



MEMORANDUM

DATE: November 5, 2019
TO: Christine Daniel, City Manager
FROM: Charles S. Bryant, Community Development Director
SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute (1) The Second Amendment To The Façade Grant Contract With Dy Associates To Assist With The Rehabilitation Of An Existing Commercial Building At 4080 Watts Street, Extending The Term From November 21, 2019 To May 21, 2020, And (2) The Second Amendment To The Façade Grant Contract With Ravin's Fair, Inc. To Assist With The Rehabilitation Of An Existing Commercial Building At 4072 Watts Street, Extending The Term From November 8, 2019 To May 8, 2020**

RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution authorizing the City Manager to execute second amendments to the Façade Grant Contracts with Dy Associates and Ravin's Fair Inc. to assist with the rehabilitation of 4080 Watts Street and 4072 Watts Street, respectively, to extend the contract term for the Façade Grant Contract with Dy Associates from November 21 2019 to May 21, 2020 and for the Façade Grant Contract with Ravin's Fair from November 8, 2019 to May 8, 2020.

BACKGROUND

On May 16, 2017, the City Council approved Resolution No. 17-73, which established the Façade Improvement Grant Program (Grant Program) and appropriated \$200,000 from the Economic Development Fund (Fund 202) to use for the first round of the Grant Program.

Following an application process, on March 15, 2018, the Economic Development Advisory Committee (EDAC) recommended that the City Council award Façade Grant funds to five applicants. On May 1, 2018 the City Council approved Resolution No. 18-44, which authorized the City Manager to execute Façade Improvement Grant Program Contracts ("Contracts") with the five awardees as recommended by the EDAC. The Contract language included provisions that authorized the City Manager to execute an amendment to extend the Contracts for up to 180 days beyond the original Contract term.

In May 2018, the City Manager executed first amendments to the Contracts with Dy Associates and Ravin's Fair, Inc. to extend the Contract terms to November 21, 2019 and November 8, 2019, respectively. Staff is requesting the City Council authorize an amendment to extend the terms of these Contracts to allow additional time to complete the seismic improvements supported by the Grant Program due to project delays beyond the applicants' control, as described further below.

DISCUSSION

The two proposed Contract extensions are associated with seismic improvement projects that were two of the top three scoring applications for Round 1 of the Grant Program. Both sites are commercial condominiums located within the Park Business Center complex located on the south side of Park Avenue between Watts Street and Emery Street. The highest scoring grant award was for a Seismic Study for the overall Park Business Center to ensure that seismic improvements of individual commercial condominium units in the complex would be considered comprehensively. Owners of units in the Park Business Center have been unable to avail themselves of the full range of uses allowed by the Planning Regulations due to seismic requirements of the Building Code that are triggered upon a change of occupancy. Consequently, many of the units are vacant or underutilized. An overall seismic assessment of the complex was deemed necessary prior to the design of improvements for individual units.

The two projects associated with the proposed Contract extensions have been delayed because the comprehensive seismic study for the Park Business Center took considerably more time to prepare than originally contemplated.

The comprehensive seismic study was recently completed and the applicants have each submitted building permit applications for their related seismic retrofit projects, but require additional time to complete their projects beyond the term of their existing Contracts. Consequently, staff is requesting that the City Council authorize the City Manager to execute extensions to the Contracts as set forth in the attached resolution. No changes to the scope of work or budget for either contract are requested.

FISCAL IMPACT

Grant funds associated with Round 1 of the Façade Grant Program were appropriated by the City Council from the Economic Development Fund (Fund 202) on May 16, 2017 (Resolution No. 17-73). This \$200,000 in award funds provide for up to \$1.7 million in improvements associated with the Round 1 projects, exclusive of the associated potential economic multipliers benefitting the general economy of Emeryville and the City's revenues. The proposed awards are anticipated to remove a barrier to productive use of several spaces which are currently vacant or underutilized. No additional funds are requested for these Round 1 Grant Award contracts.

STAFF COMMUNICATION WITH THE PUBLIC

Staff has discussed the proposals with the grant awardees and their respective authorized agents.

CONCLUSION

The proposed term amendments are in keeping with the intent of the Façade Grant Program and allowing for the requested extensions would help implement seismic improvements that will result in both public safety and economic benefits for the community at large in addition to the property owners and business community.

PREPARED BY: Emi Thériault, Community and Economic Development Coordinator II

REVIEWED BY: Chadrick Smalley, Economic Development and Housing Manager

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

ATTACHMENTS

- Draft Resolution
- Exhibit A - Second Amendment to the Dy Associates Façade Grant Contract
- Exhibit B - Second Amendment to the Ravin's Fair Façade Grant Contract