

**Centre City
Development
Corporation**REPORT NO. CCDC-07-40
CCDC-07-22

DATE ISSUED: November 28, 2007

ATTENTION: Honorable Chair and Members of the Redevelopment Agency and
Council President and City Council
Docket of December 4, 2007

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Cortez Hill Streetscape Rehabilitation Project (bounded by 7th to
10th avenues, and between Beech to Date streets) – Request to Bid
– Cortez Redevelopment District of the Expansion Sub Area of the
Centre City Redevelopment Project

COUNCIL DISTRICT: 2

REFERENCE: None

STAFF CONTACT: Susan Diekman, Assistant Project Manager – Contracts and
Property Management 619-533-7142

REQUESTED ACTION: That the Redevelopment Agency (“Agency”) and the City Council (“Council”) take actions as necessary for the construction of the Cortez Hill Streetscape Rehabilitation Project (“Project”) in the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Cortez District”).

STAFF RECOMMENDATION:

That the Agency:

- Authorize Centre City Development Corporation (“Corporation”), on behalf of the Agency, to advertise and receive bids for the construction of the streetscape rehabilitation project;
- Authorize the Executive Director of the Agency, or his designee, to award the contract to the lowest responsible bidder, provided bids are within the established budget and all other requirements are met;
- Authorize the Corporation, on behalf of the Agency, to administer said contract;
- Make certain findings that the proposed improvements benefit the Centre City Project Area (“Project Area”) or the immediate neighborhood in which the Project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds of such improvements will assist in the elimination of blighting conditions inside the project area; and that the proposed

Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
December 4, 2007
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improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490; (Attachment B).

And, that the Council:

- Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the Project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds of such improvements will assist in the elimination of blighting conditions inside the project area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490 (Attachment B).

SUMMARY:

Cortez Hill is a unique residential neighborhood that has evolved into an exciting mix of small businesses, Victorian homes and apartment-style dwellings. To complete the ambiance and convenience of a walkable residential neighborhood that Cortez Hill offers downtown, the need for a functional and aesthetically pleasing streetscape is required. Replacing deteriorating sidewalks, many from the 1920's, and removing and planting trees are a natural step to revitalize the neighborhood. Sixteen blocks were surveyed as denoted in Attachment A. After assessing the 16 blocks, six blocks at the northeast corner of Cortez Hill were selected due to the severity of the deteriorating sidewalks. The focus is on the blocks that were unlikely to be redeveloped because of the existence of historic apartment buildings.

FISCAL CONSIDERATIONS:

Funds are available in the FY 2008 Budget under "Cortez Sidewalk Gap Improvement" in the amount of \$785,000. The contract award amount will not exceed \$785,000.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On September 19, 2007, the Corporation Board voted unanimously for the Project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: On September 13, 2007, the Centre City Advisory Committee (CCAC) voted unanimously for the Project.

KEY STAKEHOLDERS AND PROJECT IMPACTS: The Corporation sponsored a community outreach meeting that was held in the Cortez neighborhood in August 2006. The Corporation presented the Project and discussed the methodologies that were utilized and announced which blocks would be included in the Project. There were over 75 Cortez residents and business owners present and positive feedback for the proposed Project was received.

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BACKGROUND: This proposed Project advances the Visions and Goals of the Downtown Community Plan and the Objectives of the Centre City Redevelopment Project by:

- improving existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way; and continued participation in the enhancement of the public transit system; and
- enhancing public right-of-way, providing new paving, landscape, sidewalk, public art and street furniture.

DESCRIPTION OF IMPROVEMENTS: Over 25,000 square feet of sidewalk, pedestrian ramps, curbs and driveways will be replaced within the six block area. Seven trees will be removed and replaced due to diseased and server root damage (one coral tree, one fan palm and five queen palms); 24 new trees will be planted (six queen palms and 18 jacarandas); 12 new pedestrian ramps will be installed; 14 historic sidewalk cement date stamps will be preserved and 14 litter receptacles will be installed.

The Corporation is following the City of San Diego's ("City") street tree removal and permit process. The Contractor, who constructs the improvements, will be tasked with completing that process which includes the public having 30 days to protest the removal of a tree. Once the permit is submitted to the City, the trees must be removed within 90 days. The Corporation hired a certified arborist who consulted with the City's Urban Forest program manager who is in charge of the street tree permit process. The arborist recommended the removal of the seven trees and the Corporation is planting 24 new trees, with a net gain of 17 new trees for the neighborhood.

