California Transportation Commission. The purchase price is \$1.9 million. The intent of the City is to close escrow by June 30, 2011, so as to make the purchase effective as of the current fiscal year.

Council action needed at this time to close escrow includes the approval of the Certificate of Acceptance (Resolution 2011-33), and the City's authorization to loan the Albany Community Reinvestment Agency an amount of \$850,000, and to execute a loan agreement. In addition, survey work and other engineering tasks are currently in process as required for title insurance purposes.

SUSTAINABILITY IMPACT

The acquisition of the Pierce Street parcel is critical to moving the City's maintenance center off of Cleveland Avenue to enable economic development to occur, and to relieve the City of ongoing lease payments for the current facility. The development of the maintenance center and the creation of the neighborhood park and the bicycle/pedestrian

trail connection on the Pierce Street parcel will provide park, active transportation, and infrastructure improvements to a currently vacant and unused site. The use of portions of the parcel for a neighborhood park and trail will provide needed open space and recreational facilities for a very densely populated portion of the City. The bicycle trail will ultimately connect the Ohlone Greenway/BART station with the Bay Trail.

FINANCIAL IMPACT

The purchase price for the parcel is \$1.9 million. The source of funds for property acquisition is a combination of fund balance of \$1,050,000 available in the City’s Project Development Fund (made available via the Cooperative Agreements approved by City Council and the ACRA on January 17, 2011), and via future ACRA tax increment revenue to repay the loan of \$850,000.

With regard to development of the project, there is a balance of approximately \$950,000 from the Lighting & Landscaping District No. 88-1 set aside for the Maintenance Center, which can be used for planning and design of the Maintenance Center, with the balance used for construction. Staff is developing a financing plan for the remaining costs to construct the Maintenance Center. There is a balance of approximately \$550,000 from Measure F 2002 set aside for either Pierce Street Park or the Ohlone Greenway that can be used for planning and design of the Pierce Street Park and bike path; any remaining funds could be used towards project implementation. City staff will seek grant funding for the bike path. The operations and maintenance costs for the property in its current state primarily consists of mowing twice per year.

NEXT STEPS

The next step is to prepare concept designs for the Maintenance Center, Park, and Bicycle/Pedestrian Path. Staff will prepare a Request for Qualifications for professionals with experience in designing Maintenance Centers, and who also demonstrate the ability to work with other design professionals on a coordinated approach for the Park and Bicycle/Pedestrian Path.

Attachments:

1. Resolution 2011-33, Certificate of Acceptance
2. Resolution 2011-36, Authorizing Loan Agreement
3. Loan Agreement