

City Council

Agenda Cover Memorandum

Meeting Date: October 26, 2009

Item Title: Approval of the Contract for the Parking Area Reconstruction Project (31-33 S. Prospect)

Action Requested:

- Approval
- For discussion
- Feedback requested
- For your information

Staff Contact: Carrie Davis, Director of Community Preservation & Development
Sarah Mitchell, City Engineer

Phone Number: X5296 and X5455

Email Address: cdavis@parkridge.us and smitchel@parkridge.us

Background:

Staff recommends that the City Council approve the contract with Kovilic Construction Co., Inc., of Franklin Park, Illinois, for the Parking Area Reconstruction Project at 31-33 South Prospect Avenue. The City opened bids for the contract for project on October 12, 2009. Eight (8) bids were received, ranging from a low of \$62,369 to a high of \$268,820. The low bid is from Kovilic Construction. Staff checked their references and found them to be satisfactory. Kovilic Construction has successfully done work for the City, most recently the Summit Avenue streetscape project between Prospect and Touhy Avenues.

The City Council reviewed the matter at its October 19, 2009, meeting and deferred a vote on the contract because of several questions about the proposed construction. The Council asked about the extent of the City's obligations in the expired lease agreement to reconstruct the rear of property. City Attorney Hill was clear that the City is required to "restore the leased premises to an asphalt parking lot at the [City's] sole cost and expense," as stated in the lease, and nothing more. The Council also asked about the cost of constructing the new refuse disposal area and fencing shown on the plans and if that could be taken out of the proposed contract. City Engineer Mitchell indicated that she could obtain a more exact cost of the refuse area improvements. She explained, however, that the project was bid as a whole. To eliminate one part from the scope of the contract would mean that the entire contract would need to be rebid. This would delay the project until next spring. Director Davis noted that the existing dumpster areas in the Pickwick Plaza, including the one at this property, were shared by different businesses in the area and not just those on the property. The City has been maintaining the screening over the years, as part of the overall maintenance of the Plaza.

Staff believes that approval of the proposed contract with Kovilic presents the least expensive option for fulfilling the City's legal obligations regarding the property. The City has two options with regard to the property: either renew the lease with the property owner, or terminate the lease and convert the leased area to an asphalt parking lot. Staff first attempted to renew the lease, but this was not a viable alternative. Releasing the property for another 15 years would include the following expenses: \$360,000 in rent (based on \$2,000 in monthly rent demanded by the property owner, instead of the previous \$1 annual rental rate), approximately \$45,000 in free maintenance and snow removal services provided by the Public Works Department, and the unspecified cost of continuing to provide 12 free public parking

spaces for use by the owner and tenants of the property (the property can accommodate eight spaces, which are shown on the parking lot plan). Moreover, the property owner refused to sign a new lease with the City and demanded that the rear of the property be converted to a parking lot, as specified in the lease.

By comparison, the second option to convert the rear of the property to an asphalt parking lot would be a one-time expense of less than \$63,000. While the technical requirements of the lease state that an asphalt parking lot is required, it is not possible to install asphalt and claim that meets the City's obligations. The parking lot must satisfy minimum engineering and zoning standards for the lot to function properly, just as the City would require of any parking lot constructed by a private party. The engineering for the lot had to be designed in a way to work with existing conditions, including a transformer, the wall of the building abutting the property to the south, stormwater drainage, the planter on the adjacent property to the north, and grade changes on the property and the adjacent properties. The Zoning Ordinance requires the parking spaces, drive aisle and refuse area to be designed to specific standards, which are reflected on the plans.

The Council raised specific concerns about the design of the refuse area and the cost related to that work. There are two reasons why the refuse area was designed the way it was and relocated adjacent to the alley. One, a more expensive, heavy-duty asphalt section would be required on the parking lot to allow a garbage truck to access the interior of the lot for garbage collection. Otherwise, a truck would rut the lighter-duty asphalt proposed for the site. Second, the lot would have to be redesigned in a less efficient manner to accommodate refuse collection closer to the building on the property. Third, the Zoning Ordinance (Section 13.13.A) requires the refuse area to have a concrete pad (not asphalt) and be surrounded by a solid six-foot tall screening fence. Fourth, the additional cost for the refuse area improvements as shown on the plan would be \$5,085.

Recommendation:

Approve the contract with Kovilic Construction Co., Inc. of P.O. Box 393, 3721 North Carnation Street, Franklin Park, Illinois 60131, in the amount of \$62,369.00 for the Parking Area Reconstruction Project, 31-33 South Prospect Avenue.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No
If Yes, Total Cost: \$62,369
If Yes, is this a Budgeted Item: Yes No

Attachment:

- Proposed Parking Area Restoration plan by Spaceco, dated October 2009

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Staff Contact: Carrie Davis, Director of Community Preservation & Development
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Background:

Staff recommends that the City Council approve the contract with Kovilic Construction Co., Inc., of Franklin Park, Illinois for the Parking Area Reconstruction Project at 31-33 South Prospect Avenue. The City opened bids for the Contract for the Parking Area reconstruction project (31-33 South Prospect) on October 12, 2009. Eight (8) bids were received, ranging from a low of \$62,369 to a high of \$268,820. The low bid is from Kovilic Construction Co., Inc. of Franklin Park, Illinois. Staff checked their references and found them to be satisfactory. Kovilic Construction has successfully done work for the City in the past, most recently with the Summit Avenue Streetscape project between Prospect and Touhy Avenues.

