



Legislation Details (With Text)

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Title: Staff report for a City of San Leandro City Council Resolution to Approve a Consulting Services Agreement with BKF Engineers, Inc. for Conceptual Design of Shoreline Park at the Marina Project No. 2020.3080 for an Amount Not to Exceed \$597,190; to Authorize Individual Agreement Amendments Up to 5% of the Contract and to Authorize Cumulative Agreement Amendments Up to 15% of the Contract

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Staff report for a City of San Leandro City Council Resolution to Approve a Consulting Services Agreement with BKF Engineers, Inc. for Conceptual Design of Shoreline Park at the Marina Project No. 2020.3080 for an Amount Not to Exceed \$597,190; to Authorize Individual Agreement Amendments Up to 5% of the Contract and to Authorize Cumulative Agreement Amendments Up to 15% of the Contract

SUMMARY AND RECOMMENDATIONS

This agreement will provide for development of site plans and estimates suitable for approval of the project scope by City and Regulatory Agencies.

Staff recommends the following actions:

- Approve a consulting services agreement with BKF Engineers, Inc. (BKF) for the project;
- Authorize the City Manager to negotiate and approve individual agreement amendments up to 5% of the contract; and
- Authorize the City Manager to negotiate and approve cumulative agreement amendments up to 15% of the contract.

BACKGROUND

In the 1960's, San Leandro constructed a new marina on the shore of the San Francisco Bay that included a harbor master's office, boat docks, fueling station, parking lots, restrooms for the public and for boaters, and three restaurants: the Blue Dolphin, El Torito, and Horatio's. A 9-hole golf course was across the street and shortly thereafter an 18-hole course with driving range, Marina Park, and the Marina Inn were added to the neighborhood. While the San Leandro Marina operated successfully for more than thirty years, by the year 2000, the Blue Dolphin was vacant, and the Army

Corps of Engineers had reduced its dredging to just the shipping channel out in the San Francisco Bay. Dredging from the harbor to the shipping channel, and in particular the disposal of the dredged material, proved to be prohibitively expensive for the City and the last dredging of the harbor was performed around 1997.

As the Marina silted in and the water became more shallow and less navigable, the conversation eventually turned to options for redevelopment of the area. The City solicited development proposals and in 2008, signed an exclusive negotiating agreement with Cal Coast Companies (Cal Coast) to redevelop the area. That same year, the City formed the Shoreline Citizens Advisory Committee (SCAC) to provide input and guide the design of the development. Over the next three years, dozens of public meetings were held and the community developed goals for the project. In 2012, the project scope was well defined, the SCAC was dissolved and a subgroup consisting of a portion of the original committee formed the Shoreline Advisory Group (SAG) to continue to provide input on the project.

Cal Coast developed an initial plan in 2015 but subsequent conversations with the San Francisco Bay Conservation and Development Commission (BCDC) revealed that significant work would be required to protect the proposed improvements against sea level rise, rendering the plan too expensive. Cal Coast developed a second plan in 2017 which included a public park on the Marina jetties rather than hotel and conference facilities. Public meetings were held in 2017 to get input on the park and negotiations began on an agreement with Cal Coast for the project. These negotiations culminated in a Disposition and Development Agreement (DDA) that was executed in 2020. The DDA specifies that Cal Coast will purchase a portion of the 9-hole golf course for approximately 200 homes and will lease land for an apartment building consisting of approximately 285 units as well as for a hotel consisting of approximately 210 rooms. Cal Coast will reconfigure the 9-hole golf course and improve Monarch Bay Drive. The City will receive about \$29,000,000 for the land sale and, depending on the cost of park improvements constructed by the developer, may also receive park development fees. The City will also receive annual revenue from the lease of the property and hotel occupancy tax. As part of the agreement, the City is obligated to deconstruct the Marina, construct a park along the Marina jetties, and construct a new Mulford-Marina branch library.

BKF has worked for Cal Coast up to this point and have developed preliminary plans for the Park. In order to protect the park from sea level rise, the jetties will need to be raised about 3 feet which will require many truckloads of dirt. Cal Coast plans to import soil to preload or compress the existing site before constructing their new buildings and this preload soil will be excess once the compression period is over. Cal Coast has offered to deliver this excess dirt to the park site when they are finished with it, provided the park site is ready to accept the dirt..

Analysis

The City must deconstruct the functionally obsolete and deteriorating components of the Marina and build a park on the jetties to satisfy the terms of the DDA. Typically, the City would solicit proposals and select a consultant for design of the entire project; however, on this project, staff proposes to split the design into two phases. The first phase will develop plans for a park that are sufficiently detailed for the City and regulatory agencies to approve the project. These plans will also allow the project budget to be determined more accurately. The second phase will produce documents suitable for permitting and construction of the work. Splitting the design contract allows the City to proceed quickly with conceptual design and still use a competitive recruitment for selection of a design firm to produce construction documents.

