

DATE ISSUED: March 9, 2005 REPORT NO. CCDC-05-07
CCDC-05-02

ATTENTION: Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Redevelopment Agency
Docket of March 15, 2005

SUBJECT: Request to Bid the Gaslamp Quarter Streetscape Improvement
Project - Gaslamp Quarter Sub Area of the Centre City
Redevelopment Project

REFERENCE: Public Improvements Financing Findings
Form of Proposed Agreement - Draft

STAFF CONTACT: Jeff Paul Zinner, Associate Project Manager

SUMMARY

Issue: Should the Redevelopment Agency:

- Authorize the Corporation to advertise for bids for the construction of the Gaslamp Quarter Streetscape Improvement Project;
- Authorize the Executive Director of the Redevelopment 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; and
- 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 for 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?

And should the City 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 for 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?

Staff Recommendation - That the Redevelopment Agency:

- Authorize the Corporation to advertise for bids for the construction of the Gaslamp Quarter Streetscape Improvement Project;
- Authorize the Executive Director of the Redevelopment 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; and
- 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 for 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.

And that the City Council:

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Centre City Development Corporation Recommendation - On January 26, 2005, the Corporation Board voted unanimously to support the staff recommendation.

Other Recommendations - None.

Fiscal Impact - The estimated total cost of the project is \$4.5 million. Funds for the project in the amount of \$2.5 million are available in the FY 2005 Gaslamp Quarter public improvements budget. The balance of funding is anticipated in the FY 2006

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budget. The bid will be structured to allow for phasing of the contract based on availability of funding.

Environmental Impact - This activity is exempt from California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines § 15301).

BACKGROUND

The Gaslamp Quarter Streetscape Improvement Project ("the Project") advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project by:

- eliminating environmental deficiencies including deteriorated public improvements;
- encouraging the rehabilitation and upgrading of properties; and
- strengthening the economic base of the Gaslamp Quarter by installation of needed public improvements.

In 1979, the City used Community Development Block Grant ("CDBG") funds to construct public improvements in the Gaslamp Quarter. These improvements included brick sidewalks, five globe-light standards, trees, tree grates, kiosks, bollards, landscaping, and other appurtenant improvements.

In the more than 25 years since these public improvements were installed, the Gaslamp Quarter has become a signature San Diego destination. Thousands of visitors and residents regularly converge in the Gaslamp Quarter, especially on the weekends and for special events. The Gaslamp Quarter is a place to walk, enjoy dining in an outdoor café, to be around people, and to be seen.

The condition of the public improvements has deteriorated over the last 25 years. Current adverse conditions include:

- Street tree roots uprooting sidewalks and tree grates
- Missing tree grates
- Uneven utility vault covers
- Missing valve covers
- Dead or diseased street trees
- Missing or mismatched pavers
- Cracked paving
- Excessive sidewalk slopes
- Broken lights
- Abandoned utilities

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- Americans with Disabilities Act (“ADA”) issues
- Excessive impediments to pedestrians

In May 2001, Estrada Land Planning was selected through a Request for Qualifications process to prepare the Gaslamp Quarter Improvement Study (“the Estrada Study”) to identify the current conditions of the streetscape within the historic Gaslamp Quarter. The Estrada Study made recommendations for a course of action based upon evaluation of conditions, priority, safety, ADA issues and cost. Estrada Land Planning and Corporation staff worked closely together with Gaslamp Quarter Association members on this study. The cost to implement the Estrada Study recommendations was estimated to be approximately \$3.5 million dollars. The Estrada Study was approved by the Corporation on October 10, 2002.

In December 2003, the Corporation entered into a contract with Project Design Consultants (“PDC”) to provide all preliminary and final engineering support services needed to produce engineering construction drawings, specifications and cost estimates, structural assessment of basements encroaching into the right-of-way, provide construction administration and project management for the rehabilitation of the streetscape public improvements within the Gaslamp Quarter (the “project”). Due to the size and impact associated with the Project to residents, merchants and area visitors, and the increased cost of the project (to a total of \$4.5 million dollars), it was proposed that construction take place in two phases. The first phase will generally consist of completing all work necessary for the rehabilitation of the improvements in the area bounded by Broadway, Fourth Avenue, Sixth Avenue and Market Street. The first phase is estimated to cost \$2.5 million dollars. The second phase will generally cover the area bounded by Market Street, Fourth Avenue, Sixth Avenue and “L” Street. The second phase is expected to be budgeted and completed in Fiscal Year 2006 and is expected to cost an additional \$2 million. The bid will be structured to allow the Agency to award the entire project, subject to funding availability.

