TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: ADMINISTRATIVE SERVICES
DATE: JULY 15, 2002
CMR: 307:02

SUBJECT: RESOLUTION DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF CONSTRUCTION EASEMENTS AT 525 ALMA STREET AND 542 HIGH STREET FOR THE DOWNTOWN PARKING STRUCTURES (CIP 19530)

REPORT IN BRIEF

Construction began May 20, 2002 on two new downtown parking structures. One garage is being constructed at Lot R (Alma and High between University and Hamilton) and the other at Lot S/L (Bryant at Lytton). Construction easements are required for the building south of, and adjacent to, the Lot R structure. Although the building appears to be one single structure, it is in fact two separate buildings with two separate parcel numbers and addresses. Both are owned by one individual, Jill Vandervoort, Trustee of the Jill Vandervoort Trust. In connection with the construction of the Lot R garage, the City is seeking a 10’ wide construction easement, on the properties located at 525 Alma and 542 Alma Streets, to allow the contractor to enter upon that portion of the properties for the following purposes:

- to install supports for the roof beams near the columns on the interior of, and adjacent to, the northwest wall of the buildings in order to support the roof during construction of the adjacent foundation for the Lot R parking garage;
- to add a protective coating to the exterior northwest wall of both buildings adjacent to the City parking lot;
- to install supports to the building foundation for construction of the adjacent foundation for the Lot R parking garage.

These protective measures will be taken during the construction of the Lot R garage for a period of time not to exceed six months. After that, the foundation supports and protective coating will remain in place and be inaccessible but may be removed by the landowner.
Negotiations with the attorney for the property owner are at an impasse, and to expedite construction and avoid incurring escalating costs, staff is recommending City Council approval to proceed with the eminent domain process.
RECOMMENDATION
Staff recommends that the City Council approve and authorize the Mayor to: execute the attached resolution determining that public interest and necessity require the acquisition of construction easements for the purposes identified above; and authorize the filing of eminent domain proceedings to acquire this easement for the Downtown Parking Structures (CIP 19530).

BACKGROUND
On June 4, 2001, Council approved consultant contracts that provided for the final design of two parking structures in the downtown area (CMR:263:01). The design of these garages was completed in February 2002, and was advertised for construction bids shortly thereafter. The bid opening date was March 26, 2002 and a contract was awarded, and construction initiated, on May 20, 2002.

Negotiations with the attorney for the adjacent property owner have been unsuccessful in acquiring the required construction easements necessary to continue with certain essential phases of the construction project in a timely manner. The required construction easements involve approximately 2,620 square feet of space, within an area 10’ wide along the entire northwest length of the buildings from Alma Street to High Street. A revised offer to the property owner was made on June 28, 2002, based on the appraised value of the construction easements as per Government Code Section 7267.2. The owner has not responded to the offer of compensation and declined to execute an agreement to allow the protective work to be performed.

DISCUSSION
Staff is recommending commencement of eminent domain proceedings for a 10’ wide construction easement for a six-month term on Assessor’s Parcels 120-26-089 (525 Alma Street) and 120-26-093 (542 High Street). Eminent domain proceedings are necessary to assure City possession of the property in order to proceed with construction. Two steps are required to file eminent domain proceedings:

1) The City must send written notice by first class mail to each person whose property is to be acquired by eminent domain, notifying the owners of Council intention to adopt a Resolution of Necessity (Attachment A), determining that the public interest and necessity require the acquisition of such property and directing the filing of eminent domain proceedings. The attorney for the record owner of the two subject parcels has been notified of the revised appraisal via certified mail, dated June 28, 2002, that a hearing would be held July 15, 2002. The attorney has requested, and is entitled by statute, to be heard on these matters.

2) The attached resolution must be adopted by a two-thirds vote of the members of the Council (6 votes).
The factors that the Council must consider at the hearing are as follows:

1. The public interest and necessity require the project, which is the construction of the parking garage.

Council directed staff to proceed with the design of the parking garages on October 18, 1999 (CMR: 391:99). Included in that report were the results of a survey of the adjoining neighborhoods north and south of University Avenue. The survey, conducted on April 27, 1999, indicated that approximately 1,600 non-neighborhood-resident vehicles were parked in the neighborhoods. According to the report, “Members of the Downtown Marketing Committee and Parking Committee of the Chamber of Commerce, as well as property owners, have voiced serious concerns regarding the parking deficit.” Due to the shortage of parking in the downtown area, there are currently 600 people on the waiting list for employee-parking permits.

2. The proposed project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.

Based upon policies established as part of the Downtown Study (1986) and a comprehensive plan for downtown parking approved in 1994, Council established a capital improvement project (No. 19530) to study the feasibility of building new parking structures on one or more existing surface parking lots in the University Avenue Parking Assessment District. In CMR:183:97, staff reported that an important element of the parking feasibility study was a comprehensive review of all downtown City parking lots, to assess the probability of using any single site as well as a combination of sites, to construct a parking structure(s). The study reached the conclusion that Lot R and Lots S/L were the only sites suitable for parking structures given the technical understanding developed during the feasibility study, reasonable cost considerations, and the proposed new parking structure relationship to the four existing parking structures.

The parking garage at Lot R was located with the paseo (midblock crossing) on its north side because:

a. There are a series of midblock crossings that are under development throughout downtown Palo Alto to better facilitate pedestrian movement as part of the urban development plan. The alignment for this is far better on the north side of the parking structure than the south.

b. The paseo can be linked to the new landscaped plaza if it is on the north side of the parking structure.

c. There are four entrances and exits to the parking lot along the north side of the lot that serve the series of buildings on the north side of the parking lot. The location of new landscape plaza and the adjoining paseo will facilitate
continued access to these entrances and exits.

d. Agreements can be found in City records that grant permission for the entrances on the north side of the parking lot to exist. No record can be found granting permission for the one opening on the side of the brick building (525 Alma).

e. The present design for this parking structure is a minimum width design. Narrowing would involve eliminating at least one of the following: the ramps between levels, the drive aisles, or half the parking stalls. Any of these would make a structure infeasible at this location since it would make circulation within the parking structure impossible.

3. The properties sought to be acquired are necessary for the proposed project.

The draft specifications for the construction of the parking garage detailed the need for work to be conducted on the adjacent properties in order to reduce the potential risk of distress and settlement to them during the construction of the Lot R garage. The buildings are two old unreinforced brick masonry structures, which are founded on shallow footings that encroach approximately two feet into the City parking garage lot. Details of the work necessary to be performed on the existing buildings are outlined in the specifications for the construction of the parking garage.

4. The offer required by Section 7267.2 of the Government Code has been made to the owners of record.

On June 28, 2002, staff delivered a copy of the revised appraisal for the construction easements and in a letter dated June 28, 2002, an offer in the amount of the appraised value of the construction easements was presented to the attorney for the owner.

RESOURCE IMPACT
Funds for required construction easements for this project have been included in the Downtown Parking Structures project (CIP 19530).

POLICY IMPLICATIONS
These recommendations are consistent with existing City policies.

TIMELINE
The construction contract for the garages was awarded on May 20, 2002. Major portions of the construction have been delayed and cannot be scheduled until the construction easements are obtained.
ENVIRONMENTAL ASSESSMENT
On December 20, 1999, the City Council adopted a resolution (7917) certifying the adequacy of the Environmental Impact Report (EIR) for the downtown parking structure projects and made the required CEQA findings.

ATTACHMENTS
Attachment A: Resolution of Necessity
Attachment B: Construction Easements

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