

**Major City Facility Upgrade Options**  
**Public Private Partnership Options**

*City Council Meeting*  
March 15, 2021



**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 3/15/21

Agenda Item No.: Study Session #2 (21-227)

## Overview of Existing City Facilities

- City currently operates and maintains **1.75 million sq. ft. of facilities**

- City Hall
- Police Stations
- Fire Stations
- Community Centers
- Libraries
- Parking Structure
- Public Restrooms
- Maintenance Facilities

- Average age of our City facility buildings is between **30 – 40 years old**



## Managing And Maintaining Our City Facilities

- **The City's facility maintenance group currently includes 8 employees, with an annual operating budget of \$2.55 million**
- **Focus of the facility maintenance team is to handle higher profile tasks / projects, emergency functions, and support City events**
  - Daily and routine maintenance functions (janitorial, HVAC, electrical, elevator, plumbing, etc.) are handled via maintenance contracts with outside vendors
- **Annually, the City allocates ~\$3 – \$4 million for facility capital improvements**
  - Funding allocations are made through the annual CIP process based on existing planning documents
  - Projects approved for inclusion in the annual CIP proceed through a traditional design-bid-build process as follows
    - > Design: procure design firm, solicit public input, complete environmental assessment, complete design
    - > Bid: bid packets are issued, and the services of a contractor and construction manager (if necessary) are procured
    - > Build: selected contractor coordinates improvements and turns over completed project to the City

## **City Currently Has Several Major Facility Needs**

- **The City has identified several major facility capital improvement needs**
  - City Hall
  - Police Station
  - Lake Fire Station
  - Public Works Corporate Yard
  - Lifeguard Headquarters
- **A Facility Condition Index (FCI) assessment of key facilities is currently underway, and preliminary reviews indicate approximately \$60 million in facility improvement needs**
  - Given the age and current condition of certain existing facilities, it may make more sense in certain instances to rebuild rather than rehabilitate



# City Hall Facility Overview

- Key City Hall building details:

- Address: 2000 Main Street
- Year Built: 1972
- Building Size: 107,000 square feet
- Departments: Administrative Services, Finance, Public Works, City Clerk, Community Development, Fire, Community Services, City Manager
- Employee Count: 350
- Critical Features: Also houses the Council Chambers and EOC