MAINTENANCE AGREEMENT FOR IMPROVEMENTS: The Project will require the Contractor to maintain the new trees for one year. All of the property owners signed a City form stating that they will follow the watering instructions and maintain the trees for two years after the Contractor has completed the one year maintenance period. After three years, trees will have an established root system and should not need supplemental watering.

COST ESTIMATE OF IMPROVEMENTS: The estimate for the Project is \$785,000 which includes a 10% contingency. Estimates for major line items in the bid sheets are as follows:

- \$478,186 for removal and replacement of damaged and worn surface improvements;
- \$63,660 for removal and replacement of dead, diseased and missing trees and landscaping; and
- \$30,000 for the City to inspect, conduct field tests and process the contract.

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SCHEDULE:

The following is a summary of the projected schedule for bidding and execution of the project:

- Advertise Project December 3, 2007
- Approval of Agency to Award Bid December 4, 2007
- Close Bids January 8, 2008
- Begin Construction February 2008
- End of Construction March 2008

FINDINGS: State Law requires that certain findings be made by the Council and Agency prior to the expenditure of Agency funds for public facilities/improvements. Attachment B recites the proposed findings with respect to the benefits of the proposed improvements to the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project, the unavailability of other means to finance the proposed improvements, how the proposed improvements will assist in the elimination of blight conditions inside the Project Area, and that the proposed improvements are consistent with the Implementation Plan adopted for the Project pursuant to Health and Safety Code 33490.

EQUAL OPPORTUNITY: This project will utilize the City's Subcontracting Outreach Program ("SCOPE"). The purpose of SCOPE is to maximize opportunities for all qualified and available firms and to provide equal opportunity for all subcontractors. The program creates mandatory subcontracting outreach and utilization requirements for contractors. The mandatory subcontracting outreach percentage for this project will be determined by the City of San Diego's Engineering Department.

Bid solicitation identifying subcontracting and vendor opportunities will be advertised in the *San Diego Transcript*, *Asian Journal*, *Enlace*, and *San Diego Voice and Viewpoint*. For additional outreach, the Corporation will use its extensive database of certified contractors, eBidboard, the Daily Transcript Online Plan Room, Blue Hornet, www.ccdc.com, the Green Sheet Contractor News and Views, community/trade and ethnic organizations and the Public Agency Consortium.

Environmental Impact: This activity is categorically exempt from review under the California Environmental Quality Act (CEQA), class 1, pursuant to the CEQA Guidelines §15302.

Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
December 4, 2007
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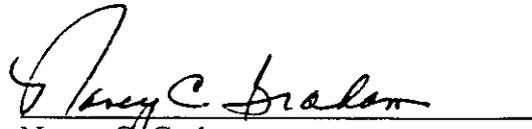
CONCLUSION: The proposed improvements will implement a number of goals from the Implementation Plans and the Project will make a well established neighborhood walkable, functional and aesthetically pleasing.

Respectfully submitted,

Concurred by:

