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OFFICE OF THE CITY CLERK
OAKLAND

2016 NOV 22 AM 10:47

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Brooke A. Levin
Director, Public Works

SUBJECT: Measure DD Series 2017C Bond Sale

DATE: November 9, 2016

City Administrator Approval

Date:

11/21/16

RECOMMENDATION

Staff Recommends that the City Council Approve a Resolution Authorizing the: (1) Allocation and Appropriation of Not To Exceed \$27,500,000 of Measure DD Bond Series 2017C, and (2) Authorize City Administrator, or the City Administrator's Designee, to Make Final Adjustments to the Allocations of Measure DD Series 2017C Bond Proceeds as the City Administrator Deems Necessary for the Timely Completion of Measure DD Projects.

EXECUTIVE SUMMARY

Approval of this resolution will authorize the City Administrator to allocate and appropriate Measure DD Bond Series 2017C funds of not more than \$27.5 million to approved Measure DD projects and allow adjustments of the Series 2017C funds as needed.

BACKGROUND / LEGISLATIVE HISTORY

This report requests Council's approval for a resolution to adopt staff's recommendation to allocate and appropriate Measure DD Bond Series 2017C funds.

Measure DD, the Oakland Trust for Clean Water and Safe Parks is a \$198,250,000 general obligation bond measure passed by Oakland voters in November 2002. The bond's five categories are:

- | | |
|---|----------------------|
| • Lake Merritt and Water Quality Improvements | \$88,250,000 |
| • Estuary Waterfront Access, Parks and Clean-up | \$53,000,000 |
| • Lake Merritt to Estuary Connection Channel | \$27,000,000 |
| • Youth and Public Recreation Facilities | \$20,000,000 |
| • Creeks and Waterways Restoration | <u>\$10,000,000</u> |
| Bond Total | \$198,250,000 |

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Council has adopted the following resolutions for allocation of Measure DD funds:

July 2003, City Council by Resolution No. 77965 C.M.S. – Allocation, appropriation and implementation plan for of \$70,579,000 of Measure DD Series 2003A.

June, 2009, Council by Resolution No. 82096 C.M.S. – Allocation, appropriation and implementation plan for \$64,543,403 Measure DD Series 2009B and authorization for final adjustments to Measure DD Series 2003A bond allocations.

March 2014 Council by Resolution No. 84914 C.M.S. – Reallocation of and authorization for final adjustments to Measure DD Bond Series 2009B funds.

April 2016 Council by Resolution No. 86149 C.M.S. – Allocation of unallocated interest Measure DD Bond Series 2003A and Series 2009B funds.

This resolution will authorize the City Administrator to make appropriations and allocations for Measure DD projects for the upcoming January 2017, \$27,500,000 bond sale.

ANALYSIS AND POLICY ALTERNATIVES

Close to \$140,000,000 (including interest monies) of Measure DD funds have been expended. Approximately \$62,000,000 million remains in Measure DD. Of the remaining \$62,000,000, \$27,500,000 is being proposed to be sold January 2017. It is anticipated that the final bond sale will be made in 2020 for the full remaining amount of approximately \$34,500,000 in order to complete the total bond amount of \$198,250,000.

Measure DD Project Status

The following project list provides a quick status summary of Measure DD projects to date:

I. LAKE MERRITT RESTORATION AND WATER QUALITY IMPROVEMENTS

- | | |
|--|-----------|
| • 12 th Street Reconstruction and Lake Merritt Boulevard Park | Completed |
| • Lake Merritt Municipal Boathouse Renovation | Completed |
| • Lake Merritt Pergola Renovation | Completed |
| • Historic E. 18 th Street Pier Reconstruction | Completed |
| • Lakeside Park Fire Protection System | Completed |
| • Fairyland's Children's Community Theater | Completed |
| • Puppet Theater and other set renovations at Children's Fairyland | Completed |
| • Lake Merritt Aeration Fountains | Completed |
| • Lake Merritt In-line Stormwater Trash Collection Vortex units | Ongoing |
| • El Embarcadero and Lakeshore Ave. Street and Park Improvements | Completed |
| • Cleveland Cascade renovation | Completed |
| • Sailboat House Improvements | Completed |

- Bellevue Avenue Reconfiguration In Construction
- Garden Center and Bellevue Ave Entrance Improvements Construction 2017
- Snow Park/Lakeside Green Street Project In Construction

II. ESTUARY WATERFRONT ACCESS, PARKS AND CLEAN UP

- Union Point Park Completed
- Waterfront Trail at Alameda Avenue Completed
- 66th Avenue Gateway to Waterfront Bay Trail Completed
- Waterfront Trail from Derby Ave. to Lancaster Street and pocket Park Completed
- Waterfront Trail and Park at the former Cryer Boatworks Site Completed
- Fruitvale Ave to High Street Waterfront Bay Trail Completed
- Con Agra to 23rd Avenue Trail Pre-Design
- Livingston Pier Trail Connection Construction 2017
- Crowley Trail (formerly known as Brooklyn Basin) Interim Trail Construction 2017
- 10th Avenue Marina Trail Connection Construction 2017
- Embarcadero Cove Trail Improvements Construction 2017
- Waterfront Trail at Bridges Pre-Design
- Estuary Park Pre-Design

III. LAKE MERRITT TO ESTUARY CONNECTION (LAKE MERRITT CHANNEL)

- Lake Merritt Channel at 10th Street Project Construction
- Lake Merritt Channel to Estuary Connection pedestrian/bicycle Bridge Design
- Lake Merritt Channel at 7th Street Project Pre-Design

IV. YOUTH AND PUBLIC RECREATION FACILITIES

- Studio One Art Center renovation Completed
- East Oakland Sports Aquatic and Recreation Center Completed

V. CREEKS AND WATERWAYS RESTORATION

- Watershed Acquisition in Butters Canyon Completed
- Creek restoration in Butters Canyon Completed
- Watershed Acquisition in Beaconsfield Canyon Completed
- Creek Restoration of Arroyo Viejo at Oakland Zoo Completed
- Creek Restoration at Rockridge Greenbelt Completed
- Creek Restoration at Cinderella Creek in Joaquin Miller Park Completed
- Lion Creek Restoration at Lion Creek Crossings Completed
- Shepherd Creek Restoration at Shepherd Canyon Park Completed
- Claremont Creek Tributary Restoration at Garber Park Completed
- Watershed Acquisition on San Leandro Creek Completed
- Sausal Creek Restoration in Dimond Park Completed

The proposed allocations for Measure DD Series 2017C are:

| Bond and Project Categories | Series 2017C Proposed Allocation |
|---|---|
| <u>Lake Merritt Restoration and Water Quality</u> | |
| Snow Park/Lakeside Green Street construction | \$5,355,000 |
| Lake Merritt Water Quality design and construction | \$1,373,500 |
| Lake Merritt Restoration and Access design and construction | \$1,863,750 |
| <u>Estuary Waterfront Access</u> | |
| Estuary Park design | \$2,887,500 |
| Waterfront Trail design acquisition and construction | \$6,510,000 |
| <u>Lake Merritt to Estuary Connection</u> | |
| Lake Merritt Channel to Estuary Connection design | \$2,362,500 |
| Lake Merritt Channel at 7th Street design | \$1,575,000 |
| Lake Merritt Channel at 10th Street construction | \$2,100,000 |
| <u>Creeks and Waterways Restoration</u> | |
| Creek Restoration design | \$1,417,500 |
| Watershed Acquisition | \$1,055,250 |
| <u>Bond costs</u> | |
| Fees and closing costs | \$1,000,000 |
| Total | \$27,500,000 |

Authorizing the City Administrator to make final adjustments to the Series 2017C allocations as necessary will provide the discretion needed to meet 2017C spending needs until the next bond sale in 2020. These adjustments will not impact the final bond category limits in the initial bond legislation.

Fundraising

Although Measure DD totals \$198.25 million, the actual cost of the proposed projects was estimated in 2002 to be \$362 million. Measure DD was originally intended to provide matching funds for

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outside grants, leveraging local money. Towards that end, staff has been aggressively pursuing outside grants at every opportunity. Considerable success has been achieved, with over \$60 million raised to date.

Public Art and Measure DD Administration

1-1/2% is set aside within Public Art, in accordance with the Public Art Ordinance. This money is used for public art located at Measure DD projects. As with Series A and B, five percent is set aside for necessary indirect costs such as DD program administration, contract compliance, and miscellaneous contract services.

FISCAL IMPACT

Measure DD authorizes the issuance of General Obligation Bonds in the amount of \$198,250,000. \$70,579,000 of Measure DD was issued in 2003 per City Council by Resolution No. 77965 C.M.S and \$64,543,403 in June, 2009, per Council by Resolution No. 82096 C.M.S. Approximately \$62,000,000 remains to be sold in the bond. Approval of this resolution will result in appropriating and allocating up to \$27,500,000 of the remaining amount to be sold in January 2017 for Measure DD projects.

PUBLIC OUTREACH / INTEREST

Public outreach for Measure DD is conducted primarily through the Measure DD Community Coalition. The DD Coalition was formed to establish an ongoing dialogue between the City of Oakland and the community on how bond measure is being implemented. The group meets bi-monthly and provides regular updates to the public through the Measure DD website. Additional and often extensive public outreach is done on a project by project basis.

COORDINATION

Staff has coordinated with the Office of the City Attorney, the Treasury Division and the Budget Office in preparation for this report.

