REPORT TO THE CITY COUNCIL AND SUCCESSOR AGENCY

DATE: **February 7, 2017**

TITLE: **City Hall Relocation**

Prepared by: **Daniel Porras P.E. Public Works Manager**

RECOMMENDATION

1) **Authorize the City Manager to take all the steps necessary to immediately lease new modular facilities and to place them at the Northwest corner of Palm Drive and Pierson Blvd or at a suitable temporary site; and**

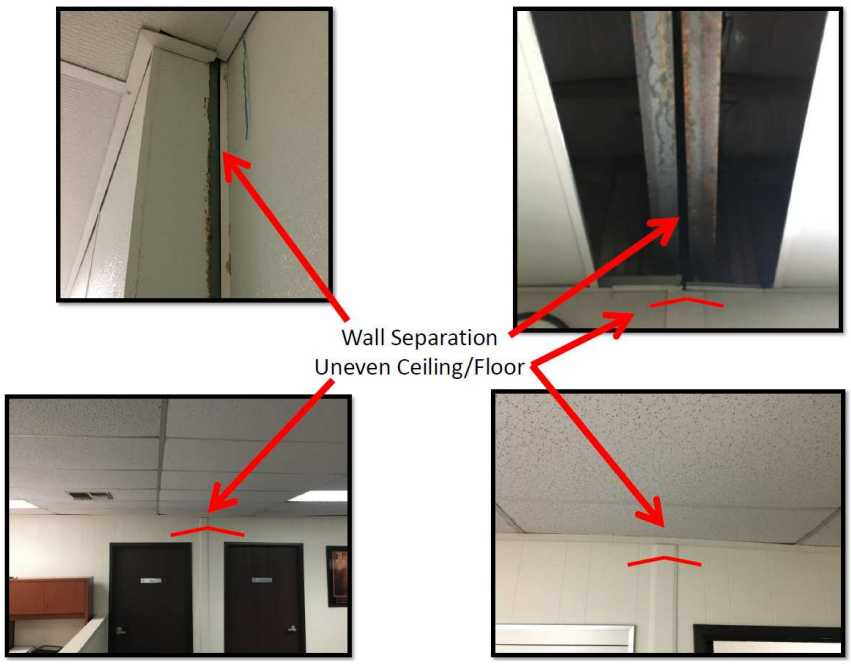
2) **Authorize the City Manager to execute a First Amendment to the Professional Services Agreement with Hill International to include $170,000 for engineering consulting services and $330,000 for project management and design services for the completion of Phase 1 of the City Hall Relocation Project, for a total amount not to exceed of $500,000, to be utilized over the next two fiscal years 2016-2017 and 2017-2018.**

DISCUSSION

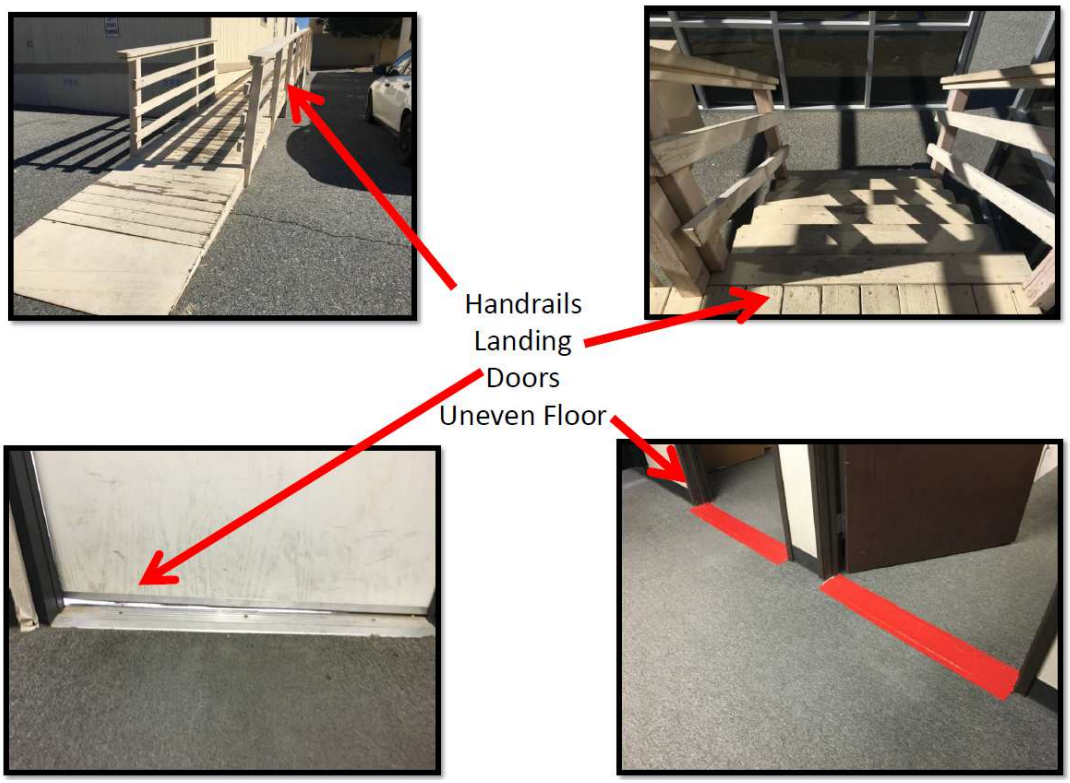
City staff completed an analysis of administration office space available and necessary to complete all City businesses. The current status of the existing City Hall Complex was analyzed, and various options and alternatives for a future long term plan were reviewed.

