



REPORT NO. CCDC-11-16

DATE ISSUED: February 22, 2011

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of February 28, 2011

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Fire Station No. 2 (Bayside) (southeast corner of Pacific Highway
and Cedar Street) – Request to Bid – Little Italy Redevelopment
District of the Expansion Sub Area of the Centre City
Redevelopment Project

COUNCIL DISTRICT: 2

REFERENCE: None

STAFF CONTACT: Gary J. Bosse, Assistant Vice President, Public Works
(619) 533-7163

REQUESTED ACTION: That the Redevelopment Agency of the City of San Diego (“Agency”) takes all actions as necessary for approval to advertise, bid, award, and construct Fire Station No. 2 (Bayside) (“Project”), a three-story, 15,980 square-foot fire station, located on the Agency-owned property at the southeast corner of Pacific Highway and Cedar Street in the Little Italy 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 \$17,180,000 to pay for the cost of construction, including certain indirect costs, of the Project located within the Project Area;
- Authorizes the City of San Diego Chief Financial Officer or designee, to appropriate and expend an amount not to exceed \$17,180,000 for the Project;
- Authorizes the Centre City Development Corporation (“Corporation”), on behalf of the Agency, to advertise and receive bids for construction of the Project;
- Authorizes the Agency Executive Director, or designee, to award the construction contract to the lowest responsible bidder for construction of the Project;
- Authorizes the Corporation, on behalf of the Agency, to administer the construction contract; and

- Authorizes the Corporation, on behalf of the Agency, to select (through a qualifications-based selection process), and negotiate an agreement with a consultant Construction Manager for an amount not to exceed \$650,000.

SUMMARY:

Following the December 2009 Agency/City Council (“Council”) approvals of the design consultant agreement and the use of tax increment funding for the Project (RA-2009-132, R-2009-1220), the architectural and engineering design of the Project commenced. The design process has now entered the construction documents phase, with plans/specifications and permitting projected to be complete in September 2011. The proposed Project will consist of the following:

- Demolition of a one-story, 2,000 square-foot (“s.f.”) restaurant building (including asbestos containing materials and lead-based paint) and miscellaneous site improvements;
- Excavation, segregation, loading, transport and disposal of clean and petroleum contaminated soil offsite;
- Dewatering during excavation and construction;
- Construction of a three-story, 15,980 s.f. fire station, over a single level of below-grade parking (8,970 s.f.), including lobby/reception, apparatus bays, living rooms, kitchen, office spaces, exercise room, and sleeping dormitories;
- Construction of offsite streetscape improvements; and
- Incorporation of sustainability features, including a green roof and photovoltaic system, resulting in Leadership in Energy & Environmental Design (LEED) Silver certification.

FISCAL CONSIDERATIONS:

Funds in the amount of \$17,180,000 are available in the Fiscal Year (FY) 2011 Agency budget, under the Centre City Fire Stations line item (\$12,530,000), and the Horton Plaza Public Improvements line item (\$4,650,000) to fund the construction of the Project, which includes certain construction phase indirect costs such as permitting fees, utility connection charges, and construction administration contracts with professional consultants (architectural & engineering, geotechnical, environmental, special inspection, archeological/paleontological, and construction management). The City may expend up to \$1,281,300 in Development Impact Fees to fund the purchase of one engine and furnishings, fixtures, and equipment to outfit the station.

Although the opening of the new fire station will be a few years into the future, Corporation staff has worked with the City’s Fire-Rescue Department (“Fire-Rescue”) to anticipate staffing, operation and maintenance costs. The Project would be designed to accommodate two four-person crews, a two-person paramedic ambulance, one battalion chief and one ride-along. Upon completion of the Project in FY 2013, it is proposed that the Project be opened with an existing single-engine company, Engine 201, which would be relocated from Fire Station No. 1 to take advantage of the anticipated response time gains from the Project’s location west of the railroad tracks. Another existing single-engine company, Engine 1, would continue to provide service out of Fire Station No. 1. When the City’s budget is able to support additional fire staff, it is

proposed that the staffing be phased in over time, beginning with the addition of an engine company, followed by a truck company.

