



THE CITY OF SAN DIEGO
Redevelopment Agency's Report

DATE ISSUED: January 3, 2007

REPORT NO.: RA-07-04
RTC-07-003

ATTENTION: Honorable Chair and Members of the Redevelopment Agency,
Council President and City Council,
Docket of January 9, 2007

SUBJECT: El Cajon Boulevard Median Improvements,
Crossroads Redevelopment Project Area

REFERENCE: RA-04-32 & CMR-04-191, issued on September 8, 2004

REQUESTED ACTIONS:

- 1) Should the Redevelopment Agency and City Council make the necessary findings that the El Cajon Boulevard Median Improvements will benefit the Crossroads Redevelopment Project Area, that no other reasonable means of financing the improvements are available to the community, and that the contribution of \$340,000 from the Crossroads Redevelopment Project Area to the City for the purpose of financing the El Cajon Boulevard Median Improvements (CIP 39-234.0) will assist in the elimination of one or more blighting conditions and is consistent with the Implementation Plan?
- 2) Should the Redevelopment Agency authorize the expenditure of \$340,000 from the Redevelopment Agency (FY 2007 Crossroads Redevelopment Project Area tax increment funds) to be transferred to the City for the purpose of financing the El Cajon Boulevard Median Improvements?
- 3) Should the City Council authorize the City Auditor and Comptroller to set up a new special interest bearing fund, the College Heights Enhanced Maintenance Assessment District CIP fund?
- 4) Should the City Council authorize the City Auditor and Comptroller to transfer and expend \$45,000 from fund 70266 to the new special interest bearing fund, the College Heights Enhanced Maintenance Assessment District CIP?
- 5) Should the City Council amend the Fiscal Year 2007 Capital Improvements Program Budget for the El Cajon Boulevard Median Improvements (CIP 39-234.0) to include an additional contribution from the Redevelopment Agency in the amount of \$340,000 and a contribution from the College Heights Enhanced Maintenance Assessment District in the amount of \$45,000?

- 6) Should the City accept, appropriate, and expend funds of \$340,000 from the Redevelopment Agency and \$45,000 from the College Heights Enhanced Maintenance Assessment District for the El Cajon Boulevard Median Improvements (CIP 39-234.0)?

STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY:

- 1) Make the necessary findings that that the El Cajon Boulevard Median Improvements will benefit the Crossroads Redevelopment Project Area, that no other reasonable means of financing the improvements are available to the community, and that the contribution of \$340,000 from the Crossroads Redevelopment Project Area to the City for the purpose of financing the El Cajon Boulevard Median Improvements (CIP 39-234.0) will assist in the elimination of one or more blighting conditions and is consistent with the Implementation Plan.
- 2) Authorize the expenditure of \$340,000 from the Redevelopment Agency (FY 2007 Crossroads Redevelopment Project Area tax increment funds) to be transferred to the City for the purpose of financing the El Cajon Boulevard Median Improvements.

STAFF RECOMMENDATION TO THE CITY COUNCIL:

- 1) Make the necessary findings that that the El Cajon Boulevard Median Improvements will benefit the Crossroads Redevelopment Project Area, that no other reasonable means of financing the improvements are available to the community, and that the contribution of \$340,000 from the Crossroads Redevelopment Project Area to the City for the purpose of financing the El Cajon Boulevard Median Improvements (CIP 39-234.0) will assist in the elimination of one or more blighting conditions and is consistent with the Implementation Plan.
- 2) Authorize the City Auditor and Comptroller to set up a new special interest bearing fund, the College Heights Enhanced Maintenance Assessment District CIP fund.
- 3) Authorize the City Auditor and Comptroller to transfer and expend \$45,000 from fund 70266 to the new special interest bearing fund, the College Heights Enhanced Maintenance Assessment District CIP fund.
- 4) Amend the Fiscal Year 2007 Capital Improvements Program Budget for the El Cajon Boulevard Median Improvements (CIP 39-234.0) to include an additional contribution from the Redevelopment Agency in the amount of \$340,000 and a contribution from the College Heights Enhanced Maintenance Assessment District in the amount of \$45,000.
- 5) Accept, appropriate, and expend the funds of \$340,000 from the Redevelopment Agency and \$45,000 from the College Heights Enhanced Maintenance Assessment District for the El Cajon Boulevard Median Improvements (CIP 39-234.0).