The current City Hall Complex is located at 65950 Pierson Blvd and utilizes three separate buildings, each made up of multiple temporary modular buildings. Staff from the Engineering, Building, and Fire Department completed a thorough inspection of the buildings and infrastructure and found the following deficiencies and recommended improvements;

Structural deficiencies were found due to structural separation. Each modular structure was found to be separating from the adjacent structure. Evidence is shown in gaps in walls and beams, cracks in exterior sheeting, and uneven floors, doors, and ceilings.

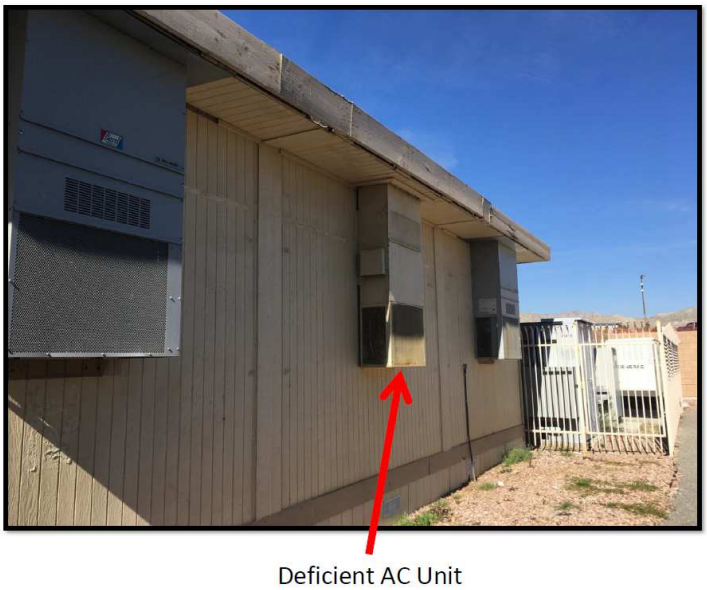


All buildings did not meet current Americans with Disabilities Act (ADA) compliance standards. The following items were identified as deficient; handrail design and sizes, landing designs and size, automatic doors, floor steps, and number of parking.



