



## Legislation Text

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**File #:** 16-0561, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Mark Danaj, City Manager

**FROM:**

Stephanie Katsouleas, Public Works Director

Prem Kumar, City Engineer

Ed Kao, Senior Civil Engineer

**SUBJECT:**

Approval and Acceptance of the Following Items Related to the Sepulveda Bridge Widening Project; Approve Amendment No. 3 to HDR's Existing Agreement for \$98,400 for Additional Work for Sepulveda Bridge Widening Project; Approve the Construction Cooperative Agreement Between Caltrans and the City of Manhattan Beach for the Sepulveda Bridge Widening Project; Approve the Purchase and Sale Agreement and Joint Escrow Instructions Regarding the Purchase of Certain Property Interests from the Joint Owners of 3500 N. Sepulveda Boulevard; Accept the Chevron Dedication; Authorize the Public Works Director to submit the Right-of-Way Certification to Caltrans; Authorize the City Manager to sign a Temporary Construction Easement (TCE) Agreement and a Permanent Highway Easement Agreement for various parcels in a form approved by the City Attorney, with RREEF America Reit II Corp. BBB. (Public Works Director Katsouleas).

**APPROVE**

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**RECOMMENDATION:**

Staff recommends that the City Council:

1. Approve Amendment No. 3 to HDR's Agreement for an additional \$98,400 for work related to the Sepulveda Bridge Widening Project and authorize the City Manager to execute the amendment.
2. Adopt Resolution No. 16-0084 approving the Construction Cooperative Agreement between Caltrans and the City of Manhattan Beach and authorizing the City Manager to sign the agreement on behalf of the City.
3. Adopt Resolution No. 16-0002 approving the following related to 3500 N. Sepulveda Blvd:
  - a. A conditional amount for sound mitigation replacement windows and Purchase and Sale Agreement and Joint Escrow Instructions for \$247,500 for temporary and permanent use of certain property located at 3500 N. Sepulveda Boulevard (APN 4138-020-014) with 3500 Sepulveda, LLC; 13 & Crest Associates, LLC; and 6220 Spring Associates, LLC (joint owners), and authorizing the City Manager to sign the Certificate of Acceptance on behalf of the City; and
  - b. Accepting an Irrevocable Offer to Dedicate Right-of-Way from the joint owners of 3500 N. Sepulveda Blvd. and authorize the City Manager to sign the Certificate of

Acceptance on behalf of the City.

4. Adopt Resolution No. 16-0043 accepting the Chevron Dedication and authorizing the City Manager to sign the Certificate of Acceptance on behalf of the City.
5. Authorize the Public Works Director to submit the Right-of-Way Certification to Caltrans.
6. Authorize the City Manager to execute a Temporary Construction Easement (TCE) Agreement and a Permanent Highway Easement Agreement, in forms approved by the City Attorney, with RREEF America Reit II Corp. BBB for applicable portions of Assessor's Parcel Numbers 4138-020-030, 4138-020-033 and 4138-020-034.

### **FISCAL IMPLICATIONS:**

The preliminary estimated cost for the Sepulveda Bridge Widening Project is approximately \$17 million dollars and approximately \$21 million is estimated to be available from a combination of federal, state and local funds pending compliance with the grant terms (Project Funding Summary - Attachment 1). However, please note that the \$6.8 Million grant award from the 2009 Metro Call for Projects is subject to lapse on June 30, 2017. Please also note that the Metro, Measure R and Safetea-Lu grants awarded for the Sepulveda Bridge Widening are project specific and cannot be reallocated to other projects.

The immediate actions recommended in this staff report total approximately \$347,900 plus an additional conditional amount for sound mitigation replacement windows. The funding request includes:

1. HDR's Amendment No. 3 for \$98,400, which can be funded with available Measure R South Bay Highway Program funds.
2. The Construction Cooperative Agreement between Caltrans and the City of Manhattan Beach, which has no financial implications to the City.
3. A conditional amount for sound mitigation replacement windows (to be determined) and an additional \$247,500 as compensation for the purchase of certain property interests from the joint owners of 3500 N. Sepulveda Boulevard, which include 3500 Sepulveda, LLC; 13 & Crest Associates, LLC; and 6220 Spring Associates, LLC. The Irrevocable Offer to Dedicate a portion of the property has no cost to the city. However, the cost for the Purchase and Sale Agreement and Join Escrow Instructions of \$247,500, and the funds needed for windows replacement, can be funded with available Proposition C Funds.
4. There is a minor cost (up to \$2,000) for the Owner's Title Policy and document processing to receive Chevron's dedication. This can be funded with Proposition budgeted C Funds.
5. Preparing and providing the Right of Way Certification to Caltrans, which has no financial implications to the City.
6. Executing the Temporary Construction Easement (TCE) Agreement and the Permanent Highway Easement Agreement with RREEF America Reit II Corp. BBB for applicable portions of Assessor's Parcel Numbers (APN) 4138-020-030, 4138-020-033 and 4138-020-034, which have no known costs for execution.

