

**DRAFT**

**SAN DIEGO UNIFIED PORT DISTRICT**

**ORDINANCE xxxx**

**ORDINANCE AMENDING THE FY 2018 BUDGET  
INCREASING THE FY 2018 CAPITAL  
IMPROVEMENT PROGRAM APPROPRIATION BY  
\$6,118,100 TO BE FUNDED WITH \$2,587,900  
FROM RESTRICTED RESERVES AND \$3,530,200  
FROM CUMULATIVE UNDESIGNATED RESERVES  
FROM PREVIOUS YEARS RELATED TO THE  
CHULA VISTA BAYFRONT SOUTH CAMPUS  
PAVEMENT AND FOUNDATION DEMOLITION  
PROJECT**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, Board of Port Commissioners (BPC) adopted BPC Policy No. 090, to establish a policy for the transfer of amounts between appropriated items in the budget in accordance with Section 86 of the Port Act, as well as within appropriated items; and

**WHEREAS**, in 1999, the District entered into a Relocation Agreement with Rohr, the City of Chula Vista, and the Redevelopment Agency of the City of Chula Vista; and

**WHEREAS**, the Relocation Agreement provides, among other things, that the District be responsible for the demolition and removal of structures and associated infrastructure located on the South Campus, including the demolition of buildings, foundations, pavement, storm drains, utilities and appurtenances; and

**WHEREAS**, the District subsequently removed all buildings from the South Campus in 2005 through 2007; and

**WHEREAS**, the foundations, pavement and other remaining improvements at the south end of the site were removed in 2014 to facilitate the Pacifica land exchange; and

**WHEREAS**, the last improvements that remain are at the north end of the site, known as Phase 4B; and

XXXX

**WHEREAS**, disputes arose between the District and Rohr concerning responsibility for, and allocation of costs related to certain aspects of the demolition; and

**WHEREAS**, on May 12, 2017, the Board authorized a Partial Settlement Agreement (Agreement) with Rohr which agreed upon the allocation of responsibility and costs for demolition and removal of the remainder of the improvements on South Campus Phase 4B to facilitate conducting further environmental investigations of the South Campus. Under the terms of that Agreement, Rohr will contract for and manage South Campus Demolition, Phase 4B, in consultation with the District, and the District will pay Rohr for certain administration, design, management, demolition and removal costs (Rohr Work); and

**WHEREAS**, the Agreement also provides for Rohr to contribute \$850,000 toward concrete disposal that would otherwise be a District responsibility; and

**WHEREAS**, Rohr and their prime contractor and construction manager, Haley & Aldrich Construction Services, Inc. (HCS) have estimated the District's share of Rohr Work for South Campus Demolition, Phase 4B at \$7,357,300; and

**WHEREAS**, the total estimated project cost of \$8,209,300 includes a 9% contingency and funds for District consultants to provide quality control, and a credit from Rohr of \$850,000 for concrete disposal; and

**WHEREAS**, all South Campus demolition work to date has been performed under the CIP project, South Campus Pavement and Foundation Demolition (P0040); and

**WHEREAS**, as of January 31, 2018, the South Campus CIP project has a budget of \$1,402,000 with remaining funds of \$1,241,200; and

**WHEREAS**, the additional needed funds totaling \$6,118,100 have been identified with \$2,587,900 coming from restricted reserves and \$3,530,200 coming from cumulative undesignated reserves from previous years through FY 2017; and

**WHEREAS**, District staff is requesting that these funds be transferred to the FY 2014-2018 5-year Capital Improvement Program and designated for the Chula Vista Bayfront South Campus Pavement and Foundation Demolition Project, increasing the total project budget from \$1,402,000 to \$7,520,100; and

**WHEREAS**, Board approval of this action will provide funding to implement the last phase of South Campus Demolition, advancing preparation of the area for redevelopment and complying with executed agreements.

XXXX

**NOW, THEREFORE**, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The FY 2018 budget is amended to increase the FY 2018 Capital Improvement Program appropriation by \$6,118,100 to be funded with \$2,587,900 from restricted reserves and \$3,530,200 from cumulative undesignated reserves from previous years related to the Chula Vista Bayfront South Campus Pavement and Foundation Demolition Project.

Section 2. This Ordinance shall take effect on the 31<sup>st</sup> day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

---

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10<sup>th</sup> day of April, 2018, by the following vote: