

16TH STREET STATION



16th Street Train Station Re-Use Plan – Executive Summary

May 23, 2006

**Submitted to the City of Oakland
Community & Economic Development Agency**

Prepared on Behalf of BUILD West Oakland

Prepared by Equity Community Builders

Technical Team:

Architect:	ELS Architects
Landscape Architect:	Walter Hood Associates
Historic Architect:	Page & Turnbull Associates
Structural Engineer:	Tipping Mar Associates
Cost Consultant:	BBI Construction
Public Participation Consultant:	Envirocom
Economic Consultant:	Conley Consulting Group
Event & Food Service Consultant:	Andrea Baker Consulting



Historic 16th Street Train Station Re-Use Plan

Executive Summary

In June of 2005, the Oakland City Council granted approval of the Wood Street Zoning District (the “District”), governing the terms of the redevelopment of this area of West Oakland running from 10th to 20th Street, between Wood Street and the Frontage Road. The District zoning provides for the development of over 1,500 new homes within the 29-acre parcel – a significant milestone for the revitalization of an area of West Oakland that has seen far less private investment than other areas of the city.

At the center of the District, on the block between 16th and 18th Streets, stands a landmark building, the history of which also stands at the center of the development of West Oakland – the historic 16th Street Train Station. The Conditions of Approval for the District govern how BUILD, as owner, is to develop a Re-Use Plan for the five elements of the Train Station:

Main Hall:	The ceremonial center of the Train Station
Baggage Wing:	The center of activities for the Pullman Porters
Elevated Track Structure:	The two-level steel platform to the west of the Main Hall and Baggage Wing
Plaza:	The 16 th Street Plaza, a 3/4 acre parcel to the east of the Train Station
Signal Tower:	The Signal Tower, a 3-story structure located a significant distance to the north

CONSENSUS REGARDING RE-USE OPTIONS

The fundamental challenge of the Re-Use Plan is clearly established in the Conditions, and has been reinforced through an extensive 8-month community planning process: **identify a viable, financially self-sustaining use for a significantly deteriorated, historically significant and architecturally specialized civic structure that is now set within a residential community.**

Community members and the BUILD team reached consensus on two broadly-supported programmatic options for the Train Station:

- Flexible event/performance space in the Main Hall, supported by a commercial kitchen in the Baggage Wing.
- A facility for an educational institution, with shared community use of the Main Hall for events and performances.

The broad community support generated through this planning process derives from the potential synergy between these commercial operations and the types of community benefit programs sought by participants in the process.

REQUEST FOR PROPOSALS FOR OPERATORS

In order to identify the highest and best use, in the coming months BUILD will develop a **Request for Proposals** (“RFP”) to solicit responses from potential operators of businesses and programs consistent with one of the agreed upon concepts. Prospective respondents will be invited to submit proposals that include:

- **A Business Plan**
- **A Statement of Qualifications**
- **A Term Sheet**
- **A Statement of Community Benefit**

Based on the results of the RFP process, and the projected operational needs of the governing body of the Train Station, BUILD will propose the appropriate long-term make-up of the “Train Station Entity” responsible for the ownership and maintenance of the Train Station.

ARCHITECTURAL OPTIONS

BUILD’s technical team has developed four Design Options for the Train Station in order to accommodate various Re-Use proposals that may be submitted under the RFP process. These options primarily address retention or alteration of the Track Structure. The key elements of these Design Options, including the Tax Increment required to build them (under varying assumptions regarding other financing programs), are arrayed in **Exhibit B**. All options assume retention of the Main Hall and Baggage Claim.

- Option 1: Removal of Majority of Track Structure
- Option 2: Retention of Full Track Structure
- Option 3: Enclosure of Full Track Structure
- Option 4: New Building in Place of the Track Structure

The Option pursued will depend on the requirements of the preferred Re-Use Plan proposal and the capacity of the proposing party.

RE-USE PLAN FINANCING

BUILD’s technical team has developed a total project proforma, analyzing costs (including appropriate construction cost escalation), operating revenues, and potential sources of financing to leverage the City’s Tax Increment funds. These sources of financing include historic tax credits, New Market tax credits, the Proposition 40/CCHE, and charitable grants.

Tax increment funds from the Wood Street Project are currently projected to generate \$251 million through 2030. The total bonding capacity of the discretionary portion of this tax increment (as shown in **Exhibit I**) is **\$58.5 million – more than twice the amount required for rehabilitation of the Train Station.**

ACTIONS REQUESTED

1. Baggage Wing Land Purchase

BUILD requests that the City formally approve the Purchase Price for the Baggage Wing submitted and establish a closing date prior to year-end 2006.

2. Tax Increment Funding: First Phase Commitment

BUILD requests that the City commit \$12 million to provide funding for immediate stabilization of the building: the seismic upgrade and the renovation and waterproofing of the exterior of the building.

