



# STAFF REPORT

DATE: 02/19/2025  
TO: Honorable Mayor and City Council Members  
FROM: Economic Development Department

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## REQUEST FOR CITY COUNCIL ACTION

### **SUBJECT:**

FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH IDS GROUP INC. AND BUDGET APPROPRIATION FOR THE SOUTH MALL ARCHITECTURAL DESIGN SERVICES

### **EXECUTIVE SUMMARY:**

This staff report asks the City Council to approve a First Amendment to the Professional Services Agreement with IDS Group Inc. to provide architectural design services for two City-owned buildings in the South Mall. The Amendment will allow for the development of construction plans for the renovation and reuse of 601 S. Main Street and 725 S. Main Street.

### **RECOMMENDED ACTION:**

That the City Council:

- a. Approve the First Amendment to the Professional Services Agreement with IDS Group Inc. increasing the compensation by \$868,512.50 for Fiscal Year 2025 and \$289,509.50 for Fiscal Year 2026, for an aggregate total increase of \$1,158,022 to provide Architectural Services for the South Mall Development
- b. Authorize the City Manager, or his designee, to execute the First Amendment to the Professional Services Agreement with IDS Group Inc. with a compensation amount of \$2,718,512.50 for Fiscal Year 2025; \$2,139,509.50 for Fiscal Year 2026; and \$1,850,000 for Fiscal Year 2027 and to negotiate and execute non-substantive extensions, change order, and amendments up to 10% of the agreement amount, as authorized in Corona Municipal Code Section 3.08.070(l).

- c. Authorize the City Manager, or his designee, to issue a change order to the on-call purchase order with IDS Group, (PO B250649) in the amount of \$868,512.50.
- d. Authorize the City Manager, or his designee, to approve the appropriation of funds in order to execute the Agreement between the City of Corona and IDS Group Inc.
- e. Authorize an appropriation in the amount of \$1,158,022 from the Measure X Fund 120 to the South Mall Acquisition/Agreement , Operations and Maintenance Project No. 79320.

### **BACKGROUND & HISTORY:**

The City has been working for years to reassemble the fragmented ownership in the South Mall to create a project that will have a transformative impact on the Downtown and catalyze renewed private investment within the area.

As part of that effort, the City is using a firm, Ground Review, to help develop conceptual reuse plans for two buildings, 601 S. Main Street (the law office building) and 725 S. Main Street (the former 99 Cent Only store). The plans will help them adapt to fit the retail and restaurant focus of the two single-story buildings that the City recently acquired from the LAB properties. These recent acquisitions gave the City the majority ownership of the South Mall, which allows for a coordinated effort to revitalize the entire center and reposition it away from a typical retail center and toward a significant and unique dining and experiential space within the Downtown.

The two buildings, 601 S. Main Street and 725 S. Main Street, will require extensive work to adapt them from their previous uses—a single-tenant law office and a big-box discount store, respectively—into premier food, beverage, and recreation spaces.

The City issued a Request for Proposals (RFP) for architectural services necessary to complete the conceptual reuse plans for these buildings on November 20, 2024. The RFP was released to consultants selected to be included on the City's on-call consultant list, which had been finalized but not yet adopted by the City Council. A mandatory pre-bid walk was held on December 4, 2024, attended by three architectural firms. On the proposal due date of December 20, 2024, one firm, IDS Group Inc., submitted a proposal for this work. Following a thorough evaluation of the firm's qualifications, confirmation that the proposed scope of work provided all necessary services, and that the proposed fees were consistent with projects of this scope and scale, IDS Group Inc. was selected to provide architectural services for the South Mall project.

### **ANALYSIS:**

IDS Group's on-call contract award includes four disciplines, Architectural Services, Structural Engineering, Landscape Architecture & Irrigation Design, and Electrical Engineering. This First Amendment will assemble a qualified architectural and engineering team to work with the City to develop further and vet the initial concepts for each building, prepare detailed cost estimates for the planned work, develop a full set of

plans for permitting and bidding, and then provide support for the construction efforts until each building is completed and ready for individual tenants to commence their work.

The associated contract increase only affects the architectural services portion of the on-call agreement, with work spanning two fiscal years. The total compensation amount encompasses all four disciplines with only the architectural services portion receiving an increase for the design of the South Mall project. The compensation amount is structured to reflect the increase needed for each fiscal year for which the consultant will provide services for the project. As a result, compensation for Fiscal Year (FY) 25 will increase to \$2,718,512.50, FY 26 will decrease to \$2,139,509.50, and FY 27, total compensation will revert to the original total contract award of \$1,850,000.

The fee structure for the work specific to the South Mall project is \$471,243 for 601 S. Main Street and \$686,779 for 725 S. Main Street, for a total of \$1,158,022.

Should the City Council agree to approve the First Amendment, work will commence in mid-March, with design work to be completed by the end of 2025. Following this, the City will issue a Request(s) for Bids for construction and identify one (or more) contractors in early 2026. The anticipated construction completion date is early to mid-2027.

While this design and construction work is ongoing, the City is working to identify tenants for the two other retail buildings within the South Mall, which require minimal work, to commence tenant improvements in 2025, with new businesses opening in 2026.

**FINANCIAL IMPACT:**

Approval of the recommended actions will result in an appropriation in the amount of \$1,158,022 from the Measure X Fund 120 to the South Mall Acquisition/Agreement, Operating and Maintenance, Project No. 79320.

**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 the 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 approval of this agreement will not result in a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** JOEL BELDING, ECONOMIC DEVELOPMENT DIRECTOR

**REVIEWED BY:** JUSTIN TUCKER, ASSISTANT CITY MANAGER

**ATTACHMENTS:**

1. Exhibit 1 – Location map

## 2. Exhibit 2 – Agreement