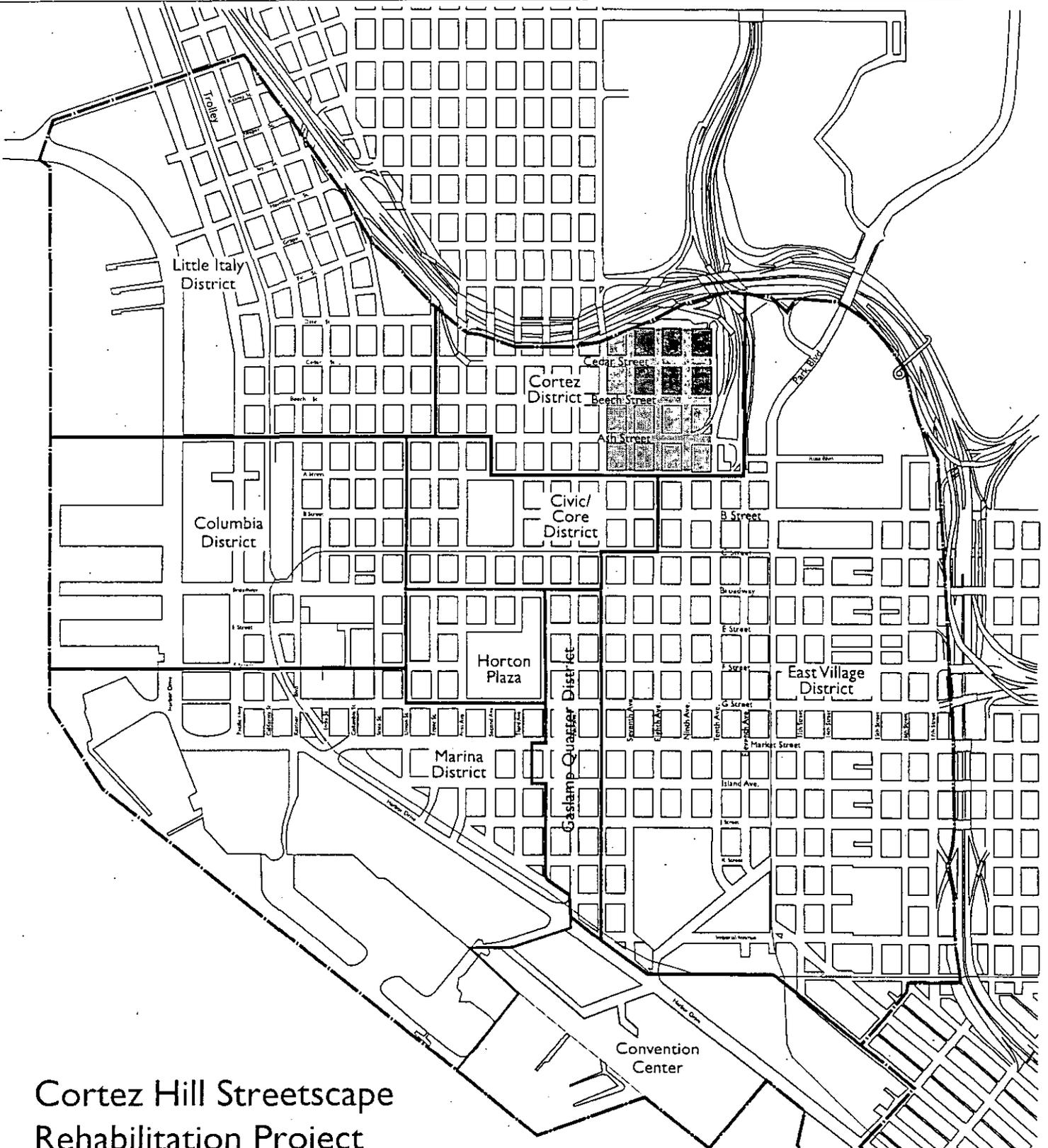


Susan Diekman
Assistant Project Manager



Nancy C. Graham
President

Attachments: A - Location map
B - Findings



Cortez Hill Streetscape Rehabilitation Project

- 16-block study area
- 6 blocks chosen for rehabilitation

Centre City Development Corporation



ATTACHMENT NO. B

FINDINGS

SUBJECT IMPROVEMENTS:

REQUEST TO BID THE CORTEZ HILL STREETScape REHABILITATION PROJECT
(BOUNDED BY 7TH TO 10TH AVENUES, AND BETWEEN BEECH TO DATE STREETS)
– CORTEZ REDEVELOPMENT DISTRICT OF THE EXPANSION SUB AREA OF THE
CENTRE CITY REDEVELOPMENT PROJECT

I. FINDINGS OF BENEFIT

The subject improvements for which the Redevelopment Agency of the City of San Diego (“Agency”) proposes to pay will benefit the Centre City Redevelopment Project or the immediate neighborhood in which the Project area is located in that:

- A. These improvements are within the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project, adjacent to underdeveloped properties and/or properties that have been designated as historic and will not likely be redeveloped in the near future.
- B. The construction of streetscape improvements are planned for the area bounded by 7th and 10th Avenues, between Beech and Date Streets. The improvements will enhance portions of the above-mentioned redevelopment districts for the benefit of nearby users as well as residents.
- C. The construction of sidewalks will correct any adverse health and safety conditions.
- D. The public improvements will act as a catalyst providing an incentive for private investment in the rehabilitation of the areas.
- E. The Project will create unique “sense of community” areas.
- F. The Project will encourage pedestrian use.
- G. Revitalizing the above-mentioned district by upgrading the public right-of-way with street furnishings including trees, lights, and other accessories.

