



STAFF REPORT

DATE: 01/07/2026
TO: Honorable Mayor and City Council Members
FROM: Economic Development Department

2025-466

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH SVA ARCHITECTS AND BUDGET APPROPRIATION FOR THE NORTH MALL ARCHITECTURAL SERVICES

EXECUTIVE SUMMARY:

This staff report asks the City Council pursue an exemption to the Surplus Land Act and to approve a First Amendment to the Professional Services Agreement with SVA Architects to provide architectural design and technical analysis services for the North Mall redevelopment project and a budget appropriation to fund the project. This item was previously heard at the November 19, 2025, City Council meeting and continued to allow staff to provide responses to City Council questions.

RECOMMENDED ACTION:

That the City Council:

- a. Pursue the Surplus Land Act exemption for a mixed use project of at least 300 housing units with 25% of units affordable.
- b. Approve the First Amendment to the Professional Services Agreement with SVA Architects in the amount of \$1,482,150 for Architectural Services for the North Mall Development.

- c. Authorize the City Manager, or his designee, to execute the First Amendment to the Professional Services Agreement with SVA Architects in the amount of \$1,482,150 including any non-substantive extensions, change order, and amendments to 10% of the agreement amount, as authorized in Corona Municipal Code Section 3.08.070(I).
- d. Authorize the City Manager, or his designee, to issue a change order to the on-call purchase order with SVA Architects (B260001) for a total purchase order amount of \$1,482,150.
- e. Authorize an appropriation in the amount of \$982,150 from Measure X Fund 120 to the North Corona Mall Acquisition/Improvements, Operating and Maintenance Project No.78390.

BACKGROUND & HISTORY:

The North Mall site, located at the Northeast corner of 6th and Main Streets has a site area of approximately 9.6 acres and at least 7.7 acres of developable area. With strong direction from the Council and significant community input over multiple years, it was identified as a critical catalytic project of the City's long-term Downtown Revitalization vision, as outlined in the 2020–2040 General Plan, the 2022 Downtown Revitalization Plan, and the adopted Downtown Design Guidelines. Recognized as a strategic infill opportunity, the site is envisioned to become a pedestrian-oriented, mixed-use destination that serves as a cultural, residential, and economic hub for the community. The ultimate goal for this project is to spur an overall redevelopment effort within the core of the historic Corona to rebuild a vibrant downtown. This project will serve as a model for continued private redevelopment in the area for decades to come. Thus, there is a need to design this project in a thoughtful manner to provide an example for the projects that will follow and reinforce the revitalization of downtown.

Since 2004 the City has been working to acquire properties within the North Mall, to reassemble the fragmented ownership and facilitate the redevelopment and revitalization of this key downtown property. By 2024, the City had assembled a site of sufficient size to deliver a catalytic project to assist in the revitalization of downtown.

On February 19, 2025 the City Council discussed the future of the North Mall site. The discussion included the vision for the project, retaining City control of redevelopment of the site, the entitlement process, and the next steps for redeveloping the site. Council gave direction to staff to move forward with preparing a mixed-use project and to begin the entitlement process for the site.

In May 2025, a conceptual master planning study for the site was prepared with the assistance of an architectural consultant, Arcadis, providing four development options with varying levels of intensity. The intent of these scenarios was to frame potential

buildout configurations and inform policy direction from the City Council on future entitlement and implementation efforts.

On July 2, 2025, the Council reviewed these four development scenarios for the redevelopment of the North Mall and provided direction to staff on the scope and scale of the new development, with a target of approximately 105,000-140,000 square feet of retail and commercial space, with a hotel, and between 200-450 residential units, with a preference for 'for sale' residential units, including a portion designated as workforce housing.

This item was first presented at the City Council meeting on November 19, 2025. During the discussion of this proposal, the City Council requested additional information related to the qualifications of the architecture team and the contract scope of work. The City Council also requested additional information related to Surplus Land Act (SLA) and provided additional direction to staff on the design of the planned redevelopment project, including a direction to pursue only for-sale residential units for the housing component of the mixed-use project and to reduce the number of residential units from prior direction provided at the July 2, 2025, City Council meeting. At the December 3, 2025 City Council meeting, staff provided responses to the City Council's questions and direction, as well as provided additional information on the SLA as it relates to the North Mall redevelopment project.

The SLA is a statewide law that governs the disposition of city or agency owned land. If a city intends to sell a property or enter into a lease with a term of 15 years or more, they must follow the procedures outlined in the SLA. First, the Council must declare the property as 'surplus,' notify the California Department of Housing and Community Development (HCD), and send a notice of availability to Affordable Housing developers and other qualified entities (school districts, transportation agencies, etc.). The city must engage in good faith negotiations with those developers for 90 days. Preference must be given to proposals with the highest number of housing units at the deepest level of affordability. The City cannot charge more than the market value of the property nor deny a market rate proposal to prevent an undesirable development or large number of housing units. After the 90-day negotiation period has concluded, the City provides HCD a record of the negotiations with each party and the final agreement with the successful proposer. If no agreement was reached, the city provides the same record and a justification for why no agreement with eh qualified parties was reached. HCD reviews these documents to make a determination if the procedural requirements of the SLA were met and the outcome is compliant with the law. If HCD determines that a violation of the SLA has occurred, the penalties are potentially severe.

The SLA includes several specific exemptions to the standard SLA process (see attached SLA guidelines from HCD). These are based on size of the parcel, pre-existing agreements, the intended use of the property, how the parcel ownership is/was transferred, and other specific uses. If a city intends to pursue an exemption, the Council declares the property 'exempt surplus' and the city submits supporting documentation to HCD for a determination. If HCD determines that the property meets the requirements of

the exemption, the City can develop or lease the property under those specific conditions. Thus, an exemption provides more control for the city over how the property is developed and bypasses the requirement to engage in good faith negotiations with affordable housing developers.

ANALYSIS:

On August 4, a Request for Proposals was issued to the City's on-call consultant list, which consists of six prequalified architects that were thoroughly vetted through a competitive consultant selection process. Four proposals were received and evaluated for consultant expertise with preparation of the necessary plans and studies, as well as costs. Based on extensive experience in designing and developing the type of mixed-use project the City is seeking, SVA Architects was selected as the most qualified firm.

As discussed at the July 2nd City Council meeting, the design philosophy for this project is to draw from the significant buildings of Corona's past, those historic buildings that were demolished in the gradual redevelopment of the downtown area in the middle of the 20th century. This "Corona Revival" style will rely on honest building materials, such as brick, tile, wood, and historic architectural proportions to recreate the original look and feel of what was originally the core of civic, employment, shopping, and dining life for residents. This project will balance architectural consistency with the downtown, while providing updated flexible commercial space and new housing opportunities in the historic heart of the city.

SVA Architects has extensive experience in the development of hotels, residential, and mixed-use projects in Southern California. The assembled team of SVA and subconsultant personnel have demonstrated a record of high-quality design and technical expertise across numerous projects built across the state. The firm demonstrated its understanding of the City's expectations for the project and provided an ambitious schedule to assist the City in completing this portion of the overall redevelopment efforts by the summer of 2026.

SVA Architects on-call contract award includes one discipline, Architectural Services. This First Amendment will assemble a qualified design and analytics team to work with the City to further develop the initial concepts for the North Mall mixed-use project that were presented to the City Council at its July 2nd meeting. SVA Architects and its subconsultants will be tasked with developing full plans and technical analyses for Planning Commission review to entitle the project for eventual assignment to a private developer to build the desired project.

The associated contract increase affects the on-call agreement, with work spanning two fiscal years (FY 2026 and FY 2027). The total compensation amount encompasses all disciplines with only the architectural services portion receiving an increase for the design of the North 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 2026 will increase by \$982,150 to a not-to-

exceed amount of \$1,482,150 and will decrease by the same amount for FY 2027 and revert to the original total contract award of \$500,000.

Should the City Council agree to approve the First Amendment, work will commence in February 2026, with design work anticipated to be completed by the end of the year.

Between September and December, city staff consulted multiple times with HCD on how to deliver Council-directed North Mall project within the regulatory requirements of the SLA. Given the size, type (mixed-use), and intent of the project, HCD indicated that one of the mixed-use exemptions, for developments with 300 or more units, would allow the City to proceed with entitling the mixed-use project with the design and function that the Council had directed. HCD also noted that if the City proceeded with entitlement and then followed the SLA process, the City would still need to give preference to a proposal with the highest number of units with the deepest level of affordability. While the entitled project would be one possible outcome of the process, the City could not require the entitled project to be built. Another project, including a 100% residential project with a higher unit count and a market-value purchase price could not be rejected by the City.

Based on the stated preferences of Council – to retain design control, maximize retail and commercial space, deliver ‘for-sale’ units, and build an active community space – staff recommend pursuing the 300 unit mixed-use exemption to the SLA.

FINANCIAL IMPACT:

Approval of the recommended actions will result in an appropriation in the amount of \$982,150 from the Measure X Fund 120 to North Corona Mall Acquisition/Improvements, Operating and Maintenance Project No.78390.

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 – SVA Architects, Inc. – First Amendment PSA Agreement
3. Exhibit 3 – Final Updated Surplus Land Act Guidelines

