



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
September 17, 2008**

TO: Mayor and City Council

FROM: Karen L. Majors, Assistant City Manager Community and Economic Development

SUBJECT: Discussion of next steps regarding the reuse of the Zocchi Property

DATE: September 11, 2008

RECOMMENDATION:

Discuss the information presented, policy considerations, and staff recommended alternative regarding the reuse of the Zocchi property and provide direction to staff.

BACKGROUND:

The City of Martinez has received a series of significant funding commitments from CCTA and other transportation agencies to financially support the various phases of the Intermodal Transportation Project over the last decade. The City of Martinez has received two funding commitments for a portion of Phase 3 from CCTA totaling \$11,775,000 to cover the costs to acquire the 6.7 acre site from Westmont Company LLC (owners of the site commonly referred to as the Zocchi site). The costs to acquire this site include acquisition (\$10,900,000) appraisals, hazardous materials investigations, CEQA compliance, legal and escrow/closing including an ALTA survey. To date, staff estimates that the Zocchi acquisition and related expenses will total approximately \$11,300,000, leaving approximately \$ 475,000 to begin planning/implementing the next steps of the Intermodal Phase 3 Project. In fiscal year 2009-2010, CCTA has committed \$3,654,000 in Measure J funds to the City of Martinez for the construction portion of the Intermodal Phase 3 Project. Based upon the CCTA 2007 Strategic Plan, it is anticipated that the initial construction would accommodate 175-225 parking spaces. The ultimate project would accommodate 425 parking spaces.

The City's funding request and environmental analysis pursuant to CEQA was based upon the attached site plan. The Planning Commission approved the Mitigated Negative Declaration and preliminary project design in March, 2007. The City Council approved the funding agreements for this project in 2007.

While the acquisition of the Zocchi property is being funded entirely with transportation related funds for the sole purpose of ultimately providing 425 parking spaces to expand the use of and access to the Intermodal Train Station, the site is a large and relatively level site with incredible vistas of the city's waterfront, Alhambra Creek and East Bay Regional Park wetlands. Staff and elected officials alike have pondered the potential for a mixed use development approach that

would maximize the reuse of this site. Staff has briefly discussed this potential with CCTA staff. CCTA is willing to explore a “mixed use” concept with the City as long as public transportation funds are not used to construct parking spaces or other improvements for private use and that 425 parking spaces are ultimately constructed and available for the public at no cost to use to access the Intermodal Station.

The Purchase and Sale Agreement between the City and Westmont LLC (owners of the Zocchi site) was approved July 23, 2008. After addressing a number of title issues the agreement was executed on August 15, 2008. At the present time CCTA and CalTrans staffs are reviewing the agreement. The City hopes to close escrow some time in late September or October. As was mentioned previously, after all the property acquisition costs have been paid, staff anticipates that \$475,000 will remain. CCTA staff has advised staff that these remaining funds can be used for demolition, site planning expenses and/or an interim layout for parking if all buildings are demolished.

The site currently has 6 structures on it. According to the appraisal report, the two large concrete tilt-ups were constructed in the 1960s and the four smaller, older, metal structures were constructed before that but a specific date was not available. The two concrete tilt-ups are in fair condition but have been vandalized. A significant amount of electrical wiring and other types of piping and plumbing have been taken from the buildings and the current owner has had a difficult time keeping the buildings secured. The metal buildings are in poor condition with holes in the building siding and roofing from lack of maintenance over the years. The metal buildings have also been vandalized. If any of the buildings are to remain, funding (from the City’s General Fund) will need to be allocated to keep the buildings secured..

As staff developed the alternative below after considering the following issues:

- 1) What buildings should be removed and when?
- 2) The need for development of parking lot and "mixed use" scenarios for discussions with funding agencies, EBRP and possible development partners?
- 3) The need to allocate general funds to keep the buildings secure.
- 4) If the buildings are removed, funding will be needed for demolition and for the design, layout and construction of an interim parking lot.

City staff received an estimate last year indicating that it could cost as much as \$1.1 million to demolish and remove the existing structures. A significant portion of this cost is the removal of the extensive amount of building materials from the site. If the City Council decides to demolish the buildings, City staff will investigate alternatives to utilize and recycle the appropriate building materials to raise and level the site for interim parking use.

FISCAL IMPACT:

Staff estimated that \$50,000 in General Funds will be needed to secure and manage the site during the current fiscal year.

ACTION:

Staff has developed the following alternative for discussion:

Short Term Fiscal Year 2008-09 utilizing the funds currently available: a) demolish the metal buildings, b) select a consultant firm to prepare several alternative, conceptual “mixed use” development and parking scenarios as well as an interim parking plan c) meet with appropriate agencies and potential developers to determine the feasibility of various commercial development scenarios, and d) allocate \$50,000 from the General Fund to secure and manage the remaining structures.

Long Term Fiscal Year 2009-10: a) demolish the two remaining concrete structures and potentially place the recycled construction materials to raise and level the site for interim use as a parking lot, b) construct interim parking and pedestrian improvements needed for use of the site, and c) select a development team and development concept for a mixed use development on a portion of the site and d) prepare long term parking plan in conjunction with private developer.

Based upon discussion of the above issues and alternative staff, can develop a detailed timeline and cost estimate for subsequent discussion and review.

