



Legislation Text

File #: 16-0344, **Version:** 1

Recommendation to authorize City Manager to execute all documents, including amendments, necessary to enter into a Reimbursement Agreement with Lyon Housing (Pumpkin Patch) XLV, LLC, for reimbursement costs related to project management for entitlements for wetlands restoration for a portion of property at 6433 East 2nd Street and relocation of oil facilities to 6701 East Pacific Coast Highway, for a period of one year with the option to renew for two additional one-year periods;

Authorize City Manager to execute all documents, including amendments, necessary to enter into a contract with Lisa Wise Consulting, Inc., for coastal zone consulting services, in an annual amount of \$120,000, and an additional 10 percent contingency in the amount of \$12,000, for a total annual amount not to exceed \$132,000, for a period of one year with the option to renew for two additional one-year periods, at the discretion of the City Manager; and

Increase appropriation in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$132,000. (District 3)

The project applicants, Lyon Housing (Pumpkin Patch) XLV, LLC (Lyon Housing), and Los Cerritos Wetlands, LLC, have requested entitlements to relocate oil infrastructure from the Synergy Oil and Gas, LLC (Synergy) oil field at 6433 East 2nd Street to a site owned by the Los Cerritos Wetlands Authority and the 7-acre Pumpkin Patch site at 6701 East Pacific Coast Highway, where Synergy executive offices will also be constructed (Exhibit A - Project Location Map). The northern portion of the Synergy oil field will be restored through the creation of a Wetlands Mitigation Bank. Staff has determined that the complexity of the project, the number of discretionary approvals required, and the number of City and external agencies and stakeholders involved in various phases of project review and approval warrant a high level of coordination and oversight, to ensure compliance with all local, regional, State and federal procedural requirements and statutory provisions, and that the project remains on schedule.

Lyon Housing, representing both applicants, has agreed to participate in a Reimbursement Agreement (Agreement) between the City and its respective parties as a means to facilitate the project review process. The Agreement will allow the City to select and utilize its own consultant, Lisa Wise Consulting, Inc. (LWC), to act as Project Manager to supplement staff in the review and processing of this project, as outlined in their Scope of Work (Exhibit B - Consultant Scope of Work for Project Management). LWC has specialized expertise in coastal zone issues and is familiar with the City's Local Coastal Program. LWC will provide required coastal zone expertise and work at City staff's direction to coordinate the various parties involved in the process, including the applicants, the EIR consultant, the California

Coastal Commission, and other relevant stakeholders. City staff will continue to report through their respective City departments for direction and feedback.

Key terms of the Reimbursement Agreement are as follows:

- 1) The Agreement is effective January 1, 2016 through April 1, 2017, with the option to renew for two one-year periods. This will allow the City to recapture expenses incurred since the application submittal, including preparation for the project kick-off meeting and coordination of the project schedule and EIR processing, as these activities have already commenced. The extensions will allow continuity in project management should unforeseen circumstances result in substantial project delay.
- 2) Staff estimates annual costs of approximately \$120,000 to be reimbursed by the applicant, Lyon Housing, and payable in periodic deposits of \$20,000 upon prior notice by staff, as needed. The City expects to be reimbursed only for those expenses actually incurred. If actual costs do not exceed estimated total annual costs of \$120,000, Lyon Housing is not liable for payment to the City beyond the actual expenses incurred.
- 3) In the event actual costs exceed the estimated costs set forth in the Reimbursement Agreement, Lyon Housing agrees to pay the actual costs.
- 4) Notwithstanding the above, the City and Lyon Housing agree to amend the Agreement to reflect greater expenses paid or incurred, or anticipated to be paid or incurred, in the event that City costs exceed the estimated costs by more than 10 percent (or \$12,000) due to the need for services not anticipated by the City at the time of the signing of the Agreement.
- 5) The City will maintain exclusive control over the work to be performed by LWC. Nothing in the Agreement shall be deemed to require the City to approve any plan, proposal, suggestion, application or request submitted by Lyon Housing.

This matter was reviewed by Assistant City Attorney Michael J. Mais on March 28, 2016 and by Budget Management Officer Victoria Bell on March 31, 2016.

City Council action on this matter is not time critical.

Costs for the project management contract are estimated at \$132,000, including the recommended 10 percent contingency of \$12,000. If approved, the services will be performed by Lisa Wise Consulting, Inc. Currently this project is not budgeted; therefore, a \$132,000 appropriation increase, offset by reimbursement from Lyon Housing, in the Development Services Fund (EF 337) in the Development Services Department (DV) is requested.

There is no local job impact associated with this recommendation.

Approve recommendation.

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER