

STAFF REPORT
Lancaster Redevelopment Agency

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MVB

Date: May 10, 2011

To: Chairman Parris and Agency Directors

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Award of Bid - Housing & Neighborhood Revitalization Department's Lowtree Apartment Demolition Project No. 11-HNRD 315**

Recommendation:

Award Housing and Neighborhood Revitalization Department's Lowtree Apartment Demolition **Project No. 11-HNRD 315** to Housley Demolition and Excavation in the amount of \$298,388.00 (plus a 15% contingency) and authorize the Executive Director, or his designee, to sign all documents.

Fiscal Impact:

Amount of \$343,146.00 (includes 15% contingency) project funding will come from Account No. 960-9202-942, where sufficient funds are available to complete the project.

Background:

On November 25, 1984, the City Council and Agency Board directed staff to undertake actions necessary to implement and complete the approved Redevelopment Plan for Project Area No. 5 (the "Redevelopment Plan") approved and adopted by Lancaster's City Council through Ordinance No. 360, as amended, to assist with the redevelopment of this project area.

On September 27, 2005, the Redevelopment Agency (the "Agency") directed staff to implement and complete the Lowtree Neighborhood Project (LNP), generally bounded by 10th Street West to 15th Street West, and between Avenue J and Avenue K. The Lowtree Neighborhood Project (the "Plan") provides direction for staff and the residents of Lancaster to promote change within this older neighborhood. The Plan provides basic guidelines for revitalization of the area and is a tool to compete for additional funding, to leverage funds more effectively to remove blight, preserve work force housing and to make Lancaster the place where people want to live work and play within the Lowtree Neighborhood.

A particular problem area for the Lowtree Neighborhood Project was a group of deteriorating apartments at 44245 and 44259 Kingtree Avenue. These apartments have been a source of documented criminal activity, drug arrests, prostitution and multiple code enforcement matters that have seen a steady decline in tenancy and rents over the years to the point of being financially infeasible to consider further investment by the owners to attempt in renovating the distressed residential units.

Due to the negative position in the market, the increased vacancies, physical obsolescence of the structures, and the overall liability in the operation of the units, the owners decided to sell the property back in 2008. To encourage the development of new low- and moderate-income family housing consistent with the LNP, the Agency acquired the property with designated housing funds. Upon the property's acquisition, it was clear the operating expenses and amount of improvements necessary negated any real opportunity to consider rehabilitation of the property. As a result, the decision was made to demolish the unit and remarket the land for a more economically and viable use. In late 2010, the apartments were scheduled for demolition upon vacation of the remaining tenants. Redeveloping this area with new owner-occupied housing will improve the aesthetic appearance of the area and create a land use pattern compatible with the housing in the immediate area consistent with what is being proposed in the plan for the Lowtree Neighborhood.

From April 5, 2011 to April 19, 2011, the Agency solicited bids from licensed demolition contractors with asbestos removal certification specifically for the demolition of the Kingtree apartment units. On April 19, 2011, at 11:00 a.m., the Agency conducted a bid opening for Agency's Housing and Neighborhood Revitalization Department's Lowtree Apartment Demolition Project No. 11-HNRD 315. The successful low bid was determined based on the sum of the separately bid properties at \$147,607 (44245 Kingtree Avenue) and \$150,781 (44259 Kingtree Avenue), for a combined bid total of \$298,388. Adding a 15% contingency to the total produces a total budget requirement of \$343,146 (\$298,388 plus 15% contingency @ \$44,758) for this project. Sealed bids were received by the City Clerk, opened, and read aloud. The bids were ranked as follows:

	<u>Total Bid Amount</u>	
1. Housley Demolition and Excavation	\$298,388	(lowest bid)
2. Interior Demolition, Inc.	\$596,400	
3. Vizion's West	\$622,430	

Attachment:
Site Map