

Visalia City Council Agenda

For the adjourned regular meeting of: Monday, February 19, 2008 adjourned to
Monday, February 25, 2008

Location: City Hall Council Chambers, 707 W. Acequia, Visalia, CA 93291

Mayor: Jesus J. Gamboa
Vice Mayor: Bob Link
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Amy Shuklian

REGULAR SESSION - 5:30 p.m.

This regular meeting was adjourned from Monday, February 19, 2008 to Monday, February 25, 2008 at 5:30 p.m., for the following item:

CITIZENS REQUESTS - This is the time for members of the public to comment on any matter within the jurisdiction of the Visalia City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item for discussion purposes. Comments related to Regular or Public Hearing Items listed on this agenda will be heard at the time the item is discussed or at the time the Public Hearing is opened for comment. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight. In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (speaker timing lights mounted on the lectern will notify you with a flashing red light when your time has expired). Please begin your comments by stating and spelling your name and providing your street name and city.

1. A. Approval of Addendum to the Lease of Recreation Park Stadium with Top of the Third, Inc. **(Motion Required)**

B. Authorization to award the construction contract for the Recreation Park Right Field Improvements project to Seals/Biehle General Contractors of Visalia in the amount of \$7,740,000. Project No. 0011-15152-72-0-8037. **(Motion Required)**

Upcoming Council Meetings

- Monday, March 3, 2008, Work Session 4:00/Regular Session 7:00 p.m. - City Council Chambers, 707 W. Acequia
- Monday, March 10, 2008, Joint Meeting with Planning Commission 4:00 p.m. - Convention Center, 303 E. Acequia
- Monday, March 17, 2008, Joint Meeting with COS Board 4:00 p.m. - Convention Center, 303 E. Acequia
- Monday, March 17, 2008, Work Session 5:00 p.m. (following joint meeting); Regular Session 7:00 p.m. - Convention Center, 303 E. Acequia

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Visalia City Council Agenda

For the Special meeting of: Monday, February 25, 2008

Location: City Hall Council Chambers, 707 W. Acequia, Visalia, CA

Mayor: Jesus J. Gamboa
Vice Mayor: Bob Link
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Amy Shuklian

PUBLIC COMMENT (on closed session items)

CLOSED SESSION

6:30 p.m. (Or, immediately following the adjourned regular meeting)

1. Conference with Legal Counsel - Anticipated Litigation (Subdivision (b) of 54956.9 GC) One potential case

Upcoming Council Meetings

- Monday, March 3, 2008, Work Session 4:00/Regular Session 7:00 p.m. - City Council Chambers, 707 W. Acequia
- Monday, March 10, 2008, 4:00 p.m. - Joint Meeting City Council/Planning Commission, Convention Center, 303 E. Acequia
- Monday, March 17, 2008, Joint Meeting with COS Board 4:00 p.m. - Convention Center, 303 E. Acequia
- Monday, March 17, 2008, Work Session 5:00 p.m. (following joint meeting); Regular Session 7:00 p.m. - Convention Center, 303 E. Acequia

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**City of Visalia
Agenda Item Transmittal**

Meeting Date: February 19, 2008

Agenda Item Number (Assigned by City Clerk): 1

Agenda Item Wording:

A. Approval of Addendum to the Lease of Recreation Park Stadium with Top of the Third, Inc. (Motion Required)

B. Authorization to award the construction contract for the Recreation Park Right Field Improvements project to Seals/Biehle General Contractors of Visalia in the amount of \$7,740,000. Project No. 0011-15152-72-0-8037. (Motion Required)

Deadline for Action: February 25, 2008

Submitting Department: Administration Department

Contact Name and Phone Number:

Carol Cairns, Assistant City Manager 713-4324
Phyllis Coring, Special Projects Manager 713-4566

Department Recommendation:

The City Council subcommittee on the Recreation Park Stadium Renovation Project (Vice Mayor Bob Link and Councilmember Don Landers and staff (Carol Cairns, Assistant City Manager and Special Projects Manager Phyllis Coring) recommends that:

A. City Council approve an addendum to the lease of Recreation Park Stadium with Top of the Third, Inc. for professional baseball. The approval of the addendum would be contingent upon the City Council award of the Right Field Improvements to the Recreation Park Stadium.

