



**REPORT TO THE  
REDEVELOPMENT AGENCY**

AGENDA ITEM NO.

COUNCIL MEETING: 1/29/08

APPROVED BY

(Executive Director)

**DATE:** January 29, 2008

**FROM:** MARLENE MURPHEY, Executive Director

**SUBJECT:** Consider awarding contract to the Lowest Responsible Bidder for the demolition and clearance of Las Palomas Restaurant & Night Club/C-Town Market Located at 3702-3706 E. Ventura Street. (Bid File No. 2782)

**RECOMMENDATIONS**

It is recommended that the Agency award a contract in the amount of \$23,716<sup>00</sup>, to Bowen Engineering for the demolition and clearance of Las Palomas Restaurant & Night Club / C-Town Market located at 3702-3706 E. Ventura Street within the Southeast Fresno Revitalization Project Area.

**EXECUTIVE SUMMARY**

In September 2007, the Agency acquired the Las Palomas Restaurant & Night Club / C-Town Market at the southeast corner of Ventura and 7<sup>th</sup> Streets within the Southeast Fresno Revitalization Project Area with the intention to raze the existing buildings and clear the site. The property was previously occupied by a small restaurant/nightclub and a convenience store. The purpose to acquire the subject property was for blight removal along the King Canyon / Ventura corridor and the potential to include the site as part of a larger mixed-use affordable residential / commercial project in-cooperation with the City of Fresno's Housing and Community Development Division recent purchase of the adjoining former Fresno Unified School District's former maintenance site. Funding for this project was identified in Agency's FY07/08 Budget.

**BACKGROUND**

The Agency has been working with the City of Fresno's Housing and Community Development Division (the "City") regarding the potential redevelopment of the northern portion of the block bound by Ventura, Seventh, and Eight Streets. This includes a 0.29-acre parcel acquired by the Agency (subject property) and the adjoining 2.85-acre parcel acquired by the City from Fresno Unified School District (FUSD). The Agency's participation includes acquisition of the 0.29-acre parcel, relocation of the business, and razing the building and clearing the site. The properties will accommodate a residential / commercial mixed-use development consisting of both market rate and affordable housing. A developer will be selected through a competitive Request for Proposal/Qualifications process.

Both tenants, La Palomas Restaurant and C-Town Market, chose not to relocate and thus the Agency's purchase included the acquisition of the business and the related remaining inventory

(excluding alcohol), furniture, fixtures, and equipment. The respective liquor licenses were permanently surrendered and the FF&E and inventory (non-alcohol) were sold at auction by Fresno Auction in October. The premises are now vacant.

To prepare for the demolition bid specifications, asbestos and lead surveys were conducted. Specifications were prepared and a Notice Inviting Bids was published in the Business Journal on December 26, 2007, posted on the City's web site and faxed to seven (7) building exchanges. The specifications were distributed to Twelve (12) prospective bidders. Six (6) bid proposals were received and opened in a public bid opening on October 25, 2007.

<u>BIDDER'S</u>	<u>TOTAL AMOUNT</u>
1. Bowen Engineering & Environmental 4664 S Cedar Ave Fresno, CA 93725	\$23,716 <sup>00</sup>
2. Kroeker, Inc. 4627 S Chestnut Ave Fresno, CA 93725	\$26,365 <sup>00</sup>
3. Nick's Trucking, Inc. 4420 N Van Ness Fresno, CA 93711	\$33,800 <sup>00</sup>
4. H.D. Matthews Demolition 2271 N Grantland Ave Fresno, CA 93723	\$37,100 <sup>00</sup>
5. Lee Crippen Demolition 425 S Rolinda Fresno, CA 93706	\$38,800 <sup>00</sup>
6. W.C. Maloney, Inc. P.O. Box 30326 Stockton, CA 95213	\$39,902 <sup>00</sup>

The lowest bidder was 41% below the Agency's Initial Estimate of \$40,000. The remaining bidders were between 34% and 0.2% below the Agency's Estimate.

Bowen Engineering & Environmental submitted the lowest bid in the amount of \$23,716<sup>00</sup> and is considered the lowest responsive and responsible bidder. The project is to be completed in 20 working days from the date of the Notice to Proceed.

*Report to the Redevelopment Agency  
Award Contract to Demo the  
Las Palomas Restaurant & Night Club/C-Town Market  
APNs 470-052-01T  
Southeast Fresno  
January 29, 2008  
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This item was considered by the Housing and Community Development Commission during a regularly scheduled meeting on January 23, 2008. They voted unanimously to recommend award of the contract to the Lowest Responsible Bidder.

It is noted that the Agency Board may recommend that the Redevelopment Agency reject all bids. If all bids are rejected, the project will be rebid resulting in a delay of approximately sixty days.

- Attachments:**
1. Evaluation of Bid Proposals
  2. Location Map

EVALUATION OF BID PROPOSALS  
REDEVELOPMENT AGENCY

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FOR: DEMOLITION AND CLEARANCE OF LAS PALOMAS RESTAURANT & NIGHT CLUB/C-TOWN MARKET (3702-3706 E VENTURA ST.)

Bid File No. 2782  
Bid Opening: 01/10/08

<u>BIDDER'S</u>	<u>TOTAL AMOUNT</u>
1. Bowen Engineering & Environmental 4664 S Cedar Ave Fresno, CA 93725	\$23,716.00
2. Kroeker, Inc. 4627 S Chestnut Ave Fresno, CA 93725	\$26,365.00
3. Nick's Trucking, Inc. 4420 N Vanness Fresno, CA 93711	\$33,800.00
4. H.D. Matthews Demolition 2271 N Grantland Ave Fresno, CA 93723	\$37,100.00
5. Lee Crippen Demolition 425 S Rolinda Fresno, CA 93706	\$38,800.00
6. W.C. Maloney, Inc. P.O. Box 30326 Stockton, CA 95213	\$39,902.00

Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, February 6, 2008, 5:00 P.M.

The Engineer's Estimate/Budget Allocation for this expenditure is \$40,000.<sup>00</sup>. The contract price is 41% below the Engineer's Estimate/Budget Allocation. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT

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EVALUATION OF BID PROPOSALS  
REDEVELOPMENT AGENCY

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Bid File No. 2782  
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development consisting of both market rate and affordable housing. A developer will be selected through a competitive "Request for Proposal/Qualifications" process.

Both tenants, La Palomas Restaurant and C-Town Market, chose not to relocate and thus the Agency's purchase included the acquisition of the business and the related remaining inventory (excluding alcohol), furniture, fixtures, and equipment. The respective liquor licenses were permanently surrendered and the FF&E and inventory (non-alcohol) were sold at auction by Fresno Auction in October. The premises are now vacant.

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ \$23,716.00  
to Bowen Engineering & Environmental  
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

[Signature] 1-17-08  
Project Coordinator Date

Funds for this expenditure:

- are available and appropriated in the REDEVELOPMENT SUPPORT FUND  
 are not available nor appropriated;  
 will be available after adoption of resolution/AT.

[Signature] 1/17/08  
Finance Officer, Redevelopment Agency Date

Approve Dept. Recommendation  Approve Purchasing Recommendation

Disapprove  Disapprove

See Attachment

[Signature] 1/17/08 [Signature] 1/17/08  
Purchasing Manager Date Executive Director Date  
Redevelopment Agency

