

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

Agenda Date: 5/7/2012  
Reviewed by: BP

**SUBJECT:** Pierce Street Parcel Project

**REPORT BY:** Judy Lieberman, Projects Director

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**STAFF RECOMMENDATION**

Authorize the City Manager to enter into a Contract with BurksToma Architects (BTA) to begin the Phase 1 planning and design for the Pierce Street Parcel project for a maintenance center, park, and trail, in an amount not to exceed \$165,506 and to enter into a contract with AE3Geo, Inc., for Geotechnical Services in the amount of \$13,817.

**BACKGROUND**

The Pierce Street Project has been a long desired Capital Improvement Project for many years, ever since the removal of the Pierce street ramp to Interstate I580 in the late 1990's. In the early 2000's a preliminary engineering study sketched out potential space for a park that included a level ball field. Based on this possibility, and prior to City purchase, the mid section of the 4.4 acre parcel was graded by Caltrans to provide a level area. However, the transaction as delayed for many years as the City and Caltrans struggled to find a mutually agreeable price. The neighbors living near the parcel were actively involved in promoting the ultimate location of a park in this area, and expressing their frustration with the delays. Ultimately, it was the neighborhood's agreement that a maintenance center could be located on a portion of the site that enabled the city to propose combining park/trail and maintenance center funding sources and purchase the parcel.

The relocation of the maintenance center to the parcel was included as part of the Albany Community Reinvestment Agency (ACRA) Five Year Implementation plan, since both the Pierce Street parcel and the leased maintenance center building were within the redevelopment zone. Relocation of the maintenance center would open up Cleveland Avenue to future economic development that would benefit the City's overall economy, and the maintenance center could be built to complement the park and trail desired by the neighborhood. The acquisition of the parcel was brought to fruition using funds existing in the ACRA, (\$1,050,000) and a loan from the City of Albany to the ACRA (\$850,000). The fate of these transactions is currently under review as part of the overall dissolution of the Redevelopment Agencies.

Preliminary studies supported the feasibility of a maintenance center, park and trail combination on the parcel. However, the use of the site for active playfields for children has been discouraged by the Bay Area Air Quality Board due to air quality concerns related to the immediately adjacent freeways. For this reason a passive use park is envisioned at this time.

The future development, of the park, trail and maintenance center was estimated at approximately \$6 million. The project was planned to be financed via funds already from the City's capital reserve fund specifically set aside for the maintenance center, bonds or loans to be repaid through the redevelopment agency, possible use of LLAD88-1 revenues which would be available when the community center bonds were paid off in late 2012, and potential grants for trail and/or park development. A revenue stream of between \$450,000 to \$500,000 annually would enable the financing of a \$5 to \$6 million project, depending upon terms.

It should also be noted that the City expends close to \$180,000 annually in lease payments for the current maintenance center. Once maintenance services are moved into a city owned facility, the funds could be redirected into the city's general fund budget or be used to support construction financing.

In the meantime, unfortunately, the State, faced with its own budget crisis, dissolved all redevelopment agencies in order to redirect property tax revenues from local to State government. At best, the City hopes that the loan used to purchase the parcel will be validated and these repayment funds will remain intact. However, funds for future financing within the redevelopment zone are now gone.

## **DISCUSSION/ANALYSIS**

### What are the current funding options?

- 1) Existing Funds: Currently, the Capital Reserve Fund has \$900,000 which was set aside for the City Maintenance Center.
- 2) The Redevelopment Successor Agency (City) expects to receive administrative funds from the State up to \$250,000 annually. In the City's claim for administrative costs is \$78,120 related to the expenses of the Pierce Street project. This would include much of the public process and development of the overall site Master Plan. The outcome of the city's claim for these funds is not resolved.
- 3) LLAD88-1: Funds that will become available at the end of 2012 should most appropriately be used for the original purpose of the Assessment District, as follows: "the installation, servicing, and/or maintenance of public landscaping, park and recreational improvements." The revenue stream will not be acceptable to bond issuers in its current form due to the lack of a Prop218 process, related to the prior debt issuance. Two options might be viable--substitute LLAD88-1 funds for other funds currently being used for the acceptable purposes, or put aside a significant portion of LLAD revenues toward a "pay as you go" scenario or a more short term loan arrangement with the Albany Public Facilities Financing Authority. Alternatively, a new ballot measure could be proposed, per #4 below.

- 4) Future savings from lease payments: Savings to the general fund will be achieved only after the city moves to the new facility. The city could loan funds to the Albany Public Facilities Financing Authority, and begin repayments after the facility is constructed and the lease obligation has ended.
- 5) New special tax or parcel tax: Tax measures specifically for a public facility of this type are usually not popular and have not ranked well in the city's recent public opinion polling. However, the city might consider a ballot measure to update and broaden the old LLAD88-1 language. A small reduction might be considered an attractive option for voters, so that the total tax would be a reduction to property owners. This would make the revenues collected from the measure acceptable for bonding and financing.
- 6) Measure F2006: This ballot measure specified streets and storm drains. The portion of the project related to these specific uses may use such funds, but this may not be a significant part of the project.
- 7) Lease potential for a portion of the facility to other agencies. At least one other agency has expressed interest in sharing use of the facility. A future revenue stream could assist in financing the project.
- 8) Sell off a useable fraction of the property to raise additional funds. This possibility will be hard to assess without a better physical Master Plan for the site.

