

**Centre City
Development
Corporation**

DATE ISSUED: July 25, 2007 REPORT NO. CCDC-07-26
CCDC-07-14

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
Docket of July 31, 2007

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Children's Museum Park (South of Island Avenue between Front
and Union streets) – Fourth Implementation Agreement to
Disposition Agreement and Awarding of Construction Contract --
Marina Sub Area of the Centre City Redevelopment Project

COUNCIL DISTRICT: 2

REFERENCE: None

STAFF CONTACT: Beverly Schroeder, Senior Planner (619-533-7113)
John Anderson, Senior Project Manager--Public Works (619-533-7140)

REQUESTED ACTION:

Approval of the Fourth Implementation Agreement to the Disposition Agreement with the Children's Museum, including naming rights of the Children's Museum Park to reflect the donor's family name, if appropriate; and awarding a contract to the lowest responsible bidder for construction of the Children's Museum Park.

STAFF RECOMMENDATION:

That the Redevelopment Agency of the City of San Diego ("Agency"):

- Approve the Fourth Implementation Agreement ("Implementation Agreement") to the Disposition Agreement with the Children's Museum ("Museum") to accept funds in the amount of \$417,775 from the Museum for the construction of the Children's Museum Park ("Park");
- Authorize the Executive Director of the Agency, or his designee, to execute the Fourth Implementation Agreement on behalf of the Agency;
- Authorize the Executive Director of the Agency, or his designee, to award the contract to the lowest responsible bidder for construction of the Children's Museum Park;
- Accept the low bid in the amount of \$2,565,585;
- Authorize the Corporation, on behalf of the Agency, to administer said contract;
- Determine if it is appropriate for the San Diego City Council ("Council") to delegate the Park naming rights to the Museum based upon the donor family contribution to the Park with the name reflecting the donor's family name; and
- Approve a Resolution stating for the record that the Agency has previously reviewed and considered information contained in the Master Environmental Impact Report

(MEIR) and the Subsequent Environmental Impact Report (SEIR) and Secondary Study for the development of the Park and that no substantial changes or new information of substantial importance within the meaning of CEQA Guidelines Section 15162 would warrant any additional environmental review in connection with approval of the construction and development of the Park located along Island Avenue between Front and Union streets.

And, that the Council:

- Determine if it is appropriate to delegate Park naming rights to the Museum, associated with the Museum's donor family contribution of \$417,775 for the construction cost of the Park.

SUMMARY:

On April 14, 1994, the Agency and the Museum entered into a Disposition Agreement ("Agreement") that included the requirement that the Museum fund the design of the King Promenade improvements, sidewalk improvements along Island and Front streets, and a one-acre park area immediately south of the Museum block. The 1994 Agreement also required the Agency to pay for construction of the Park improvements in the amount of \$1.5 million and for the Museum to maintain the Park, which is estimated to be \$57,000/year. The Park will be a public park owned by the City of San Diego, and heavily programmed by the Museum.

The development of the Park will implement a specific goal and objective of the Five Year Work Program adopted by the Agency for project areas on June 15, 2004. The Park also implements a number of the goals of the Downtown Community Plan and will result in additional open space for downtown residents and visitors. The action requested will advance the Park implementation and fulfill an Agency obligation under the Disposition Agreement with the Museum.

FISCAL CONSIDERATIONS:

There are sufficient funds in the FY 08 Budget. The bids were opened May 9, 2007 and the low bid was \$2,565,585. The total Park construction cost includes an estimated \$107,805 for environmental remediation; \$100,000 for construction management costs; and 10% contingency on the low bid of \$256,558; for a total park construction budget of \$3,029,948.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On June 27, 2007, the Corporation Board of Directors voted, 6-0 (Cruz absent) to award the low bid subject to a contribution from a donor to the Museum in the amount of \$417,775, and to defer the Park naming rights associated with the Museum's contribution to the City Council. On July 11, the Board Committee approved a Fourth Implementation Agreement to the Disposition Agreement with the Museum to accept funds in the amount of \$417,775 from the Museum for construction of the Park and requested that the Council determine whether or not it is appropriate to delegate naming rights for the Park to the Museum based upon the donor family contribution. It is anticipated that the Board will approve this recommendation at their meeting on July 25, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

As a means of facilitating the Agency's approval of the Park plans, a committee (the "Children's Museum Park Committee") was assembled in 2001 of CCDC King Promenade and Arts Advisory members and included the following participants: CCDC Board members Gil Johnson and Hal Sadler; community members Isabelle Wasserman, Margaret Porter Troupe, Danah Fayman, Dr. Dorothy Smith, Bennett Peji, Manuel Oncina, Reggie Lewis; Children's Museum representatives Kay Wagner, Marc Harris; CCDC staff members Pam Hamilton, Walter Rask, and Beverly Schroeder.