B. City Council award the construction contract for the Recreation Park Right Field Improvements project to Seals/Biehle General Contractors of Visalia in the amount of \$7,740,000 and approve the project budget not to exceed \$11.6M. Construction that would result from this action includes construction of a two story building with grass seating berm along Giddings St., modification of the existing grandstand berm to include required dugouts, addition of restrooms and minor improvements to the facility.

Summary/background:

This document last revised: 2/22/08 3:32:00 PM
File location and name: H:\(1) AGENDAS for Council\2008\022508 Adjourned Regular\Item 1 Rec Park Stadium.doc

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

City Council previously identified \$11.6 million dollars for renovation of the Recreation Park Stadium. The project was originally intended to provide for a two-story building along the right field line and replacement of the grandstand. The projected total project estimate, including the results of the bid for right field improvement, significantly exceeds the appropriation. The Council subcommittee recommends award of the Right Field Improvements along with modifications to the existing berm to provide required dugouts in order to accomplish an expansion and an improvement of the stadium at a cost within the appropriation. The existing concrete grandstand berm would not be replaced. Other project options are discussed later in this report.

Right Field Improvement Bid Process and Project Description

The City conducted a competitive bid process for the construction of Recreation Park Right Field Improvements. The project consists of construction of a 19,994 sq. ft two story building with 344 permanent seats in the right field box and elevated grass berm seating. Within the building, there is a Hospitality Lounge, with 52 outdoor permanent seats, a concession stand, team souvenir store, restrooms, team offices, ticket booth and 1433 sq. feet of leasable space.

Two firms submitted proposals and the total lump sump bids were as follows:

Seals/Biele General Contractors	\$7,740,000.
Oral E. Micham, Inc.	8,000,000.

Given the closeness of the bid amounts, staff believes the bid was competitive.

Three add alternates were provided in the bid. Since the basis of award is to the lowest responsible bidder, the costs for the alternates as submitted by Seals/Biehle would be the ones considered if City Council chooses award the project and to add one or more of the alternates to project and to the base bid price. The add alternates and costs are as follows:

1. A constructed Grounds Keeping Shed (instead of a pre-manufactured unit) - \$54,000
2. Brick wrapped pilasters at the south entry gate - \$ 37,000
3. An accelerated construction schedule - \$850,000

All three add alternates were originally in the plans and specifications. They were eliminated as part of the value engineering effort to reduce cost. They were included as "add alternates" to provide the option to include them if City Council felt them appropriate. The Council subcommittee and staff recommends that none of the alternates be added to the project, if Council chooses to award the Right Field Improvement Project.

Staff, along with BJ Perch Construction, Inc. which is the Construction Management firm on this project, has reviewed the bids and conducted a reference check process. Seals/Biehle General Contractors successfully completed the West Acequia Parking Structure project for the City in April, 2007, as well as a number of projects for other public agencies and private facilities, including St. Agnes Hospital in Fresno.

Reconstruction of the baseball stadium was planned to be carried out in two phases with the Right Field Improvements as the first phase, to be followed by renovation of the grandstands. The grandstand portion of the project called for the demolition of the concrete berm , which

would be replaced with a new concrete and steel structure with expanded seating, a press box, guest suites and a video board that would be added to the new scoreboard which would be installed, by separate contract, during construction of the right field improvements. The dugouts, which were a part of the grandstand portion of the project, are a requirement of Minor League Baseball. Neither the right field improvements phase or the grandstand phase can stand alone as a complete project. If City Council awards the Right Field Improvements, the dugouts would need to be constructed into the existing grandstand berm. Also, additional restrooms would be added in the new building and some other minor modifications to the facility would be made. The project would result in a stadium capacity of approximately 2350 persons.

The total cost estimate of the project is \$11.6 M.

Project Budget for Recommended Action

The recommendation from the Council subcommittee and staff is to provide a project within the \$11.6 M. The proposed project budget is as follows. Every effort will be taken to not expend the full budget and value engineering will continue through construction.