#### What are the other options?

Staying in the current leased facility without some forward movement toward a permanent maintenance center is not advisable, as costs will only continue to rise. Purchase and renovation of the existing building brings environmental uncertainties. Also, funds would still need to be raised and costs may not be significantly less. Moving to a lower cost facility in the meantime is a possibility, but would require constructing tenant improvements.

One option to consider is the use of modular buildings for the maintenance center on the Pierce Street parcel. This could result in a less costly project in the near-term, and allow the City to save the lease payments. The site Master Plan must still be determined and the site prepared for use. Cost estimating for this option would need to be developed. It may be prudent to include this as an option in the BTA assessment of options.

#### Given the financing situation, is it prudent to move forward with the project?

Funds in hand for the project are adequate to have a full public planning process and move the project forward to 35% plans. The park and trail cannot be planned or implemented without knowing where and how the maintenance center will be located. Additionally, it will be difficult to apply for and be awarded grants for the trail or park without having accomplished the public process and having preliminary plans.

Moving forward shows the City's commitment to the project. The planning process will undoubtedly assist in identifying neighborhood concerns, citywide interest, and more detailed project costs. The physical planning will assist in determining the potential for leased space for other agencies, as well as any potential and political feasibility regarding sale of a portion of the

parcel to assist in raising funds. Lastly, the city has already completed a comprehensive process to select a Project team of architects, landscape architects, and sub consultants. A strong and attractive team is ready to be presented to Council for approval.

Without understanding the specifics of the physical requirements for grading, engineering, path and park entrances, maintenance center driveways and traffic management, it is impossible to scope out the costs of the project. It would be best to approach the financing options with a realistic cost estimate.

### Consultant Selection Process and Proposal of Team

Following the purchase of the Pierce Street parcel in June of 2011, the city commenced a comprehensive process to select a lead architectural firm. Requests for Qualifications from architectural firms were solicited in the fall of 2011. Twenty-two proposals were received. The proposals were assessed in terms of depth of experience in construction of maintenance centers, sensitivity to public process, communication skills, overall qualifications and assembled team of subcontractors, flexibility of approach, responsiveness to the solicitation, and overall “fit” for Albany.

Five firms were selected for further consideration. Two background workshops were held, one for the top five firms, and one for their engineering teams in order to provide information about the site and the City’s goals and expectations. Panel presentations occurred January 25, 2012. The panel included three city staff members, a member of the Pierce Street neighborhood, and a Public Works Director from another agency. Based on the recommendations, the firm of BurksToma Architects was the top choice.

The City and BurksToma then worked together to select a landscape architect firm that had experience with trails, public process, parks and public facilities. The firm of “The Planning Center/DC&E” was chosen. The Scope of Work and Cost Schedule that is attached to this staff report are inclusive of all sub-consultants, including the Landscape Architects. All of the sub-consultants will be managed by BTA, with the exception of the Geotechnical Consultant, which will be hired by the City.

The proposal attached to this staff report initiate the following:

- 1) Move forward on a phased approach, which includes the geotechnical analysis, the planning and public process, development of a site Master Plan, and a preliminary cost range for the three components. The timeline is to complete this stage is Fall of 2012.
- 2) Once Phase 1 is completed and reviewed by the three “C’s” (Community, Commissions, and Council) Phase 2 would move forward to develop specific design documents (35%), and cost estimates, and to determine project financing. This Phase would be completed in winter of 2013.

### **SUSTAINABILITY IMPACT**

The project meets a number of sustainability goals, including increasing park and open space, additional plantings of trees and other Bay Friendly landscaping, stormwater and pollution prevention improvements, promoting alternative transportation via bicycle and pedestrian trails,

and greater energy and water efficiency for City Facilities. It should also be noted that moving the city's maintenance center to the parcel will enable additional economic activity at Cleveland Avenue. From a safety perspective, having the maintenance center east of the Freeway may prove important in the event of a significant earthquake and damage to highway infrastructure.

### **FINANCIAL IMPACT**

The proposed contract with BTA is presented for consideration in two Phases. Phase 1 is \$165,506 and Phase 2 is \$92,835 for a total of \$258,341. The separate Geotechnical Proposal is \$13,817. A combination of Redevelopment Successor Agency administrative allowances, LLAD88-1, and capital facilities reserve (fund 841), can be used to fund the consultant work.

Including the Geotechnical Analysis, the Phase 1 total is \$179,323. If Council wished to authorize both phases at this time, the total authorized amount would be \$272,158.

City staff will also seek grant funding for the park and trail simultaneously with consultant activities. City staff will continue to work toward financing options for the project, including the possibility of a ballot measure, if desired, for 2014.

#### **Attachments:**

1. BTA Scope of Work
2. Cost Proposal
3. Geotechnical Proposal