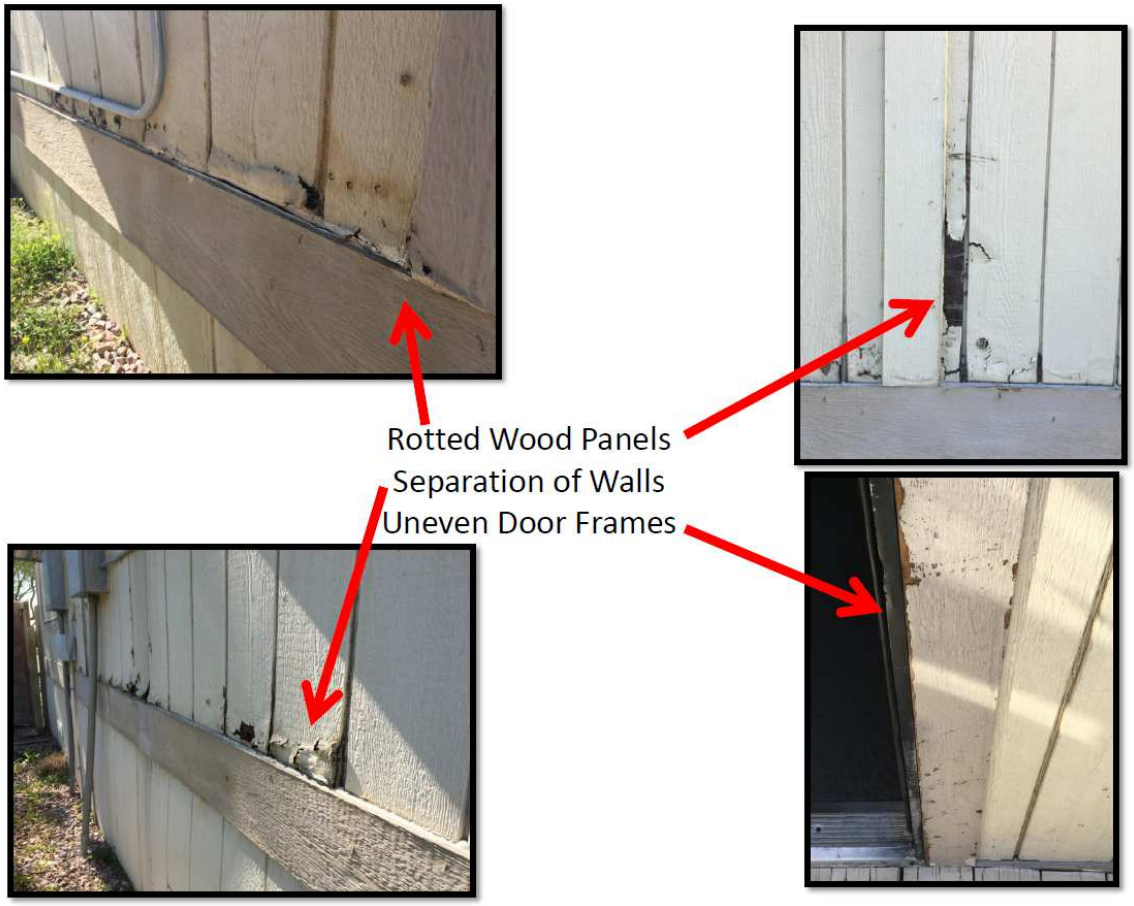
Roofing deficiencies were found on all buildings. The deficient structural stability of the roof makes roof accessibility and repairs a hazard. Leaks were found in multiple windows, doors, and at all building joints. Ceiling, walls, and floors show evidence of water damage due to leaks, including warping, separation, and discoloration.

The HVAC systems are outdated and will need to be replaced in order to provide the necessary Air Conditioning and Heating demands. There are a total of 15 AC units, and 6 Units are identified as currently deficient, with the number increasing as time goes on.



Plumbing and electrical design is deficient with current codes for all restrooms and kitchenettes. New water heating system is required for each restroom and kitchenettes for a total of 3 systems to 8 areas. Electrical upgrades are required for the current power demand and use.

Exterior paneling, windows, and doors are deficient in providing adequate protection and insulation to the interior structure members. Evidence of rotting wood panels, separation in windows and door frames from the structure, and gaps in all door frames were identified.



Modular buildings are designed and built for temporary use with a short life-span. After the inspection it was determined that the current modular buildings have far exceeded the originally intended life-span and are currently in need of major infrastructure improvements. The required improvements include; structural reinforcement, re-roofing, re-leveling of building floors and walls, adjustments of doors and windows, replacement of warped damaged floor boards and wall boards, construction of new ADA accessible ramps and doors, AC Unit replacements, and electrical and plumbing upgrades to bring the buildings to current building codes. The buildings are deficient in current building codes, fire codes, ADA accessibility, and structural stability. Based on these deficiencies, Staff completed preliminary cost estimates for all of the needed improvements and are shown in Exhibit 1, with a summary below;

1. Total Cost of Improvements Building A = $512,250
2. Total Cost of Improvements Building B = $314,250
3. Total Cost of Improvements Building C = $216,250

Total = $1,042,750

Currently there are 15 modular structures that were constructed to create 3 separate buildings. The cost to purchase 15 new modular buildings is estimated to be between $900,000 and $1,200,000, plus hauling and installation.

Staff reviewed past annual expenses for on-going building maintenance and found an overall annual increase due to additional required maintenance caused from exceeding the building life expectancy of temporary buildings.

Based on this review Staff is recommending that the City Council authorizes the City Manager to take all the steps necessary to immediately lease new modular facilities and to place them at

the northwest corner of Palm Drive and Pierson Blvd or at a suitable temporary site, and to move forward with the initial steps towards a long-term permanent solution.

