

APPROVED
BY THE CITY COUNCIL

AUG 5 1999

OFFICE OF THE
CITY CLERK



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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

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DIVISION

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July 26, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: CITY ADMINISTRATION & PUBLIC SAFETY BUILDING UPDATE

LOCATION AND COUNCIL DISTRICT: Various Locations – All Districts.

RECOMMENDATION:

This report requests the City Council:

- Authorize staff to proceed with securing the following additional information necessary to prepare project and cost alternatives for the upcoming CIP hearings.
- Issue an RFP for the Public Safety Administration Building within Commercial Strip Revitalization Areas.
- Designate a member of the City Council to participate in the site selection RFP process.
- Authorize staff to enter into lease/ownership discussions with the current developer of 8th & J Street.
- Authorize staff to secure budgets and lease proposals for a North Building Permit Counter and Metropolitan Arts Commission office.

CONTACT PERSON: Dave Morgan, Project Manager, 264-8425

FOR COUNCIL MEETING OF: August 5, 1999

SUMMARY:

This report:

- Is an update on portions of the Capital Improvement Project process necessary to prepare for upcoming workshop discussions.
- Provides an outline of the project scope, construction schedule, budget, and options available to meet long-term space needs for:
 - Public safety administration activities;
 - Modified Decentralized staff needs downtown; and
 - Relocation of City services to meet community needs.
- Recommends issuance of an RFP for existing facilities capable of meeting administrative space needs for the Police and Fire Departments.
- Recommends development of space needs requirements and lease negotiations for the North Permit Center and Metropolitan Arts Commission Center Offices.

COMMITTEE/COMMISSION:

None.

BACKGROUND INFORMATION:

This report provides a brief update on portions of the Capital Improvement Projects process. Workshops addressing the overall program, goals, and objectives will be conducted by the Administrative Services Department in late summer through early fall. The process will include separate public hearings and will culminate in a report prioritizing execution of projects as directed by the City Council. Actions requested in this report will provide the Council with detailed cost and alternatives for some key facilities that will be discussed during the workshops.

PUBLIC SAFETY ADMINISTRATION

Police Administration offices were relocated from the Hall of Justice to 900 8th Street (formerly Bank of America) in February 1997. The relocation was necessary to address immediate facility concerns, uninterrupted operation of existing services, and overcrowding of detectives and administrative space needs. Relocation was completed under a six year lease agreement with the County of Sacramento. The current lease will end in February 2003 unless the County is notified by July 2001 that the City is exercising a one year extension through February 2004. Discussions with Sacramento County confirm they have identified specific County staff that will relocate to the building once the City leaves. The County has indicated the current lease coincides with relocation efforts under their Master Plan and they are not

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interested in providing an extension beyond February 2004; however, they may be interested in taking possession of the existing facility earlier than February 2003. City staff is coordinating with Sacramento County to determine the full extent of our flexibility.

Space needs for the Police Department Administration have been coordinated with Fire Department requirements to develop a comprehensive Public Safety Administration space needs demand outlined in this report (See Attachment A). Discussions with the Fire Department indicate they are unable to expand their current activities to meet growing demand for public education, fire prevention, and administrative support functions. Fire Department administrative functions are currently located on the fourth floor of 13th & I Street and occupy approximately 8,000 square feet plus shared common areas. No space is available in the building to meet the Fire Department's expanding needs.

In order to meet long-term space needs for the public safety administration activities, Public Works staff have studied two alternatives including:

- Construction of a multi-story office and parking facility on the site currently used for the Police Annex (7th & H Streets) for an estimated cost of \$31,925,000; or
- Construct a separate facility outside the immediate downtown area in a "Commercial Strip Revitalization Area" for an estimated cost of \$14,060,000 (see Attachment C).

