

CITY OF OAKLAND
COUNCIL AGENDA REPORT

TO: Office of the City Manager
ATTN: Robert C. Bobb
FROM: Community and Economic Development Agency and Public Works Agency
DATE: June 24, 2003
RE: SUPPLEMENTAL REPORT TO THE OAKLAND TRUST FOR CLEAN WATER AND SAFE PARKS (MEASURE DD) PROGRAM IMPLEMENTATION; RECOMMENDATION TO APPROVE THE EXPENDITURE PLAN FOR BOND SERIES A AND RESOLUTION AUTHORIZING THE APPROPRIATION OF SEVENTY ONE MILLION FIFTY THOUSAND DOLLARS (\$71,050,000) DURING FY 2003-04 IN OAKLAND TRUST FOR CLEAN WATER AND SAFE PARKS (MEASURE DD) SERIES A GENERAL OBLIGATION BONDS

SUMMARY

At the June 10, 2003 City Council Life Enrichment Committee meeting, staff was directed to provide information to supplement the report on the Oakland Trust for Clean Water and Safe Parks (Measure DD) General Obligation Bond Program. The Committee requested options for expanded, more formal community participation in the implementation of Measure DD and additional information regarding a basis for prioritizing Measure DD projects. This report provides a discussion and basis for staff recommendations on these issues.

Staff requests that City Council approve staff recommendations for expanding the role of the Measure DD Community Coalition; approve recommendations for Measure DD Series A proposed funding detailed in Exhibit B of the June 10, 2003 staff report titled *Oakland Trust for Clean Water and Safe Parks [Measure DD] Program Implementation and Recommendation to approve the expenditure Plan for Bond Series A*); and approve a resolution to appropriate seventy one million fifty thousand dollars during FY 2003-04 in Oakland Trust for Clean Water and Safe Parks (Measure DD) Series A general obligation bonds.

FISCAL IMPACTS

See the June 10, 2003 report on the Oakland Trust for Clean Water and Safe Parks (Measure DD) program implementation report for full text.

BACKGROUND KEY ISSUES AND IMPACTS

Community Participation

A group of citizens has formed as a result of the passage of Measure DD under the name of the Measure DD Community Coalition. The Measure DD Community Coalition Statement of Purpose reads as follows:

The Measure DD Community Coalition is an inclusive coalition formed by people who are interested in and want to be involved in the implementation of Measure DD. The Coalition is open to membership

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from the general public and Coalition participants maintain an overall view of Measure DD projects and the citywide benefits that can accrue from its completion by:

1. Acting as an oversight body that brings the community voice to the planning table;
2. Interacting with City and stakeholders to ensure that projects are planned and completed in a timely fashion;
3. Monitoring financial accountability;
4. Interacting with City and stakeholders to distribute current information to the public; and
5. Working to find additional funding for projects.

The Coalition to date has met on a monthly basis and worked with City staff to provide input on recommendations for program organization and prioritization of projects and their associated budgets (See Exhibit B of June 10, 2003 staff report).

In response to the Committee's request, staff consulted community members and considered options for formal participation by this group. The following is a summary of what was determined acceptable to both City staff and the community:

1. Recognition by City Council as the point of public contact for City staff working on Measure DD projects to ensure continued public involvement and provide a mechanism to efficiently inform Oakland citizens about the process, priorities, and progress of Measure DD projects.
 - a) Representatives of the City would continue to attend Coalition meetings to:
 - Discuss the status of on-going projects and the priorities for future projects;
 - Seek the input from the Coalition participants on all topics, including those matters which are scheduled to go to the City Council or its Committees or which may affect the Measure DD budget or schedule.
 - b) The Coalition would send two representatives to each quarterly meeting of the Executive Team, along with written recommendations discussed at meetings if necessary.
 - c) The Coalition would continue to take an inclusive approach to encouraging participation by urging all organizations, interested parties, and representatives of the City who are interested in participating in the implementation of Measure DD projects to attend Coalition meetings.
 - d) The Coalition would continue to encourage greater participation by performing outreach activities to organizations identified by the City Councilmember's, City staff and others, which may currently not be represented within the Coalition.
 - e) The Coalition would respond to requests by the City to carry out specific activities which follow the statement of purpose adopted by the Coalition participants at the April 2003 meeting.
 - f) City staff will provide support to the coalition by recording and distribution of Coalition meeting minutes and coordination of Coalition meeting agendas and speakers for Coalition meetings. Administrative support will be provided in an effort to provide support and recognition of the entirely volunteer membership.

Additional broad based community outreach will occur for each individual project funded by Measure DD during concept design and design development stages of the project. Community outreach for the East Oakland Sports Complex has been completed and is underway for Studio One.