SUSTAINABLE OPPORTUNITIES

Economic: Measure DD projects provides construction jobs for local residents, enhances business and residential development opportunities along Oakland's waterfront, increases property values and improves the business climate around Lake Merritt, and promote Oakland's image as an environmentally sustainable and clean city, which boosts tourism, attracts new residents, and leads to job creation.

Environmental: Measure DD projects are at the forefront of environmentally sustainable design. LEED (Leadership in Energy and Environmental Design) certification of buildings, energy efficient

design, use of reclaimed water, daylighting and restoration of creeks, preservation of watershed lands, treatment of stormwater runoff and water quality improvements, creation of wetlands, traffic calming, and promotion of pedestrian and bicycle use are integral elements of the Measure DD.

Social Equity. Implementation of Measure DD provides new and improved public access opportunities and services throughout Oakland including new public bay trail segments and park spaces along the Oakland estuary waterfront, creek restoration projects in hills and flats neighborhoods, the East Oakland Aquatic Center, restoration of North Oakland Studio One Art Center and Lake Merritt. Overall, implementation of Measure DD improves water quality and expands accessible parkland, trails, and open space City-wide.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

An Environmental Impact Report for the City of Oakland Trust for Clean Water, Safe Parks Bond Measure Implementation Project was adopted April 1, 2008, City Council, by Resolution No. 81180 C.M.S.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Approve a Resolution to Authorize the Allocation and Appropriation of Not To Exceed \$27,500,000 of Measure DD Bond Series 2017C, and Authorize the City Administrator, or the City Administrator's Designee, to Make Final Adjustments to the Allocations of Measure DD Series 2017C Bond Proceeds as the City Administrator Deems Necessary for the Timely Completion of Measure DD Projects.

For questions regarding this report, please contact Lesley Estes (510) 238-7431.

Respectfully submitted,



BROOKE A. LEVIN
Director, Oakland Public Works

Reviewed by:
Danny Lau, Principal Civil Engineer
Bureau of Engineering & Construction

Prepared by:
Lesley Estes, Manager
Watershed and Measure DD

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DRAFT

City Attorney

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OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE: (1) ALLOCATION AND APPROPRIATION OF \$27,500,000 OF MEASURE DD BOND SERIES 2017C, AND (2) AUTHORIZE CITY ADMINISTRATOR, OR THE CITY ADMINISTRATOR'S DESIGNEE, TO MAKE FINAL ADJUSTMENTS TO THE ALLOCATIONS OF MEASURE DD SERIES 2017C BOND PROCEEDS AS THE CITY ADMINISTRATOR DEEMS NECESSARY FOR THE TIMELY COMPLETION OF MEASURE DD PROJECTS

WHEREAS, on November 5, 2002 Oakland voters passed Measure DD, the Oakland Trust for Clean Water and Safe Parks, a \$198,250,000 general obligation bond authorizing the City to sell bonds to raise funds for a variety of park and water projects; and

WHEREAS, Series 2003A bonds were issued in the amount of \$70,579,000 and the proceeds appropriated in FY 2003-04 per Resolution No. 77965 C.M.S.; and

WHEREAS, Series 2009B bonds were issued in the amount of \$64,543,403, and the proceeds appropriated in FY 2009-10, per Resolution No. 82096 CMS; and

WHEREAS, Series 2017C bonds in the amount of up to \$27,500,000 will be issued and appropriated in FY 2016/2017 in order to continue progress on Measure DD projects; and

WHEREAS, unforeseen changes in project scope and schedule will require adjustment of Series 2017C allocations in order to complete projects and spend principal funds in a timely manner; now, therefore, be it

RESOLVED, that the City Administrator, or the City Administrator's designee, is authorized to allocate and appropriate Measure DD Series 2017C proceeds in an amount not to exceed \$27,500,000 into a Fund No. to be determined after the bonds are sold in FY 16-17 as follows:

| Bond and Project Categories | Series 2017C Proposed Allocation |
|---|---|
| Lake Merritt Restoration and Water Quality | |
| Snow Park/Lakeside Green Street construction | \$5,355,000 |
| Lake Merritt Water Quality design and construction | \$1,373,500 |
| Lake Merritt Restoration and Access design and construction | \$1,863,750 |
| Estuary Waterfront Access | |
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| Watershed Acquisition | \$1,055,250 |
| Bond costs | |
| Fees and closing costs | \$1,000,000 |
| Total | \$27,500,000 |

FURTHER RESOLVED: That the City Administrator, or the City Administrator's designee, shall make final adjustments to Measure DD series 2017C funds as the City Administrator deems necessary for the timely completion of Measure DD projects; and be it

FURTHER RESOLVED: That up to 1-1/2% of the bond proceed will be allocated to Public Art in accordance with Ordinance No. 11086 C.M.S. and up to 5% of the bond will be allocated to Measure DD Administration costs; and be it

FURTHER RESOLVED: That the City Attorney's Office has reviewed this resolution as to form and legality and a copy is kept on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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