



Staff Report

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**File #:** 24-0476

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 06/05/2024

**TO:** Honorable Mayor and City Council Members

**FROM:** Public Works Department

**SUBJECT:**

FIRST AMENDMENT TO THE COST SHARING AGREEMENT WITH REST AREA, LLC UP TO THE AMOUNT OF \$143,500 FOR THE CORONA MALL SOUTH PARKING LOT IMPROVEMENTS PROJECT

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to approve an amendment to the Cost Sharing Agreement (Agreement) with Rest Area, LLC for design of the Corona Mall South Parking Lot Improvements Project (Project).

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Approve the First Amendment of the Cost Sharing Agreement with Rest Area, LLC for the CORONA MALL SOUTH PARKING LOT IMPROVEMENTS Project, in a fair share amount up to \$143,500.
- b. Authorize the City Manager, or his designee, to execute the First Amendment of the Cost Sharing Agreement with Rest Area, LLC in a fair share amount not to exceed \$143,500, including any non-substantive extensions, change orders, purchase orders, and amendments.

**BACKGROUND & HISTORY:**

The City has an existing Disposition and Development Agreement with Rest Area, LLC. to revitalize the Corona Mall South to stimulate economic development and reinvestment in the Downtown. This revitalization project fulfills multiple Strategic Plan and General Plan goals to promote a strong and diversified economic base and revitalize Downtown Corona into a thriving and vibrant destination. The Corona Mall South parking lot improvements is one of the many components included in the 6<sup>th</sup> Street Beautification and Revitalization Capital Improvement Project No. ST-2022-02.

On April 5, 2023, the City entered into a Cost Sharing Agreement with Rest Area, LLC to redesign the South Mall Parking Lot in order to provide a refreshed parking lot that will enhance the center in both function and design. This Agreement was entered into as the proposed improvements would be mutually beneficial for Rest Area, LLC as well as the City. The original Agreement compensation offered a maximum City contribution of up to 77% of the design costs, with a threshold of \$90,000.

**ANALYSIS:**

City staff entered into the original Agreement with Rest Area, LLC in April 2023 in order to revitalize the Corona Mall South parking lot. Through development of the Project's design, additional work and design changes have been required to make intersection enhancements at Stan Reynolds Parkway and Main Street. Consequently, the original Agreement's compensation is no longer sufficient to cover the revised scope of work. Negotiations for change order scope and compensation are ongoing with Rest Area, LLC. Staff is requesting City Council approval to amend the Agreement, increasing the total compensation not to exceed \$143,500, in order to finalize design and commence construction improvements in order to be ready when the new businesses open in Fiscal Year 2025.

The proposed cost-shared addenda design costs will exceed the City's original cost share threshold of \$90,000 by up to \$53,500 to a cost-share total of \$143,500, inclusive of a 10% contingency, and are currently under review.

The Project's goals are to reconstruct the parking lot pavement, install energy efficient lighting equipped with light emitting diodes (LEDs), improve the aesthetics of the parking lot with landscape improvements, and improve accessibility improvements throughout in compliance with the Americans with Disabilities Act Title II Regulations.

The Project has evolved to include a traffic signal modification at the intersection of Stan Reynolds Parkway and Main Street. This modification requires additional improvements that will widen the easterly intersection leg (driveway) into the Corona Mall South Parking Lot, requiring accessible curb ramps at all corners of the intersection and reconstructing the intersection pavement. The existing concrete crosswalks do not align with the proposed geometric reconfiguration of the intersection.

Per Corona's Procurement Policy and the City's Municipal Code [3.08.050](#) the City Manager can authorize expenditures up to \$100,000, but projects exceeding \$100,000 require City Council authorization. Due to unforeseen design changes, the proposed First Amendment to the Agreement will require City Council approval. Consequently, staff is requesting City Council provide approval to execute the First Amendment, amending the scope of work and increasing the total cost-share compensation to not exceed \$143,500 in order to finalize design and prepare for construction improvements later this year.

The Plans, Specifications, and Cost Estimates (PS&E) for the project will be completed no later than July 31<sup>st</sup>, 2024. The Project shall be deemed complete when the Improvement Plans are reviewed and approved by City.

**FINANCIAL IMPACT:**

Funding for the recommended actions is available in the 6<sup>th</sup> Street Beautification and Revitalization Capital Improvement Project No. ST-2022-02 to cover the proposed first amendment that is still under review. Sufficient funding to cover the proposed first amendment is already allocated to the Project. Pending City Council approval, the Agreement's total compensation inclusive of a 10% contingency would not exceed \$143,500.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The requested actions is to amend an existing, and there is no possibility that these actions will have a significant effect on the environment, therefore, no environmental analysis is required.

Since the project involves minor street improvements, a "Notice of Exemption" from the requirements of the California Environmental Quality Act (CEQA) will be filed with the County of Riverside prior to the start of construction.

**PREPARED BY:** GERARDO SANABRIA, ASSOCIATE ENGINEER

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**Attachments:**

1. Exhibit 1 - Cost Sharing Agreement between City of Corona and Rest Area, LLC
2. Exhibit 2 - First Amendment to Cost Sharing Agreement between City of Corona and Rest Area, LLC