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Title: CAPITAL IMPROVEMENT PROGRAM

A) ORDINANCE AMENDING THE FISCAL YEAR (FY) 2020 BUDGET INCREASING THE FY 2020 CAPITAL IMPROVEMENT PROGRAM (CIP) APPROPRIATION BY \$2,300,000 FROM DISTRICT'S CUMULATIVE UNRESTRICTED RESOURCES

B) RESOLUTION APPROVING AN AMENDMENT TO THE FY 2019-2023 CIP TO INCREASE THE SITE PREPARATION AT CHULA VISTA BAYFRONT PROJECT BUDGET BY \$2,000,000 TO BE FUNDED FROM THE DISTRICT'S CUMULATIVE UNRESTRICTED RESOURCES

C) RESOLUTION APPROVING AN AMENDMENT TO THE FY 2019-2023 CIP TO INCREASE CAPITAL LABOR BY \$300,000 IN SUPPORT OF THE SITE PREPARATION AT CHULA VISTA BAYFRONT PROJECT TO BE FUNDED FROM THE DISTRICT'S CUMULATIVE UNRESTRICTED RESOURCES

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Attachments: 1. 6. 2019-0375A Draft Ordinance, 2. 6. 2019-0375B Draft Resolution, 3. 6. 2019-0375C Draft Resolution

Date	Ver.	Action By	Action	Result
11/5/2019	1	Board of Port Commissioners	adopted	

DATE: November 5, 2019

SUBJECT: CAPITAL IMPROVEMENT PROJECT

CAPITAL IMPROVEMENT PROGRAM

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EXECUTIVE SUMMARY:

The Site Preparation at Chula Vista Bayfront (P0460) project (CVB Site Preparation Project) was established as a Capital Improvement Program (CIP) project in April 2011 to support the real estate redevelopment planning of the Chula Vista Bayfront Master Plan (CVB). The original CVB Site Preparation Project was established to provide concept engineering plans for streets and parcels, sewer, water, storm drain and other utility master plans and assistance in updating costs estimates and implementation schedules. Since then, the tasks associated with the CVB Site Preparation Project have increased to include buyout of the existing recreational vehicle (RV) park lease agreement, design coordination and review of tenant projects, design and outreach for Sweetwater and Harbor Parks, soil import projects, and implementation of the Sweetwater Bicycle Path and Promenade project. To date, the CVB Site Preparation Project has funded the design guidelines for the CVB, design and construction related to soil import on the CVB, preliminary outreach and pre-design for the Harbor Park and Sweetwater Park, and oversight related to the design of various public infrastructure.

The District, the City of Chula Vista (City) and RIDA Chula Vista, LLC (RIDA) are parties to a Disposition and Development Agreement dated May 7, 2018 filed by the District Clerk as Document No. 68398 (DDA). The DDA sets forth a closing timeline that will result in a close of escrow where financing for the resort hotel and convention center project (RHCC) to be constructed on Parcel H-3 and related public infrastructure (Phase 1A Improvements) will be issued and construction of the RHCC and Phase 1A Improvements will commence. While it is anticipated that some of the funds from the close of escrow may be applied toward the cost of the Phase 1A Improvements, the District must move forward with the construction of the various facets of the CVB in preparation for such closing and to serve ongoing developments such as the RV park currently under construction on Parcel S-1 by Sun Chula Vista Bayfront RV LLC (Costa Vista RV Park).

The CVB Site Preparation Project budget now stands at \$17,713,937, which includes funds received from an Urban Greening Grant for the Sweetwater Path and one-time SDG&E Relocation Fee. To date, actual cost and committed amounts equal \$17,574,342, comprised of \$15,871,930 for external consultant and contractor costs and \$1,702,412 for internal labor costs, leaving a remaining balance of \$139,595 available for future costs and commitments. The following table represents the breakdown of the elements committed to date:

Site Preparation Elements	Approx. Cost
Chula Vista RV Park Lease Buyout	\$4.4M
Sweetwater and Harbor Parks Schematic Design (\$1.65M SDG&E Relocation Fee)	\$2.1M
Sweetwater Path (Urban Greening Grant Funding)	\$4.8M
Sweetwater Path (District Match)	\$0.8M
Soil Import and Stabilization Project	\$0.8M
Miscellaneous Pre-Design, Site Assessments, Surveys, and Support Development Policies	\$4.7M
TOTAL COSTS AND COMMITMENTS TO DATE	\$17.6M