The second option presents the lowest financial impact on the City and provides an opportunity to significantly impact the local economy surrounding areas designated for "Commercial Strip Revitalization" (see Attachment B). Estimates prepared by staff for the second option are based on reasonable assumptions for known development areas; however, the final project cost will be directly related to the condition of selected facility and the availability of existing infrastructure required for public safety administration activities. In order to provide accurate cost estimates for this project, staff recommends an RFP be issued, sites evaluated, and the results supplied to the City Council during the CIP hearing process. This will provide the Council with the most flexibility during the workshops, and provide more accurate information for the establishment of project priorities.

MODIFIED DECENTRALIZED ADMINISTRATION OFFICE SPACE

In June 1998 the City Council reviewed current administrative space needs for City staff and determined that approximately 70% of the existing staff were located outside the downtown areas (see Attachment D). Council directed staff to move forward with a Modified Decentralized Plan to meet the long-term administrative space needs downtown, and to simultaneously work on efforts to encourage development of the vacant parcels along J Street between 8th & 9th Streets. Staff has evaluated the current and projected lease expenses for continued leases in the downtown area over the next 30 years (see Attachment E).

The projected lease expenses assume the following:

- No increase in administrative office space over the next 30 years.
- Annual lease rates are assumed to have an average annual increase of 2.5% a year. Historic data compiled by the Public Works Real Estate Section indicate City leases have increased by 3-3.5% annually since the mid-70's. The lower annual inflation rate was used to maintain conservative estimates for this analysis.

This report recommends the City investigate purchasing sufficient space to meet 75% of our current space needs and lease the remaining 25% over a 5-10 year period with an option to purchase the additional space in the future, if desired. This approach will provide significant flexibility for future relocation of services to communities as the need arises, and still retain flexibility to purchase space in the future if desirable.

Current lease expenses appear to provide sufficient resources to offset purchase and lease alternatives with little impact to the general fund over a 20-30 year bond/lease combination. Development of the J Street site could also be used to encourage construction of additional parking on the site and provide additional parking near City Hall and K Street retail functions.

Further investigation and coordination with the current developer is necessary to determine if this alternative will provide the City with significant cost savings over existing leases, and provide parking relief in the downtown. Staff would like authorization to discuss detailed cost implications with the existing developer of the site and determine if this location would provide a cost effective alternative for the City.

RELOCATION OF EXISTING CITY SERVICES

Consistent with direction provided by the City Council, staff would like to investigate cost for relocation of the Metro Arts Commission to the existing arts community functions in North Sacramento, and evaluate options to relocate appropriate building permit activities to the Natomas area, consistent with recommendations in the report issued by the Mayor's Commission on Development Services. Information obtained in this work effort will be used to assist the City Council in setting project priorities during the upcoming CIP process.

FINANCIAL CONSIDERATIONS:

This report will not obligate the City to expenditure of any additional funds; however, it will validate projected cost to meet long-term space needs for public safety, downtown administration, and community services during the upcoming CIP hearings.

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ENVIRONMENTAL CONSIDERATIONS:

In accordance with the State Guidelines for implementation of the California Environmental Quality Act (CEQA) of 1970, the Planning Services Division, Office of Environmental Affairs will review the selected proposal and determine if the proposed project will result in a significant adverse impact on the environment.

POLICY CONSIDERATIONS:

No policy considerations for this item.

ESBD CONSIDERATIONS:

The RFP will be announced on the Project Information Line, which contains information on Public Works and Utility Department projects, and the City's Internet site.

Prior to the commencement of any projects, the contractors will be required to comply with the City's goal of 20% participation by Emerging and Small Business Development Enterprises.

Respectfully submitted,


Duane J. Wray
Technical Services Manager

RECOMMENDATION APPROVED:

ROBERT P. THOMAS
City Manager


Arturo Venegas, Jr.
Chief of Police


John W. Dangberg
Director, Community Development
Sacramento Housing & Redevelopment Agency

APPROVED:


Michael Kashiwagi
Director of Public Works


Dennis Smith
Interim Fire Chief

DM/vb
P/MiscProj/5540/Council/Public Safety Administration Bldg 2

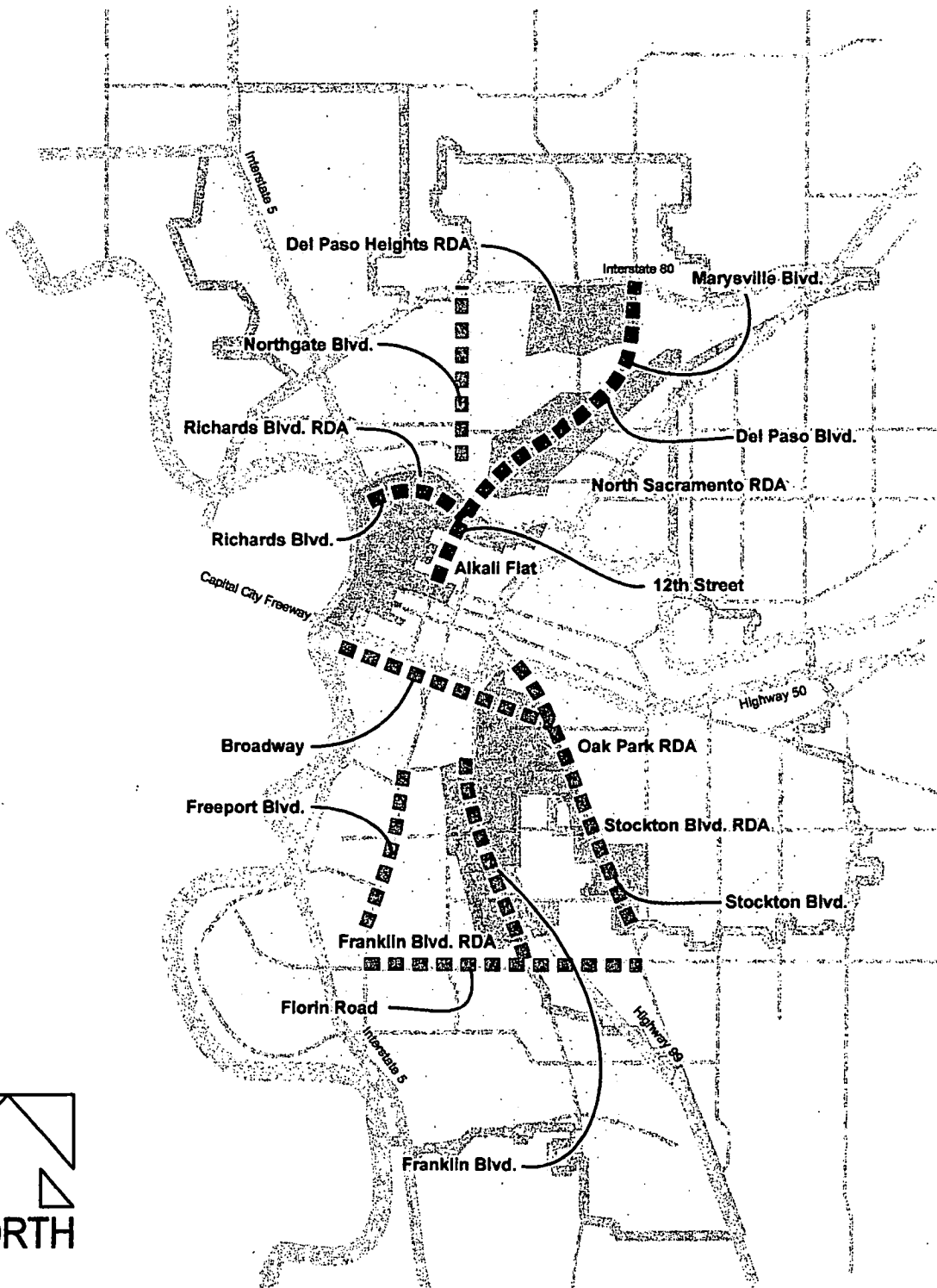
Fire Administration Space Needs

| Description | Current Space Needs | Projected Space Need in 10 yrs. |
|----------------------------|------------------------|------------------------------------|
| Chief's Office | 4,057 sf | 4,749 sf |
| Finance Section | 312 sf | 312 sf |
| Human Resources Section | 341 sf | 422 sf |
| Emergency Planning Section | 81 sf | 81 sf |
| Operations Section | 860 sf | 1,052 sf |
| Fire Prevention Section | 2,915 sf | 4,069 sf |
| Fire Investigation Section | 840 sf | 1,241 sf |
| General Files & Storage | 350 sf | 450 sf |
| Sub-Total | 9,756 sf | 11,219 sf |
| Circulation | 3,415 sf | 3,927 sf |
| Assume | 13,171 sf | 15,146 sf |

Police Administration Space Needs

| <u>Description</u> | <u>Current Space Needs</u> | <u>Projected Space Need in 10 yrs.</u> |
|---------------------------------|----------------------------|--|
