



# City of Chula Vista

## Staff Report

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**File#:** 14-0151, **Item#:** 8.

RESOLUTION NO. 2014-055 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA WAIVING THE FORMAL BIDDING PROCESS, APPROVING A TWO-PARTY AGREEMENT BETWEEN WILLIAM HEZMALHALCH ARCHITECTS, INC. (CONSULTANT), AND THE CITY OF CHULA VISTA, FOR CONSULTING SERVICES RELATED TO THE PREPARATION OF THE UNIVERSITY PARK & INNOVATION DISTRICT (UPID) SECTIONAL PLANNING AREA (SPA) PLAN, AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT

### **RECOMMENDED ACTION**

Council adopt the resolution.

### **SUMMARY**

In 2008, the City entered into Land Offer Agreements that will provide approximately 375 acres of land to the City for a University Park and Innovation District (UPID). With the City expecting to receive much of the land within the next year, staff is working on several activities that are foundational to continued planning and ultimate development of the UPID. This item requests City Council approval of a two-party contract for the preparation of the necessary SPA Plan for the UPID.

### **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed contract approval for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review of contract approval is required.

### **BOARD/COMMISSION RECOMMENDATION**

N/A

### **DISCUSSION**

#### Background

Since the adoption of the Otay Ranch General Development Plan (ORGDP) in 1993, the City of Chula Vista has maintained a vision of locating a university within the Otay Ranch. This vision is also reflected in the City's General Plan (GP). While the properties have been designated "University" (with a secondary residential land use should the University not become a reality), they have been held in private, rather than public, ownership. In 2001, progress in assembling the land necessary to locate the University was made with the initial acquisition of approximately 140 acres of developable land for university purposes. With a planned area of approximately 375 acres, additional acquisitions were required to realize the land mass envisioned for the University by the GP and ORGDP. In 2007, the City began negotiating with the remaining landowners to facilitate acquisition of land necessary for future development of UPID while also providing equitable benefit to the landowners.

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In 2008, the City entered into two separate Land Offer Agreements (LOAs) with the Otay Land Company (OLC), a subsidiary of HomeFed, and JPB Development. Through a combination of land exchanges and agreements for expedited entitlement processing, the LOAs provide the basis for assembling the remaining land for the approximately 375 acre UPID under City ownership, including 30-acres located adjacent to the Lower Otay Reservoir within the Eastlake GDP area. Both OLC's and JPB's development applications are currently being processed with entitlements expected to be before City Council in the Spring and Fall of 2014, respectively.

With fulfillment of the LOAs nearing, staff is working with consultants to finalize grading and phasing concepts for the UPID, as well as continuing work on the programmatic Environmental Impact Report under a previously approved consulting contract. Another key component to support development of the UPID is the preparation of a Sectional Planning Area (SPA) Plan and supporting documents. Due to the extent and complexity of that work, staff is proposing the subject consulting services contract.

#### Waiver of Consultant Services Selection Process

Since the City is expecting to receive the remaining land within the coming year, planning for the UPID is timely. As noted above, however, the City does not typically authorize SPA Plans for such large projects, nor employ staff with all the levels of expertise necessary for SPA Plan preparation. As such, staff is proposing that the City enter into an agreement with a consultant to authorize a SPA Plan for the UPID. While considering consultants who might be most qualified to serve in this capacity, City staff has come to the conclusion that William Hezmalhalch, Architects (WHA) is uniquely qualified to fill this role due to the following facts:

- WHA has acquired an in-depth knowledge of Chula Vista General Plan (GP), the Otay Ranch General Development Plan and the City's unique SPA Planning process through their preparation of the recently approved GP and ORGDP Amendments, as well as the SPA Plans for Villages 8-West and 9.
- Having planned and prepared the SPA Plan Village 9, which is immediately adjacent to the UPID, WHA has also acquired an in-depth knowledge of the UPID site and surrounding proposed developments.

WHA's comprehensive familiarity with the GP and ORGDP study area, coupled with the knowledge gained through their preparation of the Village 8-West and Village 9 SPA Plans and associated baseline/technical studies, makes WHA uniquely qualified to serve as the Consultant for this project. Pursuant to Chula Vista Municipal Code Section 2.56.070, staff is recommending that the Council waive the formal bidding process and hire WHA as a sole source.

#### Scope of Work

WHA will function as the Planning Consultant to the City of Chula Vista under a two-party agreement. The responsibilities of the Planning Consultant will include preparation of the UPID SPA Plan that includes the following key elements:

- Introduction
- Development Concept

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- Sustainability Standards and Regulations
- Development Standards and Regulations
- Design Guidelines
- Circulation
- Grading
- Open Space and Trails
- Development Phasing
- Public Utilities & Services
- Implementation and Administration
- General Development Plan Compliance

### Contract Payment

The total cost of the contract for consulting services is \$183,880, with an additional 25% contingency (\$46,970) for additional services to cover unforeseen issues that may arise during preparation of the SPA Plan, and if determined to be necessary solely by the Development Services Director. The contract also includes up to \$25,000 in reimbursable costs for copying, travel and postage if necessary, for a total compensation maximum of \$254,850.

### DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Councilmembers and has found no property holdings within 500 feet of the boundaries of the property, which is subject to this action. Staff is not independently aware, nor has staff been informed by any City Councilmember, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

### LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. Planning and implementation of the UPID is a key initiative under the City's goals for Economic Vitality.

### CURRENT YEAR FISCAL IMPACT

There will be no resulting impact to the General Fund. The consultant will be compensated from Department of Energy Grant Funds that were appropriated on December 11, 2012 for UPID planning purposes.

### ONGOING FISCAL IMPACT

Approval of the two-party agreement will not result in on-going fiscal impacts to the General Fund since the consultant will be compensated with Department of Energy Grant Funds that were appropriated on December 11, 2012 for UPID planning purposes, and the contract will terminate once all required work is completed by the consultant.

### ATTACHMENTS

1. Two-Party Agreement between the City and WHA Consultants