



**Centre City
Development
Corporation**

REPORT NO. CCDC-08-15
CCDC-08-07

DATE ISSUED: May 7, 2008

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Council President and City Council
Docket of May 13, 2008

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Park Boulevard at Harbor Drive Pedestrian Bridge Project –
Approve Final Project Specifications/Plans; Approve Project
Budget Amendment and Encumbrances; Award Construction
Contract; Approve Third Amendment to Agreement for Design
Consulting Services with T.Y. Lin International; Adopt
Maintenance Ordinance; Authorize Conveyance of Agency –
owned Property and Bridge Improvements; and Authorize
Application for and Acceptance of Additional State/Federal
Transportation Funding – East Village Redevelopment District of
the Expansion Sub Area of the Centre City Redevelopment Project

COUNCIL DISTRICT: Two

REFERENCE: None

STAFF CONTACT: William R. Yee, Associate Project Manager
619-533-7139

REQUESTED ACTION: That the Redevelopment Agency of the City of San Diego (“Agency”) and the City Council of the City of San Diego (“Council”) approve all actions as necessary to fund, construct, and maintain the Park Boulevard at Harbor Drive Pedestrian Bridge Project (“Project”) in the East Village area of Downtown.

STAFF RECOMMENDATION:

That the Agency:

- Approve Bid No. KO84022CA and Final Project Specifications/Plans No. 4022A;
- Approve an FY 08 Agency budget amendment reallocating \$850,000 from the Areawide Public Art budget, \$2 million remaining in the Park to Bay Link Project budget (Phase 2), and a \$2.95 million temporary transfer (loan) from the Parks acquisition budget, increasing the Pedestrian Bridge budget by a total of \$5.8 million. (At such time anticipated additional monies for the Project are made available from a State Grant Fund, the funding from the Parks budget will be reinstated).

- Authorize \$24,329,514 for the construction of the Project and related easement acquisitions, fees and inspections;
- Authorize the Executive Director of the Agency, or his designee, to accept the base bid and five deductive alternates and award the construction contract to Reyes Construction, Inc. ("Reyes") in the amount of \$21,672,531, provided all other requirements are met;
- Authorize the Corporation, on behalf of the Agency, to administer said contract when awarded;
- Approve the Third Amendment to Agreement for Design Consulting Services with T.Y. Lin International ("TYL") in an amount not to exceed \$2,469,039 for construction related services (the maximum compensation will not exceed \$5,234,980);
- Recommend that the Council adopt the Maintenance Ordinance requiring the City of San Diego ("City") to maintain the bridge and all other related Project improvements;
- Authorize the conveyance of Agency-owned property and all bridge Project improvements to the City upon Project completion; and
- Authorize acceptance of additional state/federal grade separation grant funding transferred from the City in an amount of approximately \$8.4 million, if the grant application is approved.

That the Council:

- Approve Bid No. KO84022CA and Final Project Specifications/Plans No. 4022A;
- Adopt the Maintenance Ordinance requiring the City to maintain the bridge and all other related Project improvements;
- Accept the conveyance of Agency-owned property and all bridge Project improvements upon Project completion;
- Authorize the Mayor or his representative to make application to the California Transportation Commission for \$8.4 million in Prop 1B grade separation grant funds for Project construction;
- Authorize the Mayor or his representative to take all necessary actions to secure funding from the California Transportation Commission for construction of the Project;
- Authorize the Auditor and Comptroller to accept, appropriate and expend funds if grant funding is secured;
- Authorize the Auditor and Comptroller to establish a special interest-bearing fund for the grants; and
- Authorize the Auditor and Comptroller to appropriate and expend \$8.4 million from a City Fund for the Project, contingent upon receipt of a fully executed grant agreement; and
- Accept state/federal grade separation grant funds of approximately \$8.4 million, and if the grant application is approved, transfer said funds to the Agency.

SUMMARY: On April 25, 2007, the Corporation approved a recommendation to authorize advertisement of the Project for construction. Final Project approval was granted by the Federal Highway Administration ("FHWA") on September 28, 2007, and the Project was advertised for requests to bid construction on October 15, 2007. Two bids were opened on January 24, 2008,

Chair and Members of the Redevelopment Agency
Council President and City Council
Docket of May 13, 2008
Page 3

and rejected by the City of San Diego's Contracting & Purchasing Department due to substantial technical deficiencies in both bids.

The Project team along with staff from the City's Engineering & Capital Projects and Contracting & Purchasing departments, subsequently conducted an exhaustive review of the original bid documents and made revisions and clarifications. Also, extensive outreach was conducted again to obtain widespread participation from the contracting community. The Project was re-advertised February 25, 2008, and on March 25, 2008 bids were opened from Reyes and FCI Constructors, Inc. ("FCI"). The base bid from Reyes was for \$24,909,964 and from FCI for \$28,942,135.

The low bidder was Reyes with a base bid of \$24,909,964, deductive alternates in the amount of <\$3,685,756>, with a net bid of \$21,224,208. The deductive alternates value engineer the bridge to a lower cost by simplifying the elevators and elevator structure; substituting stainless steel mesh panels for glass panels; simplifying lighting systems for the bridge deck, soffits, landscaping; reducing landscaping and removing the artwork elements (Attachment A). The City's Contracting & Purchasing Department has completed their review of Reyes' bid documents and they have been deemed the lowest, responsive and responsible bidder. No bid protests were received within the 10-day protest period. Staff is recommending all actions necessary to implement Project construction.

FISCAL CONSIDERATIONS: The FY 08 Agency Budget contains a balance of \$20,996,570 for this Project. This is anticipated to be funded by \$11.2 million from the Agency, \$4.8 million from federal funds, and \$4.9 million in private funds. In addition, a budget amendment is requested reallocating \$850,000 from the Public Art budget; \$2 million remaining in the Park to Bay Link Project budget (Phase 2), and a \$2.95 million temporary transfer (loan) from the Parks acquisition budget. Funds would be available, after amendments, of \$24,329,514 for construction of the Project and related easement acquisitions, fees and inspections; and \$2,469,039 for the Third Amendment to Agreement for Design Consulting Services with TYL for construction related services.

Several discussions have been held recently with City, SANDAG, and state transportation officials regarding obtaining additional grade separation bond grant funds to cover the Project costs, including additional improvements such as public art, that as of now have been eliminated to reduce costs. There are strong indications that this Project, due to its readiness and importance to the region, would be a very likely candidate to receive additional bond grant funds. Applications for the bond grant funding of \$8.4 million are due in June and would be considered for approval by the State's California Transportation Commission ("CTC") in late August 2008. At such time anticipated additional monies for the Project are made available from the state grant fund, the funding from the Parks budget will be reinstated. If the bond grant funds are not approved, private sector and other tax increment funds would need to be appropriated.

OTHER RECOMMENDATIONS: None.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On April 30, 2008, the Centre City Development Corporation Board approved this item.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: In 2004, three stakeholder groups (Civic/Community, Technical/Agency, Design Community) were established comprised of representatives from the City of San Diego (Mayor and Council offices), Corporation, Centre City Advisory Committee (“CCAC”), Port of San Diego, Gaslamp Quarter and East Village associations, Downtown San Diego Partnership, design community, and others to solicit input regarding the Project’s conceptual designs and to make a recommendation for the preferred design. Several community forums were also held to gather feedback from the general public regarding the conceptual designs and the preferred option.

Since that time, periodic Project updates have been provided to the Agency/Council, the Corporation Board and its Real Estate and Budget/Finance and Administration committees, the Port of San Diego, the CCAC, the East Village and Gaslamp Quarter associations and the Downtown San Diego Partnership and surrounding stakeholders. Public outreach efforts have included Project presentations to local community groups and associations; regional design/engineering and construction professional associations; Project publications in regional trade periodicals and Project postings on the Corporation’s website.

BACKGROUND: This Project advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project by:

- Creating public spaces and wide promenades providing easy pedestrian access to the waterfront and spectacular city-wide views;
- Providing safe, efficient and environmentally sensitive transportation systems;
- Encouraging the expansion of the business district and establishing linkages to San Diego Bay and the Embarcadero; Strengthening the economic base of downtown with public improvements to support and stimulate new development; and
- Minimizing the conflict between pedestrians, and vehicular/rail traffic.

DEVELOPMENT TEAM

ROLE/FIRM	CONTACT	OWNED BY
Developer: CCDC/Agency/City	William R. Yee, David Allsbrook Abi Palaseyed, Senior Civil Engineer	(Publicly Owned)
Engineer: T.Y. Lin International	Mark Ashley, Senior Vice President Joe Tognoli, Vice President	TYLI Group Limited, Owner John Haussmann, CEO Man-Chung Tang, Chairman of the Board (Privately Owned)
Architect: Safdie Rabines Architects	Ricardo Rabines, Principal Eric Lindebak, Associate	Ricardo Rabines Taal Safdie (Privately Owned)

DISCUSSION

Project Description - The Project consists of construction of a pedestrian bridge on the easterly side of the intersection of Harbor Drive and Convention Way near Petco Park in the East Village neighborhood. The bridge will provide pedestrian access over Harbor Drive and the railroad tracks, spanning from the existing San Diego Convention Center hotel parking structure on the south side of Harbor Drive to the proposed site of the Ballpark Village development on the north side of the railroad tracks and the east side of Park Boulevard. The Project will also include construction of public open space plazas on both sides of Harbor Drive, including a stand-alone elevator tower on the North Plaza adjacent to the future Ballpark Village development. At this time, the Project does not include the At-Grade Crossing Improvement Project, which is currently in design, will require future approval, and is required prior to the re-opening of Park Boulevard to vehicular traffic.

Due to the high civic importance of the Project location adjacent to Petco Park, Harbor Drive, and the waterfront, the pedestrian bridge will provide a very high level of aesthetic quality, as it is viewed by the region as a gateway and an iconic addition to the downtown skyline.

Project Budget/Funding/Agency Participation (Attachment B) - Per public contract law, the Reyes bid with any deductive alternates must be accepted at the beginning of the Project, when the Notice to Proceed is issued. Award of the contract by June 30, 2008 will ensure that the \$2,000,000 of state/federal funds will be received.

<u>Sources of Funds</u>	<u>Total Budget</u>	<u>Current FY 08</u>	<u>New FY 08</u>
Agency (64%)	\$17,098,553*	\$11,296,570	\$5,801,983
FHWA – SAFETEA-LU (10.4%)	\$2,800,000	\$2,800,000	
FHWA/STIP/SANDAG (7.5%)	\$2,000,000	\$2,000,000	
Private Contribution – JMI Realty (18.1%)	\$4,900,000	\$4,900,000	
Total	<u>\$26,798,553</u>	<u>\$20,996,570</u>	<u>\$5,801,983</u>

(* =does not include \$3 million pre-construction costs spent to date)

Uses of Funds

Bridge construction (base bid)	\$24,909,964
Deductive alternates accepted	<\$3,237,433>
Total bid accepted	\$21,672,531
Construction contingency (7%)	\$1,517,077
T.Y. Lin (Phase 3 - construction)	\$2,469,039
City permitting/testing/inspection	\$695,605
Right of Way (acquisition, flagging, permitting)	\$444,300
Total	<u>\$26,798,553</u>

Deductive Alternate summary – Value engineering was conducted by the Project team throughout the conceptual, schematic, design development and final design phases. After the final design was completed, the Corporation and Council, responding to concerns raised related to the increasing Project construction costs, directed the Project team to conduct an additional Value engineering analysis to identify any other areas in which to trim costs. A total of nine items were identified by the Project team during the follow-up Value Engineering analysis (Attachment A). Those nine items were incorporated into the Project bid specifications as deductive alternates and interested bidders were required to submit a bid on both the base/original design and the deductive alternate design items. The cost saving deductive alternates are identified below:

- A. Bridge railing changes – substitute lower maintenance perforated stainless steel mesh panels for glass panels = <\$1,048,480>;
- B. Modify polymer overlay on bridge deck – remove the low-maintenance, higher cost bridge deck overlay to exposed concrete surface only = <\$46,998>;
- D. Elevator tower – substitute a standard, box-like single-sided glass tower, with standard elevator systems for the original elliptical shaped all-glass elevator tower and custom cab system = <\$1,760,068>;
- E. Eliminate rock landform in the area between Harbor Drive and the railroad right of way = <\$49,460>;
- F. Eliminate boulders and bollards on both North and South plazas = <\$367,925>;
- H. Eliminate art program = <\$11,500>;
- J. Eliminate landscape lighting on both North and South plazas = <\$20,400>;
- K. Eliminate bridge soffit lighting = <\$117,700>; and
- L. Change bridge deck lighting – substitute lower cost post-mounted standard light fixtures for LED light system = <\$263,225>.

Reyes' bid documents included <\$3,685,756> in savings for the nine deductive alternates. After thorough review by the Project team, the acceptance of deductive alternates A, D, E, F, and H for a total savings of <\$3,237,433> is recommended. The remaining four deductive alternates (B, J, K, L) improve future maintenance and safety/security and are included in the base bid due to the relatively minor costs.

Alternate Bridge Type Evaluation - The Project team also analyzed other bridge types (concrete box girder, cable stay and arch). Results confirmed that proceeding with an alternate bridge type development at this time is not recommended and would likely result in extensive time delays, continued construction cost increases, entitlement risks, loss of regional/state/federal funding, and re-negotiation of legal agreements with the Unified Port District of San Diego ("Port"), Metropolitan Transit System ("MTS") and Burlington Northern Santa Fe Railway ("BNSF"). More detail on the alternate bridge type evaluation is provided in Attachments C and D.

Approval of Final Project Specifications/Plans - While the Council/Agency/Corporation approved the Basic Concept/Schematic Drawings for the Project in February 2005, a formal action to approve the Final Project Specifications/Plans No. 4022A has been requested by the City's Engineering & Capital Projects Department as documentation for this Federal-Aid Project.

Third Amendment to Design Consulting Services Agreement with T.Y. Lin International (for Phase 3 – construction) - The proposed Third Amendment to Agreement for Design Consulting Services with T.Y. Lin International is for Phase 3 services (construction support/administration, design support, testing/inspection) in an amount not to exceed \$2,469,039. The City of San Diego's Field Division Office will provide Resident Engineer staff with full Project oversight and responsibilities for final acceptance and approvals of all construction related activities. The following table provides a summary of the financial status of the Agreement:

Original Agreement	August 2004		\$550,000
First Amendment	March 2005		\$1,915,941
Second Amendment	June 2007		\$300,000
Paid to Date		(\$2,473,661)	
Remaining Balance		\$292,280	
Proposed Amendment	April 2008	\$2,469,039	
Amount Available Subsequent to this Amendment		\$2,761,319	

Adopt Maintenance Ordinance - The Agency will convey the bridge and all related improvements to the City upon Project completion. Since the Agency cannot own or maintain any improvements, this Project will require the City to accept full responsibility to maintain the bridge and all related improvements for the life of the bridge. The City is requested to adopt a Maintenance Ordinance (Attachment E) that specifies the responsibilities to be assumed. It is estimated that the maintenance cost will not exceed \$40,000 per year with annual escalations over time.

Conveyance of Agency Property and all Bridge Improvements - The Agency will convey the 5,000 sq. ft. Agency-owned parcel (adjacent to the future Ballpark Village Marriott development) to the City upon Project completion. The Agency-owned parcel will be used for the Project's open space North Plaza which will include the elevator tower and hardscape/landscape improvements (Attachment F).

Authorize Application of and Acceptance of Additional State/Federal Transportation Funds – Several discussions have been held recently with City, SANDAG, and state transportation officials regarding obtaining additional transportation funds. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by voters as Prop 1B in November 2006, has been identified as the most viable funding source to pursue. The Project

team is coordinating with City and SANDAG staff to submit an application for the Grade Separation Program component of Prop 1B to the state by June 16, 2008 in the amount of \$8.4 million. The CTC will consider allocation of transportation funds at its August 27-28 meetings in Sacramento. Funds could be available by year's end.

Proposed Schedule of Performance - Below is a summary of the remaining Project milestones prior to start of construction:

4/30/08	CCDC Board of Directors	Approve Final Project Specifications/Plans; Approve Project Budget Amendment and Encumbrances; Award Construction Contract; Approve Third Amendment to Agreement for Design Consulting Services with T.Y. Lin International; Adopt Maintenance Ordinance; Authorize Conveyance of Agency-owned Property and Bridge Improvements; and Authorize Application for and Acceptance of Additional State/Federal Transportation Funding.
April 2008	Agency/CCDC	Issue letter of intent to award contract to Reyes
5/13/08	Agency/Council	Same actions as 4/30/08 meeting above
June 2008	Agency/CCDC	Issue Notice to Proceed to start construction
6/30/08	California Transportation Commission	State/Federal funding deadline to award contract

Project Benefits - The Project will provide an iconic gateway at Downtown's southern access/egress point; will satisfy the California Public Utilities ("CPUC") legal obligation; complete the 100-year old Park-to-Bay Link vision; will allow for the re-opening of the Park Boulevard at Harbor Drive intersection to vehicles, resulting in more efficient traffic circulation; will decrease response times for fire/life safety vehicles; and will allow access to/from the San Diego Convention Center, hotels, parking garages and the waterfront.

