



LONG BEACH REDEVELOPMENT AGENCY

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June 18, 2007

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to execute the First Amendment to the Owner Participation Agreement and to enter into a contract with Procon Developers and Engineers, Inc., in an amount not to exceed \$1,003,050 for the construction of façade and on-site improvements at 1500 W. Willow Street. (Central – District 7)

DISCUSSION

The Central Long Beach Strategic Guide for Development has identified the neighborhood near Willow Street and Santa Fe Avenue (Neighborhood Center) (Exhibit A – Site Map) as a focal area for concentrated redevelopment activity. The community envisions the Neighborhood Center to be a vibrant, active center with a multitude of services including neighborhood retail, local-serving offices and upgraded community facilities.

Currently, the Neighborhood Center is anchored by a shopping center with a grocery store, five in-line shops and a gas station (Center) (Exhibit B – Site Photo). The Center is in poor condition and is nondescript in style with little architectural character. The grocery store is smaller than your typical supermarket built today. The in-line shops are also small in size and are occupied by tenants that have not enhanced the retail experience in the Center.

On April 24, 2006, the Agency authorized the execution of an Owner Participation Agreement (OPA) with Willow Landmark, LLC (Participant) for the development of the Center's façade and on-site improvements. Under the terms of the OPA, the Agency will loan the participant an amount not to exceed \$500,000 plus a 15% contingency and the Participant will contribute \$50,000 of the total construction costs.

The work to be done under the contract will include installing new exterior materials, stucco and metal panel canopies; cleaning and repainting existing block walls;

The mission of the Long Beach Redevelopment Agency is to enhance the quality of life by improving blighted areas of Long Beach, revitalizing neighborhoods, promoting economic development, creating jobs, providing affordable housing and encouraging citizen participation.

furnishing and installing landscaping items, irrigation and electrical lighting equipment; and restriping of the parking lot.

The project was advertised for bid on March 12, 2007, and bids were opened on April 13, 2007. Procon Developers and Engineers, Inc. (Procon) bid for construction costs was \$872,217 and the highest bid was \$1,055,000. Procon was the lowest responsive bidder.

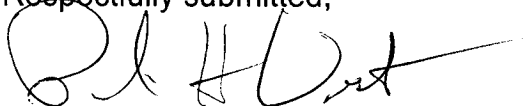
The increase in construction costs and the continued desire to provide for a quality remodel has resulted in a sum larger than \$550,000 originally contemplated in the OPA. Therefore, the First Amendment to the OPA has been drafted to reflect a revised loan amount of \$880,000 plus a 15% contingency.

The proposed contract amount of \$1,003,050 includes the 15 percent contingency clause to cover any additional work that may become necessary during the course of construction. In the event that additional work is necessary, the contract will authorize the Executive Director to approve change orders not to exceed the 15 percent contingency. Although not anticipated, any contract change orders that would exceed the 15 percent contingency will be brought before the Agency for further consideration.

SUGGESTED ACTION:

Adopt recommendation.

Respectfully submitted,



PATRICK H. WEST
EXECUTIVE DIRECTOR

PHW:CB:DSW:JMV

Attachments: Exhibit A – Site Map
Exhibit B – Site Plan

APPROVED:

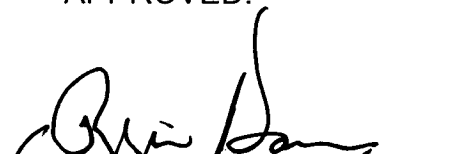

GERALD R. MILLER
CITY MANAGER

Exhibit A
Site Map



Exhibit A
Site Map



Exhibit B
Site Photos



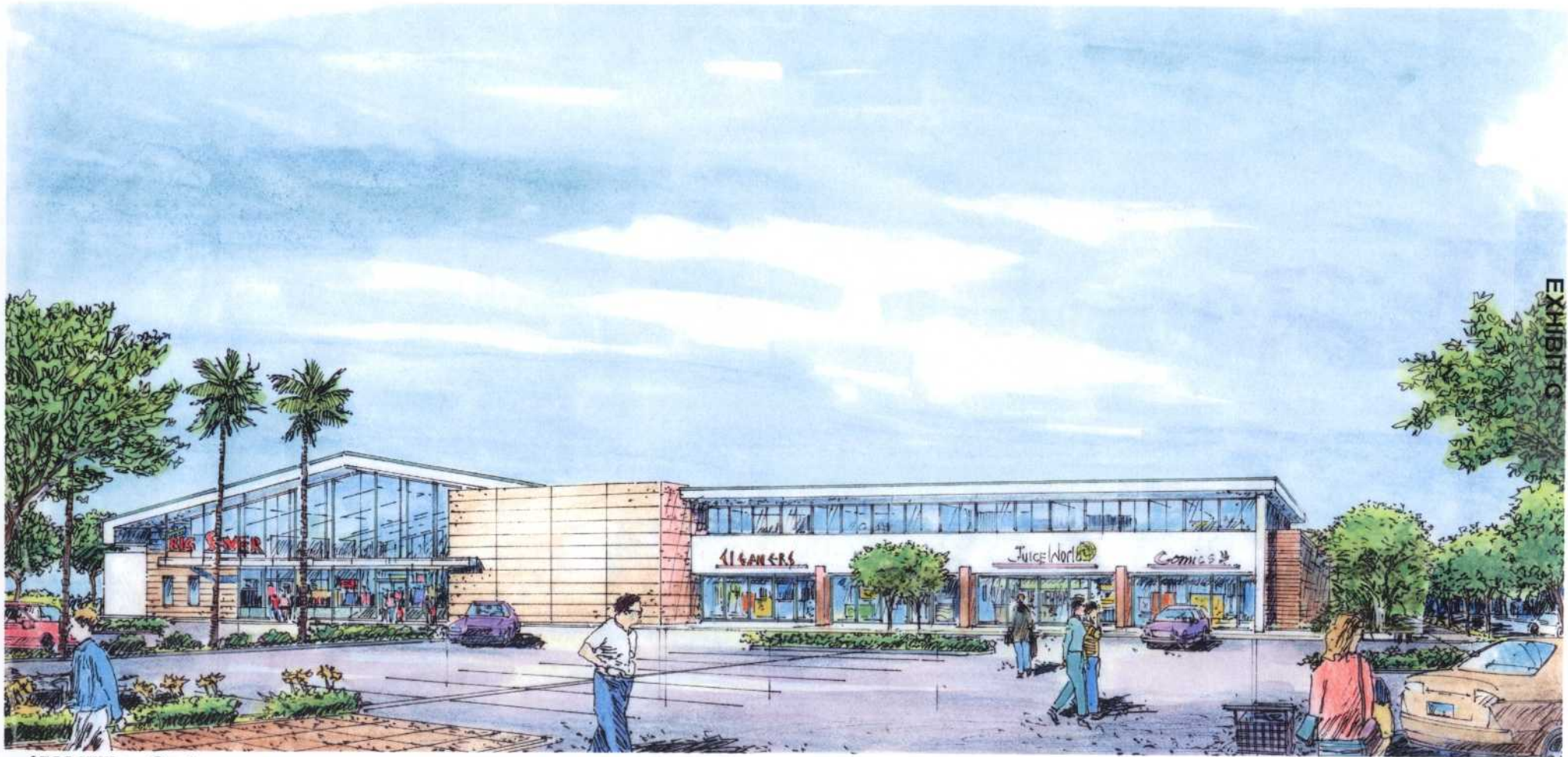


EXHIBIT C

1500 Willow Center
Redevelopment Agency of Long Beach

FERNALD
AUGUST 2005