TO:            HONORABLE CITY COUNCIL
FROM:          CITY MANAGER          DEPARTMENT: ADMINISTRATIVE SERVICES
ATTENTION:     POLICY AND SERVICES COMMITTEE
DATE:          SEPTEMBER 10, 2002
CMR:375:02
SUBJECT:       REQUEST FOR COUNCIL DIRECTION REGARDING ISSUING A REQUEST FOR PROPOSAL TO RELOCATE, REPAIR AND LEASE THE FORMER SEA SCOUT FACILITY AT 2560 EMBARCADERO ROAD

REPORT IN BRIEF

The 1979 Baylands Master Plan and 1986 Yacht Harbor Building Assessment Report call for the demolition of the Sea Scout building as part of the harbor reclamation project. Since 1984, the City has been working with the Sea Scout organization and with Lucie Stern Maritime Center (LSMC) to find a new location. Although the LSMC has not yet provided all the information requested of it by staff to determine the feasibility of preserving and/or relocating the facility, it has continued to move forward with its plans to move and renovate the facility and put a considerable amount of time and effort into preserving the Sea Scout Building. Other non-profits also have indicated an interest in using the facility; however, the size and configuration of the building would restrict use by both the Sea Scouts and other non-profits.

The question of location of the Sea Scout building should be addressed prior to a final decision on the site. Keeping it at its current location requires a new foundation, which would be costly and require a temporary move that might structurally endanger the building. It would also require significant changes to the conditions of the Baylands Master Plan. Locating the building at the former Yacht Club site would expedite the preservation process and lower the chances the building would be destroyed during the moving process, but it too, would require significant Master Plan changes. Locating the building between the Harbor Master Cottage and the Interpretive Center may have benefit in terms of expediting the permit process and meeting the conditions of the current Baylands Master Plan.
RECOMMENDATION
Staff recommends that the Committee either direct staff to: 1) negotiate an option to lease with LSMC for Site 3; or 2) remove the direction that the building also be used for Sea Scouts and other youth activities and prepare a Request for Proposal (RFP) for an option to lease the facility on Site 3 from other non-profit agencies. Under either recommendation, the option would include a two-year term and would require the tenant to pay for all costs associated with the renovation and relocation and obtain all necessary permit approvals prior to entering into a lease.

BACKGROUND
The Baylands Master Plan (Plan), adopted by the Council in 1979, established a plan for the harbor. The Plan called for the removal of the berths and buildings, and the return of the harbor to its natural state. Voters reaffirmed the Plan on November 4, 1980, when a ballot measure to continue operation of the harbor was defeated.

On February 10, 1986, (CMR:142:86), staff presented Council with a Yacht Harbor Building Assessment Report that recommended the demolition of the Sea Scout building as part of the harbor reclamation project. In 1986, Council approved Capital Improvement Program (CIP) Project No. 86-06, which was established to implement the goals of the Baylands Master Plan.

In order to implement the elements of the Baylands Master Plan dealing with the harbor, a Conceptual Study and Plan for the Yacht Harbor Restoration (dated December 18, 1987) was prepared by Santina & Thompson, Inc. The plan assigned priorities to specific areas to be restored to their natural state. Priority 8 of the Plan dealt with the Southern Harbor including the Sea Scout base. (See Exhibit 1).

On October 24, 1988, (CMR:495:88) and again on June 8, 1998, Council delayed the demolition of the Sea Scout building in order to give the Sea Scouts time to find a new meeting place, given the damaged condition of the Sea Scout facility floor and foundation and the infeasibility of repair. To assure the Sea Scouts would follow through, the extension required that the Sea Scouts make quarterly reports to the City Manager on its progress in finding a new location.

On April 17, 2000, Council granted the Lucie Stern Maritime Center’s request to give LSMC until January 30, 2001 to secure funding and find a location for the Sea Scout base. (The LSMC is a non-profit organization. Its members are sea scouts and those interested in preserving the facility at the Palo Alto Baylands for Sea Scout usage and museum purposes). To facilitate the building evaluation process, the City Manager, requested the LSMC provide the following:

1) a professional written evaluation of the condition of the facility, especially the floor and foundation;
2) an estimate of all costs associated with the move and the rehabilitation of the facility including code and ADA accessibility requirements; and
3) a detailed report regarding how the building will be moved from its current location.

On May 18, 2000, the City Manager and several staff members met with the LSMC steering committee. At that meeting, the City Manager urged the LSMC to create a formal plan regarding how its members would achieve Council’s direction of securing funding and finding a new location.