To continue the ongoing CVB Site Preparation Project efforts, staff is requesting a \$2,300,000 budget increase, \$2,000,000 for external costs and \$300,000 for internal labor costs, to provide funding for

project costs until the close of escrow. This funding will be used to review the designs for Phase 1A Improvements for the CVB, fund the designs and studies needed to obtain Coastal Development Permits for Harbor Park and Sweetwater Park, complete the construction of the Sweetwater Bicycle Path and Promenade project, provide ongoing construction oversight of the Costa Vista RV Park, and complete design of the Interim Grading Improvements for Parcel H23.

This action will amend the FY 2020 Budget to increase the FY 2020 CIP appropriation as well as amend the FY 2019-2023 CIP to increase the CVB Site Preparation Project budget.

CIP Staff Committee has reviewed and recommends the Board consider this out of cycle request under the CIP. This recommendation is pursuant to Board Policy No. 120 which authorizes the Board to consider out of cycle project requests if recommended by CIP Staff Committee.

RECOMMENDATION:

- A) Adopt an ordinance amending the FY 2020 Budget increasing the FY 2020 CIP appropriation by \$2,300,000 from District's Cumulative Unrestricted Resources;
- B) Adopt a resolution approving an amendment to the FY 2019-2023 CIP to increase the CVB Site Preparation Project budget by \$2,000,000 to be funded from the District's Cumulative Unrestricted Resources; and
- C) Adopt a resolution approving an amendment to the FY 2019-2023 CIP to increase capital labor by \$300,000 in support of the CVB Site Preparation Project to be funded from the District's Cumulative Unrestricted Resources.

FISCAL IMPACT:

Approval of this action will increase the FY 2020 CIP appropriation from a total of \$33,442,020 to \$35,742,020 by adding \$2,300,000 to the CVB Site Preparation Project.

The CVB Site Preparation Project is included in the FY 2019-2023 CIP with a total project budget amount of \$17,713,937 and this amendment of \$2,300,000 will increase the total project budget to \$20,013,937. Funding for this project budget amendment is available from the District's cumulative unrestricted resources. If this item is approved by the Board, the increased CVB Site Preparation Project budget may be used to fund the agreement to be considered by the Board under Agenda Item No. 2019-0327.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goals:

- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.

DISCUSSION:

In May 2018, the District entered into the DDA for the development of the RHCC and Phase 1A Improvements. Phase 1A Improvements include public improvements throughout portions of the CVB Sweetwater and Harbor Districts, necessary to support the RHCC and Costa Vista RV Park projects

and enhance the CVB for visitors. The Phase 1A Improvements include new and reconfigured streets, utilities, open space, right-of-ways, buffer zones, and two new public parks - Harbor Park and Sweetwater Park. The total budget for Phase 1A Improvements is approximately \$63,000,000 as broken down in the DDA. The DDA also establishes the framework for the development timeline, preliminary budgets, and financing measures for development of the Phase 1A Improvements.

Long term funds to fund additional items for the CVB Site Preparation Project are expected to become available through the bonds to be issued by the Chula Vista Bayfront Facilities Financing Authority (JEPA) as part of the close of escrow contemplated by the DDA. Until the close of escrow, staff estimates the CVB Site Preparation Project budget needs an additional \$2,300,000 for ongoing external consultant and contractor costs as well as internal labor costs.

Since April 2011, the CVB Site Preparation Project has completed design guidelines for the CVB and various aspects of site preparation for the CVB, such as soil import and designs for the public infrastructure. In addition, the CVB Site Preparation Project will help fund the construction of the Sweetwater Bicycle Path and Promenade project, not included in the Phase 1A Improvements in the DDA.

The following is a list of the significant milestones that have been achieved with the CVB Site Preparation Project budget:

- Completion of Schematic Designs for Phase 1A Improvements;
- Preparation and review of designs for the Coastal Development Permits for the public infrastructure component of the Costa Vista RV Park and RHCC projects;
- Import and Placement of 250,000 cubic yards of Soil for Raising Development Sites and Streets in anticipation of Sea Level Rise, which will substantially reduce site preparation costs;
- Completion of two Public Outreach Workshops and Completion of 50% Schematic Design for Harbor Park and Sweetwater Park;
- Completion of Design, Bidding and Award Contract for Sweetwater Bicycle Path and Promenade project; and
- Groundbreaking and Start of Construction on the Costa Vista RV Park and Sweetwater Bicycle Path and Promenade projects.