ECONOMIC IMPACT: Analysis indicated that the Project will create 28 construction employment opportunities and 12 new long-term employment opportunities. As a result of redevelopment activities over the years, as of December 2010, approximately 62,000 construction jobs and 20,000 permanent jobs have been created.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

The Corporation Board will consider the Project at its meeting of February 23, 2011. Corporation staff will provide an oral update on the results of that meeting to the Agency at the meeting of February 28, 2011.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach has been robust throughout the design process. Representatives from the Little Italy neighborhood were included on the Interview/Selection Panel to select the architectural and engineering design team. During the Project's Schematic Design phase, the lead architect and the public artist team led two community-wide design and public artwork meetings. Also as part of the Schematic Design phase, the lead architect presented the Project's Schematic Drawings for design approval as part of a Centre City Development Permit/Coastal Development Permit/Planned Development Permit ("Development Permit") review process. The Development Permit process entailed a series of public meetings (including the Corporation Board and Committee, the Centre City Advisory Committee, the Pacific Highway - County Administration Center Design Zone Committee, the City's Planning Commission, the Agency and the Council). During the Design Development phase, community groups such as the Little Italy Association and Little Italy Residents Association were updated on the Project's progress. Now, as the construction phase approaches, Corporation staff will share the construction opportunity with numerous industry associations by making presentations at chapter meetings and events. Corporation staff will continue to meet with the property owners, businesses and community groups surrounding the Project site to update them on the Project and address any concerns or issues that may be expressed.

BACKGROUND

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

- Maintaining a safe and livable environment downtown working with the City to ensure appropriate levels of fire and police services proportionate to population and activity level;
- Working with City fire and life safety departments to anticipate construction and expansion of fire and police facilities; and
- Working closely with fire and police department representatives on facility improvement and expansion projects, paying close attention to siting and accessibility requirements.

The Centre City Public Facilities Financing Plan (April 2005) and Downtown Community Plan (March 2006) anticipated the need for new fire-rescue facilities in the downtown area to accommodate a growing population and an increasing demand for emergency services. During the research, development and adoption of the two plans, Corporation staff worked closely with Fire-Rescue representatives on facility improvement and expansion projects, and particularly in selecting sites to accommodate two new fire stations in downtown. Efforts were focused on finding priority sites in two areas (the northern portion of East Village and the western waterfront) where additional stations and personnel were determined to be necessary to decrease response time and provide adequate coverage in the downtown area.

In early 2006, through the Corporation, the Agency purchased a 10,000 s.f. site at the southeast corner of Pacific Highway and Cedar Street in the Little Italy neighborhood for the purpose of developing a future fire station for the City. The site met the crucial requirements that a new station be located west of the railroad tracks in downtown to address emergency response delays resulting from rail activity, and be proximate to the Harbor Drive/Pacific Highway corridor for easier access to all downtown waterfront properties. Also in 2006, the Agency purchased a site north of Broadway between 13th and 14th streets in the northern portion of the East Village neighborhood for a future fire station. After the purchases, the Corporation and Fire-Rescue staff collaboratively determined that priority should be given to the Little Italy site for development of a new station (the Project).

Fire-Rescue has developed a Fire Station Master Plan (FSMP) for citywide fire station planning and prioritization purposes, in accordance with the City's General Plan, as a means of identifying the communities in which additional fire stations are needed to achieve service-level objectives. The methodology used to prepare the FSMP was to evaluate each community on the basis of four principal risk factors: (1) response-time compliance, (2) annual incident response volume, (3) square miles protected, and (4) firefighter-to-1,000 population. Of the 16 City fire stations that are in various stages of planning and development, and considering the principal risk factors, the FSMP places the Project as priority #6. The FSMP has been reviewed by the Council's Committee on Public Safety and Neighborhood Services, which voted to forward it to the full Council with a recommendation of approval.