On October 12, 2009, the Committee of the Whole had several questions about the project. These included possibly delaying the construction of the project until the next fiscal year to allow for the expense to be budgeted, language in the expired lease agreement, the condition of the property prior to the changes made in 1986 compared to the proposed changes for a parking lot today, and what future design plans the City may have for the Pickwick Plaza area as a whole. The Committee recommended approval of the contract, subject to reviewing information from staff related to these questions.

Attached are the following documents for review by the Council. The expired 1986 lease agreement between the property owner and the City states that the City shall restore the leased premises to an asphalt parking lot at the [City's] sole cost and expense" (Section 4). The condition of the rear of the property in 1986 is reflected on the attached Demolition Plan for the Uptown Plaza from February 1986, and shows a gravel surface surrounded by a variable height concrete curb and guardrail. The design plan for the 1986 plaza improvements is also included.

Spaceco Engineering prepared a Removal Plan for the property, dated September 2, 2009, showing the removal of planters, trees and the concrete drive. Spaceco also provided a Pavement Reconstruction Plan for the property, dated September 2, 2009, converting the rear of the property to an asphalt parking lot, as required by the expired lease. The plan adheres to current engineering design standards and shows eight

parking spaces, a variable height curb, a retaining wall by the transformer, and a new refuse dumpster area adjacent to the alley.

The Target Area 3 Landscape Beautification Plan from April 2008 shows a possible concept plan for Pickwick Plaza, should the City decide to fund such a project. This would be part of a larger streetscape project for Prospect Avenue that would provide similar improvements as currently happening elsewhere in the Uptown.

As stated at last Monday's Committee of the Whole meeting, the Summit Ave. Streetscape project will shortly be closed out at approximately \$75,000 under the budgeted amount of \$900,000. Both the Summit Ave. Streetscape and the Parking Area Reconstruction Project behind 31-33 S. Prospect are in the TIF district, and as such, the savings from the Summit Ave. Streetscape can be used for the Parking Area Reconstruction Project.

Recommendation:

Approve the contract with Kovilic Construction Co., Inc. of P.O. Box 393, 3721 North Carnation Street, Franklin Park, Illinois 60131, in the amount of \$62,369.00 for the Parking Area Reconstruction Project, 31-33 South Prospect Avenue.

Budget Implications:

Does Action Require an Expenditure of Funds: Yes No
If Yes, Total Cost:
If Yes, is this a Budgeted Item: Yes No

Attachments:

- 1986 Lease Agreement between the property owner and the City
- Demolition Plan for the Uptown Plaza, February 1986 (area behind 31-33 S. Prospect)
- Proposed Plan for the Uptown Plaza, February 1986 (area behind 31-33 S. Prospect)
- Removal Plan for 31-33 ½ by Spaceco, dated September 2, 2009
- Pavement Reconstruction Plan by Spaceco, dated September 2, 2009
- Target Area 3 Landscape Beautification Plan for Pickwick Plaza, April 2008

Committee of the Whole

Agenda Cover Memorandum

Meeting Date: October 12, 2009

Item Title: Approval of the Contract for Parking Area Reconstruction Project (31-33 S. Prospect)

Action Requested:

- Approval
- For discussion
- Feedback requested
- For your information

Staff Contact: Carrie Davis, Director of Community Development

Sarah Mitchell, City Engineer

Phone Number: X5296, X5455

Email Address: cdavis@parkridge.us, smitchel@parkridge.us

Background:

Staff is in the process of obtaining bids to convert the rear of the property at 31-33 South Prospect Avenue into a parking lot, which is required as part of a now terminated lease agreement that the City had with the property owner. Staff seeks approval of a construction contract to proceed with that work.

Since 1986, the City has leased portions of several private properties to create the area known as the Pickwick Plaza. The Plaza encompasses the rear portions of properties on the east side of South Prospect Avenue, extending from the rear of the Pickwick Theater building to the property at 31-33 South Prospect Avenue. That part of the public alley immediately adjacent to these properties is also part of the Plaza. The creation of the Plaza was a collaborative effort between the City and the property owners to improve safety, create a public gathering space and provide an amenity for area retailers.

The owner of 31-33 South Prospect Avenue is demanding that the terms of the expired lease be upheld. The lease states that upon termination of the lease, the City shall "restore the leased premises to an asphalt parking lot at the [City's] sole cost and expense." The contract before the City is to undertake that work.

The City will be opening bids for the Contract for the Parking Area Reconstruction Project on October 12, 2009. Staff will provide additional background materials from the bid opening at the meeting.

Recommendation:

Staff will provide a recommended motion at the meeting, as bids are being opened on Monday morning.

Budget Implications:

- Does Action Require an Expenditure of Funds: Yes No
If Yes, Total Cost:
If Yes, is this a Budgeted Item: Yes No

Attachments:

- None