3. Tax Increment: Second Phase Conditional Commitment

BUILD requests that the City commit to set aside the remainder of the Tax Increment funds required for the completion of the renovation of the Train Station in accordance with this Re-Use Plan – conditioned on BUILD providing:

- a. A Management Plan for the Train Station that identifies the specific operator (or operators) selected through the Request for Proposal process, and the terms under which that operator (or operators) will occupy and use the space.
- b. A Train Station Entity formed that is capable of managing the long-term operations of the Train Station.

EXHIBIT B
16th Street Train Station Re-Use Plan

Architectural Program Design Options, Treatment of Land Cost/Value by Building Component
& Resulting Requirements for Tax Increment Funding from the City of Oakland

COMPONENT	OPTION 1	OPTION 1A	OPTION 2	OPTION 3
Main Hall	<ul style="list-style-type: none"> ▪ Fully renovated exterior/interior ▪ Seismic upgrade ▪ Open plan ▪ No land cost paid 	<ul style="list-style-type: none"> ▪ Fully renovated exterior/interior ▪ Seismic upgrade ▪ Open plan ▪ No land cost paid 	<ul style="list-style-type: none"> ▪ Fully renovated exterior/interior ▪ Seismic upgrade ▪ Open plan ▪ No land cost paid 	<ul style="list-style-type: none"> ▪ Fully renovated exterior/interior ▪ Seismic upgrade ▪ Open plan ▪ No land cost paid
Baggage Wing	<ul style="list-style-type: none"> ▪ Fully renovated exterior ▪ Seismic upgrade ▪ Tenant Improvement allowance of \$50/s.f. ▪ Land cost paid by City 	<ul style="list-style-type: none"> ▪ Fully renovated exterior ▪ Seismic upgrade ▪ Tenant Improvement allowance of \$50/s.f. ▪ Land cost paid by City 	<ul style="list-style-type: none"> ▪ Fully renovated exterior ▪ Seismic upgrade ▪ Tenant Improvement allowance of \$50/s.f. ▪ Land cost paid by City 	<ul style="list-style-type: none"> ▪ Fully renovated exterior ▪ Seismic upgrade ▪ Tenant Improvement allowance of \$50/s.f. ▪ Land cost paid by City
Track Structure	<ul style="list-style-type: none"> ▪ 1st “bay” retained & stabilized ▪ Remainder demolished ▪ Land still owned by BUILD, can be developed to capture value, so not available for parking 	<ul style="list-style-type: none"> ▪ 1st “bay” retained & stabilized ▪ Remainder demolished ▪ Land value paid by City, so available as part of Train Station (ie, building, parking or open space) 	<ul style="list-style-type: none"> ▪ Full structure retained & stabilized ▪ Useable as open space ▪ Potential for development at a later time (“holding pattern”) ▪ Land value paid as part of project 	<ul style="list-style-type: none"> ▪ Full structure retained & stabilized ▪ New building “envelope” built around track structure ▪ Creates new lease-able space (school, office) ▪ Land value paid as part of project
Max. T.I. Req’d (min. tax credits)	\$29.2 million	\$30.2 million	\$28.9 million	\$33.1 million
Min. T.I. Req’d (max. tax credits)	\$23.0 million	\$24.0 million	\$22.1 million	\$24.6 million

Note: All Tax Increment requirements could be reduced by up to \$3M through CCHE capital grant



OPTION 1A: RENOVATION OF MAIN HALL & BAGGAGE WING,
WITH ADJACENT LAND PURCHASE



OPTION 3: ENCLOSED FULL TRACK STRUCTURE



OPTION 4: NEW BUILDING IN PLACE OF THE TRACK STRUCTURE

Oakland Central Station

5/23/06

Summary Sources and Uses of Funds and Alternative Funding Strategies

	Option 1	Option 1A	Option 2	Option 3
	Demo Tracks, BUILD Owns Land	Demo Tracks and Buy Land	Save Tracks	Enclose Tracks
Project Costs				
Land Cost - Baggage Building	616,757	616,757	616,757	616,757
Land Cost - Track Structure	0	1,000,000	1,000,000	1,000,000
Hard Cost	24,319,650	24,319,650	25,874,675	33,267,901
Soft Cost	7,140,194	7,140,194	7,463,928	9,015,267
Total Project Cost	32,076,601	33,076,601	34,955,360	43,899,925
Funding Sources				
City Purchase of Baggage Building	616,757	616,757	616,757	616,757
City Purchase of Track Structure	0	0	0	0
Operator/Lessee Funding for Enclosed Track Structure				4,000,000
Net Project Cost After Purchase of Baggage Building	31,459,844	32,459,844	34,338,603	39,283,168

Alternate Funding Strategies

1	10% Historic Tax Credit	2,901,076	2,901,076	3,048,338	3,396,604
	Required Bond Financing (including Baggage Wing land)	29,175,525	30,175,525	31,907,022	36,503,321
2	20% Historic Tax Credit			6,096,677	6,793,207
	Required Bond Financing (including Baggage Wing land)			28,858,683	33,106,718
3	10% Historic Tax Credit	2,901,076	2,901,076	3,048,338	3,396,604
	New Market Tax Credit Equity (See Notes)	6,144,544	6,144,544	6,720,296	8,509,209
	Required Bond Financing (including Baggage Wing land)	23,030,981	24,030,981	25,186,726	27,994,112
4	20% Historic Tax Credit			6,096,677	6,793,207
	New Market Tax Credit Equity (See Notes)			6,720,296	8,509,209
	Required Bond Financing (including Baggage Wing land)			22,138,387	24,597,509