Project Schedules and Project Priorities

The first series of bonds will be sold in July 2003. At the time of bond issuance, the City will covenant (as set forth in the bond documents) that it reasonably expects to expend at least 85% of all bond proceeds (principal and interest) within 3 years from their date of issuance. Accordingly, at least 85% of all bond proceeds should be expended before a new series of bonds is issued. If 85% of the proceeds cannot be expended within 3 years from their date of issuance the City must then rebate excess interest earnings to the federal government (as determined by federal tax law).

The City expects the projects to be completed in stages of three, four, and four years for a total of eleven years from the sale of the bonds. The Series A issuance includes significant design work for many of the projects allowing the projects to be considered "ready to construct" and thus more competitive when submitted to agencies for additional funding. The schedule acknowledges that the Lake Merritt projects have been prioritized and are well defined through the adoption of the Lake Merritt Master Plan by City Council in July 2002. The schedule also assumes that project prioritization for the Oakland waterfront/bay trail will take place over the next several months and will be presented to City Council in a separate report during the Fall of 2003 based on a detailed design and feasibility study that is nearing completion. Project prioritization for the Creeks and Waterways category of Measure DD will be part of the public process that will be initiated in Fall 2003 and brought to City Council for concurrence in Fall 2004. The schedule provides allowances for permit and regulatory requirements which may be significant in some cases. CEQA was addressed through an addendum to multiple previously certified environmental documents and was adopted by City Council as a part of the Measure DD ballot measure. The schedule does not allow for any additional CEQA documentation which may be required if project scope changes significantly.

Staff evaluated projects in the five categories of Measure DD based on the following criteria:

General

- Consistent with Measure DD legislation
- Consistent with City Council Goals
- Consistent with OSCAR Element of Oakland's General Plan
- Consistent with the Bay Trail Plan
- Consistent with the Estuary Plan
- Consistent with the City of Oakland Bicycle/Pedestrian Plan
- Contiguous to city park property or contiguous to East Bay Regional Park District property
- Property available/willing seller
- Active Capital Improvement Program (CIP) Project (Partial funding appropriated in prior budget cycles)
- New CIP Project

Readiness

High: Project under construction

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- Construction bid package available
- Design development documents complete
- California Environmental Quality Act (CEQA) process complete
- Medium: Master plan adopted by City Council
- Master plan completed
- Low: Master plan in process
- Community consensus on project scope

Community Support Project supported by a non-profit or community organization, is a part of a collaborative effort and can justify need based on a documented use, program deficiency, deferred maintenance, health and safety, and/or demographic statistics.

- High: Non-profit partnerships or collaborations in place
- Multiple neighborhood/business groups/associations in support of project
- Fund raising capacity acknowledged
- Located in area under served by existing park and open space facilities
- Medium: Active Recreation Center Advisory Board
- Provides a citywide benefit
- Serves as a catalyst for private investment and lead to other benefits such as private development
- Low: Provides a neighborhood service
- Neighborhood support undeveloped

Benefit The project would assist in providing a catalyst for things such as economic development, historical interpretation, provide public access, provides open space in underserved area

- Yes
- No

Master Plan/Feasibility Study/Action Plan Available A planning document is available and provides an opinion of probable costs and site improvement and programming recommendations. The document has been reviewed and accepted by the community and City Council

- Yes
- No

Operations and Maintenance Budgeted Funding is available within the City’s budget for standard maintenance and operations provided by the Office of Parks and Recreation and/or the Public Works Agency.

- Yes
- No

Additional Funding Appropriated

- Yes
- No

Opportunity for Additional Funding

High – Meets a majority of the evaluation criteria; complies with goals for a particular funding program;
 Medium - Is competitive under a particular funding program
 Low – Does not meet minimum requirements for a funding program

Equity Distribution by Council District and Project Category

Relationship (dependency) to other Measure DD or CIP Funded Projects

Yes
 No

Impact of Inflation

High – Significant capital investment and budget shortfall spread over a number of years
 Medium – Fully budgeted capital investment is spread over three to five years
 Low – Capital investment is completed within a two to three years period

Evaluations were then used to prepare a preliminary distribution of funds across several bond issuances for discussion purposes and include the following logic

12th Street – Funds were distributed over the first and second series of the bond given the high priority ranking in the Lake Merritt Master Plan document and recognition of the size and scope of project and the need to maximize the buying power of available funds while minimizing inflation costs.

Municipal Boathouse (1520 Lakeside Drive) – Funds for this project were allocated in the first issuance in recognition of the high level of public support for a highly visible, community oriented and complete project within the first three years of Measure DD.