On May 6, 2002, Council adopted the Historic Resources Board’s recommendation to designate the building at 2560 Embarcadero Road, known as the Sea Scout Base, to the City of Palo Alto’s Historic Inventory in Category 1, as provided in Municipal Code Chapter 16.49. Council also requested that staff obtain a structural engineering report funded by a community organization or organizations; and, if necessary, actively assist the LSMC to secure funding through grant applications.

Council referred to the Policy and Services Committee: 1) the question of “how this unique building could become a viable element in the Baylands to be used by the Sea Scouts and other organizations committed to preserving the building for youth and other community organizations” and 2) gave P&S the direction to review, as expeditiously as possible, issuance of an RFP so that other nonprofit organizations would be encouraged to participate.

On August 7, 2002, the Historic Resources Board (HRB) was asked to recommend one of three specific sites for relocation of the Sea Scout building. In an effort to save the building, the HRB chose to prioritize the sites rather than select a specific site. The HRB also recommended that the Baylands Master Plan be amended to protect and save all historic improvements, and that the City take steps to protect the Sea Scout building from further deterioration prior to turning it over to a third party for renovation.

**DISCUSSION**

LSMC has continued to move forward with its plans to move, renovate and remodel the facility despite the fact that Council has yet to determine that it will be the lessee. The LSMC has established a non-profit status, accomplished the historic designation of the building and contacted various individuals and organizations for donations of money, services or materials. In the last three months, the LSMC has consulted with a general contractor, a structural engineer, a hazardous materials investigator and a building moving company to analyze the feasibility of moving the building. It has also selected a project manager who is collecting data from various contractors to determine the magnitude of LSMC’s costs to preserve the building. LSMC’s project manager has met with key City staff in an attempt to understand the Baylands issues and the lengthy permit processes.
Condition of the Building

On January 29, 2001, portions of the decking surrounding the building were determined to be unsafe by the City. The City Building Official had the building posted as unsafe, and LSMC was notified that it could no longer occupy the building.

Listed below are items that Council asked LSMC to provide information on at its May 2000 meeting and the LSMC’s response as of August 12, 2002:

LSMC has provided staff with a structural engineer’s report, based on an exterior examination of the facility, that indicates the building could be occupied in temperate weather and when the level of the tide is below the top of the pile caps. At a meeting with staff on January 17, 2002, the engineer also indicated that the facility had a 50/50 chance of surviving a move intact. In a follow-up discussion with the engineer, staff inquired about the condition of the floor and the foundation since they had been subject to tidal action since 1971. The engineer stated that he knew the sub-floor would be in poor condition, but that it did not matter because the facility would be moved to a new location on a new sub-floor and foundation. In later correspondence, the engineer indicated that the building would be braced during the move to reduce the odds that the building would not survive the move. (See Attachment A for both reports from the structural engineer.)

Costs

At the January 17, 2002, meeting with staff, LSMC provided a letter from a general contractor who estimated the cost of relocating the facility to a newly engineered foundation at $250,000-$300,000. The contractor also estimated that it would cost another $200,000 ($90 per square foot) to allow for upgrades, both optional and as required by regulations and building conditions. (See Attachment B.) Staff believes that the estimate is low given that the cost to renovate the Harbor Master house eleven years ago was approximately $211 per square foot. LSMC countered staff’s concern by stating that the work on the LSMC will be done by volunteers and donated labor and materials. To support this statement, in a letter to the Mayor dated May 7, 2001, LSMC indicated that as of that date, LSMC had already received 2,900 hours at an estimated cost of $744,250 in professional in-kind service contributions.

Securing Funding

LSMC has consistently taken the position that once the building has been designated a historic structure, funding will come from grants, LSMC members, local foundations, corporations, and fundraising events. LSMC also proposes to reduce costs by using volunteers and donated labor. The LSMC project manager has indicated that the LSMC has approached the Bechtal Corporation requesting a donation of the pilings for the new foundation and the C.E.O. of the Levi Strauss Corporation (Lucie Stern’s nephew) as possible source of funding. According to LSMC, both corporations have indicated an interest in the project.
Formal Preservation Plan
LSMC has agreed to abide by the Secretary of Interior Standards for Rehabilitation of Historic Buildings. For that reason, the LSMC believes the cost of rehabilitation will be reduced, since certain allowances will be given to current building codes in order to preserve the facility’s historic designation. Included in the application for historic designation is a detailed listing of the historic features of the facility. However, staff has not yet received information regarding how these historic features are to be preserved and maintained.

