



City of San Leandro

Meeting Date: November 2, 2020

Staff Report

File Number: 20-441 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Keith Cooke
Engineering & Transportation Director

FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: Staff Report for a City of San Leandro City Council Resolution to Appropriate Additional Funding in the Amount of \$60,000 from the General Fund Unrestricted Fund Balance Reserves to Account 210-28-200 to Complete the Design Phase of the Neptune Drive Shoreline Flood Protection, Project 2016.0700

SUMMARY AND RECOMMENDATIONS

This action appropriates additional funding necessary for the completion of the design phase of the Neptune Drive Shoreline Flood Protection project.

Staff recommends the following:

- City Council appropriate \$60,000 from the General Fund Unrestricted Fund Balance Reserves to Account 210-28-200 for completion of the design phase of the Neptune Drive Shoreline Flood Protection project.

BACKGROUND

The Federal Emergency Management Agency (FEMA) adopted revised flood risk maps that indicate increased risk of flooding to approximately 1,000 San Leandro properties. The maps indicate that there is a risk that water may enter the neighborhood via a low spot on the San Francisco Bay shoreline near the intersection of Neptune Drive and Marina Boulevard as well as by overtopping of the north levee along the Estudillo Canal. Improvements at both locations are required to reduce the flooding risk.

The Alameda County Flood Control District (District), which operates the Estudillo Canal, designed a project to modify the levees along the canal so that the canal, together with the City's proposed improvements, will protect the adjacent neighborhood from a one-hundred-year flood. The District advertised for construction; however, all bids for the work were rejected in Spring 2020 because the bid costs were more than the available budget. The District plans to rebid the project at the end of 2020. If the bid is successful, the work is projected to be completed by the fall

of 2022.

In support of the work by the District, the City hired Horizon Water and Environment to complete an analysis of City managed marshlands immediately south of the Estudillo Canal. At this location, Alameda County Flood Control District proposed permanent closure of two tide gates between the canal and marshes for improved flood conveyance along the canal. The analysis determined no significant impact to the marshes or to the endangered species habitats there.

The City hired Wood Rodgers, Inc. to design and obtain approval for a project to build the levee at the low spot near the intersection of Neptune Drive and Marina Boulevard along the edge of the San Francisco Bay. Wood Rodgers, Inc. completed the field and geological investigation, construction documents are completed to 95% level, CEQA and environmental review tasks are completed and correspondence with BCDC is proceeding satisfactorily. Wood Rodgers, Inc. commenced submittal of the flood map revision documentation known as a Conditional Letter of Map Revision (CLOMR) with FEMA.

The Neptune Drive and Marina Boulevard levee work is located on private property and therefore an easement is required. The City hired Carneghi-Nakasako & Associates to complete appraisals for both a permanent easement and a temporary construction access easement for these properties. Upon approval of an assessment district to fund the project, Carneghi-Nakasako & Associates will negotiate a fee for the easement with the property owners.

The City hired NBS Consultants to conduct public outreach and education related to the establishment of an Assessment District to fund the construction of the improvements at the intersection of Neptune Drive and Marina Boulevard. The contemplated improvements provide special benefits to properties in the vicinity of the work that will receive a reduced risk of flooding due to the project. California state law permits the formation of special financing districts to collect special assessments for projects that provide special benefit. The formation of these districts requires approval of the property owners within the district. NBS Consultants continues to engage property owners through public meetings, postcards, social media; NBS also provides updates on a project specific website and currently believes there is a positive sentiment for the formation of the Assessment District. The contract with NBS was extended to cover the delay in proceeding caused by the Flood Control District's rejection of bids.

