



Legislation Text

File #: 2019-0255, **Version:** 1

DATE: August 13, 2019

SUBJECT:

SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT

A) ORDINANCE AMENDING THE FISCAL YEAR (FY) 2020 BUDGET INCREASING THE FY 2020 CAPITAL IMPROVEMENT PROGRAM (CIP) APPROPRIATION BY \$2.0 MILLION FROM CUMULATIVE UNRESTRICTED RESOURCES TO FUND AN INCREASE TO THE SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT

B) RESOLUTION APPROVING AN AMENDMENT TO THE FY 2019-2023 5-YEAR CIP TO INCREASE THE SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT BY \$2.0 MILLION PURSUANT TO BPC POLICY NO. 120

EXECUTIVE SUMMARY:

The San Diego Unified Port District (District), in collaboration with Rohr, Inc. (Rohr) has undertaken the demolition of the South Campus of the former Rohr site, including the removal of buildings, foundations, pavement, storm drains, and utilities. This work has been done pursuant to the terms of the Relocation Agreement¹ between the District, Rohr and the City of Chula Vista which allocated responsibility for the demolition activities and funding. In order for the District to comply with its contractual obligations under the Relocation Agreement, and to complete the final phase of the demolition of the South Campus, an increase in the project budget is required.

The proposed actions would amend the FY 2020 Budget Capital Improvement Program appropriation as well as amend the FY 2019 - 2023 Capital Improvement Program (CIP) and approve a project budget increase for the South Campus Pavement and Foundation Demolition (Project). The Project is the last in a series of demolition projects to remove the improvements from the South Campus.

RECOMMENDATION:

Adopt an ordinance amending the Fiscal Year 2020 budget increasing the FY 2020 Capital Improvement Program (CIP) appropriation by \$2.0 million from Cumulative Unrestricted Resources to fund an increase to the South Campus Pavement and Foundation Demolition Project.

Adopt a resolution approving an amendment to the FY 2019-2023 5-year CIP to increase the South Campus Pavement and Foundation Demolition Project by \$2.0 million pursuant to BPC Policy No. 120.

FISCAL IMPACT:

Approval of this action will amend the FY 2020 Budget CIP appropriation from \$30.5M to \$32.5M adding \$2M from cumulative unrestricted resources.

The South Campus Pavement and Foundation Demolition Project (P0040) is included in the FY 2019 -2023 CIP with a total external project budget of \$14,169,106. Approval of this action will authorize a \$2.0M increase to the project budget to \$16,169,106.

COMPASS STRATEGIC GOALS:

This project furthers the environmental remediation. This agenda item supports the following Strategic Goals:

- A Port that the public understands and trusts.
- A vibrant waterfront destination where residents and visitors converge.
- A Port with a healthy and sustainable bay and its environment.

DISCUSSION:

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. 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. The District subsequently removed all buildings from the South Campus in 2005 through 2007. The foundations, pavement and other remaining improvements at the south end of the site were removed in 2014 to facilitate the Pacifica land exchange. The last improvements that remain are at the north end of the site, known as Phase 4B.

On May 12, 2017, the Board authorized a Partial Settlement Agreement (Agreement) with Rohr which allocated 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 the 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). The Agreement also provides for Rohr to contribute \$850,000 toward concrete disposal that would otherwise be a District responsibility.

Rohr and their prime contractor and construction manager, Haley & Aldrich Construction Services, Inc. (HCS), in conjunction with the District, estimated the demolition and removal quantities of pavement, slabs, utilities and other underground structures. These quantities were used to determine the District's share of the Rohr Work for South Campus Demolition, Phase 4B. The District's share was estimated at \$7,357,300. A total estimated project cost was established in the amount of \$8,209,300 including a 9% contingency and funds for District consultants to provide quality control and a Rohr credit of \$850,000 for concrete disposal. The estimated quantities for the demolition were based on documents that did not reflect decades of changes to the South Campus facility.

