



REPORT NO.: CCDC-11-05
CCDC-11-02

DATE ISSUED: February 9, 2011

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
Docket of February 15, 2011

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Fourth and Beech Interim Parking Lot and Site Improvements
(Partial block bounded by Ash and Beech streets, and Fourth and
Fifth avenues) – Request to Bid – Cortez Redevelopment District
of the Expansion Sub Area of the Centre City Redevelopment
Project

COUNCIL DISTRICT: Two

REFERENCE: None

STAFF CONTACT: John L. Anderson, Senior Project Manager, Public Works
(619) 533-7140

REQUESTED ACTION:

That the Redevelopment Agency of the City of San Diego (“Agency”) and City Council of the City of San Diego (“Council”) take all actions as necessary for approval to bid and construct the Fourth and Beech Interim Parking Lot and Site Improvements (“Improvements”) located on the partial block bounded by Ash and Beech streets and Fourth and Fifth avenues (Attachment A– Site Map) in the Cortez Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Project Area”).

STAFF RECOMMENDATION:

That the Agency:

- Authorizes the expenditure of an amount not to exceed \$191,048 to pay for the cost of construction of the Improvements located in the Project Area;
- Authorizes the Chief Financial Officer or designee, to appropriate and expend an amount not to exceed \$191,048 for the Improvements;
- Authorizes the Centre City Development Corporation (“Corporation”), on behalf of the Agency, to advertise and receive bids for the construction of the Improvements;
- Authorizes the Agency Executive Director or designee, to award the construction contract to the lowest responsible bidder, provided bids from a responsible contractor are within the established budget of \$191,048, and all other requirements are met;

- Authorizes the Agency Executive Director or designee, to enter into and execute the construction contract with the lowest responsible bidder for construction of the Improvements;
- Authorizes the Corporation, on behalf of the Agency, to administer the construction contract; and
- Makes certain findings pursuant to section 33445 of the California Health and Safety Code that the that the Improvements are of benefit to the Project Area by helping to eliminate blighting conditions within the Project Area, that no other reasonable means of financing construction of the Improvements are available to the community, and that the payment of Agency funds for construction and installation of the Improvements is consistent with the Fourth Five-Year Implementation Plan for the Project Area adopted June 19, 2009 (“Implementation Plan”), pursuant to Section 33490 of the California Health and Safety Code.

And, that the Council:

- Consents to the Agency’s payment for the cost and construction of the Improvements; and
- Makes certain findings pursuant to section 33445 of the California Health and Safety Code that the that the Improvements are of benefit to the Project Area by helping to eliminate blighting conditions within the Project Area, that no other reasonable means of financing construction of the Improvements are available to the community, and that the payment of Agency funds for construction of the Improvements is consistent with the Implementation Plan for the Project Area pursuant to Section 33490 of the California Health and Safety Code.

SUMMARY:

The proposed Improvements will consist of the following:

- Installation of an interim asphalt public-parking lot with lights;
- Installation of a storm water collection/filtering system per the requirements of local jurisdictions having authority; and
- Removal of one abandoned driveway and adjustment of the existing curb and gutter to match the two 24-foot-wide driveways to the parking lot, replace dirt with decomposed granite in the public right-of-way adjacent to the site, along with other minor improvements.

FISCAL CONSIDERATIONS:

Agency funds in the amount of \$191,048 are available within the Redevelopment Agency’s Fiscal Year 2011 Cortez Public Improvement line item.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On September 29, 2010, the Corporation Board of Directors unanimously approved the staff recommendation.

BACKGROUND

The proposed Improvements advance the visions and goals of the Centre City Community Plan and the objectives of the Centre City Redevelopment Project by:

- Accommodating parking needs in a manner which will reduce the negative impact of parking needs on the environmental quality of the area and strengthen the economic base of downtown through the installation of needed public improvements, including transit and parking facilities, to stimulate new commercial, residential, employment and economic growth, and to improve the circulation of people and vehicles.

