



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
May 19, 2010**

TO: Mayor and City Council

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

SUBJECT: Reuse of the Zocchi Property

DATE: May 13, 2010

RECOMMENDATION:

Provide direction to staff on the reuse of the Zocchi property.

BACKGROUND:

The City of Martinez acquired the Zocchi property in November, 2007, with funding from local, regional, and state transportation agencies. The funding for this acquisition was part of the long term, multi-phase plan for the Martinez Intermodal facility/train station. The acquisition of the Zocchi facility is part of the third phase that is to include 175 at grade parking in the short term and 425 spaces in the long term.

This third phase also includes a pedestrian bridge connecting the parking lot to the intermodal facility/train station. It is uncertain given the current demand and current economic climate when the funding for the construction of the long term number of parking (425) will be available.

At one time the Zocchi property included 3 structures. The metal, quonset-style buildings were removed earlier this year, eliminating a substandard and hazardous structure. City staff will retain the services of a consultant to design the layout of the short term parking configuration which staff believes can be accommodated without removing either of the two remaining structures. Part of the design work will include a detailed construction cost estimate. The funding for construction of the short term parking and pedestrian bridge is from CCTA Measure J funds and will total approximately \$3.6 million. It will be available to the City in 2011/12.

The two remaining buildings: 370 Ferry Street was constructed in approximately 1959 and has 30,000 square feet and 330 Ferry Street was constructed in approximately 1967 encompasses 48,769 square feet. Both buildings are usable and structurally sound given the industrial uses they were designed to accommodate.

Since the City acquired this property, there has been interest in both short and long term use of the buildings. The current uses for the 370 Ferry Street vacant structure include a month to month lease with the Superior Court for storage and a 3 year letter of intent commitment for a proposed California Center for Education and Research. The City Council recently directed staff to partner with the California Center for Education and Research and take the lead in applying for Proposition 84 grant funding that will require the City to commit to a 30 year lease with the non-profit California Center for Education and Research. The larger building located at 330 Ferry Street is currently used by several local non-profits to store equipment and other items at no cost. The Martinez Police Department and other local police departments also utilize 330 Ferry Street for periodic training.

Last year three local businessmen approached City staff with a concept to develop a private but community based recreation facility for local athletes and teams to train, practice, and play indoors. Last fall the new entity, Universal Sports Academy, presented a business and building use plan to City staff. Public Works staff helped identify the interior modifications that would be needed for the change in occupancy. Public Works staff also recommended that a structural analysis be undertaken to determine if any structural upgrades would be necessary.

Public Works staff determined that the building would need approximately \$100,000 in interior upgrades including new electrical, HVAC, bathroom improvements and additional exits. A structural engineer estimated up to \$350,000 in additional cost for structural upgrades. The structural upgrades are needed to insure the building can support a significantly higher occupancy rating. In addition, the City has identified approximately \$400,000 in exterior improvements to improve the exterior aesthetics of the building if it is to remain for the next 10-20 years.

Staff requested Universal Sports Academy to present their concept to the PRMCC and the City Council Economic Development Subcommittee. Universal Sports Academy presented their concept to the PRMCC in February, 2010. The PRMCC was supportive of the concept and was interested in a future presentation when their business plan was in final form. Staff also presented Universal Sports Academy's concept to the City Council Economic Development Subcommittee. The Subcommittee expressed interest in supporting private recreational use in one of the Zocchi buildings but directed staff to undertake a formal request for proposals (RFP). The Council Subcommittee wanted to insure that more than one entity had an opportunity to present a proposal to utilize the facility.

Given the fact that the City used public transportation funds to acquire the Zocchi property with the express goal to provide additional parking as part of phase three of the Intermodal Project, City staff contacted the agencies that provided the funding, CCTA and CalTrans Rail Division. Both agencies informed the City that it is possible to combine public and private projects but that any revenue generated from renting the facility would either have to go into a special public transportation account or go directly back to the funding agencies. The City was reminded that if the buildings remain, the City would need to look at alternatives to provide the 425 parking spaces.