ATTACHMENTS:

- 1) CCTA Project Description
- 2) Conceptual Site Plan

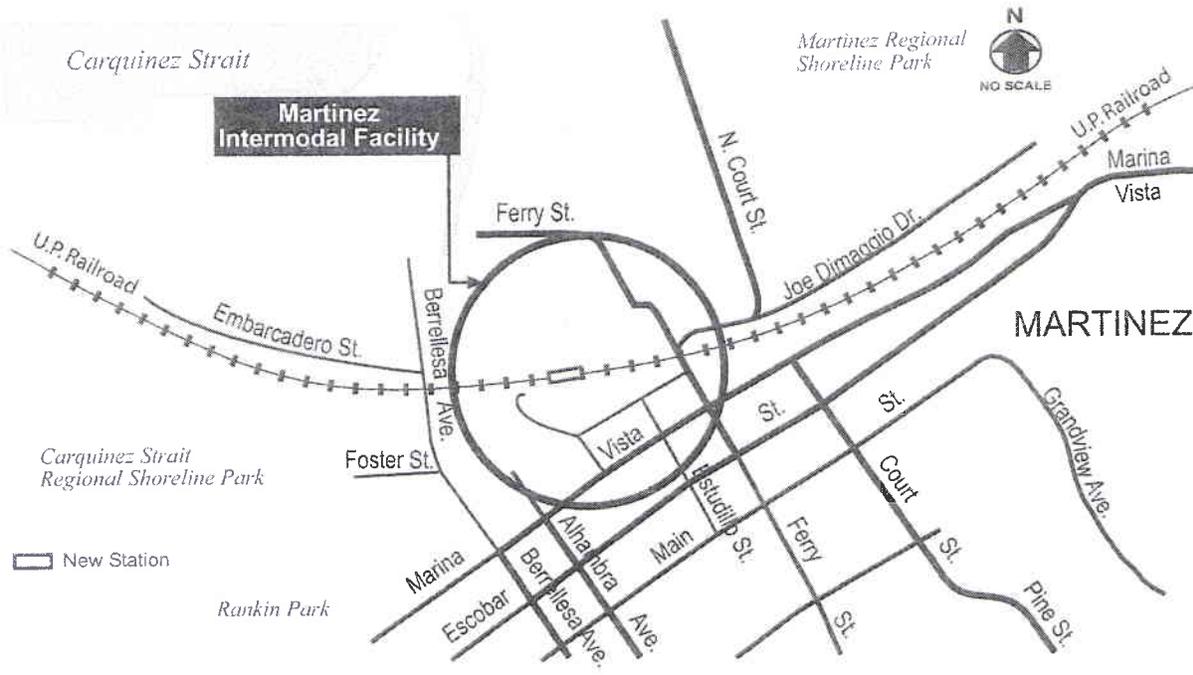
APPROVED BY:



City Manager



Martinez Intermodal Station - Phase 3



Project Number

4002

Project Sponsor

City of Martinez

Project Type

- Transit
- Highway
- Local Streets
- Major Arterial
- Bike/Pedestrian
- Other

Project Scope

Acquire warehouse property north of the existing Intermodal facility; demolish existing structures; construct a parking facility to provide 175 replacement parking and up to 425 additional parking spaces for use by Amtrak patrons, along with improved roadway access from Ferry Street; construct a pedestrian overcrossing over the Union Pacific Railroad facilities (to provide pedestrian access from the new parking facility to the station building); and construct a vehicle bridge over Alhambra Creek to provide a second connection to the parking facility off of Berrellesa Street.

Funding Sources (\$ in million)

Total	15.5
Measure J Transportation Sales Tax ¹	9.6
State Transportation Improvement Program - Regional (STIP-RIP)	5.5
Measure C Transportation Sales Tax	0.4

¹Measure J funds shown in escalated dollars. Actual commitment is in 2004 dollars as shown in Appendix A.

Martinez Intermodal Station - Phase 3 (cont.)

Need/Purpose

The existing 175-space parking lot is nearing capacity, due to heavy use by patrons of the Martinez Station to board Capital Corridor and San Joaquin commuter trains, as well as long-haul Amtrak trains. Planned increase in the frequency of commuter trains will also increase the demand for parking. The proposed project provides parking needed to serve increased ridership generated by planned train frequency increases by the Capitol Corridor Joint Powers Authority.

Project Location



Possible Segmentation

The Project could be segmented into the following phases dependent upon available funding:

- 1) Property acquisition;
- 2) Demolition/clearing;
- 3) Final engineering;
- 4) First phase of parking construction (100 to 225 spaces) plus new access to Ferry and Berrellessa Streets;
- 5) Second phase of parking construction (200 spaces);
- 6) Pedestrian overcrossing (interim pedestrian access is available via the Ferry Street grade crossing);

Issues

- Project site must be acquired from existing property owner and tenants relocated
- Construction of overcrossing will require approval of Union Pacific Railroad and the California Public Utilities Commission, plus PG&E relocation of 60KV line.

Current Status

Project is in the Right-of-Way clearance stage.

Project Schedule

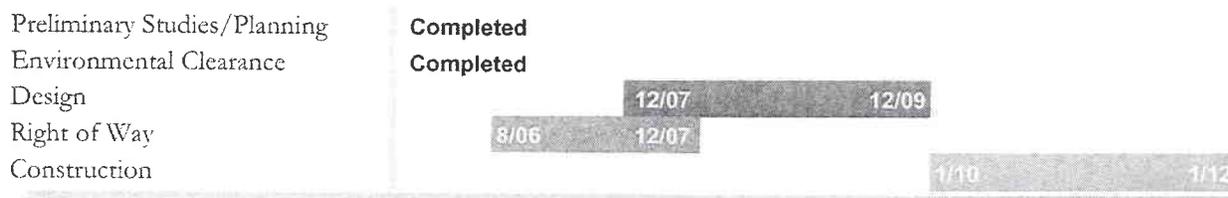


Figure 2-3
Concept Layout Plan

