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Title: Staff Report for a City of San Leandro City Council Resolution to Appropriate up to \$542,000 for the Implementation of Phase III of the Airport Noise Insulation Program for the Davis West Neighborhood and to Authorize the City Manager to Execute a Related Consulting Services Agreement with C. Kell-Smith & Associates in an Amount Not to Exceed \$246,504

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Attachments: 1. Phase III fee summary, 2. Airport Noise Insulation PP presentation to CC (final)

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Staff Report for a City of San Leandro City Council Resolution to Appropriate up to \$542,000 for the Implementation of Phase III of the Airport Noise Insulation Program for the Davis West Neighborhood and to Authorize the City Manager to Execute a Related Consulting Services Agreement with C. Kell-Smith & Associates in an Amount Not to Exceed \$246,504

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve a resolution that:

- 1) Appropriates up to \$542,000 from the General Fund that was received from the 2017 sale of the formerly City-owned property at 2139 Laura Avenue, consistent with prior City Council direction to designate such funds for improvements to the Davis West Neighborhood
- 2) Authorizes the City Manager to negotiate and execute a sole-source consulting services agreement with C. Kell-Smith & Associates in the amount of \$246,504 using a portion of the above funds to complete the third and final phase of the Airport Noise Insulation Program for the Davis West neighborhood

BACKGROUND & ANALYSIS

Following modifications to the facilities and operations of the Oakland International Airport over 20 years ago, a number of residents throughout San Leandro, Alameda and other surrounding areas began experiencing increased noise impacts from the airport, which is owned and operated by the Port of Oakland (hereafter referred to as the "Port").

Subsequent efforts by various parties, including the City, to challenge the environmental documents associated with the Port's modifications to the airport led to the City entering into a settlement agreement with the Port, which mandated mitigation of potential noise impacts generated by the airport upon San Leandro residents. This original \$9 million agreement, which was adopted on December 5, 2000 (with a subsequent amendment adopted on July 22, 2003), became known as the *Residential Airport Noise Insulation Program*, and facilitated the installation of noise-reducing features such as new double-pane windows, sliding glass doors, and other insulation improvements in single-family dwellings in the Davis West, Timothy Lane and Mulford Gardens areas. The original program was fully funded by the Port and administered by the City via a third party consultant. Homeowners who participated in this program were required to sign a noise easement with the Port of Oakland upon completion of the insulation improvements.

The goal of the original program was to mitigate interior noise levels within approximately 200 homes that were impacted by airport noise, as stated in the settlement agreement. Phase I of the Airport Noise Insulation Program was initiated in 2004 and completed approximately 81 properties; Phase II was initiated in 2009 and completed approximately 73 additional properties, for a total of 154. On average, each participating property received approximately \$30,000 in improvements.

However, per the terms of the original agreement with the Port, funding for the program was eventually terminated because the Port failed to achieve certain codified Enterprise Fund reserve targets. A number of eligible homeowners either failed to respond to offers of assistance, or otherwise declined acceptance of potential improvements during Phase I and Phase II of the program and approximately 46 eligible homes ultimately did not receive noise insulation.

Due to the highly technical nature of the work, the City contracted with C. Kell-Smith & Associates, a consulting firm based in the Bay Area that specializes in executing airport-related mitigation efforts. Through this contract, Phases I and II of the program were completed, which provided a variety of services to the residents including outreach, inspection, installation and coordination with City building staff in order to efficiently install improvements to the properties.

Concurrent with the above program, on June 16, 2008, the City Council approved the purchase of 2139 Laura Avenue in the Davis West neighborhood for approximately \$340,000. The home was purchased so that it could be demolished to make way for the widening of Davis Street that was envisioned as part of a project led at the County level to install a HOV lane on the I-880 freeway, along with the reconstruction of the Davis Street overpass and realignment of the southbound off-ramp at Davis Street. At the time of the property's purchase, the Alameda County Transportation Commission (ACTC) was in the design phase of the project. However, in 2012, the ACTC determined that the latest design configurations for the project would no longer require the demolition of the Laura Avenue property for realignment of the off-ramp.

As such, the City repaired the property and prepared it for lease as a single-family residence. The

City ultimately leased the property as rental housing from May 2013 through January 2017, at which time the property was vacated. In March 2017, staff received direction from the City Council to list the property for sale. The property was listed in June 2017 on the multiple listing service and received three offers. The City accepted the highest offer of \$590,000 and the property sold on August 18, 2017. After deducting the costs of necessary repairs to the property, commission fees and closing costs totaling \$48,000, the City yielded a net revenue of \$542,000, which was deposited into General Fund account 010-14-021-5240.