Over the last several months, City staff received a wide array of comments and opinions on what the terms of an RFP should include. To insure the RFP attracts investors who will propose the highest and best use of 330 Ferry staff would like Council to consider the following issues and provide specific direction:

- 1) Does the City Council want to see a private recreation facility at 330 Ferry Street on a smaller or larger scale?
- 2) City staff has identified approximately \$850,000 in possible improvements that could be made to 330 Ferry Street, of which \$450,000 need to be made prior to allowing an increase in the occupancy rating of the building. The remaining \$400,000 would be used to renovate the outside of the building and provide some additional landscaping. A rendering of outside renovations was designed by a local architect and is included as an attachment (see Attachment C). Is the City interested in moving forward with the interior and structural upgrades and allowing the exterior improvements to be undertaken over time?
- 3) Is the City interested/willing to contribute any financial support to upgrade the building?
- 4) Is the City interested in trading the length of the lease term to encourage/incentivize a private entity to make a larger investment?
- 5) With the above discussion in mind, how long does the City Council want to make 330 Ferry Street available for this use considering the cost of the improvements that are both needed and desired?

After discussing the above questions, City staff can finalize the RFP and provide any interested business/investor clear direction on how a private recreation facility can move forward in Martinez and add to the synergy of downtown and the marina.

It is anticipated that potential businesses will have approximately 30 days to respond to the RFP. The City Council Economic Development Subcommittee will interview the most qualified businesses responding to the RFP and recommend the most responsive business to the PRMCC and City Council.

The process to select a successful applicant will take approximately 30 days. If a business comes forward with a proposal that meets community expectations the following actions must be taken: (1) negotiate a lease agreement and, (2) Planning staff will need to process a use permit and CEQA determination for the new use and lease.

FISCAL IMPACT:

Only staff time at this point.

RECOMMENDATION:

Provide further direction to staff on the reuse of the Zocchi property.

Attachments:

Attachment A Parcel Map

Attachment B Aerial Photo

Attachment C Architect's Drawing of Possible Exterior Improvements

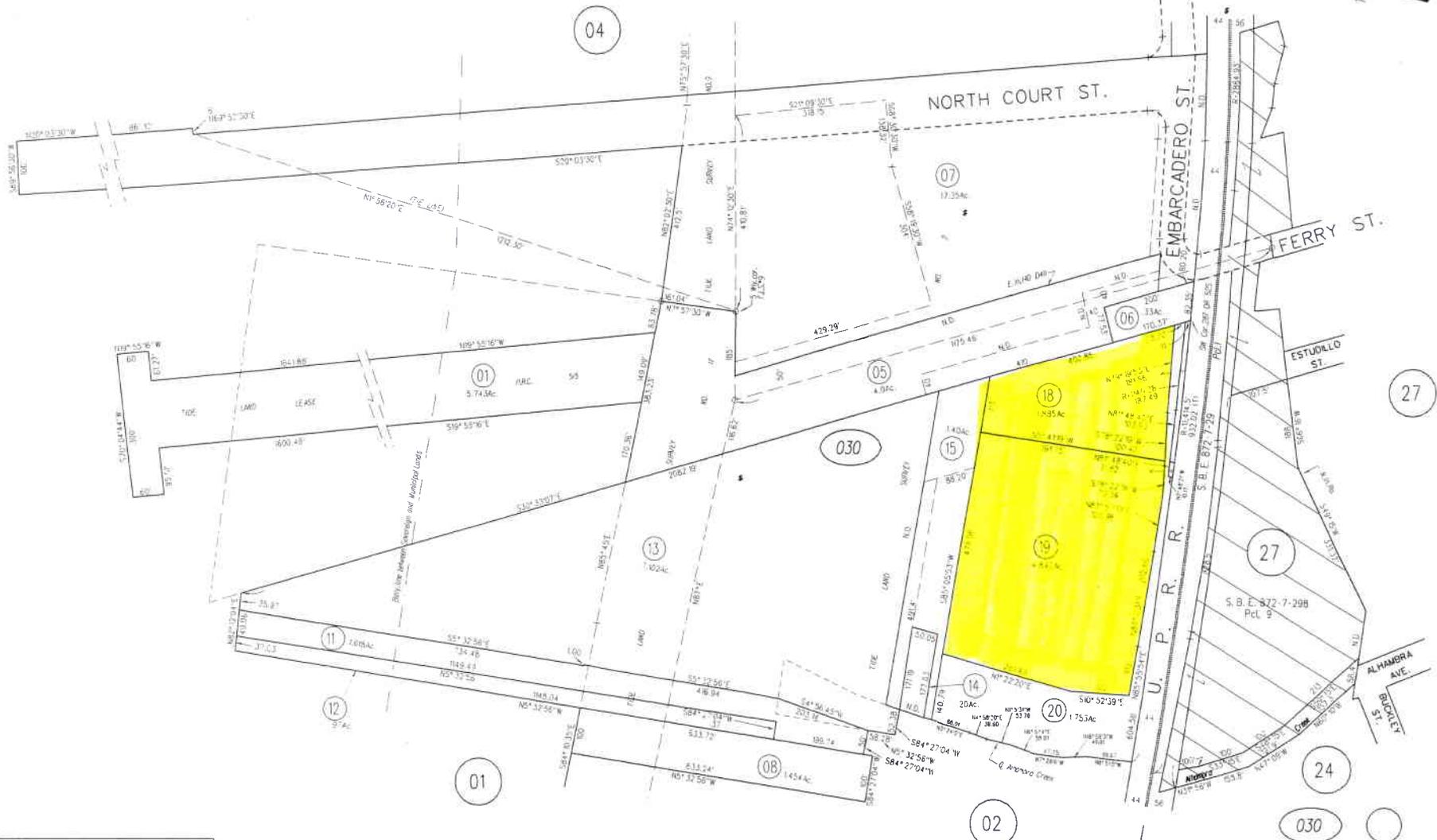
A handwritten signature in black ink, appearing to read "Philip Vucich". The signature is fluid and cursive, with the first name "Philip" written in a larger, more prominent script than the last name "Vucich".

