

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

RESOLUTION NO. 29-2015

**APPROVING A SECOND AMENDMENT TO THE CONSTRUCTION CONTRACT WITH AZUL WORKS, INC. FOR THE SHIPYARD ART INSTALLATION PROJECT, CONTRACT NO. HPS 01-14, EXTENDING THE DATE OF FINAL COMPLETION TO AUGUST 31, 2015; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

- WHEREAS, The agreement implementing the first phase of redevelopment of the Hunters Point Shipyard (“Shipyard”) is the Phase 1 Disposition and Development Agreement (“Phase 1 DDA”), between the Office of Community Investment and Infrastructure or “OCII” as successor to the San Francisco Redevelopment Agency and HPS Development Co, LP (“Lennar” or the “Developer”); and,
- WHEREAS, On July 15, 2014, the Commission approved a construction contract with Azul Works, Inc. (“Azul Works”) to install eight public art pieces in the Hunter Point Shipyard Phase 1 parks and open space (the “Public Art Project”). The art pieces are part of the Cultural and Historic Recognition Program (“CHRP”) in the Phase 1 DDA Community Benefits Program. The project is funded through a grant from the United States Department of Commerce, Economic Development Administration (“EDA”) that expires in September 2015, the end of the federal fiscal year; and,
- WHEREAS, OCII’s original contract with Azul Works was approved by the Commission on July 15, 2014 for \$263,000 with a \$26,000 contingency, for a total Commission authorized expenditure amount of \$289,000. The contract has a completion time frame of 165-days which end on February 27, 2015. A first amendment was executed prior to the completion date and provides for a time extension to May 31, 2015; and,
- WHEREAS, The second amendment would extend the date of completion from May 31, 2015 to August 31, 2015; and,
- WHEREAS, The CHRP public art pieces are to be located within the parks and open spaces of the first phase of development on Navy Parcel A, and Lennar is responsible for building out the parks and providing a window of time and space for OCII to have art pieces installed; and,
- WHEREAS, Five out of the eight art pieces have been partially installed to date. Two are awaiting Lennar grading activities to be completed so that the pieces can be installed; one piece is still under fabrication, and is not ready to install; and,
- WHEREAS, There are construction changes that are known at this time. The Bayview Horn currently stands at an angle but was meant to stand straight. Plans are being developed to make the correction. The cost of the corrective work is anticipated to cost approximately \$17,000 and is to be funded through the previously authorized \$26,000 contingency. There are additional carrying costs for Azul Works’ overhead due to the time extension from the original February 27, 2015 date to August 31, 2015. These costs are subject to negotiation and not agreed upon at

this time. Staff expects to seek further authorization in July 2015 after the costs are agreed upon and as the remaining art piece installations progress; and,

WHEREAS, The original time for Azul Works to complete this contract was based on a Lennar construction schedule for the parks and open space. By virtue of the delay in the construction of the parks, as well as the one art piece currently being fabricated, the art installation is delayed as well. OCII staff is requesting a three month extension to the time for completion from May 31, 2015 to August 31, 2015. This time extension is consistent with the term of the EDA grant, which requires funds be expended before the end of the federal fiscal year ending September 2015; now therefore, be it

RESOLVED, The Successor Agency Commission finds and hereby incorporates by reference the CEQA findings adopted in Resolutions No. 11-2000 and 58-2010, and hereby concurs with those findings. The Commission further finds that the proposed Second Amendment to the Azul Works contract does not cause new significant impacts not identified in the EIR Documents and that no new mitigation measures are necessary to reduce significant impacts. Further, the Commission finds that no new information has become available showing that the Second Amendment would cause new significant impacts not identified in the EIR Documents and that no new mitigation measures are necessary to reduce significant impacts, and, therefore, no supplemental environmental review is required beyond the environmental review in the EIR Documents. Accordingly, no additional environmental review is required pursuant to CEQA Section 21166 and CEQA Guidelines Sections 15180, 15162, 15163 and 15164 in connection with approval of the Contract Amendment; and, be it further

RESOLVED, The Commission approves extending the date of completion from May 31, 2015 to August 31, 2015.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 19, 2015.



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Commission Secretary