Analysis

The design phase of this project was originally funded with a CIP account for \$500,000. Staff hoped that construction work would be funded by a grant; however, staff applied for two rounds of grant funding and was unsuccessful both times. As a result, additional work related to formation of an assessment district is added to the project and this work was not originally budgeted. Following is a summary of design phase projected costs and work details:

Item	Original	Revised	Difference
Design Consultant	\$324,725	\$340,155	\$15,430
Appraisal Consultant	\$18,500	\$34,145	\$15,645
Special Finance Consultant	\$77,200	\$83,200	\$6,000

Environmental Consultant	\$15,340	\$15,340	\$0
City Staff	\$60,000	\$76,761	\$16,761
<u>Miscellaneous Cost</u>	<u>\$4,235</u>	<u>\$10,399</u>	<u>\$6,164</u>
Total	\$500,000	\$560,000	\$60,000

- Staff provides overall management of the project including coordination of work between the consultants, liaising with property owners and coordinating consultants' access onto private property. Staff also applied for grants, reviewed and provided comments on consultants' draft documents, arranged public meetings and co-presented at said meetings.
- Miscellaneous work items include permit fees, postage, printing, advertising and other similar associated expenses.

The total project cost is approximately \$2,581,000 and, if an Assessment District to fund these improvements is approved, this full cost, or any lesser amount determined by the City Council, could be requested from the property owners within the benefit area. The City's share of the project cost, for city owned property and public lands within the District is estimated at \$315,000. The total cost of the Design Phase is \$560,000. Therefore, if the Assessment District is passed, the City could receive reimbursement of \$245,000.

Current Agency Policies

- Maintain and enhance San Leandro's infrastructure.

Previous Actions

- On February 19, 2019, by Resolution No. 2019-044, the City Council approved an agreement with NBS Consultants for preparation of establishment of a Special Financing District for the Neptune Drive Flood Protection project.
- On February 20, 2018, by Resolution No. 2018-011, the City Council approved an agreement with Wood Rodgers, Inc. for design of the Neptune Drive Flood Protection project.

Applicable General Plan Policies

- Policy EH-1.7 Work collaboratively with County, State, and federal agencies to develop short and long-term programs that reduce flood hazards in the City. At the local level, the City will regularly maintain its storm drainage system and ensure that those portions of San Leandro Creek under its jurisdiction remain clear of obstructions.

Environmental Review

The project was determined to be categorically exempt from CEQA in October 15, 2019.

Summary of Public Outreach Efforts

- Staff and NBS Consultants presented project information at two separate public meetings held on July 29, 2019 and November 13, 2019, respectively. A FEMA representative presented at the second meeting.
- NBS continually provides updates and information by means of mailed postcards, social media sites and on the project website. The consultant also addressed public comments and questions received.

Fiscal Impacts

The Design Phase is estimated at \$560,000 and the total project is approximately \$2,581,000, as detailed below. Full funding for the project will be requested from the property owners within the benefit area.

Design and Bid:	\$560,000
Construction Contract:	\$993,485
Construction Contingency:	\$198,700
Construction Management and Inspection:	\$84,000
Easements:	\$500,000
Post Construction Administration:	\$20,000
<u>Assessment District Debt Service:</u>	<u>\$225,000</u>
Total:	\$2,581,185

Budget Authority

<u>Account No.</u>	<u>Reso., Appropriation Dates & Source</u>	<u>Amount</u>
210-28-200	FY 2017-18 CIP Budget	\$500,000
210-28-200	FY 2020-21	<u>\$ 60,000*</u>

Total Proposed Design Phase Funding **\$560,000**

*Appropriation requested by this action to account 210-28-200

PREPARED BY: John O'Driscoll, Associate Engineer, Engineering and Transportation Department



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Resolution - Council

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TO: City Council

FROM: Jeff Kay
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FINANCE REVIEW: Susan Hsieh
Finance Director

TITLE: RESOLUTION of the City of San Leandro City Council to Appropriate Additional Funding from the General Fund Unrestricted Fund Balance Reserves of \$60,000 to Complete the Design Phase of the Neptune Drive Shoreline Protection, Project No. 2016.0700 (provides for the appropriation of funds to complete the design phase of the Neptune Drive Shoreline Protection Project)

WHEREAS, the Neptune Drive Flood Protection, Project No. 2016.0700 is an important Capital Improvement for the City; and

WHEREAS, \$500,000 of CIP FY 2017-2018 funds were appropriated to commence the design phase of this project; and

WHEREAS, if an associated Assessment District vote is passed, the District will reimburse the City \$560,000, less the City's share of assessment fees.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That an additional appropriation of \$60,000 from the General Fund Unrestricted Fund Balance Reserves are appropriated for the project to account no. 210-28-200.