APPROVED BY:

City Manager

Attachment A

TIDE LAND SURVEYS NO. 2, 4, 9 & 17

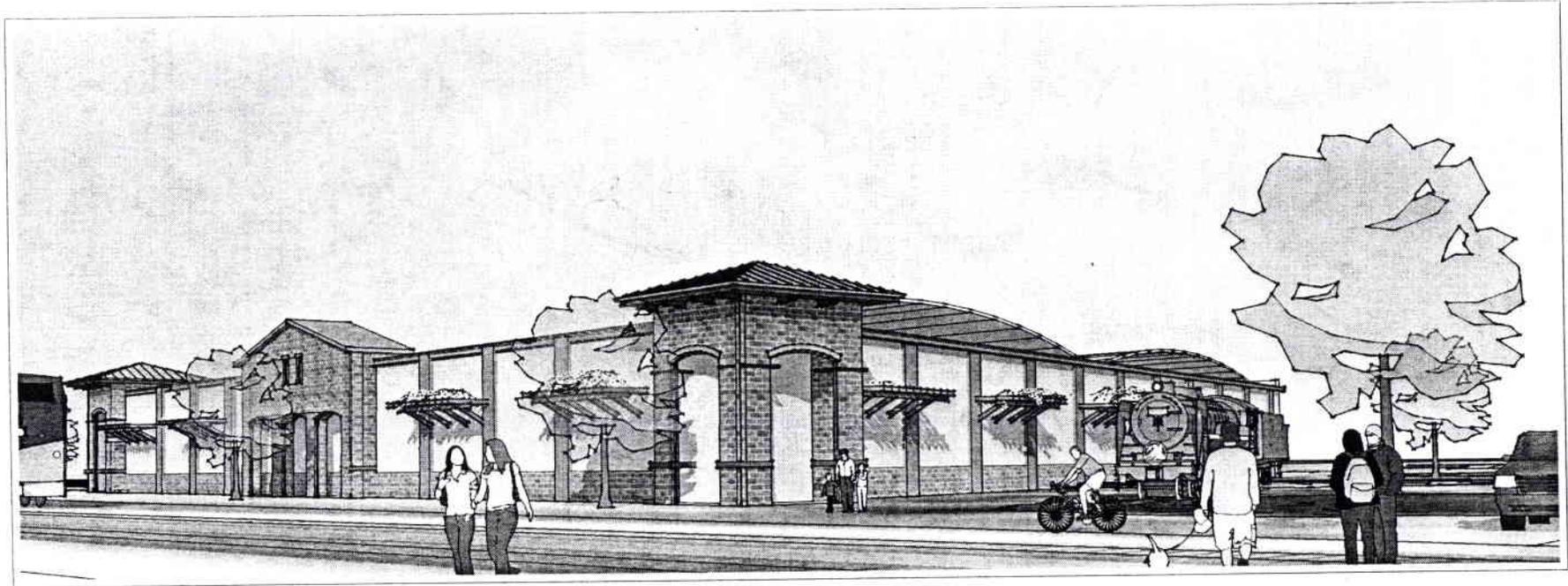


NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON.

Attachment B



Attachment C



VIEW LOOKING NORTHWEST TO RENOVATED BUILDING

CITY OF
MARTINEZ