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Report to Mayor and City

Tuesday, March 20,

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SUBJECT:

CONSIDER AUTHORIZATION OF A COMMERCIAL IMPROVEMENT PROGRAM AGREEMENT WITH GEORGE AND SOTIRIA BOVETAS, TRUSTEES OF THE BOVETA REVOCABLE TRUST, IN THE AMOUNT OF \$95,000 TOWARD A CONSTRUCTION CONTRACT FOR A CDBG-FUNDED COMMERCIAL IMPROVEMENT PROJECT LOCATED AT 22300 AVALON BOULEVARD (YELLOW BASKET) (CITY

I. SUMMARY

For the past several years, the City' CDBG Annual Action Plan has included a funding for a Commercial Improvement Program, but no projects were undertaken. A commercial improvement project is now proposed for the property located at 22300 Avalon Blvd. (APN 7315-005-004) located within the CDBG-designated Slum and Blight Area. The structure was originally constructed in 1973. The applicants are George and Sotiria Bovetas, Trustees of the Bovetas Revocable Trust, owners of Yellow Basket Restaurant ("Owner"). The project will be partly funded from CDBG funds in the amount of \$95,000 and partly from private funds from the Owner. The contract for the work is between the contractor and the Owner, with the CDBG funding coming through a Commercial Improvement Program Agreement between the City and the Owner.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the Commercial Improvement Program Agreement between the City and George and Sotiria Bovetas, Trustees of the Bovetas Revocable Trust ("Owner"), providing CDBG funding for a commercial facade improvement project located at 22300 Avalon Boulevard in the amount of \$95,000 (owner to contribute private funds \$103,320 for Phase 1 of project).
2. AUTHORIZE the Mayor to execute the Agreement and all related documents in a form acceptable to the City Attorney.

III. ALTERNATIVES

1. REJECT the bids.
2. TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Over the past 18 months, the City and Owner have been working together to design a façade improvement project (“Project”) to improve the exterior of the subject building and provide better signage for the business, Yellow Basket. The restaurant has been part of the community for over 30 years. As there has been new investment on the other corners at this intersection, this project will increase the visual appeal of Avalon and 223rd.

The Project will create a new entrance, replace the mansard roof with a modern metal wall panel, stucco and paint the exterior, provide a new drive-thru entrance, repair lighting, install three new signs, construct two new bathrooms and parking in accordance to the Americans with Disabilities Act (ADA), and other miscellaneous repairs to the exterior. The owner will also be funding a new slurry seal and striping of parking lot, irrigation, and landscaping.

The applicant participated in two bid processes and requested bids from several contractors during the past two months, resulting in two complete bids. Federal Procurement Standards require a minimum of two bids per 2 CFR Part 200.320. Staff has determined that the applicant followed the protocol to obtain the required bids (Exhibit No. 1). The contract will be awarded to the lowest responsible bidder, Ever Builders, in the amount of \$198,320.

The project has a total of 210 feet of building frontage including 50 feet of building frontage facing Avalon Boulevard and 55 feet of building frontage facing 223rd Street; both sides also contain entrances to the business. Based on the façade improvement program allowance of \$450 per lineal feet of these building frontages, the project qualifies for a maximum grant amount of \$95,000. This maximum assistance amount is a ceiling for total project improvements but does not necessarily mean the City is obligated to award the entire amount for this project.

A project that is funded by federal CDBG program funds is also required to incorporate the provisions of the Davis Bacon and Related Acts (DBRA). Under the DBRA regulations, any project over \$2,000 must require contractors to pay their employees prevailing wages required by DBRA. Also, the California Department of Labor designates these types of projects as Public Projects, requiring compliance with state prevailing wage requirements. In the event of a conflict between federal and state wage rates, the higher of the two will prevail. Ever Builders included the DBRA wage standards in their bid submittal.

Proper bidding process was used and the selected contractor is the lowest and most responsive bidder. The project will provide the needed enhancements to the subject property and is an appropriate use of CDBG funds. The execution of the Commercial Improvement Agreement will initiate this construction project (Exhibit No. 2).

V. FISCAL IMPACT

Funds for this contract (\$95,000) are included in the FY2017/18 CDBG program year, Commercial Improvement Program. Project Account No. 15-00-999-000-2401.

VI. EXHIBITS

1. Memorandum dated January 24, 2018, Summary of Project Bidding (pgs. 4-9)
2. Commercial Improvement Program Agreement with exhibits (pgs. 10-52)

Prepared by: John Raymond, Director of Community Development