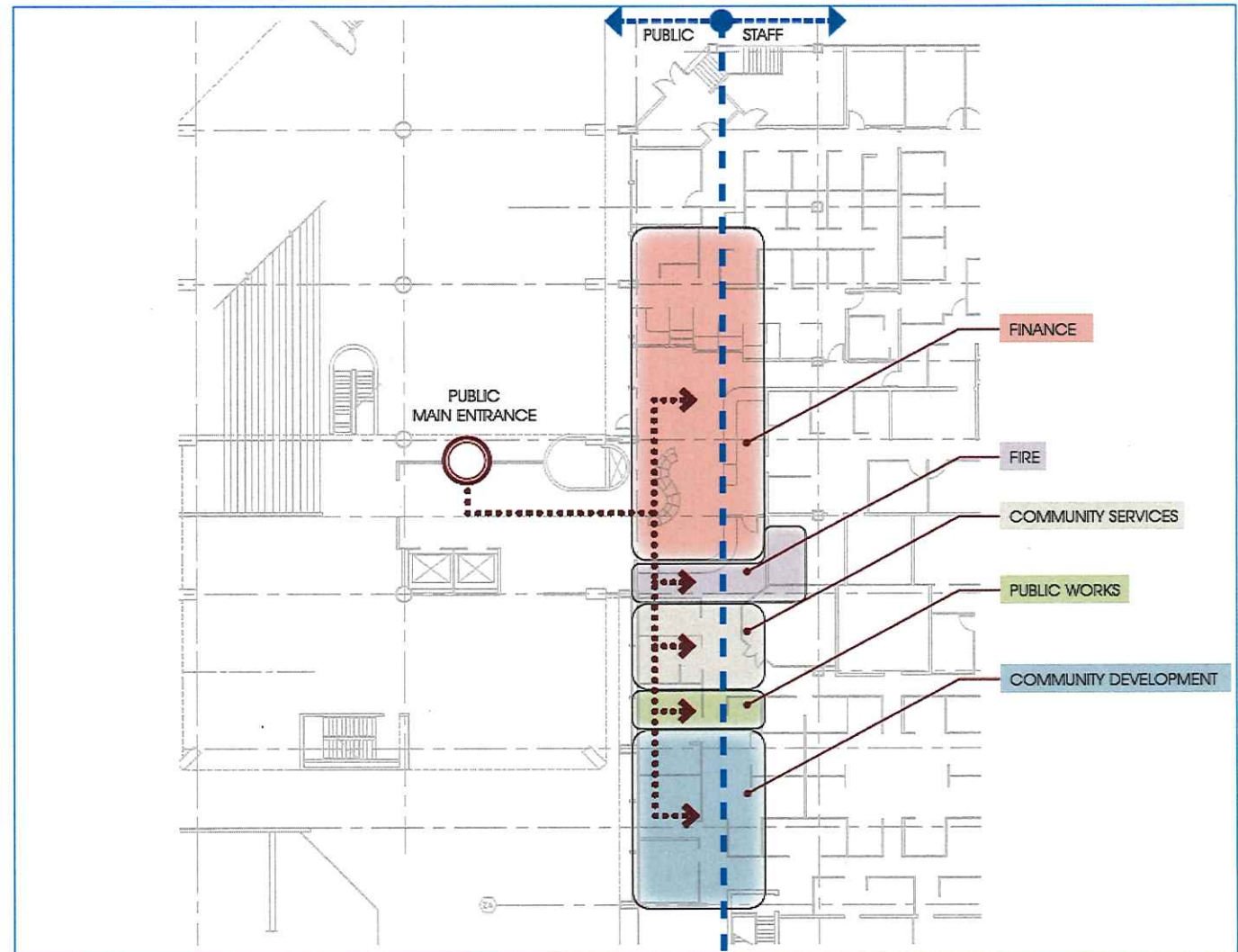
## City Hall Facility Overview



# City Hall Facility Overview

- **Other City Hall update considerations include:**

- Creation of a one-stop-shop permit counter to improve public interface at City Hall
- Instituting requisite ADA improvements
- Implementing various building upgrades, including security, IT, mechanical systems, and back-up power





# Police Station Facility Overview

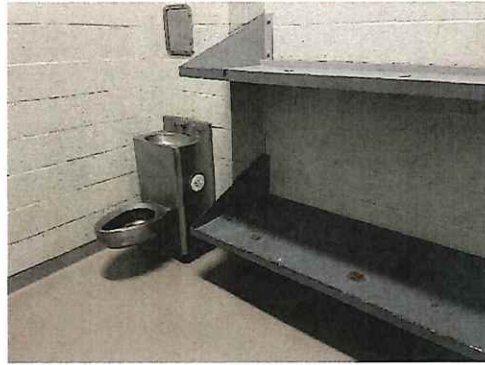
- **Key Police Station building details:**

- Address: 2000 Main Street
- Year Built: 1972
- Building Size: 79,000 square feet
- Departments: Police
- Employee Count: 375
- Critical Features: 84-person jail, dispatch center, armory





## Police Station Facility Overview



# Lake Fire Station Facility Overview

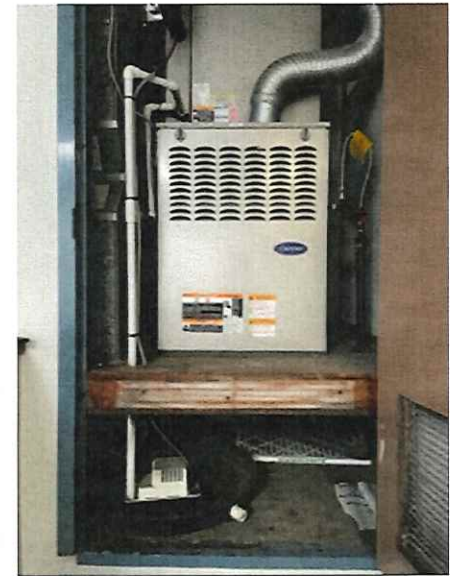
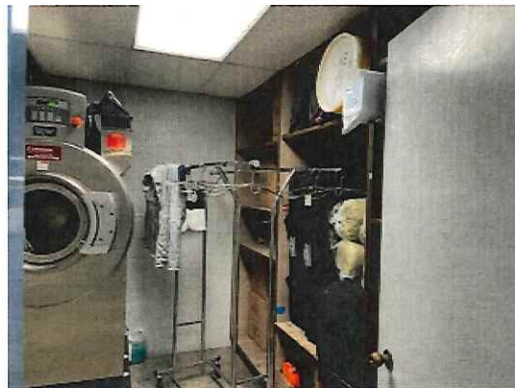
- Key Lake Fire Station building details:

- Address: 530 Lake Street
- Year Built: 1980
- Building Size: 15,000 square feet
- Departments: Fire
- Employee Count: 36
- Critical Features: Station supports a Fire Engine and Fire Truck, and needs additional space to add an emergency ambulance. Additional adjustments include need to modernize facility to meet current operational