SUMMARY:

This project will reconstruct raised medians and install decorative stamped concrete, irrigation, and landscaping, along El Cajon Boulevard from 54th Street to 73rd Street. The project also includes provisions for the installation of two community area signs within the medians and a new traffic signal at the intersection of El Cajon Boulevard and Dayton Street. The water services and supply conduits were installed as part of a previous project. Maintenance of the new medians will be provided by the College Heights Enhanced Maintenance Assessment District (College Heights EMAD).

On September 8, 2004 the City Council and Redevelopment Agency made the necessary findings and authorized the contribution of \$1.75 million from the Crossroads Redevelopment Project Area to the City for the purpose of financing the El Cajon Boulevard Median Improvements. On August 8, 2006 the City Council authorized the construction of the El Cajon Boulevard Median Improvements. Engineering and Capital Projects – Transportation Engineering received six construction bids by October 10, 2006. The lowest bid exceeded the engineer's estimate by \$385,000 or 21-percent. All of the bids were within 5-percent of each other.

The engineer's estimate was prepared in June 2006 based on previous bids for similar projects and with input from the Landscape Architect designer. However, the actual bids received were significantly higher (reflecting a volatile bidding environment). The cost for installing the irrigation system and plant material is higher than anticipated. Agency and City staffs believe that re-advertising the project would increase the cost of the project and delay the implementation of the project. The funding gap of \$385,000 will be dealt with by an additional contribution of \$340,000 of Crossroads Redevelopment Project Area tax increment funds and \$45,000 from the College Heights EMAD.

California Community Redevelopment Law requires that certain findings be made by the Redevelopment Agency and the City Council prior to the expenditure of Agency funds for public improvements. The replacement of substandard median curbs and the installation of landscaping and irrigation will assist in the elimination of blighting conditions inside the Project Area, and that the medians and landscaping are consistent with the Redevelopment Plan and the Five-Year Implementation Plan. The landscaping will be maintained by the College Heights EMAD.

The contract for this project received bids on October 31, 2006. The apparent low bid contractor (3-D Enterprises, Inc.) will be authorized to proceed with the base bid in early January 2007 and the pre-construction meeting will be later in January 2007, after the notice to proceed is issued. Work will begin in early February 2007 and completed in late July 2007. If the additional work in the additive alternatives (landscape and irrigation, community signs, sign illumination) is authorized (upon receipt of additional funds), the contract will be extended an additional 64 working days, completing in October of 2007.

FISCAL CONSIDERATIONS:

Funds in the amount of \$340,000 are available from tax increment within the Crossroads Redevelopment Project Area, and \$45,000 are available from assessments within the College Heights EMAD for this project. The total cost of this project is anticipated to be \$2,410,920. The funding consists of \$2,090,000 in tax increment funds, \$60,000 of Water Department funds, \$200,000 of Transnet funds for a traffic signal, \$45,000 of College Heights EMAD funds and \$15,920 of County of San Diego funds for the community signs.

PREVIOUS AGENCY and/or COUNCIL ACTION:

The Redevelopment Agency provided \$1,750,000 of Tax Increment funds from the Crossroads Redevelopment Project Area on September, 14, 2004 (R-03824). The City Council accepted the Redevelopment Agency funds on September, 14, 2004 (R-299645). The City Council authorized the construction of this improvement project on August 8, 2006 (R-301825).

COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS:

The project is supported by the College Heights EMAD, College Area BID, Crossroads PAC, and College and Eastern community planning groups. Outreach efforts to these groups have been conducted on a regular basis. On November 8, 2006 the Crossroads PAC recommended that the Redevelopment Agency contribute an additional \$340,000 of tax increment funds to the City for this critical community improvement. On November 15, 2006 the College Heights EMAD allocated \$45,000 for the community signs. The apparent low bid contractor was 3-D Enterprises, Inc.

Respectfully submitted,

Maureen Ostrye
Deputy Executive Director

William Anderson
Assistant Executive Director,
Redevelopment Agency/
Director City Planning & Community Investment

Attachments: 1. [Map – El Cajon Boulevard Median Improvements](#)
2. [Findings – Health & Safety Code § 33445](#)