The Corporation issued a Request for Qualifications for Design Services for the Project in 2007, and the team of Rob Wellington Quigley, FAIA/Don Dommer Associates was selected for the commission. An initial agreement for programming/conceptual planning and site analysis was executed by the Corporation in July 2008, followed by a second agreement for architectural and engineering design, permitting and bidding services for the Project approved by the Agency in December 2009. Also, in 2009, the Agency approved a Memorandum of Understanding (MOU) between the City, the Agency and the Corporation that describes the responsibilities of each party and the Agency's payment of City personnel costs to assist the Corporation in managing the Project during the design and construction phases. In July 2010, the Agency approved the Project's basic concept plans and schematic drawings and the Council approved the Development Permit for the Project.

EQUAL OPPORTUNITY

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

The Project is subject to the City'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

Project Description – The Project is located at the southeast corner of Pacific Highway and Cedar Street (Attachment A–Site Map). The property is currently owned by the Agency, but will be conveyed along with the Project to the City at the completion of construction. The scope of the Project consists of:

- Demolition of a one-story, 2,000 s.f. restaurant building (including asbestos containing materials and lead-based paint) and miscellaneous site improvements;
- Excavation, segregation, loading, transport and disposal of clean and petroleum contaminated soil offsite;
- Dewatering during excavation and construction;
- Construction of a three-story, 15,980 s.f. fire station, over a single level of below-grade parking (8,970 s.f.), including lobby/reception, apparatus bays, living rooms, kitchen, office spaces, exercise room, and sleeping dormitories;
- Construction of offsite streetscape improvements; and
- Incorporation of sustainability features, including a green roof and photovoltaic system, resulting in LEED Silver certification.

Project Financing – The estimated construction phase cost of the Project is as follows and comprised of the following components:

BUILDING COSTS

Substructure (excavation/foundations)

Superstructure (basement, upper floors, roof construction)

External Cladding (windows, external doors, wall and roof finishes)

Interior Partitions & Doors

Vertical Movement (stairs and elevator)

Finishes (floors, walls, ceilings)

Fittings & Equipment

Mechanical (plumbing & drainage, fire protection, HVAC)

Electrical (services and distribution, lighting and power, telecom/data)

LEED components (including green roof and photovoltaic system)

Building Sitework (including onsite and offsite public improvements)

SUBTOTAL probable building cost on bid day \$14,655,000

This subtotal includes the following assumptions:

- Design contingency (10%)
- General Conditions, overhead and profit, insurance and bonds (15%)
- Escalation to mid-point of construction (3%)
- Construction contingency (15%)

INDIRECT COSTS

- Furnishings, Fixtures, & Equipment
- Permitting and Plan Review Fees
- Utility Connection Charges
- Architectural & Engineering Construction Administration
- Geotechnical Inspection and Observation
- Environmental Inspection and Observation
- Archeological/Paleontological Observation
- Structural Special Inspection
- Construction Management

SUBTOTAL Indirect Costs for Project Delivery \$ 2,525,000

TOTAL Construction Phase Project Costs \$17,180,000

Participation by Agency – The Agency will fund the total cost of the Project in an amount not to exceed \$17,180,000.

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

Date	Action
February 2011	Agency – Request to Bid
October 2011	Bid Advertisement
November 2011	Bid Opening
January 2012	Notice to Proceed
April 2013	Project Completion (14-16 months)

Project Benefits – The Project will provide numerous benefits to the community, including:

- a. Provision of reliable fire prevention and response service to the downtown area west of the railroad tracks to address emergency response delays resulting from rail activity and along the Harbor Drive/Pacific Highway corridor for easier access to all downtown waterfront properties. Depending upon emergency events and needs, the Project is intended to serve both the Centre City and Horton Plaza redevelopment project areas as well as surrounding communities as part of the larger fire station system operated by the City.

