



Lompoc City Council Agenda Item

City Council Meeting Date: September 20, 2005

TO: Gary P. Keefe, City Administrator

***FROM: Michael W. Luther, P.E., Senior Civil Engineer
m_luther@ci.lompoc.ca.us***

***SUBJECT: AWARD OF PROJECT NO. FY-05-B-4 -
RESIDENTIAL DEMOLITION, 211 SOUTH "I" STREET,
LOMPOC, CA***

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

1. Adopt the Specifications for Project No. FY-05-B-4 as required by Section 22039 of the Public Contract Code, copies of which are on file in the City Engineer's Office.
2. Award the Contract in the amount of \$78,000.00 to All Contractors, Inc., and authorize the Mayor to execute the necessary agreements for this Project.
3. Authorize the City Engineer to approve Contract Change Orders in an amount not to exceed \$15,000.00.
4. Approve City paid support of the demolition pre-bid, inspection, and contract administration effort, estimated to cost \$13,400.

BACKGROUND:

On January 9, 1996, Charlotte Benton wrote the City Council that it was her "intention to provide for the children of the Lompoc Valley the physical and financial means to create a Children's Library". Ms. Benton intended that the library be located at her then current residence, 211 South "I" Street, which she planned to vacate in approximately five years, or 2001. Ms. Benton also stated her intention to put into trust various other assets to create an endowment for the ongoing support of the facility, including salary and maintenance costs. Ms. Benton intended that funding required for conversion of the residence, and for an initial collection of books and other materials, were to be acquired through contributions or fundraising activities. In 1997, on condition that it be used "exclusively and in perpetuity as part of a free public library for the children of the Lompoc Valley," 40% of the real property was given to the City of Lompoc, with the balance of the donation completed in 2002. In 2001, Ms. Benton provided a \$50,000 cash gift for "use ... solely for the use of the

**AWARD OF PROJECT NO. FY-05-B-4 –
RESIDENTIAL DEMOLITION, 211 SOUTH “I” STREET, LOMPOC, CA**

Page -2-

project”. On December 3, 1997, Ms. Benton created a revocable trust, which becomes irrevocable upon Ms. Benton’s death. The successor trustees are instructed to settle any debts, final expenses or other outstanding liabilities; to carry out the donor’s instructions regarding gifts of personal effects and other property; and to distribute the remaining trust assets to the Lompoc District Libraries Foundation “to use to complete, maintain or enhance ... the Children’s Library”. On March 5, 2002, the Lompoc Library Board of Trustees requested that the City take over the construction management of the Children’s Library and the Lompoc City Council approved the request. Staff was authorized approximately 370 hours or approximately \$17,000 worth of time for project plan preparation. The staff charges ultimately absorbed by the General Fund totaled approximately \$14,000 for engineering, environmental, and planning effort. The work contemplated at the time of City Council approval was associated with one single building on the property, with the thought that a piece-meal approach would expeditiously provide a useable product. Ms. Benton contributed another \$10,000 in April 2003 to help with additional expenses.

On August 5, 2003, the Lompoc City Council approved an application for a Proposition 14 Bond Act Grant, which required that the City of Lompoc make a commitment to operate Charlotte’s Web Children’s Library Learning Center for 40 years. Lompoc was told on November 29, 2004 that the grant request was not successful. The 40-year operation guarantee required of the City for the grant does not commit future City Councils to operational and maintenance expenses not anticipated at the time that the City accepted the land donation.

It continues to be represented that the City will incur no cost in the operation of the Children’s Library because it is to be funded with the proceeds of the Charlotte Benton Trust. Again, the trust is revocable until Ms. Benton’s death and it is thereafter irrevocable. It is possible that the Children’s Library may enter into operation prior to Ms. Benton’s death, which creates the potential for an operations and maintenance (O&M) funding gap between the opening day and the disbursement of the trust assets.

Ms. Benton has compensated for this funding gap in an MOU wherein she guarantees to provide \$5,000 per month towards the O&M of the Children’s Library, commencing 60 days before opening day and terminating upon disbursement of the trust proceeds to the District Libraries Foundation. This provides \$60,000 per year towards an estimated \$80,000 per year O&M for the main building. The District Libraries Foundation proposed to provide the additional \$20,000 per year needed for O&M. No MOU exists between the District Libraries Foundation and the City of Lompoc at this time.

**AWARD OF PROJECT NO. FY-05-B-4 –
RESIDENTIAL DEMOLITION, 211 SOUTH “I” STREET, LOMPOC, CA**

Page -3-

As reported previously, City staff has no estimate of the value of the trust. It was estimated by the past City Attorney, David Hirsch, that the final trust disbursement to the District Libraries Foundation would be large enough to serve as an endowment that would pay for continued operations and maintenance of the Children’s Library. However, that is truly unknown.