Notes

- 1 New Market Tax Credit (NMTC) funding will require that tax increment revenues are pledged to a lender to secure financing that will leverage the NMTC through a Community Development Entity (CDE)
- 2 Requires City commitment to allocation of tax increment revenues by Fall 2006 in order to apply with a CDE in the next NMTC allocation application (unless the City's CDE obtains an adequate allocation)

Project Location
16th Street
Oakland, CA
BBI # 1819CT

Central Train Station Rehabilitation
Conceptual Design Estimate
April 26 2006



BBI CONSTRUCTION
1155 Third St. Suite 230
Oakland, CA 94607
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License No. 767890

Construction Options Summary

CSI	Description	Rehab MH & BW; demo tracks exc. req'd	Rehab MH & BW; keep tracks as open space	Rehab MH & BW; new envelope around tracks	Rehab MH & BW; demo tracks; new bdg = res'l	Rehab MH & BW; demo tracks; new bdg = comm'l
		Option 1	Option 2	Option 3	Option 4	Option 4A
02050	Demolition	755,000	625,000	625,000	755,000	755,000
02070	Concrete Removal	42,000	148,000	148,000	42,000	42,000
02080	Abatement	100,000	100,000	100,000	100,000	100,000
02200	Earthwork	31,500	31,500	31,500	22,500	22,500
02230	Drilling	651,505	651,505	651,505	651,505	651,505
02500	Paving	123,000	123,000	123,000	123,000	123,000
02700	Underground Utilities	75,000	75,000	75,000	75,000	75,000
02900	Landscaping	0	0	0	0	0
03300	Concrete	3,554,100	3,738,475	3,850,825	3,554,100	3,554,100
03400	Arch'l Pre Cast	332,000	332,000	332,000	332,000	332,000
04200	Masonry Restoration	960,600	1,009,000	1,014,000	983,600	983,600
05120	Structural Steel	427,030	681,415	1,261,415	427,030	427,030
05500	Metal Fabrication	105,000	105,000	105,000	105,000	105,000
06100	Rough Carpentry	360,000	360,000	360,000	360,000	360,000
06200	Finish Carpentry	100,000	100,000	100,000	100,000	100,000
07100	Waterproofing	101,000	228,760	178,760	101,000	101,000
07200	Insulation	20,000	20,000	20,000	20,000	20,000
07500	Roofing	237,500	237,500	249,800	237,500	237,500
07600	Flashing & Sheet Metal	85,000	85,000	85,000	85,000	85,000
07900	Sealants	25,000	25,000	25,000	25,000	25,000
08100	Doors & HW	237,500	237,500	237,500	237,500	237,500
08800	Glazing	329,640	329,640	836,240	329,640	329,640
09200	Plaster	866,000	866,000	866,000	866,000	866,000
09250	GWB Assys	74,000	74,000	74,000	74,000	74,000
09300	Tile	45,000	45,000	45,000	45,000	45,000
09850	Carpet	6,000	6,000	6,000	6,000	6,000
09900	Painting	321,000	329,000	673,600	321,000	321,000
10400	Signage	10,000	10,000	10,000	10,000	10,000
10800	Toilet Accessories	24,000	24,000	24,000	24,000	24,000
14400	Hydraulic Elevator	0	0	100,000	0	0
15300	Fire Protection	237,000	360,500	488,000	237,000	237,000
15400	Plumbing	112,000	112,000	168,000	112,000	112,000
15500	HVAC	759,000	759,000	1,635,000	759,000	759,000
16400	Electrical	982,000	982,000	1,420,000	982,000	982,000
Construction Subtotal		12,088,375	12,810,795	15,919,145	12,102,375	12,102,375
GC Overhead & Fee @ 15%		1,813,256	1,921,619	2,387,872	1,815,356	1,815,356
Bond, Insurance & Tax		347,541	368,310	457,675	347,943	347,943
Estimating Contingency @ 20%		2,849,834	3,020,145	3,752,938	2,853,135	2,853,135
Existing Buildings Schematic Option Total		17,099,006	18,120,870	22,517,631	17,118,809	17,118,809
(N) Building Option Complete		0	0	0	9,000,000	5,400,000
Total Construction		17,099,006	18,120,870	22,517,631	26,118,809	22,518,809
Square Footages						
Baggage Hall & Main building (inclusive of restrooms)		23,000	23,000	23,000	23,000	23,000
Non covered areas		6,464	32,496		6,464	6,464
New enclosed areas at the platforms				29,152		
New building addition					27,800	27,800

This is Estimate is a Rough Order of Magnitude based on ELS architectural drawings dated 03/17/06 & Tipping Mar structural drawings dated 03/17/06, also it is based on site visits and consultation with subcontractors.