El Embarcadero Roadway Reconfiguration – Funds for this project were allocated in the first issuance recognizing the ongoing work of the community to implement this project.

Children’s Fairyland – Funds for this project were allocated in the first issuance on the basis that the non profit organization has completed their master plan and has finalized the scope of work and spending priorities for the full three million dollar allocation.

Lakeside Park Sailboat House – Funds for this project are allocated in the first (design) and second (construction) issuances to assist in distribution of the projects across the life of the bond while recognizing the limitations of resources to implement all projects in one issuance and the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes.

General Park Renovations – Funds for this project are allocated in the first (design) and second (construction) issuances. This helps to distribute the projects across the life of the bond while recognizing the limitations of resources to implement all projects in one issuance, the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes, and the need to provide visible and practical improvements to Lake Merritt as early as possible.

Repair of Lake Merritt Retaining Walls – Funds for this project are allocated in the first and second issuances to assist in distribution of the projects across the life of the bond while recognizing the

limitations of resources to implement all projects in one issuance, the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes, and the need to tie the retaining wall work to the widening and improvements to pedestrian and bicycle paths and lanes.

Widening and Improvements to Pedestrian Bicycle Paths and Lanes - Funds for this project are allocated in the first and second issuances to assist in distribution of the projects across the life of the bond while recognizing the limitations of resources to implement all projects in one issuance, the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes, and the need to provide visible and practical improvements to Lake Merritt as early as possible.

Reconfiguration of Bellevue Avenue – Funds for this project were allocated in the second and third issuances to assist in distribution of the projects across the life of the bond while recognizing the limitations of resources to implement all projects in one issuance, the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes.

Snow Park Expansion - Funds for this project were allocated in the second and third issuances to assist in distribution of the projects across the life of the bond while recognizing the limitations of resources to implement all projects in one issuance, the commitment to the voters to not exceed an average of \$20 per \$100,000 of assessed value to property taxes.

Estuary Waterfront Pathway - Funds were spread over the eleven years of the program with an emphasis on spending in the first two bond issuances given the impending release of the Waterfront Pathway Feasibility Study and recognition of the financial needs of waterfront projects currently underway.

Lake Merritt Channel - Funds for design associated with relocation of the 7th Pumping station are proposed in the first issuance recognizing the need to tie the design to the Lake Merritt 12th Street project. Remaining funds for the Channel are proposed for the third issuance in order to allow for construction of the 880 seismic retrofit project and fully leverage available funding with other potential funding sources to augment the project(s).

Studio One - The project was fully funded in the first bond issuance given the project's ready to go status and availability of additional grant funding from the State of California.

Oakland Sports Complex – Funds in the amount of one million of the total ten million are proposed to be allocated in the first issuance to complete construction documents for the project. The remaining nine million is proposed to be allocated in the second issuance pending the ability to raise the additional funding required to construct the project.

Creeks – Distribution of funds over the three issuances take into account the need to develop a program plan for creeks and prioritize projects.

Project Procedures and Controls

Project procedures and controls will be utilized as tools to ensure that projects are completed within the given budget, schedule, and scope of work. The procedures will include continuous monitoring of expenditures with respect to the budget and the bond requirements to prevent cost overruns. The schedule

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for each project will also be continuously monitored and updated, so that appropriate action can be taken if unforeseen events threaten to interfere with timely project completion. Quarterly reviews of this information will be performed by the Measure DD Executive Team and Measure DD Community Coalition and a semi-annual progress report will be submitted to City Council on the Measure DD program.

RECOMMENDATION

Staff recommends that City Council accept this supplemental report and approve staff recommendations specific to recognizing and expanding the role of the Measure DD Community Coalition, including recognition by City Council as the primary point of contact for City Staff on Measure DD projects; commitment to City staff attendance and administrative support at monthly Coalition meetings; and inclusion of two Coalition members to the Measure DD Executive Team; approval of staff recommendations for Measure DD Series A funding distribution shown in Exhibit B of the June 10, 2003 staff report titled *Oakland Trust for Clean Water and Safe Parks (Measure DD) Program Implementation and Recommendation to approve the expenditure Plan for Bond Series A*; and approval of a resolution to appropriate seventy one million fifty thousand dollars during FY 2003-04 in Oakland Trust for Clean Water and Safe Parks (Measure DD) Series A general obligation bonds.

Respectfully submitted,

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City Manager for the
Community and Economic Development Agency

CLAUDETTE R. FORD
Director, Public Works Agency

APPROVED AND FORWARDED TO THE
 LIFE ENRICHMENT COMMITTEE

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