Construction – Includes bid award of the right field improvements, demolition and over-excavation from previous contract, dugouts in existing concrete grandstand berms, additional bathrooms added to right field building and project contingency	9,852,285.
Utilities	80,000.
Construction Management	239,100.
Architect, Engineer, Testing Lab (note –also includes grandstand phase, because it has already been essentially designed)	886,935.
Fixtures, Furnishings & Equipment -Includes estimates for concession equipment, furniture and equipment for hospitality lounge, walk in refrigerator/freezer, etc.	275,000.
Fees – includes city fees and fees from other agencies	85,680.
Bid Process and Plan Printing in Design	28,000.
Building Commissioning – signs and misc. expenses	48,000.
Scoreboard	100,000.
Legal	5,000.
Total	11,600,000.

Original Cost Estimates

On April 23, 2007, City Council authorized staff to proceed with the planning for the improvements as a city project. Previously, the project had been conducted as a private project under the management of the ownership of the Visalia Oaks Baseball club, with reimbursement coming from the City. Cost estimates were provided to the city by Top of the Third, Inc. at the April, 23, meeting based on the scenario of it being a private project. There was acknowledgement that there are additional costs incurred for publicly bid projects. At that time, it was assumed that the project including both the right field improvements and grandstand would be constructed in one phase during the 2007/2008 off season.

The early cost estimates provided by Top of the Third were not inclusive of the full range of project costs, such as civil engineering, utilities and fees (city and other agencies) and do not reflect the full project costs currently anticipated.

It soon became apparent that the project would need to be constructed in two phases in order to meet the constraints of timing constructing around the baseball playing season. Some of the factors that contributed to the overall estimated cost increases include constructing the project in two phases and constructing it as a publicly bid, rather than private project. It is estimated that approximately \$970,000 of the project cost of the Right Field Improvements is attributable to these factors. Examples of these costs include construction management, additional design costs (since items need to be publicly bid, rather than directly supplied by vendor), increased construction costs, and the public bid process.

Now that bids have been received for the Right Field Improvement phase of the Recreation Park Stadium renovation, there are not sufficient funds in the \$11.6 M budget appropriation to complete the entire Right Field improvements and Grandstand Projects as planned.

The costs identified in April, 2007, specifically for construction only in the \$11.6 million project estimate was \$9,139,600. Using the current bid results to update the construction estimate for the combined Right Field Improvements and Grandstand results in a current total construction estimate of approximately \$14.5 M. Estimates for design fees, construction management, utilities, permit and development impact fees, scoreboard with video board and fixtures, furnishings and equipment bring the total project cost estimate to approximately \$18.5M.

Clarification of the Lease with Top of the Third, Inc.

The lease recently entered into with Top of the Third, Inc, includes provisions that certain improvements be made to the stadium. The lease did not specifically require any particular project to be completed. Instead, the lease includes general language requiring the City to endeavor to satisfy league minimum facility standards through a program of renovations, with reference to an Exhibit C listing the potential improvements. Discussions at the time led to the assumption that both the Grand Stand and the Right Field improvements would be necessary to meet the identified standards, an assumption that is being revisited as noted above. Because of this open language, if the City Council chooses to award the Right Field Improvements and dugouts as the entire project, the lease would not technically need to be amended. However, staff recommends entering into an addendum clarifying the City's improvement obligations under the lease.

Another area of the lease that should be addressed is the revenue sharing provisions. The structure of the revenue to be generated would not change. Ticket surcharges of \$2, \$1 and \$.50 (depending upon type/location of seat) and the percentage of gross revenue that would be given to the city would stay as it is in the existing lease. Staff recommends that the

implementation of the surcharge be moved out one year to 2010. The current understanding is that the surcharge would become affective 2009. However, due to the downsizing of the project and completion of the right field project not being fully utilized in 2009, it is recommended that full implementation of the increased surcharge become effective in 2010.

Since there would no longer be revenue generated by the suites that were intended to be constructed in the grandstand, and there would be approximately 725 less seats, it is anticipated that the projected revenue will be affected and not be as great as previously anticipated. The premium seats were projected to generate approximately \$31,200 annually (at 70% attendance). Approximately \$20,000 in revenue would be lost due to the lack of suites. In addition, approximately \$30,000-\$40,000 would be lost annually in ticket sales for the 725 less seats.

The proposed addendum to the lease would therefore provide for the following:

1. The parties agree that the City's project to construct Right Field Improvements, as the same have been contracted for pursuant to City Council approval of February 25, 2008, shall satisfy any obligations under Section 2.a. and 3.a. of the lease, that such improvements shall constitute the entirety of the Program of Renovations, and that Exhibit C of the lease shall be deleted.
2. The parties further agree that ticket revenue sharing obligations as set forth in Section 6 of the lease shall commence on 1/1/2010.