| Chief's Office | 3,739 sf | 4,300 sf |
| Large Conference Room | 2,103 sf | 2,418 sf |
| Detectives | 13,869 sf | 15,949 sf |
| Alarm Section | 1,620 sf | 1,863 sf |
| ID Unit | 306 sf | 352 sf |
| Warrants | 384 sf | 442 sf |
| Records | 5,013 sf | 5,765 sf |
| Missing Persons | 320 sf | 368 sf |
| Computer Support | 1,624 sf | 1,868 sf |
| Holding Rooms/Polygraph/etc. | 1,611 sf | 1,853 sf |
| Media Room | 1,409 sf | 1,620 sf |
| Library | 748 sf | 860 sf |
| Common Areas | 870 sf | 1,001 sf |
| Supplies | 1,098 sf | 1,263 sf |
| Sub-Total | 34,714 sf | 39,921 sf |
| Circulation & Support | 24,300 sf | 27,945 sf |
| Internal Affairs | 2,200 sf | 2,530 sf |
| Storage & Supplies Only - Annex | 5,000 sf | 5,750 sf |
| Training & Standards | 1,280 sf | 1,472 sf |
| | 67,494 sf | 77,618 sf |
| Assume | 75,350 sf | 86,650 sf |

Commercial Strip Revitalization Areas



Redevelopment Areas



Commercial Strip Revitalization Areas

Public Safety Administration

- **Option #3 Project Cost (7th & H Streets - Police Annex)**

| | | |
|---------------------------|----|-------------------------|
| – Construction | \$ | 24,305,000 |
| – Furn, Fixtures & Equip. | \$ | 610,000 |
| – Consultant | \$ | 2,800,000 |
| – Miscellaneous | \$ | 3,750,000 |
| – Administration | \$ | 460,000 |
| TOTAL | \$ | <hr/> 31,925,000 |

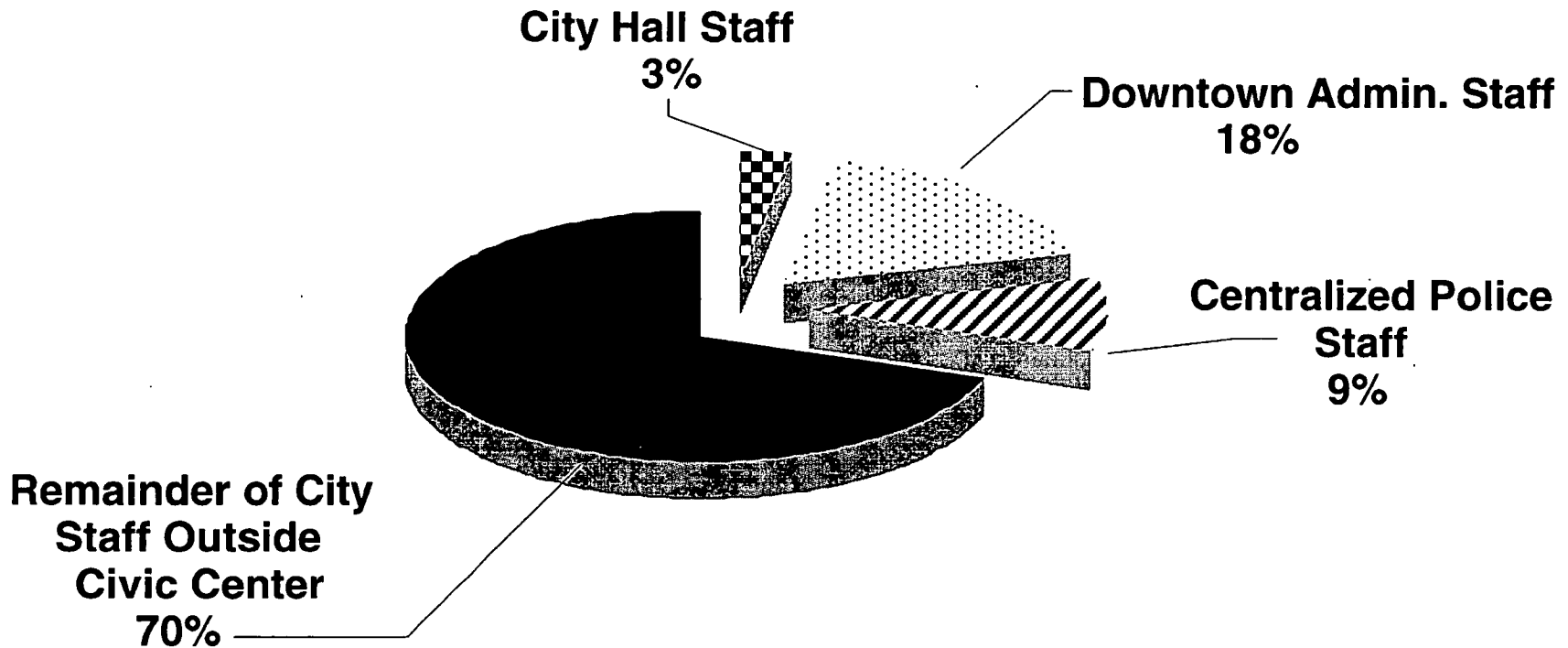
Public Safety Administration

- **Project Cost** (Commercial Strip Revitalization)

| | | |
|------------------------------|----|-------------------|
| – Purchase Facility | \$ | 4,100,000 |
| – Site + Tenant Improvements | \$ | 6,430,000 |
| – Consultants | \$ | 892,000 |
| – APP, Equipment, Permits | \$ | 2,303,000 |
| – Administration | \$ | 335,000 |
| TOTAL | \$ | 14,060,000 |

