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REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
November 6, 2007

Honorable Mayor and
Members of the City Council

Title: Award Contract: Phase II, Fulton Avenue Development Project (PN: CB39) and Transfer Funds

Location/Council District: 3701 Fulton Ave. (District 2)

Recommendation: Adopt a **Resolution:** 1) approving plans and specifications; 2) awarding a construction contract with Marques Pipeline in the amount of $2,255,979 for Phase II of the Fulton Avenue Development Project (PN; CB39); 3) defunding the Raley Boulevard and Ascot Avenue Public Improvements for Frito-Lay and transferring Raley Boulevard and Ascot Avenue funds to the Fulton Avenue Development Project.

Contact: Dean Peckham, Senior Project Manager, (916) 808-7063; Jim Rinehart, Citywide Economic Development Manager (916) 808-5054, Jon Blank, Supervising Engineer, Department of Transportation, (916) 808-7914.

Presenters: N/A

Department: Economic Development

Division: Citywide Economic Development

Organization No: 4453

Description/Analysis

Issue: As part of the Fulton Avenue Development project, the City is ready to begin construction of Phase II of the site construction (roads, traffic signals, water, sanitary sewer lift station improvements and traffic signal). The Department of Transportation, acting as the City's Construction Contract Manager, issued the bid package for the subject work on September 7, 2007. Bids were received on Oct 10, 2007 from sixteen (16) responsible construction firms. Six of the bids were determined to be nonresponsive and disqualified. City Council approval is necessary to move forward with awarding the construction contract.

Since the Fulton Avenue Development project has experienced an increase in construction costs associated with the remediation of the site and related additional grading, staff is also requesting that Council defund the existing EDCIP Funds for Raley Boulevard and Ascot Avenue Frito–Lay improvements and transfer those funds to the Fulton Avenue Development Project to help defray some of the Phase II site construction costs.

On May 24, 2005, the Council approved Resolution #2005-353 approving the utilization of capital project funds programmed for Economic Development activities and Economic Development Assistance Program funds to pay for off-site public improvements associated with the approved Frito-Lay warehouse/distribution facility at the southeast corner of Raley Blvd. & Ascot Avenue in District Two (2). Since the approval of the agreement, Frito-Lay has not constructed the proposed facility, but rather has expanded its operations in West Sacramento across the street from its existing facility at 3810 Seaport Blvd.

Because of the increased costs attributable solely to site remediation on the Fulton Avenue Development Project , CRCIP bridge loan funds which were to be directed towards Phase II off-site construction, were reallocated, necessitating the transfer of the Frito-Lay EDCIP funds to complete this project. Accordingly, staff is requesting the transfer of the Raley Boulevard and Ascot Avenue funds to the Fulton Avenue Development.

Policy Considerations: The action requested herein is consistent with the Sacramento City Code, title 3 governing public bidding and contracting requirements and City of Sacramento Strategic Plan goals to expand economic development throughout the City.

Environmental Considerations: The City Council certified an Environmental Impact Report and adopted a Mitigation Monitoring Plan for this project on January 16, 2007.

Rationale for Recommendation: Marques Pipeline Construction is the lowest responsive and responsible bidder. Upon completion of the funding transfers there will be sufficient funding available to complete the project.

Financial Considerations: Financing for this project had been provided by pre-development funding in the amount of $500,000; by CRCIP bridge loan funding of $6.4 million, and by EDCIP funding of $1,91 million which has been reprogrammed, necessitating the request to defund and transfer the Raley Boulevard and Ascot Avenue funds..

The new funding breakdown is as follows:

Pre-development:	$500,000	
CRCIP Bridge Loan Funds:	$6,400,000	
Raley/Frito Lay:	$1,247,764	
EDCIP:	$1,356,836	
Subtotal	**$9,504,600**	**($694,600 over 2006 estimate, 7.88% increase)**

It should be noted that Rapton Honda is required to pay for the entire cost ($3 million) of capping the 20 acre site – a necessary component of the approved remediation plan.

The following budget transfers are being recommended to fully fund the final phase of construction and complete the project.