Rohr's team, including HCS, began Phase 4B demolition and removal work in June 2018 with an

anticipated completion date of November 2018. During the demolition and removal work it was quickly discovered that the actual quantities of pavement, slabs, utilities and other underground structures substantially exceeded the estimated quantities used to determine the estimated project cost. In addition, work to demolish and remove the additional quantities contributed to delays in the original schedule pushing the work into the rainy season causing further delays due to mud and standing water conditions on the site. The Agreement between Rohr and the District requires the District to compensate Rohr for these additional costs.

Rohr and HCS have identified an estimated cost of approximately \$1,400,000 for the additional quantities and delays and a new projected completion date of October 2019. This cost, in addition to District contingency and consultant costs for quality control, totals approximately \$2,000,000. Staff recommends increasing the project budget by an amount of \$2,000,000 to facilitate the completion of the Phase 4B demolition and removal work.

All South Campus demolition work to date has been performed under the CIP project, South Campus Pavement and Foundation Demolition (P0040). The most recent project was South Campus Demolition, Phase 4A which prepared the Pacifica Exchange Parcel. It was anticipated that Phase 4B would be funded by the CIP funds remaining after completion of Phase 4A and supplemented by future funding. The Board authorized \$6,100,000 of additional funding in April 2018 when construction commenced.

The additional required funds totaling \$2,000,000 would come from cumulative unrestricted resources from previous years through FY 2019. Staff is requesting that these funds be transferred to the FY 2020 Budget CIP appropriation and also increase the 2019-2023 5-year Capital Improvement Program project budget for the South Campus Pavement and Foundation Demolition Project.

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.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda, ordinance and resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board actions, including without limitation, an ordinance and a resolution approving amendments to the budget for the Chula Vista Bayfront South Campus Demolition, was adequately covered in the BF Goodrich Relocation Agreement Mitigated Negative Declaration (MND) (Case No: IS-99-21), prepared and approved by the City of Chula Vista Redevelopment Agency in June 1999, as well as the Addendum to the Final Environmental Impact Report (FEIR) for the Chula Vista Business Park Expansion and Port Master Plan Amendment (SCH #96101030; UPD #83356-EIR-327), prepared by the District in April 2005. In addition, implementation of the Chula Vista Bayfront Master Plan (CVBMP), including the proposed actions approving budget amendments, have been addressed by the CVBMP and Port Master Plan Amendment FEIR (UPD #83356- EIR-658, SCH #2005081077), which was certified by the Board on May 18, 2010, (BPC Resolution 2010-78). The proposed project is not a separate "project" for CEQA purposes but is a subsequent discretionary

approval 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 MND and FEIRS, the District finds and recommends that the ordinances authorizing amendments to the Marriott Lease to extend the lease term and alter the rent 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 EIRs 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 EIRs, (b) identifies significant impacts would not be more severe than those analyzed in the EIRs, (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. Because none of these factors have been triggered the District has the discretion to require no further analysis or environmental documentation (CEQA Guidelines §15162(b)). 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 is 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 action complies with Sections 21 and 35 of the Port Act which allow for the Board to pass resolutions and ordinances and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

Finally, the project site is located in an area that, prior to California Coastal Commission (CCC) certification of the Chula Vista Bayfront Master Plan Port Master Plan Amendment in August 2012, was within the CDP jurisdiction of the California Coastal Commission (CCC). District staff submitted a CDP application to the CCC for the demolition project on April 13, 2012. The CCC issued CDP No. 6-12-022 to the District for the demolition project on July 11, 2012. Additionally, the CCC issued an Immaterial Amendment to Coastal Development Permit No. 6-12-022 (6-12-022-A1) on January 2, 2014. The proposed Board actions are consistent with the project description in the CCC-issued CDP, as amended. No additional action under the California Coastal Act is required at this time.

Equal Opportunity Program:

Not applicable.

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- ¹. Relocation Agreement by and Among City of Chula Vista Redevelopment Agency of the City of Chula Vista, San Diego Unified Port District and Rohr, Inc. operating as BF Goodrich Aerospace Aerostructures Group. SDUPD Clerk's Document No. 39466, dated August 5, 1999. SDUPD Ordinance No. 2056