REPORT TO THE CITY COUNCIL AND REDEVELOPMENT AGENCY
City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
June 13, 2006

Honorable Chair and Members of the Board and
Honorable Mayor and Members of the City Council

Subject: Contract: "L" Street Barge Replacement Project (PN: KE21)

Location/Council District: Sacramento River Waterfront in Old Sacramento at the end of L Street, Council District 1

Recommendation:

1) Redevelopment Agency adopt a Resolution: a) authorizing the establishment of an L Street Barge Project budget of $380,000 with a transfer of funds from Downtown 2002 Tax Allocation Bonds (TABS) Tax Increment Fund (630-358-3071); and b) authorizing the Executive Director to enter into an Individual Project Agreement (IPA) with the City of Sacramento in the amount of $380,000 for the extraordinary L Street Barge Replacement Project; and c) rescinding Redevelopment Agency Resolution 2005-021; 2) City Council adopt a Resolution: a) suspending the competitive bidding for the purchase of a new replacement barge for a total amount not to exceed $1,202,717; b) authorizing the City Manager or his authorized designee to negotiate and enter into a contract for the design, purchase, and improvement of a suitable new barge for the existing L Street barge for a total amount not to exceed $1,202,717; c) increasing the expense and revenue budget in the amount of $380,000 for the L Street Barge Replacement project (PN: KE21); and d) rescinding City Resolution No. 2005-233.

Contact: Mike George, Project Manager, 808-8433; Cynthia Kranc, Facilities and Real Property Manager, 808-2258

Presenters: Not applicable

Department: General Services

Division: Facilities and Real Property Management

Organization No: 3282

Summary:

In January 2002, the City Council approved the suspension of competitive bidding for the purchase of a used replacement barge for the existing L Street Barge, because the availability of used replacement barges was extremely limited at the time and the suspension of competitive bidding would have allowed the City to expediently acquire a suitable replacement barge when one was located.

In April 2005, the City Council authorized the City Manager to negotiate and enter into contracts for the purchase of a new replacement barge for the existing L Street Barge because a suitable used replacement barge could not be found.

This report makes technical corrections to the April 2005 report and resolutions by:

- Clarifying City Council authorization to suspend competitive bidding for a new rather than used barge because the available sources for new barges in Northern California are extremely limited; and
- Authorizing a specific contract for the purchase of the barge; and
- Citing required Agency findings pursuant to Section 33445 of the Health and Safety Code of the State of California related to the use of tax increment funds; and
- Requesting that Council rescind the original resolutions approved in April, 2005 (Agency Resolution 2005-021 and City Resolution 2005-223) to create a clear record of Council's final actions included in this report.

Committee/Commission Action: Not Applicable.

Background Information:

On January 10, 2002, Council adopted Resolution No. 2002-003 approving the suspension of competitive bidding and authorizing the City Manager or his authorized designee to enter into contracts for a total amount not to exceed $820,000 for:

- Purchase of a suitable used replacement barge for the existing L Street Barge;
- Retrofitting the replacement barge as needed;
- Improving barge access facilities to include Americans with Disabilities Act (ADA) compliance; and
- Disposal of the existing barge.

On January 17, 2004, the City entered into a Consultant and Professional Services Agreement with Bay Ship & Yacht Company in the amount of $14,625 for a preliminary design and cost estimate of a 110' x 40' barge, gangway, ADA compliant ramps and related improvements. Bay Ship & Yacht Company's preliminary design was provided to the City and reviewed by the City Building Division and by other State and Federal agencies that have jurisdiction.

On April 14, 2005, Council adopted Resolution No. 2005-233 authorizing the City Manager or his authorized designee to negotiate and enter into a contract for a total amount not to exceed $1,450,000 for the purchase of a new replacement barge for the existing L Street Barge. A Purchase Order was issued on June 27, 2006, to purchase the barge, and on

April 23, 2006, the City Auditor identified that the purchase order was an inadequate means of purchase.

The increase in price from the January 2002 report to the April 2005 report is due to the escalating price of building materials. City staff is currently preparing a consultant agreement for the development of technical and installation specifications to transport and install the barge. These specifications will be incorporated into an invitation for bids to transport and install the barge upon completion by Bay Ship & Yacht Company.

Financial Considerations:

The total project cost to provide a new barge for the L Street Barge Replacement project (PN: KE21) is estimated to be $1,652,000, which includes $1,202,717 for the cost of the barge with the balance going toward the cost of moving and installing the barge. The source of funds includes $1,272,000 from the City Facility Deferred Maintenance project (PN: CE21) and $380,000 from the Agency's Downtown 2002 Tax Allocation Bonds (TABS) Tax Increment Fund (630-358-3071) Assistance account. The transfer of the $380,000 in Tax Increment Funds provides sufficient funding to award the contract to Bay Ship & Yacht Company in an amount not to exceed $1,202,717. Staff will be returning to Council to award a contract for the relocation and installation of the new barge, but no additional funds are anticipated to be needed.

Environmental Considerations:

City Resolution No. 2002-004 ratifying the negative declaration for the L Street Barge Replacement Project was approved on January 10, 2002. This negative declaration remains valid.

Policy Considerations:

<u>2005 Downtown Sacramento Redevelopment Strategy</u>
In 2004, a strategy was prepared to guide redevelopment activities for Downtown Sacramento. Section Three focuses on the Waterfront and Old Sacramento area. The recommendations are consistent with the goals mentioned in the 2005 Downtown Sacramento Redevelopment Strategy including the elimination of environmental deficiencies in the Merged Project Area, including, among others, mixed and shifting uses, small and irregular lots, obsolete, aged and deteriorated building types, inadequate or deteriorated public improvements, and incompatible and uneconomic land uses.

<u>City of Sacramento Policy Objectives</u>
The proposed acquisition and retrofitting of a replacement barge is consistent with the City's policy to promote and support economic vitality and to maintain an active and productive waterfront. The actions requested herein are consistent with Sacramento City Code, Title 3 and the provisions of City Code, Section 3.56.230 (c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council.

Emerging Small Business Development (ESBD):

Every effort will be made to utilize emerging and small business enterprises on this project.

Approved By: _____
Cynthia Kranc, Facilities and Real Property Manager

Approved By: _____
Reina J. Schwartz, Director of General Services

Recommendation Approved:

_____
for RAY KERRIDGE
City Manager

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY

OF THE CITY OF SACRAMENTO

June 13, 2006

MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: ALLOCATING DOWNTOWN TAX INCREMENT DEVELOPMENT ASSISTANCE FUNDS TO THE L STREET BARGE CAPITAL IMPROVEMENT PROJECT

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO THAT:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated in the staff report that accompanies this resolution, are approved.

Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Agency makes the following findings:

a) The replacement of the L Street Barge is of benefit to the Merged Downtown Redevelopment Project Area;
b) There are no other reasonable means of fully financing the project available to the community except for redevelopment area tax increment proceeds;
c) The use of redevelopment area tax increment proceeds for this extraordinary project will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the Projects are consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 3: The Executive Director is authorized to establish an L Street Barge Project budget of $380,000 with a transfer of funds from Downtown 2002 Tax Allocation Bonds (TABS) Tax Increment Fund (630-358-3071).

Section 4: The Executive Director is authorized to enter into an Individual Project Agreement (IPA) with the City of Sacramento in the amount of $380,000 for the capital project described above.

Section 5: Resolution No. 2005-021 is hereby rescinded.

RESOLUTION NO.

Adopted by the City of Sacramento City Council

June 13, 2006

AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS FOR THE "L" STREET BARGE REPLACEMENT PROJECT (PN: KE21)

BACKGROUND

A. The City of Sacramento has determined the current L Street Barge has exceeded its useful life and requires replacement.

B. City Council Resolution No. 2002-003 authorized the equipping of the replacement barge, improving barge access to meet applicable ADA compliance, and disposal of the existing barge.

C. City Council Resolution No. 2002-003 suspended competitive bidding for a used replacement barge.

D. Funds are available for the L Street Barge Replacement Project through the Facility Deferred Maintenance project (PN: CE21).

E. Staff has determined that there are no suitable used barges available for purchase.

F. Staff has determined that the available sources for new barges in Northern California are extremely limited.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

Section 1. It is in the best interest of the City to suspend competitive bidding for a new replacement barge for the existing L Street Barge;

Section 2. The City Manager is authorized to negotiate and enter into contract for a total amount not to exceed $1,202,717 for the purchase of a new replacement barge for the existing L Street Barge;

Section 3. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the following findings are made:

a. The replacement of the L Street Barge is of benefit to the Merged Downtown Redevelopment Project Area;

b. There are no other reasonable means of fully financing the project available to the community except for redevelopment area tax increment proceeds; and

c. The use of redevelopment area tax increment proceeds for the project will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area which is consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 4. An increase in the expense and revenue budget is approved in the amount of $380,000 for the L Street Barge Replacement Project (PN: KE21); and

Section 5. The City Manager is authorized to enter into an IPA with the Agency in the amount of $380,000 for the L Street Barge Replacement Project (PN: KE21).

Section 6. Resolution No. 2005-233 is hereby rescinded.