



Office of the City Manager

COUNCIL ACTION
July 15, 2008

TO: Honorable Mayor and
Members of the City Council

FROM: Phil Kamlarz, City Manager

SUBJECT: City Acquisition of 1 Bolivar Drive

RECOMMENDATION

That Council: (1) adopt the first reading of an Ordinance authorizing the City Manager to execute all necessary documents required to purchase the real property located at 1 Bolivar Drive, Berkeley, CA for an amount not to exceed \$2,200,000 from William J. Petzel and Margaret P. Petzel, Trustees of the Petzel Family Trust dated April 23, 2004, as to an undivided 5.6% interest; and Victor G. Prada, a married man as his sole and separate property, as to an undivided 61.1% interest; and Richard Smith, a married man as his sole and separate property, as to an undivided 11.1% interest; and Jonathan Francis and Sally Ann Francis, Trustees of the Francis Family Trust, 1999 U/T/D dated June 11, 1999, as to an undivided 22.2% interest.

FISCAL IMPACTS OF RECOMMENDATION

Measure I was approved by the Berkeley voters in 2004 and authorizes \$7,200,000 of bond money to acquire property and build a new municipal animal shelter in Berkeley. The \$2,200,000 expenditure recommended in this item is only for the purchase of the 18,800 sq ft property at 1 Bolivar Drive. A separate item(s) will be submitted in the future for any contracts or services necessary for construction of the new facility itself.

The purchase agreement between the sellers and the City includes an initial good faith refundable deposit of \$100,000. This initial \$100,000 was deposited to an escrow account at Placer Title Company on July 1, 2008. The purchase agreement requires a second \$100,000 deposit on August 30, 2008. Once the second \$100,000 is deposited, both deposits totaling \$200,000 will then become non-refundable, and will be applied to the total purchase price of \$2,200,000. A target date of August 30, 2008 for the second \$100,000 payment provides staff with enough time to obtain an appraisal and any environmental reports or reviews necessary for the City to determine the suitability of 1 Bolivar Drive for a new animal shelter. The remaining \$2,000,000 balance will be deposited to the escrow account on or before close of escrow on September 5, 2008.

BACKGROUND

The City's Animal Services operations are currently housed at 2013 2nd St, Berkeley in a facility that was built in 1940. It is in poor condition, seismically unsafe, suboptimal for the maintaining healthy animals, and not conducive for promoting animal adoptions or attracting members of the public to visit. In 2000 a Mayor's Force was appointed by Council to assess the conditions of the shelter and its operations. The Task Force made 28 recommendations to the Council and City Manager, one of which was to develop options for constructing a new shelter facility at the existing site at 2013 2nd St or at an alternative location more appropriate for the care and well-being of the animals, and as a place that would attract more members of the public.

In 2004 Measure I was passed and authorized a bond for \$7.2 million for land acquisition and construction of a new municipal animal shelter. The City Council appointed a subcommittee composed of members of the Council and the Citizens' Humane Commission to explore possible locations for a new animal shelter but failed to identify any locations that satisfactorily met the concerns of the subcommittee members.

City staff spent considerable time to no avail working with several brokers in search of a site in Berkeley that would satisfy the concerns of commissioners and members of the Council. As the purchasing power of the bond monies continued to diminish, by 2007 it was becoming increasingly clear that in the very near future the only viable option left would be to demolish the old shelter and reconstruct a new animal shelter at the same location at 2013 2nd St.

In early 2008 the Council was presented with a recommendation to contract with former Public Works Director, Rene Cardinaux, to manage a design and build process in which respondents to a Request for Qualifications (RFQ) were asked to develop design schematics and options for three sites in Berkeley. The RFQ required that one of these sites be the existing location at 2013 2nd, recognizing that this option would require upwards of \$500,000 to temporarily relocate the animals during construction.

A review panel composed of members of the Citizens' Humane Commission, city staff and at least one member of Council reviewed RFQs from 9 design firms and selected 4 to interview. The last interview occurred on July 1, 2008, and the review panel has unanimously decided to recommend that the City contract with one of these firms for design services. At this time, however, a contract and scope of work will be held in abeyance until Council takes action on 1 Bolivar since the project will be greatly simplified and said scope of work will be significantly altered.

There is widespread agreement across all stakeholders concerned the animal shelter that 1 Bolivar Drive is in an ideal location for a new facility. It is adjacent to Aquatic Park, affords easy access to areas for exercising and socializing animals and is not in close proximity to any residential uses. Additionally, the Citizens' Humane Commission and members of Council subcommittee established in 2000 concur that 1 Bolivar Drive is an ideal location for the city's new animal shelter

The City's purchase of 1 Bolivar Drive is consistent with Measure I, and the \$2,200,000 purchase price is within the budget for the overall project (Attachment A). A budget of \$9,500,000 includes the \$7,200,000 under Measure I, \$1,000,000 of General Fund allocated in the 2009 budget and \$1,300,000 from the sale of the existing animal shelter site at 2013 2nd St., which is subject to appraisal.

RATIONALE FOR RECOMMENDATION

- Concurrence across all community stakeholders that 1 Bolivar is an ideal site for an animal shelter

- Council action is required at this to ensure that a second reading and 30 day effective period and comply with the timeline requirements of the purchase agreement
- Compliant with Measure I and project budget
- Fail to take action on 1 Bolivar will result in the very high likelihood that the animal stays at 2013 2nd St.
- Failure to take action immediately will result in higher project costs later on

Contacts: Phil Kamlarz, 981-7000
 Jim Hynes, 981-7000