



Legislation Text

File #: 19-0316, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Jeff Gibson, Interim Community Development Department Director
Laurie Jester, Planning Manager

SUBJECT:

Consider Approving Contract Amendment No. 1 with Rincon Consultants, Inc. for an Additional \$79,440 for the Preparation of an Environmental Impact Report (EIR) for the Sunrise Senior Assisted Living Project Located at 250-400 North Sepulveda Boulevard (Cost Reimbursed by Sunrise) (Interim Community Development Director Gibson).

ADOPT RESOLUTION NO. 19-0082

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 19-0082 approving Contract Amendment No. 1 for \$79,440 with Rincon Consultants, Inc., to:

- a. Increase the original not-to-exceed figure by an additional \$79,440, for a new maximum compensation of \$200,000 (all costs reimbursed by Sunrise Development, Inc.);
- b. Add an option to extend the term for up to one year, through September 19, 2021; and
- c. Update the scope of services to include additional work to be performed by the consultant.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with the recommended action. Pursuant to a separate reimbursement agreement with Sunrise, the developer of the proposed project, Sunrise must pay all City costs associated with preparing the EIR, in addition to other expenses. Pursuant to the agreement with Rincon Consultants, Inc. (Rincon), the City has no obligation to pay Rincon from any source of funds other than funds deposited by Sunrise.

BACKGROUND:

In December 2017, Sunrise submitted an application (Use Permit, Environmental Assessment, and Tentative Subdivision Map) to build a new 111-unit Sunrise Senior Assisted Living project at 250-400 N. Sepulveda Boulevard. Since the initial submittal date, staff from all departments along with City-hired consultants have been working with Sunrise representatives on the review and analysis of the proposed development. Numerous in-house meetings, teleconferences, and a public scoping meeting have occurred. Based on preliminary review of the site plan by Traffic, Fire, Police, and Public Works staff, as well as preliminary environmental work, the applicant has begun a redesign of

the project. As a result, Rincon is required to perform additional EIR services that were not anticipated nor included in the original agreement with Rincon, necessitating an amendment to cover the additional work, compensation, and time.

A two-year contract agreement with Rincon Consultants was originally approved by City Council on September 19, 2018, for an initial amount of \$120,560 to prepare the Sunrise project EIR.

The Sunrise project includes demolition and removal of three existing buildings containing a mix of office, retail, and restaurant uses. The three buildings are Pizza Hut/Schwarz Chiropractic, Goat Hill Plaza, and Big Wok Mongolian BBQ Restaurant. The development also includes an unimproved parcel located between Manhattan Auto Center and Big Wok.

According to the original project description, the new structure would consist of approximately 80,000 square feet (varied in height between two and three stories), a fully enclosed parking garage with 62 spaces, as well as common areas such as a bistro, dining room, private dining room, and activity rooms. The operations are described as an integrated care-based residential facility focused on providing housing and care to seniors in need of assistance, including 24-hour non-medical care for elderly persons in need of personal services, supervision, protection or assistance with activities of daily living. Personalized services also include Alzheimer's and memory care, food and restaurant dining, housekeeping and laundry, transportation, programs and activities for daily physical fitness, creative, social, learning and spiritual opportunities, and medication coordination.

DISCUSSION:

The attached amendment does not affect the "pass-through" nature in the agreement (i.e., the cost of all services performed by Rincon are passed through to Sunrise, including these additional costs). The City's obligation to pay invoices submitted by Rincon is subject to there being sufficient funds in the developer's deposit account. As stated in the agreement, the City has no obligation to pay Rincon from any source of funds other than funds in developer's deposit account. Rincon estimated the additional work involved would cost \$47,510; however, to be cautious, the not-to-exceed figure is greater to accommodate additional modifications to the proposed development. Therefore, staff recommends that City Council authorize the City Manager to execute Amendment No. 1 with Rincon Consultants, Inc. for \$79,440 to cover immediate and future cost increases concerning the EIR.

PUBLIC OUTREACH:

After analysis, staff determined that public outreach was not required for this issue.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity, the Agreement, for compliance with CEQA and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW:

The City Attorney has approved the agreement as to form.

ATTACHMENTS:

1. Resolution No. 19-0082

2. Amendment No. 1 - Rincon Consultants, Inc.
3. Original Agreement - Rincon Consultants, Inc. (2018)