II. NO OTHER REASONABLE MEANS OF FINANCING

There are no other reasonable means available to the community for financing the subject improvements for which the Agency proposes to pay in that:

City of San Diego

- A. The Fiscal Year 2008 Budget for the City of San Diego ("City") increased approximately 12.9% from \$2.556 billion to \$2.886 billion. Over the last several years, as the City's Capital Improvement Program ("CIP") has grown and revenues have leveled off, the City has developed phase funding to use available cash and minimize the issuance of bond proceeds. This is a means whereby large projects may be budgeted and contracted for in an efficient manner that maximizes the City's use of available funds. The Fiscal Year 2008 Budget reflects General Fund revenues and expenditures of \$1.1 billion, representing an increase of \$828 million or an 8.1% increase over the Fiscal Year 2007 Budget. The General Fund Budget also includes 7,053 positions, a decrease of 465 positions over the Fiscal Year 2007 Budget.
- B. The City's capital improvement budget is funded primarily with water and sewer fees, developer impact fees, grant funds, enterprise fund revenues, Facility Benefit Assessment funds, Gas Tax and Transnet funds. The Fiscal Year 2008 CIP Budget totals \$454.6 million, an increase of \$160.9 million from Fiscal Year 2007. The Fiscal Year 2008 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, library projects, transportation projects and special projects. Despite the increase in the City's CIP Budget, it is estimated that the City's deferred maintenance and capital needs, excluding Water and Sewer, may be at least \$800 to \$900 million.
- C. The Agency's Fiscal Year 2008 Program Budget was adopted on May 15, 2007. The CIP and the Agency's Budget were developed in accordance with City and Council Policy, and each project activity was evaluated and incorporated in the respective budgets. Projects are funded based on need and the availability of appropriate funding sources. The City's CIP Budget lacks funding to provide for certain public improvement projects in the downtown redevelopment areas.

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of funds toward the cost of the construction of the subject improvements will assist in the elimination of one or more blighting conditions inside the Cortez Redevelopment Districts of the Expansion Sub Area of the Centre City Redevelopment Project, and the proposed improvements are consistent with the Implementation Plan adopted for the Project pursuant to Health and Safety Code 33490, in that:

- A. The improvements will enhance the neighborhood and replace inadequate public improvements. The proposed improvements will remove and replace these adverse conditions, upgrading to match the improvements on nearby streets.
- B. The improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- C. "Improvements to existing water and sewer lines, streets, sidewalks, parkways, and lighting in the public right-of-way" as a means to contribute to blight removal is included on page 4 of the work program of the Implementation Plan adopted June 15, 2004 pursuant to Health and Safety Code 33490.

001121

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(for auditor's use only) N/A

TO:
CITY ATTORNEY

2. FROM: (ORIGINATING DEPARTMENT)
CENTRE CITY DEVELOPMENT CORPORATION

3. DATE 333
October 1, 2007 12/04

4. SUBJECT:
Cortez Hill Streetscape Rehabilitation Project – Request to Bid – Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project
(Companion to Redevelopment Agency)

5. Primary Contact: (Name, Phone & Mail Sta.)
Susan Diekman, Assistant Project Manager
– Contracts and Property Management,
(619) 533-7142, MS 51D

6. Secondary Contact (Name, Phone & Mail Sta.)

7. Check BOX if REPORT TO COUNCIL IS ATTACHED

X

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND				
DEPT.				
ORGANIZATION				
OBJECT ACCOUNT				
JOB ORDER				
C.I.P. NUMBER				
AMOUNT				

9. ADDITIONAL INFORMATION/ESTIMATED COST:

Fiscal Impact:

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVING SIGNATURE	DATE SIGNED
1	CCDC President	Nancy Graham <i>Nancy Graham</i>	10/1/07	9	EOC		
2	CCDC Vice President/CFO	Frank Aless <i>Frank Aless</i>	10/1/07	10	EAS	<i>Kenneth Jeaseley</i>	10/15/07
3	Environmental Review	Dean Coker <i>Dean Coker</i>	10/2/07	11	City Attorney	<i>Al W. Sims</i>	11/16/07
4	Asst. Dir., CPCI, Redevelopment	Janice L. Wehrick <i>Janice L. Wehrick</i>	10/4/07	12	Originating Department	Project Manager <i>Susan Diekman</i>	10.1.07
5	City Planning & Community Development Director	William Anderson <i>William Anderson</i>	10/2/07	13	Vice President Real Estate Operations	Barbara A. Kaiser <i>Barbara A. Kaiser</i>	10-1-07
6	Deputy Chief Operating Officer	<i>William Anderson</i>	10/2/07	14			
7	Chief Operating Officer	Jay Goldstone <i>Jay Goldstone</i>	10.8.07	15	Docket Coord. _____ Council Liaison _____		
8	Auditor	Rolando Charvel <i>Rolando Charvel</i>	10/09/07		COUNCIL PRESIDENT <i>MS</i>	<input type="checkbox"/> Spob <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION <input type="checkbox"/> REFER TO _____ COUNCIL DATE: 12/4/07	