The Children's Museum Park Committee met with the Park designers to provide input on the proposed designs. Community meetings were also held to encourage the input and participation by the community in the design process for the Park.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders for the project are the Children's Museum, existing and future residents and visitors. The projected impact of the action is the additional open space that will be created. The new Park will be maintained by the Children's Museum.

BACKGROUND

On November 28, 2006, the Agency authorized the Corporation, on behalf of the Agency, to advertise bids for the construction of the Park. The bids for the Park were opened May 9, with a low bid of \$2,565,585 for Park construction only. The low bid is good for 90 days, which will end on August 5, 2007. It is recommended that the low bid from 3D Enterprises (based in San Diego) be accepted.

Since the Board was concerned that the Agency contribution of funds not go above the engineer's estimated cost, the Museum requested the opportunity to raise \$417,775 from a potential donor to cover the cost difference, which they have done. The donor has requested park naming rights, with the name to be designated by the donor by November 1, 2007. The name would reflect the family name of the donor. A location map for the signage in the Park is shown on Attachment A. Since the contract to build the Park needs to be awarded by August 5, 2007, the Museum will advance the required funds to the Agency to allow construction to proceed under a Fourth Implementation Agreement.

The proposed Park budget is as follows:

| | <u>CCDC Funds</u> | | <u>Museum Donor Funds</u> | <u>Low Bid</u> |
|--|--------------------|---|---------------------------|----------------|
| Park Construction | \$2,147,810 | + | \$417,775 | = \$2,565,585 |
| Environmental Estimate* | 107,805 | | | |
| Construction Management | 100,000 | | | |
| 10% Contingency | <u>256,558</u> | | | |
| TOTAL | \$2,612,173 | | \$417,775 | |
| Total Park Construction Budget: | | | \$3,029,948 | |

*Contract can be terminated if environmental remediation exceeds this amount.

| <u>Schedule if Low Bid Accepted</u> | <u>Completion Date</u> |
|-------------------------------------|------------------------|
| Advertise for Bids | Completed |
| Bid Review and Award | July 2007 |
| Begin Construction | August 2007 |
| Complete Construction | March 2008 |

Proposed Fourth Implementation Agreement – The Fourth Implementation Agreement (Attachment B) provides for the Museum to advance to the Agency the \$417,775 needed for the construction of the Park. The Museum has found a donor who has requested Park naming rights, with the Park name reflecting the family name of the donor. The Council will need to determine if it is appropriate to delegate Park naming rights to the Museum.

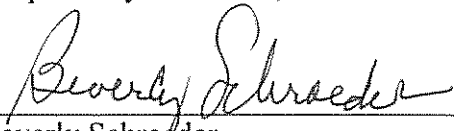
Environmental Impact – The Redevelopment Agency of the City of San Diego certified that the Agency had reviewed and considered information in the MEIR/SEIR for the Centre City Redevelopment Project and Environmental Secondary Study for the Children’s Museum Park on November 26, 2002 by Resolution No. 03559. The Agency found the development to be consistent with governing land use plans and regulations, and therefore, would not have any significant environmental effects not previously discussed in the MEIR/SEIR and Secondary Study previously certified by the Agency.

CONCLUSION

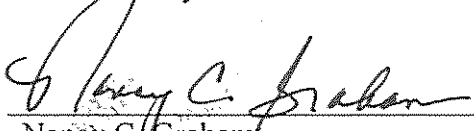
The proposed development of the Park will implement a number of goals from the Downtown Community Plan. The one-acre Park will complete the King Promenade and provide a unique amenity for the downtown community and the region at large. The Museum contribution of funds will enable the Park to be constructed.

Respectfully submitted,

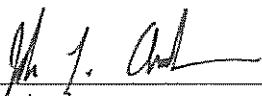
Concurred by:



Beverly Schroeder
Senior Planner



Nancy C. Graham
President



John Anderson
Senior Project Manager – Public Works

- Attachment: A – Map – Park Signage Options
B – Fourth Implementation Agreement to Disposition Agreement