Award of the conceptual design contract to BKF allows the City to take advantage of BKF's site and project specific knowledge gained while working for the developer and to refine the project scope sooner than if a new design firm was recruited. This creates an opportunity to deconstruct the Marina and accept excess soil from Cal Coast before it is off-hauled. Re-using the developer's excess soil reduces the amount of truck trips through the neighborhood and eliminates the cost of importing soil, which reduces the project cost by up to \$2,000,000.

Alternatively, the City could not contract with BKF and solicit proposals for the entire design contract immediately. This approach is not recommended because it would likely push the schedule out four or more months and may result in losing the opportunity to reuse the excess preload soil from the development site.

The contract with BKF represents staff's current understanding of the work required. From time to time, changes to the scope of contracts are necessary to respond to new information and/or to include additional items of work necessary for a complete product. In order to resolve these issues in a timely fashion and avoid delaying work, staff requests authorization to issue individual contract amendments to the contract up to 5% and cumulative change orders up to 15% of the original contract.

Current Agency Policies

- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation
- Maintain and enhance San Leandro's infrastructure
- 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

- On April 20, 2020 through Resolution 2020-039, City Council rescinded Resolution 2020-020 and approved and approved a DDA with Cal Coast Companies LLC, Inc. to develop the Shoreline area and committing the City to installing this project.
- On February 24, 2020 through Resolution No. 2020-020, City Council approved a DDA with Cal Coast Companies LLC, Inc.
- On February 24, 2020 via Resolution No. 2020-019, City Council adopted an addendum to an Environmental Impact Report (EIR) that includes the work of this project.
- On July 20, 2015 via Resolution No. 2015-125, City Council certified an EIR that includes the work of this project.

Applicable General Plan Policies

- **Goal LU-9.** Reinforce the San Leandro Shoreline as a regional destination for dining, lodging, entertainment, and recreation, while creating a new waterfront neighborhood with housing, retail, and office uses.

- **Policy LU-9.1 Waterfront Enhancement.** Enhance the San Leandro waterfront as a distinguished recreational shoreline and conservation area, with complementary activities that boost its appeal as a destination for San Leandro residents and visitors. Future development at the Shoreline should be compatible with the area's scenic and recreational qualities.
- **Policy LU-9.3. Public Amenities in Shoreline Development.** Ensure that future development at the Shoreline includes complementary amenities that benefit San Leandro residents and current shoreline users, such as improved park space, restaurants, pedestrian and bicycle paths, and access to the Bay Trail.

Permits and/or Variances Granted

This project will require permits from the San Francisco Bay Regional Water Quality Control Board, the Army Corps of Engineers, California Department of Fish and Wildlife, SF Bay Conservation and Development Commission, and the San Leandro Building Department.

Environmental Review

This project is included in the work covered by an EIR certified in 2015 and amended in 2020.

Board/Commission Review and Actions

On February 6, 2020 through Resolution No. 2020-002 the Planning Commission recommended a General Plan Text Amendment, General Plan Map Amendment, Zoning Map Amendment, and an EIR Addendum for the Shoreline Development.

Summary of Public Outreach Efforts

Numerous public meetings were held with the Shoreline Citizens Advisory Committee between 2008 and 2011.

Six public meetings were held with the Shoreline Advisory Group between 2012 and 2020.

Public meetings to collect input on the Shoreline Park at the Marina were held in November and December 2017. An additional round of public meetings will be held as part of the work under this contract.

Fiscal Impacts

The estimated project cost is shown below. Scope of work and project cost will be refined by BKF under this agreement.

Design and Bid:	\$3,000,000	to\$4,000,000
Marina Deconstruction & Park Construction	\$27,000,000	to\$34,000,000
Project Contingency	\$7,000,000	to\$8,400,000
Utility company fees and permits	\$500,000	to\$600,000
<u>Construction Management and Inspection:</u>	<u>\$2,500,000</u>	<u>to\$3,000,000</u>

Total \$40,000,000 to \$50,000,000

Park Development Fees and General Fund revenue may be used for this project. Staff will apply for any grants for which the project qualifies. The annual income from property lease and hotel transfer tax will offset any General Funds used for construction.

Budget Authority

<u>Account No.</u>	<u>Source</u>	<u>FY/Approp. Date</u>	<u>Amount</u>
210-57-203	General Fund	FY17-18	\$4,700,000
210-57-203	General Fund	FY 18-19	\$2,300,000
210-57-203	General Fund	Reso 2019-184	(\$2,455,000)
210-57-203	General Fund	*Scheduled 11/2/2020	(\$1,500,000)
Total Project Appropriation:			\$3,045,000

*Resolution # not available at the time of this writing.

Attachment to Related Legislative File

- CSA BKF Shoreline Park

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