



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 17, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

**SUBJECT: CONSTRUCTION OF NEW TRASH ENCLOSURE FOR THE CITY-OWNED
MULTI-TENANT COMMERCIAL BUILDING LOCATED AT 3615-3653 MAIN
STREET AND 3700 SIXTH STREET – IN AN AMOUNT NOT TO EXCEED
\$100,000 AND AWARD THE CONSTRUCTION TO STILLWELL
CONSTRUCTION**

ISSUE:

Approve construction of a new trash enclosure, in an amount not to exceed \$100,000, for the City-owned commercial property located at 3615-3653 Main Street and 3700 Sixth Street (Main Street Building) and award the construction to Stillwell Construction.

RECOMMENDATION:

That the City Council

1. Authorize the construction of a new trash enclosure, in an amount not to exceed \$100,000, for the Main Street Building (Elevation - Attachment);
2. Award the construction to Stillwell Construction of Riverside; and
3. Authorize Inland Pacific Advisors (IPA), the City's property and construction manager, to enter into a contract with Stillwell Construction for the trash enclosure

BACKGROUND/LEGISLATIVE HISTORY:

On October, 6, 2015, the City Council approved a Purchase and Sale Agreement with Stalder Plaza, LP for the sale and development of the Successor Agency-owned Stalder Building and Adjacent Public Parking Lot 42. The trash enclosure currently servicing the Main Street Building is located on Public Parking Lot 42 and will have to be relocated as part of said development.

On October 4, 2016, the City Council approved a Purchase and Sale Agreement with D.R.R. Properties, Inc., for the disposition of the Main Street Building in the amount of \$3,250,000. Escrow opened shortly thereafter and is tentatively scheduled to close on January 18, 2017. However, D.R.R. Properties has agreed to prolong said escrow until the City has completed construction of a new trash enclosure.

DISCUSSION:

The two-story Main Street Building is comprised of 22,257 square feet of ground floor retail and 8,227 square feet of second floor office space and is located in downtown along Main Street across from the Historic Mission Inn Hotel and Spa. Simple Simon's Bakery and Bistro is the anchor tenant and is flanked by various retail users. The second floor is currently occupied by varying office tenants comprising the Center for Arts and Philanthropy.

As required by the City, all commercial, industrial, office and multiple family projects must be equipped with one or more trash enclosures. All such required trash enclosures are required to be enclosed and screened. The current trash enclosure servicing the Main Street Building is located on the adjacent Public Parking Lot 42, which must be relocated as part of the Stalder Plaza, LP mixed-use development project. Please see site depiction below:



Pursuant to the Second Amendment to Agreement for Professional Consultant Services executed on September 3, 2009 with Inland Pacific Advisors (IPA) for the Main Street Building, IPA is the property management firm and the leasing agent/broker for the Main Street Building and is responsible for collecting rents and enforcing existing leases; paying all associated operating expenses, supervising repairs and maintenance; and providing construction management services for all major construction improvement projects for the Main Street Building. This agreement allows IPA, with the approval of the City Council, to hire a general contractor and for IPA to charge up to a maximum fee of 15% for construction management services to oversee work performed by a general contractor.

On October 21, 2016, IPA issued a Request for Proposals to solicit construction bids in efforts to hire a general contractor to build the trash enclosure. IPA received five proposals but three submittals were incomplete and deemed not responsive to the scope of services. Two responsive proposals were received from Stillwell Construction of Riverside in the amount of \$77,706 and Brian Construction Company, Inc. in the amount of \$84,778.

Pursuant to the IPA contract, IPA shall perform construction management services and Stillwell Construction of Riverside, as the lowest bidder, will build the trash enclosure. IPA and all contractors and sub-contractors shall pay general prevailing wage rates as determined by the Director of the Department of Industrial Relations under Section 1720 et. seq. of the California Labor Code and implemented by City Council Resolution No. 13346. The estimated timeline for construction is 4-6 weeks.

The estimated cost breakdown for the new trash enclosure is as follows:

Stillwell Construction:	\$ 77,706
Architectural/Engineering Fees:	\$ 3,000
IPA Construction Management Fee:	\$ 12,494
<u>Contingency Allowance:</u>	<u>\$ 6,800</u>
Total:	\$100,000

Staff recommends that the City Council approve construction of a new trash enclosure, in an amount not to exceed \$100,000, for the Main Street Building.

The Purchasing Services Manager concurs that the recommended actions complies with the City's standards for competitive bids and prevailing wage requirements.

FISCAL IMPACT:

There is no fiscal impact to the General Fund associated with this project. Funding for the project comes from accounts held in trust for the City by our property managers IPA Property Management. Upon completion of the work, IPA Property Management will pay Stillwell Construction up to \$100,000 from these trust accounts.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott A. Miller, PhD, Chief Financial Officer/City Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: Trash Enclosure Elevation