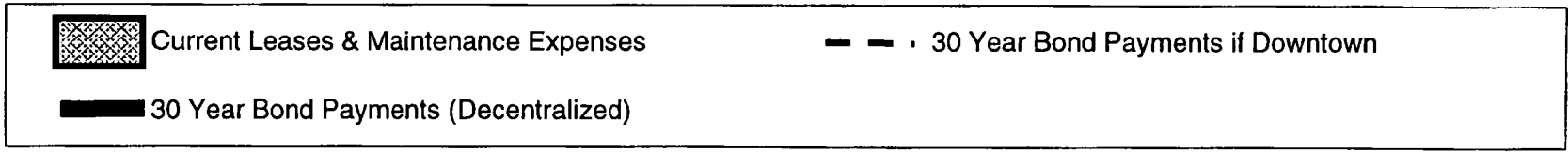
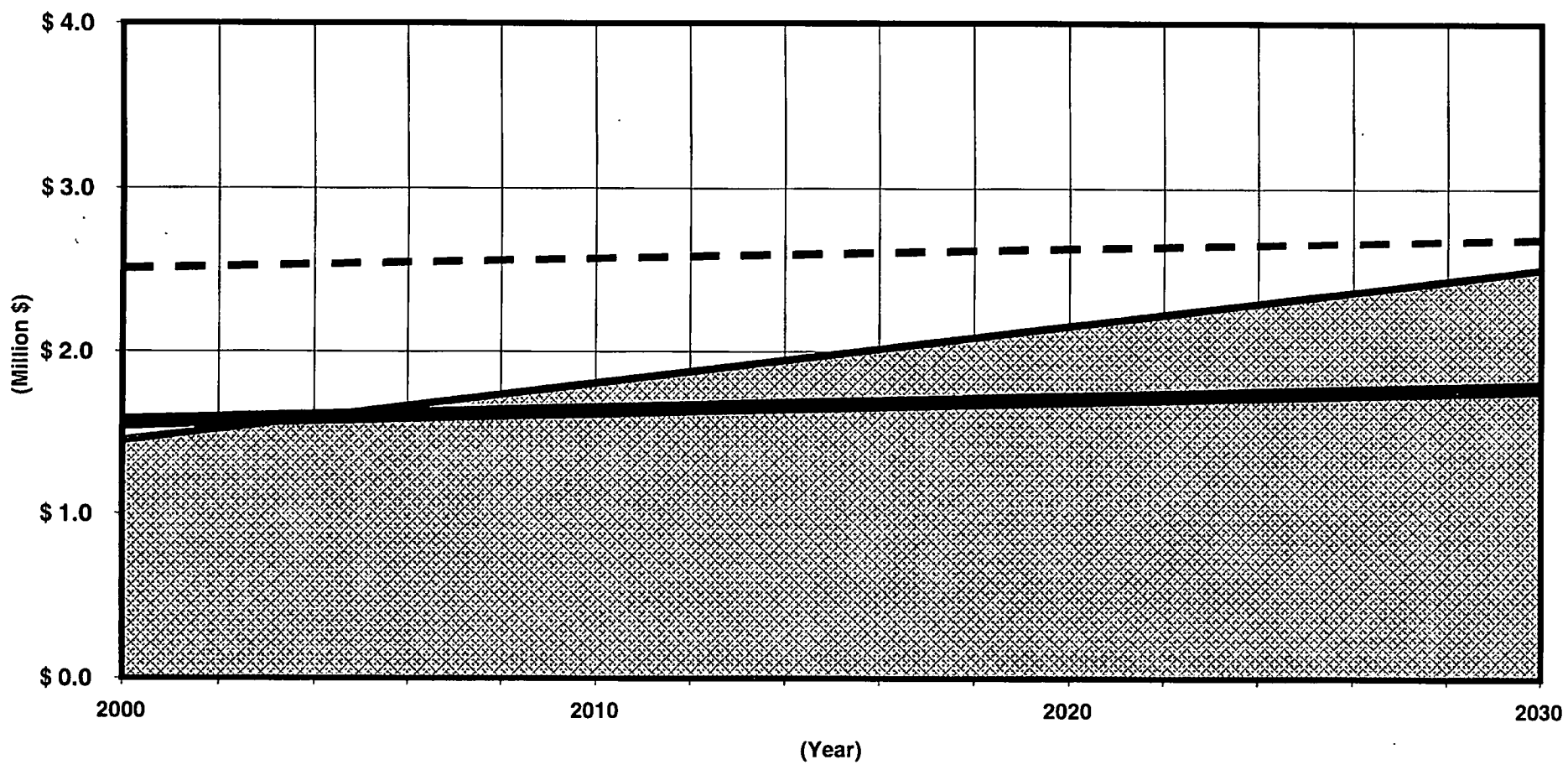
Current City Staff Locations

- Distribution of Existing City Staff



Information based on 3800 FTE's

Public Safety Project Cost Comparison



Modified Decentralized Project Cost Comparison

