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CITY OF HERMOSA BEACH  
M E M O R A N D U M

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**DATE:** November 12, 2024

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Joe SanClemente, Public Works Director

**CC:** Suja Lowenthal, City Manager

**RE:** Agenda Item 17.c - Supplemental Information for Municipal Matter to Reject Bid Received from CSI Services and Provide Direction to Staff for CIP 682 Parking Lot D Improvements Project

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Since the posting of the November 12, 2024 City Council Agenda staff received additional information regarding the Coastal Conservancy grant for Capital Improvement Program (CIP) 682 Parking Lot D Improvements. This new information alters the analysis and the recommended actions presented in the staff report.

Through multiple conversations with Coastal Conservancy throughout 2024, City staff understood that, due to budget issues, the \$433,650 grant for the project could not be extended and would therefore lapse on February 28, 2025. However, on November 6, 2024, Coastal Conservancy staff informed the City that they were able to successfully reappropriate the funding source and that the previous funding deadline of February 28, 2025 would now be extended through December 31, 2028.

Staff submitted a formal request to extend the funding on November 6, 2024 and received confirmation on November 8, 2024 that the extension request was **approved**. The Coastal Conservancy is actively working on processing the extension and will send the City a revised grant agreement.

The posted staff report outlined recommendations on how to proceed assuming that the February 28, 2025 deadline to expend funds could not be extended. The approved grant extension now allows ample time to continue to coordinate with Coastal Commission staff on obtaining a Coastal Development Permit and readvertising the project. Based on the updated information, staff recommends the following revised Recommended Action.

**Revised Recommended Action**

Staff recommends City Council:

1. Reject the bid received from CSI Services for CIP 682 Parking Lot D Improvements Project; and
2. Authorize staff to readvertise the project.