TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PUBLIC WORKS
DATE: SEPTEMBER 25, 2006
CMR:374:06
SUBJECT: APPROVAL OF AMENDMENT NO. 4 TO CONTRACT C9102718 WITH ROSSDRULISCUSENBERY ARCHITECTURE INC. IN THE AMOUNT OF $1,037,490 FOR PRELIMINARY DESIGN, ENVIRONMENTAL REVIEW, AND COST ESTIMATING FOR THE PUBLIC SAFETY BUILDING, CAPITAL IMPROVEMENT PROGRAM PROJECT PE-98020 AND APPROVAL OF A RESOLUTION DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF BONDS TO BE ISSUED BY THE CITY

RECOMMENDATIONS
Staff recommends that the City Council:
1. Approve and authorize the City Manager or designee to execute the attached contract amendment in a not-to-exceed amount of $1,037,490 for engineering and architectural design services for the Public Safety Building Project, CIP Project PE-98020 including $943,190 for basic services and $94,300 for additional services (Attachment A);

2. Approve a Resolution of Intent declaring the City’s intention to reimburse expenditures from the proceeds of bonds to be issued by the City (Attachment B).

BACKGROUND
In December 2005, Council directed the Mayor to appoint a community-based Blue Ribbon Task Force (BRTF) to evaluate the need, size, cost and site for a public safety building and asked that the results of this evaluation be presented in a report to Council by June 2006. The BRTF, supported by staff and RossDrulisCusenbery Architecture Inc., assessed the need for a new public safety facility; examined and discussed the previous reports and feasibility studies; conducted site tours of the existing police building and new facilities in adjacent cities; established site criteria; and reviewed size and programmatic needs. On June 26, 2006, the BRTF presented its findings (CMR:280:06) to Council. At that meeting, the BRTF unanimously recommended a new public safety building totaling 49,600 square feet and further concluded that the Park Boulevard site was the least costly scenario and meets the top three site criteria established by the BRTF, namely:

1) The site is of adequate size to provide for building and associated parking for official vehicles, staff autos and visitors convenience
2) The site should not be subject to ground instability
3) The site provides access on at least two sides
Council then directed staff to proceed with the next steps on the Public Safety Building project:

- Begin preliminary discussions with the Park Boulevard site property owners
- Evaluate financing options for a new public safety building and bring them back to Council by December 2006 or January 2007 in accordance with the Council’s approved Top 3 priority schedule for the public safety building.
- Negotiate a contract amendment with RossDrulisCusenbery Architects (RDC) to perform preliminary design services and prepare an EIR for the project.

**DISCUSSION**

**Consultant Amendment**

In June 1998, the City entered into a contract with RDC to provide architectural services which included project definition, evaluation of programmatic needs, assessment of the existing facility, and preparation of massing diagrams. The contract has since been amended three times (May 1999, June 2000 and November 2001) to provide additional services for the next phases of the project including site studies, split facility analysis, comparative cost analysis, and public outreach. Under its current contract, RDC started schematic design work for renovation and expansion of the Police Building at the existing civic center, provided design support during the BRTF process and is in the process of completing the phase one environmental assessment for the Park Blvd. site needed to complete property appraisals for these sites.

In order to maintain project history and cost effectiveness, RDC’s contract provides for future amendments for each subsequent phase as the City desires. Contract Amendment No. 4 to the City’s current contract with RDC is needed to complete the preliminary design to a 25% level, prepare an Environmental Impact Report (EIR) and reallocate the previous RDC budget and scope in order to meet the Council Top 3 priority schedule for the new public safety building. An additional Amendment No. 5 will be needed to design the public safety building to a level to proceed with a June 2008 bond election. This will require refining the design to a 35% level, updating the cost estimate, and preparing building renderings and other information needed to inform the public on the project. This amendment is not included in this recommendation but will be brought to Council for its approval with the 2007-08 Budget.

The scope of work (Attachment A) to be performed under contract Amendment No. 4 will include:

- Conceptual and schematic design services to a 25% level
- Preparation of an EIR for the a public safety building on the Park Boulevard site
- Development of Leadership Energy and Environmental Design (LEED) and sustainable green building elements
- Consideration in the building design to allow for future expansion of the building if needed
- Preparation of cost estimates

In December, staff will bring back a status report on the progress made on the Public Safety Building EIR and design efforts.

**Schedule**

The schedule included in the scope of work (Attachment A) is as follows:
Complete 25% design, cost estimates June 2007

Complete the project EIR including January 2008
project scoping, EIR studies and public meetings

Staff anticipates bringing Amendment No. 5 to City Council with the 2007-08 Budget to design the public safety building to a level to proceed with a June 2008 bond election.

The Council-approved schedule to conduct a bond election for the project is:

- Complete EIR January 2008
- Council approves resolution for ballot measure March 2008
- Election June 2008

Resolution of Intent
When a City anticipates undertaking a major capital project that relies on bonds (such as General Obligation bonds) to finance that project, a “Resolution of Intent” must be passed by its Council to reimburse expenditures made for the project prior to the issuance of bonds. This procedure is required by Federal income tax regulations.

Given the City’s intention to build a new Police Building, to buy the land upon which the facility will be built, and to conduct the studies necessary for construction, staff recommends that Council approve the attached: “A Resolution Declaring Intention to Reimburse Expenditures from The Proceeds of Bonds to Be Issued by The City.” This will allow the City to recoup costs related to the project (e.g., purchase of land) and made prior to the issuance of bonds.

It should be noted that the City has three years from the date funds are deposited in escrow for the purchase of land to the date bonds are issued to allow repayment for the land from bond proceeds.

RESOURCE IMPACT
One million dollars is included in the 2006-2007 Capital Improvement Program Project PE-98020 funding for costs associated with design and environmental review of the Public Safety Building. In addition there is approximately $161,000 remaining in the current RDC contract that will be reallocated to the Phase 4 contract amendment as work continues on the project. There will be additional project costs this year associated with the Public Safety Building including a $75,000 encumbrance for outside counsel supporting the Park Avenue property acquisition process, and about $20,000 will be needed to cover property appraisal costs.

Staff will continue to identify all available resources to offset capital or debt service costs. These include: a revenue source such as State or Federal grant; rental savings that would result from moving Information Technology and Utility staff into the Civic Center site vacated by the Police Department; and contributions from Stanford University for its share of capital costs associated with its agreement with the City for communications services.

POLICY IMPLICATIONS
This recommendation is consistent with Council direction to staff on its Top 3 priorities.
ENVIRONMENTAL REVIEW
An EIR and special studies will be prepared for this project in accordance with the California Environmental Quality Act (CEQA) as part of the amendment with RDC.

ATTACHMENTS
Attachment A: Amendment No. 4 to Contract C9102718 with RDC
Attachment B: Resolution of Intent

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