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S)

DOCKET OF: December 4, 2007

00002007

DATE ISSUED: November 28, 2007
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COUNCIL DISTRICT: 2
REFERENCE: None
STAFF CONTACT: Susan Diekman, Assistant Project Manager – Contracts and
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STAFF RECOMMENDATION:

That the Agency:

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And, that the Council:

- Make certain findings that the proposed improvements benefit the Centre City Project Area or the immediate neighborhood in which the Project is located; that no other reasonable means of financing the improvements are available to the community; that the payment of funds of such improvements will assist in the elimination of blighting conditions inside the project area; and that the proposed improvements are consistent with the Implementation Plan adopted for the Project Area pursuant to Health and Safety Code 33490 (Attachment B).

EXECUTIVE SUMMARY: Cortez Hill is a unique residential neighborhood that has evolved into an exciting mix of small businesses, Victorian homes and apartment-style dwellings. To complete the ambiance and convenience of a walkable residential neighborhood that Cortez Hill offers downtown, the need for a functional and aesthetically pleasing streetscape is required. Replacing deteriorating sidewalks, many from the 1920's, and removing and planting trees are a natural step to revitalize the neighborhood. Sixteen blocks were surveyed as denoted in Attachment A. After assessing the 16 blocks, six blocks at the northeast corner of Cortez Hill were selected due to the severity of the deteriorating sidewalks. The focus is on the blocks that were unlikely to be redeveloped because of the existence of historic apartment buildings.

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FISCAL CONSIDERATIONS: Funds are available in the FY 2008 Budget under "Cortez Sidewalk Gap Improvement" in the amount of \$785,000. The contract award amount will not exceed \$785,000.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On September 19, 2007, the Corporation Board voted unanimously for the Project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: On September 13, 2007, the Centre City Advisory Committee (CCAC) voted unanimously for the Project.

KEY STAKEHOLDERS AND PROJECT IMPACTS: The Corporation sponsored a community outreach meeting that was held in the Cortez neighborhood in August 2006. The Corporation presented the Project and discussed the methodologies that were utilized and announced which blocks would be included in the Project. There were over 75 Cortez residents and business owners present and positive feedback for the proposed Project was received.

Respectfully submitted,

Concurred by:



Susan Diekman
Assistant Project Manager – Contracts and
Property Management



Nancy C. Graham
President

RESOLUTION NUMBER _____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO MAKING CERTAIN FINDINGS WITH RESPECT
TO THE CONSTRUCTION OF THE CORTEZ HILL
STREETSCAPE REHABILITATION PROJECT.

WHEREAS, the Redevelopment Agency of the City of San Diego ["Agency"] is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project ["Project Area"]; and

WHEREAS, the Centre City Development Corporation ["CCDC"] is responsible for implementing redevelopment projects in the Project Area; and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Implementation Plans for the period of July 2004 - June 2009 for the Centre City and Horton Plaza Redevelopment Projects have previously been approved; and

WHEREAS, the Implementation Plan identifies the need to improve and enhance public right-of-way, provide new paving, landscape, sidewalk, public art and street furniture; and

WHEREAS, the City Council has duly considered all conditions of the proposed payment for the construction of Cortez Hill Streetscape Rehabilitation Project ["Project"] and believes that the payment by the Agency of all of the cost of the construction is in the best interests of the City and of the health, safety, morals, and welfare of its residents, and in accord with the public purpose and provisions of applicable state and local law requirements: NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, as follows:

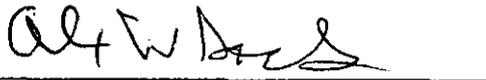
1. That the City Council finds and determines that the construction of the Project for which the Agency proposes to pay is of benefit to the Project Area; and

2. That the City Council finds and determines that no other reasonable means for financing the Project are available to the community and that the Project will assist in eliminating one or more blighting conditions inside the Project Area, and that the Project is consistent with the Centre City and Horton Plaza Implementation Plans for July 2004 - 2009, on file in the office of the Secretary to the Agency pursuant to California Health and Safety Code Section 33490, all as described in Attachment B.

3. That the City Council does hereby determine that the Project is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15302, Replacement or Reconstruction of existing structures and facilities.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Alex W. Sachs
Deputy City Attorney

AWS:mm
11/16/07
Or.Dept: CCDC
R-2008-324
MMS#5458
Companion:RA-2008-47

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor