



DATE ISSUED: November 12, 2008 REPORT NO. CCDC-08-34

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of November 18, 2008

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Simon Levi Building (Southeast corner of the intersection of
Seventh Avenue and J Street) – Rehabilitation Grant Agreement
with Simon Levi LLC for Adjacent Streetscape Improvements --
East Village Redevelopment District of the Expansion Sub Area of
the Centre City Redevelopment Project

COUNCIL DISTRICT: Two (2)

REFERENCE: None

STAFF CONTACT: John L. Anderson, Senior Project Manager, Public Works
(619) 533-7140

REQUESTED ACTION:

That the Redevelopment Agency of the City of San Diego (“Agency”) approve the proposed Rehabilitation Grant Agreement with Simon Levi LLC, to install streetscape improvements adjacent to the Simon Levi Building.

STAFF RECOMMENDATION:

That the Agency approve the proposed Rehabilitation Grant Agreement (“Grant Agreement”) with Simon Levi LLC (“Property Owner”), to allow for the Property Owner to install streetscape improvements adjacent to the Simon Levi Building, located at the southeast corner of the intersection of Seventh Avenue and J Street in the East Village Redevelopment District of the Expansion Sub Area of the Centre City Redevelopment Project (“Project” – Attachment A), in an amount not to exceed \$250,000, and authorize \$14,000 for City Engineering services for a total project amount not to exceed \$264,000.

SUMMARY:

The proposed Project would rehabilitate the streetscape improvements adjacent to the historic Simon Levi Building, including new curb and gutter on Seventh Avenue, new sidewalks on Seventh Avenue and J Street, and new street trees with grates and an irrigation system on J Street. A Grant Agreement (Attachment B) providing Agency funds in an amount not to exceed \$250,000 would be provided to the Property Owner who would be responsible for removing certain existing substandard improvements and installing new improvements to bring the

streetscape improvements adjacent to the Simon Levi Building into conformance with the streetscape improvements throughout the Ballpark neighborhood.

FISCAL CONSIDERATIONS:

Agency funds in the amount of \$350,000 are available in the Fiscal Year 2009 Budget for the Project. The Grant Agreement provides for the expenditure of an amount not to exceed \$250,000 in reimbursement to the Property Owner. City staff work order funding for inspection and material testing in the amount of \$14,000 will be paid directly by the Agency from funds allocated in the 2009 Budget. The total project cost is not to exceed \$264,000.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On October 22, 2008, the Centre City Development Corporation Board of Directors voted unanimously in favor of the proposed Grant Agreement to allow for the Property Owner to install streetscape improvements adjacent to the Simon Levi Building, in an amount not to exceed \$250,000, and authorize \$14,000 for City Engineering services for a total project amount not to exceed \$264,000.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

DEVELOPMENT TEAM

ROLE	FIRM/CONTACT	OWNERSHIP
Property Owner	Simon Levi LLC/ Bud Fischer/ Howard Greenberg	Arnold G. Fischer, Trustee of Arnold G. and Esther Fischer Family Trust/ Howard B. Greenberg, Trustee under Greenberg Inter Vivos Trust (Privately Owned)

BACKGROUND:

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

- Removing public blight through public/private partnership to replace outdated public improvements;
- Continued preservation of historically-significant structures; and
- Addressing blighting conditions in the Project area through improvements to existing water and sewer lines, streets, sidewalks, parkways and lighting in the public right-of-way.

The City had intended to install new streetscape improvements adjacent to the Simon Levi Building as part of the Ballpark Project. The City prepared improvement drawings but raised concerns about the structural integrity of the building's basement beneath the existing sidewalks. Before the issue was resolved, the City exhausted the Ballpark Project infrastructure funds. The Property Owner has since improved the structural integrity of the basement and has confirmed that the basement is capable of accepting the appropriate improvements. For the last several years, Corporation staff has been in discussions with the Property Owner about an approach to install streetscape improvements to bring the public right-of-way adjacent to the Simon Levi Building into conformance with the public rights-of-way throughout the neighborhood.

