

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 12/17/07		Item Number: __A-2__	
AGENDA ITEM: Approval of a Professional Services Agreement with ATE Environmental for Asbestos/Lead Based Paint Mitigation and Demolition of the Improvements located on the Washington/National Triangle Site.			
Contact Person/Dept.: J. Christopher Evans		Phone Number: (310) 253-5744	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☐	
Public Notification: All owners and occupants in Culver City and Los Angeles within 300 feet of both sites were notified by mail (12/03/07); All bidders and John Gunn of Urban Partners (12/03/07); Master Notification List (12/12/07).			
Department Approval: Sol Blumenfeld		Executive Director Approval: Jerry Fulwood (12/12/07)	
Fiscal Impact Review: Jeff Muir (by N. Kimball)(12/11/07)			

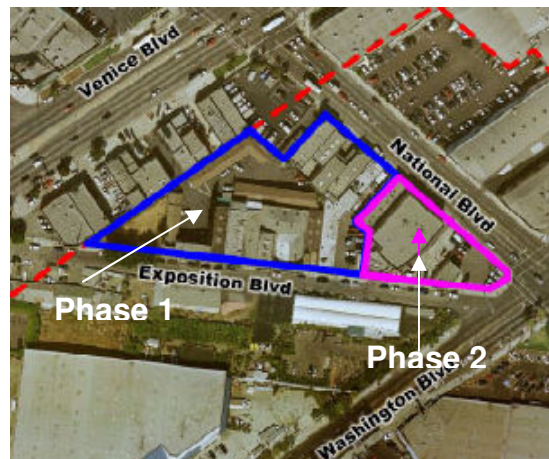
RECOMMENDATION:

Staff recommends the Culver City Redevelopment Agency ("Agency") award a contract for the removal of asbestos and lead-based paint materials, and demolition of building and other site improvements to ATE Environmental in the amount of \$294,500 for the Washington National Triangle Site ("Triangle Site")

BACKGROUND:

The Triangle Site, bounded by Exposition Blvd., Washington Blvd., National Blvd., and Venice Blvd., is currently improved with 12 light industrial buildings and one motel. The Agency has possession of all of the properties. This area is immediately adjacent to a proposed light rail station. These properties were acquired by the Agency for the purpose of redevelopment as a transit-oriented development comprised of a mix of uses

that have not yet been determined but may include housing, open space, offices, neighborhood-serving retail, a hotel, and public event space. The Agency is currently negotiating with a developer prior to conveyance of the property.



Triangle Site

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Staff is recommending that the Agency award a contract and authorize demolition of the site improvements for several reasons:

1. Should the Agency enter into a Disposition and Development Agreement (DDA) with a developer a term of the DDA will be that the Agency provide the site free of improvements.
2. Many of the existing structures are blighted and demolition will eliminate them as visual nuisance and improve the area's appearance. The existing structures cannot be reused pursuant to State and Federal law. According to the law, structures acquired through eminent domain (approximately 40 percent of the Site) cannot be reused without substantial modifications. In this case, substantial modification could include structural improvements, and the removal of lead paint and asbestos.
3. Maintaining the existing blighted infrastructure, such as a vacant motel presents a fire hazard as well as an on-going security risk from break-ins

On January 25, 2007, and February 1, 2007, notices inviting bids for demolition were published in the Culver City News and the McGraw Hill Green Sheets to solicit bids for the demolition project. The notices called for the demolition of building and other site improvements, with abatement and remediation of hazardous materials to occur concurrently with the demolition. The bid documents, including the demolition plan and the hazardous materials reports were made available to demolition contractors. The selected contractor will be responsible for the proper abatement of the asbestos and lead-based paint-containing material under the supervision of CTL Environmental Services. The selected contractor is also responsible for carrying out the storm water prevention plan for the site.

On February 15, 2007, Agency staff received and opened 11 bids for the demolition of the Triangle Site. At the time the bids were received demolition was proposed to take place in two phases. The base bid, phase one of demolition, included all properties that make up the Triangle Site with the exception of Les Surfas's properties (See Attachment No. 2). The Bid Alternate, phase two of demolition, was the additional amount to demolish Les Surfas's properties, which the Agency had not yet acquired as of February 15, 2007. As the Agency now has possession of Les Surfas properties demolition of all properties will occur simultaneously rather than in two phases as originally proposed.