EQUAL OPPORTUNITY

Mandatory subcontracting goals (SCOPE/SLBE) for this project will be calculated by the City's Engineering and Capital Improvement Projects Department and approved by Administration Department Director prior to advertisement.

This project is subject to the City of San Diego's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Sections 22.2702 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

DISCUSSION

In 1999-2000, the Corporation approved the private development Lofts on Fourth and Lofts on Fifth projects on adjacent sites located on the block bound by Ash and Beech streets and Fourth and Fifth avenues. The projects were later combined as the private development Atmosphere Project. The Atmosphere Project commenced construction in late 2004 but construction halted during excavation of the three-level underground parking garage. The owners tried for several years to recommence construction but were unsuccessful and the building permits for the Atmosphere Project expired.

Project Description – The project is now owned by the Agency for future development as an affordable housing project. The Improvements are located on a 22,500 square-foot L-shaped site, with 150 feet of frontage on Fourth Avenue and 75 feet of frontage along Fifth Avenue. The site lies in the lower Cortez neighborhood, directly to the east of the proposed St. Joseph's Park site. The neighborhood is currently characterized by a variety of low-rise commercial and residential buildings.

Site Improvements – The Improvements will consist of installation of an interim asphalt parking lot with lights (Attachment B–Parking Lot Plan). The parking lot will have two entrance/exits - one on Fourth Avenue and one on Fifth Avenue. There will be 55 regular parking spaces and

three ADA-compliant spaces, one of which will be an ADA-compliant van accessible space. The parking lot will be lit per all code and planning requirements, with energy efficient induction lights for high-quality lighting and low energy cost. A storm water collection/filtering system will be required per local jurisdictions having authority. Public improvements in the sidewalk area will consist of removing one abandoned driveway and adjusting the existing curb and gutter to match the two 24-foot wide driveways to the parking lot, replacing dirt with decomposed granite adjacent to the site sidewalks, along with other minor improvements.

Site Condition – During negotiations for the Agency to buy the site, the firm of Flores Lund Consultants was retained to review the existing shoring system within the abandoned excavation. While the shoring was found to be in better condition than expected, significant deterioration of several soldier beams and lagging boards was detected. While the tie-backs were not physically evaluated, based on the deflection survey the consultant deduced the tie-backs are in reasonable condition. The future affordable housing project will modify the shoring as required and reuse the shoring system in that project.

The previous owner coordinated and filled the abandoned site with clean soil removed from the nearby Cedar Gateway Affordable Housing site and clean soil from two other sites. The existing shoring was protected in place. The current site condition is dirt with erosion control devices and six-foot perimeter security fencing.

The Flores Lund report recommended the site be capped with an asphalt surface to prevent further deterioration of the shoring system, therefore if the interim parking lot is not installed, drainage measures and/or capping of the site may still be necessary.

Conditional Use Permit (CUP) Requirement – CUP No. 2010-50 for the Fourth and Beech Project to allow an interim 58-space surface parking lot was approved on September 30, 2010 by the Corporation Hearing Officer.

Project Financing – The installation costs of the proposed Improvements are as follows:

Description of Work	Cost
Mobilization/Demobilization	\$10,000
Traffic control	\$3,000
Clearing and grubbing, grading	\$9,000
Public right of way improvements	\$7,680
Interim parking lot with lighting	\$112,550
Stormwater pollution control measures	\$15,000
<i>Installation Costs Subtotal</i>	<i>\$157,230</i>
Bonds at 1.5%	\$ 2,359
Field Orders	\$ 5,000
<i>Subtotal</i>	<i>\$164,589</i>
Contingency (10%)	\$ 16,459
City review, permits, construction inspection/management	\$10,000
TOTAL	\$191,048

Based on a preliminary survey of local parking operators conducted in November 2009, Corporation staff estimates the potential monthly parking revenues that may be received by the Agency once the site is improved and operational at between \$5,900 and \$10,600, adjusted for an estimated 55 stalls. If these revenues prove accurate, this would result in a payback period of roughly 18 to 32 months for the Agency's estimated parking improvement costs. Staff estimates that the earliest that any proposed affordable housing project would be ready to begin construction is in at least 18 to 24 months from the present.