Below are preliminary estimates for leasing new modular buildings, the City will follow standard procurement procedures when selecting and awarding each item:

- Leasing One New Modular-12ftx60ft = $500/month plus $3,000(one time cost)
- Temporary Entry Ramps = $40,000
- Utility Hook = $20,000
- Moving = $30,000

In an effort to look into a long term permanent solution, City Staff researched and analyzed the following options;

1. Purchasing, renting or leasing options of vacant buildings
2. Utilizing City owned Buildings
3. Purchasing vacant land for construction of new buildings
4. Utilizing City owned vacant land for construction of new buildings.
5. Options for various construction types for new buildings

Staff researched vacant buildings located within the City that were available for purchasing, leasing, and renting. It was determined that the available buildings did not meet the demands of the City based on square footage, location, functionality, and associated purchasing, leasing, and renting costs. Staff researched vacant land available for the development and construction of new buildings. All available land had a corresponding purchasing cost, and an additional cost for completing necessary off-site improvements such as new street improvements, sidewalks, etc. Both of these options had a large up-front purchasing cost along with large construction costs due to the required off-site improvements.

During the review Staff looked into the option of developing vacant land and constructing a brand new City Hall Complex. A new City Hall Complex was estimated to cost between $15 million and $25 Million depending on size and design. With the very high cost of constructing a brand new City Hall Complex, Staff completed an analysis of City owned property, including city buildings and city vacant land that may be suitable for rehabilitation or new development and construction. In reviewing city owned buildings and properties, Staff analyzed costs associated with the construction of tenant improvement of city buildings, and the costs associated with the construction of new buildings. The costs associated with completing tenant improvements in an existing building were found to be far below the cost of constructing a brand new building.

Staff determined that the most feasible, economical, and permanent solution is to utilize the existing City-owned building located at 11999 Palm Drive (Visitor's Center) and to construct future buildings on the City-owned vacant land located directly adjacent to this building. Ultimately, these solutions would relocate City Hall to one new location: the Northwest corner of Palm Drive and Pierson Blvd. The following key factors were the basis of the determination:

1. Vacant Property is owned by the City of Desert Hot Springs, therefore no need to purchase new property which is a cost savings to the project.
2. Existing building (Visitors Center) is owned by the City, is structurally sound, and can be utilized as an administrative building for the overall City Hall Complex with only the cost of Construction of Tenant Improvements. This option utilizes a city owned building without the need to purchase a building or completely reconstruct a new building, which has a cost savings in the overall relocation and construction costs.
3. Off-site Improvements are already completed. All street improvements are completed around the site, including sidewalks, curb and gutters, walkways, and landscaping. This

option eliminates the need to construct new off-site improvements, which has a cost savings in the overall relocation and construction costs

Preliminary site investigation and analysis was completed for the proposed site. A preliminary Site Plan is shown in Exhibit 2 identifying the following key features needed and proposed for ultimate build-out:

- Utility pole relocation and utility underground
- Realignment of parking lot
- Existing Building (Visitor Center) to remain and utilized for the City Administration Offices (City Manager, City Clerk, City Attorney, City Council)
- New Building to be utilized for Administrative Services (Finance, Human Resources, Information Technology), Community Development (Planning, Building, Engineering, Community Preservation), and new Council Chambers
- Council Chambers to relocated to the new building
- Atrium style entrance to new building, can function for multiple department counters
- Outdoor Amphitheater between two buildings (optional)
- New architectural features
- Estimated 14,000 square feet total for both buildings

This analysis also included the review of various construction options for the construction of the new buildings on the preliminary site plan. The following three construction options were reviewed and the general pros and cons are listed;

Option	Type of Construction	General Pros	General Cons
A	Ground Up Construction	100% On-site Construction Any building size and shape Long Life-span of building	High Construction Costs Long Construction Time
B	Custom Modular Buildings	Low Construction Cost Short Construction Time	Short building life-span Pre-fabricated buildings - Limited building sizes and design Interior tenant improvements cannot be changed
C	Hybrid Office Buildings "Butler Steel"	Low Construction Cost Short Construction Time Long Life-span of building Interior tenant improvements can be changed in future	Building shape must be rectangular, but can have architectural features added

Project costs were totaled based on each of the three construction options with comparisons for each phase of the project.