Detailed Report on How the Building Will Be Moved
Staff has identified one of the major problems in trying to preserve the facility is the move itself. LSMC’s own engineer gives the building a 50/50 chance of surviving a move. LSMC has indicated that it has received three bids on the move. The mover that LSMC has selected proposes to either move the building in one piece or cut the building into three sections and move each section to a new foundation. The facility would be moved by placing beams under the existing joists, raising the building enough to place dollies at three points and then moving the structure. (See Attachment C.) In a conversation with staff, the mover indicated that his company has successfully completed thousands of similar moves. He also added that the process would require the seawall be temporarily sealed to prevent further flooding and to allow the earth’s surface below the facility to harden. Wooden tracks would be placed under the facility and the facility would be pulled to the moving dollies. The mover also felt that the building was light enough that the dollies would not sink into the earth when they became the support of the building during the move. When the mover was asked if the floor and sub-floor were strong enough to support the beams during the move, the mover said the structural engineer would have to make that decision.

Request for Proposals for Other Non-Profits to Lease Sea Scout Building
Two non-profits, Wildlife Rescue and the San Francisco Bay Bird Observatory, have expressed interest in preserving and using the former Sea Scout facility. The Wildlife Rescue organization is currently a tenant of the City at the Cubberley Community Center (V-Wing 1,709 sq. ft.). Wildlife Rescue has been in existence for over 25 years and is mainly a volunteer organization. Wildlife Rescue would propose to use the building to house various wildlife that are injured, sick or orphaned until they are able to fend on their own. Use by Wildlife Rescue is viewed by the Open Space & Sciences Division as a compatible use in the Baylands Nature Preserve.

The San Francisco Bay Bird Observatory (SFBBO) is a non-profit research organization dedicated to the conservation of birds and their habitat. SFBBO studies birds that live in the salt ponds, marshes and creeks of the South Bay. Its biologists use nearly 75 trained volunteers in the fieldwork and have generated a contribution list of over 100 reports and publications that are used to protect the wildlife and make critical land management decisions. SFBBO is currently located in Alviso in a large wide construction trailer.
The space it occupies will be traded or sold and SFBBO has been asked to find a new location (See Attachment D). This activity is viewed by the Open Space & Sciences Division as a compatible use for the building.

When Council referred the question of an RFP to the Policy and Services Committee, it stipulated that any use by a non-profit organization include space for Sea Scouts and other youth-serving organizations. The building is only 2,209 square feet and divided in such a way that the dictated usage would severely limit use by other non-profit organizations. In other words, it would be extremely difficult to physically accommodate two different uses at the building.

Policy and Procedures 1-11 (Leased Use of City Land/Facility’s) requires that, prior to leasing City property, the City provide reasonable and appropriate opportunity to groups or entities to respond regarding possible use of the City facilities. The City may either issue a Request for Proposals or, in the case of a non-profit organization proposing a specific use, providing a significant public benefit, and when it appears that there are no other competing users, the Council can enter into a direct option to lease after holding a public hearing. In this case, the Council could enter into a direct option to lease with LSMC due to the limited size of the building (2,209 square feet) and the direction that the facility includes use for “Sea Scouts and other youth and community organizations”. If Council should choose to solicit other interested non-profits, then staff suggests that Council not limit potential, interested parties by specifying that they provide space for use by Sea Scouts and other organizations committed to preserving the building for youth.

Preservation and Location
Now that Council has taken action to preserve the building, where to locate the facility becomes an important decision. Staff feels that, while the Sea Scout usage of the facility meets the Comprehensive Plan goals established for children and youth, the location is counter to the Baylands Master Plan and the Comprehensive Plan goals to protect the habitat and encourage low impact recreation needs. The plan in general calls for “redesign of public access to provide wide buffers from sensitive habitats such as high tide refugia while designing specific areas for overlooks with interpretive facilities”. The Plan states that area 8 “was given a low priority due to its relative isolation and high human use and traffic areas. Its elongated shape, which runs along Embarcadero Road (Harbor Rd.), means it would have maximum exposure to potential impacts. Restoration of the area requires maximum use of peripheral buffers, including high shrub cover and fencing. Removal of the rip rap wall (sea wall) along the water’s edge will be required.”

Discussions about a possible site location have centered around three locations (See Exhibit 2).
Site 1
The applicants for historic preservation believe that the facility should remain in its current location in order to retain the facility’s historic integrity. In order to accomplish this, the building would have to be moved while new piers were driven, then moved back onto the new foundation. From a purely historic standpoint, this would preserve the building in its historic surroundings. From LSMC’s point of view, it would increase the cost to move the building and increase the chances that the building would not survive the move. The foundation would be elevated to 8 feet above sea level to meet current flood control requirements and ADA ramps would have to be elevated in order to meet the new height of the facility. Leaving the facility in its present location would also mean that the sea wall that failed in 1971 would have to be shored up or replaced. Both the new foundation and work on the sea wall would take place in a sensitive location that was to be returned to its natural condition in the last phase of the Marsh Restoration Master Plan.