### **BACKGROUND:**

Sepulveda Bridge is located on State Highway 1 (e.g., Sepulveda Boulevard) between Rosecrans Avenue and 33rd Street in Manhattan Beach (see Map - Attachment 2). The bridge is 100 feet wide by 165 long and accommodates three travel lanes in each north and south direction, as well as one northbound left turn lane onto Valley Drive. The underpass area east of the bridge includes a parking lot (private property) and the area west of the bridge includes Veterans Parkway (the greenbelt),

which is owned and maintained by the City. Immediately north and south of the bridge there are four northbound lanes. The proposed project, which was previously approved by City Council, will widen the east side of the bridge to provide a fourth, northbound thru lane, thereby eliminating the “pinch point” and relieving the bottleneck created at that pinch point. The project will also improve the alignment of the roadway and safety conditions around the bridge, which includes eliminating the northbound turn lane at Valley Drive.

Other Major Benefits of the Project include:

1. Improved traffic flow on northbound Sepulveda Boulevard;
2. Seismic enhancement of the structural integrity of the bridge as a vital traffic arterial;
3. Improved aesthetics of the bridge underside and upper sidewalk barriers;
4. Minimizing the opportunity for homeless encampments below the bridge structure;
5. Minimizing commuter traffic impacting adjacent residential streets;
6. Leveraging city funds for the project, which is substantially funded by grants (80%).

## **DISCUSSION:**

This project has been actively underway for several years, including securing external grant funds in order to deliver the project in a cost effective manner. One key funding source is Metro’s 2009 Call for Projects grant award for \$6.8 Million. Because it was awarded years ago, it is subject to lapse on June 30, 2017 if the project does not progress. Therefore, the following specific actions must be imminently approved in order to ensure construction authorization is received before the lapsing deadline.

### **1. HDR Contract Amendment No. 3 (Attachment 3)**

HDR has requested additional funds not-to-exceed \$98,400 to revise and update the Plans, Specifications, and Estimate (PS&E). Although the plans were previously completed but not acted on, they must now be revised to: 1) meet the recently published 2015 Caltrans Standard Plans and Specifications, which includes new structural guidelines, and 2) include other final design plan changes that were requested by the City. Caltrans requires incorporation of the new structural standards for all projects that had not reached the “Ready-to-List” (RTL) milestone prior to June 30, 2016. Once approved, the design revisions should take approximately two month to complete.

### **2. The Construction Cooperative Agreement with Caltrans (Attachment 4)**

The Construction Cooperative Agreement with Caltrans defines the roles and responsibilities each party holds during construction. There is no financial implication to the City. This executed Agreement is required before Caltrans will issue any permits for construction. A resolution approving execution of the Cooperative Agreement is included as Attachment 5.

### **3. Agreement with 3500 Sepulveda, LLC; 13 & Crest Associates, LLC; and 6220 Spring Associates, LLC (joint owners), and Irrevocable Offer to Dedicate**

Approximately \$247,500 is identified in the Purchase and Sale Agreement and Joint Escrow Instructions (Attachment 6) as compensation for the Maintenance Easement and Temporary Construction Easement. An additional conditional amount to cover the entire cost of replacing the windows at 3500 N. Sepulveda Boulevard is also required as part of the agreement. The final amount will be determined following the submittal of bids to the City from the joint owners. There is no cost associated with the Irrevocable Offer to Dedicate (IOD) for the Permanent

Highway Easement (IOD and Resolution, which are included as Attachments 7 and 8, respectively).

#### **4. Chevron Dedication**

There is a tiny wedge parcel immediately north and east of the Sepulveda bridge which belongs to Chevron. This approximately 400 ft<sup>2</sup> parcel is needed in order to construct the new bridge. Since Chevron has indicated that it has no use for the property, it has agreed to dedicate the parcel to the City at no cost. However, there is a minor fee for the Owner's Title Policy and document processing, which is estimated at less than \$2,000. The Chevron grant deed and associated resolution are included as Attachments 9 and 10, respectively.