A detailed Preliminary Cost Estimate with Comparison is shown in Exhibit 3. The summary is shown below;

Option	Option A - Ground Up Construction	Option B - Custom Modular Buildings	Option C - Hybrid Office Buildings "Butler Steel"
Phase 1	$ 791,000.00	$ 669,000.00	$ 776,000.00
Phase 2	$ 4,700,000.00	$ 2,613,000.00	$ 3,500,000.00
Sub-Total	$ 5,491,000.00	$ 3,282,000.00	$ 4,276,000.00
Contingency	$ 549,100.00	$ 328,200.00	$ 427,600.00
Total	$ 6,040,100.00	$ 3,610,200.00	$ 4,703,600.00

The preliminary estimates found that the relocation of City Hall may cost between $4.7 million to $6.0 Million for a long-term permanent construction, and an estimated $3.6 Million for a shorter-term construction. All of these options were far below the $15-25 Million cost to completely build a new City Hall Complex which is already a large savings in costs.

With this preliminary analysis and estimate, staff is recommending to proceed with Option C – Hybrid Office Buildings as the most feasible, economical, permanent construction type. Preliminary elevations and footprint of Option C- Hybrid Buildings is shown below and in Exhibit 4.

Project Tasks and Estimated Timeline

The project was broken down to the following project phases and estimated timeline:

1) Staff Recommends to City Council the award of Consultant Engineer for completion of Phase 1 – Design/Pre-construction.

2) Phase 1 – Design/Pre-Construction – 12 Months
   A. Utility Coordination/Undergrounding – Utility poles to be removed and underground to allow vertical building clearances.
   B. Environmental Clearances – Environmental studies to be completed and filed.
   C. Soils Materials and Survey- Soils and Materials Report, and Survey to be completed for setting engineering design parameters.
   D. Plans Specifications and Estimates – Value Engineering. Construction drawings, specifications, and final estimates to be completed for Request for Construction Bid.
   E. Request For Construction Bid - Process to be completed to seek construction bids and select the General Contractor to Complete the Construction.

3) Staff Recommends to City Council the award of Construction Contract for Phase 2 - Construction.

4) Phase 2 – Construction 12 Months
   A. Construction of Site Improvements – Demolition, grading, and parking lot improvements
   B. Construction of Building
   C. Inspection and Project Close Out

5) Staff Recommends the Notice of Completion to be filed by City Council

6) Grand Opening

For this preliminary analysis, City Staff utilized Hill International and Pak-Sha's expertise and consultant services. Hill International, with the support of Pak-Sha, currently provides City Engineering Consultant Services and has assisted the City in managing and completing many projects over the last few years. Hill International is one of the premier firms in the world providing program management, project management, construction management, oversight, and cost management for many construction projects worldwide. With their successful track record in working with the City, their high level of service, and the efficient use of staff time, Staff is recommending to amend their existing contract to provide additional engineering consulting services and for project management and design services needed for the completion of Phase 1 of the City Hall Relocation Project. Hill International and Pak-Sha have already completed some of the preliminary work and are well versed in the project. Hill International plans on utilizing their existing consultant Project Managers/Inspectors for both City Consultant Engineering and Project Management Services for this project which makes this contract very efficient and reduces the overall project costs. In the years of working with the City, Hill International has never exceeded their contract costs and they have always had significant cost savings for the City.

Phase 1 will entail Utility Coordination/Undergrounding, Environmental Clearances, Soils Materials and Survey, Plans Specifications and Estimates, and Construction Bidding. After Phase 1 is completed, this item will return to City Council for the award of Phase 2.

Based on this analysis Staff is recommending City Council;

1. Authorize the City Manager to take all the steps necessary to lease new modular facilities and to place them at the northwest corner of Palm Drive and Pierson Blvd or at a suitable temporary site.

2. Authorize the City Manager to execute the 1st Amendment to the Professional Services Agreement with Hill International to include $170,000 for engineering consulting services and $330,000 for project management and design services for the completion of Phase 1 of the City Hall Relocation Project, in a total amount not to exceed of $500,000 to be utilized over the next two fiscal years 2016/2017 and 2017/2018.

FISCAL IMPACT
The First Amendment is in amount not to exceed $500,000 which will be utilized over the two fiscal years of 2016-2017 and fiscal year 2017-2018.

Currently the City has $2,050,041 of unallocated cash from last year's budget surplus. Upon City Council approval, staff will increase the 2016-2017 and 2017-2018 budgets to cover the costs of the contract.

EXHIBIT(S)
1) Estimate Costs for Improving Existing City Hall Buildings
2) Preliminary Site Plan for City Hall Relocation
3) Preliminary Cost Estimate with Comparison
4) Preliminary Elevations and Footprint