- b. Augmentation of the efforts of existing downtown stations and improvement of public safety services that will assist in attracting private investment and promoting economic development opportunities in the downtown project areas. Currently, downtown is served primarily by only two other fire stations (Station No. 1, constructed in 1971 and located at Front and B streets, and Station No. 4, constructed in the late 1930s and located at Eighth Avenue and J Street) which serve an estimated residential population of over 30,000 persons and employment population of approximately 75,000 workers. The Project will help maintain a safe and livable downtown environment by allowing the City to expand its public safety facilities to ensure appropriate levels of fire-rescue services proportionate to population and activity level within the coming years.
- c. Redevelopment of an underutilized, low-density site that is well-positioned for providing fire-rescue services to an underserved area of downtown.

PROJECT DESCRIPTION

In early 2006, the Redevelopment Agency of the City of San Diego, through the Centre City Development Corporation, purchased the 10,000 square-foot site at the southeast corner of Pacific Highway and Cedar Street in the Little Italy Redevelopment District. The Centre City Facilities Financing Plan, adopted in April 2005 and Downtown Community Plan, adopted in March 2001, both anticipated the need for new fire-rescue facilities in the downtown area to accommodate a growing population and an increasing demand for emergency services. Therefore, the Project proposes to construct a three-story, 15,980 square-foot fire station over a single level of below-grade parking, with a lobby/reception, apparatus bays, living rooms, kitchen, office spaces, exercise room and sleeping dormitories, as well as other improvements including demolition of the currently existing 2,000 square foot building on the site. The Agency-owned site will be conveyed along with the Project to the City of San Diego upon completion.

Environmental Impact – The Project’s design was approved by the Agency, and its Development Permit approved by the Council, at a joint public hearing held in July 2010. The Agency adopted Resolution R-04555 stating for the record that the Project is covered under the Final Environmental Impact Report (FEIR) for the Centre City Redevelopment Plan certified by the Agency on March 14, 2006 (Resolution R-04001) in compliance with the California Environmental Quality Act (CEQA). The FEIR is a “Program EIR” prepared in compliance with State CEQA Guidelines Section 15168. In accordance with Agency’s procedures, an Environmental Secondary Study (ESS) was prepared which made certain findings with respect to the impacts on the environment compared to the analysis performed in the FEIR.

Acting as the "lead agency" for purposes of CEQA review and as part of its adoption of a resolution approving the Project's design on July 27, 2010, the Agency made certain findings, consistent with State CEQA Guidelines Section 15168 and the Agency's CEQA procedures, to the effect that (i) the environmental impacts of the proposed Project were adequately addressed in the FEIR, (ii) the proposed Project is within the scope of the development program described in the FEIR, and (iii) no further environmental documentation is required under CEQA. Acting as the "responsible agency" for purposes of CEQA review in accordance with State CEQA Guidelines Section 15096, and as part of its adoption of a resolution approving the Development Permit on July 27, 2010, the Council stated for the record that it had reviewed and considered the FEIR, Addenda and ESS. Therefore, no further CEQA review is required for the proposed actions.

Findings – All necessary findings required by State of California Community Redevelopment Law were previously adopted by the Council and Agency at a joint public hearing held in December 2009 (resolutions RA-2009-132, and R-2009-1220).

CONCLUSION

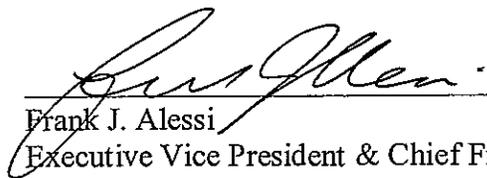
Approval of the Request to Bid for the Project will allow the Corporation, on behalf of the Agency, to advertise and receive bids for the Project, and to award and administer the construction of the Project.

Respectfully submitted,

Concurred by:



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



Frank J. Alessi
Executive Vice President & Chief Financial
Officer

Attachment:

A – Site Map