To continue the ongoing site preparation effort, staff is requesting a \$2,300,000 budget increase to provide funding for project costs through the close of escrow under the DDA. These funds will be used to facilitate the following objectives:

- Continue Coordination of the Phase 1A Improvement design for the Costa Vista RV Park, RHCC, and Pacifica projects;
- Complete the Schematic design and obtain Coastal Development Permits for Harbor Park and Sweetwater Park;
- Complete Construction of Sweetwater Bicycle Path and Promenade project;
- Provide ongoing Construction Oversight of the Costa Vista RV Park project; and
- Complete the design of the Interim Grading Improvements at Parcel H23 as required for RHCC Project Construction Staging, including storm water pollution prevention.

This action will amend the FY 2020 CIP appropriation as well as amend the FY 2019-2023 CIP and approve a budget increase for the CVB Site Preparation Project. Of the \$2,300,000 requested, staff

anticipates some of these costs may be recoverable from the closing proceeds under the DDA. Staff will continue to identify opportunities to recover costs related to the CVB. Staff recommends the Board increase the FY 2020 CIP appropriation by \$2,300,000.

General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda sheet as presented to it and approves it as to form and legality.

Environmental Review:

The proposed Board actions, including without limitation, resolutions approving amendments to the FY 2019-2023 CIP budget and an ordinance amending the FY 2019-2020 budget for site preparation at Chula Vista Bayfront, were adequately covered in the Final Environmental Impact Report (FEIR) for the Chula Vista Bayfront Master Plan (CVBMP) (UPD #83356-EIR-658; SCH #2005081077; Clerk Document No. 56562), certified by the District on May 18, 2010 (Resolution No. 2010-78), the Addendum to the FEIR, which was adopted by the Board on August 13, 2013 (Resolution No. 2013-138), and the Second Addendum to the FEIR, which was adopted by the Board on April 10, 2018 (Resolution No. 2018-0069). The proposed Board actions are not a separate "project" for CEQA purposes but are subsequent discretionary approvals related to a previously approved project. (CEQA Guidelines § 15378(c); *Van de Kamps Coalition v. Board of Trustees of Los Angeles Comm. College Dist.* (2012) 206 Cal.App.4th 1036.) Additionally, pursuant to CEQA Guidelines Sections 15162 and 15163, and based on the review of the entire record, including without limitation, the FEIR and Addendums, the District finds and recommends that the proposed Board actions do not require further environmental review as: 1) no substantial changes are proposed to the project and no substantial changes have occurred that require major revisions to the FEIR and Addendum due to the involvement of new significant environmental effects or an increase in severity of previously identified significant effects; and 2) no new information of substantial importance has come to light that (a) shows the project will have one or more significant effects not discussed in the FEIR and Addendum, (b) identifies significant impacts would not be more severe than those analyzed in the FEIR and Addendum, (c) shows that mitigation measures or alternatives are now feasible that were identified as infeasible and those mitigation measures or alternatives would reduce significant impacts, and (d) no changes to mitigation measures or alternatives have been identified or are required. Pursuant to CEQA Guidelines §15162(b), the District finds and recommends that no further analysis or environmental documentation is necessary. Accordingly, the proposed Board actions are merely a step-in furtherance of the original project for which environmental review was performed and no supplemental or subsequent CEQA has been triggered, and no further environmental review is required.

In addition, the proposed Board actions comply with Sections 21, 35, and 81 of the Port Act, which allow the Board to pass resolutions, to do all acts necessary and convenient for the exercise of its powers, and to authorize the use of District funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board actions are consistent with the Public Trust Doctrine.

The proposed Board actions were covered in the CDP for Site Preparation at Chula Vista Bayfront (CDP-2017-01; Clerk Document No. 66187) approved by the District on January 25, 2017 and the amendment to the CDP issued by the District on November 1, 2018. The proposed Board actions are consistent with the project in that CDP and amendment. No additional action under the California

Coastal Act is required at this time.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

Mark McIntire
Capital Project Manager, Engineering-Construction