Environmental Impact - On February 8, 2005, the Agency, (by Resolution No. 03869), certified that the Agency had reviewed and considered information in the Mitigated Negative Declaration ("MND") prepared for the Project, and made certain findings and determinations that the development was not expected to have any adverse impacts on the environment.

This is a Federal-Aid Project, administered by the State of California's Department of Transportation ("Caltrans") and the FHWA. A component of the federal funding requires compliance with the National Environmental Policy Act ("NEPA"), the nation's most comprehensive environmental standards. All required Project documents were prepared and submitted pursuant to the NEPA guidelines. On June 5, 2006, the FHWA determined that the Project was in compliance and completed the NEPA process.

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. At the June 26, 2007 Council and Agency meeting, the Project's findings were approved with respect to the benefits of the proposed improvements in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project; the unavailability of other 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.

EQUAL OPPORTUNITY: This Federal-Aid Project is required by Caltrans to utilize race-neutral Disadvantaged Business Enterprise (DBE) guidelines. For additional outreach to the contracting/vendor/supplier communities, bid solicitations were advertised in the *San Diego Daily Transcript*, *Filipino Press*, *El Latino*, and *San Diego Voice* and *Viewpoint*. Also, the Corporation used its extensive data base of certified contractors, eBidboard, the Daily Transcript Online Plan Room, Blue Hornet, CCDC's website (www.ccdc.com), the Green Sheet, Contractor News and Views, community/trade and ethnic organizations, and the Public Agency Consortium.

T.Y. Lin International

TYL was selected through a Request for Qualifications ("RFQ") process. TYL is not certified as a M/W/D/DVBE firm. On April 23, 2004, TYL submitted a Work Force Report to the City of San Diego for analysis, which indicated a total of 22 employees of which 5 are females and 8* are members of an under-represented ethnic group.

- * (2) Latinos
- (2) Asian-American males
- (1) Asian-American females
- (3) Filipino-American males

Current area of under-representation for TYL's Work Force is as follows: Women in the Technical Category

Although there was an area of under-representation, the City of San Diego determined the overall category exceeded the desired goal, and therefore an Equal Employment Opportunity Plan was not required.

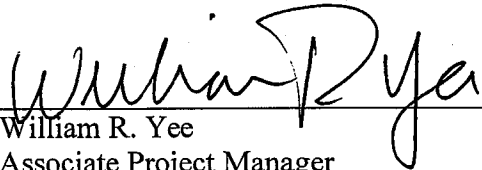
Reyes Construction, Inc.

Reyes, the confirmed lowest responsible and responsive bidder for the Project, is required per the bid specifications to provide a Work Force Report by the time of contract award. In addition, Reyes' work force numbers will be provided monthly during Project construction, in the Corporation's Semi-Annual Equal Opportunity Report and in a final report to be submitted when the Project is completed.

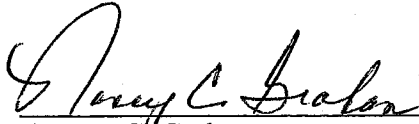
CONCLUSION: Staff recommends that the Agency and Council approve the following actions: approve Final Project Specifications/Plans; approve Project Budget Amendment and Encumbrances; award construction contract; approve Third Amendment to Agreement for Design Consulting Services with T.Y. Lin International; adopt Maintenance Ordinance; authorize Conveyance of Agency-owned Property and Bridge Improvements; and authorize application for State/Federal Grade Separation Grant Funds in the amount of \$8.4 million, and acceptance of additional state/federal transportation funding if approved.

Respectfully submitted,

Concurred by:



William R. Yee
Associate Project Manager



Nancy C. Graham
President

Attachment(s): A - Value Engineering Analysis
B - Project Budget
C - Alternate Bridge Type Evaluation
D - Alternate Bridge Type Images
E - Maintenance Ordinance (draft)
F - Map of Agency Property to be Conveyed