

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 11/17/08		Item Number: <u>C-4</u>	
AGENDA ITEM: Acceptance of Construction Work Performed by Sialic Contractors for the Realignment of Washington Boulevard in Downtown.			
Contact Person: Joe Susca		Phone Number: 310-253-5763	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master E-Mail Notification List (11/12/08); Sialic Contractors (11/03/08), Rush Pacifica LLC (11/03/08), CBM Consulting (11/03/08), First Regional Bank (11/03/08), and the Downtown Business Association (11/03/08).			
Department Approval: Sol Blumenfeld		Agency Counsel Approval:	
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (11/12/08)		Executive Director Approval: Jerry Fulwood (11/12/08)	

RECOMMENDATION:

Staff recommends the Culver City Redevelopment Agency (the "Agency") accept the construction work performed by the contractor, Sialic Contractors (d.b.a. "Shawnan") and authorize filing a Notice of Completion for the Washington Boulevard Realignment Project in Downtown.

It is also recommended that retention funds retained within an escrow account at First Regional Bank in the amount of \$227,114.79 (plus interest) be released to Shawnan after a thirty-five day lien period.

BACKGROUND:

Agency Property Sale:

On July 10, 2006 the Agency entered into a Disposition and Development Agreement (the "DDA") with Rush Pacifica LLC for the sale of the 9300 Culver Boulevard parcel (commonly referred to as "Parcel B"). Since that time Rush Pacifica obtained an approval for a modified building design, prepared construction documents, obtained approvals to pull all building permits, bid the construction out, selected a General Contractor, and is now in the process of obtaining their construction loan.

Once the construction loan is obtained, escrow will close on the land sale and Rush Pacifica will commence construction of a 3-story commercial building comprised of ~118,000 square feet of ground and second floor retail and restaurant uses and third

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floor offices, with one subterranean level comprised of 84 parking spaces and storage rooms.

The Realignment of Washington Boulevard and Town Plaza's Expansion:

Simultaneous to the approval of the DDA, the Agency also approved an Infrastructure Improvement Agreement (the "IIA") with Rush Pacifica whereby they agree to design, bid out, and then construct the realignment of Washington Boulevard in Downtown (the "Realignment") in order to expand the existing Town Plaza.

DISCUSSION:

After Rush Pacifica hired CBM Consulting to prepare the necessary plans and construction documents for the Realignment, building permits were issued and the realignment construction was bid out. The bids revealed that Shawnan was the lowest bidder and per the IIA Rush Pacifica subsequently entered into a contract with them for the construction work.

The construction commenced in September 2007 and after taking a hiatus in observance of the holidays resumed work in January 2008. With exception to a punch list of various items, the majority of the work was completed in July 2008.

As stipulated in the IIA, the Agency agreed to pay the General Contractor hired to perform the Realignment and Town Plaza Expansion construction directly. Under the provisions of State law, Shawnan elected to establish an interest bearing escrow account for the Realignment with First Regional Bank to hold the 10% retention amounts. Each month, two invoices were received by Shawnan. One was for the 90% progress payment which was paid directly to Shawnan and the other one was the 10% retention amount which was remitted to the escrow account at First Regional Bank.

Shawnan successfully completed all phases of the realignment construction and the punch list of various items and as such, staff recommends the Agency approve filing of a Notice of Completion with the County of Los Angeles and releasing the 10% retention funds 35 days thereafter.

Next Steps:

Construction documents for the Town Plaza Expansion are nearly complete and once finalized Rush Pacifica will bid the work out and subsequently enter into an agreement with a General Contractor to complete its construction. Rush Pacifica will

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construct both the Town Plaza Expansion and their 9300 Culver Boulevard building simultaneously.

A grand opening ceremony for both the building and the plaza expansion will be held upon their completion.

FISCAL ANALYSIS:

Both the Realignment construction and the upcoming Town Plaza Expansion construction are funded by Agency tax-exempt bond proceeds allocated to the Agency's Downtown Street Improvements Program; Account #55393400.619800.

Realignment Construction

A total budget of \$2,500,000 was established for the realignment construction. An original contract was entered into with Shawnan for \$2,203,335 with the remaining balance of \$296,665 set aside for contingencies. Change orders (see attached) amounted to \$67,813 resulting in a total construction cost of \$2,271,148 to complete this first phase of the project.

Town Plaza Expansion:

Completion of the realignment construction makes way for commencement of the second phase of the project which is the Town Plaza's Expansion. This second phase of construction has been allocated a total budget of \$3,324,280 for its completion.

ATTACHMENT:

- Realignment Construction Change Orders

MOTIONS:

That the Redevelopment Agency:

- 1) Accept the work performed by Shawnan for the Realignment of Washington Boulevard in Downtown;

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- 2) Authorize the issuance of a Notice of Completion and its submission to the Los Angeles County Recorder's Office; and
- 3) Following a 35-day lien period, authorize the Executive Director to prepare a letter to First Regional Bank instructing them to release \$227,114.79 plus any interest accrued to Shawnan for the Realignment of Washington Boulevard in Downtown.