The improvements to be completed generally include:

- replacement/repair of damaged sidewalk pavers
- replacement of non-ADA compliant tree grates
- relocation of existing streetlights/repair of streetlights
- new litter receptacles
- new irrigation system
- removal of vacated utility boxes
- installation of bicycle bollards/racks
- new street trees as needed

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

<u>Preliminary Schedule</u>	<u>Completion Date</u>
A. Redevelopment Agency Authorization to Bid	February 2005
B. Advertise for Bidding	March 2005
C. Bid Opening and Award	April 2005
D. Begin Construction	May 2005
E. Complete Construction	March 2006

FINDINGS

State law requires that certain findings be made by the City Council and Redevelopment Agency prior to the expenditure of Redevelopment Agency funds for public facilities/improvements. Attachment 1 recites the proposed findings with respect to the benefits of the proposed improvements to the Gaslamp Quarter Sub Area of the Centre City Redevelopment Project Area, the unavailability of other reasonable means to finance the proposed improvements, how the proposed 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 pursuant to Health and Safety Code 33490.

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 subcontractor outreach and utilization requirements for contractors. The mandatory subcontracting outreach percentage for this project is 10%; with an advisory level of 3% for Disadvantaged Business Enterprises, 1% for Disabled Veterans Business Enterprises, and 6% for Other Business Enterprises.

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

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SUMMARY/CONCLUSION

The construction of the Gaslamp Quarter Streetscape Improvement Project will dramatically improve the health, safety, and welfare of the residents, business and property owners, and visitors to the neighborhood.

Respectfully submitted,

Concurred by:

Jeff Zinner
Associate Project Manager

Peter J. Hall
President

Attachments:

- 1 - Findings
- 2 - Form of Proposed Agreement - Draft

ATTACHMENT NO. 1
FINDINGS

SUBJECT IMPROVEMENTS:

REQUEST TO BID PUBLIC IMPROVEMENTS - Gaslamp Quarter Streetscape Improvement Project - Gaslamp Quarter Sub Area of the Centre City Redevelopment Project”

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

- A. These improvements are within the Gaslamp Quarter Sub Area of the Centre City Redevelopment Project, adjacent to properties that have been redeveloped and/or have been designated as historic and will not likely be redeveloped in the near future.
- B. Improvements are planned for the area bounded by “L” Street, Fourth Avenue, Sixth Avenue and Broadway Street. The improvements will enhance the area for the benefit of nearby users as well as residents.
- C. The installation of public improvements will correct adverse health and safety conditions.
- D. The improvements will act as a catalyst providing an incentive for private investment in the rehabilitation of the areas.

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 2005 Budget for the City of San Diego (City) increased 7.4%. The increase includes Special Revenue, water and sewer, tax funds, General and revenue funds from other Agencies. Over the last several years, as the City’s 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.

- 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 2005 Capital Improvement Program Budget increased 17.2% from the Fiscal Year 2004 Budget. The Fiscal Year 2005 CIP Budget provides for the sewer upgrade of the City's Metropolitan and Municipal Wastewater System, water projects, Parks and Recreation projects, police and fire projects, library projects, transportation projects and special projects.
- C. Most major tax revenue categories continue to show signs of growth. Moderate growth is anticipated for most Fiscal Year 2005 major revenues. The economic growth rates for major revenue categories are: property tax (8.0%), sales tax (3.5%), Transient Occupancy Tax (6.0%) and Motor Vehicle License fees (3%).
- D. The City's Fiscal Year 2005 Capital Improvements Budget (CIP) is embodied in Volumes IV and V of the City's Budget. The Agency's Fiscal Year 2005 Program Budget was adopted on June 22, 2004. 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 totals \$548.3 million, an increase of \$80.7 million over Fiscal Year 2004.
- E. Although there is an increase in the CIP FY2005 Budget of the City of San Diego there is \$385.9 million of infrastructure that remains unfunded.

III. ELIMINATION OF BLIGHTING CONDITIONS

The payment of funds toward the cost of the construction and installation of the subject improvements will assist in the elimination of one or more blighting conditions inside the Gaslamp Quarter 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 public right of way and replace inadequate or missing public improvements. The proposed improvements will remove and replace these adverse conditions, upgrading to match the improvements on nearby streets.
- B. These improvements will include street lights thereby increasing lighting levels on public sidewalks.

- C. The improvements will act as a catalyst providing an incentive for private investment, thereby contributing to the removal of economic blight.
- D. The improvements provide improved pedestrian access to public and private properties.
- E. "Completion of off-site improvements in this area is a means to contribute to blight removal by replacing inadequate public improvements" is included in the work program of the Implementation Plan adopted June 15, 2004 pursuant to Health and Safety Code 33490.