



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 18, 2014

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Increase In Appraisal Services For The Cabrillo Boulevard Bridge Replacement Project

### **RECOMMENDATION:**

That Council authorize an increase the extra services amount with Schott & Company, for real estate appraisal services for the Cabrillo Boulevard Bridge Replacement Project, Contract No. 388237, in the amount of \$10,000, for a total project expenditure authority of \$50,000.

### **DISCUSSION:**

#### **BACKGROUND**

The Cabrillo Boulevard Bridge Replacement Project (Project) involves the replacement of the structurally deficient bridge over Mission Creek, which requires the acquisition of multiple real property rights over 6 State Street, 21 Helena Avenue, and 13 (otherwise known as 15) East Cabrillo Boulevard (Real Property), as well as the removal of a portion of the restaurant building at 13 East Cabrillo Boulevard.

The City Administrator authorized an appraisal contract on October 16, 2012, (Contract No. 388237) with Schott & Company (Schott) in the amount of \$25,000 to provide appraisal services; and on May 21, 2013, Council authorized an increase in extra appraisal services in the amount of \$15,000, for a Project expenditure authority total of \$40,000 for appraisal services of the Real Property.

#### **CURRENT STATUS**

Staff made an offer on October 15, 2013 to the property owner, based on the original appraisal completed in September 2013; however, the offer was rejected by the owner. Recently, staff was successful in obtaining a Right of Entry from the property owner authorizing the City to have possession and use of the Real Property while negotiations continue on the compensation of the Real Property rights to be acquired. In order to

move forward in the negotiations on compensation, the appraisal report must be revisited and a new appraisal report prepared. The new appraisal report will consider valuation issues raised by the property owner, as well as consider new and updated information made available to Schott from the City, i.e., corrected square footage of the building. The increase in extra services with Schott in the amount of \$10,000 is necessary to cover the cost of the additional scope of work to prepare the new report, respond to comments from the City and an independent third party appraiser, finalize the report, and to provide some allowance for extra services that may be required.

It is now necessary to request an additional \$10,000, which will result in a total contract amount of \$50,000.

**BUDGET/FINANCIAL INFORMATION:**

FUNDING

The following summarizes the expenditures recommended in this report:

**APPRAISAL SERVICES CONTRACT FUNDING SUMMARY**

	<b>Base Contract</b>	<b>Change Order</b>	<b>Total</b>
Initial Contract Amount	\$25,000	\$0	\$25,000
First Increase in Services	\$0	\$15,000	\$15,000
Proposed Increase	\$0	\$10,000	\$10,000
<b>Total</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$50,000</b>

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

**ESTIMATED TOTAL PROJECT COST**

*\*Cents have been rounded to the nearest dollar in this table.*

	<b>CITY SHARE</b>	<b>FHWA SHARE</b>	<b>TOTAL PROJECT</b>
<b>Design</b>	<b>\$1,060,000</b>	<b>\$2,640,000</b>	<b>\$3,700,000</b>
<b>Right of Way</b>			
Appraisal Services by Schott & Company	\$4,588	\$35,412	\$40,000
Proposed Increased Costs by Schott & Company	\$1,147	\$8,853	\$10,000
Other Appraisals & Administration Costs	\$173,580	\$616,315	\$789,895
Purchase Costs	\$414,412	\$3,198,598	\$3,613,010
Relocation Assistance	\$39,915	\$308,076	\$347,991
<b>Subtotal Right-of-Way Phase</b>	<b>\$633,642</b>	<b>\$4,167,254</b>	<b>\$4,800,896</b>
<b>Construction</b>	<b>\$1,649,400</b>	<b>\$12,730,720</b>	<b>\$14,380,120</b>
<b>PROJECT TOTAL</b>	<b>\$3,343,042</b>	<b>\$19,537,974</b>	<b>\$22,881,016</b>

The Purchase Costs were determined from the just compensation amounts based on the original appraisal report and do not take into consideration any increase that may result from the negotiations.

There are sufficient appropriated funds in the Streets Fund to cover the increased costs of the appraisal services.

**PREPARED BY:** Pat Kelly, Assistant Public Works Director/City Engineer/MAW/sk

**SUBMITTED BY:** Rebecca Bjork, Acting Public Works Director

**APPROVED BY:** City Administrator's Office