As part of the City Council's subsequent action to accept the \$542,000 in proceeds from the sale, the City Council directed staff to retain these funds for the purposes of making investments into the Davis West neighborhood that would improve the local quality of life, referred to as the *Davis West Neighborhood Investment Program*. This program was created due to the unique geographic location of the Davis West neighborhood in close proximity to the Interstate 880 freeway, the flight path of Oakland International Airport, as well as other nearby noise-generating uses including retail shopping centers, high-traffic intersections and industrial facilities. Consistent with this program, over the past several years, the City implemented a number of infrastructure and quality of life improvements in the area, including: rehabilitation and resurfacing of the neighborhood's roads, installation of traffic calming speed humps, a new playground at Warden Park, improved street lighting, a freshly painted neighborhood entryway sign, and utility box art work, in addition to the first and second rounds of residential noise insulation that were already completed.

Although Phases I and II of the airport noise insulation program have now concluded and the City has no legal obligation to further pursue additional noise insulation, based on prior Council direction to explore additional ways of assisting residents of the Davis West neighborhood, City staff recommends launching a new City-initiated third phase of the program which would be entirely funded by the proceeds of the sale of the formerly City-owned property at Laura Avenue. After reviewing available records, staff has determined that of the remaining 46 houses that were eligible for funding through the first two phases of the program, there were 10 properties that remained on an interested parties waiting list, but which never ultimately received such insulation. Therefore, these homes would be prioritized as part of Phase III of the program. To the extent additional funds remain after addressing these homes, staff would contact any other remaining eligible homes in the area. If demand were to exceed available funding, selection into the program would be based on a lottery, as with the first two phases.

Due to the highly specialized and technical nature of the work, City staff again proposes to contract with C. Kell-Smith & Associates to implement the proposed third phase of the program. Coupled with their direct experience executing the prior two phases of this program, this firm is uniquely qualified to manage this proposed third phase of the program. As such, the draft resolution for the City Council's consideration includes language authorizing a sole source agreement with this vendor. The proposed scope of work would include: outreach, plans and specifications, estimates, bid packages and contractor qualification, construction scheduling and coordination with the City's building division. The scope includes development of custom design plans for each of the benefitting properties (to be developed by a sub-contractor), as well as asbestos and lead surveys, which would be completed by another sub-contractor with expertise in this field. The remaining portions of the \$542,000 program would be used to fully off-set the construction costs associated with installation of the noise insulation improvements that would be designed as part of the contract.

Public Outreach

If the requested actions are authorized by the City Council, staff intends to contact the property owners from the interested parties list that are in the Davis West neighborhood as eligible for Phase III of the program. To the extent sufficient funds remain available, staff would subsequently contact any other remaining property owners from the list of remaining eligible homes and offer similar assistance.

Related Council Goals

The following City Council goal is applicable to the requested action:

- Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride

Previous Actions

- Resolution 2008-071, approving a purchase and sale agreement for 2139 Laura Avenue, the widening of Davis Street, and a continuation of the Westgate Parkway Extension project, ACTIA No. 18, adopted on June 16, 2008.
- Resolution No. 2004-012, approving a contractual service agreement with C. Kell-Smith, adopted January 26, 2004
- Resolution No. 2008-142, approving Amendment No. 1, adopted Dec. 1, 2008
- Resolution No. 2011-162, approving Amendment No. 2, adopted Sept 19, 2011

Applicable General Plan Policies

- Policy EH-9.2 Mitigation of Airport Noise: Pursue mitigation of airport noise impacts to the fullest extent possible. Support and advocate for operational practices, changes to aircraft, new technologies, and physical improvements that would reduce the number of properties in San Leandro that are impacted by noise.
- Action EH-9.2.A Settlement Agreement Implementation: Continue implementation of the 2000 Settlement Agreement between the City of San Leandro and the Port of Oakland, as amended through 2017, to support noise insulation for additional San Leandro residences.

Fiscal Impacts

If authorized by City Council, the costs for implementation of Phase III of the Airport Noise Insulation Program would be limited to \$542,000, which would require a corresponding appropriation of \$542,000 in account 010-14-021-5240 in the FY 2018-19 budget. This requested appropriation is fully off-set by existing fund balance that was left unspent in the FY 2017-18 budget, which was generated by the sale of the formerly City-owned property at 2139 Laura Avenue.

If authorized by approval of the requested action and associated resolution, the City Manager will be delegated authority to negotiate and enter into contract with C. Kell-Smith in an amount not to exceed \$246,504 using the above-requested appropriation. A line item break down of these estimated costs has been included as an attachment to this staff report, which includes three primary components:

- \$68,774 overall project management by C. Kell-Smith & Associates
- \$159,780 sub-contract for construction plan development & related tasks
- \$17,950 sub-contract for lead & asbestos survey work

Attachment to Staff Report

- Scope of work and summary of proposed contract costs

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