The Property Owner has accepted the latest proposed design and specifications for the streetscape improvements and is ready to move forward with the Project.

DISCUSSION:

Project Description – The proposed Project would rehabilitate the streetscape improvements adjacent to the Simon Levi Building, located at the southeast corner of the intersection of Seventh Avenue and J Street, including new curb and gutter on Seventh Avenue, new sidewalks on Seventh and J Streets, and new street trees with grates and an irrigation system on J Street.

Project Financing – Agency funds in the amount of \$350,000 are available in the Fiscal Year 2009 Budget for the Project. The Grant Agreement provides for the expenditure of an amount not to exceed \$250,000 in reimbursement to the Property Owner. Eligible reimbursement expenses include construction costs in the estimated amount of \$202,872, which includes all demolition, placement of a new driveway, basement waterproofing, sidewalk Lithocrete surface (specialized sidewalk surfacing product) over the existing basement, sidewalk outside the basement area, miscellaneous repairs to improvements in the right-of-way, and installation of new landscape trees and irrigation, bonding, insurance, prevailing wages, traffic control and related fees, construction management costs estimated to be \$1,500, engineering support and as built drawings in the amount of \$4,000, and a contingency amount of \$41,628. As the Project involves an old basement, there may be unknown conditions that may increase construction costs and expend contingency funds. A City of San Diego ("City") staff work order funding for inspection and material testing in the amount of \$14,000 will be paid directly by the Agency from funds allocated in the 2009 Budget, for a total project cost not to exceed \$264,000. The Agency's approval of the Grant Agreement will allow the Property Owner to enter into a contract with a qualified general contractor. The Property Owner has publicly advertised and received multiple proposals for the work with the low proposal from HTA Construction and Engineering to be accepted. Pursuant to State law, the contract requires the payment of State prevailing wages since Agency funds are being expended.

Participation by Agency – The Agency would provide funds in an amount not to exceed \$264,000, from the Agency Fiscal Year 2009 Project Budget.

Project Benefits – The proposed Project would bring the Simon Levi Building into conformance with the streetscape improvements throughout the Ballpark neighborhood.

The proposed Project would rehabilitate the streetscape improvements adjacent to the Simon Levi Building, located at the southeast corner of the intersection of Seventh Avenue and J Street, including new curb and gutter on Seventh Avenue, new sidewalks on Seventh Avenue and J Street, and new street trees with grates and an irrigation system on J Street. The Grant Agreement, providing Agency funds in an amount not to exceed \$250,000, would be provided to the Property Owner who would be responsible for removing certain existing substandard improvements and installing the new streetscape improvements.

The proposed Agreement would require the Property Owner to undertake and complete the streetscape improvements in accordance with plans and specifications approved by the City, obtain permits as required by the City, and an Encroachment Removal and Maintenance Agreement executed between the Property Owner and the City. The Property Owner would contract with a qualified general contractor to complete the work. The Grant Agreement funds would be disbursed to the Property Owner based on construction draw requests submitted by the contractor to, and approved by, the Property Owner. The Property Owner assumes any liability with regard to construction-related issues, including any associated with the underlying basement.

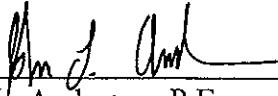
Environmental Impact – This activity is not a “project” under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the Activity is not subject to CEQA.

CONCLUSION:

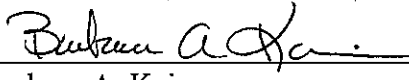
Approval of the Grant Agreement would provide the means to rehabilitate the streetscape improvements adjacent to the historic Simon Levi Building, including new curb and gutter on Seventh Avenue, new sidewalks on Seventh Avenue and J Street, and new street trees with grates and an irrigation system on J Street which would bring the Simon Levi Building into conformance with the streetscape improvements throughout the Ballpark neighborhood.

Respectfully submitted:

Concurred by:



John I. Anderson, P.E.
Senior Project Manager, Public Works



Barbara A. Kaiser
Vice President—Real Estate Operations

Attachments: A – Site Map
B – Rehabilitation Grant Agreement