Fulton Avenue Development Funding Summary

Current Project Budget: **$12.5 Million**

Construction Estimate to Complete Project: **$11.8 Million**

Proposed Funding Transfers to the Fulton Avenue Development project (CB39)

Name	CIP#	Funding Source	Amount
Raley/Ascot Street Street Improvements	TU81	Measure A (201)	$ 722,476
ED-Transportation FY 06 & 07	TP06/TP07	Measure A (201)	$ 677,522
ED-Raley at Ascot & Rapton Utilities	XO03/XO08	Sewer (414)	$ 275,000
ED Raley at Ascot & Rapton Utilities	XO03	Water (413)	$ 417,954
ED-Utilities program FY07 & 08	XO06	Water (413)	$ 264,807
ED Raley at Ascot	XO03	General (101)	$ 246,639

Subtotal of Budget Transfers: **$2,604,400**

Available Funding in the Fulton Avenue Development Project (CB39) $825,264

FUNDING TOTAL FOR FINAL CONSTRUCTION PHASE **$3,429,664**

Emerging Small Business Development (ESBD): The ESBD goal is 20%. To encourage small and emerging business participation, plans and specifications were sent to 14 plan rooms and construction service organizations for publication. All are directly involved with ESBD construction firms. The project was also announced on the City's Project Internet site at www.cityofsacramento.org/bids. Marques Pipeline submitted a bid with thirty fifty percent (50%) ESBD participation.

Respectfully Submitted by: _____
James R. Rinehart
Citywide Division Manager, Economic Development

Approved by: _____
David L. Spaur
Director of Economic Development

Recommendation Approved:

_____
RAY KERRIDGE
City Manager

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Attachment 1

Background Information:

In 2002, the City Council directed staff to examine potential alternatives for the "highest and best" uses for the 21-acre Sacramento Trapshoot Club Site adjacent to Haggin Oaks Golf Course. In 2004, Mel Rapton Honda, currently located on Fulton Avenue, submitted a written request to the City to lease a portion of the existing property. An Exclusive Rights to Negotiate was executed on June 1, 2004, between the City and Mel Rapton Honda.

In July 2004, the City initiated a process under the regulatory oversight of the County of Sacramento Environmental Management Department and the California Regional Water Quality Control Board (Board) wherein the contamination of the site would be characterized and appropriate remediation would be developed and ultimately implemented.

In July 2005, the City initiated the process of pursuing various permits from the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife Service associated the on-site wetlands and related habitat.

On June 30, 2006, the lease to the Sacramento Trapshoot Club was terminated.

On December 12, 2006 the City Council approved the Conditions Precedent Agreement between the City of Sacramento and Mel Rapton Honda that memorializes the parties' progress in negotiating a lease and commits the parties to perform specified tasks.

In January 2007 the City Council approved the Environmental Determination: Environmental Impact Report; Mitigation Monitoring Plan; General Plan Amendment to redesignate 20± (twenty) gross acres from Parks, Recreation and Open Space to Heavy Commercial/Warehouse; Rezone of 20± (twenty) gross acres from the Single Family (R-1) zone to the Heavy Commercial Planned Unit Development (C-4 PUD) zone; Establishment of the Fulton Avenue Planned Unit Development (PUD), including PUD Guidelines and a PUD Schematic Plan; Tentative Parcel Map to subdivide one parcel into two (2) parcels; Subdivision Modifications to allow non-standard streets and elbows rezoning and tentative map for the Fulton Avenue development (former Sacramento Trapshoot Club).

In March 2007 the County of Sacramento Environmental Management Department approved the Final Implementation Plan for the remediation of the Fulton Avenue Development site (formerly Sacramento Trapshoot Club).

In May 2007 Teichert Construction was award the contract for the site remediation and grading associated with the development of the 20 acre site.

The Fulton Avenue Development Project (PN: CB37) consists of two phases. Phase I consists of implementation of the remediation plan and provides a buildable site to Mel Rapton Honda. Phase II consists of building the public infrastructure such as roads, utilities, traffic signal, water main, and sewer lift station improvements and other improvements necessary to access the site.

