



Agenda Item No. _____

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 27, 2012

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase In Appraisal Services For The Cabrillo Bridge Project

RECOMMENDATION:

That Council retroactively authorize the Public Works Director to execute a contract to increase the extra services amount for the Cabrillo Bridge Project with Reeder, Gilman and Associates for real estate appraisal services in the amount of \$15,000, for a total contract expenditure authority of \$39,000.

DISCUSSION:

BACKGROUND

The Cabrillo Bridge Project (Project) requires the removal of a portion of a restaurant located at 15 Cabrillo Boulevard (the "Property"), which is partially constructed over Mission Creek, and is actually attached to the bridge. The City Administrator authorized a contract for real estate appraisal services on November 30, 2001, in the amount of \$18,000, with Reeder, Gilman and Associates (RGA) for the Property. This contract was amended on July 6, 2011 with a change order to increase the amount of the contract by \$6,000, to cover the cost of the additional scope of work, for a new total amount of \$24,000.

It is now necessary to request an additional \$15,000, which will result in a total contract expenditure of \$39,000. Of the proposed \$15,000 in additional services, \$10,250 have already been expended in order to meet the unique time-sensitive circumstances associated with the acquisition of the Property.

CURRENT STATUS

The property acquisition process has undergone evaluation of several development options to determine what option would be the most cost effective for the City and acceptable to the owners. The property owner desires to retain the property as a functional restaurant, which would also retain the tax base for the City. This preliminary

mutual agreement requires that the building be modified to retain the same amount of restaurant seating as per an approved Coastal Development Permit.

Earlier appraisals were based on taking a portion of the Property, which would leave the remodel work up to the property owners. It has been concluded that this is outside of their area of expertise and not acceptable to the property owner. An appraisal was then prepared based on the City completing the building modifications as part of the Cabrillo Bridge Project, however, Caltrans did not want the building modification to be part of the bridge construction contract and preferred the acquisition of the entire property, which was not acceptable to the property owner. Any condemnation action would be extremely expensive, time consuming, and difficult. Consequently, we prefer an option where the City may enter into a separate agreement with the owner to complete the demolition work and remodel the restaurant so that there is no loss of seating, if this is what is necessary to complete the property transaction. Each of these approaches required the appraiser to take a different direction requiring separate efforts.

The Property had previously been owned by several family members; however, it is now in the sole ownership of one person, which has facilitated negotiations. Staff and the property owner have recently come to a tentative agreement regarding the details of a property settlement agreement which we believe meets the Caltrans criteria. This milestone has resulted in Public Works and the City Attorney's office moving forward with the required agreement preparation and refined negotiations, and also with the consultant amendment to the appraisals to serve as acceptable legal documentation for Caltrans to fund the acquisition.

To avoid the possibility of missing a critical Caltrans milestone to retain construction funding in Fiscal Year 2013-2014, staff approved RGA to complete extra appraisal work in advance of approval of the extra services by Council. This amendment work amounted to an added effort valued at \$10,250. Staff is requesting an additional \$4,750 for a total of \$15,000, should Caltrans require that we add additional information to the appraisal or want to make other changes.

FUNDING

The following summarizes the expenditures recommended in this report:

APPRAISAL SERVICES CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	\$18,000	\$6,000	\$24,000
Proposed Increase	\$15,000*		\$15,000
Total			\$39,000

*Includes \$4,750 for as needed future services.

The following summarizes all Project design costs, construction contract funding, and other Project costs:

ESTIMATED TOTAL PROJECT COST

	City Share	FHWA Share	Total Project
Design Services	\$420,000	\$1,680,000	\$2,100,000
Design Project Management (by City staff)	\$120,000	\$480,000	\$600,000
Non-Participating Design Costs	\$100,000	\$0	\$100,000
Subtotal Design Phase	\$640,000	\$2,160,000	\$2,800,000
Appraisal Services by Reeder, Gilman and Associates	\$24,000	\$0	\$24,000
Increased Costs by Reeder, Gilman and Associates	\$15,000	\$0	\$15,000
ROW Services and Acquisition Costs	\$412,576	\$3,184,424	\$3,597,000
Right of Way Project Management (by City staff)	\$45,880	\$354,120	\$400,000
Other Non-Participating Right-of-Way Costs	\$61,000	\$0	\$61,000
Subtotal ROW Phase	\$558,456	\$3,538,544	\$4,097,000
Construction	\$1,893,697	\$14,616,303	\$16,510,000
Project Total	\$3,092,153	\$20,314,847	\$23,407,000

If the recommendation is approved, the total appraisal services contract expenditure authority will be increased to \$39,000.

There are sufficient appropriated funds for this action in the Streets Program.

PREPARED BY: Barbara A. B. Salvini, Principal Engineer/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office