#### **5. Submittal of Right of Way Certifications**

Caltrans requires that the City provide evidence of property use and/or ownership rights of the affected parcels for the Sepulveda Bridge Widening Project prior to issuing construction permits. The City's Public Works Director will prepare and submit the Right-of-Way Certification to Caltrans as needed once all the required parcel documents have been executed.

#### **6. Temporary Construction Easement Agreement and Permanent Highway Easement Agreement for applicable portions of APN 4138-020-030, 4138-020-033 and 4138-020-034**

A Temporary Construction Easement Agreement between the City of Manhattan Beach and RREEF America REIT II CORP. BBB is necessary during the construction for access and staging. Once construction is completed, a Permanent Highway Easement Agreement between the City of Manhattan Beach and RREEF America REIT II CORP. BBB is required for permanent access for future bridge maintenance. The affected parcels include portions of APN 4138-020-030, 4138-020-033 and 4138-020-034 (collectively known as the Fry's parking lot, the Mall's lower level parking lot and the surface parking lot fronting Macy's). The Temporary Construction Easement Agreement and the Permanent Highway Easement Agreement will need to be executed and included as part of the right-of-way certification documents submitted to Caltrans during the permit application process. The agreements are currently being developed/finalized and will be approved by the City Attorney prior to execution by the City Manager.

### **POLICY ALTERNATIVES**

Staff recommends that City Council consider the policy alternatives and associated impacts regarding the six recommendations identified above.

#### **ALTERNATIVE #1**

The recommendations listed above will facilitate the construction of the Sepulveda Bridge Widening Project as planned.

**PROS:** If the recommendations listed above are approved by City Council, the widening of Sepulveda Blvd between 33<sup>rd</sup> Street and Valley Drive can proceed as planned. The construction project will result in several benefits, including seismic and safety enhancements, traffic flow improvements, reduced commuter impact to surrounding streets and beautification of both the upper and lower areas of the bridge enhancing the access to the Veterans

Parkway.

**CONS:** If the recommendations above are approved, there will be some inconvenience for the public for the duration of the construction project, which is anticipated to take approximately 14 - 18 months.

### **ALTERNATIVE #2**

The recommendations listed above are not approved by City Council and the project terminates.

**PROS:** Staff resources are no longer needed for this project and can be redirected to other CIP projects within the city. Properties adjacent to the construction site will not be impacted.

**CONS:** Seismic updates as well as vehicular and pedestrian safety enhancements to the bridge will not be completed, traffic congestion will not be addressed, and adjacent residential streets will continue to be adversely impacted by “cut-through” commuter traffic. All grant awards will be forfeited and may not be available should the project be reconsidered at a future date.

### **PUBLIC OUTREACH/INTEREST**

No public outreach was conducted related to execution of the attached amendment, resolutions, agreements, dedication and grant deed. However, public outreach regarding the overall project was conducted at the beginning of the project. Subsequently, multiple project updates were made by Public Works Directors to City Council on June 5, 2012, October 15, 2013, February 25, 2014, May 6, 2014, January 6, 2015, July 7, 2015, and February 16, 2016 as well as discussed during several presentations made by Community Development relating to redevelopment of the mall.

### **ENVIRONMENTAL REVIEW**

No environmental review was conducted related to execution of the attached amendment, resolutions, agreements, dedication and grant deed. However, environmental review regarding the overall project (CEQA Negative Declaration) was completed on February 24, 1988. Subsequent environmental re-validations were completed on June 1, 2004 and May 5, 2014.

### **LEGAL REVIEW**

All the amendments and agreements except the RREEF Temporary Construction Easement Agreement and Permanent Highway Easement Agreement have been reviewed and approved by City Attorney's office.

### **ATTACHMENTS**

1. Project Funding Summary
2. Location Map
3. Proposed HDR Contract Amendment No. 3
4. Construction Cooperative Agreement between Caltrans and the City of Manhattan Beach
5. Resolution No. 16-0084
6. Purchase, Sale Agreement and Joint Escrow Instructions
7. Irrevocable Offer to Dedicate Right-of-Way from the Joint Owners of 3500 Sepulveda Blvd.
8. Resolution No. 16-0002
9. Chevron Dedication Grant Deed

10. Resolution No. 16-0043