Site 2
Locating the building at Site 2 (the former yacht club location) would expedite the preservation process and lower the chances that the building would be destroyed during the moving process. Piles could be driven and a foundation prepared prior to moving the building to the new site. The short move, of approximately 100 feet, would also reduce the cost of moving. This move would require work on the sea wall and working in a sensitive area, which would be counter to the Marsh Restoration Master Plan.

Site 3
Relocating the facility to a location between the harbor master cottage and the Interpretive Center has several benefits:

- the facility would be located on higher ground, eliminating the need for repair on the sea wall and reducing the length of ramps to meet current ADA requirements;
- buildings at the harbor would be clustered, allowing for shared parking and making it somewhat easier to obtain permit approval as it is not in opposition to the current Master Plan; and,
- the harbor marsh project could be completed as master planned.

The applicants for historic preservation are concerned that moving the building to Site 3 will lower the chances of obtaining State Historic Resources funding. Staff consulted with the State Historic Resource Board, and it will fund the building if it is moved, rather than demolished. The Board also suggested that the State Parks and Recreation Commission (SPRC) has a larger source of funds and the City might have a better chance of obtaining funds from that agency. Also, the SPRC is not concerned about which location is chosen for the building. (The City received funds this year from the SPRC for its Baylands mural project.) Moving the building to Site 3, the farthest location, will increase the cost of the move and the chances the building will not survive and require the removal or relocation of some vegetation.
Prior to entering into any long-term lease, all three locations will require an amendment to the Bayland Master Plan and a park improvement ordinance. They will also require approval from various agencies claiming jurisdiction of the Baylands. Those agencies include the San Francisco Bay Conservation Development Commission, Regional Water Quality Control, the Army Corp of Engineers, U.S. Fish and Wildlife Service and the California Fish and Game. The LSMC or any interested non-profit would like the location to be determined, since location will affect the overall cost of rehabilitating the facility.

Staff recommends Site 3 as the preferred location. Site 3 preserves the building and would require less significant amendments to the Master Plan than the other sites. Selection of this site should also expedite the review by the various agencies that have Baylands jurisdictional responsibility. A separate report recommending Site 1, which was prepared for the Historic Resources Board, is attached (Attachment E).

**RESOURCE IMPACT**

Previous Council action has recommended that private funding be used to renovate the facility. In previous submittals, the LSMC has requested the City waive all permit or City fees and that monies designated for demolition ($30,000) be dedicated to the rehabilitation of the facility. LSMC presented a proposal to apply for state, federal and county historic grants and funds from individual donors and local foundations. During the past two years, the LSMC has raised $3,300. Staff is concerned about the time that may be required for the LSMC to reach its goal of $500,000 and whether that figure is sufficient to preserve the building.

**POLICY IMPLICATIONS**

Policy and Procedures 11-1 (Leased Use of City Land/Facility’s) requires that the City 1) provide a reasonable and appropriate opportunity to other groups or entities to respond to possible use of the City facility (Request for Proposals); or 2) in the case of non-profit organizations proposing a specific public benefit and when it appears that there are no other competing users, the Council can enter into a direct lease after holding a public hearing.

Staff also believes that, while the Sea Scout usage of the facility meets the Comprehensive Plan goals established for children and youth, the location is counter to the Baylands Master Plan and the Comprehensive Plan goals to protect the habitat and encourage low impact recreational needs.

**ENVIRONMENTAL REVIEW**

An environmental impact assessment (EIA), as may be required by the California Environmental Quality Act, will be performed in connection with the proposal that staff ultimately recommends to Council as the one that should be awarded the option to lease the property. The EIA would address potential impact including historic rehabilitation,
parking and compatibility. In addition, conditions of an option to lease would require
optionees to comply with all requirements of the California Environmental Quality Act.

ATTACHMENTS
Attachment A: McVicker Associates, Inc. (Structural Engineer) Letters, Dated 12/4/01 &
1/18/02
Attachment B: Adolph Schmidt General Contractor, Inc., 1/15/02 Construction Estimate
Attachment C: Anderson-Janovich (Movers) Estimate, Dated 5/3/02
Attachment D: San Francisco Bay Bird Observatory Letter, Dated 8/9/02
Attachment E: Historic Resources Board Staff Report, Dated 8/7/02
Exhibit 1: Palo Alto Harbor Improvements Summary of Recommendations
Exhibit 2: Three Possible Locations Map

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