BIDS SUMMARY Attachment 2

Phase I improvements were completed in September 2007. Phase II improvements were advertised on September 7, 2007, and sixteen (16) bids were received on October 10, 2007. Six of the bids were determined to be nonresponse and subsequently disqualified. Marquez Pipeline is the lowest responsive bidder. The bids are summarized below:

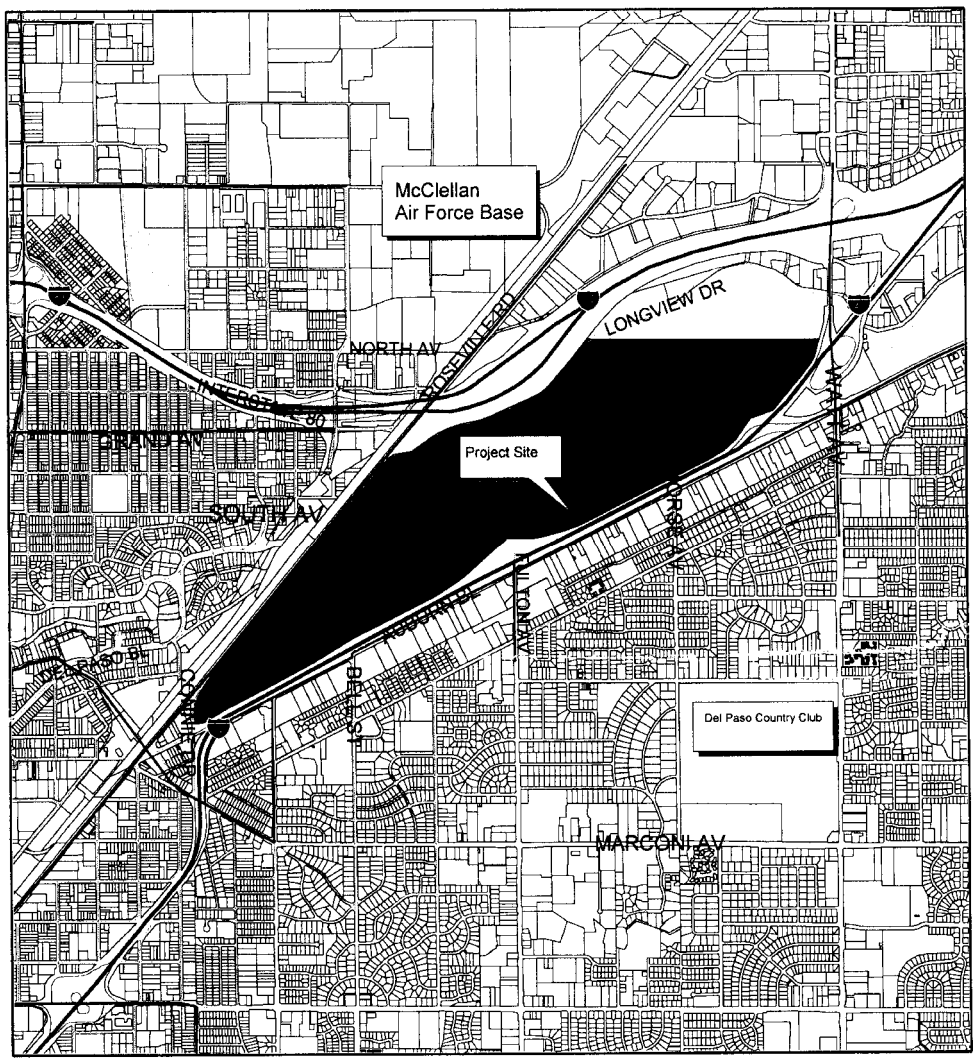
CONTRACTOR	TOTAL BID	ESBD %
Marques Pipeline	$2,255,979.00	50.0%
Independent Construction *	$2,256,701.57	37.9%
DeSilva Gates Construction	$2,257,418.00	22.7$
C & D Contractors*	$2,299,568.30	84.5%
Teichert Construction Company	$2,299,568.30	29.9%
Martin Brothers Construction*	$2,419,576.40	28.9%
Westcon Construction*	$2,439,965.00	45.3%
AC General Engineering, Inc.	$2,492.780.02	26.9%
The Beebe Corporation, Inc.	$2,539.176/.0	87.6%
Western Engineering	$2,548,759.60	15.3%
McGuire And Hester*	$2.560.327.60	29.2%
Navajo Pipelines, Inc.	$2,624,428.50	58.3%
C & C Construction	$2,629,932.00	28.9%
Sierra National Construction	$2,716,613.00	29.1%
Yubacon, Inc.*	$2,758,559.00	68.2%
Granite Construction Co.	$2.800,797.00	27.9%
Average Bid	$2,492,108.62	
Low Bid	**$2,255,979.00**	

*Bids were determined to be nonresponsive and subsequently disqualified.

The engineer's estimate for the project was $2,200,000.