Minor League Baseball Facility Standards

Minor League Baseball requires that a playing facility comply with certain various standards. The standards for new stadiums are much more rigorous than existing facilities; however there are aspects of Recreation Park Stadium in need of upgrade. Staff spoke with officials from both the Minor League and the Diamondbacks Ball Club. The officials identified which improvements are of their highest priority. *The priority areas of compliance include needed upgrades to the dugouts and maintenance of the field lights to achieve a certain level of illumination and coverage.* Top of the Third indicates that the Diamondback coaches are satisfied with the lights so by modifying the existing concrete berm to add the dugouts, the priority items can be met. There are other more minor upgrades that are needed to meet building codes related to food service.

Other Project Options

With the current cost estimate for the entire project significantly exceeding the appropriation, staff evaluated other project options. The following are other options for proceeding forward.

1. Construct the Grandstand, but not the Right Field Improvements

Construction of the grandstand without the right field improvements would involve demolition of the existing berm and replacing it with a concrete and steel structure. The existing seats would be put back on to the new structure, along with some additional seats. A new press box along with guest suites would be added at the top of the structure. New restrooms would be situated underneath the grandstand. This alternative could be modified to add a concession stand underneath the grandstand. This alternative would result in a stadium capacity of approximately 2050 persons. Existing capacity is 2020 persons. The estimated

project cost for this alternative is \$11.65 M. It should be noted that the cost of construction in this alternative is an estimate only, whereas in the alternative to construct the right field improvements, the construction cost is a known bid figure.

2. Other Alternatives – These Options Require Major Additional Funding

A. Award the Right Field Improvement Project and Proceed to Bid Grandstand with the Pre-cast Concrete Stadium Seating. This is the project as currently planned. This would require a future additional appropriation of approximately \$ 7 million dollars.

B. Award Right Field – Continue to explore options for alternative design for grandstand. Preliminary indications from a company which provides a pre-manufactured stadium seating produce are that there could be a savings of \$750,000. (assumes grandstand replacement would be funded) This would require an additional appropriation of approximately \$6.25M.

C. Postpone award and bid both Right Field Improvements and Grandstand as single project. – The Construction Management firm believes that approximately \$950,000 in costs associated with the current total project (both right field improvements and grandstand) cost estimate is attributable to breaking the project into two phases. This option may save dollars by eliminating the duplication of overhead for two, rather than one project, use of the earth in the existing grandstand berm for the earth needed in the raised seating berm and other efficiencies. Cost savings, would be reduced, however, through the rising cost of construction because of the delay, so this option is not likely to save the entire sum.

D. Redesign the Project. Alternative designs could include scaling down the building along the right field line to single story structures to provide offices, concessions and team store and also building the grandstand. There is not sufficient time to redesign and bid the project this year.

3. Do not award project and do not proceed with major improvements

Replace field light, scoreboard and fencing. Install the electricity to the scoreboard and irrigation pump that was to be completed with the right field improvements. Install minimal irrigation and turf to area south and west of the playing field, where building and berm would have been located.

Conclusion

Construction of the right field improvements, along with the new dugouts, will add a significant addition to the stadium and achieve the priority improvement required by the Minor League. It will increase the capacity of the stadium and provide facilities, such as the VIP banquet room, that are not currently on site. Recreation Park Stadium is a historic asset to the community and the renovation will allow the stadium to be a modern baseball facility, a new venue for community events and a catalyst for increased investment in the neighborhood. Awarding the bid allows the project to proceed with the major construction cost known and process toward the renovation of the park now, rather than further delaying progress.

Prior Council/Board Actions: City Council authorized proceeding with the project on April 23, 2007.

Committee/Commission Review and Actions:

Alternatives:

Attachments:

Recommended Motion (and Alternative Motions if expected):

I move to approve an addendum to the lease of the Recreation Park Stadium with Top of the Third, Inc.

I move to award the contact for construction of the Right Field Improvements at Recreation Park to Seals/IBiehle, General Contractors, in the amount of \$7.74M and approve the project budget not to exceed \$11.6M.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to: