

Attachment
SMMC Item 9
August 24, 2009

Materials prepared by: C. Meyer, 8/19/09

**SANTA MONICA MOUNTAINS CONSERVANCY
GRANT APPLICATION - AUGMENTATION**

Project Name: Confluence Park	Amount of Request: \$ 450,000 Total Project Cost: \$ 5,180,000						
Applicant Name: Mountains Recreation & Conservation Authority							
Applicant Address: 570 West Avenue 26, Suite 100 Los Angeles, CA 90065 Phone: 323-221-9944 Fax: 323-221-9934	Project Address:						
	<table border="1"> <tr> <td>County</td> <td>Senate</td> <td>Assembly</td> </tr> <tr> <td>Los Angeles</td> <td>45</td> <td>22</td> </tr> </table>	County	Senate	Assembly	Los Angeles	45	22
	County	Senate	Assembly				
	Los Angeles	45	22				
Email: Barbara.Romero@mrca.ca.gov							

Grantee's Authorized Representative:

Cara Meyer, Contracts Officer	323-221-9944, x117
<i>Name and Title</i>	<i>Phone</i>

Person with day-to-day responsibility for project:

Barbara Romero, Chief of Urban Projects and Watershed Division	323-221-9944, x1885
<i>Name and Title</i>	<i>Phone</i>

Brief Scope of Work (60 words maximum):
 Planning, acquisition and development of a public park near the confluence of the Los Angeles River and Arroyo Seco.

Funding Source Applied for: Propositions 40 and 50

Narrative/Project Description:
 In 2000 the Conservancy authorized a grant to MRCA for the Arroyo Seco/Confluence Park project. Construction of improvements commenced in May 2008 but was suspended in December 2008 pursuant to the Department of Finance Budget Letter 08-33. MRCA has been informed that construction of the project may resume. MRCA is requesting a grant augmentation in the amount of \$450,000 to cover increased costs necessary to restart and complete the project.

The increased costs are due to a number of factors:

- Remobilization for general contractor and subs. Management will need to be reintroduced to the job, rescheduling equipment and materials deliveries, cleaning up the site.
- Stormwater prevention plan. The project will extend through another winter, so all measures that were in place will need to be extended and re-installed.
- Rain damage. The project will extend through another winter, so additional rain damage is anticipated.
- Site cleanup. Weeds have grown throughout the site and must be removed. Trash has accumulated and will need to be disposed. There has been standing water in portions of the site, including inside the fountain vault because the sewer hadn't yet been installed.. The water will need to be pumped out, and the vault disinfected and dried.
- Re-survey. The contractor will need to reestablish survey control points and set stakes and hubs that were lost during suspension.
- Restore grades. Flooding that occurred during suspension changed the grading and elevations. The site will need to be re-graded.
- Rebuild forms. A screen wall and concrete forms were removed at suspension for safety reasons and will need to be rebuilt. Rebar already installed will need to be cleaned, and replaced if

damaged.

- Replace damaged pipes and conduit. Some pipes and electrical conduits on site were damaged by sunlight and need to be replaced.
- Materials and labor escalation. Sales tax increased by 1% on April 1. Prevailing wages for pipe fitters, operators, and carpenters increased on July 1. Cost of some materials has gone up, including pipe, concrete, steel, and lumber.
- Cancellation fees. Some materials and orders were returned or cancelled at the time of suspension and fees or restocking charges apply.
- Storage of equipment. The fountain equipment had been partially assembled by a subcontractor at the time of suspension. Due to the importance and cost of the equipment, MRCA took possession of the equipment for secured storage. Costs related to pickup, transport, off-loading, and storage were incurred, including staff time.
- Contracts. The suspension was given without warning and the duration was unknown. The freeze and suspension required, and continues to require, additional project management work, legal consultations and research, and negotiations with the contractor that were not anticipated or budgeted. Therefore the amount of staff time spent on the project has increased.
- Schedule delay. At the time of suspension, the project was on track to be completed by April 2009. Staff time beyond that date was not anticipated, and now an April 2010 completion is more likely. There is an increased cost for staff time to manage and oversee the project for an additional year. In addition to the now eight-month long suspension, there will be additional time needed for the contractor to remobilize. The contractor also is understandably reluctant to proceed quickly given the delays in payment already experienced, and the condition of the State's finances.

Analysis:

Proposition 40

The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002 (Proposition 40), allocated funds to the Santa Monica Mountains Conservancy in Article 5, 5096.650(b) of the Public Resources Code, for the acquisition, development, rehabilitation, restoration, and protection of land and water resources. The General Provisions in Article 1, 5096.605(c) describe development as including but not limited to improvement, rehabilitation, restoration, enhancement, preservation, protection, and interpretation. Article 1, 5096.605(j) describes preservation as identification, evaluation, recordation, documentation, interpretation, protection, rehabilitation, restoration, stabilization, development, and reconstruction, or any combination of those activities.

The Confluence Park project is consistent with Proposition 40's declarations that "To maintain a high quality of life for California's growing population requires a continuing investment in parks, recreation facilities, and in the protection of the state's natural and historical resources" and "California's historical legacy also requires active protection, restoration, and interpretation to preserve and pass on an understanding and appreciation of the diverse cultural influences and extraordinary human achievements that have contributed to the unique development of California." The project will include interpretive elements that will focus on the cultural history and natural resources of the Los Angeles River. Interpretive activities such as the construction of exhibits located at and relating to land, air and water resources at a park is consistent with the bond.

The activities which the MRCA proposed to fund using Proposition 40 funds clearly are improvements and developments which will enhance the project site and thus are proper under Proposition 40. Proposition 40 proceeds may also be used to pay costs that are incidentally but directly related to the acquisition, development, rehabilitation, restoration or protection of a capital asset that is a land or water resource.

Proposition 50

The State of California has authorized expenditure of funds from the Water Security, Clean Drinking Water Coastal and Beach Protection Act of 2002 (Proposition 50) to the Santa Monica Mountains Conservancy, in Chapter 10, Sections 79570(c) and 79571, for purpose of protecting coastal watersheds, including but not limited to, acquisition, protection, and restoration of land and water resources and associated planning, permitting, and administrative costs, and for the acquisition and development of facilities to promote public access to and participation in the conservation of land, water, and wildlife resources. Proposition 50 provides funding to the Conservancy for protection of the Upper Los Angeles River watershed and the Santa Monica Bay and Ventura County coastal watersheds.

The Confluence Park project is within the Los Angeles River watershed, and is consistent with the above-listed purposes. The park's location in urban Los Angeles will promote public access to land and water resources, and the establishment of native plant habitat will restore the site. The project will include interpretive elements that will contain information about the natural resources of the Los Angeles River, promoting participation in the conservation of land, water, and wildlife resources.

General Obligation Bond Law

The General Obligation Bond Law provides that bond funds may be used for the construction and acquisition of "capital assets." Capital assets include major maintenance, reconstruction, demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years or expenditures that continue or enhance the useful life of the capital asset. Capital assets also includes equipment with an expected useful life of two years or more.

This project is for the development of a capital asset, that is, a land and water resource in the Los Angeles River watershed. As such, it is a proper expenditure of bond funds. In addition, the activities that this grant will fund will enhance the useful life of the property and on that basis as well qualify as capital assets for purposes of the General Obligation Bond Law.

Tasks / Milestones:	Budget:
1 Planning/Construction	\$ 450,000.00

I certify that the information contained in this Grant Application form, including required attachments, is accurate.



Signature of Authorized Representative



Date

Form SMM-001

STATE OF CALIFORNIA ♦ THE RESOURCES AGENCY