Participation by Agency – The Agency will fund the total cost of the Improvements in an amount not to exceed \$191,048.

Proposed Schedule of Performance – The following is a summary of the project schedule:

Date	Action
February 2011	Agency/Council – Request to Bid
February 2011	Bid Advertisement
February 2011	Bid Opening
March 2011	Notice to Proceed
May 2011	Project Completion (two months construction)

Project Benefits – The Improvements will develop the Cortez neighborhood by protecting the buried shoring system for future use as an affordable housing project by capping the site with asphalt, providing additional parking opportunities, and minimizing property management issues.

PROJECT DESCRIPTION

That the Redevelopment Agency of the City of San Diego and City Council of the City of San Diego take all actions as necessary for approval to bid and construct the Fourth and Beech Interim Parking Lot and Site Improvements (“Improvements”) located on the partial block bounded by Ash and Beech streets and Fourth and Fifth avenues set forth in Attachment A--Site Map, in the Cortez Redevelopment District of the Expansion Sub Area of the installation of an interim asphalt public-parking lot with lights and a storm water collection/filtering system per the requirements of local jurisdictions having authority; and removal of one abandoned driveway and adjustment of the existing curb and gutter to match the two 24-foot-wide driveways to the parking lot, replace dirt with decomposed granite in the public right-of-way adjacent to the site, along with other minor Improvements.

Environmental Impact – The project is categorically exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines Sections 15301 (“Existing Facilities”) and Section 15304 (“Minor Alterations to Land”). Section 15301 applies to a class of projects (“Class 1”) that includes the operation, repair, maintenance or minor alteration of existing public and private structures or topographical features when the project involves negligible expansion of the existing use. Example projects include, but are not limited to, improvements to existing highways, streets, sidewalks gutters, and similar facilities.

Section 15304 applies to a class of projects ("Class 4") that consists of minor public or private alterations in the condition of land, and includes minor grading and filling activities, trenching and backfilling, and minor temporary uses of land. The application of the Class 1 and 4 categorical exemptions is, therefore, appropriate in this case as the proposed Project involves the removal and replacement of curb and gutter, grading and filling activities on the site, and creation of an interim asphalt parking lot. The application of a categorical exemption to this project is not precluded by any of the exceptions set forth in State CEQA Guidelines Section 15300.2.

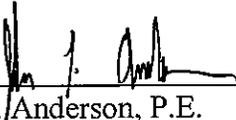
Findings – State law requires that certain findings be made by the Council and Agency prior to the expenditure of Agency funds for public facilities/improvements. Attachment C recites the proposed findings that the Improvements are of benefit to the Project Area by helping to eliminate blighting conditions within the Project Area, that no other reasonable means of financing construction of the Improvements are available to the community, and that the payment of Agency funds for construction of the Improvements is consistent with the Implementation Plan for the Project Area adopted pursuant to Section 33490 of the California Health and Safety Code.

CONCLUSION

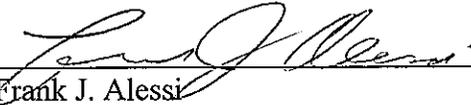
Approval of the Improvements supports the affordable housing project goal for the site by capping the site with asphalt to protect the existing buried shoring system for future use by constructing a lit interim public-parking lot that generates revenue to the benefit of the Agency. The work will improve the quality of life for Cortez neighborhood residents, businesses, visitors and property owners.

Respectfully submitted,

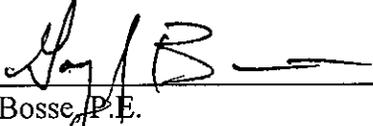
Concurred by:



John L. Anderson, P.E.
Senior Project Manager, Public Works



Frank J. Alessi
Executive Vice President & Chief Financial
Officer



Gary J. Bosse, P.E.
Assistant Vice President, Public Works

Attachments: A – Site Map
B – Parking Lot Plan
C – Findings of Benefit