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The results of the proposals received are as follows:

Name of Firm	Triangle Site (Bid No. 1348)		
	Base	Bid Alternate	Total
American Wrecking South El Monte, CA	\$397,700	\$129,500	\$527,200
ATE Environmental City of Industry, CA	\$259,500	\$35,000	\$294,500
CST Environmental Brea, CA	\$487,800	\$187,800	\$675,600
DOJA Inc. Ontario, CA	\$406,000	\$95,000	\$501,000
Interior Demolition Tujunga, CA	\$224,038	\$75,225	\$299,263
Miller Anaheim, CA	\$830,000	\$98,000	\$928,000
National Demolition San Pedro, CA	\$557,500	n/a	\$557,000
Standard Industries Saticoy, CA	\$454,119	\$110,000	\$564,119
Thomas Construction Lawndale, CA	\$389,844	\$113,690	\$503,534
Trimax Los Angeles, CA	\$495,000	\$185,000	\$680,000
William L. Olson Santa Clarita, CA	\$549,975	\$50,000	\$599,975

Staff has confirmed with ATE that their bid is good through March 15, 2008.

DISCUSSION:

Staff recommends that the Agency award a contract to ATE Environmental in the amount of \$294,500 for the hazardous materials abatement and demolition services as the lowest and most responsible bidder for the Triangle Site. Staff also recommends that the Agency authorize the Executive Director to approve change orders for unforeseen conditions in an amount not to exceed an additional \$50,000. Unforeseen conditions are common when demolishing structures because subsurface infrastructure is difficult to identify beforehand.

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CBM, the Agency engineering consultant, qualified the respondents and considers the bids supplied as accurate and true. The disparity in price is common with so many bidders responding. There were sufficient bids close enough in cost to the lowest bids to trust that the lowest bidders hadn't missed significant demolition details when pricing their bid.

Demolition is expected to commence on March 2nd, 2008 with work completed within approximately 30 working days. Staff will hire a pest control service under an administratively approved agreement to perform pest control services at each site prior to demolition. Construction management will be performed by CBM Consulting, Inc. and the Public Works Department, and CTL Environmental Services will monitor the hazardous material abatement process under their existing agreement.

Interim Site Use

Staff will come back to the Agency prior to demolition of the Triangle Site to present interim use options and get direction for moving forward with one of those options. Following demolition of the existing infrastructure, staff believes it important that an interim use be identified that generates revenue for the Agency. Interim use options include:

- Temporary storage for vehicles or otherwise – Agency staff has obtained a verbal assurance from Hooman Nissani that his auto dealership could utilize an unimproved lot for vehicle storage and would be interested in negotiating a lease agreement for the lot. A lease price has not yet been determined.
- Temporary parking for area employees or production companies – Staff has approached both Sony and Culver Studios as well as spoken to many production companies. Demand for parking for film production crew and extras is high and an improved parking lot could likely be leased for film crew parking. Parking spaces could also be leased to area business employees. Staff does not yet have any firm commitments.
- Do nothing, fence the property and hold for conveyance at a later date. Depending on the cost of improving the Triangle Site for parking or storage, staff ability to obtain agreements and the likely date of conveyance, holding the property without investing in improvements may make the most sense.

Staff will complete an analysis of each option and present them to the Agency at a future Agency meeting

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FISCAL ANALYSIS:

Unused bond funds for this project are available to be carried over from fiscal year 2006-07 in the amount of \$350,000 (Acct. # 55392620.710150). These funds were already approved in 2006-07 for demolition and are included as part of the total project budget.

ATTACHMENTS:

- 1) Bid Summary Sheet
- 2) Demolition Plan

MOTION:

That the Agency:

- 1) Award a contract to ATE Environmental for the removal of asbestos and lead-based paint materials, and demolition of building and other site improvements at the Triangle Site on the basis of its Bid plus Bid Alternate for a total contract amount of \$294,500 plus up to \$50,000 as a contingency for change orders that may occur during the demolition (for a total not-to-exceed contract amount of \$344,500);
- 2) Reject all other bids;
- 3) Authorize the Agency General Counsel to review/prepare necessary document and authorize the Executive Director to execute those documents on behalf of the Agency; and
- 4) Authorize the Executive Director to approve change orders that may occur during the demolition for a not-to-exceed amount of \$50,000; and,
- 5) Authorize the carryover of \$350,000 (55392620.710150) from fiscal year 2006-07 to fiscal year 2007-08.