## Lake Fire Station Facility Overview





# Public Works Corporate Yard Facility Overview

- Key Public Works Corporate Yard details:

- Address: 17371 Gothard Street
- Year Built: 1975
- Lot Size: 14.4 acres
- Departments: Public Works
- Employee Count: 40
- Critical Features: Facility houses PW Administration, Traffic Signal Operations, Building Maintenance, Landscape Maintenance, Tree Trimming, and material storage



# Public Works Corporate Yard Facility Overview





# Lifeguard HQ Facility Overview

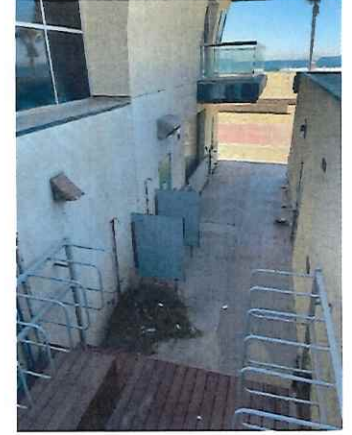
- Key Lifeguard HQ building details:

- Address: 103 Pacific Coast Highway
- Year Built: 1970
- Building Size: 5,816 square feet
- Departments: Fire Department, Marine Safety
- Employee Count: 20
- Critical Features: Marine safety dispatch operation, apparatus floor for all rescue vehicles, first-aid treatment area, and parking pass sale all occur out of this facility





## Lifeguard HQ Facility Overview



## Major Facility Rehabilitation Cost Estimates

- **Preliminary major facility rehabilitation cost estimates total \$61M**
  - Outside of partial funding for the Lake Fire Station Rehabilitation plan, the City has not yet been able to identify a funding plan to complete the identified facility improvements

Facility	Facility Needs
City Hall	\$20 M
Police Station Rehab	\$25 M
Lake Fire Station Rehab	\$3 M
Public Works Corporate Yard	\$3 M
Lifeguard HQ Upgrades	\$10 M
<b>TOTAL</b>	<b>\$61 M</b>

## Project Funding Options

- **Traditional financing for large-scale public facilities involves some type of financing mechanisms**
  - During the past 30 years, the City has taken on debt to finance various major facility improvements
    - > Downtown Parking Structure - \$15.0 M financing in 1989
    - > Pier Plaza - \$3.1 M in 1997
    - > Sports Complex - \$18.4 M financing in 2001
    - > Senior Center - \$15.0 M financing in 2014
  - Traditional financing options exist for our current major facility improvement needs
- **However, given the costs and scale of our current facility needs, staff has also assessed utilization of a Performance Guaranteed Facility (PGF) public-private partnership effort to fund needed upgrades**
  - Under the PGF model, the City can engage with a developer to coordinate a Design-Build-Finance-Operate-Maintain (DBFOM) project model



## DBFOM Project Model – Long Beach Case Study

- The City of Long Beach used the DBFOM process to coordinate development of a brand new \$531 M civic center facility... *which was developed at no net new cost for Long Beach*
  - The project developer is responsible for maintaining the new facilities for a 35 year period
- Through DBFOM, Long Beach agreed to the following
  - Maintain their existing maintenance contribution levels prior to the new facilities being constructed
  - Allowed the project developer to develop City-owned properties



## **DBFOM Project Model Assessment**

- **DBFOM project model opportunities**

- Capitalize on private developer expertise
- Leverage value from existing City assets
- Escape clauses are built into DBFOM project contracts to minimize risk
- Maintenance of new facilities is guaranteed through the project term
- Required City capital outlays are minimal

- **DBFOM project challenges**

- City loses some flexibility with the facilities through the term of the agreement
- Developer is involved in all future facility upgrades through the agreement term

## **Viability – DBFOM Project Model Feasible In HB Given Existing Assets**

- **One reason that the DBFOM project model could work in HB is because of existing City real-property assets**
- **Civic Center facility is large enough to accommodate possible private development, while also housing other public uses**
  - Lake Fire station located at the Civic Center?
  - If parking structure is developed at the Civic Center, additional housing / retail development could be feasible
- **Lake Fire Station is an approximately ½-acre site that could facilitate development opportunities**
- **The City's Public Works Yard, at 14.4 acres, is a sizable piece of property that could also be developed**



## **DBFOM Process Next Steps**

- **Obtain feedback from City Council on overall DBFOM project development concept**
- **If the City Council is supportive of further exploring this concept, staff would recommend moving forward as follows**
  - Issue a RFQ in March 2021 to procure services of a DBFOM development partner
  - Complete City building facility assessments
  - Bring overall issue back with all of our findings in Fall 2021

**Questions?**

