



**DATE:** September 13, 2016

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT**

Amendment to Professional Services Agreement with ENGEO, Inc.

### **RECOMMENDATION**

That Council adopts the attached resolution, authorizing the City Manager to execute an amendment to a professional services agreement with ENGEO Incorporated for geotechnical services required to evaluate the development ability of excess property in the Route 238 Bypass Corridor.

### **BACKGROUND AND DISCUSSION**

In the mid-1960s, the California Department of Transportation (Caltrans) purchased over 400 parcels of property for the construction of the then-planned 238 Bypass Freeway project. In 1971, the community filed a lawsuit to stop the project. Caltrans subsequently declared the project dead and abandoned.

On January 12, 2016, Council authorized the City Manager to complete negotiations with Caltrans for the purchase of specific parcels of land along the 238 Bypass Corridor that they had declared to be in excess.

In order to assess the geological constraints at each of the properties under consideration for purchase, the City requested proposals from consultants for geotechnical and environmental phase I studies. After reviewing the qualifications of the two responders, and because of their familiarity and previous work in the area, the City entered into an agreement with ENGEO Incorporated for an overview of the environmental and geologic hazards associated with six of the ten groups of properties being appraised and under consideration for acquisition from Caltrans. The City's initial agreement with ENGEO was for an amount not-to-exceed \$75,000. Concurrently, ENGEO contracted directly with Lyon Homes for a similar overview of the remaining four groups of property near Mission Boulevard and Valle Vista Avenue.

Based on the findings in those overviews, additional on-site trenching and borings are needed to determine the extent of any earthquake fault and/or slope stability issues that may impact future development potential. Staff recommends an amendment to the ENGEO agreement in an amount not-to-exceed \$200,000 that would provide further geotechnical analysis and

study of the proposed La Vista Park (Group 3), the Bunker Hill neighborhood (Group 5) and the former quarry site near Carlos Bee Boulevard (Group 6). The additional study will provide appraisers with better data for a more appropriate determination of the properties' development potential and corresponding valuation.

### **FISCAL IMPACT**

There are sufficient funds in the Route 238 Corridor Improvement fund to cover the additional contract cost. If the subject properties are purchased from Caltrans and sold to a viable developer, the City may be reimbursed for this additional expense by providing the geotechnical study to the developer and adding its cost to the sales price.

### **SUSTAINABILITY FEATURES**

The action taken for this agenda report will not result in a physical development, purchase or service, or a new policy or legislation. Any physical work will depend upon a future Council action.

### **PUBLIC CONTACT**

No public contact has occurred associated with this action.

### **SCHEDULE**

ENGEO anticipates completed reports for Groups 3, 5 and 6 in ten, twelve, and six weeks, respectively.

*Prepared by:* Yaw Owusu, Assistant City Engineer

*Recommended by:* Morad Fakhrai, Director of Public Works

Approved by:



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Kelly McAdoo, City Manager