Phase II construction is expected to begin in November, 2007 and be completed by April 2008. Mel Rapton Honda is expected to begin construction on their building in November 2007 also and be open for business by October 2008.

LOCATION MAP ATTACHMENT 3



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City of Sacramento
Development Services
February 3, 2006

Vicinity Map

Fulton Avenue Development P06-012

N W E S

Attachment 4

RESOLUTION NO.

Adopted by the Sacramento City Council

Award Contract for Phase II of the Fulton Avenue Development Project (PN: CB39) and Transfer Funds from the Raley Boulevard and Ascot Avenue Public Improvement for Frito-lay Projects to the Fulton Avenue Development Project (CB39)

BACKGROUND

A. In 2002, the City Council directed staff to examine potential alternatives for the "highest and best" uses for the 21-acre Sacramento Trapshoot Club Site adjacent to Haggin Oaks Golf Course. In 2004, Mel Rapton Honda, currently located on Fulton Avenue, submitted a written request to the City to lease a portion of the existing property. An Exclusive Rights to Negotiate was executed on June 1, 2004, between the City and Mel Rapton Honda.

B. In July 2004, the City initiated a process under the regulatory oversight of the County of Sacramento Environmental Management Department and the California Regional Water Quality Control Board (Board) wherein the contamination of the site would be characterized and appropriate remediation would be developed and ultimately implemented.

C. In July 2005, the City initiated the process of pursuing various permits from the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife Service associated the on-site wetlands and related habitat.

D. On June 30, 2006, the lease to the Sacramento Trapshoot Club was terminated.

E. On May 23, 2006 the City Council approved the Community Reinvestment Capital Improvements Program (Resolution #2006-365) and directed that $6.4 million for bridge loan funding be directed towards the remediation and development of the Fulton Avenue Development Project.

F. On December 12, 2006 the City Council approved the Conditions Precedent Agreement between the City of Sacramento and Mel Rapton Honda that

memorializes the parties' progress in negotiating a lease and commits the parties to perform specified tasks.

G. In January 2007 the City Council approved the Environmental Determination: Environmental Impact Report; Mitigation Monitoring Plan; General Plan Amendment to redesignate 20± (twenty) gross acres from Parks, Recreation and Open Space to Heavy Commercial/Warehouse; Rezone of 20± (twenty) gross acres from the Single Family (R-1) zone to the Heavy Commercial Planned Unit Development (C-4 PUD) zone; Establishment of the Fulton Avenue Planned Unit Development (PUD), including PUD Guidelines and a PUD Schematic Plan; Tentative Parcel Map to subdivide one parcel into two (2) parcels; Subdivision Modifications to allow non-standard streets and elbows rezoning and tentative map for the Fulton Avenue development (former Sacramento Trapshoot Club).

H. In March 2007 the County of Sacramento Environmental Management Department approved the Final Implementation Plan for the remediation of the Fulton Avenue Development site (formerly Sacramento Trapshoot Club).

I. In May 2007 Teichert Construction was award the contract for the site remediation and grading associated with the development of the 20 acre site.

J. The Fulton Avenue Development Project (PN: CB39) consists of two phases. Phase I consists of implementation of the remediation plan and provides a buildable site to Mel Rapton Honda. Phase II consists of building the public infrastructure such as roads, utilities, traffic signal, water main, and sewer lift station improvements and other improvements necessary to access the site.

K. Phase I improvements will be completed in Mid-November 2007 September 2007. Phase II improvements were advertised on September 7, 2007, and sixteen (16) bids were received on October 10, 2007.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Plans and specifications for Phase II of the Fulton Avenue Development Project (CB39) are approved.

Section 2. The construction contract for the Phase II base bid is awarded to Marques Pipeline Construction in the amount of $2,255,979.

Section 3. The City Manager is authorized and directed to execute a contract in the amount not to exceed $2,255,979 to Marques Pipeline Construction for Phase II of the Fulton Avenue Development Project (PN: CB39).

Section 4: The City Manager is authorized and directed to defund and transfer the following funds to the Fulton Avenue Development project (CB39):

Proposed Funding Transfers to the Fulton Avenue Development project (CB39)

Name	CIP#	Funding Source	Amount
Raley/Ascot Street Street Improvements	TU81	Measure A (201)	$ 722,476
ED-Transportation FY 06 & 07	TP06/TP07	Measure A (201)	$ 677,522
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