The most recent (2003 grant application) total project cost and funding estimate was:

Total Project Cost	2,003,600
Less City Credits	449,500
Less Library Foundation Credits	44,390
Less City & Library Foundation Contributions	321,528
2003 State Grant request	1,188,182

Additional costs that were identified through the grant application process that were ineligible for grant funding were:

Acquisition of Library Materials to Complete the final 60% of Collection	168,000
Facility Fire Suppression & Alarm Sys	45,000
Operations & Maintenance Reserve	160,000

The Collection completion and full funding of an Operations & Maintenance Reserve, funded by contributions of the Library Foundation, are not required to be completed before opening the Children’s Library.

Subsequent to the City’s unsuccessful grant request, the Library Board of Trustees voted on January 11, 2005 to continue seeking funds to build the Children’s Library Learning Center. The Library Foundation is researching capital grants for the project. The Library Board of Trustees, and the Library Foundation, may attempt to complete the project in phases, as funds become available. In August of 2004, the Library Foundation was awarded a \$100,000 grant from the Annenberg Foundation. The Library Foundation has received smaller grants from the Wood-Claeyssens Foundation and the Hutton Foundation, both of Santa Barbara, Celite/World Minerals of Lompoc, and Union Bank. Contributions continue from several local organizations, businesses and the public.

On February 10, 2005, The Library Foundation requested, on a 7-0 vote, that, as the next step in the development process, the City proceed with site demolition.

As of the end of July 2005, the last remaining tenant has happily moved to a home that they own a few blocks away. So, all tenants have voluntarily quit the premises and all units are vacant. No relocation expenses were required, nor requested.

**AWARD OF PROJECT NO. FY-05-B-4 –
RESIDENTIAL DEMOLITION, 211 SOUTH “I” STREET, LOMPOC, CA**

Page -4-

The City of Lompoc is the sole owner of the “211 South I Street” property. City staff has agreed to remove the garage door with the “fool the eye” mural and deliver it to Ms. Benton before demolition. The studio apartment remains in reasonably good shape and livable. The other three buildings are not livable and are substandard because of the need for extensive and expensive repair.

In summary, the project site, 211 South “I” Street, was donated to the City of Lompoc by former City Mayor Charlotte Benton. The intent of the donation was to convert the existing structures into a Children’s Library. In 2002, RA & Associates, Inc., was hired to prepare a Master Plan for renovating the site. Since that time, it has been determined that renovation costs on the more than 50 year old structures far exceed the budget estimates. With new construction, project costs will be more controllable and the integrity of the existing architectural design can be duplicated in respect to the neighborhood and surroundings. The stakeholders have decided, therefore, that it is in the best interest of the project to abandon the renovation, demolish the existing structures, and seek funding for new construction.

PROJECT BIDDING:

The Project was noticed, advertised and bid in accordance with the procedures of the Uniform Public Construction Cost Accounting Act (Public Contract Code Sections 22000-22045). The Uniform Public Construction Cost Accounting Act has been incorporated as a part of the City of Lompoc Purchasing and Public Project Procedures (Chapter 26 of the Lompoc City Code).

The office of the City Clerk was available to receive bids for this project until 2:00 p.m., Thursday, September 1, 2005, at which time one (1) bid was publicly opened and read. The bid received is for \$78,000.00 (See attached Bidders List). Staff’s demolition construction cost estimate was \$50,000.00.

The estimated project budget of \$93,000.00 includes \$78,000.00 for the construction contract and \$15,000.00 for a contingency allowance for Contract Change Orders subject to the approval of the City Engineer. Engineering staff shall administer the contract.

FUNDING AND CITY STAFF TIME SUPPORT:

The Library Foundation will pay for site demolition, including contract contingencies. The Library Foundation will transmit the \$78,000 to the City as soon as possible. However, the Foundation requests that they be billed for contingencies as change orders are approved. The project will be funded from Account No. 89000-80028.

**AWARD OF PROJECT NO. FY-05-B-4 –
RESIDENTIAL DEMOLITION, 211 SOUTH “I” STREET, LOMPOC, CA
Page -5-**

The Library Foundation requests that the City provide and pay for the staff time and effort to provide demolition pre-bid work (\$5,000), inspection services (\$3,400), and contract administration (\$5,000), estimated to total \$13,400.

**Michael W. Luther, P.E.
Senior Civil Engineer**

Attachment: Bidders List

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

**Larry Bean, P.E.
Public Works Director**

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

**Gary P. Keefe
City Administrator**

BIDDERS LIST

**RESIDENTIAL DEMOLITION
211 SOUTH "I" STREET, LOMPOC, CA
PROJECT NO. FY-05-B-4
BID OPENING: 2:00 p.m., Thursday, September 1, 2005**

CONTRACTOR	BID AMOUNT
All Contractors, Inc. 4287 Ventavo Dr. Moorpark, CA 93021	\$78,000.00

Staff's Construction Cost Estimate for The Project As Advertised: \$50,000.00.